

Recording Requested by and
After Recording Return to:

STOEL RIVES LLP
600 University Street, Suite 3600
Seattle, Washington 98101
Attention: Nathan Luce

DOCUMENT TITLE: Road Use and Maintenance Agreement

REFERENCE NUMBER OF RELATED DOCUMENT: N/A

GRANTOR(S): Sierra Pacific Industries, as successor by merger with Sierra Pacific Holding Company

GRANTEE(S): West Coast Reduction USA Inc.

ABBREVIATED LEGAL DESCRIPTION (Grantor): Ptn E1/2 and SW1/4, Sec. 9, Twp 34 N., R. 3 E, WM

Full Legal Description on Exhibit A.

ABBREVIATED LEGAL DESCRIPTION (Grantee): Lots 3, 4 and 5 Sierra Pacific BSP PL 08-0315 in the NE 1/4

of Sec. 9, Twp 34 N., R. 3 E, WM

Full Legal Description on Exhibit B.

ASSESSOR'S TAX/PARCEL NUMBER(S) (Grantor): P131483; P21268

ASSESSOR'S TAX/PARCEL NUMBER(S) (Grantee): P129951; P129952; P129953

ROAD USE AND MAINTENANCE AGREEMENT

This ROAD USE AND MAINTENANCE AGREEMENT (the "Agreement") is made and entered into as of the 12th day of July, 2021 (the "Effective Date"), by and among Sierra Pacific Industries, a California corporation, as successor by merger with Sierra Pacific Holding Company, a California corporation ("Grantor" or "SPI") and West Coast Reduction USA Inc., a Washington corporation ("Grantee").

RECITALS

A. SPI owns that certain real property located in Skagit County, Washington legally described in Exhibit A attached hereto (the "Grantor Property" or the "Road"). The Road is a private road commonly known as McFarland Road (County Road #30900), APN P131483, which is located at and in the vicinity of property owned and operated by SPI commonly described as 14353 McFarland Road, Mount Vernon, Washington, 98273; Skagit County Assessor Parcel Numbers P21234, P108006, and P21268.

Road Use and Maintenance Agreement
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B. Grantee owns that certain real property located in Skagit County, Washington legally described in Exhibit B attached hereto (the “**Grantee Property**” or the “**Benefitted Parcels**”), which is located immediately adjacent to the east of the Road. Grantee intends to develop the Benefitted Parcels for use as a facility for processing and recycling animal byproducts.

Now, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS.

“**Affiliate**” means any Person who controls, is controlled by, or is under common control with the referenced Person. A Person “controls” another Person if the Person: (a) is a general partner, officer, director, or employer of the referenced Person; (b) directly or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than twenty percent of the voting interest in the referenced Person; (c) controls in any manner the election of a majority of the directors of the referenced Person; or (d) has contributed more than twenty percent of the capital of the referenced Person. A Person “is controlled by” another Person if the other Person: (i) is a general partner, officer, director, or employer of the Person; (ii) directly or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than twenty percent of the voting interest in the Person; (iii) controls in any manner the election of a majority of the directors of the Person; or (iv) has contributed more than twenty percent of the capital of the Person.

“**Owner**” means the owner of any of the lots 1, 2, 3, 4, 5, 6, 7 and 8 of Binding Site Plan PL 08-0315 recorded under Skagit County Auditor’s Recording Number 200911160068 (“**BSP**”), as well as those certain parcels commonly known as Skagit County Assessor Parcel Numbers P21265 and P21269.

“**Maintenance Cost(s)**” means all of the costs and expenses, collectively, of the nature described in Section 3 below incurred in maintaining, repairing and replacing the Road.

“**Occupant**” means an Owner and any Person who shall be, from time to time, entitled at any time to use and occupy any portion of a Benefitted Parcel under any lease, license or other agreement or arrangement.

“**Person**” means any individual, partnership, joint venture, corporation, limited liability company, trust, unincorporated association, governmental agency or other business entity.

“**Prevailing Party**” means the party in any action or proceeding who receives performance from another party of an alleged breach of covenant or a desired remedy where such performance is substantially equal to the relief sought in the action or proceeding; or the party determined to be the prevailing party by a court of law, arbitrator or arbitration panel.

