Exhibit A

1540.38.001

BOOK 0329 PAGE 680

ENVIRONMENTAL EASEMENT

This Easement (hereinafter "Instrument") is made by and between Ketchikan Pulp Company, a Washington corporation (whose address is P.O. Box 6600, Ketchikan, Alaska 99901), as grantor (hereinafter, with its successors and assigns, "Grantor"), and the State of Alaska (whose address is State of Alaska, Department of Natural Resources, Division of Mining, Land and Water, Realty Services Section, 550 W. 7th Avenue, Suite 1050A, Anchorage, Alaska 99501-3579), as grantee (hereinafter, with its assigns, "Grantee"), for good and valuable consideration.

WHEREAS, Grantor is the owner of certain real property subject to this Instrument (hereinafter the "Property") which is more particularly described below:

> Lot 2, Tract 3004 of the Dawson Point Subdivision, being a subdivision of U.S. Survey 1993, Lot 2B, Tract B, U.S. Survey 1923 and an Unnamed portion of U.S. Survey 1923, according to that plat of survey recorded as Plat #2000-73 in the Ketchikan Recording District, First Judicial District, State of Alaska.

WHEREAS, the Property received for disposal materials constituting a hazardous substance under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. §§9601 *et seq.* ("CERCLA"), and 18 AAC 75;

WHEREAS, the Property was subject to a determination under 18 AAC 75.350 that groundwater is not a current or potential future drinking water source;

WHEREAS, in lieu of a more comprehensive cleanup, the Alaska Department of Environmental Conservation has determined, and Grantor has agreed that, the recording of this Instrument is necessary as an institutional control as part of the consent decree dated November 20, 2000, filed in *United States v. Gateway Forest Products, Inc.*, et al, No. A00-225 CV (D. Alaska) (the "Consent Decree");

WHEREAS, by resolution of May 23, 2001, documentation of which is provided to the State of Alaska herewith, the Board of Directors of Ketchikan Pulp Company has authorized the execution of this Instrument; and

WHEREAS, the requirements, rights, covenants, conditions, prohibitions and restrictions of this Instrument (hereinafter "Provisions") are intended to protect human health, safety, and welfare and the environment and maintain and enhance water quality.

NOW, THEREFORE, pursuant to the laws of Alaska including AS 34.17.010-AS 34.17.060, Grantor does hereby grant and convey to Grantee forever, with warranties

of title, subject however to easements, rights, reservations, conditions, restrictions, and limitations of the United States, and third parties, if any, of record, a nonexclusive Easement over the Property of the nature and character and to the extent set forth below.

1. Restrictions:

Unless otherwise specifically authorized in writing by the Alaska Department of Environmental Conservation or its successor in administrative function or assigns (hereinafter, "ADEC"), the Property is subject to the following restrictions:

a. Uses of the Property are limited to commercial or industrial use.

b. The Property shall not, at any time, be used, in whole or in part, for human habitation, schooling of children, hospital care, child care or any purpose necessitating around-the-clock residence by humans.

c. Drilling of drinking water wells is prohibited.

d. Controls specified in the "Management Plan for Arsenic and Rock and Soil," prepared by Exponent for Grantor, dated July 1998, to limit concentrations of arsenic from crushed rock shall be complied with.

e. No activities shall be allowed on the Property that involve use of ground water, potential exposure of Waste Materials within the Property (other than those activities constituting, or associated with, the already-in-place leachate treatment system), or potential interference with the integrity of the landfill cap. Waste Materials shall mean (i) any "hazardous substance" under Section 101(14) of CERCLA, 42 U.S.C. § 9601(14) or AS 46.03.826(5); (ii) any pollutant or contaminant under Section 101(33) of CERCLA, 42 U.S.C. § 9601(33); and (iii) any "solid waste" under Section 1004(27) of the Resource Conservation & Recovery Act ("RCRA"), 42 U.S.C. § 6903(27) or the State of Alaska Solid Waste Management Regulations, 18 AAC 60.

2. Required Activities:

Grantor shall comply with the terms and conditions of any ADEC permit regulating activities on the property.

