

RETURN TO:
GINNIE DE LANTY-ZUCK
22855 MCFRATH RD
BEND, OR 97701

2011-013995

Klamath County, Oregon



00111607201100139950070076

12/20/2011 11:09:19 AM

Fee: \$67.00

EASEMENT AGREEMENT

THIS EASEMENT AGREEMENT ("Agreement") is between Interfor Pacific Inc., a Washington company ("Interfor") and Klamath Northern Railway Company, an Oregon corporation ("KNRC") (together, "Grantor"), and Michael G. Zuck and Ginnie D. Zuck, Individuals (together, "Grantee")

RECITALS

- A. Interfor is the owner of real property in Klamath County, Oregon, including that which is legally described on Exhibit A, over a portion of which there is an existing 16-foot-wide roadway and a railway easement. All or a portion of the roadway, as the roadway is depicted in the attached Exhibit A, lies within an exclusive railway line that is subject to an exclusive easement owned by KNRC, which easement is set forth in that certain Railway Easement Agreement (Crown Pacific (Oregon)) between Crown Pacific (Oregon) Limited Partnership, and Crown Pacific Railroad, Inc., predecessor in interest to KNRC, which was dated October 4, 1991 and recorded in the Official Records of Klamath County, Oregon at Volume M-91 Page 20436. Interfor's interest in the real property described in Exhibit A and KNRC's interest in the real property described herein, is together the "Grantor's Property."
- B. Grantee is the owner or lessee of real property situated in Klamath County, Oregon, legally described on Exhibit B attached as the "Grantee's Property".
- C. Grantee desires to acquire a roadway easement upon Grantor's Property for the benefit of Grantee's Property and Grantor is willing to grant such easement to Grantee.

NOW, in consideration of the mutual promises contained and other good and valuable consideration, the parties agree as follows:

AGREEMENT

1. **Creation of Easement.** Grantor does grant to Grantee, to the extent Grantor owns such title and the right to so grant, and subject to matters of record, a non-exclusive easement (the "Easement") in, on, over, under, upon, and within Grantor's Property for the use of an existing roadway, for ingress to and egress from Grantee's Property, the named Railroad Road (Riverview Drive) as shown and depicted on the map in Exhibit A beginning at the intersection of 9770 and ending approximately 1 ½ miles to SCH2 (the "Roadway"). The Easement granted herein shall extend only to the existing Roadway, and any relocation thereof. The approximate location of the Roadway is depicted on Exhibit A. As consideration for this Easement, Grantee shall pay to Grantor a one-time, lump-sum fee in the amount of FIVE HUNDRED DOLLARS AND NO/100ths (\$500.00), payable upon consummation of this Agreement's mutual execution.
2. **Reservation of Rights.** Grantor reserves for itself and its agents, contractors, employees, guests, invitees, permittees, successors and assigns, the right to use Grantor's Property and the Roadway for any lawful use. Grantor reserves the right to periodically block the Easement if it is deemed necessary to facilitate Grantor's commercial forest operations. Grantor, at Grantor's expense, may relocate the Roadway, provided, however, the relocated road provides reasonable equivalent access to Grantee's Property.
3. **Construction and Maintenance of the Roadway.** Grantor shall not be obligated to maintain or repair Grantor's Property or the Roadway. Grantee expressly waives the provision of ORS 105.170 to 105.185.
4. **Restoration of Damage to Grantor's Property.** Grantee shall restore, in a timely manner, any damage to Grantor's Property or the Roadway caused by Grantee, its agents, contractors,

employees, guests, invitees, and subcontractors, in their construction, installation, maintenance, repair, replacement, or use of Grantor's Property and the Roadway.

