

ACCESS TO LONE CREEK  
T39S R5W Section 16

BLM Right-of-Way and Road Use Agreement. As indicated on Exhibit B to the Special Warranty Deed (Exhibit B of the Purchase and Sales Agreement), the Property is subject to a Bureau of Land Management (BLM) Right-of-Way and Road Use Agreement,. Under current BLM policy, Purchaser will not be allowed to exercise any of the Permittee rights under the BLM Agreement without first receiving a formal assignment of the rights, subject to approval by the BLM. Purchaser is strongly urged to consult with BLM concerning the terms and effect of the BLM Agreement. Upon Purchaser's written request, Seller (or Seller's immediate predecessor in title if it is the record holder of the permit) will sign an assignment form (partial or full, depending on the circumstances) and return it to Purchaser for delivery to the BLM by Purchaser. Road use fees, if any, are payable at time of hauling. Except for fees relating to hauling which occurred prior to Closing, Seller is not responsible for paying any fees imposed by the BLM after Closing. Seller does not guarantee the BLM will approve any assignment. If Purchaser does not request an assignment within one (1) year of the date of closing, Purchaser shall thereafter be solely responsible for obtaining its own agreement with the BLM.

Purchaser needs to understand that the BLM Agreement grants certain rights to BLM, whether or not assignment occurs.

Access to the property is on existing BLM Road 39-5-15.0 which comes off a Josephine County Road in the Williams, Oregon area. The logging plan developed by the previous owner, Boise Cascade, scheduled all logs to be hauled out this BLM road. The fee schedule will be calculated by the BLM upon assignment of the reciprocal agreement to the new owner of the property. The process is strictly controlled by the BLM and the seller makes no warranties to either the timing or the cost. Seller has heard estimates in the range of \$12 to \$15 per thousand board feet of logs, but the buyer needs to investigate fully and form buyer's own conclusion.

Another alternative for log hauling which may be a quicker process is for the buyer to apply for an O&C Haul Permit. This process can be reviewed at <http://www.blm.gov/nhp/efoia/or/fy2005/ib/ib-or-2005-139Att1.pdf> .

Neither of the above permits are good for residential use. If a buyer is interested in residential access to the property they will have to apply to the BLM for a right of way grant to the property under separate application.

Purchaser's Acknowledgment of Disclosures by Seller. Seller has disclosed certain matters to Purchaser as detailed above. Purchaser acknowledges and agrees that this disclosure is merely an effort by Seller to assist Purchaser in Purchaser's own evaluation of the property. The information disclosed in any documentation provided is merely intended to assist Purchaser in Purchaser's own evaluation of the property and, in particular, the matters disclosed. Purchaser understands and agrees that this disclosure is not intended to be exhaustive, nor is Seller making any representation concerning the completeness of the information provided. Purchaser acknowledges that this disclosure is only intended to be, and only shall be, considered a starting point by Seller for Purchaser's own evaluation of the property.