

K 7120 SH 7120



300 N. 6th St., Suite 103
PO Box 83720
Boise, Idaho 83720-0050
Phone (208) 334-0200 Fax (208) 334-3698

450627

STATE OF IDAHO

EASEMENT NO. 6610

DANIEL J. ENGLISH 21P I 2199967000
KOOTENAI CO. RECORDER Page 1 of 21
JLM Date 03/09/2009 Time 10:47:41
REC-REQ OF MAIL
RECORDING FEE: 0.00
2199967000 DE

THIS INDENTURE, made this 3rd day of march, 2009, by and between the **STATE OF IDAHO, Department of Lands**, 300 North 6th Street, Suite 103, P.O. Box 83720, Boise, Idaho 83720-0050, acting by and through the State Board of Land Commissioners, (Grantor), and Patriot Investments, LLC and Grouse Peak, LLC, both Delaware limited liability companies authorized to do business in the State of Idaho and both with address, 687 West Canfield Ave., Suite 101, Coeur d'Alene, Idaho 83815, (Grantees);

WITNESSETH: That for and in consideration of a reciprocal easement (State of Idaho Acquired Easement No. 767), receipt whereof is hereby acknowledged:

I. The Grantor does hereby grant to the Grantees, their successors and assigns forever, a nonexclusive easement for the purpose of constructing, reconstructing, maintaining, and using a road for ingress and egress over, upon, and across the following described lands situated in **KOOTENAI, and SHOSHONE COUNTIES**, State of Idaho, to-wit:

The land as shown on Exhibits A-1 through A-3, A-5, A-6, and A-9 through A-14, attached hereto and referred to below.

II. The easement is upon a strip of land forty (40) feet wide, with additional width as needed to allow for cuts and fills, being twenty (20) feet on each side of a centerline, consisting of a total of approximately fourteen (14) miles of roads that are the subject of this easement, as located or to be constructed on the ground and as shown on Exhibits A-1 through A-3, A-5, A-6, and A-9 through A-14 attached hereto and made a part hereof.

To Patriot Investments:

Exhibit A-1 – Miller Creek

Pts. Lots 6, 8-10, NESW	of Section 4, T52N, R 05W
Pts. N2SE, NWSW, N2NESW	of Section 5, T52N, R 05W
Pts. E2E2	of Section 9, T52N, R 05W
Pts. S2SW	of Section 10, T52N, R 05W
Pts. N2NENE	of Section 16, T52N, R 05W

Exhibit A-2 – Twin Lake

Pts. SWSWNW	of Section 36, T 53N, R 05W
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K 7120 SH 7120

2009 MAR 18 PM 12 25

Instrument # 450627

WALLACE, SHOSHONE COUNTY, IDAHO

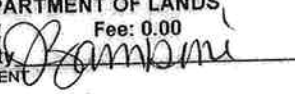
3-18-2009 12:25:00 No. of Pages: 21

Recorded for : IDAHO DEPARTMENT OF LANDS

PEGGY DELANGE-WHITE Fee: 0.00

Ex-Officio Recorder Deputy

Index to: STATE OF IDAHO EASEMENT



DIVISION OF LANDS, MINERALS AND RANGE
BUREAU OF SURFACE AND MINERAL RESOURCES
300 NORTH 6TH STREET, SUITE 103
POST OFFICE BOX 83720
BOISE ID 83720-0050
PHONE (208) 334-0200
FAX (208) 334-3698



GEORGE B. BACON, DIRECTOR
EQUAL OPPORTUNITY EMPLOYER

K 7120 SH 7120
STATE BOARD OF LAND COMMISSIONERS
C. L. "Butch" Otter, Governor
Ben Ysursa, Secretary of State
Lawrence G. Wasden, Attorney General
Donna M. Jones, State Controller
Tom Luna, Sup't of Public Instruction


April 7, 2009

Patriot Investments LLC and Grouse Peak LLC
687 West Canfield Avenue Suite 101
Coeur d'Alene ID 83815

Subject: State of Idaho Easement No. 6610

Enclosed are the executed original and a photocopy of the recordation information of the subject documents.

If you have any questions or comments, feel free to contact us at (208) 334-0200



Rachel King
Technical Records Specialist
Division of Lands, Minerals and Range

cc: Bureau File
Cataldo Area Office

State of Idaho
Easement No. 6610
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Exhibit A-6 – Butler Creek

Pts. SE, SESW

of Section 16, T 47N, R 01W

Exhibit A-10 – Baldy Creek

Pts. S2SENE, S2SENW, N2SE, N2SW

of Section 36, T 48N, R 01W

Exhibit A-11 – Boise Peak

Pts. Lot 4, NWSW, SWNW

of Section 2, T 47N, R 01W

Pts. Lot 10, E2E2SE

of Section 3, T 47N, R 01W

Pts. SWSW, S2NWSW

of Section 35, T 48N, R 01W

Exhibit A-12 – Higbee Ridge

Pts. Lot 4, SENW, NESW, SWSE

of Section 24, T 48N, R 01W

Pts. N2NE, SENE, S2N2NW

of Section 25, T 48N, R 01W

Exhibit A-13 – Upper Higbee

Pts. NWSE

of Section 30, T 48N, R 01E

Exhibit A-14 – Jackass Creek

Pts. SWNENE, SENWNE

of Section 36, T 48N, R 02E

Pts. N2SENE

of Section 36, T 48N, R 02E

To Grouse Peak:

Exhibit A-3 – Cataldo Gulch

Pts. W2SESE

of Section 10, T 48N, R 01E

Exhibit A-5 – Upper Bear Creek

Pts. SWSWNE, S2SW, N2SE

of Section 24, T 49N, R 02E

Pts. SENESW

of Section 24, T 49N, R 02E

Exhibit A-9 – Bear Creek

Pts. SENWNW

of Section 26, T 49N, R 02E

Pts. SENW

of Section 27, T 49N, R 02E

Exhibit A-14 – Jackass Creek

Pts. SWNENE, SENWNE

of Section 36, T 48N, R 02E

Pts. N2SENE

of Section 36, T 48N, R 02E

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Subject to the following terms:

A. General:

1. This easement may be assigned only with the prior written consent of the Grantor. Such consent shall not be unreasonably withheld. The Grantee must provide the appropriate legal assignment documentation and pay the required easement assignment fee, if any.
2. The terms and conditions of this easement shall be binding on the successors and assigns of the respective parties.

B. Limited Purpose:

- 1 It is understood and agreed the road is not a public road and the use hereby authorized does not include access for residential, commercial, or recreational developments. This easement is specifically limited for ingress and egress for the control, management, administration, and use of the Grantees' lands, or resources thereof including hauling logs and other forest products, hauling minerals, including sand and gravel, hauling agricultural products, moving livestock to and from Grantees' lands, and for access to all of Patriot Investments' lands and Grouse Peaks' for fire prevention and control, located within the parcels described above or as shown on the Exhibits referred above.
2. The Grantee may permit its agents, licensees, contractors, and purchasers of timber or other materials (hereinafter referred to as Permittees) to exercise the rights granted herein.

C. Grantees Covenants:

1. The Grantee, and its Permittees, will comply with all applicable federal, state, and local laws, and with all applicable state administrative rules including, but not limited to the Idaho Forest Practices Act, the Stream Channel Protection Act, and all environmental protection laws.
2. It is understood that the legal description set forth in this easement is that provided by the Grantee who assumes full responsibility for the road being located within the described legal description. The Grantor assumes no responsibility for an inaccurate legal description.
3. The Grantee shall indemnify and hold harmless, the Grantor and its representatives against and from any and all demands, claims, or liabilities of every nature whatsoever, arising directly or indirectly from or in any way connected with the use and maintenance authorized under this easement.
4. Grantee shall not install any gates in or across, or fence the easement area without prior written authorization from the Grantor.

