

EASEMENT AGREEMENT AND WAIVER

This Agreement is made and entered into by and between **CASCADE TIMBERLANDS (OREGON) LLC** (Grantor), and **GENE AND SUSAN SHEGGEY**, husband and wife (Grantee).

A. Access Easement. In consideration of the payment provided herein and other valuable consideration provided herein, Grantor hereby grants and conveys unto Grantee, its successors and assigns, a perpetual nonexclusive easement over an existing road, 14 feet in width, as shown with "X's" on the Exhibit A map attached hereto and incorporated herein as if fully set forth (the "Road"); and generally described as beginning at the North line of Grantee's property more particularly described as Tax Lot #2100 and West half of the Southeast quarter of the Northwest quarter of the Northwest quarter of Section 16, Township 31 South, Range 7 East, W.M., running Northwesterly to the USFS #2310 road, then Easterly on the USFS #2310 road and terminating on the Sun Mountain Road in the Southwest quarter of the Southeast quarter of Section 9, Township 31 South, Range 7 East, W.M.

The Road runs over and across the real property of Grantor situated in Klamath County, Oregon and described as follows: All of Section 9, that portion of the North half of the Northwest quarter of the Northwest quarter of Section 16, Township 31 South, Range 7 East, W.M. ("Grantor's Property").

This non-exclusive, perpetual Easement is granted and conveyed for the following purposes and upon the following terms and conditions:

1. This Easement is conveyed for ingress and egress to and from Grantee's Property described as follows: Tax Lot #2100 and West half of the Southeast quarter of the Northwest quarter of the Northwest quarter of Section 16, Township 31 South, Range 7 East, W.M., Klamath County, OR ("Grantee's Property") and for road repair and maintenance.
2. Grantor shall have the right, but no obligation to maintain said Road. Grantee expressly waives the provisions of ORS 105.170 to 105.185. Grantee shall repair any damage to the Road caused by Grantee, its agents and employees.
3. Grantor shall have the right, but not the obligation, to control access of the public upon the Easement. If Grantor places a lock on the gate, Grantee shall be allowed to place a lock on the gate so that Grantee can open the gate and shall keep the gate locked unless otherwise permitted by Grantor in writing.
4. The Grantee will indemnify and hold harmless Grantor, its successors and assigns, against and from any damage to Grantor's Property arising out of or directly connected with Grantee's use of the Road and its exercise of its rights or use of the Easement by Grantee's authorized agents, permittees and

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employees, and further will indemnify and hold harmless Grantor, its successors and assigns, from and against any and all claims, actions, suits or demands (including reasonable attorney fees and costs) brought or asserted on account of alleged injury or damage to property or persons, including Grantee's agents and employees, arising from or connected with Grantee's use of the Road or use of the Road by Grantee's authorized agents and employees.

5. Grantee shall comply with all obligations, restrictions, and conditions that may be required by any local, state or national law, rule, statute, act or regulation, including the Forest Practices Act of the State of Oregon, and shall hold harmless Grantor, its successors and assigns, from and against any and all claims, actions, suits or demands (including reasonable attorney fees and costs) brought or asserted on account of alleged noncompliance by Grantee, its authorized agents, permittees and employees with the requirements of such laws.
6. Grantee shall not improve the existing road upon the Easement beyond its present state without the prior written permission of Grantor.
7. Grantor reserves the right to periodically block the Easement if it is deemed necessary to facilitate Grantor's commercial forest operations.
8. Grantor reserves for itself, its successors and assigns, and permittees thereof, the right to use, cross, patrol and repair the Road for any and all purposes, in any manner that will not unreasonably interfere with the rights granted to Grantee hereunder. Grantor may grant to third parties, upon such terms as it chooses, any or all of the rights reserved by it herein; provided that use by such party shall be subject to the terms and conditions of this agreement and shall not unreasonably interfere with the rights granted to Grantee herein.
9. The consideration for the Easement grant from Grantor to Grantee is waiver and forestry easement set forth in paragraph B below and the cash price of One-Thousand Dollars (\$1,000), to be paid by Grantee to Grantor upon execution of this Easement.
10. Grantor may terminate this Easement Agreement by recording a written notice in the Klamath County, Oregon, records which describes a breach of this Easement Agreement by Grantee, Grantor's prior written notice of the breach, and Grantee's failure to cure the breach within fifteen (15) days after that notice is given.
11. Grantee acknowledges that the Easement herein granted by Grantor is subject to all valid liens, easements, servitudes, rights-of-way, oil, gas and mineral leases, and other grants of record in the aforesaid County or apparent on the ground.

