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06/14/2018 10:43 AM Pages: 1 of 19 Fees: \$117.00
Skagit County Auditor

AFTER RECORDING RETURN TO:

Weyerhaeuser Company
220 Occidental Avenue South
Seattle, WA 98104
Attn: Tricia Leonard
File No. T2017-744

RECIPROCAL EASEMENT AGREEMENT

Grantor: WEYERHAEUSER COMPANY
Grantee: GRANDY LAKE FOREST ASSOCIATES, LLC

Full Legal Descriptions located on the attached Exhibits.

Abbreviated Legal Description: S1, 2, 8, 9, 10, 14, 26, 35, T34N, R6E, W.M.; S35, T35N, R6E, W.M.; Skagit County, WA

Assessor's Property Tax Parcel Account Number: 30635, 30637, 30664, 30672, 30678, 30697, 30709, 42177, 30633, 30666, 30669, and 30679

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

JUN 14 2018

Amount Paid \$
Skagit Co. Treasurer
By *mbm* Deputy

RECIPROCAL EASEMENT AGREEMENT

This Reciprocal Easement Agreement (this "Agreement") is made and entered into as of this 4th day of May, 2018, by and between **WEYERHAEUSER COMPANY, a Washington corporation**, successor by merger to Longview Timber Corporation. ("Grantor"), and **GRANDY LAKE FOREST ASSOCIATES, LLC, a Washington limited liability company** ("Grantee").

Weyerhaeuser/Grandy Lake Assoc.
T2017-744/tl

RECITALS

Grantor owns certain real property located in Skagit County, Washington, and more particularly described in the attached Exhibit A ("**Grantor's Property**").

Grantee owns certain real property located in Skagit County, Washington, and more particularly described in the attached Exhibit B ("**Grantee's Property**").

Grantor desires to grant Grantee a perpetual, non-exclusive easement over a certain road located on Grantor's Property that provides access to Grantee's Property.

Grantee desires to grant Grantor a perpetual, non-exclusive easement over a certain road located on Grantee's Property that provides access to Grantor's Property.

NOW, THEREFORE, in consideration of the mutual covenants of Grantor and Grantee (individually, a "**Party**," and collectively, the "**Parties**") set forth in this Agreement, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

AGREEMENT

1. **Grant of Easements.**

- a. Subject to the terms hereof, Grantor, for and in consideration of the reciprocal easement granted in subsection (b) below, hereby grants and conveys to Grantee a private, perpetual, non-exclusive right of way easement ("**Grantee's Easement**") sixty feet (60') in width, being thirty feet (30') on either side of the center line of the existing road located upon Grantor's Property (the "**Grantor's Road**"), which Grantee's Easement and Grantor's Road are located approximately as shown on the maps attached hereto as Exhibit C. Grantee's Easement shall be subject and subordinate to all liens, leases, easements, servitudes, rights-of-way, prescriptive rights, reservations, conveyances and any and all other matters of record or apparent encumbering Grantor's Property (the "**Grantor's Permitted Encumbrances**"), it being distinctly understood and agreed by the Parties that Grantor, by this grant, grants no greater rights than it is permitted to grant in view of any of the Grantor's Permitted Encumbrances.
- b. Subject to the terms hereof, Grantee, for and in consideration of the reciprocal easement granted in subsection (a) above, hereby grants and conveys to Grantor a private, perpetual, non-exclusive right of way easement ("**Grantor's Easement**") sixty feet (60') in width, being thirty feet (30') on either side of the center line of the existing road located upon Grantee's Property (the "**Grantee's Road**"), which Grantor's Easement and Grantee's Road are located approximately as shown on the maps attached hereto as Exhibit C.

Grantor's Easement and Grantee's Easement are sometimes hereinafter collectively referred to as the "**Easements**" and Grantor's Road and Grantee's Road are sometime hereinafter collectively referred to as the "**Roads**". Grantor's Easement shall be subject and subordinate to all liens, leases, easements, servitudes, rights-of-way, prescriptive rights, reservations, conveyances and any and all other matters of record or apparent encumbering Grantee's Property (the "**Grantee's Permitted Encumbrances**"), it being distinctly understood and agreed by the Parties that Grantee, by this grant, grants no greater rights than it is permitted to grant in view of any of the Grantee's Permitted Encumbrances.