2. RIGHTS TO USE OF ROAD; TERMINATION.

(a) Grant of Use. SPI hereby grants to Grantee, its successors, heirs and assigns, (i) a perpetual and non-exclusive access easement and right to use the Road for the passage of automotive vehicular and heavy equipment traffic, including, but not limited to, heavy trucks, equipment, and tractor trailers, and (ii) a perpetual and non-exclusive easement for utilities, including, but not limited to electrical, sanitary sewer, and stormwater drainage.

(b) No Impediments. Grantee shall enjoy unimpeded free access to the Road, subject to the terms and conditions of this Agreement. There shall be no fence, division, partition or other obstruction of any type or kind placed, kept, permitted or maintained within the Road, except the main gate at the intersection McFarland Road and Ovenell Road or as may be permitted temporarily under the terms of this Agreement or as required by applicable law.

(c) Run With the Land. The rights to use of the Road granted herein are appurtenant to the Benefitted Parcels and shall constitute a covenant running with the Benefitted Parcels for the specific purpose set forth herein.

(d) Termination. The rights and obligations granted herein may be terminated only upon the written consent of Grantor and Grantee and with consent of such government or regulatory agencies as may be required under applicable law, regulation or ordinance.

3. MAINTENANCE OF EASEMENT.

(a) Obligation to Maintain Road. So long as SPI or any Affiliate of SPI is an Owner, SPI shall be responsible for maintenance, repair and replacement of the Road. Such maintenance, repair and replacement shall be performed in accordance with the standards set forth herein. SPI may designate any third party (including an Affiliate of SPI) to perform its obligations under this paragraph, provided that the rates, charges and fees charged by such third party shall not exceed and shall be consistent with market rates for similar services performed in Skagit County and all work performed on the Road shall be performed by qualified repairperson licensed and bonded to perform such work; provided, further, that any such designation shall not relieve SPI or any Affiliate of responsibility for their obligations hereunder. To the extent reasonably necessary to perform its maintenance, repair and replacement obligations hereunder, SPI shall have the right to temporarily close off the Road for such time as may be reasonably necessary to repair and maintain the same; provided, however, that prior to any such closure, SPI shall deliver written notice to Grantee of its intention to do so and shall coordinate such closure with the affected Grantee so as to minimize the interference with Grantee's use of the Road.

(b) Allocation of Maintenance Costs. All Maintenance Costs incurred in connection with maintaining, repairing or replacing the Road shall be allocated among and shared by the Owners of the Benefitted Parcels in accordance with their actual percentage of use of the Road as determined by SPI in its reasonable discretion. Grantee may request a reconsideration of SPI's determination of such Grantee's percentage share of use of the Road and SPI will consider in

good faith any information provided by such Grantee; provided, however, that the final determination of percentage of use of any Grantee shall be in SPI's reasonable discretion.

Maintenance Costs associated with for the Road may include, but are not limited to, the cost and expense of paving, patching and painting the Road in order to maintain uninterrupted vehicular access in accordance with the purposes contemplated by this Agreement. Notwithstanding the foregoing cost sharing agreement, Grantee shall have no obligation to pay for maintenance, repair or replacement to the Road which is necessitated by the negligence, gross negligence or intentional misconduct of another Person, Owner or Occupant accessing the Road other than Grantee.

(c) Percentage of Use and Maintenance Cost Documentation. Upon the request of Grantee, SPI (or SPI's designee if one has been selected) shall furnish to Grantee all documentation relied upon in calculating the percentage of use of each Grantee and the Maintenance Cost allocations described in this Agreement, including all invoices for Maintenance Costs which have been determined to be Maintenance Costs for which Grantee is proportionately responsible under this Agreement. SPI or its designee shall maintain such records in accessible condition for at least three (3) years after their creation.

(d) Collection of Maintenance Costs. SPI shall bill Grantee for Grantee's share of Maintenance Costs on an annual basis. Grantee shall have thirty (30) days from receipt of such bill to pay that bill in full or provide written objection to such bill or the percentage interest allocated to Grantee reflected in such bill. If no written objection is made within such thirty (30) day period, the bill shall be deemed accepted by Grantee not objecting. Unpaid Maintenance Costs shall accrue interest at the rate of ten percent (10%) per annum.

