

Effective Date: June____, 2016
Expiration Date: December 31, 2021

TEMPORARY LICENSE AGREEMENT – ROAD USE

THIS LICENSE AGREEMENT entered into as of the date set forth above, by and between GIUSTINA RESOURCES, LLC, an Oregon Limited Liability Company, hereinafter called "Licensor," and the UNITED STATES OF AMERICA, acting through the FOREST SERVICE, DEPARTMENT OF AGRICULTURE, hereinafter called "Licensee."

RECITALS

- A. Licensor owns and/or manages certain land and timber located in Township 16 South, Range 05 East, Section 13, Willamette Meridian, in Lane County, Oregon ("Property").
- B. Licensee plans to sell certain timber located in the N1/2 of the NW1/4 of Section 13 and the NE1/4 of the NE1/4 of Section 14, both in Township 16 South, Range 05 East, in Lane County, Oregon, as part of the "W" Timber Sale, under contract which will be administered by the McKenzie River Ranger District, and desires access across the Property in order to manage and remove said timber.
- C. Once Licensee sells and contracts the "W" Timber Sale, the party who purchases and subsequently performs the harvest, removal and haul of timber from Licensee's "W" Timber Sale shall hereinafter be called "Purchaser." Purchaser shall become a third party to this Agreement with its acceptance of the terms and conditions of this Agreement.
- D. Licensee and Purchaser desire access and/or use of the Property for the purposes set forth herein.

WHEREAS, Licensor is willing to grant said access/use subject to the terms and conditions set forth herein,

NOW THEREFORE, the parties hereto do mutually agree as follows:

1. Grant of License. Licensor hereby grants to Licensee and Purchaser a non-exclusive right, license and permission to use existing roads as shown on the attached map marked Exhibit A ("Exhibit A") located on the Property for the hauling of approximately 1,250 MBF of timber from the "W" Timber Sale. Additionally, Licensee and Purchaser shall have administrative and management access as needed for pre-sale, active-sale, and post-sale activities associated only with the "W" Timber Sale. This License is subject to all existing easements, licenses, exceptions, and other encumbrances. The permission granted to Licensee and Purchaser is limited to Property owned by Licensor. Licensor makes no representation or warranty as to the present or future conditions of its Property or the character of the traffic on any of the Property roadways ("Road(s)"), and Licensee and Purchaser both assume all risks associated with their respective activities thereon. For the purposes of this Agreement, "Licensee" shall mean Licensee and its employees, agents and contractors (excluding the Purchaser), and "Purchaser" shall mean Purchaser and its employees, agents and contractors.

2. Title to Property. Except as expressly granted to Licensee and Purchaser in writing under this Agreement, title to the Property, including the existing Roads, and all logs, plants, animals or other resources derived therefrom, shall and at all times will remain in Licensor, subject to the rights granted to Licensee and Purchaser herein.
3. Road Maintenance and Repairs. Road maintenance shall be as follows:
 - 3.1 Licensee (and/or Purchaser) Use Only. If the Road is used by Purchaser, and not by Licensor (no simultaneous haul), then Purchaser shall maintain the Road during its use thereof, at its sole cost and expense. Except as set forth herein, Licensee and Purchaser shall maintain the Road in as good of a condition as existed prior to its use and to reasonably protect the Road from adverse weather. Any patch rocking (soft spots) shall use 3"-0 rock. Purchaser shall place/process at least two loads (10 yards each) of ¾"-0 starting from North Bank Road (paved county road) up through access gate (approximately 400' in length) after all timber hauling and equipment moves are complete. Licensee and Purchaser shall return the Road to substantially the same condition as existed immediately prior to its use on or before the Expiration Date.
 - 3.2 Repair. Any party who causes damage to a Road by failure to maintain (if required) or through negligence shall be solely responsible to repair the damage.
4. Road Renovation. Licensor hereby grants Purchaser the right to renovate an existing road as shown and labeled on Exhibit A of this Agreement. In addition to normal renovation requirements to get the road to a haul-able state, Purchaser shall blade/scape cut/fill slopes free of brush and grass vegetation (down to the soil). Plantation trees shall remain untouched, except for any limbing/brush cutting reasonably required for safe travel. In most areas, 10-15' on each side of the existing 10-12' wide roadway [the road shoulders] should be sufficient for these purposes. Existing stumps as of the date of this Agreement need not be removed. The intent of the foregoing shall be to reduce the risk of wildfire spread along the road (powerline R/W) by minimizing ground fuels. No timber exists along this road segment, but Purchaser shall minimize damage to Licensor's plantation. This road segment shall be left as a native surface, out-sloped, seasonal use road. Licensee and Purchaser further acknowledge and agree that any road on the Property that Purchaser constructs, reconstructs, renovates, or improves shall be owned by Licensor and title to such road shall at all times remain with Licensor, subject to Licensee's and Purchaser's right to use the road as provided in this Agreement. Purchaser shall submit a Notification of Operations Permit with the Oregon Department of Forestry ("ODF") for the renovation of such road across the Property.
5. Tailholds and Landings. Purchaser shall not use Licensor's trees for tailholds or to construct landings for loading logs, nor yard logs on such Road, without express written permission from Licensor.
6. Consideration. Purchaser shall pay to Licensor a road use fee as follows: **\$0.50/MBF (net).** A sum of \$625.00 shall be paid prior to use or hauling based on the estimated haul volume of 1,250 MBF. Any road use fee due from additional haul volume shall be made upon final haul completion. A request for report of scale tickets or load volumes hauled on Licensor's Road(s) may be requested by Licensor and shall be provided within ten (10) days of such request. No refund shall be made in the event that final haul volume totals less than the original estimated amount.
7. Compliance with Licensor Rules. When accessing/using the Property and Roads, Licensee and Purchaser shall comply with easements, right-of-ways, permits, and safety and road

