



THE  
CONSERVATION FUND



*Via E-MAIL*

**CONFIDENTIAL-- Elliott Forest Acquisition Plan—Lone Rock Timber Management Company Lead Participant**

February 3, 2017

Mr. Jim Paul, Director  
Oregon Department of State Lands  
775 Summer St. NE, Ste 100  
Salem, OR 97301-1279

**RE: Addendum to November 15, 2016 Elliott Forest Acquisition Plan—Lone Rock Timber Management Company Lead Participant**

Mr. Paul:

Lone Rock Timber Management Company, The Cow Creek Band of Umpqua Tribe of Indians, The Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians, with the support and advice of The Conservation Fund, Dr. John Gordon, the College of Forestry at Oregon State University, the Oregon Department of Forestry, The Confederated Tribes of Siletz Indians and The Confederated Tribes of the Grand Ronde submitted their Elliott Forest Acquisition Plan (“**Plan**”) on November 15, 2016.

The State Land Board (“**SLB**”) met at a regular meeting on December 13, 2016 and concluded as follows (and all provisions of this Addendum that appear in *italics* are from the SLB meeting minutes and findings):

*The Department has reviewed the Plan and found that it contains both clear demonstrations of financial viability as well as proposals for enforceable mechanisms for enhanced public benefits sufficient to demonstrate responsiveness:*

- *The Plan demonstrates adequate equity investment and financing to acquire*

*the Elliott Property at the established fair market value price, in cash at closing.*

- *The Plan proposes enhanced public benefits as required by the Protocol that exceed those which are already provided under applicable law.*
- *The Plan recites enforceable mechanisms required for providing the enhanced public benefits in perpetuity.*

*A summary chart of the Department's responsiveness analysis was attached. (See Appendix C)*

*The Plan, however, includes some gaps, uncertainties, and ambiguities, especially with respect to the enforceable mechanisms. Within the discretion provided under Section 7 of the Protocol, the Director of the Department has deemed the Plan responsive, despite these concerns. The Director's rationale for deeming the Plan responsive includes the following:*

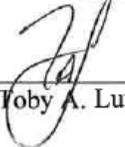
1. *Ensuring fairness between competitors is not an issue because only one plan was submitted;*
2. *The Board's direction has placed a priority on moving forward in a timely fashion due to the ongoing economic losses associated with the property; and*

3. *The plan meets basic requirements of the Protocol and the gaps, uncertainties, and ambiguities, can and will be addressed prior to a future offer of direct sale and through subsequent purchase and sale agreement negotiations.*

Attached is an Addendum to November 15, 2016 Term Sheet for Acquisition Plan for the Elliott Forest. Initially capitalized terms in the Addendum that are not otherwise defined in the Addendum have the meanings given to them in the Plan.

Thank you for this opportunity,

LONE ROCK TIMBER MANAGEMENT COMPANY

By: 

Toby A. Luther, President and CEO

2323 Old Highway 99 South  
P. O. Box 1127  
Roseburg, OR 97470-0257  
Telephone: 541.673.0141 x402  
E-Mail: TLuther@lrtc.com

# ADDENDUM TO NOVEMBER 15, 2016 TERM SHEET FOR ACQUISITION PLAN FOR THE ELLIOTT PROPERTY

DATE: FEBRUARY 3, 2017

## **Part One: Structure and Funding**

### **A. Entities Involved in Plan**

This Addendum to November 15, 2016 Term Sheet for Acquisition Plan for the Elliott Property (“**Addendum**”) is presented by Toby A. Luther (“**Lead Representative**”), who is the authorized representative and CEO of Lone Rock Timber Management Company, d/b/a Lone Rock Resources (the “**Lead Participant**”). Lead Participant, through its authorized Lead Representative, signed the Addendum (on its identifying page) in proper form, such signature evidencing Lead Representative’s authority to submit this Addendum for consideration on behalf of Lead Participant and all other participants involved in this Addendum and Plan.

#### Schedules:

In addition to the Schedules attached to the Plan, the followed updated or new Schedules are attached:

Schedule I.A.3: Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians<sup>1</sup> is the entity committing to hold the Conservation Easement.

Schedule I.A.16 Douglas County Board of Commissioners on behalf of Douglas County committing to hold the Easement in Gross.

Schedule I.A.17 Sample public access permit documents for public access from Lead Participant’s other timberlands (form has been modified).

Schedule I.A.18 Mature Forest Optimization.

Schedule I.A.19 Riparian Management Areas.

### **B. Funding of Plan**

No additional information provided in this Addendum.

## **Part Two: Enhanced Public Benefits**

### **A. Public Recreation Access**

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<sup>1</sup> The participating Confederated Tribes consists of three Tribes (four Bands): two bands of Coos Tribes, Hanis Coos (Coos Proper) and Miluk Coos; the Lower Umpqua Tribe; and, the Siuslaw Tribe.

*Gaps, uncertainties, and ambiguities around the public benefits that require further definition prior to development of an offer of direct sale include the following:*

- *Details regarding floating public recreational access rights and landowner closure rights;*
- *Reassurances regarding compliance and means of public enforcement, especially related to the potential denial of public access through any permit system;*

**Clarification:** Lead Participant intends that the Elliott Forest will initially be fully open to the public and remain fully open to the extent possible. Lead Participant's lands have been similarly managed for years. Pursuant to the Protocol, the Company will guarantee not less than fifty (50%) of the entire 82,500 acres of the Elliott Forest will be open to the public for recreational use at all times and in perpetuity except in the case of extreme natural disasters. An annual report prepared by the Company and submitted to the holder of the Conservation Easement will document at least 41,250 acres were accessible at all times excepting incidences where temporary closures are required for public safety or resource protection concerns. In the case of extreme natural disasters such as major fire, windstorm, flood, or similar disaster extended closures may be necessary for public safety and resource protection concerns. The Company will coordinate with the holder of the Conservation Easement in the case of such extreme events. The Company intends to utilize various communication tools to inform the public of closures and/or open areas. Potential examples include signs, maps and web based tools to communicate to the public.

