

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (“Agreement”) is entered into by and between _____, a(n) _____ corporation, (“Purchaser”), and WEYERHAEUSER REAL ESTATE DEVELOPMENT COMPANY, a Washington corporation (“Seller”) and is effective as of the ___ day of _____, 20__.

RECITALS

WHEREAS, Seller is the owner of certain unimproved property located in DOUGLAS County, OREGON, legally described in the attached **Exhibit A**, together with all rights appurtenant thereto and all improvements, timber, and fixtures located thereon belonging to Seller (the “Property”); and

WHEREAS, Subject to the terms and conditions set forth in this Agreement, Seller desires to sell and Purchaser desires to purchase the Property.

AGREEMENT

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

1. AGREEMENT TO PURCHASE AND SELL. Seller hereby agrees to sell the Property to Purchaser and Purchaser hereby agrees to purchase the Property from Seller for the price and subject to the terms and conditions set forth in this Agreement.

2. PURCHASE PRICE AND TERMS.

(a) PURCHASE PRICE. The total consideration for the Property shall be _____ (U.S. \$ _____) (the “Purchase Price”). The Purchase Price shall be paid in immediately available funds by wire transfer at Closing (as defined below).

(b) EARNEST MONEY DEPOSIT. Upon execution of this Agreement, Purchaser shall deposit into escrow with the Escrow Holder (defined below) the sum of FIVE PERCENT (5%) of the Purchase Price (the “Earnest Money Deposit”), which amount shall be paid as set forth below and held by the Escrow Holder, in escrow in an insured, interest-bearing account. All interest shall accrue to Buyer and may be credited against the Purchase Price at Buyer’s option. At the Closing, the Earnest Money Deposit shall be credited against the Purchase Price.

(1) PURCHASER FAILS TO CLOSE. Should Purchaser fail to close this transaction, through no fault of the Seller, the parties agree and acknowledge that: (i) Seller would suffer damages by reason of a failure of this transaction to close; (ii) the exact amount of such damages would be difficult to ascertain and to prove with certainty; (iii) the Earnest Money Deposit constitutes a fair and reasonable estimate of the actual damages Seller would suffer; and (iv) the parties (and/or their representatives) have negotiated and attempted, in good faith, to estimate the amount of such damages and to compensate Seller as set forth herein.

(2) SELLER FAILS TO CLOSE. Should Closing not occur due to the default of Seller, Purchaser’s remedies shall be limited to, at Purchaser’s sole election: (i) liquidated damages being the return of the Earnest Money Deposit; or (ii) specific performance. Should Purchaser elect to accept the return of the Earnest Money Deposit the parties agree that this sum is liquidated damages for the failure of Seller to consummate the transaction contemplated hereunder. If Purchaser waives its right to seek specific performance, Purchaser shall accept liquidated damages and agrees to accept the sum as its total damages and relief and as Purchaser’s sole and exclusive remedy hereunder.

3. CLOSING.

(a) ESCROW. The purchase and sale of the Property shall be conducted through AMERITITLE as escrow agent (“Escrow Holder”) at the Escrow Holder’s office located at **1495 NW GARDEN VALLEY BLVD, ROSEBURG, OREGON 97471 (attention: Yvonne Ward), tel. no. 541-672-6651.**

(b) OPENING OF ESCROW. The opening of Escrow (“Opening of Escrow”) shall occur when Escrow Holder possesses a copy or copies of this Agreement executed in counterparts, or otherwise by the parties. Escrow Holder’s signature below shall constitute the agreement of Escrow Holder to serve hereunder in such capacity, and Escrow Holder shall insert the date of the Opening of Escrow where indicated at the end of this Agreement. Escrow Holder shall notify the parties of the Opening of Escrow immediately by telephone, and shall promptly return to each party counterparts of this Agreement executed by the other party and Escrow Holder.

(c) FURTHER ESCROW INSTRUCTIONS. The parties shall promptly execute and deliver to Escrow Holder such additional instructions, resolutions, and other documents as Escrow Holder may reasonably require that are not inconsistent with or contrary to the provisions hereof. In the event of any inconsistency or conflict between said instructions and the provisions of this Agreement, this Agreement shall control.

(d) CLOSING DATE. The sale of the Property shall close as soon as reasonably possible on or around _____; Provided, however, that in no event shall close occur no later than _____.

(e) CLOSING DOCUMENTS. On or before the business day immediately prior to the Closing, the parties shall do the following:

(1) SELLER DEPOSITS. Seller shall deposit into Escrow the following documents (each fully executed (i) the acknowledged Deed(s); and (ii) such other documents as Seller is required to deliver to Purchaser hereunder.