2. **Purpose of Easements.** Grantee's Easement is conveyed by Grantor for the purpose of providing Grantee vehicular ingress and egress over and across Grantor's Property solely for the purpose of forest management, log transport and the transportation of other forest products, rock and equipment, and construction, reconstruction or maintenance of the Grantor's Road. Grantor's Easement is conveyed by Grantee for the purpose of providing Grantor vehicular ingress and egress over and across Grantee's Property solely for the purpose of forest management, log transport and the transportation of other forest products, rock and equipment, and construction, or reconstruction and/or maintenance of Grantee's Road.
3. **Reservation of Rights.** The Parties reserve for themselves and their respective employees, contractors, agents, invitees, licensees, successors and assigns (collectively, the "**Permittees**") the right at all times for any purpose, to cross and recross their respective Roads in any manner that will not unreasonably interfere with the rights of the other Party.
4. **Nonexclusive Easement.** The Parties may grant to third parties including (without limitation) their respective Permittees, upon such terms and the Parties choose in reasonable discretion, the rights to use the Roads for the purpose contemplated in Section 2 above, provided that use of the Roads by such third parties and Permittees shall not unreasonably interfere with the rights granted to the Parties in this Agreement.
5. **Parties Responsibilities.** The Parties shall:
 - a. Take all reasonable precaution to prevent unauthorized persons from using the Roads;
 - b. Keep all existing gates, and any that may be installed on the Roads in the future, closed and locked; provided, however, that the Parties may, from time to time leave gates (if any) on the Roads open for reasonable extended periods during regular business hours in order to facilitate active timber harvest and other commercial operations of the Parties;
 - c. Not drive with excessive speed upon the Roads;

- d. Immediately report to each other any dangerous or defective condition with respect to any portion of the Roads;
- e. Ensure that each Party and their respective Permittees comply with all applicable local, state and federal laws, rules and regulations (collectively, "**Applicable Laws**") with respect to the use of the Roads; and
- f. Comply with all reasonable road rules, regulations and restrictions ("**Road Rules**") that each Party may, from time to time, promulgate in its sole and absolute discretion, including (without limitation) restrictions on weight, speed and use during adverse weather or fire conditions reasonably necessary to protect the Roads and adjacent timber, provided that the other Party is given a prior written notice of such Road Rules and such Road Rules do not materially impair the other Party's use of the Roads.

6. **Road Maintenance.** The cost of road maintenance and resurfacing shall be allocated between the Parties on the basis of respective uses of the Roads. When any Party uses one or both Roads, that Party shall perform or cause to be performed, or contribute or cause to be contributed, that share of maintenance and resurfacing occasioned by such use as hereinafter provided. During periods when the Roads or portions thereof are solely used by one Party, such Party shall maintain all or portions of said Roads so used to the standards existing at the time use is commenced. During periods when more than one Party is using the Roads or portions thereof, the Parties hereto shall meet and establish necessary maintenance provisions. Such provisions shall include, but shall not be limited to (a) the appointment of a maintainer, which may be one of the Parties hereto or any third party, who will perform or cause to be performed at a reasonable and agreed upon rate the maintenance and resurfacing of the Roads or portions thereof being used; and (b) a method of payment by which each Party using said Roads or portions thereof, shall pay its pro rata share of the cost incurred by said maintainer in maintaining or resurfacing said Roads or portion thereof. For purposes of this Agreement, maintenance is defined as the work normally necessary to preserve and keep the roadway, road structure and road facilities as nearly as possible in their present condition or as hereafter improved.

7. **Road Damage.** Each Party using any portion of the Roads shall repair, or cause to be repaired, at its sole cost and expense, that damage to the Roads occasioned by it which is in excess of that which it would cause through normal and prudent usage of said Roads. Should inordinate damage to the Roads occur which is not caused by an authorized user of said Roads, the Parties hereto shall meet to agree upon the cost of replacement, the Party to undertake the replacement, and the shares of replacement cost to be borne by each user of said Roads. Unless the Parties hereto agree in writing to share the cost of improvements in advance of such improvements being made, such improvements shall be solely for the account of the improver. If any dispute arises between the Parties over maintenance or repair responsibility under this Section, then the matter shall be resolved by arbitration. The Party desiring arbitration shall give notice requesting arbitration and appointing as an arbitrator an independent consulting forester (which shall not be a forester regularly employed by