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D. Road Construction, Reconstruction, and Maintenance:

1. All road construction, reconstruction, and maintenance work shall comply with all applicable federal, state, and local laws, and with all applicable state administrative rules.
2. Unless the parties hereto agree in writing to share the costs of improvements in advance of such improvements being made, such cost will be borne by the improver.
3. Road maintenance will be allocated on the basis of respective uses of said road. When any party uses the road, the party will perform or cause to be performed, or contribute or cause to be contributed, that share of maintenance occasioned by such use as hereinafter provided. During the periods when a road is being used solely by one party, such party will maintain that portion of said road so used to the standards existing at the time such use is commenced. During periods when more than one party is using the same road, or any portion thereof, the parties hereto will meet and establish necessary maintenance provisions. Such provisions will include, but 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 of the road or the portion thereof being used; and
 - (b) A method of payment by which each party using said road or a portion thereof, will pay its pro rata share based on volume hauled of the cost incurred by said maintainer in maintaining said road or portion thereof.
4. Each party using any portion of the road will repair or cause to be repaired at its sole cost and expense that damage to said road occasioned by it which is in excess of that which it would cause through normal and prudent usage of said road. Should inordinate damage to a road occur which is not caused by an authorized user of said road, the parties hereto will 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 road.
5. Grantee shall not use the road when weather and road conditions would result in excessive damage and/or maintenance.
6. If Grantee wishes to cut timber within the easement, Grantee must first notify the Grantor in writing of Grantee's intent. Prior to cutting of any timber by Grantee, Grantor shall designate all merchantable timber. Grantee shall pay fair market value for all merchantable timber cut. Slash resulting from the cutting of merchantable timber, or non-merchantable trees and brush, will be piled as designated by the Grantor.

E. Grantors Reservations:

1. The Grantor reserves to itself, all timber, present and future, within the easement area.

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2. The Grantor reserves to itself, the right to construct and maintain such spur roads over, through, or across the right-of-way described herein as it may deem necessary in the administration and use of its adjoining land, provided that such use does not unduly interfere with the rights and privileges hereby authorized to Grantee.
3. The Grantor reserves unto itself, the right and privilege to use the road upon its lands for any and all purposes deemed necessary or desirable in connection with the control, management, administration, and use of Grantor's lands.
4. The Grantor reserves the right to cause temporary delays to Grantee's use of the road due to control, management, and use of Grantor's adjacent land. The temporary delays shall not unduly interfere with the rights and privileges hereby authorized to Grantee.
5. The grant of a right to construct and use the road described in this easement does not create an obligation on the Grantor to maintain the road in a usable condition or perform beyond its legal authority.

F. Termination:

1. An easement, thereof, not used for five (5) consecutive years, or not preserved for prospective future use, for the purpose for which it was granted or construction not completed within five (5) years from the date of this easement for the purpose for which it was granted, is presumed abandoned. The Grantor shall notify the Grantee in writing that the easement is considered abandoned and will terminate if notification of use is not received within thirty (30) days from the date of notification. In the event of such non-use such determination by Grantor, Grantee shall furnish to the Grantor a statement in recordable form evidencing termination.
2. In the event that Grantor determines that this easement No. 6610 is terminated based on paragraph F.1. above, it is agreed that the reciprocal easement (Acquired Easement No. 767) may be terminated by the Grantees named herein.
3. If at any time Grantee determines that the easement, or any segment thereof, is no longer needed for the purposes granted, the easement traversed thereby shall terminate. In the event of such determination by Grantee, Grantee shall furnish to the Grantor a statement in recordable form confirming termination.

G. Acceptance:

1. USE OF THIS EASEMENT BY THE GRANTEE CONSTITUTES ACCEPTANCE OF THE EASEMENT AND AGREEMENT TO BE BOUND BY THE TERMS HEREOF.

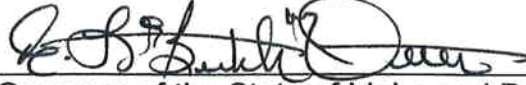
H. Authority:

1. This easement is issued by the authority of the Rules for Easements on State Land (IDAPA 20.03.08) dated July 1993.

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IN WITNESS WHEREOF, the State Board of Land Commissioners has caused these presents to be executed by its President, the Governor of the State of Idaho, and countersigned by the Secretary of State and the Director, Idaho Department of Lands.

STATE BOARD OF LAND COMMISSIONERS



Governor of the State of Idaho and President
of the State Board of Land Commissioners

Countersigned:


Secretary of State
Director, Idaho Department of Lands

STATE OF IDAHO)
) ss.
COUNTY OF ADA)

On this 3rd day of march, 2009, before me, a Notary Public in and for said State, personally appeared **C.L. "BUTCH" OTTER**, known to me to be the Governor of the State of Idaho and President of the State Board of Land Commissioners; **BEN YSURSA**, known to me to be the Secretary of State for the State of Idaho; and **GEORGE B. BACON**, known to me to be the Director of Department of Lands of the State of Idaho, that executed the same instrument and acknowledged to me that such State of Idaho and State Board of Land Commissioners executed same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year written above.


NOTARY PUBLIC for Idaho

Residing at Bose, Idaho

My Commission expires: August 11, 2014

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IN WITNESS WHEREOF the parties hereto have executed this Agreement effective on the date first indicated above.

Patriot Investments, LLC

Grouse Peak, LLC

By: Forest Capital Partners, LLC
its Manager

By: Forest Capital Partners, LLC
its Manager

By Matthew W. Donegan
Matthew W. Donegan, its
Managing Director for
Forest Capital Partners, LLC

By Matthew W. Donegan
Matthew W. Donegan, its
Managing Director for
Forest Capital Partners, LLC

ACKNOWLEDGEMENT:

STATE OF OREGON)
) ss.
County of Multnomah)

On this 28th day of January, 2009, before me, the undersigned, a Notary Public in and for the State of Oregon, personally appeared **MATTHEW W. DONEGAN**, known or identified to me, to be the Managing Director of the manager of the limited liability companies that executed the instrument on behalf of said limited liability companies and acknowledged to me that such limited liability companies executed the same.

