

**MEMORANDUM OF OPTION AGREEMENT
AND AGREEMENT OF PURCHASE AND SALE**

WEYERHAEUSER COMPANY, a Washington corporation ("Owner"), and OREGON INTERNATIONAL PORT OF COOS BAY, a municipal corporation of the State of Oregon ("Optionee"), have entered into an Option Agreement and Agreement of Purchase and Sale dated June 2, 2006 (the "Option Agreement"), wherein Owner has granted to Optionee the sole and exclusive option to purchase the following property:

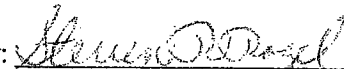
The real property described in Exhibit A attached hereto containing approximately 1,300 acres of land (the "Land"), together with (i) all improvements situated on such Land, (ii) all right, title and interest of Owner in and to all permits, certificates, licenses, plans, specifications, drawings and other agreements or intangible rights related to the Land or the use and operation of the Land which are transferable by Owner or appurtenant to the Land, and (iii) all other rights, hereditaments, and tenements appurtenant to the Land, including (without limitation) the Outfall Leasehold (as defined in the Option Agreement), less and except the minerals and geothermal rights to be reserved by Owner pursuant to Section 8.2.1(1) of the Option Agreement.

This Memorandum is being executed and recorded in the Official Records of Coos County, Oregon in order to give notice of the provisions of the Option Agreement and shall not be deemed or construed to define, limit or modify the Option Agreement in any manner.

Executed as of June 2, 2006.


OWNER:

WEYERHAEUSER COMPANY, a
Washington corporation

By: 
Name: Steven R. Rogel
Title: President & CEO

OPTIONEE:

OREGON INTERNATIONAL PORT OF
COOS BAY, a municipal corporation

By: 
Name: Jeffrey T. Bishop
Title: Executive Director

By: _____
Name: _____
Title: _____

STATE OF Washington)
County of King) ss.

This instrument was acknowledged before me this 9th day of June, 2006, by Steven K. Rogel, as President + CEO of Weyerhaeuser Company, a Washington corporation, on behalf of said corporation.



Viveta A. Vandersanden
NOTARY PUBLIC FOR Tacoma
My Commission Expires: 2-15-08

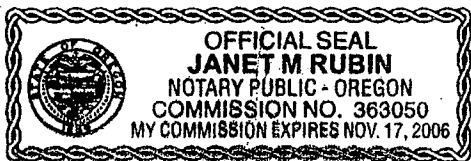
STATE OF _____)
County of _____) ss.

This instrument was acknowledged before me this _____ day of June, 2006, by _____, as _____ of Weyerhaeuser Company, a Washington corporation, on behalf of said corporation.

NOTARY PUBLIC FOR _____
My Commission Expires: _____

STATE OF Oregon)
County of Coos) ss.

This instrument was acknowledged before me this 9th day of June, 2006, by Jeffrey T. Bishop, as EXECUTIVE DIRECTOR of Oregon International Port of Coos Bay, a municipal corporation of the State of Oregon, on behalf of said municipal corporation.



Janet M. Rubin
NOTARY PUBLIC FOR Oregon
My Commission Expires: 11-17-2006

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PDX/068485/144971/AJW/1431315.2

COOS COUNTY CLERK, OREGON TOTAL \$51.00
TERRI L. TURI, CCC, COUNTY CLERK

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EXHIBIT A

Land

DESCRIPTION BASES OF BEARING IS OREGON STATE PLANE SOUTH ZONE

A PARCEL OF LAND LOCATED IN THE EAST ½ OF THE SOUTHWEST ¼ OF SECTION 32, TOWNSHIP 24 SOUTH, RANGE 13 WEST, W.M., IN GOVERNMENT LOT 2 SECTION 3, A PORTION OF SECTION 4, A PORTION OF SECTION 5, AND TRACT 37(BLM MAP 6752) BEING IN A PORTION OF SECTION 6 AND SECTION 7, GOVERNMENT LOTS 1 AND 2 IN SECTION 8, TOWNSHIP 25 SOUTH, RANGE 13 WEST, W.M., COOS COUNTY, OREGON

SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS;

BEGINNING AT THE NORTHEAST CORNER OF THE ABOVE MENTIONED SECTION 5; THENCE SOUTHERLY ALONG THE EAST LINE OF SECTION 5 SOUTH 02°33'09" WEST 1305.75 FEET TO THE NORTH 1/16 CORNER COMMON TO SECTIONS 4 AND 5; THENCE SOUTH 87°15'05" EAST 1308.40 FEET TO THE NORTHWEST 1/16 CORNER OF SAID SECTION 4; THENCE SOUTH 87°24'11" EAST 1307.37 FEET TO THE CENTER NORTH 1/16 CORNER OF SAID SECTION; THENCE NORTH 02°34'36" EAST 1309.49 FEET TO THE NORTH ¼ CORNER OF SECTION 4; THENCE SOUTH 87°22'20" EAST 2617.45 FEET TO THE NORTHEAST CORNER OF SECTION 4; THENCE ALONG THE NORTH LINE OF GOVERNMENT LOT 2, SECTION 3 AS DESCRIBED IN COOS COUNTY DEED VOLUME 283, PAGE 317 SOUTH 87°25'35" EAST 1389.98 FEET; THENCE ALONG THE EAST BOUNDARY OF SAID GOVERNMENT LOT 2 AS DESCRIBED IN SAID DEED, S03°52'37"E 330.93 FEET; THENCE S43°59'45"W 437.13 FEET; THENCE S07°40'09"W 658.79 FEET; THENCE S14°45'02"E 346.88 FEET; THENCE S16°03'05"W 675.65 FEET; THENCE S39°25'23"W 163.29 FEET; THENCE S67°32'52"W 229.77 FEET; THENCE S86°04'19"W 301.26 FEET; THENCE N62°26'17"W 462.64 FEET TO THE PROLONGATION OF THE WEST LINE OF SAID GOVERNMENT LOT 2, SECTION 3; THENCE ALONG THE SOUTHERLY BOUNDARY OF GOVERNMENT LOTS 1 AND 2 OF SECTION 4, N45°04'35"W 282.88 FEET; THENCE N33°49'50"W 351.16 FEET; THENCE N14°22'56"W 122.80 FEET; THENCE N79°19'02"W 83.32 FEET; THENCE N31°43'54"W 74.15 FEET; THENCE N58°41'56"W 336.39 FEET; THENCE N42°19'45"W 69.63 FEET; THENCE N12°38'17"E 51.57 FEET; THENCE N13°28'06"W 135.62 FEET; THENCE N63°19'28"W 81.09 FEET; THENCE S79°28'06"W 98.13 FEET; THENCE N75°46'52"W 80.94 FEET; THENCE N87°07'56"W 105.18 FEET; THENCE S73°52'01"W 47.52 FEET; THENCE S48°43'09"W 73.69 FEET; THENCE S88°39'19"W 319.28 FEET; THENCE S47°30'45"W 65.55 FEET; THENCE S83°55'13"W 259.57 FEET; THENCE S79°55'31"W 365.00 FEET; THENCE S22°43'13"W 65.51 FEET; THENCE S01°31'34"W 149.75 FEET TO THE NORTHERLY TIDELAND BOUNDARY DESCRIBED IN DEED INSTRUMENT #74-8-103329 RECORDS OF COOS COUNTY; THENCE EASTERLY ALONG SAID NORTH LINE OF TIDELAND BOUNDARY AS DESCRIBED IN DEED 74-8-103329 SOUTH

