

RAILROAD EASEMENT AGREEMENT
(Gilchrist - Crown Pacific Railroad)

This RAILROAD EASEMENT AGREEMENT (this "Agreement") is made as of this 2nd day of October, 1991, by and between GILCHRIST TIMBER COMPANY, a Delaware corporation ("GTC"), and CROWN PACIFIC RAILROAD, INC., an Oregon corporation ("CPR").

Recital:

A. GTC desires to grant to CPR an easement over the real property located in Klamath County, Oregon, described on the attached Exhibit A (the "GTC Property") on the terms and conditions contained in this Agreement, and CPR desires to accept such grant on these terms and conditions.

Agreements:

NOW, THEREFORE, in consideration of the foregoing and the covenants contained in this Agreement, the parties hereby agree as follows:

1. Grant of Easement. GTC hereby creates, grants, and conveys to CPR an exclusive, perpetual easement (the "Easement") over the area lying within 50 feet on either side of the center line of the existing railroad tracks formerly operated by the Klamath Northern Railway Company (the "Easement Area") for the use of CPR and its employees, agents, and contractors for the purpose of operating a railroad right of way and for the maintenance and repair of the Easement Area. The Easement is granted as a benefit to CPR and its successors and assigns and as a burden of the GTC Property owned by GTC and its successors and assigns.
2. Liability; Indemnification. GTC shall not be liable to CPR for any loss or damage arising out of the use of the Easement Area by CPR or its employees, agents, or contractors. CPR hereby agrees to indemnify and hold harmless GTC and its successors and assigns from any and all claims, losses, liabilities, or expenses arising from the use of the Easement Area by CPR or its employees, agents, or contractors.
3. Maintenance and Repair. CPR shall have the sole obligation to maintain, repair, and preserve in a safe condition the Easement Area in a prompt, diligent, and regular manner at its cost and expense.
4. Timber Rights. CPR shall have the sole right to cut, fell, and remove timber now or hereafter located within the Easement Area. GTC shall not cut, fell, or remove any timber now or hereafter located within the Easement Area without the prior written consent of CPR, which may be withheld in its sole discretion.

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5. Remedies. In the event one of the parties fails to perform its obligations under this Agreement, the other party shall be entitled to require specific performance of such obligation, to obtain appropriate injunctive relief, or to pursue any other remedy available at law or in equity.

6. Covenants and Easement to Run with Land. Each covenant and easement made or granted pursuant to this Agreement shall be permanent and shall run with the land as to all property benefitted and burdened by such covenant and easement, including any partition or division of such property. The rights, covenants, and obligations contained in this Agreement shall bind, burden, and benefit GTC and CPR and their respective successors, assigns, lessees, mortgagees, and beneficiaries under any deed of trust.

7. General Provisions.

7.1 Notices. All notices or communications of any kind which may be required or permitted to be given under the terms of this Agreement shall be in writing and may be served by hand delivery; by delivery to Federal Express (or comparable overnight delivery service maintaining records of receipt), delivery charges prepaid; or by mailing a copy thereof by certified or registered mail, postage prepaid with return receipt requested, in each case, addressed to the parties at their respective addresses set forth below:

If to GTC: Gilchrist Timber Company
 Gilchrist, Oregon 97737
 Attn: Mr. Charles F. Shotts

If to CPR: c/o Crown Pacific, Ltd.
 121 S. W. Morrison Street
 Suite 900
 Portland, Oregon 97204
 Attn: Mr. Roger L. Krage

All notices and communications which are served by hand delivery shall be effective upon delivery. All notices and communications which are served by Federal Express shall be effective upon the next following business day. All notices and communications which are served by mail shall be effective at the expiration of the third day after the date of mailing. The addresses to which notices or communications shall be delivered or mailed may be changed from time to time by giving written notice to the other party as provided in this Section 7.1.

7.2 Counterparts: Facsimiles. This Agreement may be executed in counterparts, each of which shall be deemed an original, and the counterparts shall together constitute one and the same agreement. This Agreement may also be executed by the transmission by facsimile of an executed counterpart signature

page or pages, and any executed counterpart signature page or pages transmitted in this manner shall be considered valid and enforceable for all purposes.

7.3 Captions. The headings and captions contained in this Agreement are inserted solely for convenience of reference and are not a part of or intended to govern, limit, or aid in the construction of any term or provision.

7.4 Amendment. This Agreement may be modified or amended only upon the execution of a written instrument by both of the parties.

7.5 Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement and the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable shall not be affected thereby, and each term or provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

7.6 Integration. This Agreement, together with the exhibits hereto, contains the entire agreement and understanding of the parties with respect to the subject matter of this Agreement and supersedes all prior and contemporaneous agreements between them with respect to such subject matter.

7.7 Further Instruments. Each of the parties hereto shall execute, acknowledge, and deliver any documents or instruments necessary to carry out the purposes of this Agreement.

7.8 Waiver. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless in writing executed by the party to be bound. No delay or omission in the exercise of any power, remedy, or right under this Agreement by a party shall impair or affect the right of such party thereafter to exercise the same.

7.9 Attorneys' Fees. In the event a suit or action is instituted to enforce or interpret any provision of this Agreement, the prevailing party shall be entitled to recover such amount as the court may adjudge reasonable as attorneys' fees at trial or on any appeal or review, in addition to all other amounts provided by law.

7.10 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Oregon.

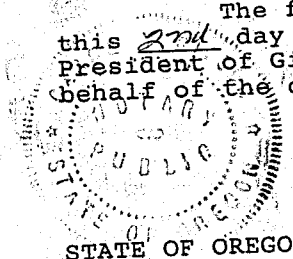
IN WITNESS WHEREOF, the parties have executed this Railroad Easement Agreement as of the date first set forth above.

GTC: GILCHRIST TIMBER COMPANY, a Delaware corporation
By: Charles F. Shotts
Charles F. Shotts, President

CPR: CROWN PACIFIC RAILROAD, INC., an Oregon corporation
By: Roger L. Krage
Roger L. Krage, Secretary

STATE OF OREGON)
County of Multnomah) ss.

The foregoing instrument was acknowledged before me on this 2nd day of October, 1991 by Charles F. Shotts, who is the President of Gilchrist Timber Company, a Delaware corporation, on behalf of the corporation.



Carol Y. Gibson
Notary Public for Oregon
My Commission Expires: 6-7-92

STATE OF OREGON)
County of Multnomah) ss.

The foregoing instrument was acknowledged before me on this 2nd day of October, 1991, by Roger L. Krage, who is the Secretary of Crown Pacific Railroad, Inc., an Oregon corporation, on behalf of the corporation.

Donna J. Pozdol
Notary Public for Oregon
My Commission Expires: 10/07/94

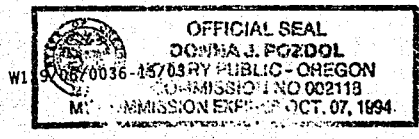


EXHIBIT A

The following described real property situated in Klamath County, Oregon:

Parcel 2 of Major Partition Plat No. 53-91, records of Klamath County, Oregon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Co. the 4th day of Oct. A.D., 1991 at 2:48 o'clock P.M., and duly recorded in Vol. M91 of Deeds on Page 20440.

Evelyn Biehn County Clerk

By Paula Mulender

FEE \$48.00