- regulations of Licensor and applicable laws. Such regulations shall be uniformly applicable to all users of the Property and Roads.
8. Equipment. Licensee's or Purchaser's equipment operating upon the Property shall be maintained in a good and safe condition and shall be operated cautiously to minimize accidents or hazards. No equipment shall be left unattended or parked on the Property without specific written permission from Licensor.
 9. Inspection. Licensee or Purchaser shall inspect the Property and notify Licensor of any conditions not suitable for the Licensee's or Purchaser's designated purpose prior to accessing the Property. In absence of such notification, Licensee and Purchaser hereby agree that all conditions, including Roads, are suitable for Licensee's or Purchaser's use.
 10. Suspension. Licensor may suspend the access/use of such Property and/or Roads during periods when forests are closed by lawful authority or when, due to weather conditions, unrestricted use could cause excessive damage. Any suspension shall be applicable to all users. Licensor shall also have the right to suspend access/use of such Property/Roads when it reasonably believes that, under the circumstances, use would pose an immediate risk of danger to persons or property or may violate any applicable laws, rules or regulations. Notwithstanding any other provision of this Agreement, Licensee and Purchaser shall cease and suspend all access/use when an extreme fire hazard or risk exists, including low humidity ($\leq 30\%$ R.H.) shutdown and/or IFPL 4 Shutdown on ODF protected lands.
 11. Slash and Debris. Licensee and Purchaser shall not permit slash or other debris from its activities to fill in or close the ditches or culverts of the Roads. Prior to the expiration or termination of the Agreement, Licensee or Purchaser shall clean up and remove from the Property all debris, refuse and waste material which may have resulted from Licensee's or Purchaser's use. On-site disposal of waste, including, but not limited to, packaging material, whether by burning, burying or otherwise, is specifically prohibited.
 12. Compliance with Laws. Whenever Licensee or Purchaser exercises any rights granted herein, it shall comply with all applicable laws, rules, and regulations and shall take every reasonable precaution to safeguard timber, immature forests and other property of Licensor from fire or other damage. When requested by Licensor or by applicable laws, Purchaser will hire competent firewatch and security personnel equipped with adequate means to communicate emergencies and/or to report a forest fire. The firewatch and security personnel will have keys to open gates at all times. In the event of fire, Licensor shall be notified immediately after notifying the Oregon Department of Forestry and Licensee and Purchaser shall make efforts to suppress or contain the fire.
 13. Gates. Licensee and Purchaser shall also insure that gates are locked each evening and on the weekends when Licensee or Purchaser is not actively using the Property. Licensee and Purchaser shall also leave the Property in good and safe condition, free from waste or unsightly condition, all to Licensor's satisfaction.
 14. Insurance. Before exercising any rights under this Agreement, Purchaser shall at its expense procure and maintain in full force, until it has been released from all its obligations incurred by or resulting from this Agreement, the policies of insurance set forth below:
 - 14.1 Comprehensive General Liability insurance written on an occurrence basis providing coverage for a combined single limit for Bodily Injury and Property Damage, of at least \$1,000,000 for each occurrence and \$2,000,000 aggregate. This policy must

