UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2017

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM ______ TO ______

COMMISSION FILE NUMBER: 1-4825

WEYERHAEUSER COMPANY

Washington 91-0470860
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification Number)

220 Occidental Avenue South 98104-7800
Seattle, Washington (Address of principal executive offices) (Zip Code)

(206) 539-3000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. x Yes o No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). x Yes o No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer x Accelerated filer o Non-accelerated filer o
Smaller reporting company o Emerging growth company o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). o Yes x No
As of July 24, 2017, 752,940,643 shares of the registrant's common stock ($1.25 par value) were outstanding.
# TABLE OF CONTENTS

## PART I  
**FINANCIAL INFORMATION**

**ITEM 1.** FINANCIAL STATEMENTS:
- CONSOLIDATED STATEMENT OF OPERATIONS 1
- CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 2
- CONSOLIDATED BALANCE SHEET 3
- CONSOLIDATED STATEMENT OF CASH FLOWS 4
- INDEX FOR NOTES TO CONSOLIDATED FINANCIAL STATEMENTS 5
- NOTES TO CONSOLIDATED FINANCIAL STATEMENTS 6

**ITEM 2.** MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (“MD&A”) 19

**ITEM 3.** QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK 34

**ITEM 4.** CONTROLS AND PROCEDURES 35

## PART II  
**OTHER INFORMATION**

**ITEM 1.** LEGAL PROCEEDINGS 35
**ITEM 1A.** RISK FACTORS 35
**ITEM 2.** UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS 35
**ITEM 3.** DEFAULTS UPON SENIOR SECURITIES 35
**ITEM 4.** MINE SAFETY DISCLOSURES 35
**ITEM 5.** OTHER INFORMATION 36
**ITEM 6.** EXHIBITS 37
**SIGNATURE** 38
## WEYERHAUSER COMPANY
### CONSOLIDATED STATEMENT OF OPERATIONS
#### (UNAUDITED)

<table>
<thead>
<tr>
<th>DOLLAR AMOUNTS IN MILLIONS, EXCEPT PER-SHARE FIGURES</th>
<th>QUARTER ENDED</th>
<th>YEAR-TO-DATE ENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>JUNE 2017</td>
<td>JUNE 2016</td>
</tr>
<tr>
<td></td>
<td>JUNE 2017</td>
<td>JUNE 2016</td>
</tr>
<tr>
<td>Net sales</td>
<td>$ 1,808</td>
<td>$ 1,655</td>
</tr>
<tr>
<td></td>
<td>$ 3,501</td>
<td>$ 3,060</td>
</tr>
<tr>
<td>Costs of products sold</td>
<td>1,336</td>
<td>1,271</td>
</tr>
<tr>
<td></td>
<td>2,608</td>
<td>2,374</td>
</tr>
<tr>
<td>Gross margin</td>
<td>472</td>
<td>384</td>
</tr>
<tr>
<td></td>
<td>893</td>
<td>686</td>
</tr>
<tr>
<td>Selling expenses</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>44</td>
<td>45</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>76</td>
<td>94</td>
</tr>
<tr>
<td></td>
<td>163</td>
<td>173</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Charges for integration and restructuring, closures and asset impairments (Note 15)</td>
<td>151</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>164</td>
<td>125</td>
</tr>
<tr>
<td>Other operating costs (income), net (Note 16)</td>
<td>62</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>64</td>
<td>(53)</td>
</tr>
<tr>
<td>Operating income</td>
<td>157</td>
<td>248</td>
</tr>
<tr>
<td></td>
<td>450</td>
<td>387</td>
</tr>
<tr>
<td>Equity earnings from joint ventures (Note 7)</td>
<td>—</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>—</td>
<td>12</td>
</tr>
<tr>
<td>Non-operating pension and other postretirement benefit (costs) credits</td>
<td>(8)</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>(30)</td>
<td>24</td>
</tr>
<tr>
<td>Interest income and other</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>18</td>
<td>19</td>
</tr>
<tr>
<td>Interest expense, net of capitalized interest</td>
<td>(100)</td>
<td>(114)</td>
</tr>
<tr>
<td></td>
<td>(199)</td>
<td>(209)</td>
</tr>
<tr>
<td>Earnings from continuing operations before income taxes</td>
<td>58</td>
<td>161</td>
</tr>
<tr>
<td></td>
<td>239</td>
<td>233</td>
</tr>
<tr>
<td>Income taxes (Note 17)</td>
<td>(34)</td>
<td>(31)</td>
</tr>
<tr>
<td></td>
<td>(58)</td>
<td>(42)</td>
</tr>
<tr>
<td>Earnings from continuing operations</td>
<td>24</td>
<td>130</td>
</tr>
<tr>
<td></td>
<td>181</td>
<td>191</td>
</tr>
<tr>
<td>Earnings from discontinued operations, net of income taxes (Note 3)</td>
<td>—</td>
<td>38</td>
</tr>
<tr>
<td></td>
<td>—</td>
<td>58</td>
</tr>
<tr>
<td>Net earnings</td>
<td>24</td>
<td>168</td>
</tr>
<tr>
<td></td>
<td>181</td>
<td>249</td>
</tr>
<tr>
<td>Dividends on preference shares (Note 5)</td>
<td>(11)</td>
<td>(22)</td>
</tr>
<tr>
<td>Net earnings attributable to Weyerhaeuser common shareholders</td>
<td>$ 24</td>
<td>$ 157</td>
</tr>
<tr>
<td></td>
<td>$ 181</td>
<td>$ 227</td>
</tr>
<tr>
<td>Earnings per share attributable to Weyerhaeuser common shareholders, basic and diluted (Note 5):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuing operations</td>
<td>$ 0.03</td>
<td>$ 0.16</td>
</tr>
<tr>
<td></td>
<td>$ 0.24</td>
<td>$ 0.25</td>
</tr>
<tr>
<td>Discontinued operations</td>
<td>—</td>
<td>0.05</td>
</tr>
<tr>
<td></td>
<td>—</td>
<td>0.08</td>
</tr>
<tr>
<td>Net earnings per share</td>
<td>$ 0.03</td>
<td>$ 0.21</td>
</tr>
<tr>
<td></td>
<td>$ 0.24</td>
<td>$ 0.33</td>
</tr>
<tr>
<td>Dividends paid per share</td>
<td>$ 0.31</td>
<td>$ 0.31</td>
</tr>
<tr>
<td></td>
<td>$ 0.62</td>
<td>$ 0.62</td>
</tr>
<tr>
<td>Weighted average shares outstanding (in thousands) (Note 5):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>752,630</td>
<td>743,140</td>
</tr>
<tr>
<td></td>
<td>751,674</td>
<td>687,572</td>
</tr>
<tr>
<td>Diluted</td>
<td>756,451</td>
<td>747,701</td>
</tr>
<tr>
<td></td>
<td>755,625</td>
<td>691,060</td>
</tr>
</tbody>
</table>

See accompanying Notes to Consolidated Financial Statements.
## WEYERHAEUSER COMPANY

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(UNAUDITED)

<table>
<thead>
<tr>
<th>DOLLAR AMOUNTS IN MILLIONS</th>
<th>QUARTER ENDED</th>
<th>YEAR-TO-DATE ENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>JUNE 2017</td>
<td>JUNE 2016</td>
</tr>
<tr>
<td>Net earnings</td>
<td>$ 24</td>
<td>$ 188</td>
</tr>
<tr>
<td>Other comprehensive income (loss):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation adjustments</td>
<td>9</td>
<td>(2)</td>
</tr>
<tr>
<td>Actuarial gains, net of tax expense of $24, $17, $50 and $25</td>
<td>43</td>
<td>31</td>
</tr>
<tr>
<td>Prior service costs, net of tax benefit of $1, $1, $1 and $0</td>
<td>(3)</td>
<td>—</td>
</tr>
<tr>
<td>Unrealized gains on available-for-sale securities</td>
<td>—</td>
<td>1</td>
</tr>
<tr>
<td>Total other comprehensive income</td>
<td>49</td>
<td>30</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>$ 73</td>
<td>$ 198</td>
</tr>
</tbody>
</table>

See accompanying Notes to Consolidated Financial Statements.
## Weyerhaeuser Company

### Consolidated Balance Sheet (Unaudited)

**Dollar Amounts in Millions**

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2017</th>
<th>December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$701</td>
<td>$676</td>
</tr>
<tr>
<td>Receivables, less discounts and allowances of $1 and $1</td>
<td>442</td>
<td>390</td>
</tr>
<tr>
<td>Receivables for taxes</td>
<td>8</td>
<td>84</td>
</tr>
<tr>
<td>Inventories (Note 6)</td>
<td>349</td>
<td>358</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>177</td>
<td>114</td>
</tr>
<tr>
<td>Assets held for sale (Note 3)</td>
<td>411</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>2,088</strong></td>
<td><strong>1,622</strong></td>
</tr>
<tr>
<td>Property and equipment, less accumulated depreciation of $3,319 and $3,306</td>
<td>1,534</td>
<td>1,562</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>190</td>
<td>213</td>
</tr>
<tr>
<td>Timber and timberlands at cost, less depletion charged to disposals</td>
<td>13,669</td>
<td>14,299</td>
</tr>
<tr>
<td>Minerals and mineral rights, less depletion</td>
<td>314</td>
<td>319</td>
</tr>
<tr>
<td>Investments in and advances to joint ventures (Note 7)</td>
<td>33</td>
<td>56</td>
</tr>
<tr>
<td>Goodwill</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>261</td>
<td>293</td>
</tr>
<tr>
<td>Other assets</td>
<td>246</td>
<td>224</td>
</tr>
<tr>
<td>Restricted financial investments held by variable interest entities</td>
<td>615</td>
<td>615</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$18,990</strong></td>
<td><strong>$19,243</strong></td>
</tr>
<tr>
<td><strong>Liabilities and Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current maturities of long-term debt (Note 10)</td>
<td>$668</td>
<td>$281</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>252</td>
<td>233</td>
</tr>
<tr>
<td>Accrued liabilities (Note 9)</td>
<td>585</td>
<td>692</td>
</tr>
<tr>
<td>Liabilities held for sale (Note 3)</td>
<td>19</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>1,524</strong></td>
<td><strong>1,206</strong></td>
</tr>
<tr>
<td>Long-term debt (Note 10)</td>
<td>5,936</td>
<td>6,329</td>
</tr>
<tr>
<td>Long-term debt (nonrecourse to the company) held by variable interest entities</td>
<td>511</td>
<td>511</td>
</tr>
<tr>
<td>Deferred pension and other postretirement benefits (Note 8)</td>
<td>1,230</td>
<td>1,322</td>
</tr>
<tr>
<td>Deposit from contribution of timberlands to related party (Note 7)</td>
<td>419</td>
<td>426</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>280</td>
<td>269</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>9,900</strong></td>
<td><strong>10,063</strong></td>
</tr>
<tr>
<td>Commitments and contingencies (Note 12)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common shares: $1.25 par value: authorized 1,360,000,000 shares; issued and outstanding: 752,711,155 and 748,528,131 shares</td>
<td>941</td>
<td>936</td>
</tr>
<tr>
<td>Other capital</td>
<td>8,374</td>
<td>8,282</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>1,154</td>
<td>1,421</td>
</tr>
<tr>
<td>Cumulative other comprehensive loss (Note 13)</td>
<td>(1,379)</td>
<td>(1,459)</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td><strong>9,090</strong></td>
<td><strong>9,180</strong></td>
</tr>
<tr>
<td><strong>Total liabilities and equity</strong></td>
<td><strong>$18,990</strong></td>
<td><strong>$19,243</strong></td>
</tr>
</tbody>
</table>

See accompanying Notes to Consolidated Financial Statements.
## Consolidated Statement of Cash Flows

### Year-to-Date Ended

#### Dollar Amounts in Millions

<table>
<thead>
<tr>
<th>Category</th>
<th>June 2017</th>
<th>June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operations:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net earnings</td>
<td>$181</td>
<td>$249</td>
</tr>
<tr>
<td>Noncash charges (credits) to earnings:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation, depletion and amortization</td>
<td>262</td>
<td>289</td>
</tr>
<tr>
<td>Basis of real estate sold</td>
<td>24</td>
<td>30</td>
</tr>
<tr>
<td>Deferred income taxes, net</td>
<td>6</td>
<td>56</td>
</tr>
<tr>
<td>Gains on sales of non-strategic assets</td>
<td>(9)</td>
<td>(51)</td>
</tr>
<tr>
<td>Pension and other postretirement benefits (Note 8)</td>
<td>47</td>
<td>5</td>
</tr>
<tr>
<td>Share-based compensation expense</td>
<td>19</td>
<td>40</td>
</tr>
<tr>
<td>Charges for impairment of assets</td>
<td>147</td>
<td>15</td>
</tr>
<tr>
<td>Equity (earnings) loss from joint ventures (Note 7)</td>
<td>—</td>
<td>(9)</td>
</tr>
<tr>
<td>Foreign exchange transaction (gains) losses (Note 16)</td>
<td>3</td>
<td>(12)</td>
</tr>
<tr>
<td>Change in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables less allowances</td>
<td>(78)</td>
<td>(90)</td>
</tr>
<tr>
<td>Receivable/payable for taxes</td>
<td>(53)</td>
<td>35</td>
</tr>
<tr>
<td>Inventories</td>
<td>(7)</td>
<td>17</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(13)</td>
<td>(1)</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>55</td>
<td>36</td>
</tr>
<tr>
<td>Pension and postretirement contributions (Note 8)</td>
<td>(37)</td>
<td>(29)</td>
</tr>
<tr>
<td>Distributions of earnings received from joint ventures</td>
<td>—</td>
<td>5</td>
</tr>
<tr>
<td>Other</td>
<td>(23)</td>
<td>(46)</td>
</tr>
<tr>
<td><strong>Net cash from operations</strong></td>
<td>524</td>
<td>539</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital expenditures for property and equipment</td>
<td>(126)</td>
<td>(140)</td>
</tr>
<tr>
<td>Capital expenditures for timberlands reforestation</td>
<td>(36)</td>
<td>(34)</td>
</tr>
<tr>
<td>Acquisition of timberlands</td>
<td>—</td>
<td>(8)</td>
</tr>
<tr>
<td>Proceeds from sale of non-strategic assets</td>
<td>12</td>
<td>83</td>
</tr>
<tr>
<td>Proceeds from contribution of timberlands to related party</td>
<td>—</td>
<td>440</td>
</tr>
<tr>
<td>Distributions of investment received from joint ventures (Note 7)</td>
<td>23</td>
<td>27</td>
</tr>
<tr>
<td>Cash and cash equivalents acquired in Plum Creek merger (Note 4)</td>
<td>—</td>
<td>9</td>
</tr>
<tr>
<td>Other</td>
<td>21</td>
<td>(3)</td>
</tr>
<tr>
<td><strong>Cash from (used in) investing activities</strong></td>
<td>(106)</td>
<td>374</td>
</tr>
<tr>
<td><strong>Cash flows from financing activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash dividends on common shares</td>
<td>(466)</td>
<td>(469)</td>
</tr>
<tr>
<td>Cash dividends on preference shares</td>
<td>—</td>
<td>(11)</td>
</tr>
<tr>
<td>Proceeds from issuance of long-term debt</td>
<td>—</td>
<td>1,398</td>
</tr>
<tr>
<td>Payments of debt</td>
<td>—</td>
<td>(723)</td>
</tr>
<tr>
<td>Repurchase of common stock</td>
<td>—</td>
<td>(1,629)</td>
</tr>
<tr>
<td>Proceeds from exercise of stock options</td>
<td>81</td>
<td>12</td>
</tr>
<tr>
<td>Other</td>
<td>(8)</td>
<td>(11)</td>
</tr>
<tr>
<td><strong>Cash used in financing activities</strong></td>
<td>(393)</td>
<td>(1,433)</td>
</tr>
<tr>
<td><strong>Net change in cash and cash equivalents</strong></td>
<td>25</td>
<td>(520)</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents from continuing operations at beginning of period</strong></td>
<td>676</td>
<td>1,011</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents from discontinued operations at beginning of period</strong></td>
<td>—</td>
<td>1</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at beginning of period</strong></td>
<td>676</td>
<td>1,012</td>
</tr>
<tr>
<td>Description</td>
<td>Cash and cash equivalents from continuing operations</td>
<td>Cash and cash equivalents from discontinued operations</td>
</tr>
<tr>
<td>-------------</td>
<td>-----------------------------------------------------</td>
<td>------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>701</td>
<td>485</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$701</td>
</tr>
</tbody>
</table>

