

March 14, 2008



EVERGREEN FOREST

Jim Wassmuth
Resource Manager

P.O. Box H
New Meadows, Idaho
83654

Cell: (208) 315-0121
Office: (208) 347-2111
FAX: (208) 347-2273

Monica P Van Buren
Idaho Department of Water Resources
322 East Front Street
P.O. Box 83720
Boise, Idaho 83720-0098

Re: SRBA Claim #67-7598

RECEIVED

MAR 19 2008

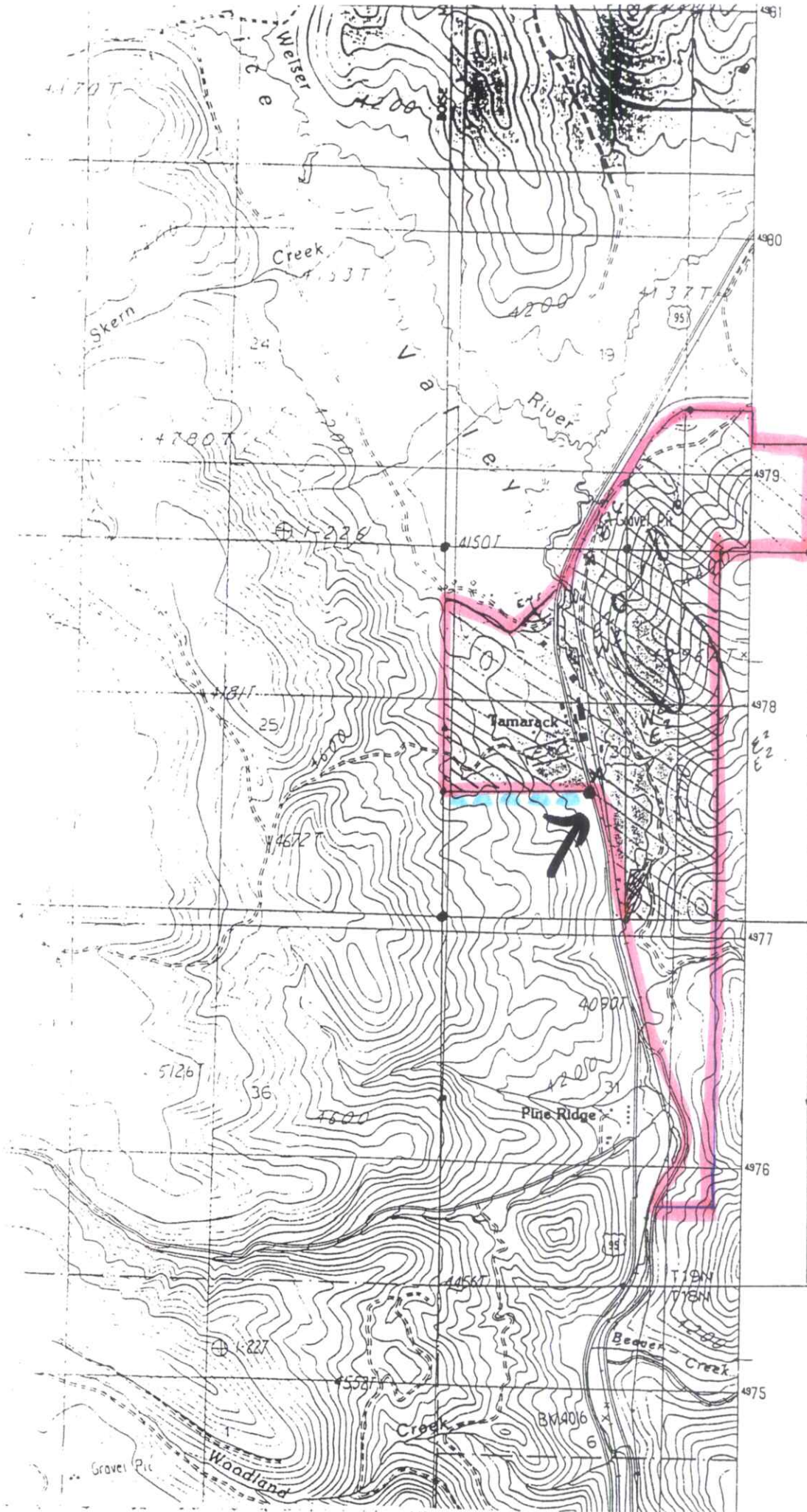
DEPARTMENT OF
WATER RESOURCES

Monica,
Mark Kroop asked me to take care of this project. I have attached a map of the approximate property location and a copy of our warranty deed which is on file at the Court house in Coeur d'Alene. If you can understand this property description you should probably be working as a professional civil engineer.

We still have about 3' of snow at the mill, and I would like to walk the area in question before we sign off. I do not believe we receive any water from the area in question but I am not sure.

Tamarack Mills may own some property in the SESW Section 30 Township 19 N R 1 E. I feel it is a very small amount.

Come up next Spring and bring your GPS unit and we will get this straightened out
James D. Wassmuth



T19N R1E

SEC 30

SEC 19

SEC 20

Property line
established in Spring
of 2007 by licensed
surveyor. Copy given
to Idaho Department
of Lands in McCall.

Jim W.