provide coverage for Premises-Operations, Independent Contractors, Broad Form Property Damage, Contractual Liability, and Products & Completed Operations (which shall be maintained for a period of not less than six years after substantial completion of the project or the statute of limitation, whichever is greater). Explosion, Collapse and Underground Exclusions must be deleted when applicable to Services performed by Contractor. Policy must have an endorsement providing that the general aggregate limit applies separately to the Services. Contractor's General Liability policy shall contain a waiver of subrogation.

- 14.2 Automobile liability insurance covering all motor vehicles utilized by Purchaser in connection with Purchaser's activities in the amounts not less than the following:
 - (a) Bodily injury or death - \$1,000,000.00 for injury to any one person, and \$1,000,000.00 for any one occurrence.
 - (b) Property damage - \$1,000,000.00 for any one occurrence.
 - 14.3 Loggers' Broad form Property Damage, including firefighting expense, with a limit of not less than \$1,000,000.
 - 14.4 Workers' compensation insurance to the extent and in the manner required by law.
 - 14.5 All such insurance policies shall be obtained from an insurer which is duly authorized to do business in the State of Oregon and is registered pursuant to Oregon statutes and which is rated "A" or better as defined in the then current edition of Best's Insurance Reports (or the equivalent thereof if Best's Insurance Reports is no longer published).
 - 14.6 Purchaser shall not cancel or modify the coverage or reduce the limits without giving Licensor at least thirty (30) days written notice prior to such proposed cancellation, modification, or reduction in limits.
 - 14.7 Each such insurance policy shall contain an endorsement providing substantially as follows:

"Should any of the described policies be canceled or the coverage or limits reduced before the expiration date thereof, the issuing company will mail thirty (30) days written notice to Giustina Resources, LLC, P.O. Box 529, Eugene, Oregon 97440-0529."
 - 14.8 Before entering the Property, Purchaser shall deliver to Licensor a certificate from the insurer evidencing the insurance coverages and endorsements required by this Agreement (including, but not limited to workers' compensation insurance).
 - 14.9 Licensor and Giustina Tree Farms Limited Partnership shall be named as an additional insured on all policies.
15. Performance Bond or Other Security. Before exercising any rights under this Agreement, Licensor requires a cash or surety bond of \$2,000.00, from Purchaser, as security for Purchaser's obligations to be performed hereunder. If Purchaser defaults in the performance of any obligation hereunder, Licensor may apply said sum to the extent necessary to reimburse itself in a sum equal to any damage sustained as a result of said default, including costs incurred for its reasonable attorneys' fees. If and when security for the performance of the terms of this Agreement or the settlement of claims incidental thereto is no longer necessary, and after satisfactory releases obtained from Licensor, the State, and the United States of America, or any other governmental body having jurisdiction, the balance remaining in this retainage shall be paid to Purchaser. Provided, however, if Purchaser fails to fulfill or perform the terms and requirements of this

Agreement, or make prompt settlement of claims incidental thereto, Purchaser agrees that all monies then being withheld by Licensor under the terms hereof may be applied by Licensor toward the satisfaction of the obligations of Purchaser hereunder, without prejudice to any other rights and remedies of Licensor.

16. Indemnity.

16.1 By Licensee: The United States Government is self-insured, and acting by and through the Forest Service, Department of Agriculture, (Licensee) and hereby agrees to bear any and all costs and liabilities of any kind related to the exercise of its rights under this License to the extent it may legally do so under the Federal Tort Claims Act (FTCA), 28 U.S.C. 2671 et seq., or any other act wherein Congress has specifically waived the sovereign immunity of the United States.

