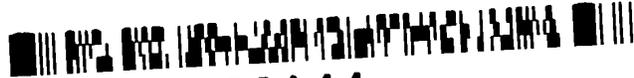


**Return Address:**  
First American Title Insurance Company  
Attn: Kerri M. Lockwood  
3455 Peachtree Road NE, Suite 675  
Atlanta, GA 30326

  
**202107130144**  
07/13/2021 02:18 PM Pages: 1 of 12 Fees: \$114.50  
Skagit County Auditor

SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

JUL 13 2021

Amount Paid \$  
Skagit Co. Treasurer  
By  Deputy

01-178688-F

<b>Title:</b> TAIL HOLD EASEMENT AGREEMENT
<b>Reference Number(s) of Documents assigned or released:</b> N/A
<b>Weyerhaeuser:</b> WEYERHAEUSER COMPANY, a Washington corporation
<b>Grantee:</b> MID-VALLEY RESOURCES, INC., an Oregon corporation
<b>County:</b> SKAGIT
<b>Legal description (abbreviated: i.e. lot, block, plat or section, township, range):</b> E1/2SE1/4SE1/4, Section 24, Township 35 North, Range 6 East, WM; Gov Lot 4, Section 19, Township 35 North, Range 7 East, WM
<b>Additional legal is on pages 9 and 10 of document.</b>
<b>Assessor's Property Tax Parcel:</b> P43043, P41895

Mid-Valley Resources – Iron Mountain Tail Hold

## TAIL HOLD EASEMENT AGREEMENT

This Tail Hold Easement Agreement (this “**Agreement**”) is effective as of the 7th day of July, 2021 (the “**Effective Date**”) by and between WEYERHAEUSER COMPANY, a Washington corporation (“**Weyerhaeuser**”), and MID-VALLEY RESOURCES, an Oregon corporation (“**MVR**”). MVR and Weyerhaeuser are sometimes referred to herein individually as a “**Party**”, and collectively as, the “**Parties**”.

### RECITALS

MVR owns certain real property located in Skagit County, Washington, as is more particularly described in the attached **Exhibit A** (“**MVR Property**”). The MVR Property is the benefitted property subject to this Agreement.

Weyerhaeuser owns certain real property located in Skagit County, Washington, as is more particularly described in the attached **Exhibit B** (“**Weyerhaeuser’s Property**”). The Weyerhaeuser Property is the burdened property subject to this Agreement. Weyerhaeuser’s Property is immediately adjacent to and east of the MVR Property.

MVR desires to obtain from Weyerhaeuser, and Weyerhaeuser desires to grant MVR, a perpetual, non-exclusive easement over a certain portion of the Weyerhaeuser’s Property that provides tail hold access and use for harvesting on the MVR Property pursuant to the terms and conditions contained in this Agreement.

### AGREEMENT

NOW, THEREFORE, in consideration of TEN and NO/100 DOLLARS, and the mutual covenants of the Parties set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

1. **Grant of Tail Hold Easement.** Subject to the terms hereof, Weyerhaeuser, for and in consideration of the strict observance of and compliance with, the terms and conditions set forth in this Agreement, hereby grants to MVR a permanent, non-exclusive, easement and right-of-way on, over, above and through the western 100 feet of Government Lot 4 of Section 19, Township 35 North, Range 7 East, W.M., Skagit County, Washington, for the purpose of using trees, stumps and/or other anchoring equipment to serve as an anchor point for the far end of a skyline cable and/or the facilitation of any other logging system to harvest trees on and from the MVR Property (the “**Tail Hold Easement**”). The area of the Tail Hold Easement is located approximately as shown on the attached **Exhibit C** (the “**Easement Area**”). The Tail Hold Easement includes the right to use drones over the Easement Area to string skyline cables and also includes all reasonable access rights over, across and through the Easement Area (including the right to use all roads within the Easement Area) as are necessary or appropriate to facilitate the permitted activities of Grantee hereunder.