(2) PURCHASER DEPOSITS. Purchaser shall deposit into Escrow: (i) the Purchase Price plus or minus (as the case may be) all other amounts credited to or against Purchaser hereunder (“Balance of the Purchase Price”), and (ii) such other documents as Purchaser is required to deliver to Seller hereunder.

(f) CLOSING PREREQUISITES. Closing shall occur as soon as (i) Seller has deposited into Escrow and all the documents specified herein including, without limitation, the Deed(s); (ii) Purchaser has deposited into Escrow the Balance of the Purchase Price and all the documents specified herein; and (iii) Escrow Holder is prepared to cause the recordation of the Deed, in each county wherein the Property is situated.

(g) ESCROW HOLDER. Escrow Holder shall do the following: (i) record the Deed and the Deed(s); (ii) deliver to Purchaser any documents which Seller is to deliver and Purchaser is to receive hereunder through Escrow; (iii) deliver to Seller any documents which Purchaser is to deliver and Seller is to receive hereunder through Escrow; and (iv) disburse to Seller, by wire transfer to an account designated by Seller in writing, the Purchase Price less (v) the amount of any net credit to Purchaser resulting from the prorations required hereunder and (vi) any costs that Seller is required to pay hereunder. Escrow Holder’s performance of the foregoing actions shall be deemed to occur simultaneously. The taking of such actions and the moment thereof are hereinabove and hereinafter called the “Closing”.

4. CONVEYANCE OF TITLE. At Closing, Seller shall convey to Purchaser marketable fee simple title to the Property by Statutory Warranty Deed (the “Deed”), in the form attached as **Exhibit B**, subject to no interest, defect, restriction, encumbrance, contract, reservation, exception, or claim except a timber reservation, if applicable, and (a) those matters described in Section 5(a); (b) Mineral Reservation as described in Exhibit A, if applicable; (c) rights reserved in federal patents or state deeds; (d) temporary (i.e., for a term of less than one year) nonexclusive rights-of-way not inconsistent with the use of the Property for logging operations; (e) building, use, zoning, environmental, and protected species restrictions general to the vicinity of the Property; and (f) any mutually approved unrecorded documents and/or conditions including, but not limited to boundary disputed and adverse possession, contracts pertaining to the property, uncorrected notices, threatened and endangered species that affect title of the property.

5. TITLE INSURANCE.

(a) **PRELIMINARY COMMITMENTS OF TITLE INSURANCE.** Seller has furnished Purchaser with a preliminary title commitment(s) dated **SEPTEMBER 25, 2009 Title Ref No. 0703685** prior to the execution of this Agreement. Purchaser has waived objections to matters shown. The title policy shall contain no exceptions other than the General Exclusions and Exceptions common to such form of policy and the Permitted Exceptions. If any exceptions other than the Permitted Exceptions arise against the Property prior to Closing, and such new exceptions are not approved by Purchaser or removed by Seller by the Closing date, Purchaser may, in its sole discretion, terminate this Agreement or waive its disapproval of such exceptions and close. Seller shall not hereafter, during the pendency of this Agreement, create or intentionally permit the creation of any exceptions, encumbrances, or timber cutting or logging contracts against the Property or any interest therein or any portion thereof. Seller's breach of the foregoing proviso shall constitute a default under this Agreement entitling Purchaser to sue for damages and/or specific performance.

(b) **OWNER'S TITLE INSURANCE.** Seller shall deliver or cause to be delivered to Purchaser as soon as practicable after Closing a standard form policy of owner's title insurance dated as of the date of Closing in the full amount of the purchase price and showing title to that portion of the Property described in the respective preliminary title commitment vested in the name of Purchaser, subject to no special exceptions other than the Permitted Exceptions.

6. CLOSING COSTS FOR PRORATIONS.

(a) **CLOSING COSTS AND EXPENSES.** The escrow closing fee, if any, shall be shared equally by Purchaser and Seller.

(1) Seller shall pay: (i) all costs and expenses related to Seller's exchange transaction; (ii) any real estate excise tax or other transfer taxes due on the transfer of the Property; (iii) any compensating taxes and penalties that may be payable due to the removal of the Property or any portion thereof from "forest land" or "timberland" or similar non-ad valorem tax classification or designation and arising from Seller's actions or any change of use prior to Closing or from the transfer of the Property to Purchaser; and (iv) any amount due Purchaser for prorations; (v) any amounts for which Seller is responsible pursuant to Section 9(f).

(2) Purchaser shall pay: (i) the costs to record the Deed(s); and (ii) any amount due Seller for prorations, if any.