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State of Idaho)
County of Adams) ss.Filed for record at the request of
Timberline Title & Escrow
07 days past 4 o'clock p.m.
the 20 day of August, 1992
MICHAEL FIGK, RECORDERby Deputy
Deputy

Fee \$ 105.00

(RE-RECORDED TO CORRECT LEGAL DESCRIPTION)

WARRANTY DEED
AND
RESERVATION OF EASEMENT

FOR VALUE RECEIVED

Evergreen Forest Products, Inc., an Idaho corporation ("Grantor"), does hereby GRANT, BARGAIN, SELL and CONVEY unto Tamarack Mill, LLC, an Idaho limited liability company whose address is P.O. Box 340, Highway 12, Kooskia, Idaho 83539 ("Grantee"), the following described real property located in Adams County, Idaho:

See Exhibit A attached hereto and incorporated herein (the "Premises").

SUBJECT TO all liens, claims, taxes, assessments, encumbrances, easements, reservations, reversions, rights-of-way, and agreements or restrictions as set forth on Exhibit B attached hereto and incorporated herein, and of record (the "Permitted Encumbrances").

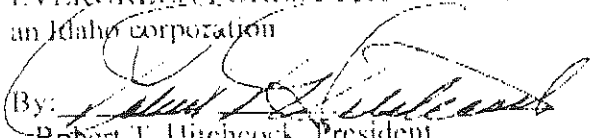
RESERVING for the benefit of Grantor, its successors, transferees and assigns a perpetual, unobstructed, nonexclusive and relocatable right-of-way and easement ("Easement") for ingress, egress and utilities over, across and under the Premises, as more particularly described and defined in the Easement Agreement which is attached hereto as Exhibit "C" and incorporated herein by this reference, and subject to the respective rights and obligations of Grantor and Grantee set forth herein.

TO HAVE AND TO HOLD said Premises, with its appurtenances unto Grantee, and Grantee's successors and assigns forever. Grantor, for itself, its successors and assigns, does hereby covenant to and with Grantee, that the Grantor is the owner in fee simple of the Premises; that the Premises are free from all liens, taxes, assessments, encumbrances, easements, reservations, reversions, rights-of-way, and agreements, except the Permitted Encumbrances, the Easement, and those made, suffered or done by Grantee; and that Grantor will warrant and defend the same forever from all other lawful claims whatsoever.

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IN WITNESS WHEREOF, Grantor has caused its name to be hereunto subscribed this
... day of July, 1998.

GRANTOR:

EVERGREEN FOREST PRODUCTS, INC.,
an Idaho corporationBy: 

Robert T. Hinchcock, President

INSTRUMENT NO. 95280
State of Idaho)
County of Adams) ss.Filed for record at the request of
Timberline Title & Escrow34 min. past 10 o'clock A.M.
this 17 day of December, 1998MICHAEL FISK, RECORDER
by 
Deputy

Fee \$ 108.00

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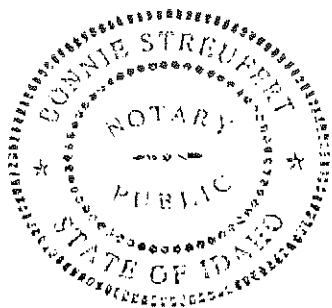
STATE OF IDAHO)

) ss.

County of ADA

On this 3 day of August, 1998, before me, the undersigned, a Notary Public in and for said State, personally appeared Robert T. Hitchcock, known or identified to me to be the President of Evergreen Forest Products, Inc., the corporation that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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



Bonnie Streufert
Notary Public for Idaho
Residing at Brice, ID
My commission expires: 7/15/2003

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EXHIBIT A

Legal Description

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EXHIBIT A

LEGAL DESCRIPTION OF THE PREMISES

PARCEL 1
Township 19 North, Range 1 East, Boise Meridian, Adams County,
Idaho

~~Section 19.~~ A parcel of land situated in the SE1/4 more
particularly described as follows:
Commencing at a 3/4" aluminum cap marking the quarter corner
common to Sections 19 and 30, T19NR12EM, the REAL POINT OF
BEGINNING;

Thence North 00° 40' 31" West 976.23 feet along the Westerly
boundary of the SE1/4 of said Section 19 to a 1/2" x 24" rebar on
the Easterly right-of-way of the Oregon Short Line Railroad kna
Friends of the Weiser River Trail;

Thence North 29° 21' 27" East 722.13 feet along said Easterly
railroad right-of-way to a 5/8" x 30" rebar;

Thence 89.09 feet along said Easterly right-of-way on a curve to
the right whose radius is 891.70 feet, delta angle is 05° 43' 29"
and whose long chord bears North 32° 13' 12" East 89.06 feet to a
5/8" x 30" rebar;

Thence North 35° 04' 56" East 10.29 feet along said Easterly
right-of-way to a 5/8" x 30" rebar;

Thence 866.45 feet along said Easterly right-of-way on a curve to
the right whose radius is 905.37 feet, delta angle is 54° 50' 00"
and whose long chord bears North 62° 29' 56" East 933.77 feet to a
5/8" x 30" rebar;

Thence North 89° 54' 56" East 734.84 feet along the Southerly
right-of-way of said railroad to the Westerly boundary of the
landfill parcel as described on the Corporate Quitclaim Deed,
Instr. No. 92913 on file in the Adams County Recorder's Office;

Thence South 00° 17' 14" East 479.46 feet along said Westerly
boundary;

Thence North 89° 42' 47" East 934.12 feet along the Southerly
boundary of said parcel to the line common to Sections 19 and 20,
T19NR12EM;

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Thence South 00° 17' 14" East 1865.39 feet along said common line to a brass cap marking the section corner common to Sections 19, 20, 29 and 30, T19N R12E M;

Thence South 89° 16' 00" West 2714.89 feet along the line common to said Sections 19 and 30, to the REAL POINT OF BEGINNING.

SUBJECT TO a road easement as described in Inst. No. 92914 on file in the Adams County Recorder's Office.