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

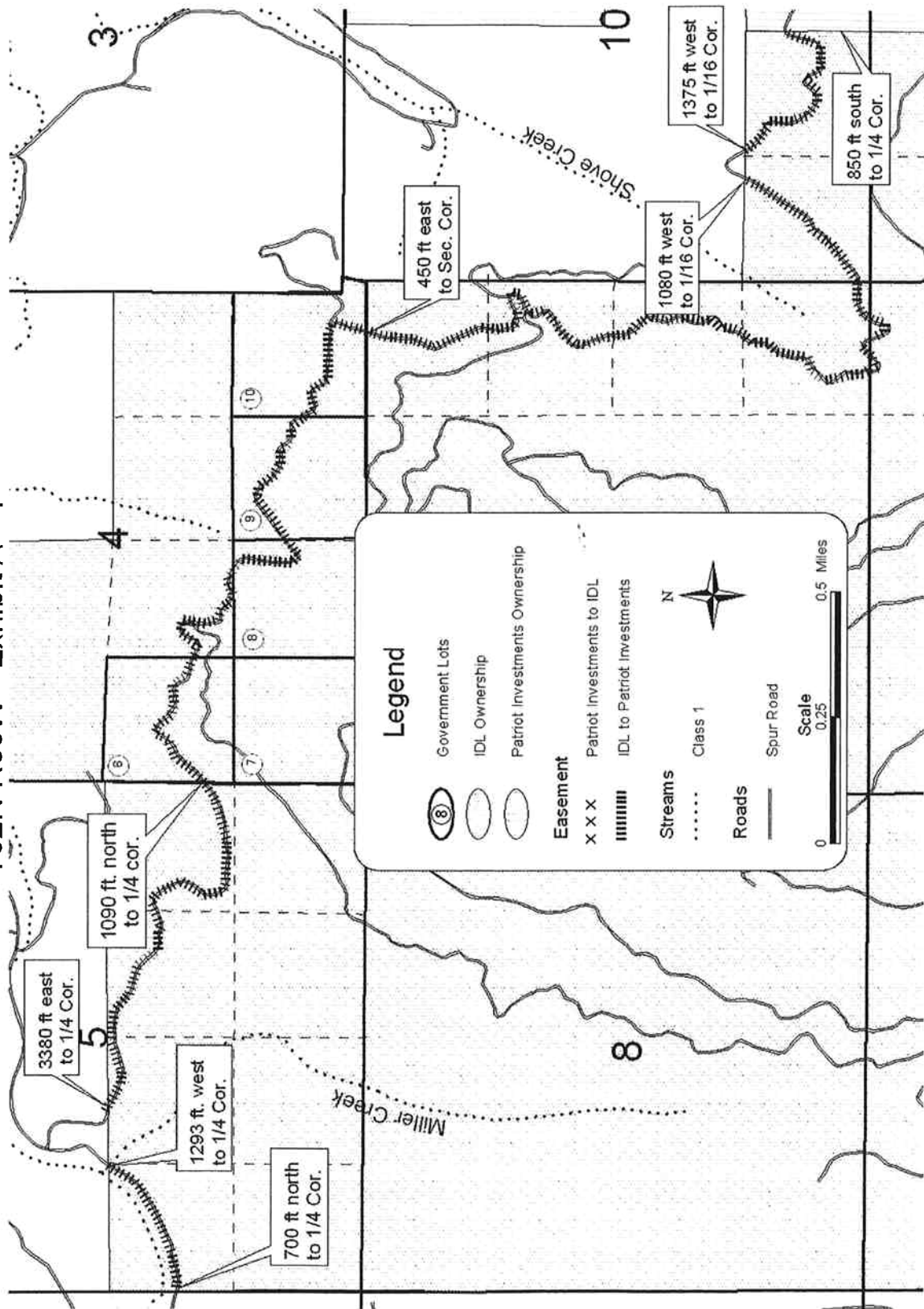


Celeste E. Williams
Notary Public in and for the State of Oregon
Residing at: Multnomah
Commission Expires: 3/2/2010

K 7120

SH 7120

Easement Exchange - Miller Creek
