

EASEMENT

In consideration of an exchange of easements, the STATE OF OREGON, acting by and through its Board of Forestry, (GRANTOR), grants and conveys to WESTERN TIMBER CO., an Oregon corporation, (GRANTEE), a non-exclusive easement over, upon and across:

Portions of the Southeast quarter of the Southwest quarter (SE $\frac{1}{4}$ SW $\frac{1}{4}$) of Section 8 and the South half (S $\frac{1}{2}$) of Section 16, Township 33 South, Range 7 East, Willamette Meridian, Klamath County, Oregon, as shown on the attached Exhibit "A".

To have and to hold said easement FOREVER, subject to the following terms:

1. The rights herein granted are for the purposes of maintaining, repairing, and using a roadway by GRANTEE and by GRANTEE's licensees and permittees, for access to GRANTEE's property, including, but not limited to, the transportation of forest and mineral products over said roadway.
2. GRANTOR reserves the exclusive right to grant further easements across the above described land.
3. GRANTEE shall save and hold harmless the GRANTOR from any and all liability claims of any kind whatsoever associated with this easement.
4. GRANTEE shall observe and comply with all federal, state, and local laws and regulations which in any manner affect the activities of GRANTEE under this easement.
5. This easement may be terminated by GRANTOR and all rights herein granted cease immediately in the event:
 - a. If for a period of 10 years GRANTEE shall fail to use or otherwise abandon said easement; or
 - b. If GRANTEE shall fail, neglect, or refuse to keep, observe, or perform any of the conditions or agreements herein contained, for a period of 30 days after having been given written notice to comply therewith; or

- c. Immediately upon insolvency, adjudication of bankruptcy or appointment of a receiver for the property of GRANTEE.

Upon GRANTOR's written notice of termination, GRANTEE shall execute a recordable document evidencing termination of easement.

6. GRANTEE, when using the roadway on said easement and right of way, shall maintain the said roadway in a condition as good as existed prior to the commencement of such use, provided that when GRANTEE and other authorized parties jointly use said roadway, then each party shall be responsible for a proportionate part of the entire maintenance which said part shall be based upon the ratio of part use to total use.
7. Should GRANTEE fail to perform the road maintenance required by this easement, GRANTOR shall have the right to perform or cause to have performed said maintenance and recover all associated costs from GRANTEE. GRANTEE shall reimburse GRANTOR within 30 days from date billed.
8. GRANTEE shall secure and keep in effect during commercial use of the roads under this easement the following insurance coverages, in a policy or policies issued by an insurance company or companies authorized to do business in the State of Oregon. The issuing company or companies shall indicate on the insurance certificate(s) required by this section that GRANTOR will be given not less than 30 days notice of any cancellation, material change, or intent not to renew such policy. The coverage shall be as follows:
- a. Commercial General Liability insurance covering personal injury and property damage in an amount not less than \$500,000 combined single limit per occurrence, with no more than \$5,000 deductible.
- b. Automobile Liability insurance in an amount not less than \$500,000 combined single limit per occurrence. This coverage can be provided by combining the Automobile Liability protection with the Commercial General Liability policy.

- c. Loggers Broad Form coverage, in an amount not less than \$500,000 with no more than \$5,000 deductible, for costs of fire control, losses or damage from fire, and other causes arising or resulting from activities of GRANTEE, employees, contractors and others working or acting for GRANTEE.
 - d. As evidence of the insurance coverage required by this contract, GRANTEE shall furnish a certificate or certificates of insurance including all of the foregoing coverages to GRANTOR.
 - e. Other insurance limits may be set upon mutual agreement in writing by the GRANTOR and GRANTEE.
9. All agreements and conditions of this easement are alike binding upon the GRANTEE and any other future holders of this easement.

Executed this 21st day of May, 1993.

GRANTOR:

STATE OF OREGON, acting by and
through its Board of Forestry


Ray Craig

Assistant State Forester
Forest Management Division

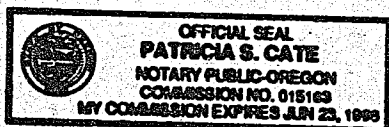
GRANTEE:

WESTERN TIMBER CO.,
an Oregon corporation



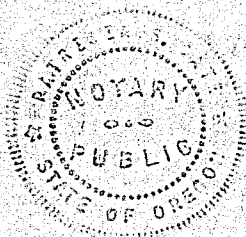
ACKNOWLEDGMENTSTATE OF OREGON)
) ss.
County of Marion)

This instrument was acknowledged before me this 21st day of
May, 1993, by Ray Craig, as the authorized
representative of the State of Oregon.



