

COPY

TRAIL USE AGREEMENT

THIS TRAIL USE AGREEMENT (this "Agreement") is made and entered into this 4 day of March, 2002, by and between PORT LUDLOW VILLAGE COUNCIL, a Washington nonprofit corporation ("Association"), and POPE RESOURCES, a Delaware limited partnership ("Owner"). For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Owner agrees to permit members of the Association to use the existing recreational trails located within the real property owned by Owner in the vicinity of Port Ludlow, Jefferson County, Washington, as depicted on the drawing attached hereto as Exhibit A (the "Property"), more commonly known as the Timberton Loop Trail, during the term of this Agreement for recreational pedestrian ingress and egress, subject to all matters of record and applicable laws, regulations, and ordinances. Owner shall not be liable to the Association or its members for physical injuries or property damage incurred within the Property. The Association shall restore any damage to the Property caused by its members. The Association shall defend, indemnify, and hold Owner Harmless from and against any and all claims, damages, liabilities, and losses, including attorney fees and costs, arising from or relating to the use of the Property by the members of the Association. Owner may suspend use of the Property by members of the Association from time to time in connection with forestry management, property maintenance, and other operations within the Property. This Agreement confers a revocable license only. The Association and its members have no easement or lease relating to the Property. Use of the Property by the members of the Association is solely with the consent of Owner under this Agreement. This Agreement may be terminated at any time by Owner upon written notice to the Association. In the event of any dispute between the parties relating to this Agreement, the prevailing party shall be entitled to recover its reasonable attorney fees and costs from the other party, including fees and costs incurred on appeal.

IN WITNESS WHEREOF, the parties have executed this Agreement on or about the date set forth above.

ASSOCIATION:

PORT LUDLOW VILLAGE COUNCIL, a Washington nonprofit corporation

By: [Signature]
Print Name: SALLY SMITH
Its: PRESIDENT

POPE RESOURCES:

POPE RESOURCES, a Delaware limited partnership, by Pope MGP, a Delaware corporation, its general partner

By: [Signature]
DAVE NUNES
PRESIDENT and CHIEF OPERATING OFFICER

