

**EASEMENT AGREEMENT AND WAIVER**

This Agreement is made and entered into by and between MICHAEL W. CARMEL, LIQUIDATING TRUSTEE of the CP LIQUIDATING TRUST established pursuant to the FIRST AMENDED JOINT CONSOLIDATING CHAPTER 11 PLAN PROPOSED BY THE DEBTORS, CREDITORS' COMMITTEE, NOTEHOLDER PROPONENTS AND BANK TERM LENDER PROPONENTS in *In re: CP Acquisition Co., et al.*, Case No. 03-11258-PHX-RJH (Jointly Administered with Case Nos. 03-11259-PHX-RJH through 03-11263-PHX-RJH) filed in the United States Bankruptcy Court for the District of Arizona (Grantor), and CASCADE TIMBERLANDS (OREGON) LLC (Grantee).

A. 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, 35 feet in width, being 17.5 feet on either side of an 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"): the NW1/4 of the SE1/4 of Section 18, Township 24 South, Range 09 East, W.M.

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 forest use of Grantee's property described as follows: See Exhibit B attached hereto and incorporated herein as if fully set forth ("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. 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.
4. 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.

5. Grantee shall not improve the existing road upon the Easement beyond its present state without the prior written permission of Grantor.
6. Grantor reserves the right to periodically block the Easement if it is deemed necessary to facilitate Grantor's commercial forest operations.
7. The consideration for the Easement grant from Grantor to Grantee is the waiver and forestry easement set forth in paragraph B below, no other monetary consideration is to be paid.
8. 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.
9. 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.
10. 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.

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 20  
day of January, 2006.

GRANTOR:

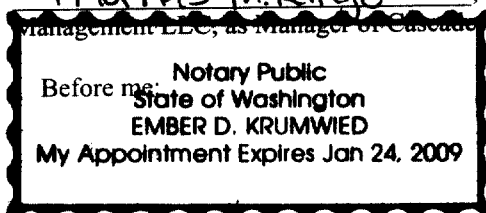
CP LIQUIDATING TRUST

By: Michael W. Carmel  
(Printed Name)

Title: Liquidating Trustee

State of Washington )  
County of Kitsap )ss

The foregoing instrument was acknowledged before me this 26 day of January, 2006 by Thomas M. Ringo, as Vice President & CFO of Olympic Resource Management LLC, as Manager of Cascade Timberlands (Oregon) LLC, a Delaware limited liability company.



Ember D. Krumwied  
Notary Public for (State) Washington  
My Commissions expires: 01-24-09

State of Arizona )  
County of Maricopa )ss

On January 10, 2006, personally appeared the above named Michael W. Carmel, and acknowledged the foregoing instrument to be his/her voluntary act and deed.

Before me:



Nancy G. Fortey  
Notary Public for (State) Arizona  
My Commissions expires: 10-23-2008

GRANTEE:

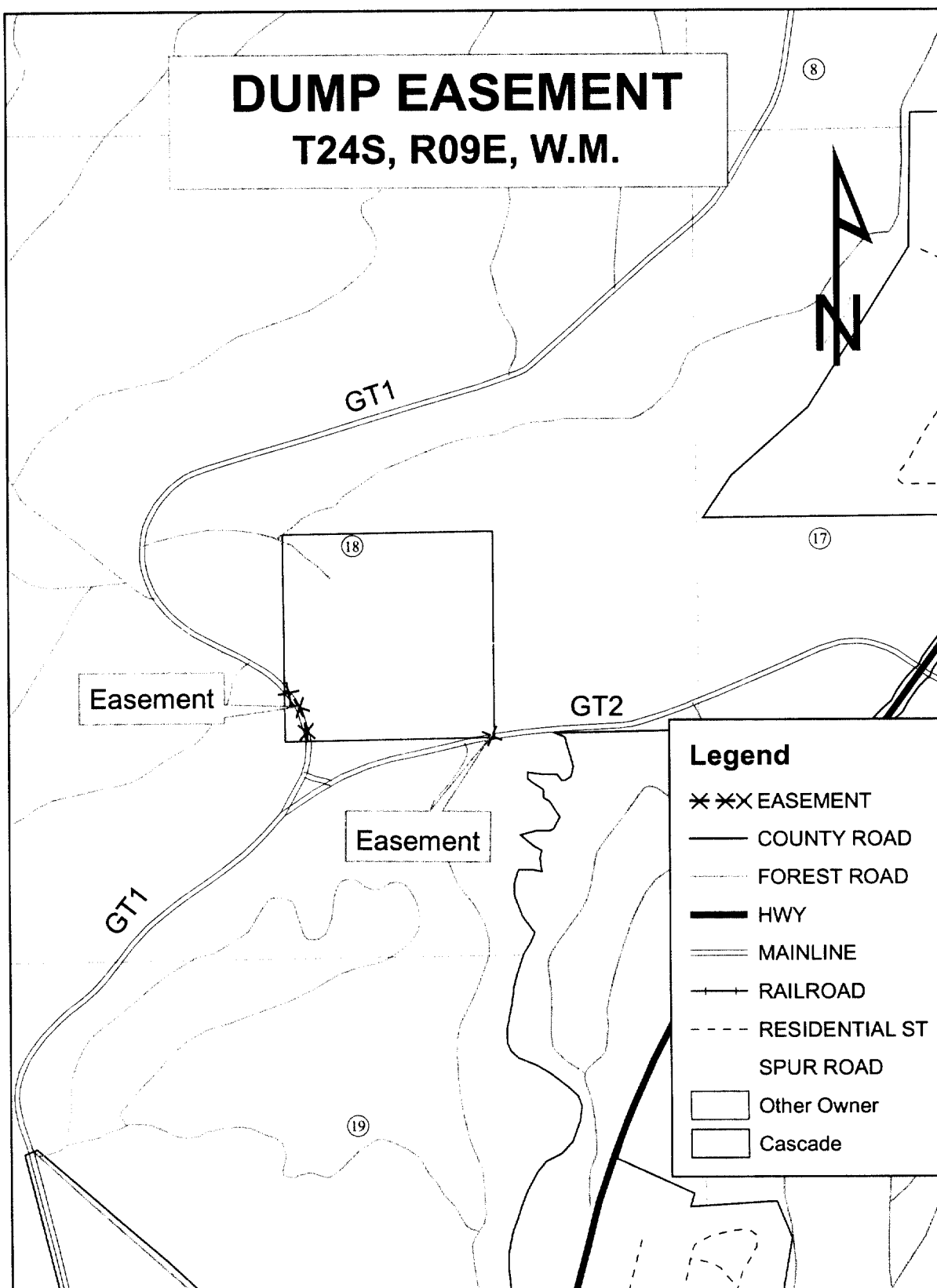
CASCADE TIMBERLANDS (OREGON) LLC  
a Delaware limited liability company

By: Olympic Resource Management LLC,  
its manager

By: Thomas M. Ringo  
(Printed Name) THOMAS M. RINGO

Title: Vice Pres / CFO

# EXHIBIT "A"



## EXHIBIT B

### Township 24 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon:

Section 01: Government Lots 1, 2, 3 and 4; S1/2 of the N1/2; the S1/2  
Section 02: The E1/2 of the E1/2; Government Lots 2, 3, and 4; the SW1/4 of the NE1/4; the S1/2 of the NW1/4; the W1/2 of the SE1/4  
Section 03: Government Lots 1, 2, 3 and 4; the S1/2 of the N1/2; the S1/2  
Section 09: All  
Section 10: All  
Section 11: All

Section 12: EXCEPTING THEREFROM the S1/2 of the S1/2 of the S1/2 of the SE1/4 of the SE1/4  
The NE1/4 of the NE1/4; the W1/2 of the NE1/4; the NW1/4; the N1/2 of the SW1/4; the N1/2 of the SW1/4 of the SW1/4; the SW1/4 of the SW1/4 of the SW1/4; the N1/2 of the SE1/4 of the SW1/4 of the SW1/4; the SW1/4 of the SE1/4 of the SW1/4 of the SW1/4; the N1/2 of the NE1/4 of the SE1/4 of the SW1/4; the NW1/4 of the SE1/4 of the SW1/4; the NW1/4 of the SW1/4 of the SE1/4 of the SW1/4;