(b) **PRORATIONS.** Current year real property taxes and assessments with respect to the Property, both general and special, shall be prorated between the parties as of the date of Closing. The last officially certified rate and valuation shall be used for such prorations.

(1) Seller shall be solely responsible for all real property taxes and assessments applicable to the Property payable in prior years. Seller shall be solely responsible for any assessments, taxes, expenses, or contract obligations pertaining to the Property arising, accruing, or incurred prior to Closing, as well as after the date of Closing as to any amounts for which Seller is responsible pursuant to Section 9(g). Except for any amounts for which Seller is responsible pursuant to Section 9(g),

(2) Purchaser shall be responsible for all taxes and assessments thereafter arising on the Property, including, but not limited to, any compensating taxes or penalties associated with Purchaser's changing the use or classification of the Property or any taxes and assessments which may accrue at Closing or anytime thereafter by reason of any change in the zoning, land use classification, or other tax classification of the Property. Purchaser will request continuance on the excise tax affidavit of any "forest land" or "timberland" designation currently pertaining to any of the Property.

7. CONTINGENCIES.

(a) **INSPECTION & FEASIBILITY.** This Agreement is NOT contingent upon any inspections or any

feasibility period. The Purchaser acknowledges prior to executing this Agreement all inspections and contingencies have been satisfied and are hereby waived.

(b) **FINANCING:** The sale is NOT conditioned upon Purchaser obtaining a purchase loan. **In the event the Purchaser is obtaining financing, Purchaser shall provide the Seller with a written notice of formal loan approval directly from the lender immediately upon execution of this Agreement.** If seller does not receive notice of formal approval of financing within 24 hours of execution of this Agreement, this sale shall terminate and Purchaser's earnest money shall be returned to Purchaser.

(c) **CONDITIONS TO PURCHASER'S OBLIGATION TO CLOSE.** Purchaser's obligation to complete the purchase shall be subject to and conditioned upon the following.

(1) The material truth and accuracy at Closing of Seller's representations and warranties contained in Section 9 of this Agreement.

(2) Purchaser's discovery of any condition or matter that is materially inconsistent with any of the representations, covenants, or warranties of Seller contained in this Agreement or in any conveyancing document contemplated hereby or of a material defect in the Property.

(3) The readiness at the time of Closing for the recording by the Escrow Holder of release of the royalty rights of seventy-five percent (75%) interest reserved in Rock, Sand and Gravel pertaining to the Property pursuant to the Agreement for Release of Mineral Interests of even date herewith by and between Purchaser and WREDCO's ultimate parent, Weyerhaeuser Company in the form substantially shown on the attached **Exhibit C**.

(d) **GENERAL PROVISIONS REGARDING CONTINGENCIES.** If any of the foregoing conditions are not satisfied or waived in writing by Purchaser at the time of Closing, then this Agreement shall terminate; *Provided*, however, that if either contingency set forth above is not satisfied due to the fault of or any material misrepresentation by Seller, then Seller shall be in default under this Agreement, and Purchaser may sue Seller for damages and/or specific performance.

8. **POSSESSION; INSPECTION OF PROPERTY.** Purchaser shall be entitled to possession of the Property at Closing.

9. **SELLER'S LIMITED WARRANTIES.** Seller makes no representations or warranties, express or implied, concerning the Property or its fitness for any purpose, or any matter whatsoever, except as (i) set forth below; (ii) provided in the Deed; and/or (iii) provided in Seller's Certification. Seller covenants, represents, and warrants as follows, which covenants, representations, and warranties are and shall be on Closing true and correct in all material respects:

(a) **ACCESS.** To the best of Seller's knowledge, there are no legal impediments to access necessary for commercial timberland use, tree farming, and commercial logging purposes to any parcel included in the Property.

(b) **BOUNDARY DISPUTES AND ADVERSE POSSESSION.** To the best of Seller's knowledge, there are no boundary disputes and no encroachments affecting any of the Property or portion thereof, or any person adversely possessing or using any of the Property or any portion thereof.

(c) **FOREST PRACTICES ACT AND OTHER LAWS.** To the best of Seller's knowledge, (i) there are no violations or claimed violations of federal, state, or local laws, rules, regulations, or ordinances which violation would have a material adverse effect on the use of any of the Property as commercial timberland or tree farms or on the commercial harvesting of merchantable timber therefrom, nor (ii) has there been any material failure by Seller to comply with the order of any court or governmental authority or agency pertaining to any of the Property or the use, occupancy, logging or condition thereof, nor (iii) is there any pending order, finding, decree, judgment, order, litigation (including, without limitation, threatened litigation), proceeding (including, without limitation, eminent domain proceedings, public improvement assessment proceedings, condemnation or zoning actions), or notice of revocation of any permit or application, pertaining to any of the Property that would have a material adverse affect on the value of such property or the ability to log or conduct commercial timber or tree farming operations on such property; nor