**Clarification:** The holder of the Conservation Easement will be vested with full enforcement rights and the Conservation Easement will obligate the holder to exercise those rights for and on behalf of the public to guarantee the public access described above. The holder of the Conservation Easement intends to establish an advisory board to assist it in its work. Lead Participant intends for the Company to endow the holder of the Conservation Easement with adequate funding to fully exercise those enforcement rights. There will be no third party holding enforcement rights under the Conservation Easement; provided, however, the Company and the holder of the Conservation Easement are open to discussing potential State involvement to remedy any long term and prevalent failures to enforce the Conservation Easement (hereinafter a "**State Remedy**").

**Clarification:** The Company may require the public to obtain access permits prior to entering the Elliott Forest. There will be no limits on the number of permits available. No fee is anticipated to be charged for such permits, however the Company reserves the right to charge an administrative fee as described in Oregon statutes associated with public recreational access on private lands. Any permits will describe activities allowed in the Elliott Forest as well as allow the Company to communicate safety considerations or other specific information about the Elliott Forest to permit holders. The permit system will also allow Company a means for monitoring recreation use. The permit system will not discriminate against users or restrict access except as noted above. Permits will be issued for safety to track who enters the Elliott Forest and leaves the Elliott Forest and to require disclosure of the purpose for entry (e.g., outdoor activities such as hunting, fishing, swimming, boating, camping, picnicking, gardening, hiking, nature study, outdoor educational activities, waterskiing, winter sports, viewing or enjoying historical, archaeological, scenic or scientific

sites or volunteering for any public purpose project) and provide a tracking system to exclude future use by those who have previously engaged in dangerous or irresponsible activities while in the Elliott Forest. Fees will not exceed those in ORS 105.672 through 105.696 as follows:

**105.672 Definitions for ORS 105.672 to 105.696. As used in ORS 105.672 to 105.696:**

(1) “Charge”:

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(c) Does not include the fee for a winter recreation parking permit or any other parking fee of \$15 or less per day.

**105.688 Applicability of immunities from liability for owner of land; restrictions.**

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(5) The immunities provided by ORS 105.682 for gardening do not apply if the owner charges more than \$25 per year for the use of the land for gardening. If the owner charges more than \$25 per year for the use of the land for gardening, the immunities provided by ORS 105.682 apply to any use of the land other than gardening. If the owner charges more than \$25 per year for permission to use a specific part of the owner’s land for gardening and the owner provides notice in the manner provided by subsection (8) of this section, the immunities provided by ORS 105.682 apply to the remainder of the owner’s land.

(6) The immunities provided by ORS 105.682 for woodcutting do not apply if the owner charges more than \$75 per cord for permission to use the land for woodcutting. If the owner charges more than \$75 per cord for the use of the land for woodcutting, the immunities provided by ORS 105.682 apply to any use of the land other than woodcutting. If the owner charges more than \$75 per cord for permission to use a specific part of the owner’s land for woodcutting and the owner provides notice in the manner provided by subsection (8) of this section, the immunities provided by ORS 105.682 apply to the remainder of the owner’s land.

(7) The immunities provided by ORS 105.682 for the harvest of special forest products do not apply if the owner makes any charge for permission to use the land for the harvest of special forest products. If the owner charges for permission to use the owner’s land for the harvest of special forest products, the immunities provided by ORS 105.682 apply to any use of the land other than the harvest of special forest products. If the owner charges for permission to use a specific part of the owner’s land for harvesting special forest products and the owner provides notice in the manner provided by subsection

See new Schedule 1.A.17 for sample permitting documents.

**B. Economic Benefits**

**Easement in Gross**

*Economic benefits are proposed to be enforced through an easement in gross instead of the suggested deed covenant. While the suggested structure for an easement in gross was provided in the Plan, a holder of these rights was not definitively identified. Identifying a holder of the easement in gross appropriate to adequately address the economic benefits promised.*

**Clarification:** See Schedule I.A.16 The Douglas County Board of Commissioners on behalf of Douglas County committed to hold the Easement in Gross. The Oregon State College of Forestry agreed to provide the economic analysis described in the Conservations Easement and not less than annually provide copies to Douglas County and the Company. Details on the mechanics of this work will be developed in writing prior to signing a purchase and sale agreement.

### **Conservation Easement**

*Gaps, uncertainties, and ambiguities around the conservation easement mechanism will need to be addressed during development of an offer of direct sale and negotiation of a purchase and sale agreement, and include the following:*

1. *Confirmation that there would be one conservation easement over the entire property addressing public recreational access, Harvest Protection Areas, and Riparian Management Areas;*
2. *Firm identification of the holder(s) of the conservation easement given that the CTCLUSI have only expressed an interest (as per the Plan) and many terms have not been finalized as between the LLC and the CTCLUSI, and such terms may be problematic for the state;*
3. *If proceeding with the CTCLUSI pursuant to their proposed letter of intent, or with another conservation easement holder with similar terms, additional issues to clarify include the following:*
  - a) *Details regarding a third-party enforcement right in the conservation easement, potentially held by the state;*
  - b) *Limitations in the conservation easement to address potential conflicts of interest such as the possibility that the easement holder might be compensated for its enforcement activities by the acquisition of land within the conservation easement;*
  - c) *Limitations in the conservation easement to address potential obstacles to enforcement that could arise due to sovereign immunity claimed by either a fee title or conservation easement holder;*
4. *Details regarding reporting processes under the conservation easement including the level of public involvement and oversight.*

**Clarification—1:** There will be one Conservation Easement over the entire Elliott Forest addressing public recreational access, Harvest Protection Areas, and Riparian Management Areas.