5. **Rules and Regulations.** Grantee at its sole expense shall comply with all safety and security rules and regulations of general applicability adopted by Grantor, from time to time, relating to the use of Grantor's Property, including without limitation rules and regulations relating to the safety and security of Grantor's Property and the Roadway (for example, rules relating to vehicle speed limits and roadway gates).
6. **Gate.** 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 and lock on the Roadway, and if Grantor exercises this right, Grantee will be provided with access to the 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.
7. **Compliance with Laws.** Grantee at its sole expense shall comply with all applicable codes, laws, ordinances, regulations, and statutes relating to the maintenance, repair, replacement, and use of Grantor's Property and the Roadway. Grantee at its sole expense shall obtain any and all required governmental approvals and permits relating to Grantor's Property and the Roadway prior to the maintenance, repair, replacement, and use of Grantor's Property and the Roadway.
8. **Assumption of Risk.** Grantor makes no warranty or representation as to its title to or rights in the Grantor's Property, or as to the condition, safety, or suitability of Grantor's Property or the Roadway for Grantee's intended use. Grantee, on behalf of Grantee and their agents, contractors, employees, guests, invitees, and subcontractors, expressly assumes all risks relating to use of Grantor's Property and the Roadway. Grantee understands and agrees that Grantor would not make this Agreement without an express assumption of all risks by Grantee.
9. **Indemnification.** Grantee agrees to defend, indemnify, and hold Grantor, its agents, contractors, employees, guests, invitees, permittees, successors and assigns harmless from and against any and all loss, damage, claims, penalties, liability, suites, costs and expenses (including, without limitation, reasonable attorneys' fees) suffered or incurred by Grantor arising out of or related to the maintenance, repair, replacement, or use of Grantor's Property and Roadway and the use of Grantor's Property and the Roadway by Grantee's agents, contractors, employees, guests, invitees, and subcontractors.
10. **Fire Prevention.** Grantee shall use the utmost diligence and precaution to prevent fires from starting on or spreading on, onto, or from Grantor's Property and other real property owned by Grantor.
11. **No Liens.** Grantee shall allow no liens to attach to Grantor's Property.
12. **Covenants by Grantee Regarding Use of Grantee's Property.** Grantee, on behalf of itself and all future owners of Grantee's Property, covenants to Grantor, its successors and assigns, that Grantee's Property shall be used only as a personal residence, and that the Easement and Roadway shall be used only to and from access to said property. The limitations set forth in this section may be waived by Grantor if such waiver is clear and unequivocal and is contained in a writing executed and delivered by an authorized representative of Grantor, and such limitations also may be amended by a written amendment to this Agreement executed and delivered by an authorized representative of the parties and recorded in the real property records of Klamath County, Oregon.
13. **Termination.** Grantor may terminate this Agreement by recording a written notice in the records which describe a breach of the 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.

In addition, in the event that Grantee's property is made accessible by a public road or other reasonable access, then this Agreement may be terminated by the Grantor.

14. **Assignment and Subdivision.** Grantee may not assign its rights and obligations under the Easement and this Agreement except to future owners of the whole of Grantee's Property and not any subdivided portions. The limitations set forth in this section may be waived by Grantor if such waiver is clear and unequivocal and is contained in a writing executed and delivered by an authorized representative of Grantor, and such limitations also may be amended by a written amendment to this Agreement executed and delivered by an authorized representative of the parties and recorded in the real property records of Klamath County, Oregon.
15. **Benefits and Burdens.** The burdens and benefits of the Easement and this Agreement are intended to attach to and run with the land. The terms and conditions of the Easement and this Agreement shall be binding upon and shall inure to the benefit of Grantor, Grantee, and the future owners of Grantor's Property and Grantee's entire Property as it now exists.
16. **Notices.** All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed given if personally delivered or mailed, certified mail, return receipt requested, or sent by overnight carrier to the following addresses:

If to Grantor, to:

Interfor Pacific Inc.
c/o International Forest Products Limited
3500 - 1055 Dunsmuir Street
Vancouver, BC
V7X 1H7
Attn: Chief Financial Officer
Phone: (604) 689-6800

If to Grantee, to:

Michael G. and Ginnie D. Zuck
22855 McGrath Road
Bend, Oregon, 97701
Phone: (541) 408-3215

17. **Attorney's Fees.** If Grantor or Grantee shall bring any action arising out of this Agreement, the losing party shall pay the prevailing party a reasonable sum for attorneys fees in such suit, at trial and on appeal, and such attorney's fees shall be deemed to have accrued on the commencement of such action.
18. **No Other Agreements; Termination of Existing Easement Claims.** All prior agreements, written or oral, if any, regarding easements upon Grantor's Property for the benefit of Grantee's Property are terminated and shall have no further force or effect. Grantee abandons, releases, relinquishes, and terminates any and all legal and equitable claims held by Grantee, its successors and assigns, and relating to any and all real property owned by Grantor as of the date of this, except claims arising under this Agreement.
19. **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 operation upon the Grantor's Property and upon other adjacent lands. Such operations included management and harvesting of timber, disposal or slash, reforestation, application of chemicals, road construction and maintenance, and other accepted and customary forest management activities conducted in accordance with federal and state law. 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 Grantor's Property and upon other adjacent land of the 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 the 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.

20. **General.** This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon. This Agreement may be executed and delivered in counterparts.

Dated this 13th day of December, 2011.

GRANTOR:

INTERIOR PACIFIC INC.

