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RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO: Ball Janik LLP 101 SW Main St, Ste 1100 Portland, OR 97204 Attn: Carole Brock State of Oregon, County of Klamath
Recorded 09/02/04 3:69 p m
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Linda Smith, County Clerk
Fee \$ 6000 # of Pgs 10

ACCESS EASEMENT AGREEMENT

THIS ACCESS EASEMENT AGREEMENT (the "<u>Agreement</u>") is made and entered into as of September <u>I</u>, 2004 by and between CROWN PACIFIC LIMITED PARTNERSHIP, a Delaware limited partnership ("<u>Crown Pacific</u>"), and INTERFOR PACIFIC INC., a Washington corporation ("<u>Interfor Pacific</u>").

Recitals:

- A. Interfor Pacific is the owner of the real property in Klamath County, Oregon, legally described on the attached <u>Exhibit A</u> (the "<u>Mill Site</u>"). Crown Pacific is the owner of the real property in Klamath County, Oregon, legally described on the attached <u>Exhibit B</u> (the "<u>Tree Farm</u>"), which borders the Mill Site to the north and west. Interfor Pacific acquired title to the Mill Site pursuant to that certain Statutory Special Warranty Deed of even date herewith, executed by Crown Pacific as grantor, and recorded in the official property records of Klamath County, Oregon (the "<u>Deed</u>").
- B. Located within and along a portion of the western boundary of the Mill Site is a road, the approximate location of which is shown on the map attached as <u>Exhibit C</u> (the "<u>Access Road</u>"). The Access Road connects two roads located on the Tree Farm.
- C. As contemplated by that certain Asset Purchase Agreement (Mills) dated as of July 9, 2004 by and between Crown Pacific and International Forest Products Limited, a British Columbia corporation, an affiliate of Interfor Pacific, certain rights under which have been assigned to Interfor Pacific, Interfor Pacific is willing to grant Crown Pacific an easement to use the Access Road, on the terms and conditions set forth in this Agreement.

Agreements:

In consideration of the mutual covenants of the parties set forth herein and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, the parties agree as follows:

- 1. <u>Grant of Easement</u>. Interfor Pacific hereby grants Crown Pacific a perpetual, non-exclusive easement to use the Access Road for the sole purposes of vehicular and pedestrian access to and from the Tree Farm and the performance of any maintenance and repair obligations hereunder (the "Permitted Activities").
- 1.1 Right to Relocate. Interfor Pacific may relocate the Access Road to another location on the Mill Site so long as (i) Interfor Pacific pays all costs and expenses



necessary to relocate the Access Road, (ii) the revised location of the Access Road provides adequate vehicular and pedestrian access to and from the Tree Farm that is not materially less convenient that the existing Access Road, and (iii) Interfor Pacific uses commercially reasonable efforts to minimize any interruption in the use of the Access Road during the period of any such relocation and to coordinate the timing of any interruption with Crown Pacific.

- 1.2 <u>Temporary Interruption of Use</u>. Interfor Pacific may temporarily interrupt use of the Access Road by Crown Pacific for the purpose of repairing and maintaining the Access Road and the Mill Site, so long as Interfor Pacific uses commercially reasonable efforts to minimize the duration of any such interruption and the interference with Crown Pacific's use of the Access Road. Interfor Pacific and Crown Pacific will cooperate in scheduling maintenance and repair activities so as to minimize the interference with the use of the Access Road and the Mill Site.
- 2. <u>Use by Permitees</u>. Crown Pacific may permit its agents, contractors, subcontractors, and licensees and purchasers of timber located on the Benefited Property and their respective agents, contractors, subcontractors, and licensees (collectively, the "<u>Permitted Users</u>") to use the Access Road for any Permitted Activity.
- 3. <u>Compliance with Laws</u>. In connection with use of the Access Road and activities on the Mill Site hereunder, Crown Pacific shall at all times, and shall cause all Permitted Users at all times to, comply with all applicable laws, statutes, ordinances, rules, regulations, and other governmental requirements.