T52N R05W - Exhibit A - 1



Prepared: BSR County: Kootenai Date: 1/16/09

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Easement Exchange - Twin Lakes
T53N R05W - Exhibit A - 2

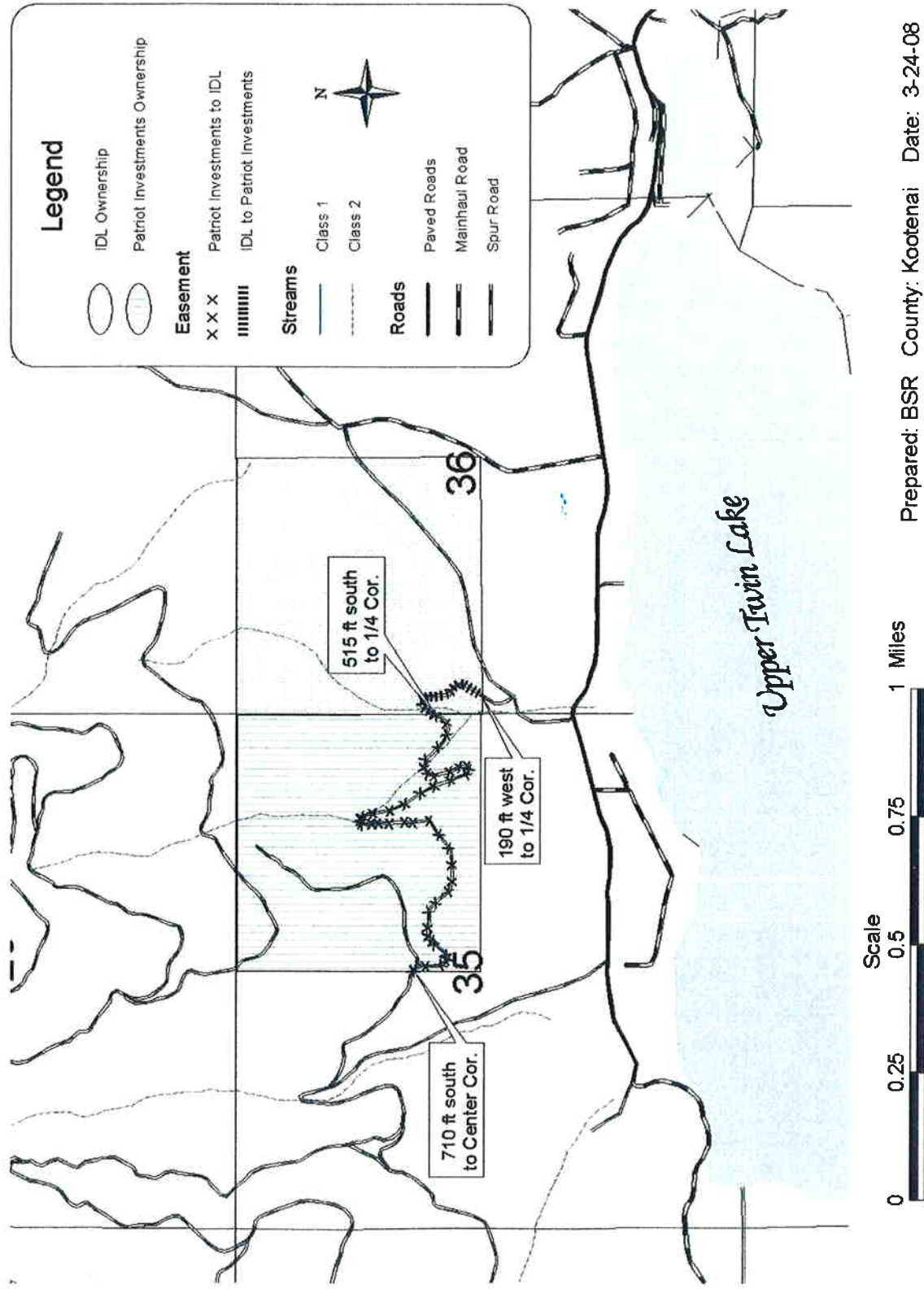
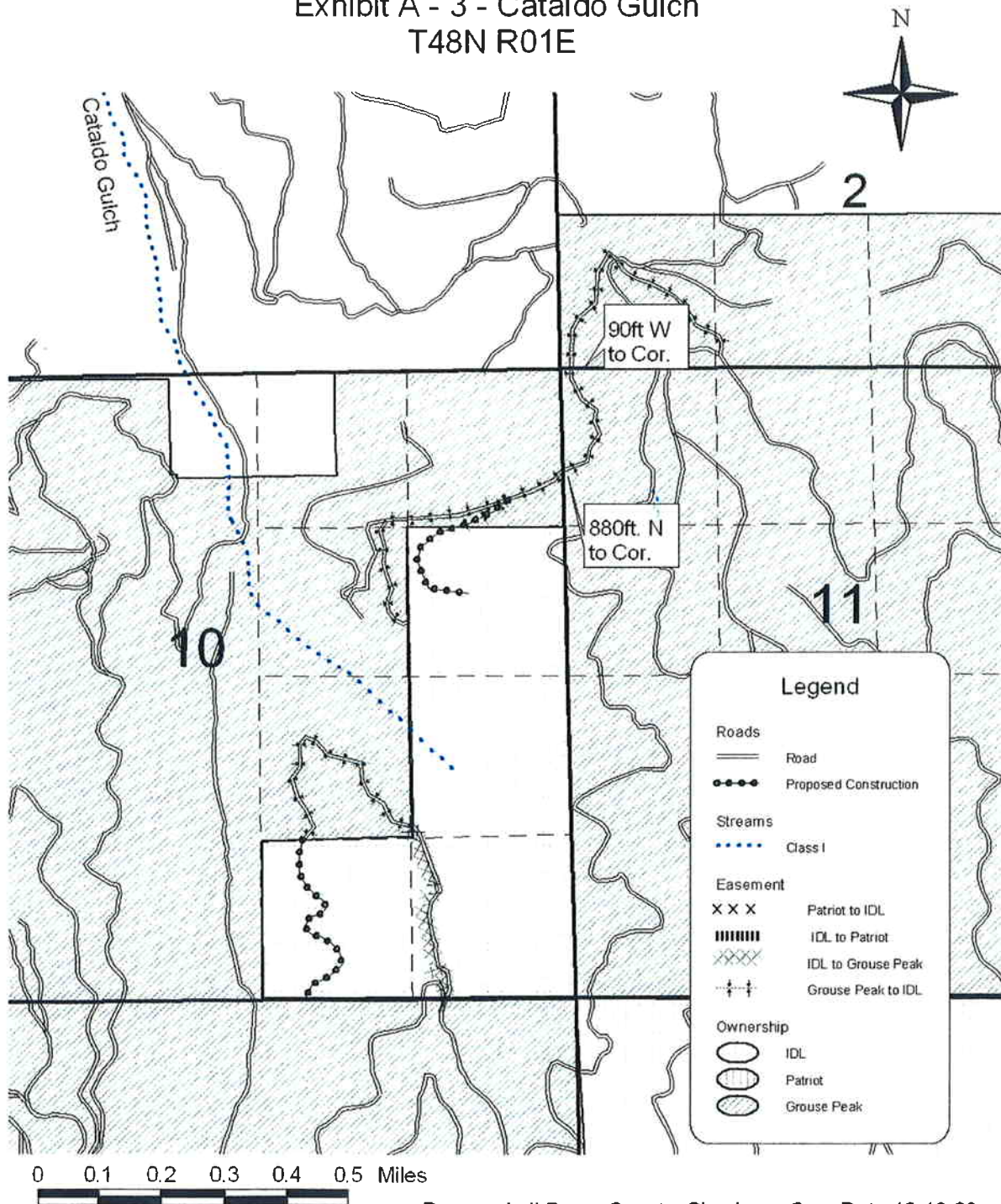


