



199908190179

Kathy Hill, Skagit County Auditor

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Olympic Resource Management
1934 East College Way
Mt. Vernon, WA 98273

FORESTRY ROAD EASEMENT

THIS AGREEMENT, made and entered into this 1st day of July, 1999, by and between John Hancock Mutual Life Insurance Company, hereinafter called GRANTOR, and Crown Pacific, hereinafter called GRANTEE.

WITNESSETH:

I

GRANTOR, for valuable consideration, the sufficiency and receipt of which is hereby acknowledged, hereby grants and conveys to GRANTEE, its successors and assigns, a permanent non-exclusive forestry road easement Sixty (60) feet in width, being Thirty (30) feet on each side of the centerline of a road located approximately as shown on the attached "Exhibit A" in portions of the SW1/4 SW1/4 of Section 19, Township 35 North, Range 7 East (tax parcel no. 350719-3-001-0012), which by this reference is hereby incorporated herein (easement area). The aforesaid easement area crosses land owned by GRANTOR in Skagit County, State of Washington, as described in the attached "Exhibit A", which by this reference is hereby incorporated herein.

Subject as to said lands to all matters of public record.

SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax
PAID

AUG 19 1999

Amount Paid \$
By: Skagit County Treasurer
Deputy

II

The parties hereto hereby agree that the rights herein above granted shall be subject to the following terms and conditions:

1. This easement is conveyed for the purpose of construction, reconstruction, use and maintenance of the above described road for the purpose of moving specialized logging equipment, logging trucks or other equipment used for growing, harvesting, or managing timber on lands now owned by GRANTEE, as described in the attached "Exhibit C", which by this reference is hereby incorporated herein.
2. GRANTOR reserves for itself, its successors and assigns, the right at all times for any purpose, to cross and re-cross said road at any place on grade or otherwise, and to use said easement area in a manner that will not unreasonably interfere with the rights granted to the GRANTEE herein.
3. GRANTOR may grant to third parties, upon such terms as it chooses, any or all of the rights reserved by it herein; provided such use shall not unreasonably interfere with the rights granted to the GRANTEE.
4. The cost of road maintenance and resurfacing shall be allocated on the basis of respective uses of said road. When any party uses the road, that party shall perform or cause to be performed, or contribute or cause to be contributed, that share of maintenance and resurfacing occasioned by such use as hereinafter provided. During periods when the road is being used solely by one party, such party shall maintain that portion of said road so used to the standards existing at the time use is commenced. During periods when more than one party is using the road, or any portion thereof, the parties hereto shall meet and establish necessary maintenance provisions. Such provision shall include, but shall not be limited to:
 - a. The appointment of a maintainer, which may be one of the parties hereto or any third party, who will perform, or cause to be performed, at a reasonable and agreed upon rate, the maintenance and resurfacing of the road or the portion thereof being used; and
 - b. A method of payment by which each party, using said road or a portion thereof, shall pay its pro rata share of the cost incurred by said maintainer in maintaining or resurfacing said road or portion thereof.



For purposes of this agreement, *maintenance* is defined as the work normally necessary to preserve and keep the roadway, road structure and road facilities as nearly as possible in their present condition or as hereafter improved.

5. Each party using any portion of the road shall repair, or cause to be repaired, at its sole cost and expense, that damage to said road occasioned by it which is in excess of that which it would cause through normal and prudent usage of said road. Should inordinate damage to the road occur which is not caused by an authorized user of said road, the parties hereto shall meet to agree upon the cost of replacement, the party to undertake the replacement, and the shares of replacement cost to be borne by each user of said road. GRANTEE shall obey and comply with any laws and regulations concerning said road and exercise proper and prudent caution and care in the use thereof.
6. Unless the parties hereto agree in writing to share the cost of improvements in advance of such improvements being made, such improvements shall be solely for the account of the improver.
7. GRANTOR reserves to itself all timber now on or hereafter growing within the easement area.
8. The GRANTEE may permit its respective contractors, licensees, lessees, purchasers of timber or other valuable materials, and their agents, hereinafter individually referred to as "Permittee" and collectively referred to as "Permittees", to exercise the rights granted to it herein; provided, that when a Permittee plans to use any portion of said road for purpose of hauling timber or other valuable materials, such party shall notify GRANTOR at least fifteen (15) days prior to the commencement of use of said rights, advising of the portion of road to be used, the approximate dates, when such use will begin and end, and the approximate volumes of forest products or valuable materials to be hauled and forthwith upon the completion of such use notify GRANTOR.
9. GRANTEE and each of its Permittees, before using any of said roads for commercial purposes, shall:
 - a. Obtain and, during the term of such use, maintain a policy of liability insurance in form, substance and amount satisfactory to GRANTOR, insuring GRANTOR and said GRANTEE against liability arising out of its operations, including use of vehicles, and naming the GRANTOR and Olympic Resource Management, LLC. as additional insured.