Section 30: W1/2E1/2 and all that part of the E1/2W1/2 lying East of Highway 95 as now established.

EXCEPTING THEREFROM, any right, title or interest of FRIENDS OF WEISER RIVER TRAIL, INC., if any, accruing pursuant to that certain DONATIVE QUITCLAIM DEED from UNION PACIFIC RAILROAD COMPANY, a Utah corporation, dated July 31, 1997 and recorded on August 4, 1997, as Instrument 92385, Official Records of Adams County, Idaho.

EXCEPTING FROM the above described parcel a tract of land located in the SW1/4SE1/4 more particularly described as follows:
Beginning at the South 1/4 corner of said Section 30;
Thence North 0° 13' East 346.5 feet to a point;
Thence North 9° 54' East 346 feet to the point of BEGINNING;
Thence North 80° 21' East 127.5 feet to a point;
Thence North 9° 39' West 150 feet to a point;
Thence South 80° 21' West 74 feet to a point;
Thence South 9° 54' West 160 feet to the REAL POINT OF BEGINNING

A parcel of land situated in the W1/2 more particularly described as follows:

Commencing at an aluminum cap marking the quarter corner common to Section 25, T19N R12E M and Section 30, T19N R12E M, Adams County, Idaho, the REAL POINT OF BEGINNING;

Thence North 00° 31' 14" West 1859.70 feet along the line common to said Sections 25 and 30, to a 4" x 24" rebar on the an existing fence line;

Thence South 88° 45' 31" East 24.15 feet along said existing fence line;

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Thence continuing Southeasterly along said existing fence line:
 South $14^{\circ} 16' 28''$ East 17.93 feet;
 South $63^{\circ} 15' 08''$ East 105.46 feet;
 South $73^{\circ} 26' 43''$ East 282.94 feet;
 South $73^{\circ} 06' 42''$ East 76.72 feet;
 South $65^{\circ} 23' 24''$ East 220.34 feet;
 South $64^{\circ} 59' 29''$ East 106.61 feet;

~~South $61^{\circ} 32' 26''$ East 89.13 feet;~~
~~South $61^{\circ} 40' 32''$ East 98.81 feet;~~
~~South $62^{\circ} 27' 13''$ East 51.66 feet;~~
 South $61^{\circ} 03' 03''$ East 29.10 feet;
 South $66^{\circ} 48' 14''$ East 64.88 feet;
 South $74^{\circ} 31' 38''$ East 67.45 feet to the fence corner;
 thence continuing Northeasterly along said existing fence line:
 North $15^{\circ} 56' 55''$ East 137.94 feet;
 North $09^{\circ} 22' 35''$ East 12.79 feet;
 North $22^{\circ} 50' 53''$ East 41.16 feet;
 South $58^{\circ} 03' 49''$ East 3.60 feet;
 North $35^{\circ} 56' 36''$ East 469.58 feet;
 North $22^{\circ} 58' 39''$ East 188.79 feet to the end of the existing fence;

Thence South $78^{\circ} 59' 44''$ East 69.40 feet to a $\frac{1}{4}'' \times 24''$ rebar on the Westerly right-of-way of U.S. Highway 95, radially to the following curve;

Thence 1058.60 feet along said Westerly right-of-way on a non-tangent curve to the left whose radius is 2924.79 feet, delta angle is $20^{\circ} 44' 16''$ and whose long chord bears South $00^{\circ} 38' 09''$ West 1052.83 feet to a $\frac{5}{8}'' \times 20''$ rebar;

Thence radially along said Westerly right-of-way North $80^{\circ} 16' 00''$ East 20.00 feet to a $\frac{5}{8}'' \times 30''$ rebar;

Thence 215.12 feet along said Westerly right-of-way on a non-tangent curve to the left whose radius is 2904.79 feet, delta angle is $04^{\circ} 14' 35''$ and whose long chord bears South $11^{\circ} 51' 17''$ East 215.07 feet to a $\frac{5}{8}'' \times 30''$ rebar marking the offset spiral to curve;

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Thence 251.74 feet along said Westerly right of way on an offset spiral curve to the left to the point of offset spiral curve to tangent, and which bears South $16^{\circ} 27' 33''$ East 0.87 feet from a $5/8" \times 30"$ rebar at highway PS station 767+53.7, and whose offset spiral curve data is: length = 251.74 feet, delta spiral = $02^{\circ} 29' 56''$ and whose long chord bears South $15^{\circ} 37' 54''$ East 251.72 feet;

Thence South $16^{\circ} 27' 33''$ East 1438.51 feet along said Westerly right-of-way to a brass cap right-of-way monument at highway station 753+25;

Thence South $73^{\circ} 32' 27''$ West 20.00 feet along said Westerly right-of-way to a brass cap right-of-way monument at highway station 753+25;

Thence South $16^{\circ} 27' 33''$ East 95.10 feet along said Westerly right-of-way to a $1/2" \times 24"$ rebar;

Thence South $97^{\circ} 22' 41''$ West 2131.84 feet to a $1/2" \times 24"$ rebar on the line common to Section 30, T19NR12EM and Section 25, T19NR1WEM, Adams County, Idaho;

Thence North $00^{\circ} 31' 14''$ West 933.84 feet along said common line to the REAL POINT OF BEGINNING.