**Clarification—2, 3(a) and 3(b):** See Schedule I.A.3: The Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians is the entity committing to hold the Conservation Easement. Schedule I.A.3 details the intended metrics for compensating the holder of the Conservation Easement and the methods to avoid conflicts of interest. The parties recognize the potential for a conflict of interest. This arrangement will avoid such conflicts. The holder of the Conservation Easement will be vested with full enforcement rights and will obligate the holder of the Conservation Easement to exercise those rights for and on behalf of the public. Lead Participant intends for the Company to endow the holder of the Conservation Easement with adequate funding to fully exercise those enforcement rights.

**Clarification—3(c):** The Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians is prepared to provide limited waivers of sovereign immunity as set forth in Schedule 1.A.3 of the original Plan and in Schedule 1.A.3 of this Addendum.

**Clarification—4:** Company does not anticipate “public” involvement and/or oversight outside of the holder of the Conservation Easement other than the willingness to discuss the potential State Remedy (as defined above). The Company will prepare and deliver to the holder of the Conservation Easement, not less than annually, written reports, regarding its compliance with the terms of the Conservation Easement and the holder of the Conservation Easement may audit the Company’s records to verify such compliance.

### C. Harvest Protection Areas

*Gaps, uncertainties, and ambiguities around the public benefits that require further definition prior to development of an offer of direct sale include the following:*

- *Details regarding potential adjustments to Harvest Protection Areas and expectations around potential salvage operations in the event of a natural disaster; and*
- *Details regarding allowable activities in Riparian Management Areas including watershed improvement activities and potential salvage operations in the event of a natural disaster.*

**Clarification:** Company intends to conserve from commercial harvest those areas most beneficial to wildlife and ecosystem services and associated with older forest characteristics and which can be verified and enforced. A minimum of 25% of the Elliott Forest will be permanently managed for older forest characteristics and restricted from commercial forest harvest. Company anticipates more refined maps will be a part of the purchase and sale agreement defining those areas. Also see new Schedule I.A.18 (Mature Forest Optimization).

**Clarification:** Natural catastrophic events may occur which adversely impact or affect the Elliott Forest. These events may include windstorms, wildfires, floods, landslides, insect, disease, or other pathogen outbreaks. Where such events occur, Company shall develop and deliver to CTCLUSI (Conservation Easement holder) for its review and approval, an action plan recommending appropriate corrective actions to remedy the adverse impact or effect. If catastrophic events result in a loss of Harvest

Protection Areas below the target baseline, management of the Elliott Forest will focus on replacing and/or restoring the characteristics of the Harvest Protection Areas to the target baseline based on the best available science at the time.

Appropriate corrective action may include the salvage of damaged timber in the Elliott Forest. Any salvage of timber approved by CTCLUSI (Conservation Easement holder) must be consistent with the principles, terms and conditions of the Conservation Easement. Danger trees and wind-thrown trees within the prism of open roads may be salvaged as part of normal road maintenance activities. Also see new Schedule I.A.18 (Mature Forest Optimization).

Company may immediately respond to emergencies such as fires, landslides, and floods to protect the infrastructure and natural resources based on the best available science at the time. In those situations, notice to CTCLUSI (Conservation Easement holder) will be provided as soon as possible but in any event, no more than three days after the action is undertaken.

#### **D. Riparian Management Areas**

*Gaps, uncertainties, and ambiguities around the public benefits that require further definition prior to development of an offer of direct sale include the following:*

- *Details regarding allowable activities in Riparian Management Areas including watershed improvement activities and potential salvage operations in the event of a natural disaster.*

**Clarification:** See new Schedule I.A.19 (Riparian Management Areas) defining standards that in many cases go beyond the Oregon Forest Practices Act (FPA).

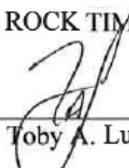
#### **E. Elliott State Forest Reciprocal Easement Agreement.**

No additional information provided.

Respectfully submitted as of February 3, 2017

LONE ROCK TIMBER MANAGEMENT COMPANY

By: \_\_\_\_\_

  
Toby A. Luther, President and CEO

2323 Old Highway 99 South  
P. O. Box 1127  
Roseburg, OR 97470-0257  
Telephone: 541.673.0141 x402  
E-Mail: TLuther@lrtc.com

**SCHEDULE I.A.3**  
**Updated**

**(Confederated Tribe of the Coos Lower Umpqua and Siuslaw Indians (CTLUSI) –  
Conservation Easement Holder)**  
(Attached hereto)



**CONFEDERATED TRIBES OF  
COOS, LOWER UMPQUA AND SIUSLAW INDIANS  
TRIBAL GOVERNMENT OFFICES**

1245 Fulton Avenue • Coos Bay, OR 97420  
(541) 888-9577 • 1-888-280-0726 • General Office Fax: (541) 888-2853

February 2, 2017

Mr. Toby A. Luther  
President and CEO  
Lone Rock Timber Management Company  
2323 Old Highway 99 South  
P.O. Box 1127  
Roseburg, OR 97470-0257  
E-Mail: [TLuther@lrco.com](mailto:TLuther@lrco.com)

RE: Elliott Forest Acquisition Plan

Dear Mr. Luther,

I write on behalf of the Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians ("Tribe") to clarify certain principles to which the Tribe is committed with respect to the Tribe serving as the holder and enforcer of the Conservation Easement for the Elliott. First, there would be one Conservation Easement over the entire Elliott Forest addressing public recreational access, Harvest Protection Areas, and Riparian Management Areas. The Tribe would be vested with full enforcement rights for the entire Conservation Easement and would exercise those rights for and on behalf of the public. Second, there must be dispute resolution provisions that contain the following requirements:

- a. Disputes between the Tribe and Elliot Forest LLC ("Company") regarding compliance with the terms and conditions of the Conservation Easement would be subject to arbitration. The Tribe and the Company to agree to enforcement of associated arbitration awards in the courts of the State of Oregon.
- b. Disputes regarding the Tribe's compliance with its obligations as holder and enforcer of the Conservation Easement would be subject to arbitration in certain, defined instances. The Tribe is open to discussion regarding the entity that could invoke arbitration in such instances. Possibilities include the Conservation Easement advisory board and/or the State. Termination of the Tribe's role the holder and/or enforcer would be a potential remedy for material or repeated violations. Tribe to agree to enforcement of associated arbitration awards in the courts of the State of Oregon.
- c. The Tribe would agree to a limited and conditional waiver of its sovereign immunity as necessary to allow for arbitration and judicial enforcement of associated awards.

Third, any potential for Elliott land transfers to the Tribe must be structured to avoid any potential conflicts of interest. Fourth, there must be an endowment that is appropriately structured and funded to allow for full and effective monitoring, administration and enforcement, while avoiding

instability or the appearance of a conflict of interest. Finally, successor provisions must be negotiated to ensure there is no interruption in the perpetual administration and enforcement of the Conservation Easement.

Consistent with these principles and the terms and conditions set forth in the Elliott Forest Acquisition Plan, inclusive of addenda, the Tribe remains committed in principle to assuming the role as the holder and enforcer of the Conservation Easement, subject to negotiation of final terms. The Tribe understands that the State Land Board has not yet made an offer to you to acquire the Elliott and that any negotiations on the Conservation Easement will be dependent upon such an offer being made and accepted.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Ingersoll". The signature is fluid and cursive, with the first name "Mark" being more prominent than the last name "Ingersoll".

Mark Ingersoll, Chair  
Tribal Council

**SCHEDULE I.A.16**

**New**

Douglas County Board of Commissioners Holder of Easement in Gross  
(Attached hereto)

Mr. Toby A. Luther  
President & CEO  
Lone Rock Timber Management Company  
2323 Old Highway 99 South  
P. O. Box 1127  
Roseburg, OR 97470-0257  
E-Mail: [TLuther@lrtco.com](mailto:TLuther@lrtco.com)

**CONFIDENTIAL-- Elliott Forest Acquisition Plan—Lone Rock Timber Management Company Lead Participant/Easement in Gross/Douglas County**

Dear Mr. Luther:

The County understands Lone Rock Timber Management Company, The Cow Creek Band of Umpqua Tribe of Indians, The Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians, with the support and advice of The Conservation Fund, Dr. John Gordon, the College of Forestry at Oregon State University, the Oregon Department of Forestry, The Confederated Tribes of Siletz Indians and The Confederated Tribes of the Grand Ronde submitted their Elliott Forest Acquisition Plan (“Plan”) on November 15, 2016 to the Oregon Department of State Lands.

The County reviewed the Plan and the December 13, 2016 agenda and meeting minutes of the State Land Board. Those minutes contain this statement by the State Land Board:

*Economic benefits are proposed to be enforced through an easement in gross instead of the suggested deed covenant. While the suggested structure for an easement in gross was provided in the Plan, a holder of these rights was not definitively identified. Identifying a holder of the easement in gross appropriate to adequately address the economic benefits promised.*

The County reviewed Schedule II.B of the Plan which included by way of a separate attachment, a draft copy of the proposed Easement in Gross.

The County is committed in principle to assuming the role of the holder of the Easement in Gross and the County Board of Commissioners authorized [\_\_\_\_\_], with the advice and counsel of the County Counsel, to proceed to negotiate the final terms of the Easement in Gross. Reaching final agreement on those terms is a condition precedent to a binding commitment by the County to serve as the holder of the Easement in Gross. The County does not foresee any material obstacles to reaching a final agreement.

The County understands the State Land Board has not yet made an offer to you to acquire the Elliott Forest and that any negotiations on the Easement in Gross will be dependent upon such an offer being made and accepted.

Thank you and please call me with questions.

Douglas County

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



College of Forestry – Office of the Dean  
Oregon State University, 109 Richardson Hall, Corvallis, OR 97331-5704  
Phone 541-737-1585 | Fax 541-737-2906 | [www.forestry.oregonstate.edu](http://www.forestry.oregonstate.edu)

January 30, 2017

Mr. Toby A. Luther  
President & CEO  
Lone Rock Timber Management Company  
2323 Old Highway 99 South  
P. O. Box 1127  
Roseburg, OR 97470-0257  
E-Mail: [TLuther@lrtc.com](mailto:TLuther@lrtc.com)

**CONFIDENTIAL**

**Elliott Forest Acquisition Plan: Lone Rock Timber Management Company Lead Participant/Easement in Gross/College of Forestry**

Dear Mr. Luther:

The Oregon State University College of Forestry (“College”) understands Lone Rock Timber Management Company, The Cow Creek Band of Umpqua Tribe of Indians, The Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians, with the support and advice of The Conservation Fund, Dr. John Gordon, the College of Forestry at Oregon State University, the Oregon Department of Forestry, The Confederated Tribes of Siletz Indians and The Confederated Tribes of the Grand Ronde submitted their Elliott Forest Acquisition Plan (“Plan”) on November 15, 2016 to the Oregon Department of State Lands.