Cash paid (received) during the period for:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest, net of amount capitalized of $5 and $3</td>
<td>$192</td>
<td>$225</td>
</tr>
<tr>
<td>Income taxes</td>
<td>$106</td>
<td>$(25)</td>
</tr>
</tbody>
</table>

See accompanying Notes to Consolidated Financial Statements.
INDEX FOR NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

<table>
<thead>
<tr>
<th>NOTE</th>
<th>DESCRIPTION</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>BASIS OF PRESENTATION</td>
<td>6</td>
</tr>
<tr>
<td>2</td>
<td>BUSINESS SEGMENTS</td>
<td>7</td>
</tr>
<tr>
<td>3</td>
<td>HELD FOR SALE AND DISCONTINUED OPERATIONS</td>
<td>8</td>
</tr>
<tr>
<td>4</td>
<td>MERGER WITH PLUM CREEK</td>
<td>10</td>
</tr>
<tr>
<td>5</td>
<td>NET EARNINGS PER SHARE</td>
<td>10</td>
</tr>
<tr>
<td>6</td>
<td>INVENTORIES</td>
<td>11</td>
</tr>
<tr>
<td>7</td>
<td>RELATED PARTIES</td>
<td>11</td>
</tr>
<tr>
<td>8</td>
<td>PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS</td>
<td>12</td>
</tr>
<tr>
<td>9</td>
<td>ACCRUED LIABILITIES</td>
<td>13</td>
</tr>
<tr>
<td>10</td>
<td>LONG-TERM DEBT AND LINES OF CREDIT</td>
<td>13</td>
</tr>
<tr>
<td>11</td>
<td>FAIR VALUE OF FINANCIAL INSTRUMENTS</td>
<td>13</td>
</tr>
<tr>
<td>12</td>
<td>LEGAL PROCEEDINGS, COMMITMENTS AND CONTINGENCIES</td>
<td>14</td>
</tr>
<tr>
<td>13</td>
<td>CUMULATIVE OTHER COMPREHENSIVE INCOME (LOSS)</td>
<td>15</td>
</tr>
<tr>
<td>14</td>
<td>SHARE-BASED COMPENSATION</td>
<td>15</td>
</tr>
<tr>
<td>15</td>
<td>CHARGES FOR INTEGRATION AND RESTRUCTURING, CLOSURES AND ASSET IMPAIRMENTS</td>
<td>16</td>
</tr>
<tr>
<td>16</td>
<td>OTHER OPERATING COSTS (INCOME), NET</td>
<td>17</td>
</tr>
<tr>
<td>17</td>
<td>INCOME TAXES</td>
<td>18</td>
</tr>
</tbody>
</table>

5
NOTE 1: BASIS OF PRESENTATION

We are a corporation that has elected to be taxed as a real estate investment trust (REIT). We expect to derive most of our REIT income from investments in timberlands, including the sale of standing timber. As a REIT, we generally are not subject to federal corporate level income taxes on REIT taxable income that is distributed to shareholders. We are required to pay corporate income taxes on earnings of our taxable REIT subsidiaries (TRSs), which includes our Wood Products segment and portions of our Timberlands and Real Estate, Energy and Natural Resources (Real Estate & ENR) segments.

Our consolidated financial statements provide an overall view of our results and financial condition. They include our accounts and the accounts of entities we control, including:

- majority-owned domestic and foreign subsidiaries and
- variable interest entities in which we are the primary beneficiary.

They do not include our intercompany transactions and accounts, which are eliminated.

We account for investments in and advances to unconsolidated equity affiliates using the equity method, with taxes provided on undistributed earnings. This means that we record earnings and accrue taxes in the period earnings are recognized by our unconsolidated equity affiliates.

Throughout these Notes to Consolidated Financial Statements, unless specified otherwise, references to “Weyerhaeuser,” “we,” “the company” and “our” refer to the consolidated company.

The accompanying unaudited Consolidated Financial Statements reflect all adjustments that are, in the opinion of management, necessary for a fair presentation of our financial position, results of operations and cash flows for the interim periods presented. Except as otherwise disclosed in these Notes to Consolidated Financial Statements, such adjustments are of a normal, recurring nature. The Consolidated Financial Statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission pertaining to interim financial statements. Certain information and footnote disclosures normally included in our annual Consolidated Financial Statements have been condensed or omitted. These quarterly Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and Management’s Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2016. Results of operations for interim periods should not necessarily be regarded as indicative of the results that may be expected for the full year.

RECLASSIFICATIONS

We have reclassified certain balances and results from the prior year to be consistent with our 2017 reporting. This makes year-to-year comparisons easier. Our reclassifications had no effect on consolidated net earnings or equity. Our reclassifications present the adoption of new accounting pronouncements on our Consolidated Statement of Operations and in the related footnotes. Refer to discussion of new accounting pronouncements below.

NEW ACCOUNTING PRONOUNCEMENTS

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, a comprehensive new revenue recognition model that requires an entity to recognize revenue to depict the transfer of goods or services to customers at an amount that reflects the consideration it expects to receive in exchange for those goods or services. In August 2015, FASB issued ASU 2015-14, which deferred the effective date for an additional year. In March 2016, FASB issued ASU 2016-08, which does not change the core principle of the guidance; however, it does clarify the implementation guidance on principal versus agent considerations. In April 2016, FASB issued ASU 2016-10, which clarifies two aspects of ASU 2014-09: identifying performance obligations and the licensing implementation guidance. In May 2016, FASB issued ASU 2016-12, which amends ASU 2014-09 to provide improvements and practical expedients to the new revenue recognition model. In December 2016, the FASB issued ASU 2016-20, which amends ASU 2014-09 for technical corrections and to correct for unintended application of the guidance. In February 2017, FASB issued ASU 2017-05, which clarifies the scope of ASC 610-20 and impacts accounting for partial sales of nonfinancial assets.

The company expects to adopt and implement the new revenue recognition guidance effective January 1, 2018. The new standard is required to be applied retrospectively to each prior reporting period presented (full retrospective transition method) or retrospectively with the cumulative effect of initially applying it recognized at the date of initial application (cumulative effect method). We expect to adopt using the cumulative effect method. We expect that the adoption of the new revenue recognition guidance will not materially impact our operating results, balance sheet, or cash flows. We expect an impact to our financial reporting from adding expanded disclosures.

In July 2015, FASB issued ASU 2015-11, which simplifies the measurement of inventories valued under most methods, including our inventories valued under FIFO – the first-in, first-out – and moving average cost methods. Inventories valued under LIFO – the last-in, first-out method – are excluded. Under this new guidance, inventories valued under these methods would be valued at the lower of cost or net realizable value, with net realizable value defined as the estimated selling price less reasonable costs to sell the inventory. We adopted on January 1, 2017, and determined this pronouncement does not have a material impact on our consolidated financial statements and related disclosures.

In February 2016, FASB issued ASU 2016-02, which requires lessees to recognize assets and liabilities for the rights and obligations created by those leases and requires both capital and operating leases to be recognized on the balance sheet. The new guidance is effective for fiscal years beginning after December 15, 2018, and early adoption is permitted. We expect to adopt on January 1, 2019, and are evaluating the impact on our consolidated financial statements and related disclosures.
In October 2016, FASB issued ASU 2016-16, which requires immediate recognition of the income tax consequences upon intra-entity transfers of assets other than inventory. The new guidance is effective for annual periods beginning after December 15, 2017, and early adoption is permitted. We adopted this accounting standard on January 1, 2017. As a result of this adoption, our opening balance sheet was adjusted through "Retained earnings" to include a deferred tax asset of $22 million for prior period intra-entity transfers. Adoption of this standard did not have a material impact on our Consolidated Statement of Cash Flows or Consolidated Statement of Operations.

In March 2017, FASB issued ASU 2017-07, which requires that an employer report the service cost component of pension and other postretirement benefit costs in the Consolidated Statement of Operations in the same line item or items as other compensation costs arising from services rendered by the pertinent employees. This requirement is consistent with how we have historically presented our pension service costs. The other requirement of this ASU is to present the remaining components of pension and other postretirement benefit costs (i.e., interest, expected return on plan assets, amortization of actuarial gains or losses, and amortization of prior service credits or costs) in the Consolidated Statement of Operations separately from the service cost component and outside a subtotal of income from operations. The new guidance is effective for annual periods beginning after December 15, 2017, and early adoption is permitted. We adopted this accounting standard as of January 1, 2017. As a result, we reclassified amounts related to other components of pension and other post-retirement benefit costs from their prior financial statements captions ("Costs of products sold," "General and administrative expenses," and "Other operating costs (income), net") into a new financial statement caption titled "Non-operating pension and other postretirement benefit (costs) credits" in our Consolidated Statement of Operations. The adoption of this ASU did not impact "Net earnings," nor did it impact our Consolidated Balance Sheet.

NOTE 2: BUSINESS SEGMENTS

Reportable business segments are determined based on the company's management approach. The management approach, as defined by FASB ASC 280, "Segment Reporting," is based on the way the chief operating decision maker organizes the segments within a company for making decisions about resources to be allocated and assessing their performance.

We are principally engaged in growing and harvesting timber; manufacturing, distributing, and selling products made from trees; maximizing the value of every acre we own through the sale of higher and better use (HBU) properties; and monetizing reserves of minerals, oil, gas, coal, and other natural resources on our timberlands. The following is a brief description of each of our reportable business segments and activities:

- **Timberlands** – which includes logs, timber and leased recreational access;

- **Real Estate & ENR** – which includes sales of timberlands; rights to explore for and extract hard minerals, oil and gas production and coal; and equity interests in our Real Estate Development Ventures (as defined and described in Note 7: Related Parties); and

- **Wood Products** – which includes softwood lumber, engineered wood products, structural panels, medium density fiberboard and building materials distribution.
An analysis and reconciliation of our business segment information to the respective information in the Consolidated Statements of Operations is as follows:

<table>
<thead>
<tr>
<th>DOLLAR AMOUNTS IN MILLIONS</th>
<th>QUARTER ENDED</th>
<th>YEAR-TO-DATE ENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>JUNE 2017</td>
<td>JUNE 2016</td>
</tr>
<tr>
<td>Sales to unaffiliated customers:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Timberlands</td>
<td>$469</td>
<td>$471</td>
</tr>
<tr>
<td>Real Estate &amp; ENR</td>
<td>46</td>
<td>38</td>
</tr>
<tr>
<td>Wood Products</td>
<td>1,293</td>
<td>1,146</td>
</tr>
<tr>
<td></td>
<td>1,808</td>
<td>1,655</td>
</tr>
<tr>
<td>Intersegment sales:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Timberlands</td>
<td>163</td>
<td>193</td>
</tr>
<tr>
<td>Wood Products</td>
<td>—</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>163</td>
<td>215</td>
</tr>
<tr>
<td>Total</td>
<td>1,971</td>
<td>1,870</td>
</tr>
<tr>
<td>Intersegment eliminations</td>
<td>(163)</td>
<td>(215)</td>
</tr>
<tr>
<td>Total</td>
<td>$1,808</td>
<td>$1,655</td>
</tr>
<tr>
<td>Net contribution to earnings:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Timberlands (1)</td>
<td>$(12)</td>
<td>$125</td>
</tr>
<tr>
<td>Real Estate &amp; ENR (2)</td>
<td>23</td>
<td>12</td>
</tr>
<tr>
<td>Wood Products (3)</td>
<td>177</td>
<td>156</td>
</tr>
<tr>
<td></td>
<td>188</td>
<td>293</td>
</tr>
<tr>
<td>Unallocated items (4)</td>
<td>(30)</td>
<td>(18)</td>
</tr>
<tr>
<td>Net contribution to earnings</td>
<td>158</td>
<td>275</td>
</tr>
<tr>
<td>Interest expense, net of capitalized interest</td>
<td>(100)</td>
<td>(114)</td>
</tr>
<tr>
<td>Earnings from continuing operations before income taxes</td>
<td>58</td>
<td>161</td>
</tr>
<tr>
<td>Income taxes</td>
<td>(34)</td>
<td>(31)</td>
</tr>
<tr>
<td>Earnings from continuing operations</td>
<td>24</td>
<td>130</td>
</tr>
<tr>
<td>Earnings from discontinued operations, net of income taxes (5)</td>
<td>—</td>
<td>38</td>
</tr>
<tr>
<td>Net earnings</td>
<td>24</td>
<td>168</td>
</tr>
<tr>
<td>Dividends on preference shares</td>
<td>—</td>
<td>(11)</td>
</tr>
<tr>
<td>Net earnings attributable to Weyerhaeuser common shareholders</td>
<td>$24</td>
<td>$157</td>
</tr>
</tbody>
</table>

(1) Net contribution to earnings for the Timberlands segment includes a noncash pretax impairment charge of $147 million, recorded during second quarter 2017. This impairment is a result of our agreement to sell our Uruguayan operations, as announced during June 2017. Refer to Note 3: Held for Sale and Discontinued Operations for more information regarding this transaction.