ALSO those portions of the SE1/4 NE1/4 and NW1/4 SE1/4 lying Northwesterly of a line that is defined as follows:

Beginning at a point in the East line of Section 12, which is in, or in the extension of, a line marked by a 5/8" iron rod projecting 12" above the ground approximately 615 feet South of the Northeast corner of that Section 12 and another similar iron rod South 45 degrees West approximately 495 feet distant; Thence (from the point of beginning) to the second (Southernmost) of the two iron rod markers mentioned above; Thence South 64 degrees West approximately 377 feet to a 5/8" iron rod projecting 12" above the ground; Thence South 59 degrees West approximately 78 feet to a point in the South line of the NE1/4 NE1/4 of Section 12; Thence continuing South 59 degrees West approximately 241 feet to a 5/8" iron rod projecting 12" above the ground; Thence South 60 degrees West approximately 370 feet to a point in the West line of the SE1/4 NE1/4 of Section 12; Thence continuing South 60 degrees West approximately 89 feet to a 5/8" iron rod projecting 12" above the ground; Thence South 42 degrees West approximately 290 feet to a 5/8" iron rod projecting 12" above the ground; Thence South 29 degrees West approximately 263 feet to a 5/8" iron rod projecting 12" above the ground; Thence South 21 degrees West approximately 742 feet to a 5/8" iron rod projecting 12" above the ground; Thence South 26 degrees West approximately 123 feet to a point in the South line of the SW1/4 NE1/4 of Section 12; Thence continuing South 26 degrees West approximately 88 feet to a 5/8" iron rod projecting 12" above the ground; Thence South 37 degrees West approximately 150 feet to a 5/8" iron rod projecting 12" above the ground; Thence South 53 degrees West approximately 282 feet to a 5/8" iron rod projecting 12" above the ground; Thence South 60 degrees West approximately 446 feet to a 5/8" iron rod projecting 12" above the ground; Terminating at a point in the North-South centerline of Section 12 which is in, or in the extension of, the final course described above, approximately 690 feet South of the center of the Section.

EXCEPTING THEREFROM the S1/2 of the SW1/4 of the SW1/4 of the SW1/4 and the SW1/4 of the SE1/4 of the SW1/4 of the SW1/4

AND EXCEPTING THEREFROM those portions of S1/2 SE1/4 NE1/4 SW1/4; N1/2 NE1/4 SE1/4 SW1/4; NW1/4 SE1/4 SW1/4; NW1/4 SW1/4 SE1/4 SW1/4; NE1/4 SE1/4 SW1/4 SW1/4 lying Southeasterly of a line running from the Southwest corner of the NE1/4 SE1/4 SW1/4 SW1/4 to the Northeast corner of the SE1/4 NE1/4 SW1/4 of Section 12.

ALSO EXCEPTING THEREFROM those portions of the NE1/4 SE1/4 and SW1/4 NE1/4 lying Southeasterly of a line that is defined as follows:

Beginning at a point in the East line of Section 12, Township 24 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, which is in, or in the extension of, a line marked by a 5/8" iron rod projecting 12" above the ground approximately 615 feet South of the Northeast corner of that Section 12 and another similar iron rod South 45 degrees West approximately 495 feet distant: Thence (from the point of beginning) to the second (Southernmost) of the two iron rod markers mentioned above; thence South 64 degrees West approximately 377 feet to a 5/8" iron rod projecting 12" above the ground; thence South 59 degrees West approximately 78 feet to a point in the South line of the NE1/4 NE1/4 of Section 12; thence continuing South 59 degrees West approximately 241 feet to a 5/8" iron rod projecting 12" above the ground; thence South 60 degrees West approximately 370 feet to a point in the West line of the SE1/4 NE1/4 of Section 12; thence continuing South 60 degrees West approximately 89 feet to a 5/8" iron rod projecting 12" above the ground; thence South 42 degrees West approximately 290 feet to a 5/8" iron rod projecting 12" above the ground; thence South 29 degrees West approximately 263 feet to a 5/8" iron rod projecting 12" above the ground; thence South 21 degrees West approximately 742 feet to a 5/8" iron rod projecting 12" above the ground; thence South 26 degrees West approximately 123 feet to a point in the South line of the SW1/4 NE1/4 of Section 12; thence continuing South 26 degrees West approximately 88 feet to a 5/8" iron rod projecting 12" above the ground; thence South 37 degrees West approximately 150 feet to a 5/8" iron rod projecting 12" above the ground; thence South 53 degrees West approximately 282 feet to a 5/8" iron rod projecting 12" above the ground; thence South 60 degrees West approximately 446 feet to a 5/8" iron rod projecting 12" above the ground; terminating at a point in the North-South centerline of Section 12 which is in, or in the extension of, the final course described above, approximately 690 feet South of the center of the Section.