either Party) regularly engaged in logging and road building activities in the area in which the Road is located. The other Party shall within thirty (30) days after receipt of the notice appoint an arbitrator having similar qualifications. The two arbitrators so selected shall meet and attempt to resolve the matter in dispute by coming to agreement. If they fail to do so within thirty (30) days, then they shall select a third arbitrator having similar qualifications. A decision of two of the three arbitrators shall be binding upon the Parties. The arbitration shall proceed in accordance with the Washington statutes on arbitration and the arbitrators shall have the powers set forth therein. Each Party shall pay its own attorneys' fees in connection with the arbitration, but the Parties shall share costs and fees of the arbitrators equally. If either Party should fail to appoint an arbitrator within the time required, or if the two arbitrators shall fail to appoint a third, then application may be made to the Presiding Judge of the King County Circuit Court of the State of Washington, who shall have authority to appoint the necessary arbitrator or arbitrators.

8. **Timber.** Each Party reserves to itself all timber now on or hereafter growing within the portion of the Easements located on their respective properties.

9. **Gate Keys and Combinations.** Each Party shall provide another with combination to any gate that must be opened to access the Roads by entering a combination. Should the locks to the gate require a key, each Party shall provide another with a key to such a gate. Each Party may change the gate combinations or key locks at any time, for any reason; provided, however, that prior to changing the combinations or keys each Party shall notify another of the new combination or the need to obtain a new key.

10. **Insurance.** The Parties shall maintain for themselves and their respective Permittees, policies of insurance with companies maintaining an AM Best Rating of A-VII or better in the following minimum amounts:

Automobiles		
	Bodily Injury	\$1,000,000 Each Occurrence
	Property Damage	\$1,000,000 Each Occurrence
Commercial General Liability		
	Bodily Injury	\$1,000,000 Each Occurrence- \$2,000,000 Aggregate
	Property Damage	\$1,000,000 Each Occurrence \$2,000,000 Aggregate
	Or Combined Single Limits	\$1,000,000 Each Occurrence

Minimum amounts of insurance shall be subject to such other limits as the Parties hereto may agree upon in writing from time to time. Commercial general liability insurance shall include

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coverage for: operations and completed operations; independent contractors; blanket contractual liability (including liability assumed under the indemnification paragraph of this Agreement); and automobile liability insurance covering owned, hired and non-owned vehicles (including, if applicable, the "pollution from autos endorsement," 150 Form No. CA 99 48). Each Party shall also maintain at all times State or private industrial accident insurance covering such Party and their respective Permittees which shall fully comply with State and Federal employment and workers' compensation laws. Each Party shall deliver to another a certificate or certificates (as applicable) from their respective insurer or insurers stating that all applicable insurance required hereunder is in full force and effect, and that the insurer or insurers (as applicable) will give to another Party thirty (30) days written notice prior to any cancellation or modification of the applicable insurance together with evidence that all owned, non-owned vehicles to be used by a Party are covered by such insurance. The aggregate limits shall be specific to this Agreement. A one million dollar (\$1,000,000) Umbrella Policy may be used in lieu of per project aggregate. Upon the request of either Party, the road user shall deliver to the requesting Party certificates from the road user's insurance carrier evidencing the insurance coverage required under this Section. Prior to permitting its Permittees to exercise any rights granted herein for commercial purposes, each Party agrees it will require its Permittees to first obtain, and maintain at all times while operating under this Agreement, insurance coverage in the amounts not less than described above. Each Party further agrees it will require its Permittees to have available upon request a certificate from the insurer evidencing that such coverage is in force and that, in the event of cancellation or modification of such coverage, the insurer will give each Party at least ten (10) days' written notice prior to any cancellation or modification of such coverage.

11. **Assignment.** Neither Party may assign its rights and obligations under this Agreement without the prior written consent of the other Party, which consent may not be unreasonably withheld, conditioned or delayed. Any such permitted assignment shall provide that the assignee will assume all obligations of the assigning Party from and after the effective date thereof. Consent to assign shall not be unreasonably withheld upon transfer of title of lands owned by the Parties.