The College reviewed the Plan and the December 13, 2016 agenda and meeting minutes of the State Land Board. Those minutes contain this statement by the State Land Board:

*Economic benefits are proposed to be enforced through an easement in gross instead of the suggested deed covenant. While the suggested structure for an easement in gross was provided in the Plan, a holder of these rights was not definitively identified. Identifying a holder of the easement in gross appropriate to adequately address the economic benefits promised.*

The College reviewed Schedule II.B of the Plan which included by way of a separate attachment, a draft copy of the proposed Easement in Gross. The College understands that Douglas County (“County”) committed to be the holder of the Easement in Gross. The proposed Easement in Gross in the Plan provides as follows:

**Employment.** Grantor has identified the required jobs pursuant to an IMPLAN analysis. This jobs consist of not less than forty (40) Full-Time Jobs or a combination of Full-Time Jobs and part-time jobs which equal not less than forty (40) Full-Time Jobs. Upon thirty (30) days’ prior written request by the County to Grantor, Grantor will provide a copy of the IMPLAN analysis and any updates to the same since the last IMPLAN analysis was performed, which Grantor shall certify to be true and accurate. Grantor will not be required to report more than one time each

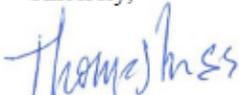
calendar year quarter. Grantor may omit personal information regarding the employees (names, addresses, social security numbers, etc.) to protect their confidentiality. County, at its option and upon ten (10) business days' prior written notice to Grantor, may audit Grantor's employment records to verify the accuracy of the IMPLAN analysis. The types of jobs created may vary from time to time such that there may be more employees performing certain types of jobs and less employees performing others as long as the IMPLAN analysis supports an aggregate total of the jobs of at least 40 Full-Time Jobs. If at least (40) Full-Time Jobs are not supported at any time by the most current IMPLAN analysis then County and Grantor agree to meet and approve a plan to increase Full-Time Jobs to meet such threshold and each party agrees to exercise good faith efforts to approve and implement that plan

**Independent Auditor.** County may retain an independent third-party auditor to audit the employment records of Grantor four (4) times during the Term to verify the required job creation and the maintenance of those jobs during the Term as set forth in Section 2 and to enter the Property to verify such employment (hereinafter the "**Permitted Activities**"). Grantor agrees to reimburse County for the cost of the independent third-party auditor not to exceed \$5,000 for any such audit. Harvest levels are reported to the Oregon Department of Revenue for tax purposes each year by Grantor and Grantor will upon request share those reports with County with the goal of eliminating the need for the audits if County is satisfied that the harvest amounts sufficiently support the employment requirements in this Easement.

The College is committed in principle to annually provide an independent report to the County, and provide a copy to the Company, documenting the annual job creation using the IMPLAN analysis. Reaching agreement on those terms of service is a condition precedent to a binding commitment by the College to provide the reporting in accordance with the terms of the Easement in Gross. The College does not foresee any material obstacles to reaching a final agreement.

The College understands the State Land Board has not yet made an offer to you to acquire the Elliott Forest and that any negotiations between the Company and the College will be dependent upon such an offer being made and accepted.

Sincerely,



Thomas Maness  
Cheryl Ramberg-Ford and Allyn C. Ford Dean  
Director, Forest Research Laboratory

**SCHEDULE I.A.17**

**New**

Sample public access permit documents for public access to Lead Participant's other timberlands—form was modified from Lead Participant's current form.

(Attached hereto)



Sample Permit Form<sup>2</sup>

**LONE ROCK TIMBER MANAGEMENT CO.**

P.O. BOX 1127 \* ROSEBURG, OR 97470

TELEPHONE: 541-673-0141

FAX: 541-440-2516 or 541-440-1573

**Access permit**

This permit allows \_\_\_\_\_ (Permittee) access as identified below to the following property:

T\_\_\_ R\_\_\_ Sections \_\_\_\_\_.

It is understood that this is an active forest management area and as such likely to have industrial and commercial activities, including the use of chemicals, occurring while permittee is on the property. User agrees to hold Lone Rock Timber Management Co. and affiliates harmless for any injuries or damages that may occur while exercising the privileges granted by this permit. Permittee shall follow all rules and regulations pertaining to property. User will be liable for any and all damages to property as a result of their use, including the fire, trespass, and environmental degradation.

This permit is good only \_\_\_\_\_ 20\_\_\_\_\_.

- **No smoking on LRT land**
- **Permission may be revoked if fire weather changes**
- **Do not block gates**
- **Do not go on other landowners without permission**

**Permitted Uses:**

- Unrestricted use.**
- Access by foot and non-motorized vehicles.**
- Access by motorized vehicle.**
- Hunting / Fishing**
- Harvesting of Secondary Forest products - \_\_\_\_\_**
- Other \_\_\_\_\_**

I have read and agree to the conditions of this permit:

Date: \_\_\_\_\_ Signature \_\_\_\_\_ Issued by: \_\_\_\_\_

Lone Rock Timber Management Co.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

<sup>2</sup> Example only

Address

---

Phone

**DRAFT RECREATION PERMIT AND ACCESS AGREEMENT  
TERMS, RULES AND REGULATIONS**

THIS RECREATION PERMIT AND ACCESS AGREEMENT is between [ ] (“Permittee”) and Lone Rock Timber Management Company (“LRTM”).

Valid from [ ] to [ ]. Permit Area Description: SEE ATTACHED MAP.

Permittee must read, understand, and accept all of the terms of this Agreement (the “Agreement”) and acknowledge acceptance by signing and dating this Agreement at the bottom of this form. After the Permit has been processed successfully, Permittee will then be issued an access permit (the “Permit”) which will become valid upon Permittee’s receipt of the Permit and an official acceptance notice from LRTM.

1. Compliance with Laws, Terms, Rules, and Regulations. This Permit grants to Permittee and others described below the right to recreate on the property managed by LRTM as depicted on the map attached hereto as Exhibit A (the “Permit Area”). In exchange for such recreational access, Permittee agrees to comply with all federal, state, and local laws and regulations while on LRTM managed Property. Permittee further agrees to comply with all of the terms, rules, and conditions stated in this Agreement and on the Permit, as well as any special provisions or addenda that are made part of this Agreement or the Permit (collectively, the “Permit Rules”). LRTM reserves the right to modify or supplement the Permit Rules at any time upon reasonable notice to Permittee. Permittee agrees to comply with all instructions given by LRTM representatives or law enforcement.