2. **Purpose.** The Tail Hold Easement rights granted hereunder are conveyed by Weyerhaeuser for the purpose of providing MVR and the MVR Permittees (defined below), the right to use, on the Weyerhaeuser's Property, trees, stumps and/or other anchoring equipment to serve as an anchor point for the far end of a skyline cable and/or the right to use Weyerhaeuser's Property for the facilitation of any other logging system to harvest MVR's trees located on the MVR Property. Use of the Tail Hold Easement by MVR and MVR Permittees is expected to be only intermittent during harvesting periods and any intended use of the Tail Hold Easement shall commence no sooner than 30 days after written notice of such intended use and commencement date is given to Weyerhaeuser or its successors. Grantee agrees that the Tail Hold Easement granted hereunder shall not be deemed abandon at any point solely because MVR uses the same only on such intermittent basis.
3. **Permittees.** MVR, its subsidiaries, and affiliates and all of their employees, agents, contractors, licensees, lessees, invitees, and assigns are sometimes referred to herein collectively as the "**MVR Permittees**". Weyerhaeuser's employees, agents, contractors, licensees, lessees, invitees, and assigns are sometimes referred to herein collectively as the "**Weyerhaeuser Permittees**".
4. **Reservation of Rights.** Weyerhaeuser reserves for itself and the Weyerhaeuser's Permittees, the right at all times to use, cross, re-cross, maintain, patrol and repair the Easement Area in any manner that will not unreasonably interfere with the rights of MVR.
5. **Non-Exclusive Easement Area; Third Parties.** Weyerhaeuser may grant to third parties, including without limitation the Weyerhaeuser Permittees, upon such terms as it chooses, any or all of the rights reserved by it herein; provided, that use by such party shall be subject to the terms and conditions of this Agreement and shall not interfere with the rights granted MVR hereunder.
6. **The Parties' Responsibilities.** Each Party shall ensure that their respective permittees (Weyerhaeuser Permittees for Weyerhaeuser and MVR Permittees for MVR) and their respective employees, invitees, licensees, and contractors comply with all applicable local, state and federal laws, rules and regulations (collectively, "**Applicable Laws**") with respect to the use of the Easement Area, as well as all rules and responsibilities set forth herein
7. **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) each of their respective permittees (Weyerhaeuser Permittees for Weyerhaeuser and MVR Permittees for MVR), arising out of or in any way connected with the use of the Easement Area 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.
8. **Insurance.** MVR shall be required, before using the Easement Area for commercial use, which includes logging activity, to obtain a policy of liability insurance. Minimum amounts of insurance shall be Comprehensive General Liability, including bodily injury and property

damage in the amount of \$2,000,000 each occurrence. Comprehensive Automobile Liability insurance is to include minimum limits of \$1,000,000.

Weyerhaeuser acknowledges that MVR is a self-insured company and accepts such self-insurance so long as the same is in accordance with, at a minimum, the limits and policies set forth in this Section 8. Weyerhaeuser shall accept a letter confirming such self-insurance in lieu of a Certificate of Insurance.

9. **Assignment.** This Agreement shall be freely assignable by the Parties in their sole and absolute discretion.
10. **Environmental Matters.** MVR shall not cause nor permit any filling activity to occur in or on the Easement Area, except by prior written approval of Weyerhaeuser. MVR shall not deposit refuse, garbage, or other waste matter, or use, store, generate, process, transport, handle, release, or dispose of any hazardous substance, or other pollutants in or on the Weyerhaeuser Property or the Easement Area except in accordance with all applicable laws.
11. **Improvements.** Except as expressly permitted herein, MVR shall not make any improvements to the Easement Area without the prior written consent of Weyerhaeuser, which consent shall not be unreasonably withheld, conditioned or delayed. Furthermore, unless the Parties agree in writing to share the cost of improvements to the Easement Area, such improvements shall be made at the sole cost and expense of the improver.
12. **Fire Suppression and Control.** MVR shall comply with all laws and regulations pertaining to fire protection and suppression and take precautions to prevent fires from igniting on Weyerhaeuser's Property. In case of fire, MVR shall immediately notify Weyerhaeuser and appropriate government agencies, and shall make commercially reasonable effort to suppress or contain the fire.
13. **Successors and Assigns.** The rights and obligations herein shall inure to the benefit of and be binding upon the respective heirs, devisees, successors and assigns of the Parties. The rights contained in this Agreement shall run with the land and inure to and be for the benefit of the Parties and their respective successors and assigns, forever.
14. **Prior Rights.** This grant and all rights hereunder are subject to all liens, easements, servitudes, rights of way, oil, gas, and mineral leases, and all other grants or reservations either of record or on the ground affecting the Weyerhaeuser Property. By this grant, Weyerhaeuser grants no greater rights than it is permitted to grant in view of such encumbrances.
15. **Termination.** In the event of a default by MVR of any terms or obligations contained in this Agreement, Weyerhaeuser shall notify MVR in writing describing the nature of such default and the action necessary to cure the default. MVR shall have thirty (30) days following its receipt of a notice to cure the default, unless it appears that MVR has commenced to cure the default in good faith and has diligently continued to pursue such curing, but has been unable to complete the same within said 30-day time period due to the