(iv) is there any pending changes in the application of any forestry, zoning, land classification, environmental, or land use laws or ordinances to the Property that would have a material adverse effect on the value of such property or the ability to log or conduct commercial timber or tree farming operations on such property. To the best of Seller's knowledge, except for certain reforestation obligations resulting from forest fires, all land restoration, piling, burning or removal of slash, restoration of landings and roads, and other obligations required by any timber harvest permit or other governmental law or regulation applicable to Seller's harvesting of timber from the Property have been fully complied with and completed, and the land has been left in the condition required by such permits, laws, and regulations. Notwithstanding the foregoing sentence, Seller shall remain solely responsible for compliance with all Forest Practice Act requirements and other laws and regulations, including, but not limited to, regeneration planting, in connection with the timber and mineral interests reserved and retained by Seller hereunder.

(d) HAZARDOUS WASTE. To the best of Seller's knowledge, (i) Seller has not, during its ownership of the Property, disposed of any Hazardous Substances into or onto the soils or waters of the Property or used the Property as a landfill, nor are there any underground storage tanks on or under the Property; Provided, however, that Seller has applied pesticides, insecticides, herbicides, and fertilizers (including aerial spraying thereof) of the timber in accordance with applicable approved Forest Practice Applications and best management practices of the industry and in accordance with applicable law; and (ii) Seller has no actual knowledge of any third party disposing of Hazardous Substances into or onto the soils or waters of the Property either before or during Seller's ownership or possession of the Property. As used in this Agreement, the term "Hazardous Substances" means any substance, waste, or material defined or designated as hazardous, toxic, or dangerous by the Comprehensive Environmental Response, Compensation and Liability Act.

(e) NON-FOREIGN PERSON CERTIFICATION. Seller is not a foreign person or entity, as described in the Foreign Investments in Real Property Tax Act, Internal Revenue Code S 1445, and upon Closing Seller shall sign and deliver into Escrow a certificate, in form acceptable to Purchaser, certifying that Seller is not a foreign person or entity.

(f) HARVEST. To the best of Seller's knowledge, Seller has not cut or removed or permitted any cutting or removal of any timber on the Property or any portion thereof since _____. Seller shall comply with all Forest Practice Act requirements and other laws and regulations in connection with the reserved timber and mineral interests, including regenerating Purchaser or subsequent owner. Seller shall remain fully responsible for any and all costs, expenses, taxes, fees, liens, etc. related to or originating from its post Closing ownership of and harvest of the herein reserved timber and any exercise of its mineral interests. Seller's indemnity (Section 10) is intended to include responsibility for such costs and expenses, as well as any liabilities arising in any manner from the exercise of Seller's reserved timber and mineral interests.

(g) HARVEST EXCISE TAX; ETC. To the best of Seller's knowledge, all timber harvest excise tax and all amounts owed to timber fellers, loggers and truckers pertaining to Seller's harvest and removal of timber from the Property have been fully paid. As regards Seller's reserved timber and mineral interests, Seller shall pay any such amounts arising in the future pursuant to Section 9(f).

(h) CONTRACTS PERTAINING TO THE PROPERTY. To the best of Seller's knowledge, except for the Permitted Exceptions, there are no current contracts, liens, agreements, easements, licenses, encumbrances, leases, or tenancies affecting or pertaining to the Property or any portion thereof.

(i) ENCUMBRANCES. To the best of Seller's knowledge, none of the following has arisen by, through, or under Seller, nor, to the best of Seller's knowledge, do any of the following exist with respect to the Property or any portion thereof, except as specifically disclosed in writing by Seller to Purchaser or shown as a special exception in the Preliminary Commitment: (i) rights reserved in federal patents or state deeds; (ii) oil, gas, mineral or fossil rights, reservations, exceptions, or conveyances; (iii) easements and rights of way for public and/or private roads and utilities heretofore established and existing on the Property; (iv) a specific claim as to ancestral rights of descendants of aboriginal inhabitants to occupy, use, and possess any portion of the Property, as reserved by treaties, understandings, practice, statutes, or judicial decisions, for food gathering, shelter, religious ceremonies, social and economic gatherings, battlefields, and burial sites; (v) a specific claim of an interest by any owner(s) of neighboring tracts for water line across and right to

appropriate water from any portions of the Property; or (vi) a specific claim of an interest by any owner(s) of neighboring tracts for vehicular access across any portion of the Property.

(j) SELLER'S KNOWLEDGE. As used in this Agreement, the term "to the best of Seller's knowledge" means the knowledge after due investigation and inquiry, of any of the following employee(s) of Seller: Steve Ketz and Jim Bunker.