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87°23'18" EAST 18.78 FEET TO A 2 INCH IRON PIPE; THENCE SOUTH 87°25'01" EAST 712.91 FEET; THENCE SOUTHERLY ALONG SAID TIDELAND BOUNDARY SOUTH 02°35'11" WEST 863.38 FEET; THENCE WESTERLY ALONG SAID TIDELAND BOUNDARY NORTH 87°24'40" WEST 652.62 FEET TO A 2 INCH IRON PIPE; THENCE NORTH 87°22'52" WEST 168.00 FEET TO A ¾ IN IRON ROD; THENCE NORTH 87°37'54" WEST 29.74 FEET TO A ½ INCH IRON PIPE ON THE EASTERLY RIGHT-OF-WAY BOUNDARY OF JORDAN COVE ROAD; THENCE NORTH 87°25'14" WEST 99.64 FEET TO THE CENTER ¼ OF SECTION 4 ON THE WESTERLY RIGHT-OF-WAY BOUNDARY OF JORDAN COVE ROAD; THENCE NORTHERLY ALONG SAID ¼ SECTION LINE, BEING THE WESTERLY RIGHT-OF-WAY BOUNDARY OF JORDAN COVE ROAD, NORTH 02°35'11" EAST 863.38 FEET TO A 5/8 INCH IRON ROD; THENCE NORTH 02°29'03" EAST 241.57 FEET TO A ½ INCH IRON PIPE; THENCE LEAVING SAID RIGHT-OF-WAY ALONG THE SOUTH LINE OF MENASHA CORPORATIONS PARCEL 1 AS SHOWN ON COOS COUNTY SURVEY 11-95 NORTH 87°20'54" WEST 1309.10 FEET TO A ½" IRON PIPE ON THE NORTH-SOUTH 1/16 LINE OF SECTION 4; THENCE SOUTHERLY ALONG THE SAID 1/16 LINE BEING THE WEST LINE OF ROSEBURG LUMBER LOT 3 AS SHOWN ON COOS COUNTY SURVEY 11-95 SOUTH 02°21'07" WEST 255.95 FEET TO A POINT; THENCE LEAVING THE 1/16 LINE, WESTERLY ALONG THE NORTH LINE OF ROSEBURG LUMBER PARCEL 1 AS SHOWN ON SAID SURVEY NORTH 87°25'18" WEST 1309.82 FEET TO A 1 INCH DRILL STEEL ON THE SECTION LINE BETWEEN SECTIONS 4 AND 5; THENCE CONTINUING ALONG SAID NORTH LINE NORTH 87°33'57" WEST 888.27 FEET TO A ¾ INCH IRON ROD AT THE NORTHWEST CORNER OF ROSEBURG LUMBER PARCEL 2 OF SAID SURVEY; THENCE SOUTHERLY ALONG THE WESTERLY LINE OF ROSEBURG PARCEL 2 SOUTH 02°29'23" WEST 805.12 FEET TO A ¾" INCH IRON ROD; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF MENASHA CORP. PARCEL 3 SOUTH 02°31'39" WEST 1797.27 FEET TO A ¾" IRON ROD; THENCE SOUTH 02°31'39" WEST 149.20 FEET TO THE MEAN HIGH WATER LINE OF COOS BAY; THENCE WESTERLY ALONG SAID WATER LINE N78°35'55"W 83.09 FEET; THENCE N84°18'34"W 133.24 FEET; THENCE S88°20'25"W 267.86 FEET; THENCE S62°12'18"W 90.32 FEET; THENCE S85°08'26"W 398.04 FEET; THENCE S65°30'31"W 235.50 FEET; THENCE S59°05'00"W 395.67 FEET; THENCE S55°57'24"W 594.44 FEET; THENCE S27°57'59"W 129.30 FEET; THENCE S59°56'44"W 30.14 FEET; THENCE S70°39'16"W 207.29 FEET; THENCE S56°15'26"W 499.77 FEET; THENCE S53°28'20"W 173.74 FEET; THENCE S50°52'36"W 140.79 FEET; THENCE S38°22'40"W 85.65 FEET; THENCE S00°01'59"W 155.70 FEET; THENCE S19°47'39"W 68.06 FEET; THENCE S71°05'47"W 147.81 FEET; THENCE S70°55'34"W 201.14 FEET; THENCE S79°10'28"W 160.15 FEET; THENCE S67°20'13"W 188.12 FEET; THENCE S61°05'25"W 149.22 FEET; THENCE S27°57'05"W 64.01 FEET; THENCE S84°57'19"W 42.93 FEET; THENCE S56°49'24"W 72.22 FEET; THENCE S83°49'50"W 44.37 FEET; THENCE S50°16'59"W 113.25 FEET; THENCE S14°01'11"E 54.12 FEET; THENCE S38°23'59"E 125.82 FEET; THENCE S15°06'01"E 77.66 FEET; THENCE S05°38'14"W 158.45 FEET TO THE SOUTH LINE OF GOVERNMENT LOT 1, SECTION 8; THENCE ALONG THE SOUTH LINE OF SAID GOVERNMENT LOT 1, N85°55'21"W 528.24 FEET TO THE ¼ SECTION LINE SECTIONS 7 AND 8; THENCE NORTHERLY