(2) The Real Estate & ENR segment includes the equity earnings from, investments in and advances to our Real Estate Development Ventures (as defined and described in Note 7: Related Parties), which are accounted for under the equity method.

(3) Net contribution to earnings for the Wood Products segment includes a pretax $50 million charge to accrue for estimated costs to remediate an issue with certain I-joists coated with our Flak Jacket® Protection product. Refer to Note 12: Legal Proceedings, Commitments and Contingencies for additional details.

(4) Unallocated items are gains or charges not related to, or allocated to, an individual operating segment. They include a portion of items such as: share-based compensation, pension and postretirement costs, foreign exchange transaction gains and losses associated with financing, and the elimination of intersegment profit in inventory and the LIFO reserve. Additionally, amounts shown for 2016 include equity earnings from our former Timberland Venture. As of August 31, 2016, the Timberland Venture became a fully consolidated, wholly-owned subsidiary and therefore eliminated our equity method investment at that time.

(5) Discontinued operations as presented herein consist of the operations of our former Cellulose Fibers segment. Refer to Note 3: Held for Sale and Discontinued Operations for more information regarding our discontinued operations.
NOTE 3: HELD FOR SALE AND DISCONTINUED OPERATIONS

OPERATIONS HELD FOR SALE

On October 12, 2016, we announced the exploration of strategic alternatives for our Uruguay timberslands and manufacturing operations, which is part of our Timberslands business segment. On June 2, 2017, the Weyerhaeuser Board of Directors approved an equity purchase agreement with a consortium led by BTG Pactual's Timberland Investment Group (TIG), including other long-term investors, pursuant to which the Company has agreed to sell, in exchange for $1.3 billion in cash, all of its equity interest in subsidiaries that collectively own and operate its Uruguayan timberslands and manufacturing business. The transaction is subject to customary purchase price adjustments, including adjustments relating to working capital, harvest limitations and timber inventory amounts, as well as standard operating covenants, casualty loss provisions, indemnities and closing conditions, including regulatory review. The sale is expected to close in the second half of 2017.

The assets and liabilities of our Uruguayan timberslands and manufacturing business now meet the criteria under generally accepted accounting principles to be classified as held for sale. This designation causes us to show the related assets and liabilities of the Uruguayan business separately on the current period Consolidated Balance Sheet, but does not affect prior period balance sheet classifications. Additionally, the designation as held for sale requires us to record the related net assets at the lower of their current cost basis or fair value, less an amount of estimated selling costs, and thus we recognized a noncash pretax impairment charge. The related impairment charge of $147 million was recorded during second quarter 2017 (refer to Note 15: Charges for Integration and Restructuring, Closures and Asset Impairments). Other than the impairment charge and the cessation of certain costs associated with held for sale classification, this classification does not affect the presentation in the Consolidated Statement of Operations.

As of June 30, 2017, “Assets held for sale” had a balance of $411 million, which consisted of $41 million related to Inventories and other assets as well as $370 million related to Timberslands and Property and equipment, net, after an impairment of $147 million. The related “Liabilities held for sale” of $19 million consisted of Accounts payable and other liabilities.

The sale of our Uruguayan operations is not considered a strategic shift that has or will have a major effect on our operations or financial results and therefore does not meet the requirements for presentation as discontinued operations.

DISCONTINUED OPERATIONS

During 2016, we entered into three separate transactions to sell our Cellulose Fibers business. As a result of these transactions, the company recognized a pretax gain on disposition of $789 million and total cash proceeds of $2.5 billion in the second half of 2016. These transactions consisted of:

- sale of our Cellulose Fibers liquid packaging board business to Nippon Paper Industries Co., Ltd, which closed on August 31, 2016;
- sale of our Cellulose Fibers printing papers joint venture to One Rock Capital Partners, LLC, which closed on November 1, 2016; and
- sale of our Cellulose Fibers pulp business to International Paper, which closed on December 1, 2016.

The results of operations for our pulp and liquid packaging board businesses, along with our interest in our printing papers joint venture, were reclassified to discontinued operations during our 2016 reporting year. These results have been summarized in “Earnings from discontinued operations” on our Consolidated Statement of Operations for each period presented. We did not reclassify our Consolidated Statement of Cash Flows to reflect discontinued operations.

The following table presents net earnings from discontinued operations. As all discontinued operations were sold in 2016, no assets or liabilities remain as of June 30, 2017, or December 31, 2016.

### DOLLAR AMOUNTS IN MILLIONS

<table>
<thead>
<tr>
<th></th>
<th>QUARTER ENDED</th>
<th>YEAR-TO-DATE ENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>JUNE 2016</td>
<td>JUNE 2016</td>
</tr>
<tr>
<td>Total net sales</td>
<td>$456</td>
<td>$886</td>
</tr>
<tr>
<td>Costs of products sold</td>
<td>374</td>
<td>760</td>
</tr>
<tr>
<td>Gross margin</td>
<td>82</td>
<td>126</td>
</tr>
<tr>
<td>Selling expenses</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>8</td>
<td>17</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Charges for integration and restructuring, closures and asset impairments</td>
<td>25</td>
<td>31</td>
</tr>
<tr>
<td>Other operating income, net</td>
<td>(10)</td>
<td>(19)</td>
</tr>
<tr>
<td>Operating income</td>
<td>54</td>
<td>87</td>
</tr>
<tr>
<td>Equity loss from joint venture</td>
<td>(1)</td>
<td>(3)</td>
</tr>
<tr>
<td>Interest expense, net of capitalized interest</td>
<td>(1)</td>
<td>(3)</td>
</tr>
<tr>
<td>Earnings from discontinued operations before income taxes</td>
<td>52</td>
<td>81</td>
</tr>
<tr>
<td>Income taxes</td>
<td>(14)</td>
<td>(23)</td>
</tr>
<tr>
<td>Net earnings from discontinued operations</td>
<td>$38</td>
<td>58</td>
</tr>
</tbody>
</table>

(1) Charges relate to our strategic evaluation of the Cellulose Fibers businesses and transaction-related costs.
Cash flows from discontinued operations for the three and six months ended June 30, 2016, are as follows:

<table>
<thead>
<tr>
<th>DOLLAR AMOUNTS IN MILLIONS</th>
<th>JUNE 2016</th>
<th>JUNE 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash provided by (used in) operating activities</td>
<td>$ 68</td>
<td>$ 134</td>
</tr>
<tr>
<td>Net cash provided by (used in) investing activities</td>
<td>$(12)</td>
<td>$(34)</td>
</tr>
</tbody>
</table>

**NOTE 4: MERGER WITH PLUM CREEK**

On February 19, 2016, we merged with Plum Creek Timber Company, Inc. (Plum Creek). Plum Creek was a REIT that primarily owned and managed timberlands in the United States. Plum Creek also produced wood products, developed opportunities for mineral and other natural resource extraction, and sold real estate properties.

The acquisition of total assets of $10.0 billion was a noncash investing and financing activity comprised of $6.4 billion in equity consideration transferred and $3.6 billion of liabilities assumed.

Summarized unaudited pro forma information that presents combined amounts as if this merger occurred at the beginning of 2016 is as follows:

<table>
<thead>
<tr>
<th>DOLLAR AMOUNTS IN MILLIONS, EXCEPT PER-SHARE FIGURES</th>
<th>JUNE 2016</th>
<th>JUNE 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>$ 1,655</td>
<td>$ 3,216</td>
</tr>
<tr>
<td>Net earnings from continuing operations attributable to Weyerhaeuser common shareholders</td>
<td>$ 122</td>
<td>$ 266</td>
</tr>
<tr>
<td>Earnings from continuing operations per share attributable to Weyerhaeuser common shareholders, basic and diluted</td>
<td>$ 0.16</td>
<td>$ 0.35</td>
</tr>
</tbody>
</table>

Pro forma “Net earnings from continuing operations attributable to Weyerhaeuser common shareholders” excludes $3 million and $134 million non-recurring merger-related costs (net of tax) incurred in the quarter and year-to-date ended June 30, 2016, respectively. Pro forma data may not be indicative of the results that would have been obtained had these events occurred at the beginning of the periods presented, nor is it intended to be a projection of future results.

**NOTE 5: NET EARNINGS PER SHARE**

Our basic and diluted earnings per share attributable to Weyerhaeuser shareholders were:

- $0.03 during second quarter 2017 and $0.24 during year-to-date 2017; and
- $0.21 during second quarter 2016 and $0.33 during year-to-date 2016.

Basic earnings per share is net earnings available to common shareholders divided by the weighted average number of our outstanding common shares, including stock equivalent units where there is no circumstance under which those shares would not be issued.

Diluted earnings per share is net earnings available to common shareholders divided by the sum of the weighted average number of our outstanding common shares and the effect of our outstanding dilutive potential common shares:

<table>
<thead>
<tr>
<th>SHARES IN THOUSANDS</th>
<th>QUARTER ENDED</th>
<th>YEAR-TO-DATE ENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>JUNE 2017</td>
<td>JUNE 2016</td>
</tr>
<tr>
<td>Weighted average number of outstanding common shares – basic</td>
<td>752,630</td>
<td>743,140</td>
</tr>
<tr>
<td>Dilutive potential common shares:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock options</td>
<td>2,845</td>
<td>3,061</td>
</tr>
<tr>
<td>Restricted stock units</td>
<td>488</td>
<td>1,075</td>
</tr>
<tr>
<td>Performance share units</td>
<td>488</td>
<td>425</td>
</tr>
<tr>
<td>Total effect of outstanding dilutive potential common shares</td>
<td>3,821</td>
<td>4,561</td>
</tr>
<tr>
<td>Weighted average number of outstanding common shares – dilutive</td>
<td>756,451</td>
<td>747,701</td>
</tr>
</tbody>
</table>

We use the treasury stock method to calculate the dilutive effect of our outstanding stock options, restricted stock units and performance share units. Share-based payment awards that are contingently issuable upon the achievement of specified performance or market conditions are included in our diluted earnings per share calculation in the period in which the conditions are satisfied.
Potential Shares Not Included in the Computation of Diluted Earnings per Share

The following shares were not included in the computation of diluted earnings per share because they were either antidilutive or the required performance or market conditions were not met. Some or all of these shares may be dilutive potential common shares in future periods.

<table>
<thead>
<tr>
<th>SHARES IN THOUSANDS</th>
<th>QUARTER ENDED</th>
<th>YEAR-TO-DATE ENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>JUNE 2017</td>
<td>JUNE 2016</td>
</tr>
<tr>
<td></td>
<td>JUNE 2017</td>
<td>JUNE 2016</td>
</tr>
<tr>
<td>Stock options</td>
<td>1,408</td>
<td>1,916</td>
</tr>
<tr>
<td>Performance share units</td>
<td>450</td>
<td>471</td>
</tr>
<tr>
<td>Preference shares</td>
<td>—</td>
<td>25,273</td>
</tr>
</tbody>
</table>

We issued 13.8 million 6.375 percent Mandatory Convertible Preference Shares, Series A on June 24, 2013, the majority of which remained outstanding through June 30, 2016. Preference Shares outstanding during the quarter ended June 30, 2016, were considered antidilutive and were not considered participating. On July 1, 2016, all outstanding 6.375 percent Mandatory Convertible Preference Shares, Series A (Preference Shares) converted into Weyerhaeuser common shares at a rate of 1.6929 Weyerhaeuser common shares per Preference Share. There were no preference shares outstanding as of June 30, 2017.

NOTE 6: INVENTORIES

Inventories include raw materials, work-in-process and finished goods.

<table>
<thead>
<tr>
<th>DOLLAR AMOUNTS IN MILLIONS</th>
<th>JUNE 30, 2017</th>
<th>DECEMBER 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIFO Inventories:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Logs</td>
<td>$5</td>
<td>$18</td>
</tr>
<tr>
<td>Lumber, plywood and panels</td>
<td>52</td>
<td>51</td>
</tr>
<tr>
<td>Medium density fiberboard</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Other products</td>
<td>21</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>$349</td>
<td>$358</td>
</tr>
<tr>
<td>FIFO or moving average cost inventories:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Logs</td>
<td>18</td>
<td>21</td>
</tr>
<tr>
<td>Lumber, plywood, panels and engineered wood products</td>
<td>81</td>
<td>71</td>
</tr>
<tr>
<td>Other products</td>
<td>80</td>
<td>92</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>83</td>
<td>85</td>
</tr>
</tbody>
</table>

LIFO – the last-in, first-out method – applies to major inventory products held at our U.S. domestic locations. The FIFO – the first-in, first-out method – or moving average cost methods apply to the balance of our domestic raw material and product inventories as well as for all material and supply inventories and all foreign inventories. If we used FIFO for all LIFO inventories, our stated inventories would have been higher by $70 million as of June 30, 2017, and $71 million as of December 31, 2016.

NOTE 7: RELATED PARTIES

This note provides details about our transactions with related parties. Our related parties consist of:

- our Real Estate Development Ventures, which are accounted for using the equity method and
- our Twin Creeks Venture.

Real Estate Development Ventures

WestRock-Charleston Land Partners, LLC (WR-CLP) is a limited liability company which holds residential and commercial real estate development properties, currently under development (Class A Properties) and higher-value timber and development lands (Class B Properties) (referred to collectively as the Real Estate Development Ventures). Our share of the equity earnings are included in the net contribution to earnings of our Real Estate & ENR segment.

The carrying amount of our investment in WR-CLP is $33 million at June 30, 2017, and $56 million at December 31, 2016. The change in our investment in WR-CLP during 2017 is due to a $23 million cash return of investment received during second quarter 2017. We record our share of net earnings within “Equity earnings from joint ventures” in our Consolidated Statement of Operations in the period which earnings are recorded by the affiliates. We did not have any equity earnings from joint ventures during second quarter or year-to-date 2017.
Twin Creeks Venture

On April 1, 2016, we contributed approximately 260,000 acres of our southern timberlands with an agreed-upon value of approximately $560 million to Twin Creeks Timber, LLC (Twin Creeks Venture), in exchange for cash of approximately $440 million and a 21 percent ownership interest.