12. **Indemnity.** Each Party agrees to defend, indemnify, save, protect and hold harmless the other Party for, from and against all causes of action, litigation, cost, loss, liability, damage and expense (including attorneys' fees) for injury or death to persons, whomsoever, and damage to or loss of property, to whomsoever belonging, including (without limitation) the Parties' respective Permittees, arising out of or in any way connected with the use of the Easements or Roads by such Party and its Permittees; unless such causes of actions, litigation, cost, loss, liability, damage and expense results from the sole negligence of the other Party.

13. **Environmental Matters.** The Parties are prohibited from managing, using, transporting, generating and disposing of any Hazardous Substance in violation of Environmental Laws or substances deemed illegal under Applicable Laws on the Easements, Roads, or the Parties' respective properties. For purposes of this Agreement, the term "**Environmental Laws**" means any federal, state, local law, statute, ordinance, regulation or order and all amendments thereto pertaining to human health, environmental conditions or Hazardous Substances applicable to Grantor's Property and

If to Grantee: Grandy Lake Forest Associates, LLC
PO Box 1234
Mount Vernon, WA 98273
Attn: Kenneth Osborn
Email: kennethdosborn@gmail.com

15. **Severability; Relation to Existing Law.** If any provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any Party. Upon any such determination, the Parties hereto shall negotiate in good faith to modify this Agreement so as to affect the original intent of the Parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible. Notwithstanding any other provision of this Agreement, the invalidation of any provision herein relating to the Parties' remedies shall not be interpreted to prevent an injured Party from seeking actual damages. If subsequent to the date of this Agreement valid State or Federal laws or regulations governing the relationship between Grantor and Grantee take effect, this Agreement shall be considered to incorporate such laws or regulations so long as they shall be effective, and any provision of this Agreement in conflict therewith shall during such period be void.

16. **Waiver.** No failure of either Party to exercise any power given hereunder or to insist upon strict compliance with any obligations specified herein, and no custom or practice at variance with the terms hereof, shall constitute a waiver of any Party's right to demand strict compliance with the terms hereof; provided, however, that any Party may, at its sole option, waive any requirement, covenant or condition herein established for the benefit of such Party without affecting any of the other provisions of this Agreement.

17. **Fire Suppression and Control.** Each Party warrants, represents and covenants that it shall:

- a. Maintain as part of its operation in good and useable condition all the tools and equipment necessary to prevent and suppress fires as required by all Applicable Laws;
- b. Dispose of all slashings and debris created by a Party on the Roads or their respective properties in a commercially reasonable manner;
- c. Maintain the Roads free of inflammable debris; and
- d. Upon discovery of fire in the vicinity of the Roads or a Party's operations, immediately notify the other Party and the nearest official forest officer in charge of forest fire control.

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18. **Independent Contractor.** It is agreed that neither Party hereto is the agent, servant, or employee of the other Party for any purpose whatsoever.

19. **Subordination.** Any mortgage or deed of trust affecting any portion of the Grantor's Easement or the Grantee's Easement shall at all times be subject and subordinate to the terms and conditions of this Agreement, and any party foreclosing any such mortgage or deed of trust, or acquiring title by deed in lieu of foreclosure or trustee's sale, shall acquire title subject to all the terms and conditions of this Agreement.

20. **Entire Agreement; Construction.** This Agreement sets forth the entire and complete agreement between the Parties with respect to the subject matter hereof. Any prior agreements, commitments, or representations, express or implied, between the Parties are superseded by this Agreement. This Agreement may be altered, amended, or repealed only by a written instrument executed by both Parties. No provisions of this Agreement shall be construed against or interpreted to the disadvantage of any Party hereto by any court or governmental or jurisdictional authority by reason of such Party having been deemed to have structured, written, drafted or dictated such provisions. The Recitals to this Agreement and the Exhibits attached to this Agreement are incorporated herein by this reference. The captions and headings of this Agreement are for convenience only and shall not define, limit, or describe the applicability, scope, meaning, or intent of any provision of this Agreement. Capitalized terms which are defined in the recitals hereof shall have the meaning given.