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ALONG THE SECTION LINE BETWEEN SECTIONS 7 AND 8 N02°32'57"E 60.05 FEET TO A POINT ON THE SOUTHERLY BOUNDARY OF TRACT 37(BLM SURVEY 6752); THENCE LEAVING SAID SECTION LINE SOUTHWESTERLY ALONG SAID TRACT S59°53'28"W 752.80 FEET; THENCE S56°21'45"W 1228.99 FEET; THENCE S80°57'43"W 578.95 FEET; THENCE N82°02'28"W 855.95 FEET; THENCE S48°30'21"W 976.27 FEET; THENCE S54°06'13"W 579.68 FEET; THENCE S83°36'02"W 864.07 FEET; THENCE N25°19'45"E 2273.96 FEET; THENCE N23°36'02"E 3354.59 FEET; THENCE S67°36'30"E 3156.25 FEET TO THE SECTION LINE BETWEEN SECTIONS 7 AND 8; THENCE NORTHERLY ALONG SAID SECTION LINE N02°32'57"E 303.60 FEET TO THE SOUTHWEST CORNER OF SECTION 5; THENCE NORTHERLY ALONG THE SECTION LINE COMMON TO SECTIONS 5 AND 6 N02°45'58"E 2638.42 FEET TO ¼ SECTION CORNER BETWEEN SECTIONS 5 AND 6; THENCE N02°24'50"E 1318.69 FEET TO THE NORTH 1/16 CORNER BETWEEN SECTIONS 5 AND 6; THENCE S82°54'10"E 1323.31 FEET TO THE NORTHWEST 1/16 CORNER OF SECTION 5; THENCE N02°30'51"E 1132.77 FEET TO THE WEST 1/16 CORNER ON THE NORTH LINE OF SECTION 5; THENCE NORTHERLY ALONG THE WEST LINE OF THE EAST ½ OF THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 24 SOUTH, RANGE 13 WEST, W.M., N02°46'07"E 2636.70 FEET TO A 2-1/2" IRON PIPE WITH BLM BRASS CAP; THENCE EASTERLY ALONG THE NORTH LINE OF SAID EAST ½, S87°19'34"E 1327.28 FEET TO THE CENTER ¼ CORNER OF SECTION 32; THENCE SOUTHERLY ALONG THE CENTER ¼ LINE OF SAID SECTION S02°48'52"W 2632.05 FEET TO THE NORTH ¼ CORNER OF SECTION 5; THENCE EASTERLY ALONG THE NORTH LINE OF SECTION 5 S87°31'39"E 2640.00 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH ALL TIDELANDS FRONTING THE PREVIOUSLY DESCRIBED PARCEL AS RECORDED IN COOS COUNTY DEED RECORDS; BOOK 283 PAGE 317, BOOK 280 PAGE 737, #74-8-103329, 83-3-7151, AND 97-11-0392.

EXCEPTING THAT PARCEL AS DESCRIBED IN COOS COUNTY DEED #84-1-06718 TO COOS BAY/ NORTH BEND WATERBOARD.

EXCEPTING THAT PARCEL 75 FEET EITHER SIDE OF THE EXISTING MAIN RAIL LINE EXTENDING THROUGH SAID SECTION 3.

PARCEL CONTAINING 1,151.5 UPLAND ACRES ± EXCLUDING TIDELANDS.

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