Section 13: The NE1/4; the S1/2 of the NW1/4; the S1/2  
 Section 14: The E1/2; the N1/2 of the NW1/4; the SW1/4 of the NW1/4 and the NW1/4 of the SW1/4

EXCEPTING THEREFROM the N1/2 of the N1/2 of the NE1/4 of the NE1/4

Section 15: All  
 Section 16: All  
 Section 19: The S1/2 of Government Lot 3; all of Government Lot 4; the SE1/4 of the SW1/4; SW1/4 of the SE1/4 lying Southerly of the Crescent Road; SE1/4 of the SE1/4  
 Section 20: All  
 Section 21: All  
 Section 22: The N1/2 of the NW1/4; the E1/2; the S1/2 of the NW1/4; the SW1/4  
 Section 23: The N1/2; the E1/2 of the SW1/4; the SE1/4; the W1/2 of the SW1/4  
 Section 24: All  
 Section 25: The NE1/4 NE1/4; N1/2 NW1/4; SW1/4 NW1/4  
 Section 26: The E1/2 of the NE1/4; the NW1/4 of the NE1/4; the N1/2 of the NW1/4  
 Section 27: The NW1/4; the S1/2  
 Section 28: The NW1/4 of the SW1/4; the S1/2 of the S1/2; the NE1/4 of the SE1/4; the NE1/4 SW1/4; the NW1/4 SE1/4; the N1/2  
 Section 29: All  
 Section 30: All  
 Section 31: Government Lots 1, 2, 3 and 4; the E1/2 of the W1/2; the E1/2  
 Section 32: The W1/2

Township 24 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon:

Section 01: The E1/2 of the NE1/4; the W1/2 of the NW1/4; the W1/2 of the SW1/4; the SE1/4 of the SW1/4; the SE1/4; Government Lots 2 and 3; the SE1/4 of the NW1/4; the NE1/4 of the SW1/4; the SW1/4 of the NE1/4