nature of the default or other causes beyond the control of MVR, in which case the time period shall be extended accordingly; provided, however, that no extension shall be afforded for a default in the payment of a monetary obligation. If MVR fails to cure the default during the prescribed cure period, as the same may be extended, Weyerhaeuser may terminate this Agreement or, in its discretion, suspend all rights of MVR under this Agreement until the breach has been cured. In the event of a termination, MVR hereby authorizes Weyerhaeuser to record a statement in recordable form evidencing such termination.

16. **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 either Party. Upon any such determination, the Parties 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 MVR and Weyerhaeuser 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.
17. **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.
18. **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.

19. **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.
20. **Disputes.** If disputes arise under this Agreement, the Parties will first attempt to negotiate a solution through the following process: (a) the initiating party will present a written explanation of the dispute and the remedy requested; (b) within 14 business days after receiving such a statement, the other party will respond by either agreeing to the requested remedy, counter-proposing a different remedy, or explaining why the issue does not justify any remedy; and (c) if the matter is not settled within 10 days after the response is received by the initiating party, the dispute shall be settled by binding arbitration. If the Parties are not able to promptly agree on an arbitrator and the arbitration rules to be used, the initiating party may offer a list of at least 5 candidates for arbitrator and the arbitration rules each candidate would use if selected, and the responding party will chose the arbitrator from that list. Each candidate must have at least 15 years of real estate law experience and special training or experience in arbitration of business disputes. The arbitration award shall be final and binding on the parties and judgment on any award may be enforced in any court having jurisdiction thereof. The arbitration shall be held in King County, Washington.
21. **Notices.** All notices required or permitted to be given hereunder, or given in regard to this Agreement by one Party to the other, shall be in writing and the same shall be given and be deemed to have been served, given and received (i) if delivered by hand, when delivered in person, (ii) if sent by reputable overnight courier (such as Federal Express or UPS), on the next business day following the date on which the notice was sent, or (iii) if mailed, when placed in the United States mail, postage pre-paid, by certified mail, return receipt requested, addressed to the Party at the address hereinafter specified. Any Party may change its address for notices by giving five days advance written notice to the other Party hereto in the manner provided for herein. Until changed in the manner provided herein, the Parties' respective addresses are as follows:

If to Weyerhaeuser:

Weyerhaeuser Company  
Attn: Land Use Manager  
P.O. Box 889  
16506 Vail Loop Road SE  
Rainier, WA 98576-0889

If to MVR:

Mid-Valley Resources  
9600 SW Barnes Rd, Suite 200  
Portland, OR 97225  
attn: Heath Curtiss  
heathcurtiss@hamptonlumber.com

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 serving the county in which the Easement Area is located. The Parties waive any right to a claim of *forum non conveniens*.

IN WITNESS WHEREOF, this Agreement is executed on the date of the acknowledgment below but shall be effective for all purposes as of the Effective Date.

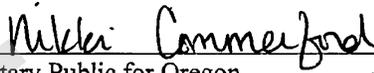
MID-VALLEY RESOURCES, INC.,  
an Oregon corporation

By:   
Steven J. Zika, President and Chief Executive Officer

STATE OF OREGON                    )  
                                                  ) ss.  
COUNTY OF WASHINGTON        )

This instrument was acknowledged before me on June 29, 2021, by Steven J. Zika, as President and Chief Executive Officer of Mid-Valley Resources, Inc., an Oregon corporation.



  
Notary Public for Oregon  
My Commission expires: 03/24/25  
Commission No.: 1010564

IN WITNESS WHEREOF, this Agreement is executed on the date of the acknowledgment below but shall be effective for all purposes as of the Effective Date.