SUBJECT TO a 60 foot wide ingress and egress and utility easement being 30.00 feet on each side of the following described existing road centerline:

Commencing at an aluminum cap marking the Section corner common to Sections 19 and 30, T19NR12EM Adams County, Idaho and Sections 24 and 25, T19NR1WEM;

South $58^{\circ} 06' 45''$ East formerly described as South $57^{\circ} 47' 26''$ East Thence South ~~$57^{\circ} 47' 26''$ East~~ 1856.77 feet to a point on the Westerly right-of-way of U.S. Highway 95 at highway station 773+44, the REAL POINT OF BEGINNING;



Thence South $58^{\circ} 50' 00''$ West 310.37 feet;

Thence 71.01 feet along a curve to the right whose radius is 75.00 feet, delta angle is $54^{\circ} 15' 00''$ and whose long chord bears South $85^{\circ} 57' 30''$ West 58.39 feet;

Thence North $55^{\circ} 55' 00''$ West 72.49 feet to the point of ending, being at the centerline of the existing road at the gate.

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EXCLUDING a parcel of land situated in the W1/2 of Section 30, T19NR12EM, Adams County, Idaho, more particularly described as follows:

Commencing at a brass cap marking the quarter corner common to Sections 30 and 31, T19NR12EM, Adams County, Idaho:

Thence North 22° 29' 30" West 2769.09 feet to the REAL POINT OF BEGINNING;

Thence South 73° 50' 00" West 600.00 feet;

Thence North 16° 10' 00" West 240.00 feet;

Thence North 73° 50' 00" East 600.00 feet;

Thence South 16° 10' 00" East 240.00 feet to the REAL POINT OF BEGINNING.

SUBJECT TO AN EASEMENT for ingress and egress from U.S. Highway 95 granted by Evergreen Forest Products, Inc., to Tamarack Energy Partnership in a Deed and Grant of Easement recorded April 24, 1984 as Instrument No. 68189 as amended by Amended Deed and Grant of Easement recorded February 13, 1987 as Instrument No. 73817, described as follows:

Township 19 North, Range 1 East, Boise Meridian, Adams County, Idaho

Section 30; A strip of land 20 feet in width located in the W1/2 of Section 30, the centerline of which is more particularly described as follows:

Beginning at the South 4 corner of said Section 20;

Thence North 16° 27' 30" West 2530.6 feet to the REAL POINT OF BEGINNING, a point on the Westerly right-of-way line of U.S. Highway 95;

Thence on the easement centerline, said easement being 10 feet on each side of said centerline as follows:

South 82° 14' West 69.5 feet to a point;

North 79° 16' West 85.1 feet to a point;

North 54° 28' West 136.0 feet to a point;

North 82° 57' West 103.5 feet to a point that is 10 feet

Southerly from the Southeasterly corner of the Co-Generation Plant property;

Thence South 73° 50' West parallel and 10 feet Southerly of the Southerly boundary of said property a distance of 99.0 feet, said point bears South 68° 07' West 100.5 feet from the Southeast corner of the Co-Generation property, the point of terminus.

The foregoing easement is subject to matters as disclosed by that certain survey prepared by Kerr Surveying dated July, 1998 and recorded in Book _____ of Surveys at Page _____, Official Records of Adams County, Idaho.

on September 9, 1998, as Instrument No. 94677.

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EXCEPTING THEREFROM: Three parcels of land more particularly described as:

- a. Commencing 60 feet Southerly along the West boundary line of the County Road from a stone post, which stone post is 780 feet West and 14 feet North of the Southeast corner of the said SE1/4NW1/4 of said Section 30; and running Thence Southerly along said West boundary of said road 60 feet;
Thence at right angles Westerly 110 feet;
Thence Northerly at right angles 60 feet;
Thence Easterly at right angles 110 feet to the beginning.
- b. Commencing at a point 20 feet Westerly of the Northwest corner of the tract last above described; running Thence Westerly at right angles 110 feet;
Thence Southerly at right angles 60 feet;
Thence Easterly at right angles 110 feet;
Thence Northerly at right angles 60 feet to the beginning.
- c. Commencing at a point 170 feet Southerly along the West boundary line of said County Road from said stone post and running Thence Southerly along said West boundary of said road 100 feet;
Thence West at right angles 110 feet;
Thence Northerly at right angles 50 feet;
Thence Easterly at right angles 10 feet;
Thence Northerly at right angles 50 feet;
Thence Easterly at right angles 100 feet to the beginning.

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Section 31: All that part of the W1/2NE1/4, NW1/4SE1/4 and NE1/4NW1/4 lying East of the the right of way of U.S. Highway 95

EXCEPTING THEREFROM THE FOLLOWING: Commencing therefor at a Point on the Westerly side of the Right of Way of U. S. Highway 95, designated upon the official survey and sheet 5 of the official map of the Department of Highways of Idaho, Project No. F.A.G.H. 51 A5(3) as Survey Station No. 709+1.2 which point is North, 1°15' East 98.07 feet of the East-West center line of Section 31; Thence at right angles to said highway right of way, North 89° 45' West a distance of 158.7 feet to a point; Thence parallel to said highway right of way, S. 1°15' W., a distance of 334.8 feet, but either more or less, to the Northeast corner of Lot 5 of Block 2 of the "White Subdivision" of a portion of said Section 31, as said Lot and Block are designated on the official Plat of said "White Subdivision" on file in the office of the County Recorder of Adams County, Idaho, in Book 1 of Plats at page 25; Thence continuing S. 1°15' W., along the East end lines of Lots 5, 4, 3, 2, and 1 of Block 2 of said White Subdivision, a distance of 409 feet to the Southeast corner of Lot 1 of Block 2 of said Subdivision, and continuing S. 1°15' W. an additional distance of 85.68 feet, but either more or less, to a Point on the Southerly side of the 60 foot wide Easement of the Forest Service "Lost Valley Reservoir Loop" Highway Project 50089 (Map Sheet 1 of 6) Deeds for such Easement being of record in the office of the County Recorder of Adams County in Book 29 of Deeds at pages 381, 442, and 444;

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Thence along the Southerly side of the Easement above referred to N. $51^{\circ}19'00''$ E., a distance of 76.56 feet to a Point that is N. $88^{\circ}45'$ W., 100 feet from the Westerly line of the Right of Way of said U. S. Highway 95.