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b. Minimum amounts of insurance shall be:

Automobiles

Bodily Injury - \$1,000,000 Each Occurrence
Property Damage - \$1,000,000 Each Occurrence
Or Combined Single Limits - \$1,000,000

Exposures Other Than Automobiles Including
Contractual and Completed Operations

Bodily Injury - \$1,000,000 Each Occurrence
\$1,000,000 Each Person
Property Damage - \$1,000,000 Each Occurrence
Or Combined Single Limits - \$1,000,000

Broad Form B Logging Property Damage,

With Limits of Not Less Than \$1,000,000 Each Occurrence

- c. Deliver to each party hereto a certificate from the insurer of said GRANTEE or Permittee which certifies that coverage, in not less than the above specified amounts, is in force and that, in the event of cancellation or modification of such coverage, the insurer will give each party hereto thirty (30) days written notice prior to any cancellation or modification.
10. GRANTEE may not assign its rights and obligations under this Easement without the prior written consent of GRANTOR; and any such permitted assignment shall provide that the assignee will assume all obligations of the GRANTEE from and after the effective date thereof. Consent to assign shall not be unreasonably withheld upon transfer of title of lands owned by GRANTEE.
11. GRANTEE agrees to defend, indemnify and save harmless GRANTOR and its successors and assigns of and from and against all causes of action, litigation, cost, loss, liability, damage and expense (including attorneys' fees) for injury or death to persons, whomsoever, and damage to or loss of property, to whomsoever belonging, including the respective contractors, agents, employees and representatives of GRANTOR, arising out of or in any way connected with the use of the road and easement area by the GRANTEE, its respective contractors, agents, employees or representatives.



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12. If for a period of ten (10) years GRANTEE shall cease to use or preserve said road or any portion thereof for prospective future use, this easement shall automatically terminate without notice and GRANTEE and its successors and assigns agree that they shall, at GRANTOR's option, quitclaim to GRANTOR, in form and substance satisfactory to GRANTOR. All of GRANTEE's rights, title, and interest as is granted by this easement.

IN WITNESS WHEREOF, the parties hereto have executed this instrument, in duplicate to become effective as of the day and year first above written.

GRANTOR:
JOHN HANCOCK MUTUAL LIFE
INSURANCE COMPANY

GRANTEE:
CROWN PACIFIC

By: Hancock Natural Resource Group, Inc.
its Investment Manager

By: *Kim J. Mulheas*

Title: Assistant Treasurer

Date: 8/9/99

Attest: *Corrine L. Weber*

Title: Assistant Secretary

Reviewed by: *[Signature]*
Area Manager

By: *Roy K. Gage*

Title: SVP & General Counsel

Date: 8/28/99

Attest: _____

Title: _____



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THE COMMONWEALTH OF MASSACHUSETTS
COUNTY OF SUFFOLK

On this 9th day of August, 1999 before me, the undersigned, a Notary Public in and for the said Commonwealth, residing therein, duly commissioned and sworn, personally appeared Kevin J. McWilliams to me personally known, who by me duly sworn, did say that he is a(n) Assistant Treasurer of Hancock Natural Resource Group, Inc., and the duly authorized investment manager of JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY, that the seal affixed to the foregoing instrument is the corporate seal of said JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY; and that said instrument was signed and sealed on behalf of said JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY by said Hancock Natural Resource Group, Inc., by authority of the Board of Directors of and as the free act and deed of said JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY.

Mary E. Steele
Notary Public

My Commission expires: 2/04/2005

At a meeting of the Board of Directors of HANCOCK NATURAL RESOURCE GROUP, INC., held on May 7, 1996, a quorum being present and acting throughout, it was

VOTED: That the Executive Managing Director, the Managing Director, the President, any Senior Vice President, any Vice President, the Treasurer, any Assistant Treasurer of the Company, or any one of them, are hereby authorized to execute and seal with the corporate seal, acknowledge and deliver any and all instruments required in connection with any authorized investment, sale, loan, pledge, or other transaction managed by the Company on behalf of John Hancock Mutual Life Insurance Company or on behalf of its other clients.

On this 9th day of August, 1999, I hereby certify that the above is a true copy of a vote passed May 7, 1996, by the Board of Directors of HANCOCK NATURAL RESOURCE GROUP, INC.; that the same still remains in full force and effect; that the instrument to which this certificate is annexed is required in connection with an authorized investment managed by the Company on behalf of John Hancock Mutual Life Insurance Company; and that Kevin J. McWilliams is a(n) Assistant Treasurer of the Company who is authorized by the foregoing vote to execute said instrument.