**WEYERHAEUSER COMPANY,**  
a Washington corporation

By: *Kristy T. Harlan*  
Name: Kristy T. Harlan  
Title: Senior Vice President

STATE OF WASHINGTON  
COUNTY OF KING

On this 24<sup>th</sup> day of June, 2021, before me, a Notary Public, duly commissioned, qualified and acting, within and for the said County and State, appeared in person the within named Kristy T. Harlan, Senior Vice President of Weyerhaeuser Company, a Washington corporation, executed the within and foregoing instrument and further stated and acknowledged that she had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 24<sup>th</sup> day of June, 2021.

Notary Public - State of Washington  
DAVID J CUTLER  
My Commission Expires  
June 18, 2022  
Commission No. 200758

*David J. Cutler*  
NOTARY PUBLIC  
My Commission Expires:  
6/18/22

**EXHIBIT A to  
Tail Hold Easement Agreement**

The MVR Property

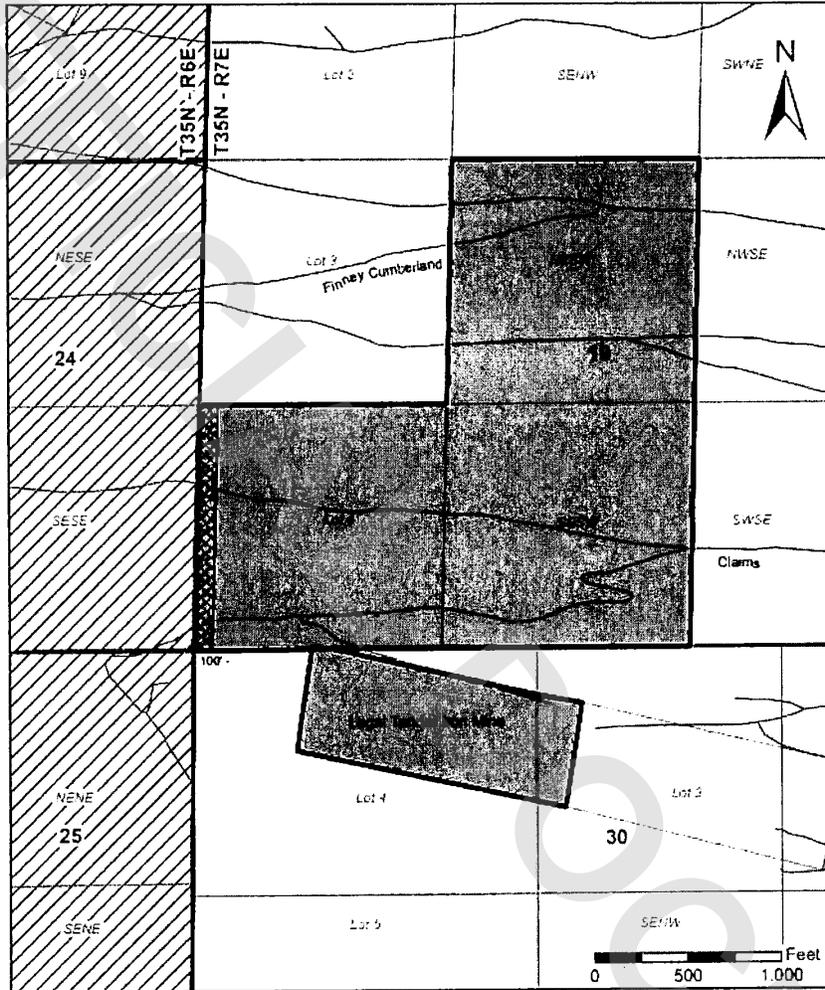
Township 35 North, Range 6 East, W.M., Skagit County, Washington  
Section 24: E1/2SE1/4SE1/2

**EXHIBIT B to  
Tail Hold Easement Agreement**

Weyerhaeuser's Property

Government Lot 4, Section 19, Township 35 North, Range 7 East, W.M., situate in Skagit County, Washington; EXCEPT that portion of said Government Lot 4, if any, lying within mining claim known as "Legal Tender" Patent, which was recorded August 13, 1958 under Auditor's File No. 569065.

**EXHIBIT C to  
Tail Hold Easement Agreement  
Map of the Tail Hold Easement**



 100' Tailhold Easement	 Section Line	Township 35 North, Range 7 East Skagit County, WA
 Mid-Valley Resources	 Roads	
 Weyerhaeuser Property	 Township Line	LT Dept - Cartwrk - 6/21/2021 AVO53057Hb0040_TH.mxd
 Weyerhaeuser		