4. INTENTIONALLY DELETED.

5. RELOCATION OF ROAD. So long as such relocation does not materially interfere with Grantee's use of the Road and so long as SPI or an Affiliate of SPI is an Owner, SPI shall have the right at any time to relocate the Road at its sole cost and expense, provided: (a) such relocation shall only be made without material interruption to the use of the existing Road; (b) the Road shall not be relocated to an area that would permit materially less roadway transportation capacity to Grantee than the existing Road; (c) such relocation may not be made without the written consent of Grantee then owning the fee interest in any Benefitted Parcel through which the Road is proposed to be relocated, which consent may not be unreasonably withheld, delayed or conditioned; (d) Grantee shall have free and unimpeded access to and from the Road and Grantee shall have the legal right to access the Road, as relocated, by written easement; and (e) Grantee shall not be liable for any share of the cost or expense associated with such relocation.

6. INSURANCE. Prior to using and at all times while using the Road, Grantee, SPI and any third party designated by SPI pursuant to Section 3, as appropriate, shall purchase and maintain the following insurance coverage:

(a) Workers' Compensation Insurance covering claims under workers' compensation (industrial insurance), disability benefit and other similar employee benefit acts which are applicable to the activities to be performed on the Road in the State of Washington's statutory amount;

(b) Employer's Liability Insurance with a minimum limit of \$1,000,000;

(c) Commercial General Liability (CGL) insurance shall be maintained with minimum limits of \$2,000,000 each occurrence; \$2,000,000 General Aggregate; and \$2,000,000 Products/Completed Operations Aggregate. CGL insurance shall cover liability arising from premises, operations, products-completed operations, personal injury and advertising injury, non-owned automobile and liability assumed under an insured contract (including the tort liability of another assumed in a business contract). To the extent of liability assumed pursuant to Section 7, such CGL insurance shall include the other party as Additional Insured; and

(d) Commercial Automobile Liability (CAL) insurance shall be maintained with minimum limits of \$2,000,000 per occurrence. CAL insurance shall include coverage for any owned or leased vehicle. If the CAL insurance policy maintained by Grantee or SPI under this Section 6(d) covers scheduled automobiles only, in no event shall Grantee operate on any property within the Road any automobile that is not specifically listed on such schedule.

(e) All policies and coverage procured by Grantee and SPI as required herein (collectively, "**Policies**") shall include a separation of insureds clause and waiver of subrogation. Each party shall require its subcontractors to maintain in full force and effect commercially reasonable insurance coverage substantially similar in form and substance to the insurance coverage required of Grantee and SPI in this Section 6, as appropriate to the nature of subcontractors' operations, each with minimum limits of no less than \$1,000,000 each occurrence and/or general aggregate, as applicable. Each party shall be solely responsible for monitoring compliance by its subcontractors with the aforementioned insurance requirements.

(f) Prior to use of the Road and upon request, each party shall provide the other with a certificate of insurance evidencing the Policies required herein. Such certificate of insurance shall provide that the coverage required herein shall not be cancelled or reduced except by written notice to the other party, given at least thirty (30) days prior to the effective date of such cancellation or reduction.

(g) SPI reserves the right, as permitted by law, to provide said insurance coverage through self-insurance in lieu of or in combination with, insurance policies.

7. **INDEMNITY.** Grantee and SPI (in such capacity, the "**Indemnifying Party**") shall protect, defend, indemnify and hold each other (in such capacity, and including and such party's agents, employees and representatives, the "**Indemnified Party**") harmless for, from and against any and all claims, regardless of when such claims are brought, for physical, emotional or mental injury, death, property damage or monetary damage that arise out of or relate in any way to the Indemnifying Party's, or its agents', employees', representatives', contractors' or

subcontractors', (i) use of or presence on the Road (including but not limited to any activity resulting in a mechanic's lien); (ii) use, storage, release, contamination, spill or spread of any Hazardous Substance(s) on, under, over or about the Road; (iii) violation of any federal, state or local law, statute, regulation or ordinance; or (iv) breach or default under this Agreement.

For the purposes of this Agreement, "Hazardous Substances" shall mean and include, but shall not be limited to, any and all flammable explosives, asbestos, radioactive materials, hazardous wastes, toxic substances, related injurious materials, whether injurious by themselves or in combination with other materials, and all substances defined as "hazardous substances," "hazardous materials," or "toxic substances" in the Comprehensive Environmental Response, Combination and Liability Act, as amended, 42 U.S.C. Sections 9601, et seq.; the Hazardous Materials Transportation Act, as amended, 49 U.S.C. Sections 1801, et seq.; and the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Sections 6901, et seq.