10. GENERAL CROSS INDEMNITY. Seller shall indemnify, defend, and hold Purchaser harmless from all claims, liabilities, obligations, damages, penalties, fines, costs and expenses (including reasonable attorneys' fees) (each of the foregoing, a "Claim") that arise out of or relate to: (i) any breach or inaccuracy of any of the representations and warranties made by the Seller in or pursuant to this Agreement; (ii) any failure by the Seller to carry out, perform, satisfy and discharge any of its covenants, agreements, undertakings or obligations in this Agreement or under any of the documents and related materials executed and delivered or to be executed and delivered by the Seller pursuant to this Agreement; (iii) any claims or damages of any kind arising out of Seller's exercise of the reserved timber and/or mineral interests, including pre-harvest/mining, harvest/mining or post harvest/mining activities; (iv) the ownership or operation of the Property, including, without limitation, liability for damage to third parties and/or public improvements (e.g., publicly owned roads, buildings, bridges, and culverts) caused by any landslides that may have occurred in or on the Property prior to the Closing.

Purchaser shall indemnify, defend, and hold Seller harmless from all Claims that arise out of or relate to: (i) any breach or inaccuracy of any of the representations and warranties made by the Purchaser in or pursuant to this Agreement; (ii) any failure by the Purchaser to carry out, perform, satisfy and discharge any of its covenants, agreements, undertakings or obligations in this Agreement or under any of the documents and related materials executed and delivered or to be executed and delivered by the Purchaser pursuant to this Agreement; (iii) the Purchaser's ownership or operation of the Timberland Property, including, without limitation, liability for damage to third parties and/or public improvements (e.g., publicly owned roads, buildings, bridges, and culverts) caused by any landslides that may occur in or on the Property on or after the Closing, except for any Continuing Obligations arising out of or relating to Seller's exercise of the reserved timber and/or mineral interests for which Seller remains solely liable and hereby indemnifies Purchaser for any claim, loss, damage, cost or expense resulting from Seller's failure to fulfill and perform the same.

11. OTHERWISE "AS IS" PURCHASE. Subject to Purchaser for damages arising out of or relating to such restrictions the representations and warranties of the Seller set forth herein and the Deed and Seller's Certification, Purchaser accepts the property "As-Is" and "Where-Is," subject to the risks of all defects and conditions. Purchaser acknowledges that it has had an opportunity to inspect the Property prior to execution of this Agreement and will be relying in part on such inspections.
12. RISK OF LOSS. Seller shall remain liable for the risk of loss to the standing timber located upon the Property until the date of Closing. In the event of a material loss of or damage to the timber on the Property by fire or other sudden calamity (not caused by Purchaser or its agents, representatives, invitees, permittees, contractors, or subcontractors) prior to the Closing, Purchaser, at its option, may terminate this Agreement. If the Property or any material part of such property is or becomes the subject of a condemnation proceeding prior to Closing, Purchaser, at its option, may terminate this Agreement by giving notice of such termination prior to Closing; *Provided*, however, that Purchaser may elect to purchase the Property, in which case Purchaser shall receive a cash payment at Closing equal to the total of any condemnation award received by or payable to Seller. Seller is not aware of any threatened or pending eminent domain proceeding affecting the Property. Seller agrees to notify Purchaser of eminent domain proceedings immediately after learning thereof.
13. REMEDIES ON DEFAULT. If either party defaults in its obligations hereunder, the non-defaulting party may seek damages and/or specific performance of this Agreement. Notwithstanding any other provision in this Agreement to the contrary, neither party shall be entitled to recover from the other any punitive, exemplary or consequential damages.
14. IRC SECTION 1031 EXCHANGE; ASSIGNMENT. Each party agrees to cooperate with the other in the event either or both parties elect to consummate the transaction as a Like-kind exchange pursuant to

Internal Revenue Code S1031. Each party agrees to execute the documents necessary to complete the transaction as a tax deferred exchange.

