

802.2

**Verne, B. Michael**

**From:** [REDACTED]  
**Sent:** Tuesday, April 22, 2008 2:22 PM  
**To:** Verne, B. Michael  
**Subject:** Unproductive Real Property Exemption

Good afternoon, Mike.

Thanks again for taking some time to discuss a few items with us. I've put our discussion into the below e-mail. Could you please confirm your agreement with the things we discussed as laid out below?

A productive mill is being acquired, along with timberlands we have determined are unproductive real property under 802.2(c).

The mill is bordered on the East by a U.S. Highway and on the West by a river. The same highway and river cross each other to the North and South of the mill, creating a border surrounding the mill. You confirmed that the presence of the highway and river render the mill not adjacent to real property on the other side of the highway or the other side of the river under 802.2(c)(iii).

Second, there is a small area of real property used for storage of logs before and after they are processed in the mill. This area sits on a piece of unproductive timberlands which are included in the acquisition, located across the highway from the mill. Given the above, the storage area is, therefore, on a piece of property that is not adjacent to the mill. You confirmed that the existence of this storage area on the non-adjacent, otherwise unproductive piece of timberlands does not render the timberlands productive real property under 802.2(c).

Thank you,

[REDACTED]

[REDACTED]

AGREE  
B  
4/22/08

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