In conjunction with contributing to the venture, we entered into a separate agreement to manage the timberlands owned by the Twin Creeks Venture, including harvesting activities, marketing and log sales activities, and replanting and silviculture activities. This management agreement guarantees the Twin Creeks Venture an annual return equal to 3 percent of the contributed value of the managed timberlands in the form of minimum quarterly payments from Weyerhaeuser. We are also required to annually distribute 75 percent of any profits earned by us in excess of the minimum quarterly payments. The management agreement is cancellable at any time by Twin Creeks Timber, LLC, and otherwise will expire on April 1, 2019.

Changes in our “Deposit from contribution of timberlands to related party” balance during 2017 were as follows:

DOLLAR AMOUNTS IN MILLIONS

<table>
<thead>
<tr>
<th>Description</th>
<th>June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at December 31, 2016</td>
<td>$426</td>
</tr>
<tr>
<td>Lease payments to Twin Creeks Venture</td>
<td>(9)</td>
</tr>
<tr>
<td>Distributions from Twin Creeks Venture</td>
<td>2</td>
</tr>
<tr>
<td>Balance at June 30, 2017</td>
<td>$419</td>
</tr>
</tbody>
</table>

NOTE 8: PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS

The components of net periodic benefit costs (credits) are:

<table>
<thead>
<tr>
<th></th>
<th>Quarter Ended</th>
<th>Year-to-Date Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 2017</td>
<td>June 2016</td>
</tr>
<tr>
<td></td>
<td>June 2017</td>
<td>June 2016</td>
</tr>
<tr>
<td>Service cost (1)</td>
<td>$7</td>
<td>$11</td>
</tr>
<tr>
<td>Interest cost</td>
<td>66</td>
<td>69</td>
</tr>
<tr>
<td>Expected return on plan assets</td>
<td>(103)</td>
<td>(123)</td>
</tr>
<tr>
<td>Amortization of actuarial loss</td>
<td>42</td>
<td>40</td>
</tr>
<tr>
<td>Amortization of prior service cost</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Accelerated pension costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Note 15)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total net periodic benefit cost</td>
<td>$13</td>
<td>$(2)</td>
</tr>
</tbody>
</table>

(1) Service cost includes $3 million and $7 million for the quarter and year-to-date ended June 30, 2016, respectively, for employees that were part of our Cellulose Fibers divestitures. These charges are included in our results of discontinued operations.

On January 1, 2017, we adopted ASU 2017-07, which affects where components of pension and other postretirement costs are presented on the Consolidated Statement of Operations. Refer to Note 1: Basis of Presentation for further information.

FAIR VALUE OF PENSION PLAN ASSETS AND OBLIGATION

We estimate the fair value of pension plan assets based upon the information available during the year-end reporting process. In some cases, primarily private equity funds, the information available consists of net asset values as of an interim date, cash flows between the interim date and the end of the year and market events. We update the year-end estimated fair value of pension plan assets to incorporate year-end net asset values reflected in financial statements received after we have filed our Annual Report on Form 10-K. During second quarter 2017, we recorded an increase in the fair value of the pension assets of $17 million, or less than 1 percent. We also updated our census data that is used to estimate our projected benefit obligation for our pension plans. As a result of that update, during second quarter 2017, we recorded a
decrease to the projected benefit obligation of $10 million, or less than 1 percent. The net effect was a $27 million improvement in the funded status compared to December 31, 2016.

EXPECTED CONTRIBUTIONS AND BENEFIT PAYMENTS

In 2017 we expect to:

- be required to contribute approximately $23 million for our Canadian registered plan;
- be required to contribute or make benefit payments for our Canadian nonregistered plans of $3 million;
- make benefit payments of $26 million for our U.S. nonqualified pension plans; and
- make benefit payments of $21 million for our U.S. and Canadian other postretirement plans.

We do not anticipate making a contribution to our U.S. qualified pension plans for 2017.

NOTE 9: ACCRUED LIABILITIES

Accrued liabilities were comprised of the following:

<table>
<thead>
<tr>
<th>DOLLAR AMOUNTS IN MILLIONS</th>
<th>JUNE 30, 2017</th>
<th>DECEMBER 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages, salaries and severance pay</td>
<td>$ 118</td>
<td>$ 178</td>
</tr>
<tr>
<td>Pension and other postretirement benefits</td>
<td>48</td>
<td>49</td>
</tr>
<tr>
<td>Vacation pay</td>
<td>35</td>
<td>33</td>
</tr>
<tr>
<td>Taxes – Social Security and real and personal property</td>
<td>31</td>
<td>20</td>
</tr>
<tr>
<td>Interest</td>
<td>118</td>
<td>120</td>
</tr>
<tr>
<td>Customer rebates and volume discounts</td>
<td>39</td>
<td>39</td>
</tr>
<tr>
<td>Deferred income</td>
<td>64</td>
<td>40</td>
</tr>
<tr>
<td>Accrued income taxes</td>
<td>12</td>
<td>139</td>
</tr>
<tr>
<td>Product remediation accrual (1)</td>
<td>50</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>70</td>
<td>74</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 585</strong></td>
<td><strong>$ 692</strong></td>
</tr>
</tbody>
</table>

(1) In the second quarter of 2017, we recorded a $50 million accrual for estimated costs to remediate an issue with certain I-joists coated with our Flak Jacket® Protection product. Refer to Note 12: Legal Proceedings, Commitments and Contingencies for additional details.

NOTE 10: LONG-TERM DEBT AND LINES OF CREDIT

During March 2017, we entered into a new $1.5 billion five-year senior unsecured revolving credit facility that expires in March 2022. This replaced a $1 billion senior unsecured revolving credit facility that was set to expire September 2018. The entire amount is available to Weyerhaeuser Company. Borrowings are at LIBOR plus a spread or at other interest rates mutually agreed upon between the borrower and the lending banks. There were no borrowings or repayments under our revolving credit facility during year-to-date June 30, 2017.

Subsequent to our quarter ended June 30, 2017, but prior to the issuance of these financial statements, we prepaid a $550 million variable-rate term loan originally set to mature in 2020 (2020 term loan). The 2020 term loan was prepaid using available cash as well as borrowing proceeds from a new $225 million variable-rate term loan set to mature in 2026 (2026 term loan). Due to the use of available cash to settle a portion of the 2020 term loan, we have reclassified the related portion ($325 million) of the 2020 term loan outstanding at June 30, 2017, from "Long-term debt" to "Current maturities of long-term debt" on our current period Consolidated Balance Sheet.

NOTE 11: FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair values and carrying values of our long-term debt consisted of the following:

<table>
<thead>
<tr>
<th>DOLLAR AMOUNTS IN MILLIONS</th>
<th>JUNE 30, 2017</th>
<th>DECEMBER 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CARRYING VALUE</strong></td>
<td><strong>FAIR VALUE (LEVEL 2)</strong></td>
<td><strong>CARRYING VALUE</strong></td>
</tr>
<tr>
<td>Long-term debt (including current maturities):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed rate</td>
<td>$ 6,054</td>
<td>$ 7,142</td>
</tr>
<tr>
<td>Variable rate</td>
<td>550</td>
<td>550</td>
</tr>
<tr>
<td>Total Debt</td>
<td><strong>$ 6,604</strong></td>
<td><strong>$ 7,692</strong></td>
</tr>
</tbody>
</table>
To estimate the fair value of fixed rate long-term debt, we used the following valuation approaches:

- market approach – based on quoted market prices we received for the same types and issues of our debt; or

- income approach – based on the discounted value of the future cash flows using market yields for the same type and comparable issues of debt.

We believe that our variable rate long-term debt instruments have net carrying values that approximate their fair values with only insignificant differences.

The inputs to these valuations are based on market data obtained from independent sources or information derived principally from observable market data. The difference between the fair value and the carrying value represents the theoretical net premium or discount we would pay or receive to retire all debt at the measurement date.

**FAIR VALUE OF OTHER FINANCIAL INSTRUMENTS**

We believe that our other financial instruments, including cash and cash equivalents, short-term investments, mutual fund investments held in grantor trusts, receivables, and payables, have net carrying values that approximate their fair values with only insignificant differences. This is primarily due to the short-term nature of these instruments and the allowance for doubtful accounts.

**NOTE 12: LEGAL PROCEEDINGS, COMMITMENTS AND CONTINGENCIES**

**LEGAL PROCEEDINGS**

We are party to various legal proceedings arising in the ordinary course of business. We are not currently a party to any legal proceeding that management believes could have a material adverse effect on our long-term consolidated financial position, results of operations or cash flows. See Note 17: Income Taxes for a discussion of a tax proceeding involving Plum Creek REIT’s 2008 U.S. federal income tax return.

**ENVIRONMENTAL MATTERS**

**Site Remediation**

Under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) – commonly known as the Superfund – and similar state laws, we:

- are a party to various proceedings related to the cleanup of hazardous waste sites and

- have been notified that we may be a potentially responsible party related to the cleanup of other hazardous waste sites for which proceedings have not yet been initiated.

We have received notification from the Environmental Protection Agency (the EPA) and have acknowledged that we are a potentially responsible party in a portion of the Kalamazoo River Superfund site in southwest Michigan. Our involvement in the remediation site is based on our former ownership of the Plainwell, Michigan mill located within the remediation site. Several other companies also operated upstream pulp mills within the remediation site. We are currently cooperating with the other parties to jointly implement an administrative order issued by the EPA on April 14, 2016, with respect to a portion of the site comprising a stretch of the river approximately 1.7 miles long referred to as the Otsego Township Dam Area. We do not expect to incur material losses related to the implementation of this administrative order; however, we may incur additional costs, as yet not specified, in connection with remediation tasks resulting from other areas of the site. The company, along with others, was named as a defendant by Georgia-Pacific Consumer Products LP, Fort James Corporation and Georgia-Pacific LLC in an action seeking contribution under CERCLA for remediation costs relating to the site. The trial has been concluded but a decision on cost contribution and allocation has not yet been rendered by the Court.

As of June 30, 2017, our total accrual for future estimated remediation costs on the active Superfund sites and other sites for which we are responsible was approximately $47 million. These reserves are recorded in “Accrued liabilities” (current) and “Other liabilities” (noncurrent) on our Consolidated Balance Sheet.

**Asset Retirement Obligations**

We have obligations associated with the retirement of tangible long-lived assets consisting primarily of reforestation obligations related to forest management licenses in Canada and obligations to close and cap landfills. As of June 30, 2017, our accrued balance for these obligations was $31 million. These obligations are recorded in “Accrued liabilities” (current) and “Other liabilities” (noncurrent) on our Consolidated Balance Sheet. The accruals have not changed materially since the end of 2016.

Some of our sites have materials containing asbestos. We have met our current legal obligation to identify and manage these materials. In situations where we cannot reasonably determine when materials containing asbestos might be removed from the sites, we have not recorded an accrual because the fair value of the obligation cannot be reasonably estimated.
In July 2017, the company announced it is implementing a solution to address concerns regarding our TJI® Joists with Flak Jacket® Protection product. The company has determined that an odor in certain newly constructed homes is related to a recent formula change to the Flak Jacket coating that included formaldehyde-based resin. This issue is isolated to Flak Jacket product manufactured after December 1, 2016, and does not affect any of the company's other products. The company also announced it will cover the cost to either remediate or replace affected joists. The estimated range of costs to remediate or replace is $50 million to $60 million. As of June 30, 2017, we have recorded a $50 million reserve for remediation costs. The charge is attributable to our Wood Products segment and was recorded in “Other operating costs (income), net,” on the Consolidated Statement of Operations. The related accrual was recorded in “Accrued liabilities” on the Consolidated Balance Sheet.

NOTE 13: CUMULATIVE OTHER COMPREHENSIVE INCOME (LOSS)

Changes in amounts included in our cumulative other comprehensive income (loss) by component are:

<table>
<thead>
<tr>
<th>DOLLAR AMOUNTS IN MILLIONS</th>
<th>PENSION</th>
<th>OTHER POSTRETIREMENT BENEFITS</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign currency translation adjustments</td>
<td>$232</td>
<td>$(1,651)</td>
<td>$ (9)</td>
</tr>
<tr>
<td>Actuarial losses</td>
<td>$(21)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Prior service costs</td>
<td>$(3)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Actuarial losses</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Prior service credits</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Unrealized gains on available-for-sale securities</td>
<td>$1</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Beginning balance as of December 31, 2016</td>
<td>$232</td>
<td>$(1,651)</td>
<td>$(9)</td>
</tr>
<tr>
<td>Other comprehensive income (loss) before reclassifications</td>
<td>11</td>
<td>21</td>
<td>(3)</td>
</tr>
<tr>
<td>Income taxes</td>
<td>—</td>
<td>(15)</td>
<td>1</td>
</tr>
<tr>
<td>Net other comprehensive income (loss) before reclassifications</td>
<td>11</td>
<td>6</td>
<td>(2)</td>
</tr>
<tr>
<td>Amounts reclassified from cumulative other comprehensive income (loss)</td>
<td>—</td>
<td>97</td>
<td>2</td>
</tr>
<tr>
<td>Income taxes</td>
<td>—</td>
<td>(33)</td>
<td>1</td>
</tr>
<tr>
<td>Net amounts reclassified from cumulative other comprehensive income (loss)</td>
<td>—</td>
<td>64</td>
<td>1</td>
</tr>
<tr>
<td>Total other comprehensive income (loss)</td>
<td>11</td>
<td>70</td>
<td>(1)</td>
</tr>
<tr>
<td>Ending balance as of June 30, 2017</td>
<td>$243</td>
<td>$(1,581)</td>
<td>$(10)</td>
</tr>
</tbody>
</table>

(1) Actuarial losses and prior service credits (cost) are components of net periodic benefit costs (credits). See Note 8: Pension and Other Postretirement Benefit Plans.