16.2 By Purchaser: Purchaser shall defend (with counsel reasonably acceptable to Licensor), indemnify and hold harmless Licensor from and against any and all suits, actions, proceedings, claims, environmental claims, trespass claims, demands, liens, charges, losses, damages, liabilities, costs, expenses (including reasonable attorney fees and expert witness and consultant fees) fines, penalties, settlements, judgments and decrees, of every nature or kind, whether or not involving a third party claim, which arise out of, or relate to, either directly or indirectly: (1) a breach of this Agreement by the Purchaser; (2) the violation of any statute, ordinance, regulation, law or order by the Purchaser or its employees, agents or contractors; (3) any negligent act, error or omission of the Purchaser or its employees, agents or contractors; (4) any fire caused by Purchaser or its employees, agents or contractors; and (5) the intentional or willful misconduct of the Purchaser or its employees, agents or contractors. The duty to defend shall be subject to the Indemnified Party's right to select defense counsel of its choice or to obtain independent counsel who shall have authority to participate in any suit or settlement proceedings

17. Prohibition Against Liens and Encumbrances. Purchaser shall not create, cause or permit to attach to the real or personal property (including timber) subject to this Agreement any lien, charge or encumbrance of any kind or nature.

18. Hazardous Materials. Licensee or Purchaser shall:

18.1 Not dispose or discard any dangerous, hazardous, or regulated products or materials including, but not limited to, petroleum products, anti-freeze, oil filters, grease tubes, etc., on the Property.

18.2 Inspect, on a daily basis, all equipment used by Licensee for hydraulic and fuel leaks, and ensure that any such equipment is repaired and properly maintained before entry upon the Property.

18.3 Immediately clean up and properly dispose of any and all leaks, spills, and overfills of any material or substance, including any contaminated soil, other than clean water.

18.4 Report all oil sheen on waters and all spills immediately to Licensor's designated representative and advise such person of the location, type of spill, and the steps to being taken to contain and control the spill.

18.5 Report all oil sheen on waters and all spills within two (2) hours to the responsible local agency.

19. Worker Protection - Herbicides. In the course of its forest management activities Licensor may, from time to time, apply EPA registered herbicides to forest lands and rights of way. Information about these herbicides is maintained in Licensor's office at 200 International Way, Springfield, Oregon and is available to any person who is working in close proximity to the treated area. To avoid accidental exposure, Licensees, their employees, contractors, Purchaser, and invitees are advised to remain in their vehicles when passing through recent clear-cuts or reforested harvest units.
 - 19.1 Twenty-four (24) hours or less prior to herbicide application, Licensor will verbally notify Licensee and/or post the area to be treated with herbicides if any person can reasonably be expected to walk within ¼ mile of the treated area during herbicide application or during the EPA required restricted-entry interval.
 - 19.2 Upon notification of herbicide application, Licensee shall convey this information to its employees, agents and contractors, and Purchaser.
20. Firearms and Weapons. Licensee or Purchaser shall not use or display firearms or weapons on Licensor's property while operating under this Agreement, exception is made to USDA Forest Service Law Enforcement and Investigation personnel acting in their official capacity.
21. Default - Termination. Prior to the Expiration Date of this Agreement, or any Exhibit, this Agreement may be terminated as follows:
 - 21.1 Without Cause. By Licensor, without cause, by giving written notice of such termination to the Licensee at least thirty (30) days prior to the date upon which said termination becomes effective.
 - 21.2 For Cause. If Licensee or Purchaser is in default of this Agreement as determined by Licensor in its sole but reasonable discretion, Licensor reserves the right to immediately suspend this Agreement while such default continues. In the event Licensor suspends the Agreement, it shall provide a notice at the time Licensee's and Purchaser's access is suspended setting forth Licensee's or Purchaser's default and allowing Licensee or Purchaser three (3) days to cure the same. In the event Licensee or Purchaser fails to cure the default within three (3) days from the date of Licensor's notice, Licensor shall have the right to immediately terminate the Agreement after the third day, and shall have the right to pursue any remedy at law, in equity, or otherwise for such default. For the purposes of this Section 21.2, notice may be given verbally or in writing.
 - 21.3 Emergency. Licensor may terminate this Agreement at any time, without notice, in the event that continuation would create an unreasonable risk of harm to persons or property.
 - 21.4 Effect of Termination. If this Agreement is terminated, all obligations accruing prior to the effective date of termination which have not yet been performed or satisfied shall survive the termination.
22. Extension. Licensee shall formally submit a request letter for extension of this Agreement 30 days prior to the Expiration Date. Licensor shall extend this Agreement in yearly increments in the form of a formal response letter or amendment. No more than three yearly extensions shall be made, provided Licensee provides sufficient reasoning of the need for each extension.
23. Rights Reserved to Licensor. Licensor reserves the right to use the Property subject to this License and other property owned by Licensor.