21. **Attorneys' Fees.** In the event any arbitration, action, suit or legal proceeding is instituted by either Party to this Agreement, the prevailing Party shall be entitled to recover from the non-prevailing Party both reasonable attorney fees and reasonable expert witness fees as determined by the court or arbitration panel, both at trial and on appeal or review and in bankruptcy, whether or not the matter in dispute involves an issue peculiar to federal bankruptcy law. Attorney fees and expert witness fees shall be in addition to other costs and disbursements allowed by law. "**Prevailing Party**" shall be determined by the arbitrator, or any court, as the true prevailing party (not statutorily prevailing party) after taking into consideration any settlement offers made by the Parties and the number and importance of issues to be determined.

22. **Governing Law; Venue.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of Washington. In addition, the Parties agree that in the event of any dispute concerning this Agreement, venue for any cause of action arising out of, or having to do with, this Agreement shall be, and is, in State or Federal Court in the county in which the Grantor's Property is located.

23. **Amendment; Successors and Assigns.** This Agreement may be modified or amended only by a written agreement signed by the Parties, or their applicable permitted successors or assigns. All terms, conditions, representations, and covenants of this Agreement shall be binding upon and inure to the benefit of the Parties, their heirs, successors and assigns. The rights of

Grantee hereunder shall be appurtenant to and for the benefit of the Grantee's Property and any conveyance of the Grantee's Property shall include a conveyance of the Grantee's Easement, regardless of whether the Grantee's Easement is specifically identified in the instrument of conveyance. The rights of Grantor hereunder shall be appurtenant to and for the benefit of the Grantor's Property and any conveyance of the Grantee's Property shall include a conveyance of the Grantor's Easement, regardless of whether the Grantor's Easement is specifically identified in the instrument of conveyance.

24. **No Third-Party Beneficiaries.** Nothing in this Agreement, express or implied, is intended to confer on any person other than the Parties hereto and their respective successors and permitted assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement.

25. **Force Majeure.** The Parties shall be free from any liability to one another for delays in delivery or failure to perform due to the failure, fault, or bankruptcy of a third party, acts of God, acts of default of any carrier, acts of any governmental authority, terrorism, suspension of any shipping facility, wars, riots, revolutions, strikes and other labor disputes, port congestion, fires, floods, perils of the sea, sabotage, nuclear incidents, earthquakes, storms, epidemics, or any other contingency of any similar nature beyond the control of either Party. The foregoing shall apply even though any of such causes exist as of the date of this Agreement or occurs after performance is delayed for other causes.

[Signatures and notary acknowledgments appear on the following pages]

The Parties executed this Agreement effective as of the day and year first above written.

GRANTOR

GRANTEE

WEYERHAEUSER COMPANY

GRANDY LAKE FOREST ASSOCIATES, LLC

By: [Signature]
Name: James R. Johnston
Title: Vice President

By: [Signature] *President Arbor Pacific Forestry Services, Inc.*
Name: _____
Title: _____

Exhibits

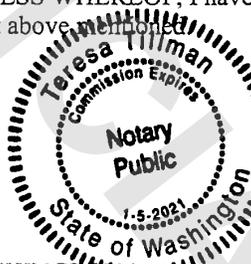
- A - Grantor's Property
- B - Grantee's Property
- C - Easement Maps

* Arbor Pacific Forestry Services, Inc.
Agent for
Grandy Lake Forest Associates
Limited Liability Company

STATE OF WASHINGTON)
)
COUNTY OF KING)

On this 4th day of May, 2018, before me personally appeared James R. Houston to me known to be the Vice President of WEYERHAEUSER COMPANY, the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above mentioned.

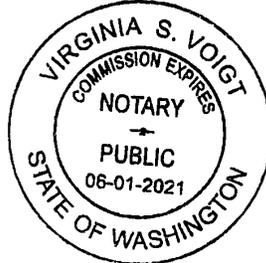


Teresa Tillman
Notary Public in and for the State of Washington
My appointment expires: Jan 05, 2021

STATE OF WASHINGTON)
)
COUNTY OF)

On this 12th day of January, 2018, before me personally appeared Agent/Manager to me known to be the Kenneth D. Osborn of Grandy Lake Forest Associates, LLC, the company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above mentioned.