Thence S. $1^{\circ}15'$ W. a distance of 80.53 feet to the center of the channel of an unnamed tributary of the Weiser River which flows in a general West to East direction on the Southerly side of the Easement of said "Lost Valley Reservoir Loop" Highway and which flows under U.S. Highway at approximately Survey Station 701+40; Thence in a general easterly direction 100 feet, but either more or less, on and along the center of the channel of the before mentioned unnamed tributary of the Weiser River to the point of intersection of the center of the channel of said stream with the westerly boundary of the right of way of U.S. Highway 95 at approximately Highway Survey Station 701+40

Thence on and along the Westerly edge of the right of way of U.S. Highway 95, S. $1^{\circ}15'$ W., a distance of 208.8 feet to a Point;

Thence S. $88^{\circ}45'$ E., a distance of 401.3 feet to a point on the Westerly side of the right of way of the Union Pacific Railroad, as now located over and across said Section 31, said Township and Range;

Thence in a general Northerly direction on curve and tangent, upon and along the Westerly side of the said Union Pacific Railroad Right of Way, to its intersection with the East-West center line of said Section 31;

Thence East, on and along said center of Section line, which is also a part of the line of said railroad right of way, a distance of 50 feet;

Thence continuing in a general Northerly direction, on and along the Westerly line of the right of way of the Union Pacific Railroad, a distance of 120 feet to a Point;

Thence North, $88^{\circ}45'$ West 415 feet to the Point and Place of Beginning on the Westerly side of the right of way of U.S. Highway 95 at Survey Station 709+31.2.

ALSO EXCEPTING THEREFROM, any right, title or interest of FRIENDS OF WEISER RIVER TRAIL, INC., if any, accruing pursuant to that certain DONATIVE QUITCLAIM DEED from UNION PACIFIC RAILROAD COMPANY, a Utah corporation, dated July 31, 1997 and recorded on August 4, 1997, as Instrument 92385, Official Records of Adams County, Idaho.

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PARCEL 2: CO-GEN

A PARCEL of land situated in the W1/2 of Section 30, T19NR12EM, Adams County, Idaho, more particularly described as follows:
Commencing at a brass cap marking the quarter corner common to Sections 30 and 31, T19NR12EM, Adams County, Idaho;
Thence North 22° 29' 30" West 2769.09 feet to the REAL POINT OF BEGINNING;
Thence South 73° 50' 00" West 600.00 feet;
Thence North 16° 10' 00" West 240.00 feet;
Thence North 73° 50' 00" East 600.00 feet;
Thence South 16° 10' 00" East 240.00 feet to the REAL POINT OF BEGINNING.

TOGETHER WITH AN EASEMENT for ingress and egress from U.S. Highway 95 granted by Evergreen Forest Products, Inc., to Tamarack Energy Partnership in a Deed and Grant of Easement recorded April 24, 1984 as Instrument No. 68189 as amended by Amended Deed and Grant of Easement recorded February 13, 1987 as Instrument No. 73817, described as follows:

Township 19 North, Range 1 East, Boise Meridian, Adams County, Idaho

Section 30: A strip of land 20 feet in width located in the W1/2 of Section 30, the centerline of which is more particularly described as follows:

Beginning at the South ¼ corner of said Section 20;

Thence North 15° 27' 30" West 2530.6 feet to the REAL POINT OF BEGINNING, a point on the Westerly right-of-way line of U.S. Highway 95;

Thence on the easement centerline, said easement being 10 feet on each side of said centerline as follows:

South 82° 14' West 69.5 feet to a point;

North 79° 16' West 85.1 feet to a point;

North 54° 28' West 136.0 feet to a point;

North 82° 57' West 103.5 feet to a point that is 10 feet Southerly from the Southeasterly corner of the Co-Generation Plant property;

Thence South 73° 50' West parallel and 10 feet Southerly of the Southerly boundary of said property a distance of 99.0 feet, said point bears South 68° 07' West 100.5 feet from the Southeast corner of the Co-Generation property, the point of terminus.

The foregoing easement is subject to matters as disclosed by that certain survey prepared by Kerr Surveying dated July, 1998 and recorded in Book ____ of Surveys at Page ____ Official the Records of Adams County, Idaho.

on September 9, 1998, as Instrument No. 94677.