Exhibit A - 3 - Cataldo Gulch
T48N R01E



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Exhibit A -4 - Little Baldy
T48N R01E

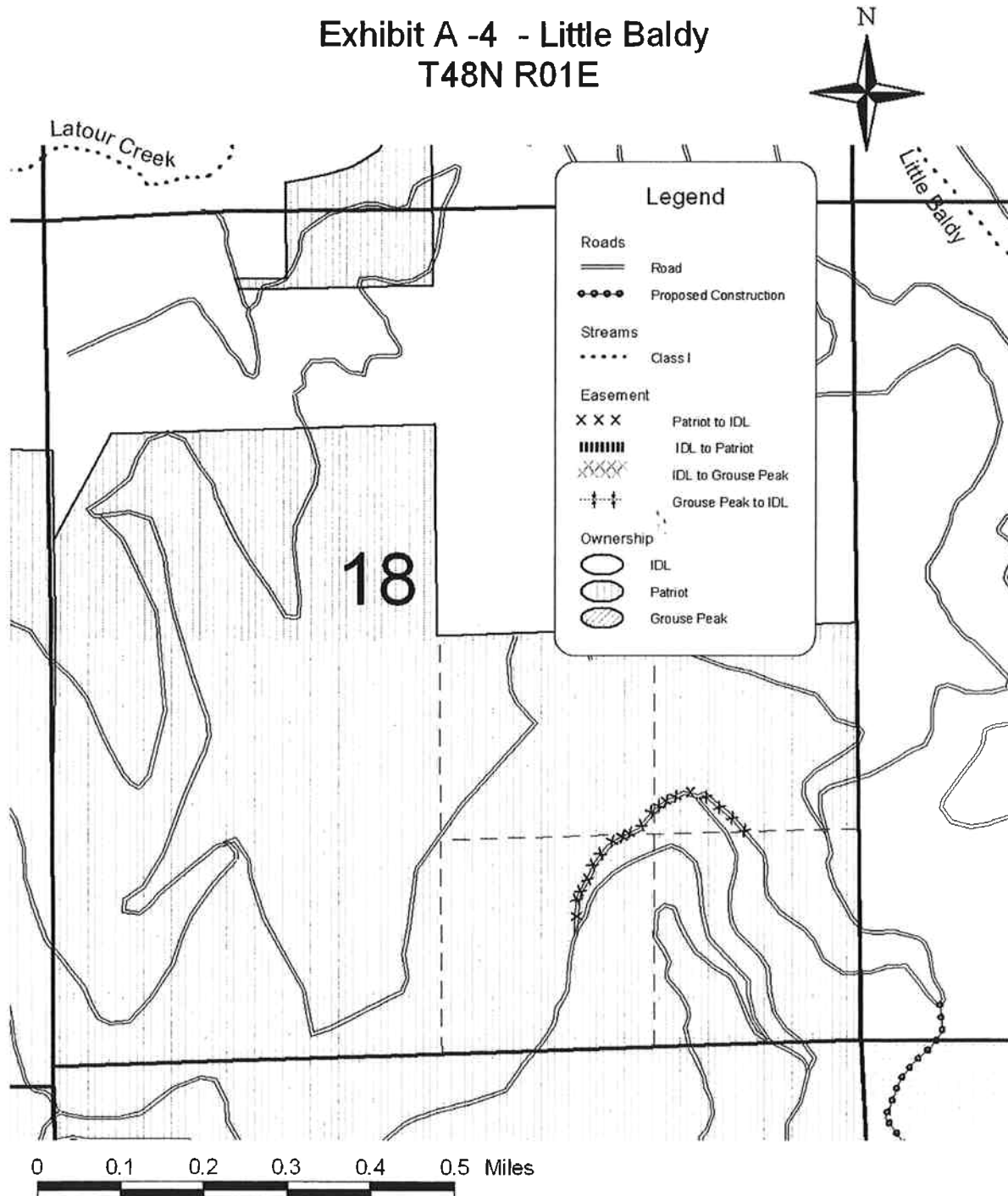
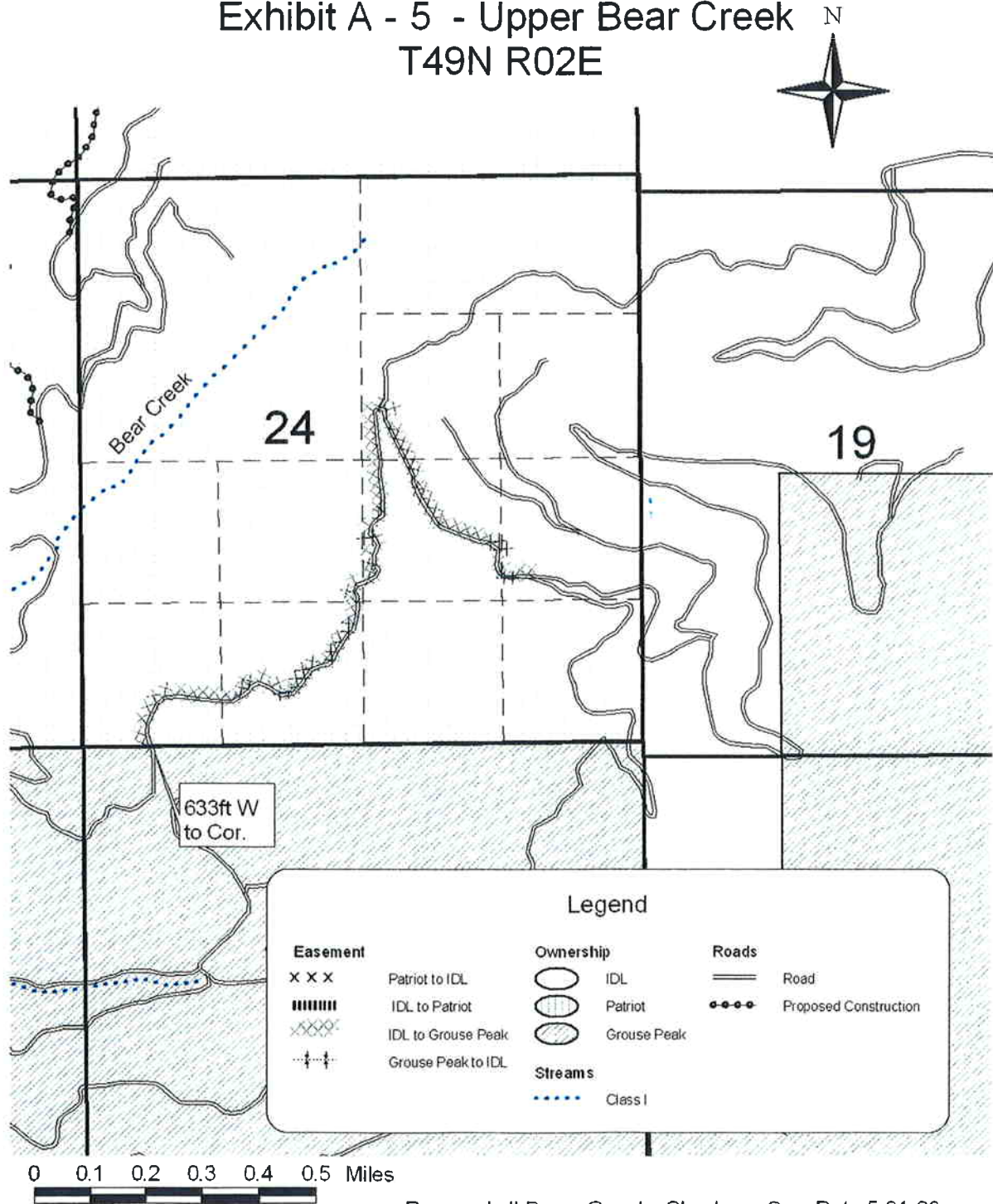
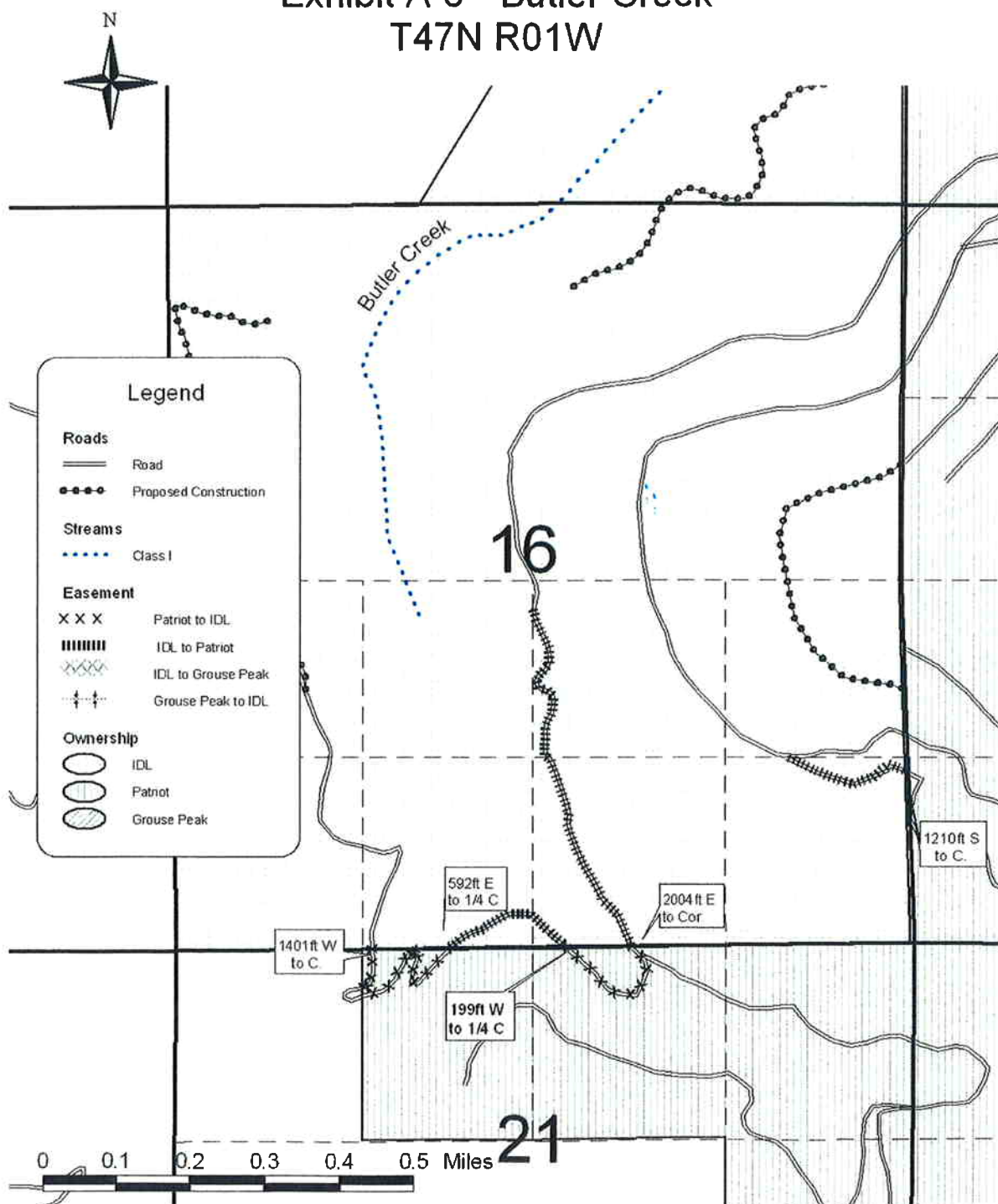


