

EASEMENT AGREEMENT AND WAIVER

This Agreement is made and entered into by and between CASCADE TIMBERLANDS (OREGON), LLC, a Delaware limited liability company, (Grantor), and CHARLES W. AND PATRICIA J. HINKS, 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, 20 feet in width, being 10 feet on either side of the existing road shown with "X's" on the map attached hereto as Exhibit A and incorporated herein as if fully set forth herein (the "Road").

The Road runs over and across the following real property of Grantor situated in Klamath County, Oregon ("Grantor's Property"): Portion of the SW1/4 of Section 1 (Portion of Tax Lot 101) and portion of the SE1/4SE1/4 of Section 2 (Portion of Tax Lot 100), Township 23 South, Range 10 East, W.M., Klamath County, Oregon

This Easement is granted and conveyed for the following purposes and upon the following terms and conditions:

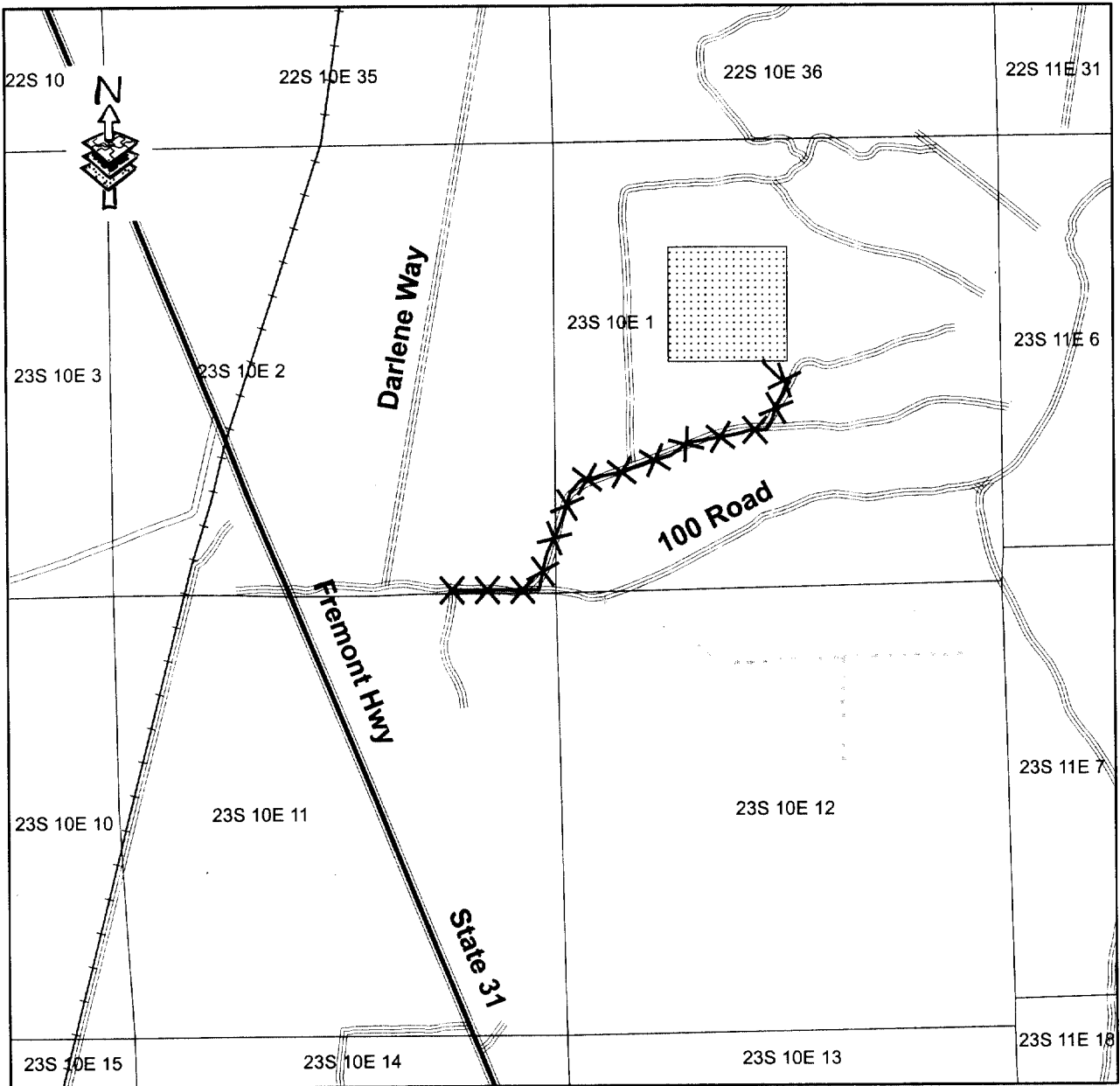
1. This Easement is conveyed for ingress and egress for residential use of Grantee's property described as follows: The SE1/4NW1/4 of Section 1 (Tax Lot 200), Township 23 South, Range 10 East, W.M., Klamath County, Oregon ("Grantee's Property").
2. Grantor shall have the right, but no obligation to maintain 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. In this connection, Grantor has the right to place a gate on the Road, if Grantor exercises this right; Grantee is allowed to place a lock on the gate so that Grantee can open the gate. If Grantor places a lock on the gate, Grantee 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 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 (\$1000.00), 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. If Grantee conducts illegal activities on Grantor's Property or Grantee's Property, or other property of Grantor, Grantor may terminate this Easement with no advance notice to Grantee by recording a written notice in the Klamath County, Oregon records, which specifies the reason for the termination.
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.

EXHIBIT A



Legend

Road System

Logging Roads

TYPE

COUNTY; COUNTY PAVED

FOREST ROAD

HWY

MAINLINE

RAILROAD

SPUR



Cascade Timberlands Property



Hinks Property



Easement Area