2. Permit Term and Access. This Permit is valid only for the period set forth above, unless terminated earlier for violation of the Permit Rules. Motorized vehicle access to and from the Permit Area is allowed only through the access points identified on the map attached as Exhibit A. These entry points may change due to active operations. Updates will be provided of any changes.

3. Personal, Family Use Only. Permittee agrees that the Permit is valid for personal recreational access on the Permit Area only. No commercial activities or uses are permitted. Access and use of the Permit Area is granted in an “as-is” condition and no additional accommodations, amenities, products or services will be provided to Permittee under any circumstance by LRTM or its affiliates. This Permit may be used only by the Permittee, his or her legally married spouse, registered domestic partner (legally married and domestic partners are hereinafter and hereinbefore called “spouse”), and their children or grandchildren 18 years of age and under as of the date the Permit is applied for and who are in the accompaniment of the Permittee and/or spouse while on the Permit Area. No other persons are covered or authorized by this Agreement or the Permit. Permittee represents that he or she is at least 18 years of age as of the date of this Agreement. All persons accompanying Permittee on the Permit Area must also adhere to the Permit Rules.

4. Permit, Hang Tag, Identification. Permittee agrees and understands that the Permit must be displayed and/or in the possession of the Permittee and/or spouse at all times while on the Permit Area. The Permit and photo identification must be shown upon request by a LRTM representative (including security) or law enforcement officer. The Permit provided by LRTM must

be displayed in the Permittee's vehicle at all times while on LRTM property.

5. Dangerous, Primitive Conditions, Industrial and Other Activities. PERMITTEE ACKNOWLEDGES AND UNDERSTANDS THAT:

- a) the Permit Area is unimproved timberland used primarily for the growing and harvesting of timber and other forest products;
- b) conditions on the Permit Area can be dangerous and roads are primitive and unsigned;
- c) other hazards may exist throughout the Permit Area that are unmarked and not readily apparent;
- d) roads may be used at any time by logging trucks, rock trucks, other heavy logging and forestry equipment and forest management vehicles that may be used after dark for wildlife surveys;
- e) areas of the Permit Area may be subject to logging activities, including tree cutting and other dangerous activities; other forest management activities, including, without limitation, aerial fertilizing, herbicide spraying using ground and aerial methods (both helicopters and fixed wing aircraft) may occur;
- f) inherently dangerous activities, including, but not limited to, hunting, will occur on the Permit Area;
- g) maps provided by LRTM are for Permittee's convenience only, may contain or reference information provided by third parties, the accuracy of which has not been confirmed by LRTM, and such maps may not be relied upon by Permittee for navigation purposes;
- h) the Permit Area is remote, in some cases without cellular phone service or other means to summon medical aid should the same be needed, and weather and road conditions are subject to change with little or no warning;
- i) LRTM makes no representations or warranties concerning the fitness, suitability or safety of the Permit Area for any recreational uses made thereon under this Permit; and
- j) use of the Permit Area is non-exclusive; there may be other permittees in the Permit Area at any time; bullying, harassment, or interference with the reasonable enjoyment of other permittees is strictly prohibited.

6. Assumption of Risk and Waiver of Liability Claims. PERMITTEE AND HIS/HER SPOUSE, FOR THEMSELVES AND FOR ANY CHILDREN OR GRANDCHILDREN ENTERING THE PERMIT AREA UNDER THE TERMS OF THIS PERMIT, EXPRESSLY ASSUME ALL RISKS associated with the Permit Area that are related in any manner whatsoever to their activities on the Permit Area, including without limitation, all risks related to the condition of the Permit Area, including but not limited to those items identified in Section 5 above, conducted by or on behalf of LRTM, its subsidiaries, contractors, or other permittees. PERMITTEE HEREBY EXPRESSLY WAIVES ALL CLAIMS against LRTM, its subsidiaries and affiliates, and any of their permittees, contractors, employees, officers and directors, and other agents for personal injury, including death, or damage to property in connection with 1) the rights granted by this Permit; and 2) the condition of the Permit Area, including without limitations the roads and other improvements and all other elements and hazards of the Permit Area. PERMITTEE ACCEPTS AND ASSUMES THE RISKS ASSOCIATED WITH THE HAZARDS AND CONDITIONS ON THE PERMIT AREA.

7. Automobile Insurance. Permittee agrees and represents that he or she has adequate vehicle insurance as required by state law for the vehicles identified on the Permit and that it is a valid and existing policy of insurance that will not be cancelled during the period covered by this Permit.

8. No Transfer. Permittee agrees that this Permit may not be sold, gifted, or transferred in any way to any other party.

9. Termination. This Permit may be terminated by LRTM at any time, in LRTM's sole discretion, for any violation of the Permit Rules or the terms of this Agreement by Permittee or anyone accompanying Permittee. Permittee further agrees and understands that violation of the Permit Rules may result in LRTM's denial of future permit applications.

10. Vehicles. Motorized vehicles used to access the Permit Area are allowed to access the Permit Area only and must be licensed, street legal and have a properly functioning exhaust system. During fire season, all vehicles must have appropriate fire prevention tools including a fire extinguisher, shovel and axe. Vehicles larger than one ton are prohibited.

11. Driving. Permittee and anyone operating a motor vehicle on the Permit Area must be licensed to drive and no one may drive in the Permit Area without a valid driver's license.