NOTE 14: SHARE-BASED COMPENSATION

Share-based compensation activity during year-to-date 2017 included the following:

<table>
<thead>
<tr>
<th>SHARES IN THOUSANDS</th>
<th>Granted</th>
<th>Vested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted Stock Units (RSUs)</td>
<td>763</td>
<td>710</td>
</tr>
<tr>
<td>Performance Share Units (PSUs)</td>
<td>348</td>
<td>160</td>
</tr>
</tbody>
</table>

A total of 4.2 million shares of common stock were issued as a result of RSU vesting, PSU vesting and stock option exercises.

RESTRICTED STOCK UNITS

The weighted average fair value of the RSUs granted in 2017 was $32.79. The vesting provisions for RSUs granted in 2017 were as follows:

- vest ratably over four years;
- immediately vest in the event of death while employed or disability;
- continue to vest upon retirement at an age of at least 62, but a portion of the grant forfeits if retirement occurs before the one year anniversary of the grant;
- continue vesting for one year in the event of involuntary termination when the retirement criteria has not been met; and
- will forfeit upon termination of employment in all other situations including early retirement prior to age 62.
PERFORMANCE SHARE UNITS

The weighted average grant date fair value of PSUs granted in 2017 was $37.93.

The final number of shares granted in 2017 will range from 0 percent to 150 percent of each grant’s target, depending upon actual company performance.

The ultimate number of PSUs earned is based on two measures:
- our relative total shareholder return (TSR) ranking measured against the S&P 500 over a three year period and
- our relative TSR ranking measured against an industry peer group of companies over a three year period.

The vesting provisions for PSUs granted in 2017 were as follows:
- vest 100 percent on the third anniversary of the grant date as long as the individual remains employed by the company;
- fully vest in the event the participant dies or becomes disabled while employed;
- continue to vest upon retirement at an age of at least 62, but a portion of the grant forfeits if retirement occurs before the one year anniversary of the grant;
- continue vesting for one year in the event of involuntary termination when the retirement criteria has not been met and the employee has met the second anniversary of the grant date; and
- will forfeit upon termination of employment in all other situations including early retirement prior to age 62.

Weighted Average Assumptions Used in Estimating the Value of Performance Share Units Granted in 2017

<table>
<thead>
<tr>
<th>Performance period</th>
<th>1/1/2017 - 12/31/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuation date average stock price (1)</td>
<td>$32.79</td>
</tr>
<tr>
<td>Expected dividends</td>
<td>3.74%</td>
</tr>
<tr>
<td>Risk-free rate</td>
<td>0.68% – 1.55%</td>
</tr>
<tr>
<td>Expected volatility</td>
<td>22.71% – 24.07%</td>
</tr>
</tbody>
</table>

(1) Calculated as an average of the high and low prices on grant date.

STOCK OPTIONS AND STOCK APPRECIATION RIGHTS

We have not granted any stock options or stock appreciation rights during 2017, nor do we expect any grants to occur during the remainder of 2017.

VALUE MANAGEMENT AWARDS

Value Management Awards (VMAs) are relative performance equity incentive awards granted to certain former employees of Plum Creek and assumed by the company in connection with the Plum Creek merger. In accordance with the terms of the merger, all VMAs outstanding on December 31, 2017, will vest at “target” level performance of $100 per unit and will be paid in the first quarter of 2018. The VMAs are classified and accounted for as liabilities, as they will be settled in cash upon vesting. The expense recognized over the remaining performance period will equal the cash value of an award as of the last day of the performance period multiplied by the number of awards that are earned. Expense for VMAs will continue to be recognized over the remaining service period unless a qualifying termination occurs. A qualifying termination of any holder of a VMA award before December 31, 2017, will accelerate vesting and expense recognition in the period that the qualifying termination occurs.
NOTE 15: CHARGES FOR INTEGRATION AND RESTRUCTURING, CLOSURES AND ASSET IMPAIRMENTS

DOLLAR AMOUNTS IN MILLIONS

<table>
<thead>
<tr>
<th>Description</th>
<th>JUNE 2017</th>
<th>JUNE 2016</th>
<th>JUNE 2017</th>
<th>JUNE 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integration and restructuring charges related to our merger with Plum Creek:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Termination benefits</td>
<td>$ —</td>
<td>$ 3</td>
<td>$ 6</td>
<td>$ 48</td>
</tr>
<tr>
<td>Acceleration of share-based compensation and pension related benefits related to qualifying terminations</td>
<td>—</td>
<td>2</td>
<td>—</td>
<td>26</td>
</tr>
<tr>
<td>Professional services</td>
<td>2</td>
<td>—</td>
<td>5</td>
<td>39</td>
</tr>
<tr>
<td>Other integration and restructuring costs</td>
<td>—</td>
<td>3</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Total integration and restructuring charges related to our merger with Plum Creek</td>
<td>2</td>
<td>8</td>
<td>14</td>
<td>118</td>
</tr>
<tr>
<td>Charges related to closures and other restructuring activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Termination benefits</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Other closures and restructuring costs</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Total charges related to closures and other restructuring activities</td>
<td>2</td>
<td>4</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Impairments of long-lived assets</td>
<td>147</td>
<td>2</td>
<td>147</td>
<td>2</td>
</tr>
<tr>
<td>Total charges for integration and restructuring, closures and impairments</td>
<td>$ 151</td>
<td>$ 14</td>
<td>$ 164</td>
<td>$ 125</td>
</tr>
</tbody>
</table>

INTEGRATION, RESTRUCTURING AND CLOSURES

During 2017, we incurred and accrued for termination benefits (primarily severance) and non-recurring professional services costs directly attributable to our merger with Plum Creek.

During 2016, we incurred and accrued for termination benefits (primarily severance), accelerated share-based payment costs, and accelerated pension benefits based upon actual and expected qualifying terminations of certain employees as a result of restructuring decisions made subsequent to the merger. We also incurred non-recurring professional services costs for investment banking, legal and consulting, and certain other fees directly attributable to our merger with Plum Creek.

Changes in accrued severance related to restructuring during the year-to-date period ended June 30, 2017, were as follows:

DOLLAR AMOUNTS IN MILLIONS

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued severance as of December 31, 2016</td>
<td>$ 26</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges</td>
<td>8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments</td>
<td>(19)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued severance as of June 30, 2017</td>
<td></td>
<td></td>
<td></td>
<td>$ 15</td>
</tr>
</tbody>
</table>

Accrued severance is recorded within the "Wages, salaries and severance pay" component of "Accrued liabilities" on our Consolidated Balance Sheet as detailed in Note 9: Accrued Liabilities. The majority of the accrued severance balance as of June 30, 2017, is expected to be paid within one year.

IMPAIRMENTS OF LONG-LIVED ASSETS

The impairment of long-lived assets charge recognized in second quarter 2017, related to the impairment of our Uruguayan timberlands and manufacturing business. On June 2, 2017, our Board of Directors approved an agreement to sell all of the Company's equity in the Uruguayan business to a consortium led by BTG Pactual's Timberland Investment Group (TIG.) As a result of this agreement, the related assets met the criteria to be classified as held for sale. This designation required us to record the related assets at fair value, less an amount of estimated selling costs, and thus recognize a $147 million noncash pretax impairment charge. This amount was recorded in the Timberlands segment. The fair value of the related assets was primarily based on the agreed upon cash purchase price of $403 million. Refer to Note 3: Held for Sale and Discontinued Operations for further details of the related purchase agreement.
NOTE 16: OTHER OPERATING COSTS (INCOME), NET

Other operating costs (income), net:

• includes both recurring and occasional income and expense items and

• can fluctuate from year to year.

ITEMS INCLUDED IN OTHER OPERATING COSTS (INCOME), NET

<table>
<thead>
<tr>
<th></th>
<th>QUARTER ENDED</th>
<th>YEAR-TO-DATE ENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>JUNE 2017</td>
<td>JUNE 2016</td>
</tr>
<tr>
<td>Gain on disposition of nonstrategic assets</td>
<td>$ (2)</td>
<td>$ (10)</td>
</tr>
<tr>
<td>Foreign exchange losses (gains), net</td>
<td>—</td>
<td>1</td>
</tr>
<tr>
<td>Litigation expense, net</td>
<td>3</td>
<td>18</td>
</tr>
<tr>
<td>Product remediation</td>
<td>50</td>
<td>—</td>
</tr>
<tr>
<td>Other, net</td>
<td>11</td>
<td>(7)</td>
</tr>
<tr>
<td>Total other operating costs (income), net</td>
<td>$ 62</td>
<td>$ 2</td>
</tr>
</tbody>
</table>

(1) Gain on disposition of nonstrategic assets included a $36 million pretax gain recognized in the first quarter of 2016 on the sale of our Federal Way, Washington headquarters campus. The remaining gains on disposition of nonstrategic assets includes sales such as redundant offices and nurseries.

(2) Foreign exchange losses (gains) result from changes in exchange rates, primarily related to our Canadian operations.

(3) In the second quarter of 2017, we recorded a $50 million charge to accrue for estimated costs to remediate an issue with certain I-joists coated with our Flak Jacket® Protection product. Refer to Note 12: Legal Proceedings, Commitments and Contingencies for additional details.

NOTE 17: INCOME TAXES

As a REIT, we generally are not subject to federal corporate level income taxes on REIT taxable income that is distributed to shareholders. We are required to pay corporate income taxes on earnings of our wholly-owned TRSs, which includes our Wood Products segment and portions of our Timberlands and Real Estate & ENR segments' earnings.

The quarterly provision for income taxes is based on the current estimate of the annual effective tax rate. Our 2017 estimated annual effective tax rate for our TRSs is approximately 33 percent, which is lower than the U.S. domestic statutory federal tax rate primarily due to lower foreign tax rates applicable to foreign earnings.

ONGOING IRS MATTER

In connection with the merger with Plum Creek, we acquired equity interests in Southern Diversified Timber, LLC, a timberland joint venture (Timberland Venture) with an affiliate of Campbell Global LLC (TCG Member). On August 31, 2016, the Timberland Venture redeemed TCG Member's interest and became a fully consolidated, wholly-owned subsidiary of Weyerhaeuser.

We received a Notice of Final Partnership Administrative Adjustment (FPAA), dated July 20, 2016, from the Internal Revenue Service (IRS) in regard to Plum Creek's 2008 U.S. federal income tax treatment of the transaction forming the Timberland Venture. The IRS is asserting that the transfer of the timberlands to the Timberland Venture was a taxable transaction to Plum Creek at the time of the transfer rather than a nontaxable capital contribution. We have filed a petition in the U.S. Tax Court and will vigorously contest this adjustment.

In the event that we are unsuccessful in this tax litigation, we could be required to recognize and distribute gain to shareholders of approximately $600 million and pay built-in gains tax of approximately $100 million. We would also be required to pay interest on both of those amounts, which would be substantial. We expect that as much as 80 percent of any such gain distribution could be made with our common stock, and shareholders would be subject to tax on the distribution at the applicable capital gains tax rate. Alternatively, we could elect to retain the gain and pay corporate-level tax to minimize interest costs to the company.

Although the outcome of this process cannot be predicted with certainty, we are confident in our position based on U.S. tax law and believe we will be successful in defending it. Accordingly, no reserve has been recorded related to this matter.
NOTE ABOUT FORWARD-LOOKING STATEMENTS

This report contains statements concerning our future results and performance that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements may appear throughout this report. These forward-looking statements generally are identified by words such as "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would," and expressions such as "will be," "will continue," "will likely result," and similar words and expressions. Forward-looking statements are based on our current expectations and assumptions and are not guarantees of future performance. The realization of our expectations and the accuracy of our assumptions are subject to a number of risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These risks and uncertainties include, but are not limited to:

- the effect of general economic conditions, including employment rates, interest rate levels, housing starts, general availability of financing for home mortgages and the relative strength of the U.S. dollar;

- market demand for the company's products, including market demand for our timberland properties with higher and better uses, which is related to, among other factors, the strength of the various U.S. business segments and U.S. and international economic conditions;

- changes in currency exchange rates and restrictions on international trade;

- performance of our manufacturing operations, including maintenance and capital requirements;

- potential disruptions in our manufacturing operations;

- the level of competition from domestic and foreign producers;

- our ability to successfully realize the expected benefits from the merger with Plum Creek;

- the successful execution of our internal plans and strategic initiatives, including restructuring and cost reduction initiatives;

- the successful and timely execution and integration of our strategic acquisitions, including our ability to realize expected benefits and synergies, and the successful and timely execution of our strategic divestitures, each of which is subject to a number of risks and conditions beyond our control including, but not limited to, timing and required regulatory approvals;

- raw material availability and prices;

- the effect of weather;

- the risk of loss from fires, floods, windstorms, hurricanes, pest infestation and other natural disasters;

- energy prices;

- transportation and labor availability and costs;

- federal tax policies;

- the effect of forestry, land use, environmental and other governmental regulations;

- legal proceedings;

- performance of pension fund investments and related derivatives;

- the effect of timing of retirements and changes in the market price of our common stock on charges for share-based compensation;

- changes in accounting principles; and

- other risks and uncertainties identified in our 2016 Annual Report on Form 10-K, which are incorporated herein by reference, as well as those set forth from time to time in our other public statements and other reports and filings with the SEC.
Forward-looking statements speak only as of the date they are made, and we undertake no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events, or otherwise.
RESULTS OF OPERATIONS

In reviewing our results of operations, it is important to understand these terms:

- Sales realizations for Timberlands and Wood Products refer to net selling prices – this includes selling price plus freight, minus normal sales deductions. Real Estate transactions are presented at the contract sales price before commissions and closing costs, net of any credits.

- Net contribution to earnings does not include interest expense and income taxes.

In the following discussion, unless otherwise noted, references to increases or decreases in income and expense items, sales realizations, shipment volumes, and net contributions to earnings are based on the quarter and year-to-date period ended June 30, 2017, compared to the quarter and year-to-date period ended June 30, 2016.

ECONOMIC AND MARKET CONDITIONS AFFECTING OUR OPERATIONS

The demand for logs within our Timberlands segment is directly affected by production levels of domestic wood-based building products. The strength of the U.S. housing market strongly affects demand in our Wood Products segment, as does repair and remodeling activity. Our Timberlands segment, specifically the Western region, is also affected by export demand. Japanese housing starts are a key driver of export log demand in Japan.

As published by the U.S. Census Bureau, total housing starts for 2016 were 1.17 million units. In the first half of 2017, housing starts averaged 1.2 million total units on a seasonally adjusted annual basis according to the U.S. Census Bureau. Single family units accounted for 69 percent of total housing starts in the first half of 2017. We continue to expect improving U.S. housing starts and anticipate a level of approximately 1.25 million units in 2017, a 7 percent increase compared to 2016. We attribute this continued improvement primarily to employment growth, improving consumer confidence and historically low mortgage rates.