- Section 02: The NE1/4; the SE1/4 of the NW1/4; the S1/2; Government Lots 3 and 4; the SW1/4 of the NW1/4
- Section 03: The SE1/4 of the SW1/4; the NE1/4 of the SE1/4; the S1/2 of the SE1/4; Government Lots 1 and 2; the S1/2 of the NE1/4; The S1/2 of the NW1/4; the N1/2 of the SW1/4; the SW1/4 of the SW1/4; the NW1/4 of the SE1/4; EXCEPTING THEREFROM that portion within Highway.
- Government Lots 3 and 4, EXCEPTING THEREFROM those portions lying Northwesterly of a line running from a point in the East line of Section 34, Township 23 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, which is in, or in the extension of, a line marked by a 5/8" iron rod projecting 12" above the ground driven approximately 1.5 feet East from the North post of a board gate in a wood rail fence approximately 66 feet North of the East quarter corner of Section 34 and a similar iron rod South 35 degrees West 770 feet distant, and another line to a point in the West line of Section 3, Township 24 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, which is in, or in the extension of, a line from the second (Southernmost) iron rod mentioned above to a 5/8" iron rod projecting 12" above the ground in a fence line approximately 5,530 feet South 60 degrees West distant and approximately 688 feet South from the Northwest corner of Section 3.
- Section 04: The W1/2 of the SE1/4; EXCEPT State Highway 97 right of way which is a 300 foot wide strip of land extending across the Southerly portion of the above described property, and EXCEPT a small portion deeded to the State of Oregon by Volume 249, page 591, Deed Records of Klamath County, Oregon; the SE1/4 of the NE1/4; the E1/2 of the SE1/4; EXCEPTING THEREFROM that portion within the Highway.
- Section 05: Government Lots 3 and 4; the S1/2 of the NW1/4; the NW1/4 of the SW1/4; the S1/2 of the SW1/4; and the S1/2 SW1/4 SE1/4
- Section 06: Government Lots 1 through 7; the S1/2 of the NE1/4; the SE1/4 of the NW1/4; the E1/2 of the SW1/4 and the N1/2 of the SE1/4
- Section 07: Government Lots 3 and 4; the E1/2 of the SW1/4; the SE1/4 and the SE1/4 of the NE1/4; and that portion of the NE1/4 NE1/4 lying Southeasterly of a line running from the Southwest corner to the Northeast corner of that subdivision of Section 7.
- AND those portions of the S1/2 NW1/4 and SW1/4 NE1/4 that lie Southeasterly of a line running from the Southeast corner of the SW1/4 SW1/4 NW1/4 to the Northeast corner of the SW1/4 NE1/4 of Section 7.
- Section 08: The W1/2; W1/2 SE1/4 less the right of way for U.S. Highway 97; E1/2 SE1/4
- Section 09: The S1/2 of the S1/2; the N1/2; the N1/2 of the S1/2; EXCEPTING THEREFROM that portion within the Highway.
- Section 10: The E1/2; the E1/2 of the W1/2; the SW1/4 of the SW1/4; the W1/2 of the NW1/4; the NW1/4 of the SW1/4
- Section 11: All
- Section 12: All
- Section 13: N1/2 NE1/4; SW1/4 NE1/4; NW1/4; N1/2 SW1/4; SW1/4 SW1/4
- Section 14: All
- Section 15: All
- Section 16: All
- Section 17: The SE1/4 of the NE1/4; the N1/2 of the NE1/4; the SW1/4 of the NE1/4 and the S1/2 less the right of way for U.S. Highway 97 plus that portion of the SE1/4 of the NW1/4 lying Southeasterly of the East right of way line for U.S. Highway 97; and that portion of the NW1/4 lying Westerly of the following described line:  
Beginning at a point in the North line of Section 17 that is 1,312.72 feet East of the Northwest corner of Section 17; thence proceeding South for a distance of 875.28 feet, thence on a bearing of South 31 degrees 28' West for 1184.00 feet; thence on a bearing of South 47

degrees 28' West for 640.00 feet; thence on a bearing of South 35 degrees 29' West for 323.78 feet to the West quarter corner of Section 17.

Section 18: Government Lots 1 through 4; the E1/2 of the W1/2; the NE1/4 and the portions of the SE1/4 that lies West of the Little Deschutes River, EXCEPTING THEREFROM Parcel 2 of Partition Plat 66-91 (NW1/4 SE1/4).

Section 19: That portion of the Parcel 3 of Major Land Partition 66-91, situated in Section 19 and 30, Township 24 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, lying within Section 19.

Also that portion of Section 19 lying East of the Dallas California Highway, U.S. 97

EXCEPTING THEREFROM that portion within Tract 1318 Gilchrist Townsite

ALSO EXCEPTING THEREFROM that parcel conveyed to Klamath County School District by Deed Volume M76, page 11148, Microfilm records of Klamath County, Oregon.

ALSO EXCEPTING THEREFROM that parcel conveyed to the Roman Catholic Bishop of the Dioceses of Baker, a non-profit Oregon Corporation by Deed Volume M78, page 26694, Microfilm records of Klamath County, Oregon.

Section 20: E1/2; W1/2, EXCEPTING THEREFROM that portion within Tract 1318 Gilchrist Townsite.

ALSO EXCEPTING THEREFROM that parcel conveyed to Klamath County School District by Deed Volume M76, page 11148, Microfilm records of Klamath County, Oregon.