12. Closure of Permit Area. LRTM reserves the right to close the Permit Area in case of extreme fire danger or other extreme conditions, including without limitation any conditions that may cause excessive damage to roads. Areas where active logging, road construction, or other commercial operations or forest management are underway are strictly off-limits and must be avoided by Permittee at all times, whether such areas are signed or not. Permittee must obey all signs on the Permit Area.

13. Hunting License. If Permittee wishes to hunt on the Permit Area, he/she must do so within lawfully established hunting seasons and only when in possession of a lawful Oregon State hunting license and all required tags or permits. No target shooting is permitted.

14. Vehicle Travel. Any authorized travel by motorized vehicle on the Permit Area shall be limited to rocky roads.

15. Fireworks. No fireworks are permitted on the Permit Area at any time.

16. Smoking. No smoking is allowed outside the cab of a motor vehicle. Smoking is prohibited during fire season or when signs otherwise appear prohibiting smoking.

17. Alcohol/Drugs. Permittee shall not use or possess alcohol, be under the influence of alcohol, use or possess drugs that are illegal under state or federal law while on the Permit Area.

18. Pets. Dogs and other domestic pets must be kept in Permittee's control at all times.

19. Boundaries of Permit Area. Permittee must familiarize himself/herself of the location of the boundaries of the Permit Area and not cross beyond the boundaries. Activities outside the Permit Area will be considered a trespass and violation of the Permit Rules.

20. No Dumping Allowed. No littering, dumping or burying of garbage is permitted. Pack it in and pack it out. Permittee will not possess or dispose of any hazardous substance on the Permit Area.

21. Driving. Be alert for oncoming traffic, including heavy trucks and equipment.

Logging and forest management traffic has the right-of-way; be prepared at all times to yield to them. Drive safely at all times, with driver and all passengers secured with seat belts at all times. Permittee must be able to stop within one-half of his or her sight distance. Permittee must report all accidents to LRTM within 24 hours of occurrence.

22. Damage to Natural Resources. No cutting of or injury to any trees, shrubs or other forest products is allowed. Do not place any nails, screws, or other metal objects in trees. If Permittee violates the foregoing requirements, Permittee agrees to pay LRTM three times (3x) the value of the trees cut or injured. There shall be no rock collecting, gold panning, prospecting or archeological artifact disturbance permitted on the Permit Area. No collection of environmental or biological data or material is permitted without additional LRTM permissions.

23. Laws. The Permit is governed by and shall be construed under the substantive law of the State of Oregon.

24. Special Provisions.

25. Acknowledgment. By signing below, Permittee: 1) represents that he/she and his/her spouse have read the foregoing Agreement and Permit Rules, understand them, agree to abide by them at all times, and will ensure that all persons accompanying Permittee also abide them; and 2) acknowledges that he/she understands and agrees that any violation of the Permit Rules shall entitle LRTM to terminate this Permit, and to deny future permit applications in LRTM's sole discretion.

**Permitted Uses [check each box you are applying for]:**

- Unrestricted use.**
- Access by foot and non-motorized vehicles.**
- Access by motorized vehicle.**
- Hunting / Fishing.**
- Harvesting of Secondary Forest products - \_\_\_\_\_.**
- Other \_\_\_\_\_.**

PERMITTEE:

**I have read and agree to the conditions of this Permit:**

Date: \_\_\_\_\_

NAME: \_\_\_\_\_

Signature: \_\_\_\_\_

Address:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Phone Number (\_\_\_\_\_) \_\_\_\_\_

E-mail address: \_\_\_\_\_

Driver's License No. \_\_\_\_\_

Motor Vehicle License No. \_\_\_\_\_

ACCEPTED:

Lone Rock Timber Management Co.

By: \_\_\_\_\_

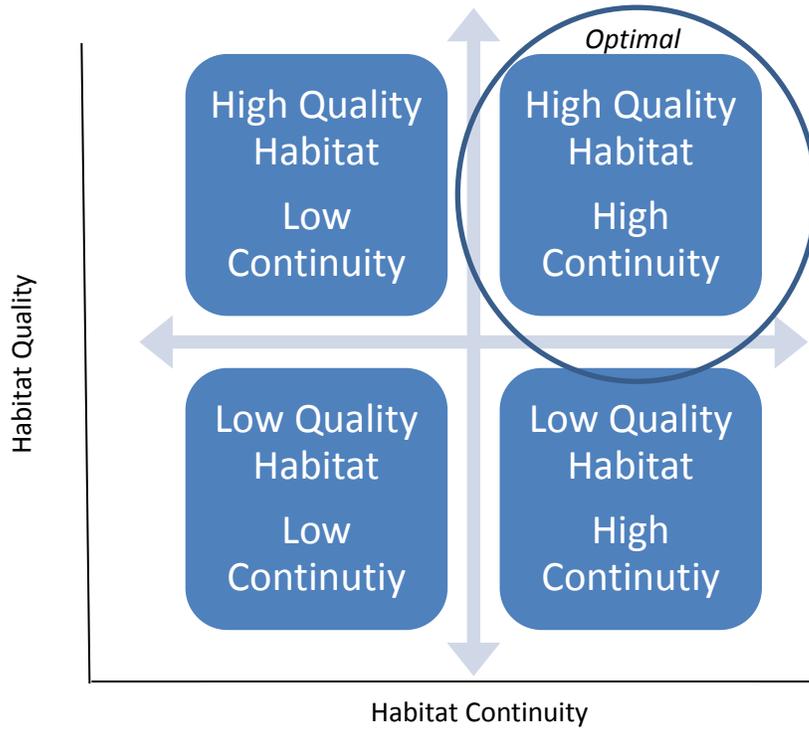
Date: \_\_\_\_\_

Exhibit A – Permit Area

**SCHEDULE I.A.18**  
**New**  
Mature Forest Optimization  
(Attached hereto)

**Mature Forest Optimization on the Elliott**

**Intent:** Develop large blocks of structurally complex/mature stands that provide high quality habitat over time.



**SCHEDULE I.A.19**  
**New**  
Riparian Management Areas  
(Attached hereto)

## **RIPARIAN MANAGEMENT AREAS**

### **Goal**

The primary goal of riparian management is to provide self-sustaining streamside forests that will ensure the desired conditions of riparian resources on the Elliott Forest for the future.