3. Right of Entry:

During reasonable hours, after reasonable notice and subject to reasonable security requirements, ADEC and its Authorized Representatives shall have the right to enter in, on, upon, over and across any portion of the Property to determine whether the Provisions herein have been or are being complied with. This right of entry shall include a right of access for, but not be limited to, conducting the following activities:

a. Monitoring the activities Grantor is required to perform under the Consent Decree.

b. Verifying any data or information submitted to the United States or the State of Alaska.

c. Conducting investigations relating to contamination at or near the Property.

d. Obtaining samples.

e. Assessing the need for, planning, or implementing additional response actions at or near the Property.

f. Implementing the activities Grantor is required to perform under the Consent Decree pursuant to the conditions set forth in Paragraph (101) of the Consent Decree.

g. Inspecting and copying records, operating logs, contracts, or other documents maintained or generated by Grantor or its agents consistent with Section XXIV (Access to Information) of the Consent Decree.

h. Assessing Grantor's compliance with the Consent Decree.

i. Determining whether the Property is being used in a manner that is prohibited or restricted, or that may need to be prohibited or restricted, by or pursuant to the Consent Decree.

Violation of, or reasonable suspicion of the violation of, any of the Provisions herein shall give ADEC and its Authorized Representatives the right, privilege, and license to enter in, on, upon, over, and across any portion of the Property and to investigate, abate, mitigate or cure such violation, at the expense of Grantor, provided written notice of the violation is given to Grantor, describing what activity is necessary to investigate or correct the violation and Grantor fails to cure the violation within a time specified in such notice. Such activities include but are not limited to the right to store, move, and remove equipment and supplies; construct, operate, maintain, alter, repair and remove devices for the monitoring, containment and treatment of contamination in soil, air and water; investigate and collect samples; excavate and remove waste, pollutants, hazardous substances, contaminated soils, contaminated waste; deposit uncontaminated soil; and the performance of any other activity which may be reasonably necessary and incident to ADEC's investigation and response. Any such entry by ADEC or its Authorized Representatives shall not be deemed a trespass or any other wrongful entry or remaining on the Property, and Grantee shall not be subject to liability to Grantor for such entry or any action taken to investigate, abate, mitigate or cure a violation. ADEC and its Authorized Representatives shall be considered invitees on the property and the Grantor shall make every reasonable effort to inform ADEC and its Authorized Representatives of hazards or hazardous areas to prevent personal injury.

4. Types of Wastes Disposed on Property:

The Property received various types of industrial wastes associated with an adjacent pulping facility, including woodwaste, flyash, recovery boiler ash, woodwaste boiler bottom ash, dredge material, and other miscellaneous solid wastes.

5. Additional Information Concerning the Property:

The ash landfill on the Property, formerly regulated under ADEC Solid Waste Permit No. 9113-BA005, and the woodwaste landfill on the Property, formerly regulated under ADEC Solid Waste Permit No. 9213-BA-001, were closed in 1997. Closure of the two landfills involved regrading the slopes to a maximum 3:1 grade, installing drainage improvements to manage run-on and run-off of stormwater, improving leachate collection and treatment, and covering the landfill with an engineered cap. The engineered cap consists of, from bottom to top, a geotextile cushion, a 60-mil LLDPE geomembrane, a geocomposite drainage net, a drainage rock layer, and a vegetated topsoil surface layer. A landfill gas venting system has also been installed.

Improvements to the leachate collection system include relining the leachate collection trench and replacing the piping that discharges leachate into the aeration basin. The aeration basin is lined with 60-mil LLDPE, and contains three surface aerators in the aeration side of the basin, which is separated from the quiescent basin by baffle curtain. The quiescent basin discharges into a passive treatment system which consists of a constructed wetlands. At the present, the effluent from the passive treatment system discharges to an outfall owned by Gateway Forest Products.

During closure of the two landfills in 1997, a new cell, designed to contain flyash, was constructed on top of the woodwaste landfill. This landfill is regulated under ADEC Solid Waste Permit No. 9713-BA001. The landfill is fully lined and contains a leachate collection system that discharges into the leachate treatment system for the other two landfills. The engineered liner consists of a geotextile cushion, and a 60-mil LLDPE geomembrane liner. This landfill is scheduled to be closed in 2001 after it is filled to capacity with dredged material from Ward Cove.