Corrine L. Weber
(Assistant) Secretary



STATE WASHINGTON
COUNTY OF SKAGIT

*Oregon
Multnomah*

On this 28th day of June, 1999, before me, the undersigned, a Notary Public in and for the State of Oregon, residing therein, duly commissioned and sworn, personally appeared Roger L. Kruger, to me personally known who by me duly sworn, did say that he/she is the same individual who executed the attached Forestry Road Easement and that he/she are competent to execute said instrument and knowingly and willingly do so with the full intention of being legally bound thereby to the extent of all agreements and conditions therein pertaining to them.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in said County the day and year in this certificate first above written.



Kari L. Skyles
Notary Public in and for
said State

My commission expires April 22, 2002, 19



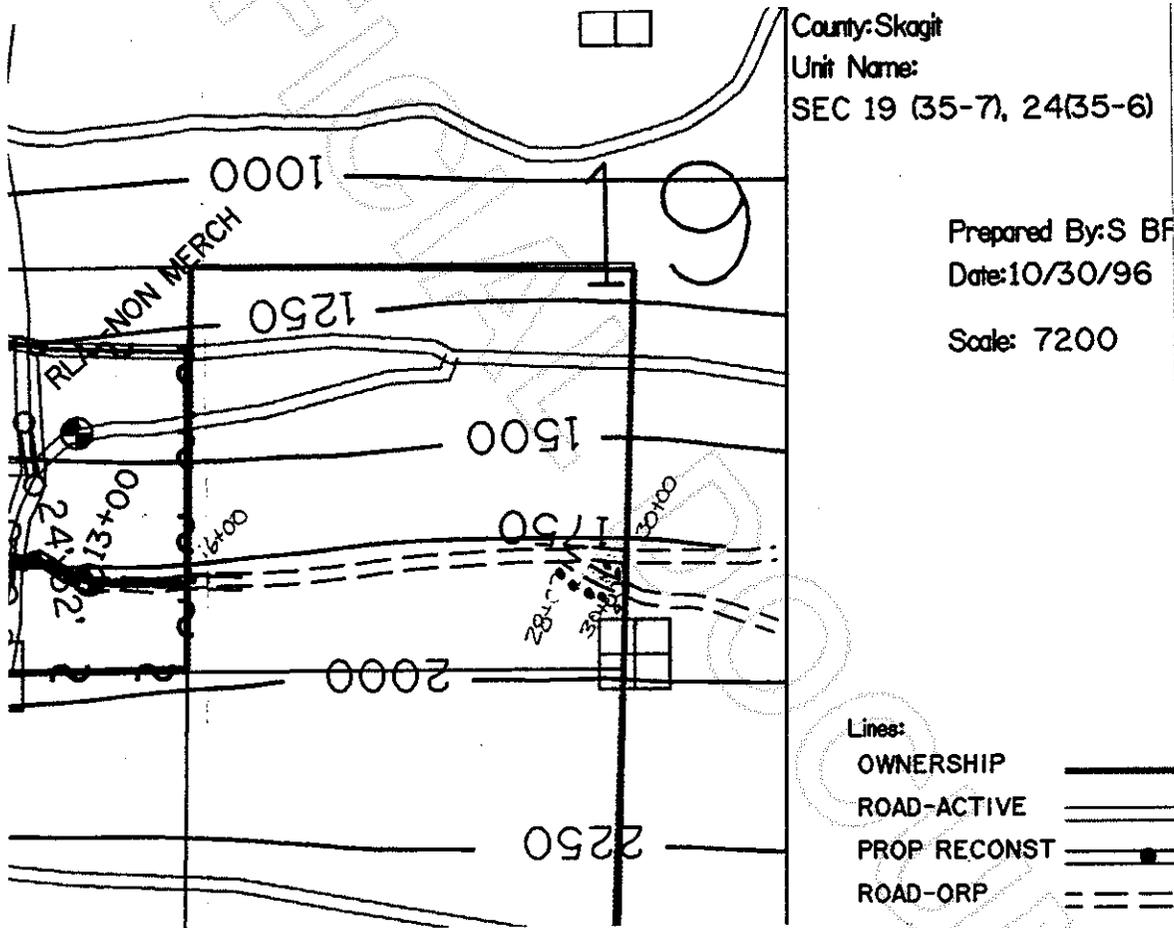
JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY

EXHIBIT A

County: Skagit

Legal Descrip.: 19(35N-7E)

Date: June 9, 1999



Existing forestry road 

Existing forestry road with non-exclusive easement 