4. Allocation of Maintenance and Repair Costs.

- 4.1 Subject to the provisions of Section 4.2, the costs of maintaining and repairing the Access Road shall be allocated between Interfor Pacific and Crown Pacific based upon the respective use of the Access Road by Interfor Pacific and its agents, contractors, subcontractors, and licensees (the "Interfor Pacific Users"), on the one hand, and Crown Pacific and the Permitted Users, on the other hand. Unless otherwise agreed from time to time by the parties, Interfor Pacific shall generally be responsible for undertaking such maintenance and repair, subject to Crown Pacific's obligation hereunder to reimburse Interfor Pacific for its share of the costs thereof. Each party agrees to maintain records showing its use of the Access Road in reasonable detail, and to make such records available to the other party upon request.
- 4.2 Notwithstanding the provisions of Section 4.1, (i) in the event that the Access Road is damaged as a result of use by Interfor Pacific or Interfor Pacific Users in excess of normal and prudent usage, Interfor Pacific shall be solely responsible for the repair of such damage and payment of associated costs; and (ii) in the event that the Access Road is damaged as a result of use by Crown Pacific or the Permitted Users in excess of normal and prudent usage, Crown Pacific shall be solely responsible for the repair of such damage and payment of the associated costs. In the event that either party fails to undertake any repair for which it is responsible under this Section 4.2 within thirty (30) days following written demand from the other party, the other party shall be entitled to do so and to recover from the party responsible for the repair all costs thereof, together with a surcharge equal to five percent (5%) of such costs.

4.3 Any amount owing from one party to the other pursuant to this Section 4 shall be paid within five business days after written demand accompanied by reasonable supporting documentation for the costs incurred. Any such amount not paid when due shall bear interest from the due date until paid in full at the rate of twelve percent (12%) per annum (such interest being in addition to any surcharge owing pursuant to Section 4.2).

5. Insurance and Indemnification.

- 5.1 <u>Insurance</u>. At all times during the term of this Agreement, Crown Pacific shall maintain in full force and effect and shall require each Permitted User to maintain in full force and effect during its period of use of the Access Road, with one or more reputable insurers licensed to do business in the State of Oregon comprehensive general liability insurance and automobile liability insurance, including coverage for contractually assumed liabilities and third party fire and property damage coverage, with combined single limits of not less than \$2,000,000 (\$1,000,000 for each Permitted User) per occurrence for bodily injury and death or for property damage. All such insurance policies shall name Interfor Pacific and its successors and assigns with respect to the Mill Site as additional insureds, without any obligation for the payment of premiums, reporting claims, or other obligations of a "named insured" and shall provide for no termination or material reduction in coverage without at least 30 days prior written notice to Interfor Pacific. Crown Pacific shall furnish one or more certificates evidencing the foregoing insurance coverage prior to any use of the Access Road.
- 5.2 <u>Indemnification</u>. Crown Pacific shall indemnify, defend, and hold harmless Interfor Pacific from and against any claim, loss, liability, or expense (including reasonable attorneys' fees) arising from or related to (i) Crown Pacific's breach of any obligation contained in this Agreement, (ii) any activities on the Mill Site pursuant to or in connection with use of the Access Road, whether caused in whole or in part by Crown Pacific or any Permitted User or their respective employees, contractors, subcontractors, agents, or permittees, or (iii) any claims or suits brought by any Permitted User, or by any employee, contractor, subcontractor, agent, or permittee of Crown Pacific or of any Permitted User, except, in each such case, to the extent caused by the willful or negligent act or omission of Interfor Pacific or any of its agents, contractors, subcontractors, employees, or permittees. The foregoing indemnity shall survive any termination of this Agreement.
- 6. Not a Public Dedication. Nothing contained in this Agreement shall be construed as a gift or dedication of any portion of the Access Road to the general public or for any public use or purpose whatsoever. Except to the extent expressly set forth herein, no right or benefit of any party hereto shall inure to the benefit of any third party nor shall any third party be deemed a beneficiary of any of the provisions set forth herein.

7. Miscellaneous Provisions.

7.1 <u>Binding Effect</u>. The provisions of this Agreement shall run with the land constituting the Mill Site and shall be binding upon and inure to the benefit of the parties and their respective successors and assigns with respect to the Tree Farm, in the case of Crown Pacific, or the Mill Site, in the case of Interfor Pacific.

7.2 Notices. All notices under this Agreement shall be in writing. Notices may be (i) delivered personally, (ii) transmitted by facsimile, (iii) delivered by a recognized national overnight delivery service, or (iv) mailed by certified United States mail, postage prepaid and return receipt requested. Notices to any party shall be directed to the address set forth below, or to such other or additional address as any party may specify by notice to the other party. Any notice delivered in accordance with this Section 7.2 shall be deemed given when actually received or, if earlier, (a) in the case of any notice transmitted by facsimile, on the date on which the transmitting party receives confirmation of receipt by facsimile transmission, telephone, or otherwise, (b) in the case of any notice delivered by a recognized national overnight delivery service, on the next business day after delivery to the service or, if different, on the day designated for delivery, or (c) in the case of any notice mailed by certified U.S. mail, two business days after deposit therein.