Patricia S. Cate
Notary Public for Oregon

My Commission expires: 6/23/96



After recording return to:

Western Timber Co.
594 S. Front
Central Point, OR 97502

13218

R 7 F

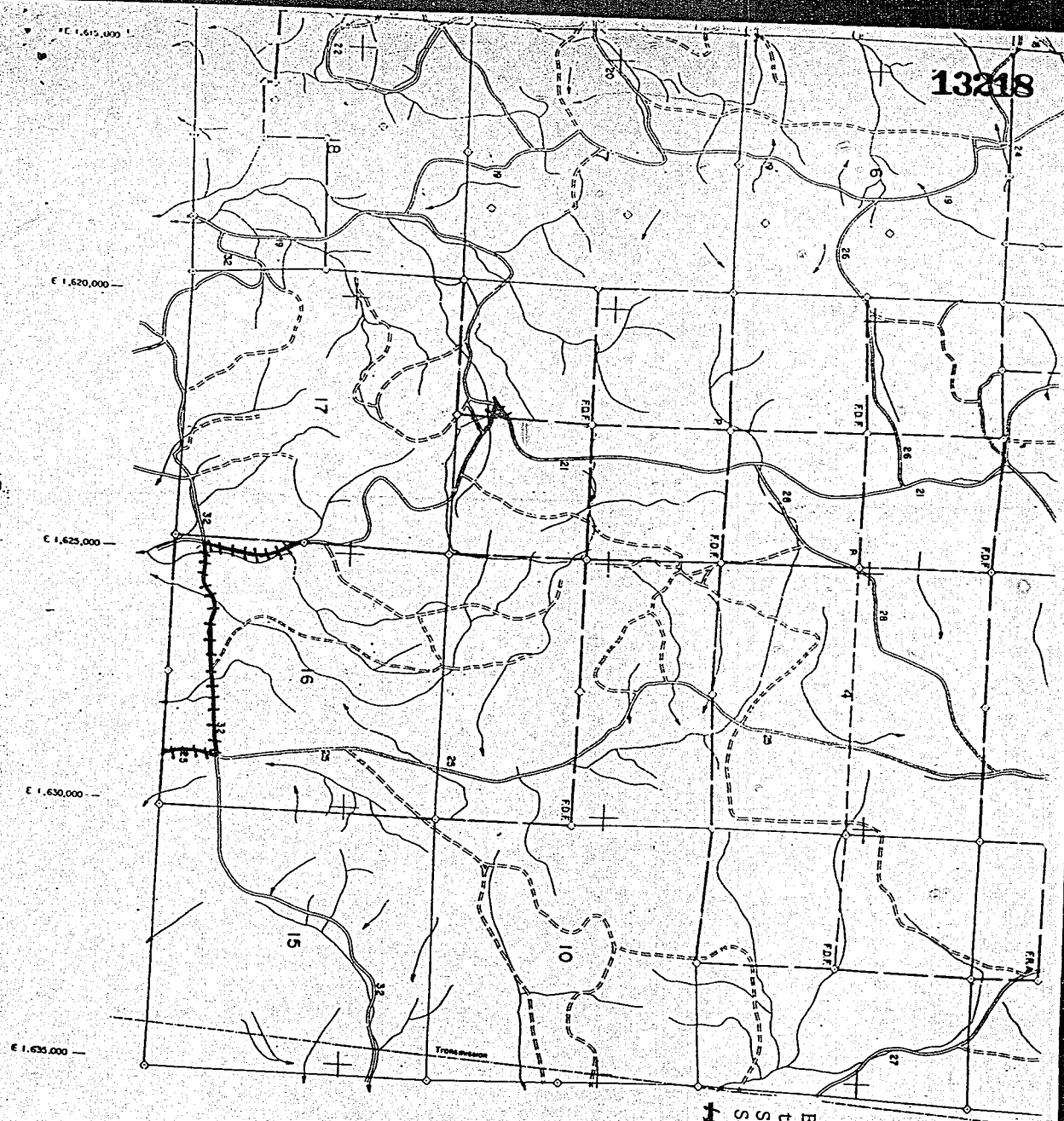


EXHIBIT "A"

Easement No. 311,18111
to Western Timber Co.
SE 1/4 Section 8 and
S 1/2 Section 16, T33S, R7E, W.M.
Easement location

T. 33 S.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ the _____ 8th day
of _____ June _____ A.D., 19 93 at 11:40 o'clock _____ A.M., and duly recorded in Vol. _____ M93
of _____ Deeds _____ on Page 13214

FEE \$30.00

Evelyn Biehn County Clerk
By Danah M. Mendenhall