Section 21: All

Section 22: All

Section 23: All

Section 24: NW1/4; S1/2

Section 25: N1/2; SW1/4; NE1/4 SE1/4; W1/2 SE1/4; SE1/4 SE1/4

Section 26: All

Section 27: All

Section 28: All

Section 29: All; EXCEPT .80 acres deeded to the United States of America

Section 30: A) E1/2 NE1/4, Less parcels conveyed to Crescent Water and Sewer Service Association, by Deed Volumes M66, pages 12571, 12575, and Volume M73, page 6327, Microfilm Records of Klamath County, Oregon.

B) The E1/2 SE1/4 and SW1/4 SE1/4

C) W1/2 NE1/4 lying Westerly of the Easterly line of the Outlots as shown on the plat of Crescent.

Government Lots 1 and 2 and the NE1/4 NW1/4, SAVING AND EXCEPTING that portion of the SE1/4 NW1/4 and N1/2 SW1/4 lying Westerly of the Easterly line of the Outlots as shown on the plat of Crescent, and North of the Crescent Cutoff County Road.

That portion of NW1/4 NE1/4 lying Westerly of Dalles-California Highway and Easterly of the Easterly line of the Outlots as shown on the plat of Crescent, EXCEPT any portion lying within the Townsite of Crescent, now vacated; ALSO SAVING AND EXCEPTING that portion deeded to Matt Kegler and Vince Parlott in Deed Volume 326, page 441, Microfilm Records of Klamath County, Oregon, more particularly described as follows:

Beginning at a point marked by an iron pin on the Westerly right of way line of the Dalles-California Highway opposite Engineers Station 1574+80.14 said point being the point of intersection of the Westerly right of way line of U.S. Highway 97 and the section line



between Section 19 and 30, Township 24 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, and is 927.56 feet from the  $\frac{1}{4}$  corner between Sections 19 and 30, thence South 15 degrees 34' West 80.10 feet to an iron pin; thence North 74 degrees 26' West 80 feet to an iron pin; thence North 15 degrees 34' East 58.24 feet to an iron pin; thence South 89 degrees 43' East 82.93 feet to the point of beginning.

D) A parcel in the SW1/4 NE1/4 of said Section 30 described as follows:

Beginning at the corner common to Sections 19, 20, 29 and 30, Township 24 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, and running thence South 87 degrees 41'30" West 1722.76 feet to a point on the Westerly right of way line of the Dalles-California Highway; thence South 15 degrees 34' West 450 feet; thence North 74 degrees 26' West 80 feet; thence South 15 degrees 34' West 951.26 feet to the True Point of Beginning; thence South 74 degrees 26' East 80 feet to the Westerly line of the highway; thence North 15 degrees 34' East along said Westerly line to the North line of said SW1/4 NE1/4; thence West along said North line to a point 80 feet Westerly at right angles from the Westerly right of way line of said highway; thence South 15 degrees 34' West to the point of beginning.

E) That portion of the NE1/4 SW1/4 and the SW1/4 SW1/4 lying Westerly of Klamath Northern Railroad and Easterly of the extension of the Southeasterly line of Riverview Street.

Lot 1, Block 8, Townsite of Crescent, now vacated, and also known as a tract of land situated in Section 30, Township 24 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, and more particularly described as follows:

Beginning at the intersection of the Easterly line of the Plat of Crescent and the centerline of vacated Parker Street as shown on said plat, thence West along said centerline 99.5 feet, more or less, to the centerline of vacated alley, if said centerline was extended Southerly, thence North 39 degrees 49' East 118.5 feet, more or less, to the Easterly line of said plat; thence South 0 degrees 03'10" West 154.82 feet, more or less, to the point of beginning.

Section 31: E1/2 E1/2; NW1/4 NE1/4; W1/2 SE1/4

Section 32: All

Section 33: All

Section 34: All

Section 35: All, Less 3.0 acres Great Northern Railroad in SE1/4 SE1/4

Section 36: NE1/4 NE1/4; Less 3.03 acres Burlington Northern Railroad Right of Way; NW1/4 NW1/4; N1/2 SW1/4 Less Burlington Northern Railroad Right of Way; NW1/4 SE1/4 and the SE1/4 SW1/4; NE1/4 SE1/4; SE1/4 NW1/4