Exhibit A - 5 - Upper Bear Creek T49N R02E



K 7120 5H 7120

Exhibit A-6 - Butler Creek T47N R01W

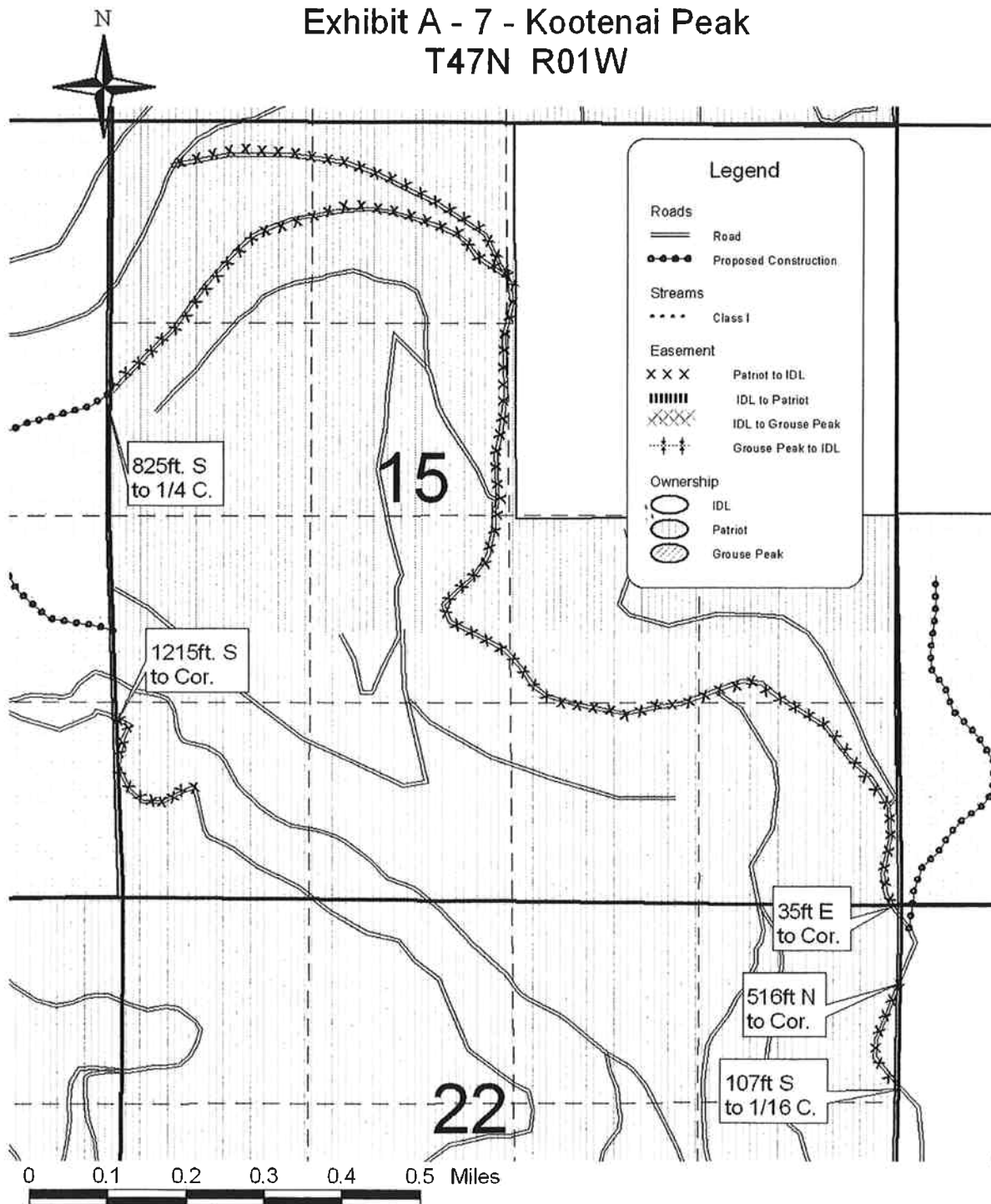


Prepared: JLB

County: Kootenai and Benewah Date 12-4-08

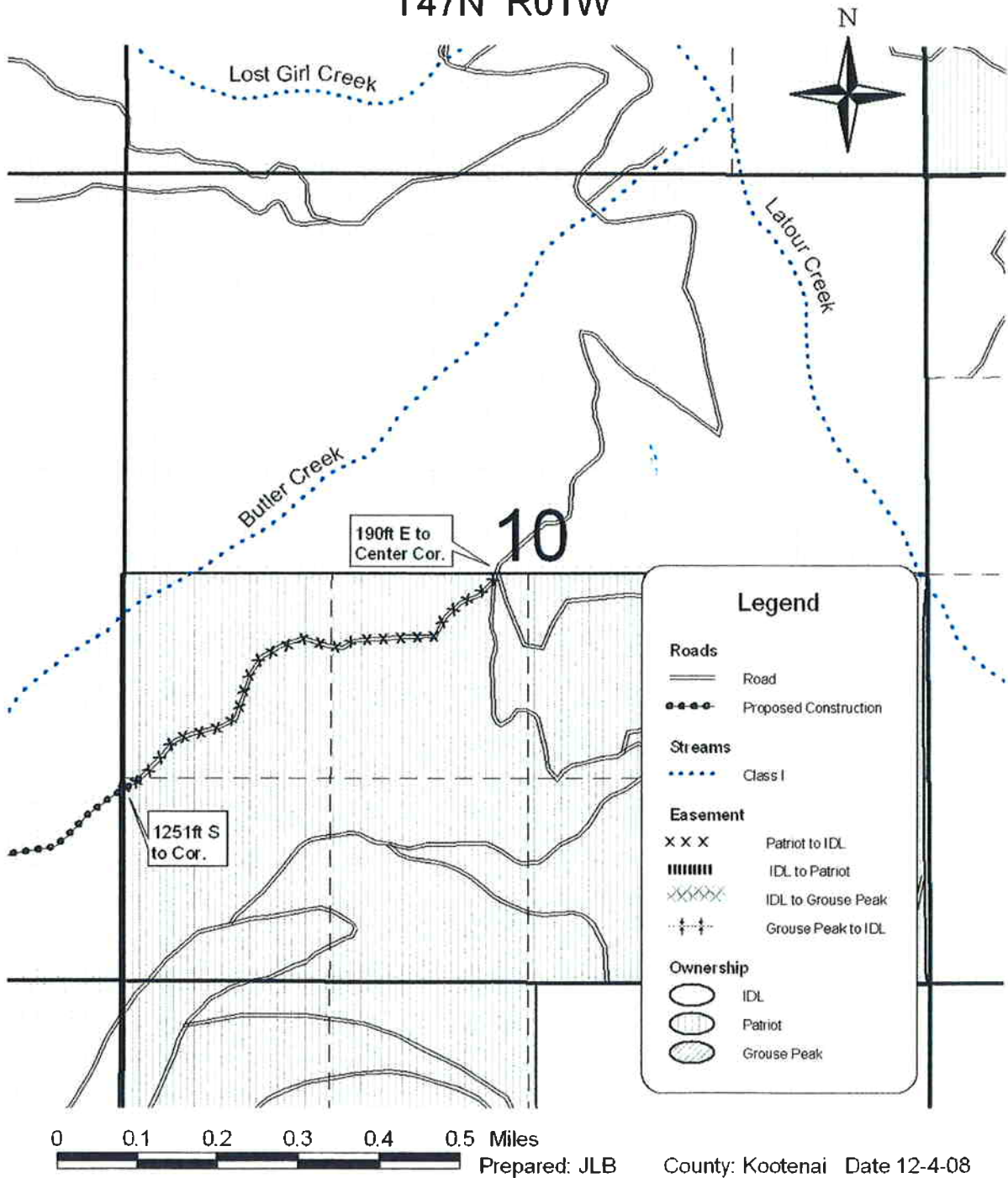
K 7120 SH 7120

