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12/21/2006 12:39:30 PM

Fee: \$41.00

After Recording Return to:  
Cascade Timberlands (Oregon) LLC  
c/o Olympic Resource Management LLC  
19245 Tenth Avenue NE  
Poulsbo, WA 98370

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**FIRST AMENDMENT TO EASEMENT AGREEMENT AND WAIVER**

**THIS FIRST AMENDMENT TO EASEMENT AGREEMENT AND WAIVER** (this "Amendment") is made this 21 day of December, 2006 between **CASCADE TIMBERLANDS (OREGON) LLC**, a Delaware limited liability company ("Grantor") and **CLIFFORD JOHN AND NORMA JEAN OSBORN**, husband and wife ("Grantee").

**RECITALS**

A. Grantor owns certain real property in Klamath County, Oregon located in the North half of the Northwest quarter laying easterly of the Southern Pacific Railway right-of-way in Section 31, Township 30 South, Range 8 East, W.M ("Grantor's Property").

B. Grantor and Grantee are parties to that certain Easement Agreement and Waiver dated June 24, 2005 and recorded July 6, 2006 in Volume M05 at Page 51163, records of Klamath County, Oregon (the "Agreement").

C. The parties wish to amend the Agreement to provide for an additional access route over Grantor's Property.

NOW THEREFORE, for Five Hundred Dollars (\$500.00), in hand paid, and other good a valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

**AGREEMENT**

1. Easement Grant. Grantor hereby amends the Agreement by granting and conveying to Grantee a nonexclusive easement upon, over and across Grantor's Property for the sole purpose of constructing, maintaining, and repairing a road, 30 feet in width, being 15 feet on either side of the centerline (the "Road") for ingress and egress to and from Tax Lots 200, 300 & 500 of Section 31, Township 30 South, Range 8 East, W.M., Klamath County, Oregon ("Grantee's Property"). The approximate location of the Road shall be as shown on the attached Exhibit A. Upon completion of the Road, the easement granted herein shall run along the actual location of the Road as constructed.

OC  
Ret: *Clifford John Osborn*

#41 C.A

2. Insurance. Grantee shall obtain, and during all times when conducting maintenance or construction activities on the Road maintain a policy of liability insurance in a form generally acceptable in the trade and customary in the area of the Road, insuring the Grantor against liability arising out of the activities, operations, including contractual liability, loggers broad form property damage and use of vehicles, with at least the following limits:

Bodily Injury, including automobile, to any one person	\$1,000,000
For any one occurrence; and	\$2,000,000
Property Damage, including automobile, any one occurrence	\$1,000,000

Upon the request of Grantor, Grantee shall deliver to Grantor certificates from Grantor's insurance carrier evidencing the insurance coverage required under this Section. Prior to permitting its contractors to conduct activities on the Road, Grantee agrees it will require its contractors to first obtain, and maintain at all times while conducting activities on the Easements, insurance coverage in the amounts not less than described above. Grantee further agrees it will require such contractors to have available upon request a certificate from the insurer evidencing that such coverage is in force and that, in the event of cancellation or modification of such coverage, the insurer will give each party at least ten (10) days written notice prior to any cancellation or modification of such coverage.

3. Grantor's Reservations. Grantor reserves for itself, its successors and assigns, and permittees thereof, all rights not granted herein, for any and all purposes, in any manner that will not unreasonably interfere with the rights granted to Grantee hereunder. Grantor reserves to itself all timber now or hereafter growing on Grantor's Property.

4. Grants to Third Parties. 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 Amendment and shall not unreasonably interfere with the rights granted to Grantee herein.

5. Non Use. If for a period of three (3) years, Grantee shall cease to exercise any of the rights granted herein for the purposes herein granted, then such unused easement may be subject to termination. In the event of such nonuse and determination by Grantor of a desire to terminate such easement, Grantor may give written notice of such desire not less than ninety (90) days prior to such proposed termination. Thereupon, prior to the expiration of said ninety (90) days, Grantee shall furnish Grantor, its successors or assigns, a statement of Grantee's intention to either resume use of such easement or abandon such easement. Failure of Grantee to respond

within such ninety (90) day period shall be deemed a determination to abandon such easement. In the event of a determination to abandon this easement, Grantee shall execute such documents as Grantor shall request to remove such easement as an encumbrance on Grantor's Property. In the event Grantee intends to retain the right to use the easement, Grantee shall take such action as is necessary to maintain the Road on the easement and shall advise Grantor of any future intended use of the easement.

6. Incorporation of Agreement. Each and every provision of the Agreement relating to the road and easement that is the subject of the Agreement shall apply to the Road and easement that is the subject of this Amendment as if set forth in full herein.

7. Effect of Amendment. Except as specifically amended herein, the Agreement remains in full force and effect.

8. Governing Law. This Amendment shall be governed by the laws of the State of Oregon.

9. Amendments. This Amendment and the easement created hereby and the covenants contained herein shall not be modified or amended except by written instrument signed by the record owner(s) of Grantor's Property and Grantee and recorded in the real property records of the county in which Grantor's Property is located.

10. Entire Agreement. This Amendment and the Agreement represents the entire agreement of the parties on the subject matter contained herein and in the Amendment, and supersedes all prior oral or written agreements of the parties relating to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

GRANTOR:

CASCADE TIMBERLANDS (OREGON) LLC,  
a Delaware limited liability company

By: Olympic Resource Management LLC, a  
Washington limited liability company,  
Its Manager



By: Thomas M. Ringo

Its: CFO, Treasurer and Secretary

GRANTEE:

Clifford John Osborn  
Clifford John Osborn  
Normajeane Osborn  
Normajeane Osborn

STATE OF WASHINGTON)

)ss.

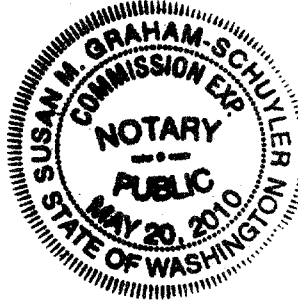
County of Kitsap )

The foregoing instrument was acknowledgement before me this 19<sup>th</sup> day of December, 2006, by Thomas M. Ringo, as the CFO and Treasurer of Olympic Resource Management, LLC, a Washington limited liability company, Manager of Cascade Timberlands (Oregon) LLC, a Delaware limited liability company, on its behalf.

Susan M. Graham-Schuyler  
Notary Public for Oregon

My commission expires: May 20, 2010

Commission No.:       



STATE OF OREGON )

)ss.

County of Clatsop )

On this 21 day of December, 2006, personally appeared the above named Clifford John Osborn and Normajeane Osborn and acknowledged the foregoing instrument to be his/her voluntary act and deed.

Cherylea K. Sandberg  
Notary Public for Oregon

My commission expires: 6-26-08

Commission No.: 379916

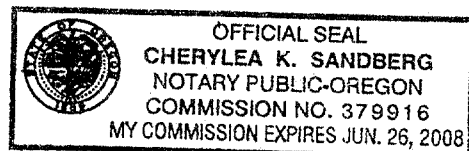


EXHIBIT "A"