Virginia S. Voigt
Notary Public in and for the State of Washington
My appointment expires: 6/1/21

EXHIBIT A

Grantor's Property

Township 34 North, Range 6 East, W.M., Skagit County, Washington:

- Section 2: Government Lots 3, 4 and 5
- Section 8: SE $\frac{1}{4}$ NE $\frac{1}{4}$
- Section 10: S $\frac{1}{2}$ NW $\frac{1}{4}$
- Section 14: SW $\frac{1}{4}$ NE $\frac{1}{4}$
- Section 26: SW $\frac{1}{4}$ SE $\frac{1}{4}$
- Section 35: NW $\frac{1}{4}$ NE $\frac{1}{4}$

EXHIBIT B

Grantee's Property

Township 35 North, Range 6 East, W.M., Skagit County, Washington:

Section 35: S $\frac{1}{2}$ SW $\frac{1}{4}$

Township 34 North, Range 6 East, W.M., Skagit County, Washington:

Section 1: S $\frac{1}{2}$ SW $\frac{1}{4}$

Section 2: SW $\frac{1}{4}$ SE $\frac{1}{4}$

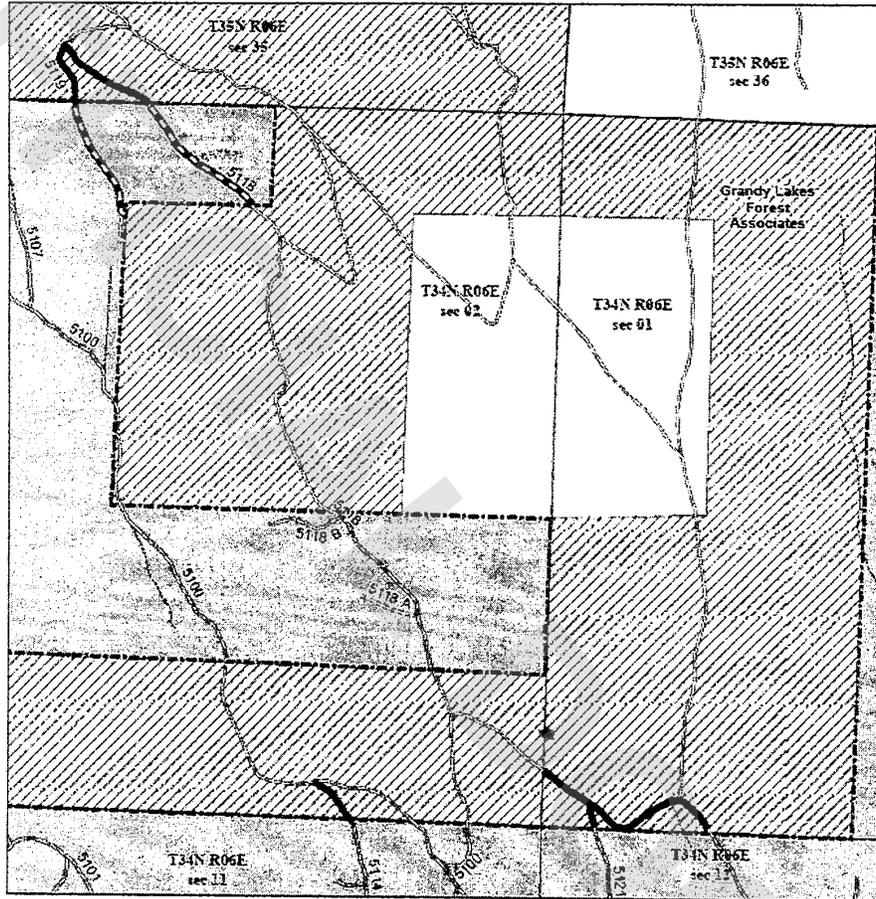
Section 8: NE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 9: E $\frac{1}{2}$ NW $\frac{1}{4}$

Section 14: N $\frac{1}{2}$ SE $\frac{1}{4}$

Easement Maps

Exhibit C



Weyerhaeuser Timberlands		Reciprocal Easement		Gate		N
Skagit County		GLF to WY, Existing Road		Paved Road		
T34N R06E sec 1, 2		WY to GLF, Existing Road		Gravel Road		
[Grid Pattern] Weyerhaeuser Property (WY)				Dirt Road		
[Diagonal Lines] Grandy Lakes Forest Associates (GLF)				Trail/Not Drivable		
1 inch = 1,000 feet		0 500 1,000 2,000 3,000 4,000 Feet				9/19/2017