Exhibit A - 7 - Kootenai Peak
T47N R01W



K 7120 SH 7120

Exhibit A-8 Lower Kootenai Peak
T47N R01W



K 7120 SH 7120

Exhibit A - 9 Bear Creek T49N R02E

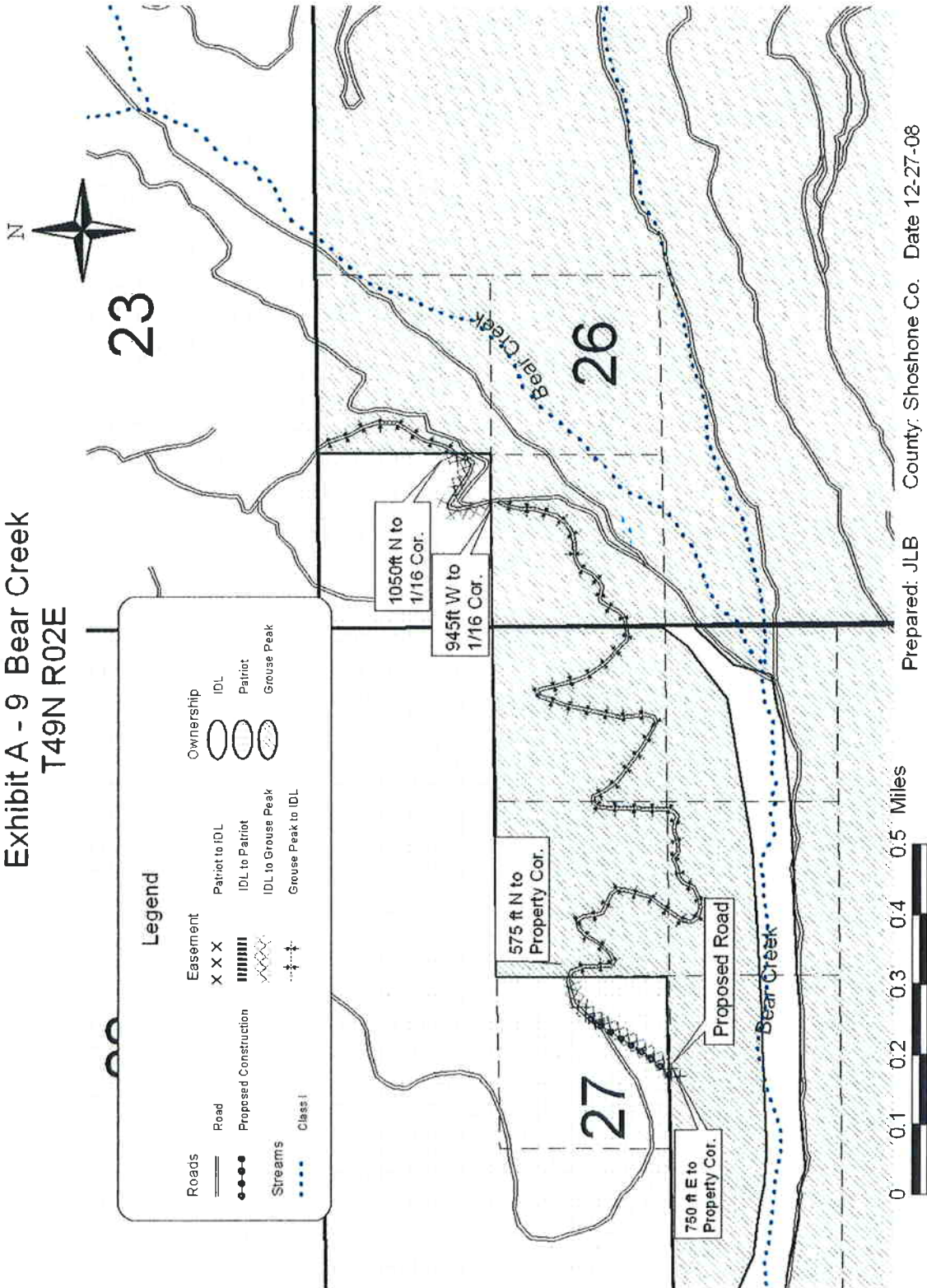


Exhibit A - 10 - Baldy Creek T48 N R 01 W

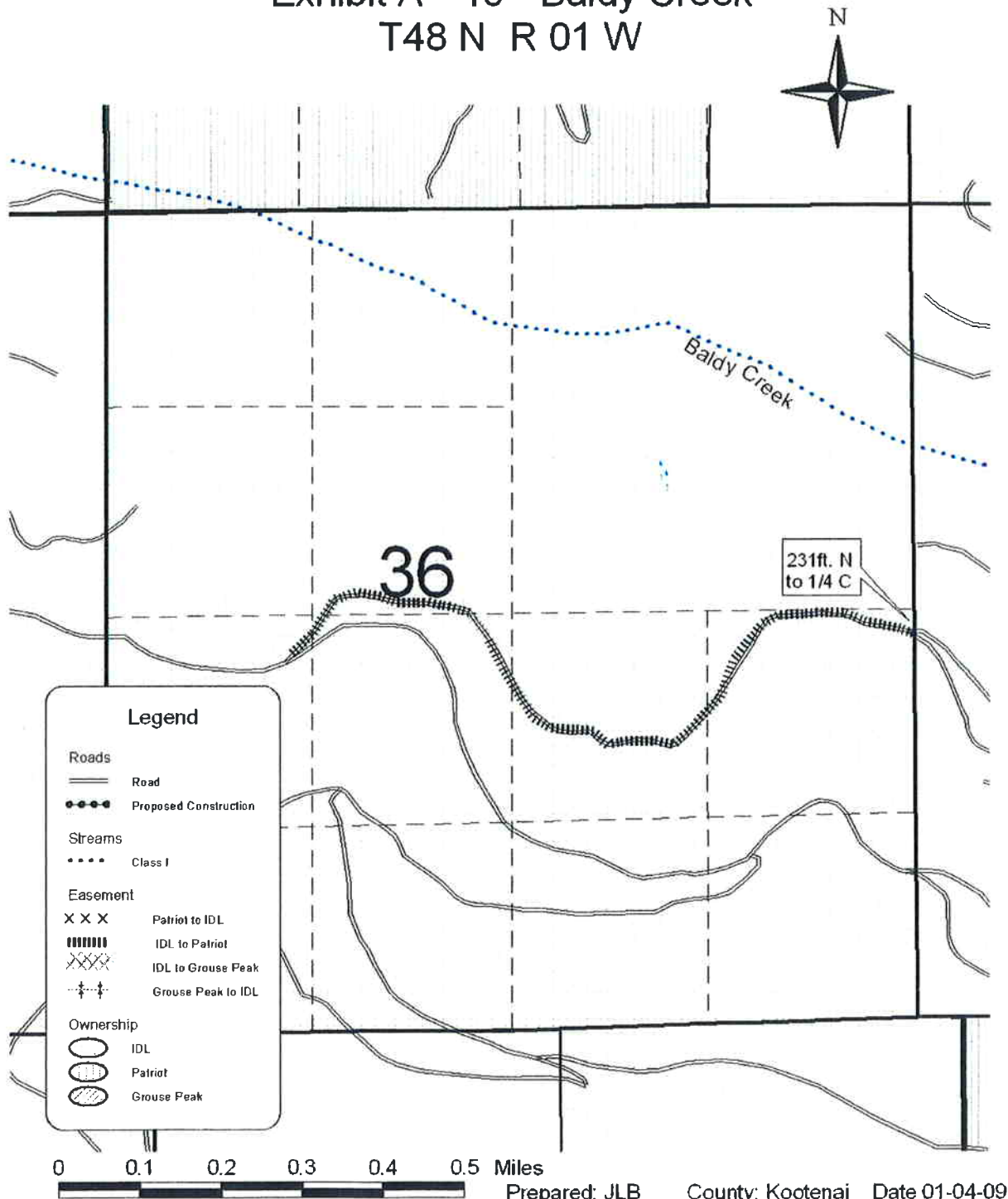