According to the Joint Center for Housing of Harvard University, the Leading Indicator of Remodeling Activity (LIRA), has increased by 6.9 percent in first half of 2017 and is expected to average just under 6.7 percent year over year for 2017.

U.S. wood product markets advanced in the second quarter of 2017, consistent with growth in homebuilding and remodeling segments, as described above. According to Forest Economic Advisors, LLC (FEA), North American lumber consumption is expected to grow at a 4 to 5 percent rate in 2017. Consistent with this expectation, demand for logs increased with wood products production within our Western region. This coupled with slightly higher market prices in second quarter 2017 drove higher realizations within this region. In the South, log supplies kept pace with increased demand, leaving prices relatively flat year-to-date.

Log inventories in Chinese ports decreased during second quarter 2017 but remained in a reasonable range for the period. Log demand within these ports has strengthened versus previous year levels due to stronger construction activity. In Japan, housing starts for January through May 2017 are up 2.2 percent from the same period last year.

We expect demand from China and Japan in 2017 to be similar to modestly improved from demand experienced in 2016.

Our Real Estate, Energy and Natural Resources segment is affected by the health of the U.S. economy and especially the U.S. housing sector of the economy. According to the Realtors Land Institute of the National Association of Realtors, prices and volumes of rural timber properties sold in 2016 grew 5 percent over 2015 sales. Additionally, sales of these types of properties are expected to grow 3 percent in 2017 when compared to 2016.

SOFTWARE WOOD LUMBER AGREEMENT

We operate a total of 19 softwood lumber mills with a total capacity of 4.9 billion board feet. Three of these mills are located in Canada, produce approximately 900 million board feet annually, and sell products in Canada, Asia, and the U.S.

On April 24, 2017, the U.S. Department of Commerce announced a preliminary determination that it would implement countervailing duties on Canadian softwood lumber shipments to the U.S. The rate applicable to Weyerhaeuser is 19.88 percent and became effective as of April 28, 2017. The U.S. Department of Commerce also announced that retroactive deposits at the 19.88 percent rate will be collected from certain Canadian lumber producers, including Weyerhaeuser, for softwood lumber shipments from Canada to the U.S. during the 90-day period prior to April 28, 2017.

The preliminary countervailing duties are expected to be suspended on August 28, four months after they became effective. The suspension of the countervailing duties will last until the US International Trade Commission reaches its final determination of injury, which is expected to be in December of this year.

On June 26, 2017, the U.S. Department of Commerce announced a preliminary determination that it would implement anti-dumping duties on Canadian softwood lumber shipments to the U.S. The rate applicable to Weyerhaeuser is 6.87 percent and became effective as of June 30, 2017. The U.S. Department of Commerce also announced that retroactive deposits at the 6.87 percent rate will be collected from certain Canadian lumber producers, including Weyerhaeuser, for softwood lumber shipments from Canada to the U.S. during the 90-day period prior to June 30, 2017.

In second quarter 2017, we recorded an expense of approximately $8 million in our Wood Products segment related to the retroactive countervailing and antidumping duties. We also began expensing the prospective duties as incurred, which as of June 30, 2017 totaled $3 million.
## DOLLAR AMOUNTS IN MILLIONS, EXCEPT PER-SHARE FIGURES

<table>
<thead>
<tr>
<th></th>
<th>QUARTER ENDED</th>
<th>AMOUNT OF CHANGE 2017 VS. 2016</th>
<th>YEAR-TO-DATE ENDED</th>
<th>AMOUNT OF CHANGE 2017 VS. 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>$1,808</td>
<td>$1,655</td>
<td>$153</td>
<td>$3,501</td>
</tr>
<tr>
<td><strong>Costs of products sold</strong></td>
<td>1,336</td>
<td>1,271</td>
<td>65</td>
<td>2,608</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>157</td>
<td>248</td>
<td>(91)</td>
<td>450</td>
</tr>
<tr>
<td><strong>Earnings from discontinued operations, net of tax</strong></td>
<td>—</td>
<td>38</td>
<td>(38)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net earnings attributable to Weyerhaeuser common shareholders</strong></td>
<td>24</td>
<td>157</td>
<td>(133)</td>
<td>181</td>
</tr>
<tr>
<td><strong>Earnings per share attributable to Weyerhaeuser shareholders, basic and diluted</strong></td>
<td>$0.03</td>
<td>$0.21</td>
<td>(0.18)</td>
<td>$0.24</td>
</tr>
</tbody>
</table>

### Comparing Second Quarter 2017 with Second Quarter 2016

**Net sales**

Net sales increased $153 million – 9 percent – primarily attributable to the following factors:

- Wood Products sales to unaffiliated customers increased $147 million – 13 percent – primarily due to increased average sales realizations within our oriented strand board and structural lumber product lines, as well as, increased sales volumes within our engineered solid section and engineered I-joists product lines. Additionally, upon completion of the sales of our former Cellulose Fibers businesses, chips previously sold to Cellulose Fibers are now sales to unaffiliated customers.

- Real Estate & ENR sales to unaffiliated buyers increased $8 million – 21 percent – primarily attributable to a $7 million increase in ENR sales. These increases were partially offset by decreased Timberlands sales to unaffiliated customers, which decreased by $2 million – less than 1 percent – primarily due to a decrease in delivered log sales volumes and decreases in Southern and Northern average sales realizations for delivered logs. These decreases in Timberlands were partially offset by an increase in Western Timberlands average sales realizations for delivered logs.

**Costs of products sold**

Costs of products sold increased $65 million – 5 percent – primarily attributable to the following:

- Wood Products segment costs of products sold increased $45 million – 5 percent – primarily due to increased sales volumes in several product lines.

- Intercompany eliminations of costs of products sold decreased $52 million, therefore increasing consolidated cost of products. This reduction in intercompany costs of products sold is primarily due to the completion of the sales of our former Cellulose Fibers businesses. Chips and logs previously sold to Cellulose Fibers are now sales to unaffiliated customers and therefore have related cost of products sold.

These increases to costs of products sold were offset by decreased Timberlands segment costs of products sold, which decreased $33 million –6 percent – primarily due to a 3 percent decrease in sales volumes.

**Operating income**

Operating income decreased $91 million – 37 percent – primarily attributable to the $147 million noncash impairment charge recognized in relation to the company agreeing to sell its Uruguayan operations, as well as additional other operating costs associated with product remediation ($50 million) and countervailing/antidumping costs ($11 million). Refer to [Note 15: Charges for Integration and Restructuring, Closures and Asset Impairments, Softwood Lumber Agreement, and Note 16: Other Operating Costs (Income), Net](#) for further information on these respective topics. Excluding these charges, operating income increased $117 million which is primarily due to increased gross margin, as explained above.

**Net earnings attributable to Weyerhaeuser common shareholders**

Our net earnings attributable to Weyerhaeuser common shareholders decreased $133 million – 85 percent. Excluding 2016 “Earnings from discontinued operations, net of tax,” net earnings attributable to Weyerhaeuser common shareholders decreased $95 million, primarily attributable to decreased operating income, as described above, as well as an increase in “Non-operating pension and other postretirement benefit (costs) credits.” These increased costs were partially offset by increased gross margins, as discussed above, as well as reduced “General and administrative expenses.”

“Earnings from discontinued operations, net of tax,” decreased $38 million as all discontinued operations were sold in 2016.
Comparing Year-to-Date 2017 with Year-to-Date 2016

Net sales

Net sales increased $441 million – 14 percent – primarily attributable to the following factors:

• Wood Products sales to unaffiliated customers increased $322 million – 15 percent – primarily due to increased average sales realizations within our oriented strand board and structural lumber product lines. Additionally, upon completion of the sales of our former Cellulose Fibers businesses, chips previously sold to Cellulose Fibers are now sales to unaffiliated customers.

• Timberlands sales to unaffiliated customers increased $97 million – 11 percent – primarily due to an increase in delivered log sales volumes in our Southern and Northern regions, as well as an increase in average sales realizations for delivered logs in our Western region. The increased delivered log sales volumes within the Southern and Northern regions is primarily related to the additional production on lands acquired in our merger with Plum Creek. In addition to the increased sales volumes, Timberlands net sales also increased due to increased recreational lease revenue. This was partially offset by a decrease in Southern and Northern region average sales realizations for delivered logs.

• Real Estate & ENR sales to unaffiliated buyers increased $22 million – 29 percent – primarily due to increased net energy and natural resources sales attributable to the operations acquired in our merger with Plum Creek. Additionally, our net real estate sales have increased due to higher average price realized per acre.

Costs of products sold

Costs of products sold increased $234 million – 10 percent – primarily attributable to the following:

• Wood Products segment costs of products sold increased $109 million primarily due to increased sales volumes in most product lines.

• Intercompany eliminations of costs of products sold decreased $93 million, therefore increasing consolidated cost of products. This reduction in intercompany costs of products sold is primarily due to the completion of the sales of our former Cellulose Fibers businesses. Chips and logs previously sold to Cellulose Fibers are now sales to unaffiliated customers and therefore have related cost of products sold.

• Timberlands segment costs of products sold increased $27 million, primarily due to the increase in sales volumes, as described above.

Operating income

Operating income increased $63 million – 16 percent – primarily attributable to the increased gross margin, as described above. This increase in gross margin was partially offset by the $147 million noncash impairment charge recognized in relation to the company agreeing to sell its Uruguayan operations as well as additional other operating costs associated with product remediation ($50 million) and countervailing/antidumping costs ($11 million). Refer to Note 15: Charges for Integration and Restructuring, Closures and Asset Impairments, Softwood Lumber Agreement, and Note 16: Other Operating Costs (Income), Net for further information on these respective topics.

Net earnings attributable to Weyerhaeuser common shareholders

Our net earnings attributable to Weyerhaeuser common shareholders decreased $46 million – 20 percent. Excluding 2016 “Earnings from discontinued operations, net of tax,” net earnings attributable to Weyerhaeuser common shareholders increased $12 million, primarily attributable to increased gross margins, as described above. These increases were partially offset by the non-recurring charges that occurred during second quarter 2017, as described above. Additionally, we have experienced an increase in “Non-operating pension and other postretirement benefit (costs) credits” and a reduction in “Equity earnings from joint ventures.”

“Earnings from discontinued operations, net of tax,” decreased $58 million as all discontinued operations were sold in 2016.
## TIMBERLANDS
### How We Did Second Quarter 2017 and Year-to-Date 2017

<table>
<thead>
<tr>
<th>DOLLAR AMOUNTS IN MILLIONS</th>
<th>QUARTER ENDED</th>
<th>AMOUNT OF CHANGE</th>
<th>YEAR-TO-DATE ENDED</th>
<th>AMOUNT OF CHANGE</th>
</tr>
</thead>
</table>

#### Net sales to unaffiliated customers:

<table>
<thead>
<tr>
<th>Region</th>
<th>JUNE 2017</th>
<th>JUNE 2016</th>
<th>2017 VS. 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>West</td>
<td>$227</td>
<td>$232</td>
<td>$(5)</td>
</tr>
<tr>
<td>South</td>
<td>148</td>
<td>154</td>
<td>(6)</td>
</tr>
<tr>
<td>North</td>
<td>16</td>
<td>19</td>
<td>(3)</td>
</tr>
<tr>
<td>Other</td>
<td>11</td>
<td>7</td>
<td>4</td>
</tr>
</tbody>
</table>

Subtotal delivered logs sales: 402 412 (10) 822 748 74

Stumpage and pay-as-cut timber: 17 23 (6) 29 38 (9)

Uruguay operations: 21 21 — 40 37 3

Recreational and other lease revenue: 15 8 7 29 14 15

Other: 14 7 7 35 21 14

Subtotal net sales to unaffiliated customers: 469 471 (2) 955 858 97

#### Intersegment sales:

<table>
<thead>
<tr>
<th>Region</th>
<th>JUNE 2017</th>
<th>JUNE 2016</th>
<th>2017 VS. 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>126</td>
<td>153</td>
<td>(27)</td>
</tr>
<tr>
<td>Other</td>
<td>37</td>
<td>40</td>
<td>(3)</td>
</tr>
</tbody>
</table>

Subtotal intersegment sales: 163 193 (30) 365 415 (50)

Total sales: $632 $664 $(32) $1,320 $1,273 $47

Costs of products sold: $476 $509 $(33) $995 $968 $27

Operating income and Net contribution to earnings: $(12) $125 $(137) $136 $254 $118

(1) The West region includes Washington and Oregon. The South region includes Virginia, North Carolina, South Carolina, Florida, Georgia, Alabama, Mississippi, Louisiana, Arkansas, Texas and Oklahoma. The North region includes West Virginia, Maine, New Hampshire, Vermont, Michigan, Wisconsin and Montana. Other includes our Canadian operations and the timberlands of the Twin Creeks Venture that we manage.

(2) Includes logs, plywood and hardwood lumber harvested or produced by our international operations in Uruguay. On June 2, 2017, we agreed to sell all of our equity interest in the subsidiaries that collectively own and operate our Uruguayan timberlands and manufacturing business. The held for sale designation of the assets and liabilities of the Uruguayan business caused us to record a $147 million impairment within the Timberlands business segment during second quarter 2017. Refer to Note 2: Business Segments as well as Note 3: Held for Sale and Discontinued Operations for further information.

### Comparing Second Quarter 2017 with Second Quarter 2016

**Net sales – unaffiliated customers**

Net sales to unaffiliated customers decreased $2 million – less than 1 percent – primarily due to:

- a $6 million decrease in Southern log sales as a result of a 3 percent decrease in average sales realizations for delivered logs and a 1 percent decrease in delivered logs sales volumes.

- a $5 million decrease in Western log sales, primarily attributable to a 9 percent decrease in delivered logs sales volumes. This decrease was partially offset by a 8 percent increase in average sales realizations for delivered logs. The increase in realizations is primarily due to the mix of delivered logs sold.

- a $3 million decrease in Northern log sales, primarily attributable to a 13 percent decrease in delivered logs sales volumes and a 3 percent decrease in average sales realizations for delivered logs.

These decreases were partially offset by:

- a $4 million increase in Other delivered logs, primarily attributable to increases in delivered logs sales volumes offset by decreases in average sales realizations.