12. Grantor reserves the right to relocate the Road at Grantor's expense, provided the relocated Road provides reasonably equivalent access to Grantee's Property. Upon such relocation of the Road, this easement shall apply to the new location of the Road, and this Easement shall no longer burden the original location of the Road.
13. This Easement is limited to serving a maximum of one legal lot, and is appurtenant to Grantee's property.

B. Waiver and Grant of Forestry Easement. Grantee hereby acknowledges that the Grantee's Property is situated in a forest zone and may be subjected to conditions resulting from commercial forest operations upon the Grantor's Property and upon other adjacent lands. Such operations include management and harvesting of timber, disposal of slash, reforestation, application of chemicals, road construction and maintenance, and other accepted and customary forest management activities conducted in accordance with federal and state laws. These forest management activities ordinarily and necessarily produce noise, dust, smoke and other conditions that might conflict with Grantee's use of the Grantee's Property for residential purposes. Grantee hereby waives all common-law rights to object to normal, necessary and non-negligent forest management activities legally conducted upon the Grantor's Property and upon other adjacent lands of Grantor, its successors and assigns, now owned or hereafter assigned, which might conflict with Grantee's use of the Grantee's Property for residential purposes. Grantee hereby grants and conveys an easement to Grantor, its successors and assigns, for the benefit of Grantor's Property and other adjacent lands of Grantor, its successors and assigns (now owned or hereafter acquired), for the resulting impact upon Grantee's Property caused by the above-described forest management and harvesting activities. The foregoing waiver, covenant and easement shall run with and bind Grantee's Property, and benefit Grantor, its successors and assigns and subsequent owners of Grantor's Property.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed this 6th day of July, 2005.

GRANTOR:

CASCADE TIMBERLANDS (OREGON) LLC
a Delaware limited liability company

By: Olympic Resource Management LLC

By: Thomas M. Ringo
(Printed Name) Thomas M. Ringo
Title: Vice President & CFO

GRANTEE:

Gene Sheggy
GENE SHEGGERBY
(Printed Name)

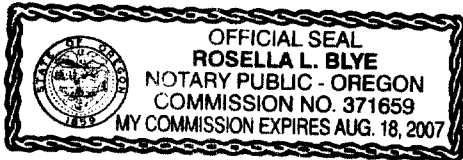
Susan Sheggy
SUSAN SHEGGERBY
(Printed Name)

57441

State of OREGON)
)ss
County of Benton)

On July 6, 2005, personally appeared the above named
Gene & Susan Sheggeb7 and acknowledged the foregoing instrument to be ~~his~~ ^{their} voluntary
act and deed.

Before me:



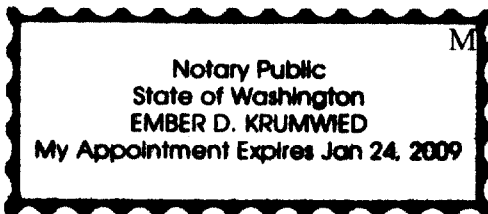
Rosella L Blye
Notary Public for (State) OREGON

My Commissions expires: Aug 18, 2007

State of WA)
)ss
County of Kitsap)

The foregoing instrument was acknowledged before me this 18 day of
July, 2005 by Thomas M. Ringo, as
Vice President & CFO of Olympic Resource Management LLC,
Manager of Cascade Timberlands (Oregon) LLC, a Delaware limited liability company.