15. TAX CLASSIFICATION: Subject property is currently in a forestland tax classification. Purchaser agrees, as a condition of sale, to sign and execute any forms required by the County or State to be completed at or prior to Closing. If the Purchaser decides to not continue keeping the property in a special tax classification than the Purchaser is responsible for the change and any expenses, including paying the compensating taxes to convert the forestland tax classification to current use. Seller will provide a forest management plan so that Purchaser can continue this special tax classification on the property. Purchaser agrees to work with Seller on submitting proper paperwork to the County/State prior to Closing for this continuance.
16. COMMISSIONS. Both parties acknowledge that neither have used the services of a broker in this Agreement and there are no commissions due in this transaction.
17. STATUTORY NOTICE - ORS 93.040. THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301, AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301, AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007.
18. MISCELLANEOUS.
 - (a) TIME. Time is of the essence for each and every provision of this Agreement.
 - (b) SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.
 - (c) ASSIGNMENT. No assignment of any right or interest or delegation of any duty, responsibility, or obligation under this Agreement shall be made, in whole or in part, by any party without the prior written consent of the other party. Either party may assign this Agreement without consent from the other party if such assignment is to a wholly owned subsidiary of the assigning party. If there is an assignment, such assignment shall not relieve the assignor of its obligations hereunder.
 - (d) SURVIVAL. All representations, warranties, covenants, agreements, and indemnities set forth in or otherwise made pursuant to this Agreement shall survive and remain in effect following the close of any escrow and the delivery and recording of any deeds, and shall not be merged therein, Provided, however, that nothing herein is intended to extend the survival beyond any applicable statute of limitations periods.
 - (e) WAIVER. No delay or omission in the exercise of any right or remedy of either party to this Agreement on any default by the other party shall impair such a right to remedy or be construed as a waiver. Either party's consent to or approval of any act by the other party requiring such consent or approval shall not be deemed to waive or render unnecessary the requirement of consent or approval of any subsequent act by either party.
 - (f) CORPORATE AUTHORITY. Each party to this Agreement, and each individual signing on behalf of each party, hereby represents and warrants to the other that it has full power and authority to enter into this Agreement and that its execution, delivery, and performance of this Agreement has been fully authorized and approved, and that no further corporate approvals or consents are required to bind such party.

(g) GOVERNING LAW. This Agreement shall be construed and interpreted in accordance with the laws of the State of Oregon.

(h) ATTORNEYS' FEES. Should any legal action or proceeding be commenced by either party in order to enforce this Agreement or any provision hereof, or in connection with any alleged dispute, breach, default, or misrepresentation in connection with any provision herein contained, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs incurred in connection with such action or proceeding, including costs of pursuing or defending any legal action, including, without limitation, any appeal, discovery or negotiation and preparation of settlement arrangements, in addition to such other relief as may be granted.

(i) INTEGRATED AGREEMENT; MODIFICATION. This Agreement constitutes the entire agreement and understanding of the parties with respect to the subject matter and supersedes all prior negotiations and representations. This Agreement may not be modified except in writing signed by the parties. The parties hereto agree to execute any additional documents reasonably necessary to effectuate the provisions and purposes of this Agreement.

(j) INTERPRETATION. Each party acknowledges that it and its legal counsel have reviewed this Agreement. The parties agree that the terms and conditions of this Agreement shall not be construed against any party on the basis of such party's drafting, in whole or in part, of such terms and conditions.

(k) NOTICES. Any notices required or desired shall be in writing and delivered personally or by messenger or sent by U.S. certified mail, return receipt requested, postage prepaid, or sent via facsimile transmission, and shall be sent to the respective addressee at the address or facsimile number set forth below or to such other address or facsimile number as the parties may specify in writing. Notices shall be deemed effective upon the earlier of receipt when delivered, or, if mailed, upon return receipt, or, if sent via facsimile, upon confirmed facsimile transmission to the designated fax number of said addressee.

Company	PURCHASER: _____ _____ _____ _____ Phone: _____ Fax: _____ E-mail: _____	SELLER: Weyerhaeuser Real Estate Development Attention: Scott Dahlquist PO Box 9733—PH2 Federal Way, WA 98003 Phone: 253-924-3006 Fax: 253-924-3007 E-mail: scott.dahlquist@weyerhaeuser.com
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(l) NO AGENCY. The parties agree that no agency, partnership, or joint venture of any kind shall be or is intended to be created by or under this Agreement.

(m) EXHIBITS. All exhibits referred to herein are deemed to be incorporated in this Agreement in their entirety.

(n) HEADINGS. The headings in this Agreement are for convenience only and are not intended to, and will not be construed to, limit, enlarge, or affect the scope or intent of this Agreement nor the meaning of any provisions hereof.

(o) FACSIMILE TRANSMISSION. Facsimile transmission of any signed original document and retransmission of any signed facsimile transmission, shall be the same as delivery or execution of an original. At the request of any party, the parties shall conform facsimile transmitted signatures by signing an original document.

(p) COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which counterparts together shall constitute the same instrument which may be sufficiently evidenced by one counterpart. Execution of this Agreement at different times and

places by the parties shall not affect the validity thereof so long as all the parties hereto execute a counterpart of this Agreement.

EXECUTED AND EFFECTIVE as of the date set forth first above.