- an $8 million increase, primarily attributable to a $14 million increase in recreational lease revenue and other products revenue, offset by a $6 million decrease in stumpage and pay-as-cut revenue.
Intersegment sales
Intersegment sales decreased $30 million – 16 percent – due to a decrease in chip and log intersegment sales, which were previously sold to our Cellulose Fibers business segment.

Costs of products sold
Costs of products sold decreased $33 million – 6 percent – primarily due to a 3 percent decrease in sales volumes.

Operating income and Net contribution to earnings
Operating income and Net contribution to earnings decreased $137 million – 110 percent – primarily attributable to the $147 million noncash pretax impairment charge recognized in relation to the Uruguayan sale agreement (refer to Note 3: Held for Sale and Discontinued Operations). This was partially offset by a $9 million decrease in “General and administrative expenses.”

Comparing Year-to-Date 2017 with Year-to-Date 2016

Net sales - unaffiliated customers
Net sales to unaffiliated customers increased $97 million – 11 percent – primarily due to:

• a $41 million increase in Southern log sales, attributable to a 20 percent increase in delivered logs sales volumes offset by a 4 percent decrease in average sales realizations. The change in Southern log sales is primarily related to additional production from legacy Plum Creek operations. Results for year-to-date 2016 included only four months of legacy Plum Creek sales, as opposed to a full six months of operations included in year-to-date 2017.

• an $11 million increase in Northern log sales, attributable to a 41 percent increase in delivered logs sales volumes offset by a 3 percent decrease in average sales realizations. The change in Northern log sales is primarily due to production in regions in which timberlands were acquired during the Plum Creek merger. Results for year-to-date 2016 included only four months of production from these timberlands, as opposed to a full six months of operations included in year-to-date 2017.

• a $5 million increase in Western log sales, attributable to a 6 percent increase in average sales realizations on delivered logs, offset by a 4 percent decrease in delivered logs volumes. The increase in realizations is primarily due to the mix of delivered logs sold.

• a $17 million increase in Other delivered logs, primarily attributable to increases in delivered logs sales volumes offset by decreases in average sales realizations on delivered logs.

• a $23 million increase in other net sales, primarily attributable to a $15 million increase in recreational lease revenue and a $14 million increase in other products revenue, offset by a $9 million decrease in stumpage and pay-as-cut revenue.

Intersegment sales
Intersegment sales decreased $50 million – 12 percent – due to a decrease in chip and log intersegment sales, which were previously sold to our Cellulose Fibers business segment.

Costs of products sold
Costs of products sold increased $27 million – 3 percent – primarily due to the increase in sales volumes, as described above.

Operating income and Net contribution to earnings
Operating income and Net contribution to earnings decreased $118 million – 46 percent – primarily attributable to the $147 million noncash pretax impairment charge recognized in relation to the Uruguayan sale agreement (refer to Note 3: Held for Sale and Discontinued Operations). The impairment charge was partially offset by the changes in net sales and costs of products sold as explained above.
THIRD-PARTY LOG SALES VOLUMES AND FEE HARVEST VOLUMES

<table>
<thead>
<tr>
<th>VOLUMES IN THOUSANDS</th>
<th>QUARTER ENDED</th>
<th>AMOUNT OF CHANGE</th>
<th>YEAR-TO-DATE ENDED</th>
<th>AMOUNT OF CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Third party log sales – tons:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>West</td>
<td>2,143</td>
<td>2,363</td>
<td>(220)</td>
<td>4,300</td>
</tr>
<tr>
<td>South</td>
<td>4,285</td>
<td>4,340</td>
<td>(55)</td>
<td>8,578</td>
</tr>
<tr>
<td>North</td>
<td>253</td>
<td>292</td>
<td>(39)</td>
<td>707</td>
</tr>
<tr>
<td>Uruguay</td>
<td>96</td>
<td>89</td>
<td>7</td>
<td>186</td>
</tr>
<tr>
<td>Other</td>
<td>292</td>
<td>169</td>
<td>123</td>
<td>802</td>
</tr>
<tr>
<td>Total</td>
<td>7,069</td>
<td>7,253</td>
<td>(184)</td>
<td>14,573</td>
</tr>
<tr>
<td>Fee harvest volumes – tons:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>West</td>
<td>2,652</td>
<td>2,980</td>
<td>(328)</td>
<td>5,309</td>
</tr>
<tr>
<td>South</td>
<td>6,473</td>
<td>7,061</td>
<td>(588)</td>
<td>12,846</td>
</tr>
<tr>
<td>North</td>
<td>383</td>
<td>454</td>
<td>(71)</td>
<td>1,005</td>
</tr>
<tr>
<td>Uruguay</td>
<td>319</td>
<td>248</td>
<td>71</td>
<td>584</td>
</tr>
<tr>
<td>Other</td>
<td>444</td>
<td>181</td>
<td>263</td>
<td>815</td>
</tr>
<tr>
<td>Total</td>
<td>10,271</td>
<td>10,924</td>
<td>(653)</td>
<td>20,559</td>
</tr>
</tbody>
</table>

(1) The West region includes Washington and Oregon. The South region includes Virginia, North Carolina, South Carolina, Florida, Georgia, Alabama, Mississippi, Louisiana, Arkansas, Texas and Oklahoma. The North region includes West Virginia, Maine, New Hampshire, Vermont, Michigan, Wisconsin, and Montana. Other includes our Canadian operations and the timberlands of the Twin Creeks Venture that we manage.

(2) Western logs are primarily transacted in thousand board feet (MBF) but are converted to ton equivalents for external reporting purposes.

REAL ESTATE, ENERGY AND NATURAL RESOURCES

How We Did Second Quarter 2017 and Year-to-Date 2017

<table>
<thead>
<tr>
<th>DOLLAR AMOUNTS IN MILLIONS</th>
<th>QUARTER ENDED</th>
<th>AMOUNT OF CHANGE</th>
<th>YEAR-TO-DATE ENDED</th>
<th>AMOUNT OF CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales to unaffiliated buyers:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real estate</td>
<td>$ 27</td>
<td>$ 26</td>
<td>$ 1</td>
<td>$ 64</td>
</tr>
<tr>
<td>Energy and natural resources</td>
<td>19</td>
<td>12</td>
<td>7</td>
<td>35</td>
</tr>
<tr>
<td>Total</td>
<td>$ 46</td>
<td>$ 38</td>
<td>$ 8</td>
<td>$ 99</td>
</tr>
<tr>
<td>Costs of products sold</td>
<td>$ 16</td>
<td>$ 19</td>
<td>(3)</td>
<td>$ 36</td>
</tr>
<tr>
<td>Operating income and Net contribution to earnings</td>
<td>$ 23</td>
<td>$ 12</td>
<td>$ 11</td>
<td>$ 49</td>
</tr>
</tbody>
</table>

The timing of real estate sales is a function of many factors, including the general state of the economy, demand in local real estate markets, the ability to obtain entitlements, the ability of buyers to obtain financing, the number of competing properties listed for sale, the seasonal nature of sales (particularly in the northern states), the plans of adjacent landowners, our expectation of future price appreciation, the timing of harvesting activities, and the availability of government and not-for-profit funding (especially for conservation sales). In any period the average sales price per acre will vary based on the location and physical characteristics of parcels sold.

Comparing Second Quarter 2017 with Second Quarter 2016

Net sales - Unaffiliated buyers

Net sales to unaffiliated buyers increased $8 million – 21 percent – primarily attributable to a $7 million increase in net energy and natural resources sales.
Costs of products sold decreased $3 million – 16 percent – attributable to lower basis of real estate sold, which is attributable to the mix of properties sold.

Operating income and Net contribution to earnings

Operating income and Net contribution to earnings for the quarter increased $11 million – 92 percent – primarily attributable to increased gross margin as explained above.

Comparing Year-to-Date 2017 with Year-to-Date 2016

Net sales - Unaffiliated buyers

Net sales to unaffiliated buyers increased $22 million – 29 percent – attributable to:

- Net energy and natural resources sales increased $14 million – 67 percent – due primarily to increases in sales volumes attributable to the operations acquired in our merger with Plum Creek.

- Net real estate sales increased $8 million – 14 percent – attributable to an increase in average price realized per acre due to mix of properties sold. This increase was partially offset by decreases in volume of acres sold.

Costs of products sold

Costs of products sold decreased $3 million – 8 percent – attributable to lower basis of real estate sold, which is attributable to the mix of properties sold. This decrease was partially offset by increased costs of products sold in Energy and natural resources, attributable to increased ENR sales volumes.

Operating income and Net contribution to earnings

Operating income and Net contribution to earnings increased $22 million – 81 percent – primarily attributable to increased gross margin as explained above.

REAL ESTATE SALES STATISTICS

<table>
<thead>
<tr>
<th>QUARTER ENDED</th>
<th>AMOUNT OF CHANGE</th>
<th>YEAR-TO-DATE ENDED</th>
<th>AMOUNT OF CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acres sold</td>
<td>10,003</td>
<td>(17)</td>
<td>23,260</td>
</tr>
<tr>
<td>Average price per acre</td>
<td>$2,714</td>
<td>$2,555</td>
<td>$159</td>
</tr>
</tbody>
</table>

WOOD PRODUCTS

How We Did Second Quarter 2017 and Year-to-Date 2017

<table>
<thead>
<tr>
<th>DOLLAR AMOUNTS IN MILLIONS</th>
<th>QUARTER ENDED</th>
<th>AMOUNT OF CHANGE</th>
<th>YEAR-TO-DATE ENDED</th>
<th>AMOUNT OF CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Structural lumber</td>
<td>$538</td>
<td>$498</td>
<td>$40</td>
<td>$1,016</td>
</tr>
<tr>
<td>Engineered solid section</td>
<td>130</td>
<td>115</td>
<td>15</td>
<td>247</td>
</tr>
<tr>
<td>Engineered I-joists</td>
<td>85</td>
<td>73</td>
<td>12</td>
<td>158</td>
</tr>
<tr>
<td>Oriented strand board</td>
<td>225</td>
<td>182</td>
<td>43</td>
<td>428</td>
</tr>
<tr>
<td>Softwood plywood</td>
<td>47</td>
<td>50</td>
<td>(3)</td>
<td>91</td>
</tr>
<tr>
<td>Medium density fiberboard</td>
<td>51</td>
<td>47</td>
<td>4</td>
<td>98</td>
</tr>
<tr>
<td>Other products produced</td>
<td>68</td>
<td>42</td>
<td>26</td>
<td>138</td>
</tr>
<tr>
<td>Complementary building products</td>
<td>149</td>
<td>139</td>
<td>10</td>
<td>271</td>
</tr>
<tr>
<td>Total</td>
<td>$1,293</td>
<td>$1,146</td>
<td>$147</td>
<td>$2,447</td>
</tr>
<tr>
<td>Costs of products sold</td>
<td>$1,002</td>
<td>$957</td>
<td>$45</td>
<td>$1,928</td>
</tr>
<tr>
<td>Operating income and Net contribution to earnings</td>
<td>$177</td>
<td>$156</td>
<td>$21</td>
<td>$349</td>
</tr>
</tbody>
</table>
Comparing Second Quarter 2017 with Second Quarter 2016

Net sales

Net sales increased $147 million – 13 percent – primarily due to:

- a $43 million increase in oriented strand board sales, attributable to a 23 percent increase in average sales realizations.

- a $40 million increase in lumber sales, attributable to a 11 percent increase in average sales realizations, partially offset by a 2 percent decrease in sales volumes.

- a $26 million increase in other products produced, primarily attributable to increased chip sales, which were previously sold to our former Cellulose Fibers segment and were intersegment sales during second quarter 2016. Upon completion of the sales of our former Cellulose Fibers businesses, chips previously sold to Cellulose Fibers are sales to unaffiliated customers.

- a $15 million increase in engineered solid section, attributable to a 10 percent increase in sales volumes and a 3 percent increase in average sales realizations.

- a $12 million increase in engineered I-joists, attributable to a 14 percent increase in sales volumes and a 3 percent increase in average sales realizations.

Costs of products sold

Costs of products sold increased $45 million – 5 percent – primarily due to increased sales volumes in several product lines, as explained above.

Operating income and Net contribution to earnings

Operating income and Net contribution to earnings increased $21 million – 13 percent – primarily attributable to increased gross margin, as explained above. This increase is partially offset by increased Other operating costs, net related to retroactive and prospective countervailing and antidumping duties and product remediation costs. Refer to Softwood Lumber Agreement and Note 16: Other Operating Costs (Income), Net for further information on these respective topics.

Comparing Year-to-Date 2017 with Year-to-Date 2016

Net sales

Net sales increased $322 million – 15 percent – primarily due to:

- a $99 million increase in lumber sales, attributable to a 12 percent increase in average sales realizations, partially offset by a 1 percent decrease in sales volumes.

- a $83 million increase in oriented strand board sales, attributable to a 23 percent increase in average sales realizations.

- a $47 million increase in other products produced, primarily attributable to increased chip sales, which were previously sold to our former Cellulose Fibers segment and were intersegment sales during year-to-date 2016. Upon completion of the sales of our former Cellulose Fibers businesses, chips previously sold to Cellulose Fibers are sales to unaffiliated customers.

- a $34 million increase in medium density fiberboard sales, attributable to a full year-to-date of legacy Plum Creek operations in 2017 versus a partial year-to-date in 2016 and a 7 percent increase in average sales realizations.

Costs of products sold

Costs of products sold increased $109 million – 6 percent – primarily due to increased sales volumes in most product lines, as explained above.

Operating income and Net contribution to earnings

Operating income and Net contribution to earnings increased $106 million – 44 percent – primarily attributable to increased gross margin, as explained above. This increase is partially offset by increased Other operating costs, attributable to retroactive and prospective countervailing and antidumping duties and product remediation costs. Refer to Softwood Lumber Agreement and Note 16: Other Operating Costs (Income), Net for further information on these respective topics.
THIRD-PARTY SALES VOLUMES

<table>
<thead>
<tr>
<th></th>
<th>QUARTER ENDED</th>
<th>AMOUNT OF CHANGE</th>
<th>YEAR-TO-DATE ENDED</th>
<th>AMOUNT OF CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structural lumber – board feet</td>
<td>1,218</td>
<td>1,249</td>
<td>(31)</td>
<td>2,376</td>
</tr>
<tr>
<td>Engineered solid section – cubic feet</td>
<td>6.6</td>
<td>6.0</td>
<td>0.6</td>
<td>12.8</td>
</tr>
<tr>
<td>Engineered I-joists – lineal feet</td>
<td>57</td>
<td>50</td>
<td>7</td>
<td>106</td>
</tr>
<tr>
<td>Oriented strand board – square feet (3/8&quot;)</td>
<td>764</td>
<td>761</td>
<td>3</td>
<td>1,533</td>
</tr>
<tr>
<td>Softwood plywood – square feet (3/8&quot;)</td>
<td>123</td>
<td>131</td>
<td>(8)</td>
<td>241</td>
</tr>
<tr>
<td>Medium density fiberboard – square feet (3/4&quot;)</td>
<td>60</td>
<td>60</td>
<td>—</td>
<td>119</td>
</tr>
</tbody>
</table>

(1) Sales volumes include sales of internally produced products and products purchased for resale primarily through our distribution business.