- 24. Recording. Licensee (or Purchaser) shall not record this Agreement in any public records unless expressly agreed to in writing by Licensor.
- 25. Assignment. The rights granted herein are not assignable without the prior written consent of the Licensor. Any attempted or purported assignment or transfer hereof without such prior written consent shall be void and of no force.
- 26. Relationship of Parties. This Agreement is not intended to create and shall not be construed to create any partnership, agency or association for profit between the parties, and any liabilities hereunder shall be several and not joint. Licensee is an independent contractor in the performance of each and every term and condition of this Agreement.
- 27. Modification/Further Assurances. This Agreement may not be modified except in writing signed by all parties. The parties agree to execute any additional documents reasonably necessary to effectuate the provisions and purposes of this Agreement.
- 28. Interpretation/Enforceability. Each party acknowledges that it and its legal counsel have had the opportunity to review 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. If any provision of this Agreement is held to be invalid or unenforceable, such provision shall not affect or invalidate the remainder of this Agreement, and to this end, the provisions of this Agreement are declared to be severable.
- 29. Notices. Except as otherwise provided herein, all notices shall be in writing and shall be personally delivered, sent by certified mail, return receipt requested, by commercial overnight delivery service, or by facsimile. All notices shall be effective upon delivery. Such notices shall be addressed as follows:

To Licensor

- If by mail: Giustina Resources, LLC
P.O. Box 529
Eugene, OR 97440-0529
- If personally delivered: Giustina Resources, LLC
200 International Way
Springfield, OR 97477
- If by facsimile transmission: Giustina Resources, LLC
Attn: Forestry Operations Manager
(541) 485-2050

To Licensee

- If by mail/personally delivered: _____

- If by facsimile transmission: _____

Provided, that these addresses may be changed by either party giving written notice thereof.

Sale name: W

- 30. Entire Agreement/No Waiver. This Agreement, including Exhibits, contains the entire agreement between the parties and supersedes all prior written and oral agreements. No waiver by Licensor of any violation, default, or breach of this Agreement or any provision thereof shall operate as a waiver of any subsequent violation, default, or breach, or of the right of Licensor to require strict performance.
- 31. Governing Law & Venue. The validity, construction, and performance of this Agreement shall be governed by and construed in accordance with the laws of the state of Oregon. The parties agree to submit to the jurisdiction of any federal court within such state in any action or dispute resolution process arising out of the terms, enforcement, or breach of this Agreement.
- 32. Counterparts. This Agreement may be executed in counterparts and, when all counterpart documents are executed, the counterparts shall constitute a single binding instrument. Delivery of this Agreement shall not be binding upon either party until executed and delivered by both parties.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate originals on the day and year first above written.

LICENSEE:

LICENSOR:

By: _____
Its: _____

By: _____
Its: _____

ACKNOWLEDGMENT and ACCEPTANCE BY PURCHASER:

_____ (“Purchaser”) has purchased the “W” Timber Sale from Licensee under contract number _____ Dated _____.

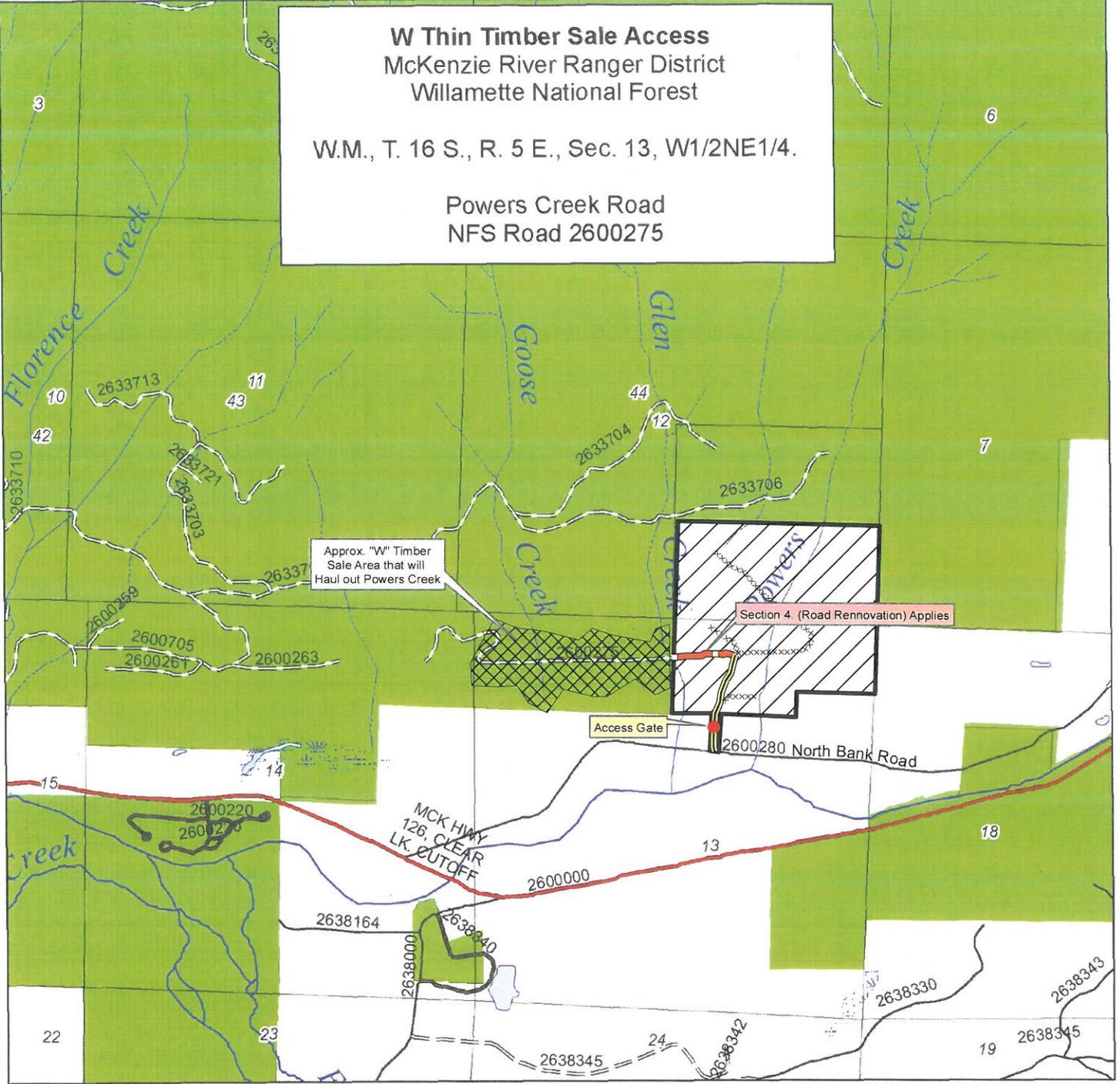
Purchaser has read this Agreement and agrees to be bound by the terms and conditions contained herein, and understands that Purchaser shall fulfill applicable obligations.

By: _____ Date: _____
Its: _____

W Thin Timber Sale Access
 McKenzie River Ranger District
 Willamette National Forest

W.M., T. 16 S., R. 5 E., Sec. 13, W1/2NE1/4.

Powers Creek Road
 NFS Road 2600275



Approx. "W" Timber Sale Area that will Haul out Powers Creek

Section 4 (Road Renovation) Applies

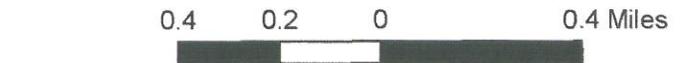
Access Gate

2600280 North Bank Road

MCK HWY
 126 CLEAR
 LK. CUTOFF

Legend

- Powers Creek Road (Road Use of \$0.50/MBF)
- Highway
- Paved Road
- Gravel Road, Suitable for Passenger Car
- Dirt Road, Suitable for Passenger Car
- Road Not Suitable for Passenger Car
- Closed Road
- Maint. Level = Null



- NON-FS
- USDA FOREST SERVICE
- Property (of Licensor)
- Other Licensor Roads (not included)



12/14/2015 S. Beall
 Rev. 6/3/2016 D. Nicol (GR)