BUYER:

**SELLER: Weyerhaeuser Real Estate
Development Company**

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

Opening of Escrow as of _____ day of _____, 20__.

Escrow Holder: _____
Signature

EXHIBIT A -- LEGAL DESCRIPTION

IN DOUGLAS COUNTY, OREGON

TOWNSHIP 23 SOUTH, RANGE 1 WEST, W.M.

SECTION 36: ALL

TOWNSHIP 24 SOUTH, RANGE 1 WEST, W.M.

SECTION 14: W½

----- End of Exhibit A -----

EXHIBIT B

FORM OF DEED

When recorded, return to:

Send Tax Statements to:

Map / Tax Lot No. 23-01W-00-01600 Property ID No. R52568
Map / Tax Lot No. 24-01W-00-02200 Property ID No. R64167

STATUTORY WARRANTY DEED

The GRANTOR, **WEYERHAEUSER REAL ESTATE DEVELOPMENT COMPANY**, a Washington corporation, conveys and warrants to _____, a _____ corporation, GRANTEE, the real estate situated in **DOUGLAS COUNTY, OREGON**, described on **EXHIBIT A** attached hereto and by this reference made a part hereof (the Property"), together with all improvements situated thereon and all appurtenances thereunto belonging, subject to the reservations of Grantor and all covenants, restrictions, reservations, easements, encumbrances, and all matters of public record and/or evident on the ground.

THE TRUE AND ACTUAL CONSIDERATION FOR THIS TRANSFER IS:

Before signing or accepting this instrument, the person transferring fee title should inquire about the person's rights, if any, under ORS 195.300, 195.301, and 195.305 to 195.336 and Sections 5 to 11, Chapter 424, Oregon Laws 2007. This instrument does not allow use of the property described in this instrument in violation of applicable land use laws and regulations. Before signing or accepting this instrument, the person acquiring fee title to the property should check with the appropriate city or county planning department to verify that the unit of land being transferred is a lawfully established lot or parcel, as defined in ORS 92.010 or 215.010, to verify the approved uses of the lot or parcel, to determine any limits on lawsuits against farming or forest practices, as defined in

EXHIBIT A - QUARTZ CREEK

IN DOUGLAS COUNTY, OREGON

TOWNSHIP 23 SOUTH, RANGE 1 WEST, W.M.

SECTION 36: ALL

TOWNSHIP 24 SOUTH, RANGE 1 WEST, W.M.

SECTION 14: W½

The hereinabove described real property being **SUBJECT TO:**

1. Rights reserved in federal patents or state deeds, mineral or fossil rights reservations, exceptions or conveyances made by prior owners.
2. As disclosed by the assessment and tax roll, the land herein described has been classified/assessed as forestland. If the land becomes disqualified for this special classification/assessment under ORS Chapter 321 or any subsequent statute, any additional tax or penalties plus interest that may be levied shall be the responsibility of Grantee.
3. Taxes or special assessments which are not yet payable or which are not shown as existing liens by the public records.
4. All planning, zoning, health and other governmental regulations, if any, affecting subject property; all building, use, zoning, environmental and protected species restrictions general to the area.
5. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or other facts which a correct survey would disclose.
6. Indian tribal codes or regulations, Indian treaty or aboriginal rights, including easements or equitable servitudes.
7. Rights of the State of Oregon in and to that portion of the Property, if any, lying in the bed or former bed of all rivers and creeks, if it is navigable.
8. Any question that may arise due to shifting or change in the course of any river or creek located on the Property.
9. Any prohibition or limitation on the use, occupancy or improvements of the Property resulting from the rights of the public or riparian owners to use any waters which may cover the Property or to use any portion of the Property which is now or may formerly have been covered by water.
10. All matters of public record, and all covenants, conditions, reservations, restrictions, easements and rights of way for public and/or private roads and roadways, railroads and utilities heretofore established and existing on said Property and all matters evident on the ground.

--- End of Exhibit A ---

EXHIBIT C

FORM OF RELEASE OF MINERAL INTERESTS

When recorded, return to:

NO CHANGE TO TAX STATEMENTS

Consideration Statement (ORS 93.030): The consideration for this Release of Mineral Reservation is ONE DOLLAR (\$1.00) and other good and valuable consideration.