6. General Provisions:

a. This Instrument is for the benefit of Grantee and conveys the perpetual right to Grantee, acting through ADEC and contractors, employees and authorized representatives acting on ADEC's behalf (herein, "Authorized Representatives"), to enforce and implement the Provisions herein. Nothing herein shall be deemed to create in any third party the right to enforce this Instrument.

b. No right of access or use by the general public to any portion of the Property is conveyed or authorized by this Instrument nor are any such existing rights affected by this Instrument.

c. All real estate, lots, parcels, or portions thereof located within or on the Property, and any lease, conveyance, or transfer covering or describing any part thereof or interest therein, shall be subject to the Provisions herein. By acceptance of such conveyance or transfer, each lessee, transferee or grantee and each of their heirs, successors, transferees or assigns agrees with Grantor and each other to be bound by the Provisions herein.

d. Grantor hereby reserves unto itself, its successors, and assigns, any and all rights and privileges in and to the use of the Property, including the right of access to the Property, which are not contrary to the restrictions, rights and easement granted herein.

e. The Provisions herein shall run with the land in perpetuity and shall be binding upon Grantor.

f. Nothing in this Instrument shall relieve Grantor from liability for injuries occurring on, or resulting from its activities on the Property, for which Grantor would otherwise ordinarily be liable. Grantor shall be liable for and shall indemnify and hold Grantee harmless from liability for injuries and damage which arise because of its status as Grantee. Grantor shall also indemnify Grantee for all costs, including attorneys' fees, which arise from its status as Grantee.

g. Grantor hereby covenants to and with Grantee that Grantor is lawfully seized of the surface estate, in fee simple, of the Property, has good and lawful right and power to sell and convey the same, that the same is free and clear of encumbrances, except as specified herein and as of record, and that Grantor will forever warrant and defend the easement conveyed to Grantee by this Instrument against the claims and demands of all persons.

h. To the maximum extent permitted by law, the Provisions herein shall not be subject to waiver or abandonment due to non-enforcement or violation of this Instrument or any of the Provisions herein on all or any portion of the Property. No waiver of the breach of any of the Provisions herein shall constitute a waiver of a subsequent breach of the same Provision or any other Provision. No right of action shall accrue for or on account of the failure of any person to exercise any right created by this Instrument nor for imposing any Provision which may be unenforceable.

i. This Instrument may be enforced by Grantors or Grantee in a court of law. The interpretation and performance of this Instrument shall be governed by the laws of Alaska.

j. Upon violation of any of the Provisions herein, Grantee may seek any available legal or equitable remedy to enforce this Instrument and shall be entitled to recover damages for violations of the Provisions herein to the public or to the environment, protected herein under applicable federal or state law.

k. Any notice, demand, request, consent, approval, or communication that a party desires or is required to give another shall be in writing and shall either be served personally or sent by first class mail, postage prepaid, addressed as follows:

To Grantor:
Ketchikan Pulp Company
c/o Louisiana-Pacific Corporation
Attn: Legal Department
111 S.W. Fifth Avenue
Suite 4200
Portland, Oregon 97204

To Grantee:
Department of Natural Resources
Director, Division of Mining, Land and Water
Realty Services Section
550 W. 7th Avenue, Suite 1050A
Anchorage, Alaska 99501-3579

With a copy to:
Program Manager, Contaminated Sites Program
Alaska Department of Environmental Conservation
Division of Spill Prevention and Response
410 Willoughby Suite 303
Juneau, Alaska 99801-1795

l. The determination that any Provision herein, or its application to any person or circumstance, is invalid shall not affect any other Provision herein or its application and the other Provisions herein shall remain in full force and effect.

m. Any general rule of construction to the contrary notwithstanding, this Instrument shall be construed so as to effect the purpose for which it was granted to Grantee. Any ambiguities shall be resolved in a manner that best accomplishes the purpose of this Instrument.

