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11/14/2006 11:33:48 AM

Fee: \$41.00

After recording return to:
Cascade Timberlands
c/o Olympic Resource Management, LLC
19245 Tenth Avenue, NE
Poulsbo, WA 98370

MT13910-8250

EASEMENT AGREEMENT AND WAIVER

This Agreement is made and entered into between CASCAD E TIMBERLANDS (OREGON) LLC (Grantor), and GREGORY E. WALLACE, and Nancy L. HEIBERG, (Grantees).

A. Access Easement. In consideration of the payment provided and other valuable consideration provided, Grantor grants and conveys unto Grantee, its successors and assigns, a perpetual nonexclusive easement over an existing road, 16 feet in width, as shown on the Exhibit A map attached as the ("Road"); and generally described as beginning at the West boundary line of the Sun Mountain Road in the South half of Section 16, Township 31 South, Range 7 East, thence running Westerly and Northwesterly along USFS Road number 2308; thence Northwesterly across the South half and a portion of the Northwest quarter of Section 16 onto the South half of Section 17 and along the South half and Southeast quarter and a portion of the Northeast quarter of Section 17, Township 31 South, Range 7 East, Willamette Meridian, County of Klamath, State of Oregon.

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

1. This Easement is granted for ingress and egress to and from Grantee's Property described as follows: Tax Lot #1400 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").
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

AMERITITLE has recorded this instrument by request as an accommodation only, and has not examined it for regularity and sufficiency or as to its effect upon the title to any real property that may be described therein.

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, 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. Grantor may grant to third parties, upon such terms as it chooses, any or all of the rights reserved by it; provided that use by the party shall be subject to the terms and conditions of this agreement and shall not unreasonably interfere with the rights granted to Grantee.
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 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 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 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 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 assigned, which might conflict with Grantee's use of the Grantee's Property for residential purposes. Grantee 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.

DATED this 2nd ^{November} day of ~~September~~, 2006.

GRANTOR:

CASCADE TIMBERLANDS (OREGON) LLC
a Delaware limited liability company

By: Olympic Resource Management LLC

By:

(Printed Name) Thomas M. Ringo

Title: Vice Pres. & CFO

GRANTEE:

(Printed Name)

(Printed Name)

State of Washington)

)ss

County of Kitsap)

The foregoing instrument was acknowledged before me this 2nd day
November, 2006 by Thomas M. Ringo, as
Vice President and CFO of Olympic Resource Management LLC,
Manager of Cascade Timberlands (Oregon) LLC, a Delaware limited liability company.

Before me: Susan M. Graham-Schuyler

Notary Public for (State) Washington

My Commissions expires: May 20, 2010

State of OREGON)

)ss

County of Multnomah)

On 11/01, 2006, personally appeared the above named GREGORY WALLACE
AND NANCY HERRER and acknowledged the foregoing instrument to be his/her voluntary
act and deed. their

Before me: NANCY CHUNG

Notary Public for (State) OR

My Commissions expires: 1/25/2007



EXHIBIT "A"