RELEASE OF MINERAL RESERVATION

The GRANTOR, **WEYERHAEUSER COMPANY**, a Washington corporation, does hereby release, relinquish, remise, quitclaim and convey unto _____, a(n) _____ corporation, GRANTEE, and to the Grantee’s successors and assigns, all right, title and interest in and to a perpetual royalty interest in any rock, sand, gravel, and aggregate (collectively “Aggregate Resources”) which may be recovered or consumed by the Grantee or persons claiming under or through Grantee from said land, in the amount of seventy-five percent (75%) of the fair market value of such Aggregate Resources at the time of their extraction from the property as identified as a reservation on the Deed recorded as Douglas County record number 2009-014203 between Grantor and Weyerhaeuser Real Estate Development Company and said reservation is attached as **Exhibit A**. This perpetual royalty interest in Aggregate Resources was reserved by Grantor on the property described on the **Exhibit B** attached hereto.

Dated the ____ day of _____, 20__.

WEYERHAEUSER COMPANY, a Washington Corporation

BY: _____
TITLE: _____

ATTEST: _____
TITLE: _____

EXHIBIT A TO RELEASE OF MINERAL INTERESTS

“Grantor hereby expressly saves, excepts, and reserves out of the grant hereby made, unto itself and its successors and assigns, a perpetual royalty interest in any rock, sand, gravel, and aggregate (collectively “Aggregate Resources”) which may be recovered or consumed by Grantee or persons claiming under or through Grantee (collectively referred to as “the Resource Owners”), from said land, in the amount of seventy-five percent (75%) of the fair market value of such Aggregate Resources at the time of their extraction from the property. “Fair market value of such Aggregate Resources at the time of their extraction” means the value which a willing buyer would pay for such Aggregate Resources in place, assuming that: (1) removals could and would commence immediately and continue until such Aggregate Resources were exhausted or no longer economic to extract, and (2) the buyer was prepared to extract such Aggregate Resources and process the same into marketable forms. Where the Resource Owners have negotiated, on an arms length basis, a mining lease or similar agreement with an independent non-affiliated third party in the business of acquiring and extracting such Aggregate Resources, and those parties have no other business dealings, the fair market value of such Aggregate Resources shall be presumed to equal the sum of all money (whether characterized as royalties, bonuses, rents, profit sharing, or other payments) and other things of value received, directly or indirectly, by the Resource Owners and their affiliates as compensation for removal of such Aggregate Resources, and Grantor or its successors or assigns shall be entitled to seventy-five percent (75%) of all such monies plus seventy-five percent (75%) of the value of all non-monetary things so received. Where the Resource Owners, or persons acting in concert with them, remove such Aggregate Resources for sale or further processing, the fair market value of the resources shall be the amount which an independent non-affiliated willing buyer would pay as compensation for such Aggregate Resources under the assumptions stated above. Evidence of such value may include: (1) amounts customarily paid to the owners of similar Aggregate Resources by those in the business of extracting and processing such Aggregate Resources, (2) the market value of products produced from similar Aggregate Resources less average costs of all elements of production other than compensation to the owner for the raw resource in place, and (3) the profits received and anticipated by the parties removing and processing the Aggregate Resources, after allowing for costs of removal and production and a reasonable rate of return on the capital employed to do so.

The Resource Owners covenant and agree to: (1) notify Grantor, or any successor or assigns of record, if they plan to remove or consume any Aggregate Resources from the lands conveyed herein, (2) keep Grantor or its successors or assigns informed of the status of any regulatory permits needed to remove or consume such Aggregate Resources, (3) notify Grantor or its successors or assigns of the quantities of each type or grade of Aggregate Resources removed or consumed within thirty (30) days after the end of each month in which any such removals or consumption occur, (4) maintain books and records reflecting the removal and consumption of all Aggregate Resources from the land, all consideration paid therefor, copies of all leases, contracts, and agreements related to any such removal or consumption, and all other information as may be necessary to determine the amounts payable as royalties hereunder, such books and records shall be open for inspection, copying, and audit by Grantor or its successors or assigns or duly authorized representatives at all reasonable times, (5) negotiate in good faith as to the amount of royalties to be paid and methods to verify that royalties have been properly determined and paid, (6) pay the reserved royalties within thirty (30) days after the end of each month in which any Aggregate Resources are removed or consumed and (7) pay the greater of the following amounts (or the maximum allowed by law, if less) as interest on any late payments: (a) 1.5% per month or (b) ten (10.00) percentage points above the equivalent coupon issue yield (as published by the Board of Governors of the Federal Reserve System) of the average bill rate for twenty-six week treasury bills as determined at the first bill market auction conducted during the month in which the payment was due.”

EXHIBIT B TO RELEASE OF MINERAL INTERESTS

LEGAL DESCRIPTION

IN DOUGLAS COUNTY, OREGON

TOWNSHIP 23 SOUTH, RANGE 1 WEST, W.M.

SECTION 36: ALL

TOWNSHIP 24 SOUTH, RANGE 1 WEST, W.M.

SECTION 14: W½