8. **INTENTIONALLY DELETED.**

9. **REMEDIES.** If SPI or any other Person who may become obligated to perform the covenants contained herein fails to perform any such covenant or otherwise breaches any of the foregoing covenants, Grantee may, after three (3) days' notice, take all action it deems appropriate to enforce such covenants, including (i) commencing an action for an injunction or to specifically enforce these covenants and (ii) entering upon the Road for the purpose of curing such breach (such as by performing or causing to be performed repair or replacement to the Road). The remedies set forth in this Section 9 shall be at the sole cost and expense of the Person failing to perform its obligations under this Agreement and such Person shall immediately reimburse the Person causing the cure for the cost thereof upon demand, including reasonable attorneys' fees and costs for enforcing such reimbursement right or otherwise pursuing an injunction or specific performance.

10. **MISCELLANEOUS.**

(a) **Severability.** The unenforceability, invalidity or illegality of any provision of this Agreement shall not render any other provision unenforceable, invalid or illegal.

(b) **Attorneys' Fees.** If any legal action or any other proceeding, including arbitration or action for declaratory relief, is brought for the enforcement of this Agreement or because of an alleged dispute, breach, default or misrepresentation in connection with this Agreement, the Prevailing Party shall be entitled to recover reasonable attorney fees and costs, in addition to any other relief to which the party may be entitled. Any such attorney fees and costs incurred by the Prevailing Party in enforcing a judgment in its favor under this Agreement shall be recoverable separately from and in addition to any other amount included in such judgment, and such obligation to pay attorney fees and costs is intended to be severable from the other provisions of this Agreement and to survive and not be merged into any such judgment.

(c) **Governing Law.** This Agreement shall be construed and interpreted in accordance with the laws of the State of Washington.

(d) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

(e) No Waiver. No waiver of any breach of any covenant or provision in this Agreement shall be deemed a waiver of any other covenant or provision in this Agreement, and no waiver shall be valid unless in writing and executed by the waiving party. No waiver of any breach of any covenant or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of time for performance of any other obligation or act.

(f) Interpretation. This Agreement is the result of arm's length negotiation between the parties hereto and shall not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared it.

(g) Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the subject matter hereof, and expressly supersedes all previous or contemporaneous agreements regarding any term(s) or provision(s) of this Agreement.

(h) Amendment. This Agreement may not be modified or amended except by a written instrument executed by each party.

(i) Incorporation of Exhibits. All Exhibits attached hereto are hereby incorporated by reference.

(j) Successors. This Agreement is binding upon and shall inure to the benefit of Grantee and its successors in interest and shall bind every Person or entity having any fee, leasehold or other interest in any Benefitted Parcel or any portion of a Benefitted Parcel at any time.

(k) Recording. A fully executed counterpart of this Agreement shall be recorded in the real property records of Skagit County, Washington.

[Signatures Follow]

WHEREAS the parties have executed this Road Use and Maintenance Agreement on the Effective Date.

GRANTOR / SPI: SIERRA PACIFIC INDUSTRIES,
a California corporation

By: 

Name: M. D. Emerson

Title: CHAIRMAN / CEO

GRANTEE: WEST COAST REDUCTION USA INC.,
a Washington corporation

By: _____

Name: _____

Title: _____

WHEREAS the parties have executed this Road Use and Maintenance Agreement on the Effective Date.

GRANTOR / SPI: **SIERRA PACIFIC INDUSTRIES,**
a California corporation

By: _____
Name: _____
Title: _____

GRANTEE: **WEST COAST REDUCTION USA INC.,**
a Washington corporation

By: *Mr. Bestwick*
Name: THOMAS RIDLEY BESTWICK
Title: CORPORATE SECRETARY

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of Shasta)

On July 8, 2021 before me, Susan E. Witherspoon,
Notary Public, personally appeared M. D. Emerson, who
proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of
the State of California that the foregoing paragraph is true
and correct.

WITNESS my hand and official seal.