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EXHIBIT B

Permitted Encumbrances

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1. Unpatented mining claims: reservations or exceptions in patents or in acts authorizing the issuance thereof.
2. GENERAL TAXES AND ASSESSMENTS
1998:
3. POWER LINE EASEMENT granted to MOUNTAIN STATES TELEPHONE AND TELEGRAPH COMPANY recorded September 25, 1940 in Book 4 Misc. page 124.
ASSIGNMENT AND ASSUMPTION FROM U.S. WEST COMMUNICATIONS to COUNCIL TELEPHONE COMPANY recorded December 12, 1996 as Instr. No. 91238
4. RIGHT-OF-WAY EASEMENT granted to STATE OF Idaho as set forth in deed recorded September 21, 1946 in Book 20 Deeds page 95
RIGHTS-OF-WAY, including terms and conditions therein, as set forth in deeds recorded:
Book 9 Deeds pages 361, 491
Book 17 Deeds page 204
Book 19 Deeds pages 479-480 and 477
Book 20 Deeds pages 95 and 372-377
Book 23 Deeds page 60
5. POWER LINE EASMEENTS granted to Idaho POWER COMPANY recorded
June 29, 1949 in Book 5 Misc. page 68
June 29, 1949 in Book 5 Misc. page 65
Sept 27, 1957 in Book 5 Misc. page 429
Sept 27, 1957 in Book 5 Misc. page 427
Sept 27, 1957 in Book 5 Misc. page 430
Sept 27, 1957 in Book 5 Misc. page 431
Oct. 27, 1966 in Book 6 Misc. page 215
Nov. 28, 1972 in Book 7M Misc. page 329
Apr. 27, 1983 as Instr. No. 65946
Apr. 27, 1988 as Instr. No. 75750
6. EASEMENT including terms and conditions thereof recorded February 25, 1972 in Book 29M Deeds pages 460-461.
7. DEED AND GRANT OF EASEMENT, including terms and conditions thereof, granted to TAMARACK ENERGY PARTNERSHIP, recorded April 24, 1984 as Instr. No. 68189.
AMENDED DEED AND GRANT OF EASEMENT, including terms and conditions thereof, recorded February 13, 1987 as Instr. No. 73817
8. EASEMENT, including terms and conditions thereof, granted to Boise CASCADE CORPORATION, recorded August 13, 1979 as Instr. No. 59419.
9. ACCESS is by virtue of U.S. Highway 95 and is subject to the terms and conditions of said access.

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10. MEMORANDUM OF CONTRACT INTEREST recorded October 27, 1997 as Instr. No. 92914.
11. ~~GROUND~~ LEASE upon the terms, conditions and covenants contained therein:
Recorded: September 13, 1982 as Instr. No. 64863
Lessor: EVERGREEN FOREST PRODUCTS, INC.
Lessee: TAMARACK ENERGY PARTNERSHIP
ASSIGNMENT to TAMARACK CO-GEN PARTNERS OF Idaho, a California Limited Partnership, recorded April 21, 1995 as Instr. No. 87660
12. ASSIGNMENT OF FACILITY AND SITE LEASE to TAMARACK CO-GEN PARTNERS OF Idaho, a California limited partnership, recorded April 21, 1995 as Instr. No. 87661.
13. LEASE upon the terms, conditions and covenants contained in Memorandum of Lease
Recorded: April 21, 1995 as Instr. No. 87662
Lessor: TAMARACK CO-GEN PARTNERS OF Idaho,
A California Limited Partnership, dba
TAMARACK INVESTMENT PARTNERSHIP, L.P.
Lessee: TAMARACK ENERGY PARTNERSHIP,
an Idaho general partnership
14. LEASEHOLD DEED OF TRUST, ASSIGNMENT OF LEASE AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING dated to secure an indebtedness in the principal sum of \$3,900,000.00, and any other sums or obligations secured thereby
Recorded: April 21, 1995 as Instr. No. 87663
Grantor: TAMARACK ENERGY PARTNERSHIP (together with its successors and assigns "TEP"),
TAMARACK CO-GEN PARTNERS OF Idaho,
A California Limited Partnership dba
TAMARACK INVESTMENT PARTNERS, L.P.
(together with its successors and assigns the "Partnership");
EVERGREEN ENERGY, INC., an Idaho corporation
(together with its successors and assigns "EEI");
PV INVESTMENT, INC., an Idaho corporation
(together with its successors and assigns "PV")
(PV together with TEP, EEI and the Partnership, collectively called, and when the context so requires each individually called, the "Grantor")
Trustee: FIRST AMERICAN TITLE COMPANY OF Idaho, INC.,
an Idaho corporation
Beneficiary: FIRST SECURITY BANK OF Idaho, N.A.,
A national banking association (together with its successors and assigns and any successor trustee appointed pursuant to the Security Agreement

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15. TERMS, CONDITIONS AND RESERVATIONS as set forth in Right of way deeds granted to Pacific and Idaho Northern Railway, recorded in Book 2 of Deed at page 433 and Book 5 of Deeds at page 472.
16. Easements or claims of easement for ingress, egress and utilities which are not shown by the public records associated with any and all trailer homes located on the Property.
17. Discrepancies, conflicts in boundary lines, shortage in acres, encroachments or by any other facts which a correct survey would disclose, and which are not shown by the public records.
18. Rights of third parties in possession of trailer homes located on the Premises.

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EXHIBIT C

Easement

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PAGE 19 OF 36**EASEMENT AGREEMENT**

THIS EASEMENT AGREEMENT ("Agreement") is made and entered as of the 31st day of July, 1998, by and between **EVERGREEN FOREST PRODUCTS, INC. ("EFP")**, an Idaho corporation whose address is P.O. Drawer 11, New Meadows, Idaho 83654; and **TAMARACK MILL, LLC ("Mill")**, an Idaho limited liability company whose address is P.O. Box 340, Highway 12, Kooskia, Idaho 83539.

RECITALS:

A. EFP is the owner of certain real property in Adams County, Idaho, containing _____ (_____) acres, more or less, including contiguous parcels more particularly described on **Schedule "1"** ("Mill Site") and **Schedule "2"** ("Ranch Property") attached hereto.

B. Pursuant to a Warranty Deed and Reservation of Easement of even date herewith ("Deed"), EFP has conveyed the Mill Site to Mill, reserving unto EFP a perpetual, unobstructed, non-exclusive and relocatable right-of-way and easement ("Easement") for ingress, egress and utilities over, across and under that certain portion of the Mill Site more particularly described on **Schedule "3"** attached hereto, for the use and benefit of the Ranch Property.