### **Management Actions**

The desired future riparian condition (DFC) along streams, is the natural condition that existed prior to mature forest harvest. This condition is generally characterized by stands that have developed an increased level of structural complexity. The development of large overstory trees, increased decadence, accumulation of large downed wood and the reestablishment of moss and lichen communities are characteristic of this condition. Vertical and horizontal diversity develops as shade-tolerant trees grow into the overstory canopy. Overstory crowns deepen and gap formation increasingly affects the diversity (heterogeneity) of the stands in this condition. Management of riparian areas will be implemented with the end goal of achieving the DFC.

The historic riparian conditions on the Elliott vary across the landscape depending on site class and natural disturbance frequency. Typically these stands were multi-storied with a relatively high density of mature trees. These stands maximized riparian functions such as large woody debris (LWD) inputs, shade, litter fall and attaining uniform local climates (microclimates).

In order to promote the DFC, riparian management areas (RMAs) will be established immediately adjacent to waterways for the purpose of protecting aquatic and riparian resources and maintaining the functions and ecological processes of the waterways. Within these areas, special management considerations and operational restrictions will be applied.

The width of the RMA will vary depending upon topography, vegetative cover, the needs of harvesting design and the needs for aquatic and wildlife habitat. This is assumed to average at least the minimum riparian management standard, measured using slope distance on each side of the stream. Boundaries of the RMAs need not be formed by straight lines. The width of these areas may be expanded, if necessary, to fully encompass certain sensitive sites.

The RMAs along streams will be divided into the following two management areas: the Inner Riparian Management Area (IRMA), and the Outer Riparian Management Area (ORMA). The differences between these two areas are defined below.

**IRMA** — The IRMA is the land closest to the stream, including the stream banks. Vegetation within this zone contributes substantially to desired riparian functions, including providing aquatic shade, delivering a high proportion of the potential large wood available, sediment filtration, and contributing organic inputs to the stream.

Vegetation within this area also provides some protection to certain aspects of the riparian micro-climate. Because vegetation in this zone has a relatively greater role in supporting riparian functions and processes, a high priority is being placed on protecting this area. The

**IRMA** extends from 0 feet to 40 feet from the stream.

**ORMA** — the ORMA is the portion of the riparian management area farthest away from the stream. Vegetation within this area may still contribute to certain riparian functions and processes, but to a lesser extent than the IRMA. The primary functions provided by vegetation in this area are to provide additional contributions of large wood to the riparian zone, and additional shade. The ORMA extends from the edge of the IRMA at 40 feet out to 120 feet from the stream.

**RIPARIAN STANDARDS** — will be finalized as part of the conservation easement process with CTCLUSI. Riparian standards on SSBT streams will exceed the Oregon Forest Practice rules while allowing for restoration practices that meet the riparian objectives and/or promote the Desired Future Conditions. Management actions implemented within riparian areas will be for enhancement purposes only. Company will work with additional stakeholders (i.e. Watershed Councils) to identify and prioritize projects within Riparian Areas.

### **Timber Management**

- With the exception of implementing instream restoration projects, neither conduct nor allow timber harvest, including fuel wood cutting, in the IRMA portion of the RMA on SSBT streams.
- Neither conduct nor allow timber harvest, including fuel wood cutting, in ORMA portion of the RMA on SSBT streams except for restoration purposes. (i.e., removing dense stands of salmonberry from the stream bank and replacing with mixed conifers to support long-term LWD inputs, thinning dense stands to promote structural complexity and understory development - see basal area requirements, and/or planting additional native species to increase diversity).
- Where catastrophic events such as fire, flooding, volcanic, wind, or insect damage result in degraded riparian conditions, allow salvage and fuel wood cutting, if needed, to meet the DFC. Reforest with a mix of native species following disturbance.
- Apply non-commercial silviculture practices for RMAs to acquire desired vegetation characteristics needed to attain the DFC.

### **Fire and Fuels Management**

- Design fuel treatment and fire suppression strategies, practices and activities to meet DFC goals and to minimize disturbance of riparian ground cover and vegetation. Strategies will recognize the role of fire in ecosystem function and identify those instances where fire suppression or fuel management activities could be damaging to long-term ecosystem function.
- Locate incident bases, camps, helibases, staging areas, helispots and other centers for incident activities outside of RMAs. If the only suitable location for such activities is within the RMA, an exemption may be granted following a review and recommendation by a resource advisor. The advisor will prescribe the location, use conditions and rehabilitation requirements.
- Design prescribed burn projects and prescriptions to contribute to attainment of DFC goals.
- Suppress wildfire to avoid loss of habitat and to maintain future management options.

## **General Riparian Management**

- Fell trees when they pose a safety risk. Keep felled trees onsite when needed to meet objectives for coarse woody debris retention.
- Locate water drafting sites to minimize adverse effects on stream channel stability, sedimentation, in stream flows needed to maintain riparian resources, channel conditions and fish habitat.

## **Riparian Restoration**

- Design and implement riparian restoration projects in a manner that promotes long-term ecological integrity of ecosystems, conserves the genetic integrity of native species and attains DFC goals and objectives.
- Cooperate with federal, state and local agencies, watershed councils, and private landowners to develop coordinated resource management plans or other cooperative agreements to meet DFC goals.
- Prevent habitat degradation rather than relying on mitigation measures or planned restoration.