Signature Susan E. Witherspoon
Signature of Notary Public

(Affix Seal Above)

NOTARIAL CERTIFICATE

CANADA)
 PROVINCE OF)
 BRITISH COLUMBIA) TO ALL WHOM THESE
 PRESENTS MAY COME,
 BE SEEN, OR KNOWN:

TO WIT:

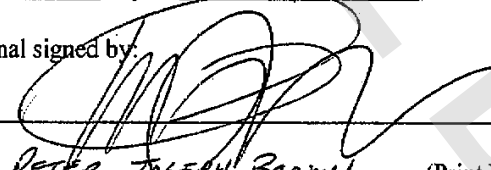
I, PETER J. BROWN, a SOLICITOR and Notary Public in and for the Province of British Columbia, by Royal Authority duly appointed, residing in the City of Vancouver, British Columbia, Canada

DO CERTIFY AND ATTEST that the document hereto annexed, ^{ROAD USE AND} ~~MAINTENANCE AGREEMENT~~ was signed by THOMAS LIDLEY BESTWICK in my presence. I confirm that THOMAS LIDLEY BESTWICK produced his British Columbia driver's license No. 1745597 and evidencing his identity as CORPORATE SECRETARY of West Coast Reduction USA Inc., a Washington corporation, an act whereof being requested I have granted under my Notarial Form and Seal of Office to serve and avail as occasion shall or may require.

IN TESTIMONY WHEREOF I have hereunto subscribed my name, and affixed my Notarial Seal of Office.

Dated at the City of VANCOUVER,
 in the Province of British Columbia,
 this 8th day of JULY, 2021

Original signed by:


PETER JOSEPH BROWN (Print Name)

A Notary Public in and for the Province of British Columbia
 A Commissioner of Oaths in and for the Province of British Columbia

PETER J. BROWN
 Barrister & Solicitor
 1900-1040 W. GEORGIA ST.
 VANCOUVER, B.C. V6E 4H3
 604-689-1811

Exhibit A
Grantor Property

Those portions of McFarland Road vacated by Skagit County Commissioners Resolution # R20130086, recorded as Auditor's File No. 201304100078.

TOGETHER WITH those portions of Lot 8 of "Sierra Pacific Binding Site Plan PL08-0315" approved November 16, 2009 and recorded November 16, 2009 as Skagit County Auditor's File No. 200911160068 lying within any easement described in instrument recorded as Auditor's File No. 200201070173 lying both Northerly of the South line of said "Sanitary Sewer Lift Station" tract and Easterly of said Resolution recorded as Auditor's File No. 201304100078.

Exhibit B
Grantee Property

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON, AND IS DESCRIBED AS FOLLOWS:

LOTS 3, 4 AND 5, "SIERRA PACIFIC BINDING SITE PLAN PL08-0315" APPROVED NOVEMBER 16, 2009 AND RECORDED NOVEMBER 16, 2009 AS SKAGIT COUNTY AUDITOR'S FILE NO. 200911160068.

EXCEPT THAT PORTION OF SAID LOT 5 DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF LOT 5 OF SAID BINDING SITE PLAN AND A COMMON CORNER TO LOT 8, THENCE NORTH $1^{\circ}15'35''$ EAST, A DISTANCE OF 628.07 FEET, ALONG THE EAST LINE OF LOT 5 TO THE NORTHEAST CORNER THEREOF AND THE SOUTHEAST CORNER OF LOT 4;

THENCE SOUTH $84^{\circ}42'43''$ WEST, A DISTANCE OF 65.92 FEET ALONG THE NORTH LINE OF LOT 5;

THENCE SOUTH $1^{\circ}12'58''$ WEST, A DISTANCE OF 19.75 FEET TO A POINT OF CURVATURE TO THE RIGHT;

THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE (CONCAVE TO THE WEST) HAVING A RADIUS OF 731.18 FEET, THROUGH A CENTRAL ANGLE OF $27^{\circ}30'21''$, AN ARC DISTANCE OF 351.02 FEET TO A POINT OF COMPOUND CURVATURE;

THENCE CONTINUING ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A RADIUS OF 503.20 FEET, THROUGH A CENTRAL ANGLE OF $31^{\circ}30'33''$, AN ARC DISTANCE OF 276.73 FEET TO A POINT OF COMPOUND CURVATURE;

THENCE CONTINUING ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A RADIUS OF 963.21 FEET, THROUGH A CENTRAL ANGLE OF $9^{\circ}35'57''$, AN ARC DISTANCE OF 161.37 FEET TO A NON-TANGENT POINT ON THE SOUTH LINE OF LOT 5;

THENCE CONTINUING ALONG THE SOUTH LINE OF LOT 5 SOUTH $89^{\circ}36'55''$ EAST, A DISTANCE OF 479.63 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

ALL OF THE ABOVE BEING PORTIONS OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 9, TOWNSHIP 34 NORTH, RANGE 3 EAST, W.M.