C. This Agreement supplements the Easement reserved in the Deed and more particularly describes and defines the Easement and the respective rights and obligations of EFP and Mill with respect thereto.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained herein, the parties hereby agree as follows:

ARTICLE 1.
EASEMENT**1.1 ACKNOWLEDGEMENT AND ACCEPTANCE OF RESERVED EASEMENT.**

Mill, by these presents, hereby acknowledges that EFP has reserved the Easement in the Deed to the Mill Site; and Mill hereby accepts the Deed subject to such reserved Easement as supplemented, described and defined by the terms and conditions of the Easement set forth in this Agreement. The location of the Easement is generally detailed on the map marked **Schedule "4"** attached hereto. The Easement is necessary to provide access between Highway 95 and the Ranch Property.

1.2 TERMS AND CONDITIONS OF EASEMENT.

The Easement shall be subject to all of the following terms and conditions:

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(a) Servient Estate: The Mill Site more particularly described in Schedule "1" attached hereto.

(b) Dominant Estate: The Ranch Property more particularly described in Schedule "2" attached hereto.

(c) Scope of Easement: The Easement shall be a non-exclusive, unobstructed ingress/egress easement over and across, and a non-exclusive utility easement over, across and under, the Mill Site. The Easement shall run with such land for the benefit of the Dominant Estate and the owner(s) of the Dominant Estate and their representatives, agents, lessees, licensees and invitees and the invitees of said representatives, agents, lessees, licensees and invitees.

(1) The owner of the Servient Estate shall keep the Easement free of any obstruction. In particular (but without limitation), the owner of the Servient Estate shall not, without the prior written consent of the owner(s) of the Dominant Estate, construct or install, or permit the construction or installation of, any building, fence, gate or other improvement which encroaches on or obstructs the Easement or otherwise impairs or impedes unobstructed ingress and egress from Highway 95 to the Ranch Property.

(2) Mill and EFP acknowledge and agree that Mill now uses, and is entitled to continue to use, the Easement for access to the Mill Site for all purposes related to Mill's operation of its sawmill and related electricity cogeneration facility. The owner of the Servient Estate shall not permit vehicles to be parked on or within the Easement which materially interferes with EFP's use of the Easement.

(3) The Easement is presently improved as a graveled road. Either Mill or EFP shall have the right, at its own expense, to pave the Easement and/or to construct or install utilities, such as overhead or underground electric power, telephone and cable wires, and underground water, gas and sewer pipes (provided that the location of such utilities shall not impair or impede use of such Easement for access to or operation of the sawmill or the cogeneration facility located on the Mill Site or access to the Ranch Property) and to make other such improvements as are reasonably necessary to their respective use of Easement and are not inconsistent with the other terms of this Agreement.

(4) The Ranch Property is now used for ranching and logging operations and for recreational purposes. However, the Ranch Property could be subject to future subdivision or other development for other commercial, residential, recreational or other purposes. Without limitation of the scope of the Easement for purposes reasonably related to the uses to which the Ranch Property is now or may hereafter be devoted, the owner(s) of the Dominant Estate shall be entitled to use the Easement for ingress and egress by pedestrians and vehicles for all reasonable commercial, recreational or residential purposes incident to the present or future uses of the Ranch Property. Mill agrees that any change in use of the Ranch Property or change or expansion of the use of the Easement occasioned thereby shall not constitute an unreasonable increase in the burden on the Servient Estate. Provided, however, that in the event the Ranch Property

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is subdivided or developed for commercial, residential, recreational or other purposes which interfere with Mill's use of the Easement or the operation of the sawmill or the cogeneration facility located on the Mill Site, Mill shall have the right to require EFP or its successors or assigns, at EFP's or its successor's or assign's sole cost and expense, to relocate the Easement to a more northerly location across the Mill Site reasonably approved by Mill and EFP.

(d) Term: The term of this Easement shall be perpetual, unless terminated jointly by Mill and EFP, or their successors, transferees and assigns.

(e) Maintenance of Easement: Mill shall maintain and repair the ingress/egress Easement and improvements which are existing on the Easement and all later changes and improvements thereto; provided however that, if in the future, there is a material increase in use of the Easement by the Dominant Estate, the costs of maintaining the Easement shall be borne pro rata by the Dominant Estate and the Servient Estate in proportion to the wear and tear attributable to their respective use of the Easement, and further provided that, in the event Mill requires the relocation of the Easement pursuant to Section 1.2(c)(4), EFP or its successors or assigns shall maintain and repair the relocated Easement and improvements thereon and all later changes and improvements thereto. Maintenance of any utility improvements, and any repairs to the ingress/egress improvements which are necessary as a result of maintenance of such utilities, shall be the responsibility of the party receiving the benefit of such utilities to the extent that such maintenance or repair duties are not assumed by a utility company.

(f) Location/Relocation of Easement: The Easement is currently located in that portion of the Mill Site more particularly described on **Schedule "3"**. EFP shall have the obligation to relocate the Easement pursuant to Section 1.2(c)(4); and EFP shall have the right to relocate the Easement, at its sole cost and expense, to a more northerly location across the Mill Site reasonably approved in writing by Mill. Mill shall have the right to relocate the Easement, at its sole expense, subject to compliance with the following conditions:

(1) Mill shall reconstruct, relocate or otherwise replace the then existing improvements and utilities on, under or over the Easement with improvements and utilities of comparable dimensions, materials and other construction specifications and in compliance with all applicable zoning and building code requirements.

(2) As relocated, the Easement shall provide comparable access to the Ranch Property from Highway 95; and during construction of the relocated Easement, Mill shall ensure continued access between Highway 95 and the Ranch Property as reasonably necessary and convenient for the then use of the Dominant Estate. Neither the relocation of the Easement nor the process of relocating the Easement shall materially impair or impede access from Highway 95 to the Ranch Property or materially inconvenience the owner(s) of the Dominant Estate.