If to Crown Pacific: Crown Pacific Limited Partnership

805 S.W. Broadway, Suite 1500

Portland, Oregon 97205 Fax No: 503-228-4875 Attn: Tony Leineweber

If to Interfor Pacific: Interfor Pacific Inc.

c/o International Forest Products Limited

P.O. Box 49114

3500 – 1055 Dunsmuir Street

Vancouver, British Columbia V6C 3H4

Fax No: 604-891-3788 Attn: John A. Horning

- 7.3 <u>Waiver</u>. Any party's failure to exercise any right or remedy under this Agreement, delay in exercising any such right or remedy, or partial exercise of any such right or remedy, shall not constitute a waiver of that or any other right or remedy hereunder. A waiver of any breach of any provision of this Agreement shall not constitute a waiver of any succeeding breach of such provision or a waiver of such provision itself. No waiver of any provision of this Agreement shall be binding on a party unless it is set forth in writing and signed by such party.
- 7.4 <u>Amendment</u>. This Agreement may not be modified or amended except by the written agreement of the parties.
- 7.5 Attorneys' Fees. If a suit, action, or other proceeding of any nature whatsoever (including any proceeding under the U.S. Bankruptcy Code) is instituted in connection with this Agreement, or to interpret or enforce any rights or remedies hereunder or thereunder, the prevailing party shall be entitled to recover its attorneys' fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, as determined by the court at trial or on any appeal or review, in addition to all other amounts provided by law.

- 7.6 Severability. If any provision of this Agreement is held invalid, illegal, or unenforceable, then (i) such provision shall be enforceable to the fullest extent permitted by applicable law, and (ii) the validity and enforceability of the other provisions of this Agreement shall not be affected and all such provisions shall remain in full force and effect.
- 7.7 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon (without regard to the principles thereof relating to conflicts of laws).
- 7.8 Construction and Interpretation. The headings or titles of the sections of this Agreement are intended for ease of reference only and shall have no effect whatsoever on the construction or interpretation of any provision of this Agreement; references herein to sections are to sections of this Agreement unless otherwise specified. Meanings of defined terms used in this Agreement are equally applicable to singular and plural forms of the defined terms. As used herein, (i) the term "party" refers to a party to this Agreement, unless otherwise specified, (ii) the terms "hereof," "herein," "hereunder," and similar terms refer to this Agreement as a whole and not to any particular provision of this Agreement, and (iii) the term "including" is not limiting and means "including without limitation." In the event any period of time specified in this Agreement ends on a day other than a business day, such period shall be extended to the next following business day. All provisions of this Agreement have been negotiated at arm's length and this Agreement shall not be construed for or against any party by reason of the authorship or alleged authorship of any provision hereof.
- 7.9 <u>Title</u>. The Access Road easement granted to Crown Pacific by Interfor Pacific is subject to the same encumbrances and claims arising under the Deed to the Mill Site granted to Interfor Pacific by Crown Pacific.

[Signature page follows]

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

Crown Pacific:

CROWN PACIFIC LIMITED PARTNERSHIP,

a Delaware limited partnership

By:

CROWN PACIFIC MANAGEMENT

LIMITED PARTNERSHIP,

its General Partner

Bv:

Title:

Financial Officer and Treasurer

Interfor Pacific:

INTERFOR PACIFIC INC., a Washington

corporation

By:

Title:

STATE OF OREGON

) ss.

County of Multnomah

The foregoing instrument was acknowledged before me on August 31, 2004 by Steven E. Dietrich, as Senior Vice President, Chief Financial Officer and Treasurer of Crown Pacific Management Limited Partnership, General Partner of Crown Pacific Limited Partnership, a Delaware limited partnership, on behalf of the partnership.