By: [Signature]
Its: VP, Finance & Admin

KLAMATH NORTHERN RAILWAY COMPANY

By: [Signature]
Its: VP, Finance & Admin

GRANTEE:

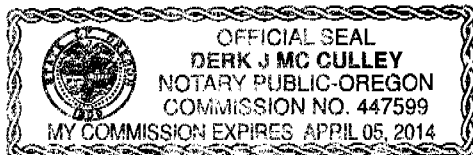
MICHAEL G. ZUCK and GINNIE D. ZUCK, Individuals

By: Michael G. Zuck
Michael G. Zuck

By: Ginnie D. Zuck (AKA) (Carol V Zuck)
Ginnie D. Zuck

STATE OF OREGON)
COUNTY OF Deschutes)s

On this 15th day of December, 2011, before me, the undersigned, a Notary Public in and for the State of Oregon, personally appeared Michael G. Zuck and Ginnie D. Zuck, Individuals.



D. McCulley
Notary Public for Oregon
My commission expires April 5, 2014

CANADA)
PROVINCE OF BRITISH COLUMBIA)s

On this 13th day of Dec., 2011, before the undersigned, a Notary Public in and for the Province of British Columbia, Canada, personally appeared Stephen Williams, as VP, Finance & Administration, on behalf of Interfor Pacific Inc.

Marilyn S. Loewen Mauritz
Barrister & Solicitor

CANADA)
PROVINCE OF BRITISH COLUMBIA)s

On this 13th day of Dec., 2011, before the undersigned, a Notary Public in and for the Province of British Columbia, Canada, personally appeared Stephen Williams, as VP, Finance & Administration, on behalf of Klamath Northern Railway Company.

Marilyn S. Loewen Mauritz
Barrister & Solicitor

EXHIBIT A

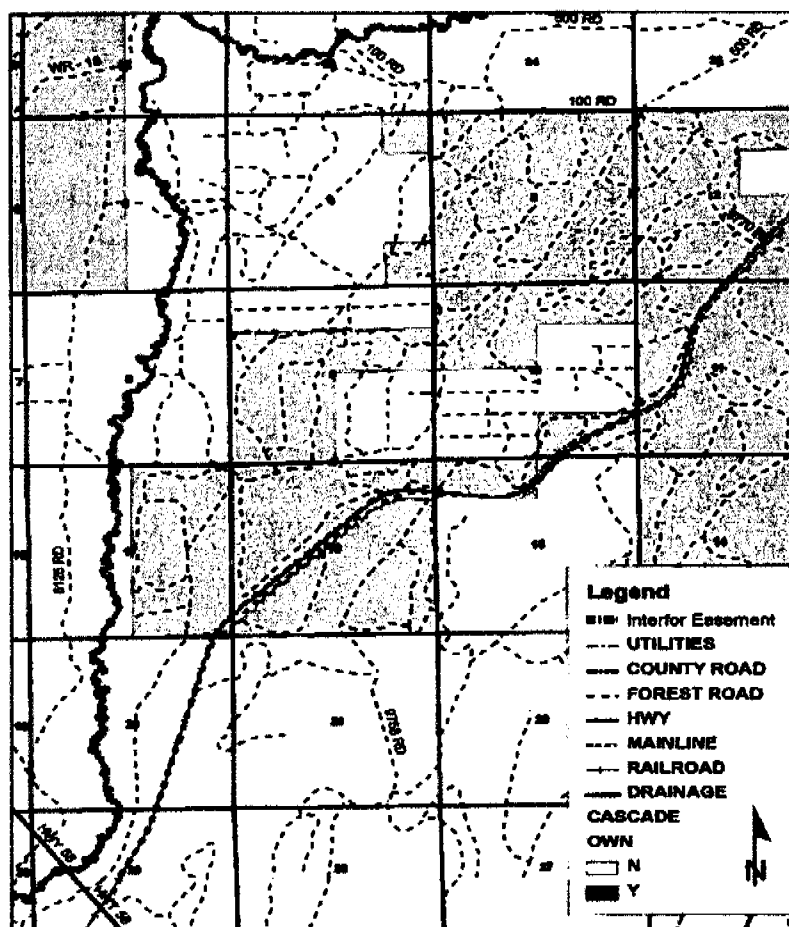
Interfor's Property

N 1/2 NE 1/4, S 1/2 SE 1/4 of Section 10, and N 1/2 NW 1/4, SE 1/4 SE 1/4, of Section 15, of Township 25 South, Range 8 East, Willamette Meridian.

Roadway Easement

Located in portions of Sections 10 and 15, T 25 S, R 8 E, Willamette Meridian, County of Klamath, State of Oregon as depicted below:

EXHIBIT "A"



Approx. .387 miles

ZUCK EASEMENT

EXHIBIT B

Grantee's Property

Grantee owns real property located in Section 10, T 25 S, R 8 E, Willamette Meridian, County of Klamath, State of Oregon more particularly described as _____.