(3) The relocated Easement shall be surveyed; the survey shall be recorded; and Mill shall execute, deliver and record an amendment to this Agreement which amends the legal description set forth in **Schedule "3"** of this Agreement and contains

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an acknowledgement by Mill that all other terms and conditions of this Agreement remain in full force and effect and apply to the relocated Easement.

(4) The terminus of the relocated Easement at the boundary between the Mill Site and the Ranch Property shall not be changed as a result of such relocation unless prior written consent is received from EFP.

(g) Dedication of Easement: If governmental approval of future development of the Ranch Property is conditioned on public right-of-way access, the owner of the Servient Estate shall have the right, subject to Mill's right to require relocation of the Easement pursuant to Section 1.2(c)(4) above, to dedicate the Easement to the appropriate governmental entity for the purpose of a public road right-of-way.

1.3 CONFLICTING PROVISIONS.

In the event of any conflict between the Easement reserved in the Deed and the provisions of this Agreement, the terms of this Agreement shall control.

ARTICLE 2. MISCELLANEOUS

2.1 RECITALS.

The above recitals are acknowledged to be true and correct and are incorporated herein as covenants and agreements of the parties to this Agreement.

2.2 BINDING EFFECT.

This Agreement shall be binding upon and inure to the benefit of the parties hereto and all persons acquiring any right, title and interest in the real properties described herein or any part thereof. This Agreement shall be disclosed to and be binding upon and inure to the benefit of any successor, assign, transferee, heir and/or personal representative of the parties hereto. The parties hereby agree that they shall, by specific reference in any subsequent deed executed by either party, make this Agreement binding upon any transferee, assignee, heir, assign or personal representative of the parties hereto and a covenant which shall run with their land.

2.3 COVENANT RUNNING WITH LAND.

The covenants, terms and provisions contained in this Agreement shall be a covenant which shall run with the Mill Site and the Ranch Property described respectively in **Schedules "1" and "2"** attached hereto, or any part thereof.

2.4 AUTHORITY.

The parties hereto represent, warrant and agree that they have full power and authority to enter into and to execute and deliver this Agreement and to incur and perform the obligations provided herein. No further consent or approval of any other person or public authority or

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regulatory body is required as a condition to the validity or enforceability of this Agreement or, if required, the same has been obtained.

2.5 REMEDIES.

The parties hereto covenant and agree each with the other that this Agreement shall be specifically enforceable because money damages may not be sufficient to redress the impairment of the Easement; provided that the rights and remedies provided in this Agreement or under applicable law shall be cumulative and the exercise of any particular right or remedy shall not preclude the exercise of any other rights or remedies in addition to or as an alternative of such right or remedy. No delay or omission to exercise any right or power accruing upon default shall impair any such right or power or be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

2.6 GOVERNING LAW.

This Agreement shall be governed by and interpreted in accordance with the laws of the State of Idaho now in effect and those hereafter adopted.

2.7 RECORDATION.

This Agreement shall be recorded in the real property records of Adams County, State of Idaho.

2.8 AMENDMENTS.

This Agreement shall not be modified by the parties hereto unless the modification be in writing, signed by the party to be charged and recorded as a public record in the real property records of Adams County, State of Idaho.

2.9 COMPLIANCE WITH LAWS.

Mill and the EFP agree to comply with all applicable federal, state and local laws, rules, regulations and orders of any governmental authority having jurisdiction over the Easement or the real property described in Schedule "3".

2.10 TIME.

Time is of the essence of this Agreement and each and all provisions in which performance is a factor.

2.11 ATTORNEY'S FEES.

In the event of any suit or action to enforce the terms and provisions of this Agreement, including any action in any bankruptcy court proceeding, or on appeal from any state, federal or bankruptcy court proceeding, the prevailing party shall be entitled to an award of costs and reasonable attorney's fees necessarily incurred in the enforcement of this Agreement.

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PAGE 24 OF 36**2.12 OTHER AGREEMENTS.**

This Agreement, and the Deed executed in connection herewith, are integrated and contain the entire agreement of the parties. No representations, inducements, promises or agreements, oral or otherwise, not embodied herein or therein shall be of any force or effect, except to the extent that the same are contained in this Agreement or the Deed.

2.13 WAIVER.

A waiver by one party hereto of one or several defaults in performance of any provision of this Agreement to be performed by the other party hereto shall not be construed as being a waiver of such provision itself or any subsequent default in performance thereof or the provisions of this section.

2.14 LEGAL REPRESENTATION.

The parties hereto, and each of them, hereby represent, warrant and agree that they are, and have been, represented by counsel of their own choosing during any and all negotiations which have led to this Agreement, and that they have been fully advised concerning the effect of this Agreement and their obligations contained in this Agreement.

2.15 SCHEDULES.

The schedules attached hereto are hereby incorporated into this Agreement by this reference.

2.16 SUCCESSORS AND ASSIGNS.

All of the terms, provisions and conditions set forth in this Agreement shall be binding upon the heirs, personal representatives, transferees, successors and assigns of the parties hereto and upon all persons acquiring an interest therefrom.

2.17 COUNTERPARTS.

This Agreement may be executed by the parties in counterparts which, when taken together, shall constitute a fully executed, binding and enforceable Agreement.

IN WITNESS WHEREOF, Mill and EFP have executed this Agreement or caused this Agreement to be executed as of the day and year first above written.

MILL:**TAMARACK MILL, LLC**By _____
Robert Krogh, Sole Member/Manager