n. Grantor shall notify ADEC at least ten (10) days before the effective date of any conveyance, grant, gift, or other transfer, in whole or in part, of Grantor's interest in the Property. Grantor shall include in any instrument conveying any interest in any portion of the Property, including but not limited to deeds, leases and mortgages, a notice which is in substantially the following form:

NOTICE: The interest conveyed hereby is subject to an Easement dated _____, 2001, recorded in the public land records on _____, 2001, in book _____, page _____, of the Ketchikan Recording District, First Judicial District, State of Alaska, in favor of, and enforceable by, the State of Alaska.

o. Grantor shall notify ADEC within ten (10) days prior to Grantor's petitioning for or filing of any document initiating a rezoning of the Property under the Ketchikan Gateway Borough zoning code or any successor code.

7. Termination:

This Instrument shall be vacated and shall be of no further force and effect upon the recordation in the Ketchikan Recording District, First Judicial District, State of Alaska by ADEC of a Notice of Vacation of Easement. ADEC shall execute and record a Notice of Vacation of Easement at such time as it, in its sole discretion, determines that the prohibited and required activities and other provisions of this Instrument are no longer necessary for the protection of human health, safety, welfare and the environment. The Notice of Vacation of Easement shall be executed by ADEC and state that ADEC has determined that the prohibited and required activities and other provisions of the Easement are no longer necessary for the protection of human health, safety and welfare and the environment and further state that the Easement is hereby vacated. If Grantor requests a termination of this Instrument, any costs incurred by ADEC in reviewing a potential termination shall be paid by Grantor.

IN WITNESS WHEREOF Grantor and Grantee have set their hand on the dates written below. This Instrument is effective on the date of the last acknowledged signature.

[SIGNATURES CONTAINED ON THE FOLLOWING PAGE]

KETCHIKAN PULP COMPANY

By: _____
Chris Paulson
Its: President and General Manager

GRANTOR'S ACKNOWLEDGMENT

STATE OF OREGON)
) ss.
County of Multnomah)

THIS IS TO CERTIFY that on this 29th day of June, 2001, before me, the undersigned, a Notary Public for the State of Alaska, duly commissioned and sworn as such, personally appeared Chris Paulson, to me known and known to be the President and General Manager, and the person who executed the above and foregoing EASEMENT on behalf of the Ketchikan Pulp Company, and who acknowledged to me that he signed the same as the President and General Manager in the name of and for and on behalf of the Ketchikan Pulp Company, freely and voluntarily and by authority of its Board of Directors for the uses and purposes therein mentioned and on oath stated that he was authorized to execute said instrument.

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

Donna M. Bevens
(Signature)

OFFICIAL SEAL
DONNA M BEVENS
NOTARY PUBLIC-OREGON
COMMISSION NO. 319078
MY COMMISSION EXPIRES JAN 6, 2003

DONNA M. BEVENS
(Typed or printed name)

Notary Public for the State of Oregon
residing at
Vancouver, Washington
My commission expires: Jan 6, 2003

ACCEPTANCE

Pursuant to AS 38.05.035(a)(12), the State of Alaska hereby accepts this EASEMENT conveying to the State of Alaska, its successors in administrative function and assigns, the interests in the Property described therein as an Institutional Control to be managed and enforced by ADEC pursuant to a Management Right Assignment between ADEC and the Alaska Department of Natural Resources, to protect human health, safety, and welfare, and the environment and to enhance or maintain water quality.

STATE OF ALASKA, DEPARTMENT OF NATURAL RESOURCES

By: Nancy J. Uhl

for Director
Division of Mining, Land and Water

Location Index:
Section 4,
Township 74 S., Range90 E.,
Copper River Meridian, Alaska

Section 33,
Township 75 S., Range90 E.,
Copper River Meridian, Alaska

NO CHARGE- STATE BUSINESS
AFTER RECORDING RETURN TO:
Steven A. Daugherty
Assistant Attorney General
State of Alaska
Department of Law
Natural Resources Section
P.O. Box 110300
Juneau, Alaska 99811

003649
KETCHIKAN RECORDING DISTRICT
NC/CC
2001 AU-6 PM 2:14
REQUESTED BY
As/ Dept of Law attorney General