

## EASEMENT AND AGREEMENT

THIS EASEMENT is granted this 31 day of March, 1998, by LORETTA M. McNEELY, as to an undivided one-half interest, and WARREN McNEELY, as to an undivided one-half interest, herein called "Grantors," to U.S. TIMBERLANDS KLAMATH FALLS, L.L.C., a Delaware limited liability company, herein called "UST," WITNESSETH:

## I.

Grantors, for and in consideration of the faithful observance and strict performance of the terms and conditions hereof, hereby grant and convey to UST a perpetual, nonexclusive and nonassignable easement, in gross, upon, over and along a right-of-way thirty (30) feet in width, being the West thirty (30) feet of the following described lands in Klamath County, Oregon:

A tract of land situated in the SW $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 1, Township 40 South, Range 7 East, W.M., being a portion of Lot 19, Ponderosa, a duly recorded subdivision, more particularly described as follows:

- Beginning at a 5/8 inch iron pin on the South line of the NE $\frac{1}{4}$  of said Section 1, said point being N 89° 56' 00" E, 385.40 feet from the center one-quarter corner of said Section 1;
- Thence N 00° 01' 00" E, 864.39 feet to the Westerly right-of-way line of Harkens Drive, said point being the beginning of a curve to the left (radius point bears N 57° 40' 00" E, 80.00 feet, central angle = 90°);
- Thence along the arc of said curve 125.66 feet to the end of said curve;
- Thence N 57° 40' 00" E along the Southeasterly right-of-way line of said Harkens Drive 426.32 feet;
- Thence S 00° 01' 00" W, 1,067.05 feet to the South line of the SW $\frac{1}{4}$ NE $\frac{1}{4}$  of said Section 1;
- Thence S 89° 56' 00" W, 470.55 feet to the point of beginning.

Subject as to said lands to all matters of public record.

## II.

It is mutually agreed by the parties hereto the rights herein granted are subject to the following terms and conditions:

1. The rights herein granted are for the purposes of construction, reconstruction, use and maintenance of a road for the purpose of providing ingress to and egress for forest management from lands and timber, now owned or hereafter acquired, by UST for the purposes of forest management in Section 1, Township 40 South, Range 7 East, W.M.
2. UST may permit its contractors, licensees, purchasers of timber and other valuable materials, and their agents, to exercise the rights granted to it herein.
3. During hauling operations, log trucks shall not be permitted to use jake brakes. UST shall so instruct the truck drivers.
4. Grantors reserve for themselves the right at all times and for any purpose to go upon, cross and recross, at any place on grade or otherwise, said right-of-way, and to use said road in any manner that will not unreasonably interfere with the rights granted UST hereunder.
5. When either party is the sole user of said road, or any portion thereof, such party shall maintain that portion of said road so used at its sole expense. However, during periods of time when other parties are using the same portions of said road, maintenance shall be in proportion to each party's use.

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For the purpose of this agreement, maintenance is defined as the work normally necessary to preserve and keep the roadway, road structure and road facilities as nearly as possible in their present condition or as hereafter improved.

6. Grantors have made no representation as to the present or future condition of their property, or the character of the traffic on their roads, and UST assumes all risk of damage to property of and injury to UST in connection with the exercise of rights granted hereunder.

7. UST shall indemnify and hold harmless Grantors against all claims or liabilities asserted by third persons resulting directly or indirectly from UST's acts or omissions hereunder whether negligent or otherwise.

8. Grantors reserve for themselves all timber now on or hereafter growing within said right-of-way.

9. As partial consideration for the grant hereinabove made, UST hereby grants to Grantors permission to cut and remove a maximum of ten (10) cords of firewood per year from UST's lands in said Section 1; provided however, such permission shall extend only to dead and down timber; and provided further that Grantors shall do no damage to UST land, timber or reproduction. Said permission is personal to Grantors and is nonassignable. UST shall issue no other firewood permits on the lands accessed by the easement.

IN WITNESS WHEREOF, the parties hereto have executed this instrument, in duplicate, as of the day and year hereinabove first written.

U.S. TIMBERLANDS KLAMATH FALLS,  
L.L.C.

Loretta M. McNeely  
Loretta M. McNeely  
as an undivided one-half interest

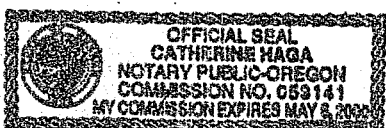
Allen Symington  
Allen Symington  
President

Warren McNeely  
Warren McNeely  
as an undivided one-half interest

STATE OF OREGON       )  
                                  )  
COUNTY OF KLAMATH   )       ss.

On this 2nd day of April, 1998, before me personally appeared Allen Symington, to be known to be the President, respectively, of U.S. TIMBERLANDS KLAMATH FALLS, L.L.C., the company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

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



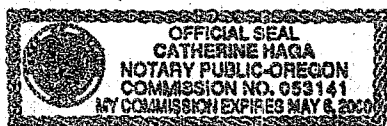
Catherine Haga  
Notary Public in and for the State of Oregon  
Residing at Midland, Oregon

STATE OF Oregon)  
COUNTY OF Klamath)

ss.

On this 31st day of March, 1998,  
before me personally appeared Loretta M. McNeely, to me known to be the individual described  
in, and who executed the above and foregoing instrument and acknowledged that she signed the  
same as her free and voluntary act and deed for the uses and purposes therein mentioned.

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



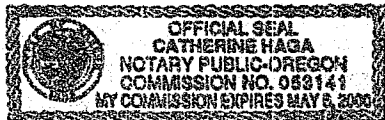
Catherine Haga  
Notary Public in and for the State of Oregon  
Residing at Midland, Oregon

STATE OF Oregon)  
COUNTY OF Klamath)

ss.

On this 31st day of March, 1998,  
before me personally appeared Warren McNeely, to me known to be the individual described in,  
and who executed the above and foregoing instrument and acknowledged that he signed the same  
as his free and voluntary act and deed for the uses and purposes therein mentioned.

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



Catherine Haga  
Notary Public in and for the State of Oregon  
Residing at Midland, Oregon

HOOD, McNEELY  
R/W AGREEMENT

SEC. 1, T. 40S., R. 7E., W. 4A.

**EXHIBIT A**

APR., 1984

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of U.S. Timberlands Co. the 14th day  
of April A.D., 19 98 at 9:57 o'clock A. M., and duly recorded in Vol. M98,  
of Deeds on Page 12146.

FEE \$45.00

Return: U.S. Tiberlands Co.  
P.O. Box 10  
KFO 97601  
Attn: Kathy Haga

By Kathleen Rose Bernetha G. Letsch, County Clerk