Exhibit A - 11 - Boise Peak

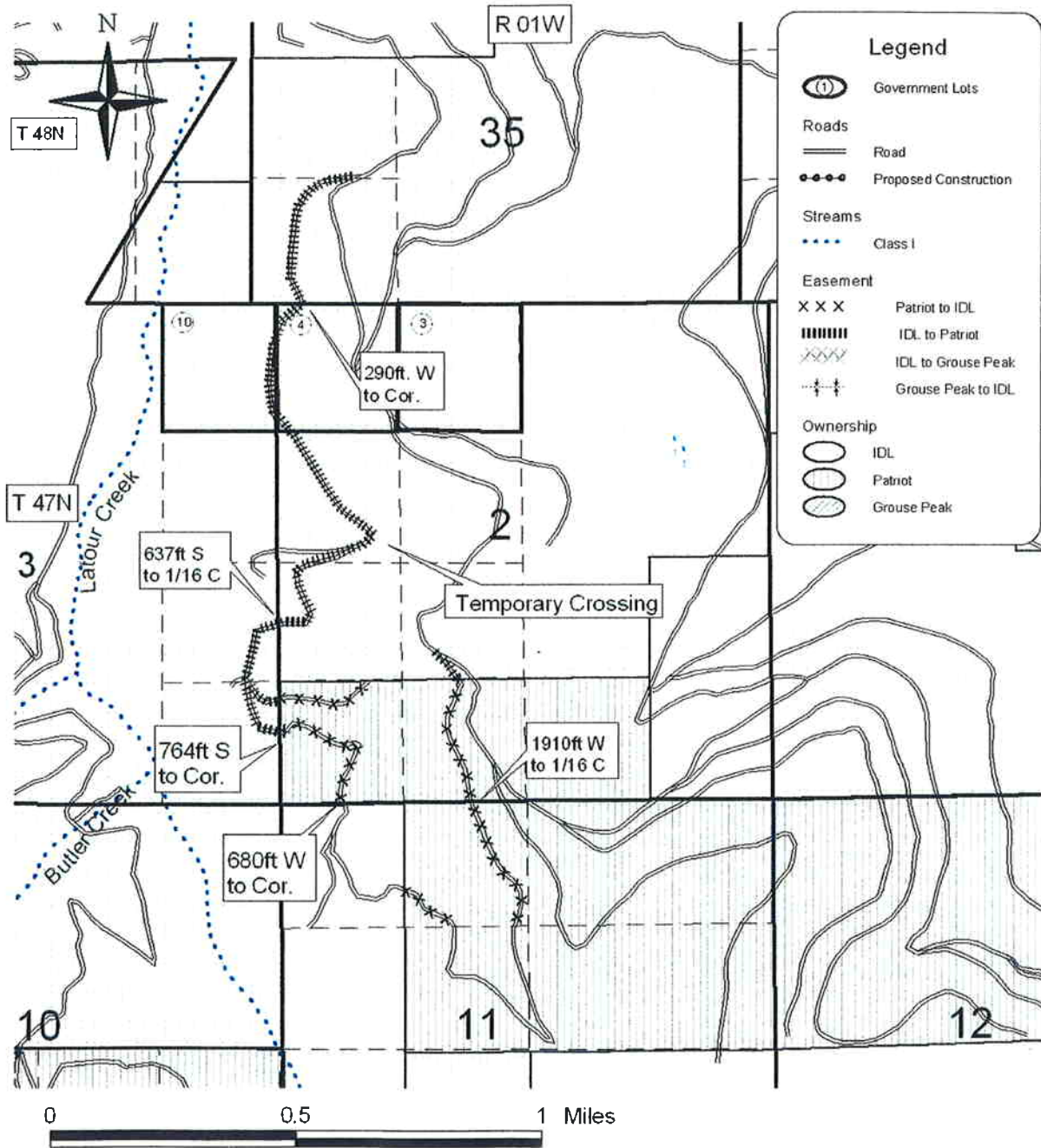


Exhibit A - 12 - Higbee Ridge
T 48N R 01W

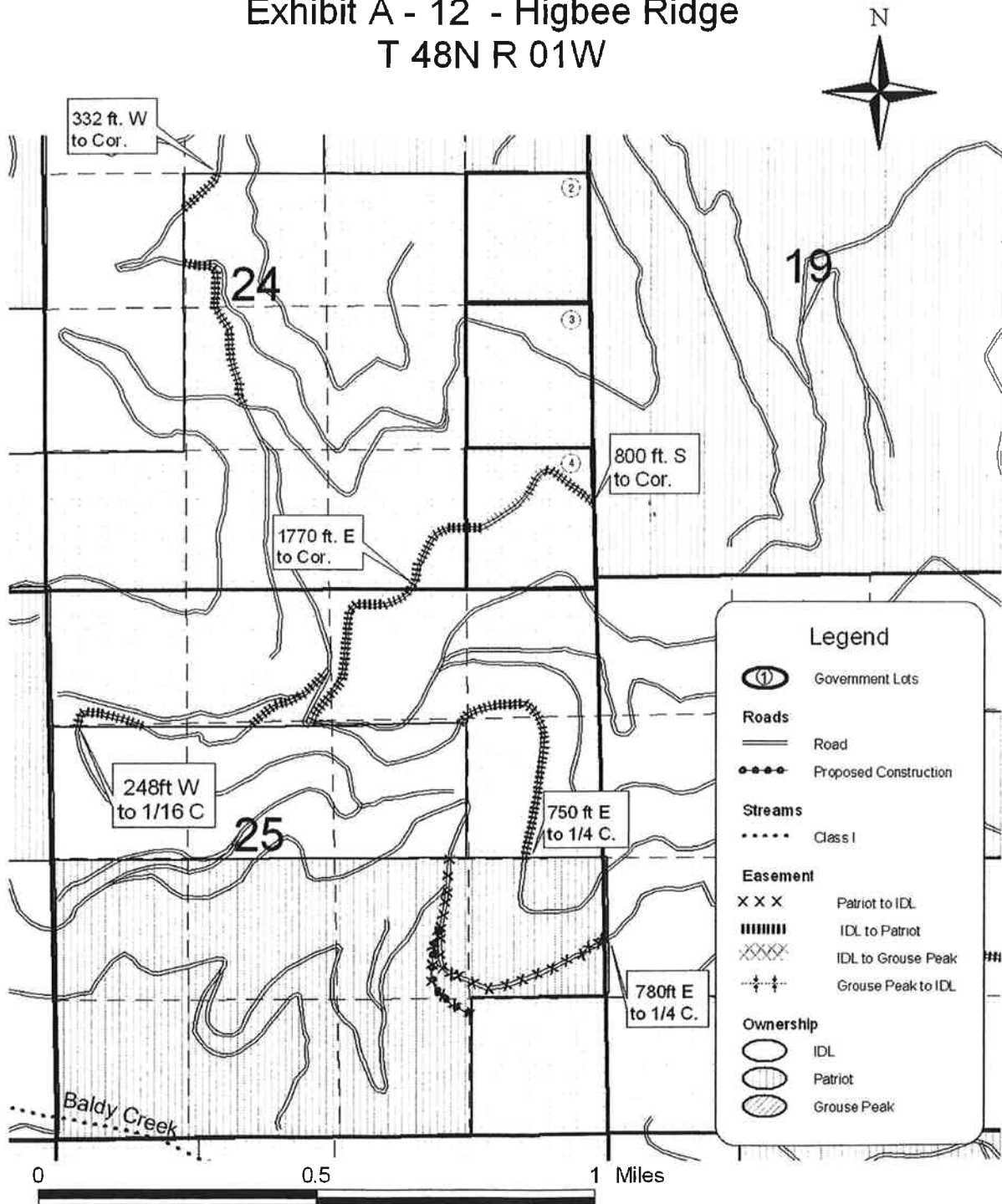
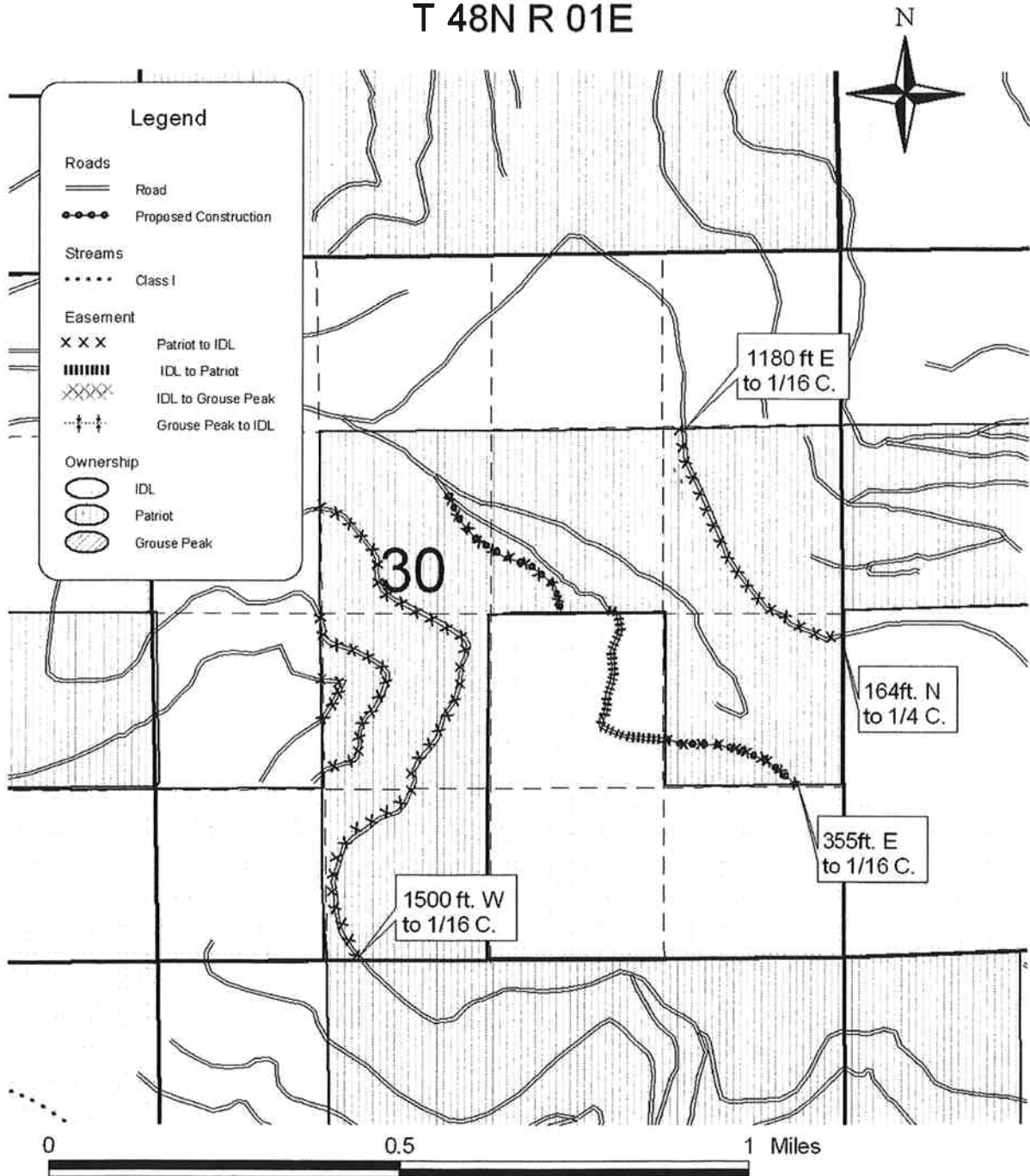


Exhibit A - 13 - Upper Higbee
T 48N R 01E



K 7120

SH 7120