OFFICIAL SEAL CAROLE E. BROCK NOTARY PUBLIC-OREGON COMMISSION NO. 374242 COMMISSION EXPIRES MOVEMBER 8, 2007

Notary Public for Oregon

My Commission Expires:

STATE OF OREGON)		58996
County of Multnomah)	SS.	
The foregoing in by <u>Duncar K. Davies</u> as corporation, on behalf of the co	nstrument was acknowledged be President of Interforporation.	fore me on August 31, 2004 for Pacific Inc., a Washington
OFFICIAL SEA CAROLE E. BR NOTARY PUBLIC-OF COMMISSION NO. 3 MY COMMISSION EXPIRES NO	Notary Public for G REGON My Commission E	Oregon Expires: 11 8 07

EXHIBIT A

58997

Parcel 1 of Major Land Partition 66-91, situated in Sections 19 and 30, Township 24 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, being further described as follows:

Beginning at a 1½ inch aluminum cap stamped "Oman OR 702" set as part of Klamath County Survey No. 2135 marking the center-west one-sixteenth corner of said Section 30; thence North 89°59'25" West, 129.61 feet to a 5/8 inch iron rod with yellow plastic cap stamped "W&H Pacific"; thence North 00°43'48" East 581.98 feet; thence North 00°57'00" East 659.67 feet; thence North 08°53'31" East, 173,46 feet; thence North 22°47'34" East, 125.21 feet; thence North 31°09'33" East, 170.48 feet; thence North 42°06'47" East, 126.95 feet; thence North 54°08'16" East, 335.07 feet; thence North 48°40'02" East, 137.86 feet; thence North 31°02'30" East, 120.80 feet; thence North 16°51'52" East, 315.06 feet; thence North 08°33'43" East, 156.39 feet; thence North 29°47'20" West, 90.21 feet; thence North 04°26'16" West, 256.63 feet; thence North 29°31'40" West, 637.26 feet; thence North 68°17'15" West, 1448.58 feet; thence North 15°15'50" East, 537.11 feet; thence South 67°44'01" East, 1104.72 feet; thence North 07°59'49" West, 1010.20 feet; thence North 12°06'48" West, 1596.12 feet; thence North 69°05'03" East, 88.90 feet; thence South 35°31'34" East, 66.26 feet; thence South 43°11'08" East, 131.62 feet; thence South 47°07'55" East, 622.90 feet; thence South 48°21'34" East, 691.87 feet; thence South 81°01'10" East, 47.07 feet; thence North 65°28'44" East, 110.88 feet; thence South 89°01'46" East, 106.04 feet; thence South 72°05'48" East, 657.54 feet; thence South 63°19'12" East, 80.79 feet; thence South 38°30'07" East, 111.93 feet; thence South 24°05'42" East, 481.01 feet; thence South 26°01'19" East, 194.21 feet; thence South 20°56'51" East, 148.78 feet; thence South 15°58'19" East, 262.21 feet; thence South 74°22'21" East, 66.62 feet to an angle point on the Westerly line of Parcel 1, as defined by Partition Plat No. MP 53-91 previous to recording with Klamath County Records; thence along said Westerly line of said Parcel 1 the following courses: thence North 81°33'08" East, 333.88 feet; thence South 15°00'41" West, 678.21 feet; thence North 74°59'19" West 618.42 feet; thence South 01°04'00" East, 1296.70 feet; thence North 89°56'12" East, 216.77 feet; thence South 15°00'41" West, 80.47 feet; thence South 74°59'19" East, 30.00 feet; thence South 15°00'41" West, 1335.95 feet to a point of spiral curvature; thence along the arc of a 02° railroad spiral curve offset 50 feet from the centerline of said railroad curve, the long chord of which bears South 15°02'54" West, 41.47 feet to a point on the South line of said Parcel 1; thence leaving said Westerly and Southerly lines of Parcel 1 along the arc of a 02° railroad spiral curve offset 50 feet from the centerline of said railroad curve, the long chord of which bears South 15°42'07" West, 116.98 feet to a point of spiral to curvature; thence along the arc of a 2814.79 foot radius railroad curve to the right, through a central angle of 24°00'37", the long chord of which bears South 27°09'13" West, 1017.53 feet to a point of curvature to spiral, said point being 50 feet Westerly of the centerline of said railroad curve; thence along the arc of a 02° railroad spiral curve offset 50 feet from centerline of said railroad curve, the long chord of which bears South 38°24'35" West, 158.49 feet; thence South 39°01'18" West, 130.72 feet; thence North 50°58'42" West, 23.93 feet; thence South 39°00'19" West, 0.90 feet to a point on the East-West centerline of Section 30 as defined by Klamath County Survey No. 2135; thence along said centerline of Section 30 as defined by said Survey No. 2135, North 89°59'30" West, 1062.09 feet to the point of beginning.

Portions of the W1/2 in Section 19, Township 24 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