Before me:



Ember D Krumwied
Notary Public for (State) Washington

My Commissions expires: 01-24-09

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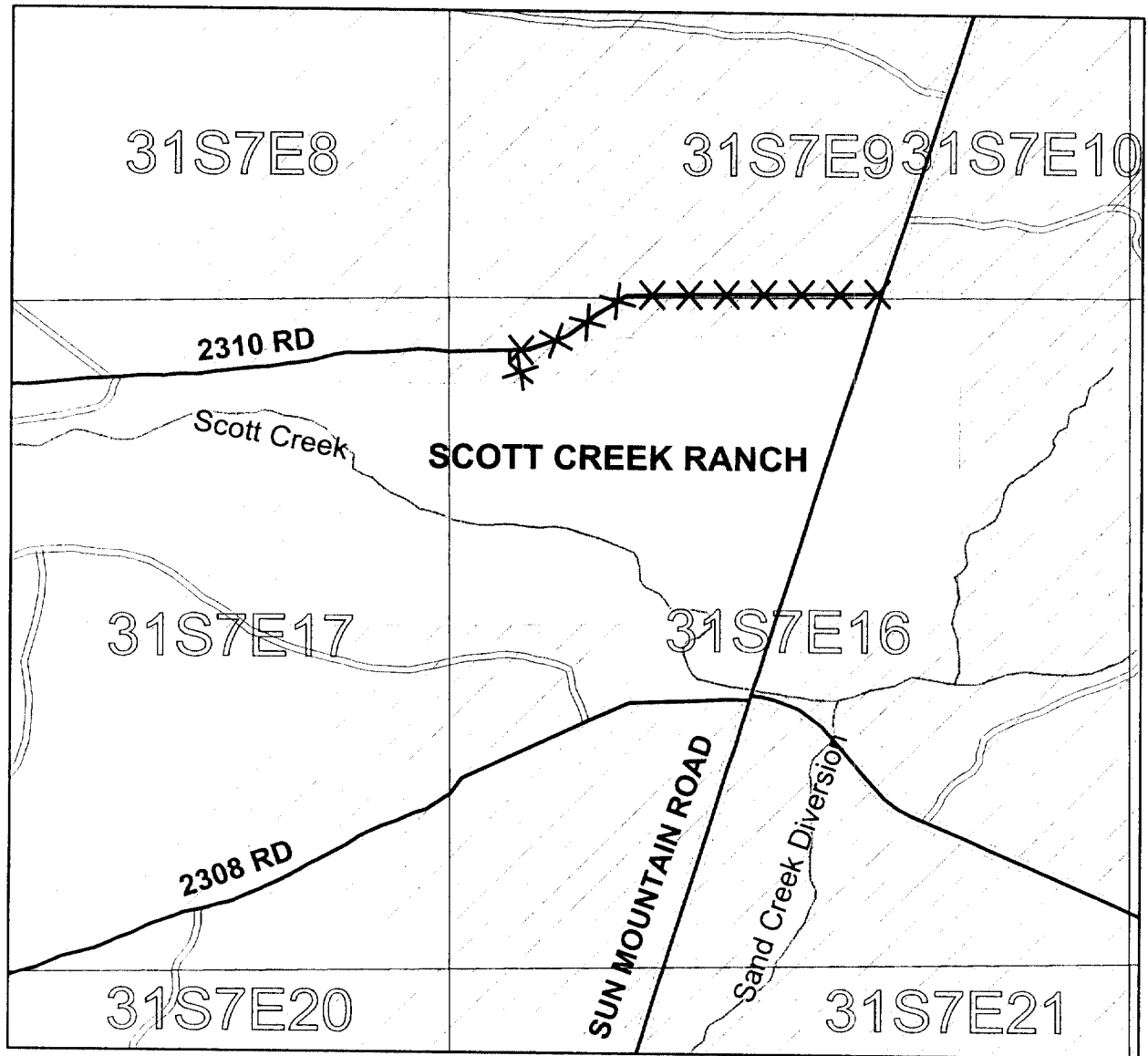
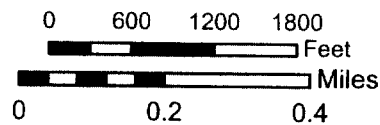


EXHIBIT "A"

Sheggeby Easement



Legend

Cascade Property	4WD TRAIL	MAINLINE
CLASS	COUNTY	RAILROAD
UNKN	FOREST ROAD	SPUR
Easement Area	HWY	