PRODUCTION AND OUTSIDE PURCHASE VOLUMES

Outside purchase volumes are primarily purchased for resale through our distribution business. Production volumes are produced for sale through our own sales organizations and through our distribution business. Production of oriented strand board and engineered solid section are also used to manufacture engineered I-joists.

<table>
<thead>
<tr>
<th></th>
<th>QUARTER ENDED</th>
<th>AMOUNT OF CHANGE</th>
<th>YEAR-TO-DATE ENDED</th>
<th>AMOUNT OF CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structural lumber – board feet:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production</td>
<td>1,146</td>
<td>1,205</td>
<td>(59)</td>
<td>2,298</td>
</tr>
<tr>
<td>Outside purchase</td>
<td>51</td>
<td>72</td>
<td>(21)</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>1,197</td>
<td>1,277</td>
<td>(80)</td>
<td>2,398</td>
</tr>
<tr>
<td>Engineered solid section – cubic feet:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production</td>
<td>6.6</td>
<td>5.9</td>
<td>0.7</td>
<td>12.9</td>
</tr>
<tr>
<td>Outside purchase</td>
<td>1.0</td>
<td>—</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Total</td>
<td>7.6</td>
<td>5.9</td>
<td>1.7</td>
<td>13.9</td>
</tr>
<tr>
<td>Engineered I-joists – lineal feet:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production</td>
<td>53</td>
<td>46</td>
<td>7</td>
<td>103</td>
</tr>
<tr>
<td>Outside purchase</td>
<td>4</td>
<td>3</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>57</td>
<td>49</td>
<td>8</td>
<td>109</td>
</tr>
<tr>
<td>Oriented strand board – square feet (3/8&quot;):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production</td>
<td>754</td>
<td>733</td>
<td>21</td>
<td>1,512</td>
</tr>
<tr>
<td>Outside purchase</td>
<td>106</td>
<td>102</td>
<td>4</td>
<td>204</td>
</tr>
<tr>
<td>Total</td>
<td>860</td>
<td>835</td>
<td>25</td>
<td>1,716</td>
</tr>
<tr>
<td>Softwood plywood – square feet (3/8&quot;):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production</td>
<td>99</td>
<td>111</td>
<td>(12)</td>
<td>196</td>
</tr>
<tr>
<td>Outside purchase</td>
<td>22</td>
<td>24</td>
<td>(2)</td>
<td>41</td>
</tr>
<tr>
<td>Total</td>
<td>121</td>
<td>135</td>
<td>(14)</td>
<td>237</td>
</tr>
<tr>
<td>Medium density fiberboard – square feet (3/4&quot;):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production</td>
<td>63</td>
<td>62</td>
<td>1</td>
<td>119</td>
</tr>
<tr>
<td>Outside purchase</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>63</td>
<td>62</td>
<td>1</td>
<td>119</td>
</tr>
</tbody>
</table>

UNALLOCATED ITEMS

Unallocated items are gains or charges from continuing operations not related or allocated to an individual operating segment. They include a portion of items such as: share-based compensation, pension and postretirement costs, foreign exchange transaction gains and losses associated with financing, the elimination of intersegment profit in inventory and the LIFO reserve. As a result of reclassifying our former Cellulose Fibers segment as discontinued operations, unallocated items also includes retained indirect corporate overhead costs previously allocated to the former segment.
### NET CONTRIBUTION TO EARNINGS – UNALLOCATED ITEMS

**DOLLAR AMOUNTS IN MILLIONS**

<table>
<thead>
<tr>
<th>Item</th>
<th>Quarter Ended</th>
<th>Amount of Change</th>
<th>Year-to-Date Ended</th>
<th>Amount of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unallocated corporate function expense</td>
<td>$(17)</td>
<td>$(24)</td>
<td>$7</td>
<td>$(36)</td>
</tr>
<tr>
<td>Unallocated share-based compensation</td>
<td>—</td>
<td>1</td>
<td>(1)</td>
<td>6</td>
</tr>
<tr>
<td>Unallocated pension service costs</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>2</td>
</tr>
<tr>
<td>Foreign exchange gain (loss)</td>
<td>—</td>
<td>1</td>
<td>(1)</td>
<td>3</td>
</tr>
<tr>
<td>Elimination of intersegment profit in inventory and LIFO</td>
<td>(3)</td>
<td>(2)</td>
<td>(1)</td>
<td>9</td>
</tr>
<tr>
<td>Gains on sales of non-strategic assets</td>
<td>1</td>
<td>8</td>
<td>(7)</td>
<td>4</td>
</tr>
<tr>
<td>Charges for integration and restructuring, closures and asset impairments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plum Creek merger- and integration-related costs</td>
<td>(2)</td>
<td>(8)</td>
<td>6</td>
<td>(14)</td>
</tr>
<tr>
<td>Other restructuring, closures, and asset impairments</td>
<td>—</td>
<td>(1)</td>
<td>1</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>(10)</td>
<td>(20)</td>
<td>10</td>
<td>(18)</td>
</tr>
<tr>
<td><strong>Operating income (loss)</strong></td>
<td>(31)</td>
<td>(45)</td>
<td>14</td>
<td>(84)</td>
</tr>
<tr>
<td>Equity earnings from joint venture(1)</td>
<td>—</td>
<td>7</td>
<td>(7)</td>
<td>—</td>
</tr>
<tr>
<td>Non-operating pension and other postretirement benefit (costs) credits (2)</td>
<td>(8)</td>
<td>10</td>
<td>(18)</td>
<td>(30)</td>
</tr>
<tr>
<td>Interest income and other</td>
<td>9</td>
<td>10</td>
<td>(1)</td>
<td>18</td>
</tr>
<tr>
<td><strong>Net contribution to earnings</strong></td>
<td>$(30)</td>
<td>$(18)</td>
<td>$(12)</td>
<td>$(96)</td>
</tr>
</tbody>
</table>

(1) The quarter and year-to-date period ended 2016 includes equity earnings from our Timberland Venture, which effective August 31, 2016, is consolidated as a wholly-owned subsidiary.

(2) During first quarter 2017 we adopted ASU 2017-07, which requires us to show components of pension and other postretirement benefit costs (interest, expected return on plan assets, amortization of actuarial gains or losses, and amortization of prior service credits or costs) on the Consolidated Statement of Operations as a line item outside of operating income. We reclassified these components for all periods shown above. Refer to Note 1: Basis of Presentation for further details.

### Comparing Second Quarter 2017 with Second Quarter 2016

Changes in Unallocated Items were primarily related to:

- charges related to our merger with Plum Creek decreased $6 million. Refer to Note 15: Charges for Integration and Restructuring, Closures and Asset Impairments.

- an $18 million increase in expense related to “Non-operating pension and other postretirement benefit (costs) credits” due to a decrease in the expected return on our plan assets and an increase in the amortization of actuarial losses.

### Comparing Year-to-Date 2017 with Year-to-Date 2016

Changes in Unallocated Items were primarily related to:

- charges related to our merger with Plum Creek decreased $104 million. Refer to Note 15: Charges for Integration and Restructuring, Closures and Asset Impairments.

- an increase in expense related to “Non-operating pension and other postretirement benefit (costs) credits” due to a decrease in the expected return on our plan assets and an increase in the amortization of actuarial losses – $54 million.

- a pretax gain recognized in first quarter 2016 related to the sale of our Federal Way, Washington headquarters campus, which is recorded in "Other operating costs (income), net" in our Consolidated Statement of Operations – $36 million.

- a change from a gain year-to-date 2016 to a loss year-to-date 2017 on foreign exchange primarily related to debt held by our Canadian entity – $17 million.

- a decrease in equity earnings from our joint venture – $12 million. As of August 31, 2016, the Timberland Venture became a fully consolidated, wholly owned subsidiary and therefore eliminated our equity method investment at that time. Refer to Note 17: Income Taxes for further information.
INTEREST EXPENSE

Our interest expense, net of capitalized interest incurred was:

• $100 million for the second quarter 2017 and $199 million for year-to-date 2017; and

• $114 million for the second quarter 2016 and $209 million for year-to-date 2016.

Interest expense decreased $14 million compared to second quarter 2016 and $10 million compared to year-to-date 2016 primarily due to the decreased average outstanding debt in 2017 versus 2016. During first quarter 2016, we entered into two term loans totaling $2.5 billion, both of which were paid in full and terminated in fourth quarter 2016. As such, only the results for 2016 included interest incurred on these loans.

INCOME TAXES

Our provision for income taxes for our continuing operations was:

• $34 million for the second quarter 2017 and $58 million year-to-date 2017; and

• $31 million for the second quarter 2016 and $42 million year-to-date 2016.

Our provision for income taxes is primarily driven by earnings generated by our taxable REIT subsidiaries. Overall performance results for our business segments can be found in Consolidated Results.

Refer to Note 17: Income Taxes for additional information.

LIQUIDITY AND CAPITAL RESOURCES

We are committed to maintaining an appropriate capital structure that enables us to:

• protect the interests of our shareholders and lenders; and

• maintain access to all major financial markets.

CASH FROM OPERATIONS

Consolidated net cash provided by our operations was:

• $524 million for year-to-date 2017; and

• $539 million for year-to-date 2016.

Comparing Year-to-Date 2017 with Year-to-Date 2016

Net cash provided by our operations decreased $15 million, primarily due to:

• decreased operating cash flows from discontinued operations of $134 million and

• an increase in cash paid for income taxes of $131 million.

These decreases were partially offset by increased cash flows from our business segments of $238 million. See Performance Measures for our Adjusted EBITDA by segment.

CASH FROM INVESTING ACTIVITIES

Consolidated net cash provided by (used in) investing activities was:

• ($106 million) for year-to-date 2017; and

• $374 million for year-to-date 2016.

Comparing Year-to-Date 2017 with Year-to-Date 2016

Net cash from investing activities decreased $480 million, primarily due to the following non-recurring cash inflows that occurred in 2016:

• $440 million of proceeds from contribution of timberlands to the Twin Creeks Venture; and

• $70 million of proceeds from the sale of our Federal Way, Washington headquarters campus.

These decreases were partially offset by a $12 million decrease in capital expenditures.
Summary of Capital Spending by Business Segment

<table>
<thead>
<tr>
<th>DOLLAR AMOUNTS IN MILLIONS</th>
<th>JUNE 2017</th>
<th>JUNE 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timberlands</td>
<td>$55</td>
<td>$51</td>
</tr>
<tr>
<td>Real Estate &amp; ENR</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Wood Products</td>
<td>105</td>
<td>81</td>
</tr>
<tr>
<td>Unallocated Items</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Discontinued operations</td>
<td>—</td>
<td>34</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$162</strong></td>
<td><strong>$174</strong></td>
</tr>
</tbody>
</table>

We expect our net capital expenditures for 2017 to be $435 million, which is comparable to 2016 capital spending for continuing operations. The amount we spend on capital expenditures could change due to:

- capital allocation priorities,
- future economic conditions,
- environmental regulations,
- changes in the composition of our business,
- weather and
- timing of equipment purchases.

**CASH FROM FINANCING ACTIVITIES**

Consolidated net cash used in financing activities was:

- $393 million for year-to-date 2017; and

- $1,433 million for year-to-date 2016.

**Comparing Year-to-Date 2017 with Year-to-Date 2016**

Net cash used in financing activities decreased $1,040 million primarily due to the following:

- a $1.6 billion decrease in cash paid to repurchase common shares;

- repayment of Plum Creek’s line of credit and term loan outstanding at the merger date in 2016 in the amount of $720 million; and

- an $11 million decrease in cash dividends paid on preference shares.

These were offset by $1.4 billion of cash proceeds from term loan credit facility borrowings subsequent to the merger date during first quarter 2016 and an increase of $69 million in cash proceeds from exercise of stock options.

**Lines of Credit**

During March 2017, we entered into a new $1.5 billion five-year senior unsecured revolving credit facility that expires in March 2022. This replaces a $1 billion senior unsecured revolving credit facility that was set to expire September 2018. Refer to Note 10: Long-Term Debt and Lines of Credit for further information.

**Debt Covenants**

As of June 30, 2017, Weyerhaeuser Company was in compliance with its debt covenants. There have been no significant changes during second quarter 2017 to the debt covenants presented in our 2016 Annual Report on Form 10-K for our existing long-term debt instruments.

**Term Loan Prepayment and Replacement**

Subsequent to our quarter ended June 30, 2017, but prior to the issuance of these financial statements, we have prepaid a $550 million variable-rate term loan originally set to mature in 2020 (2020 term loan). The 2020 term loan was prepaid using available cash as well as borrowing proceeds from a new $225 million variable-rate term loan set to mature in 2026 (2026 term loan). Due to the use of available cash to settle a portion of the 2020 term loan, we have reclassified the related portion ($325 million) of the 2020 term loan outstanding at June 30, 2017, from "Long-term debt" to "Current maturities of long-term debt" on our current period Consolidated Balance Sheet. For more information about the new term loan, see Other Information.
Option Exercises

We received cash proceeds from the exercise of stock options of:

- $81 million in 2017; and
- $12 million in 2016.

Our average stock price was $33.10 and $28.78 for year-to-date 2017 and 2016, respectively.

Paying Dividends and Repurchasing Stock

We paid cash dividends on common shares of:

- $466 million in 2017; and
- $469 million in 2016.

The decrease in dividends paid is due to decreased common shares outstanding at the dividend record dates.

The 2016 Share Repurchase Authorization was approved in November 2015 by our Board of Directors and authorized management to repurchase up to $2.5 billion of outstanding shares. During second quarter 2017, we did not repurchase any shares. As of June 30, 2017, we had remaining authorization of $500 million for future stock repurchases.

We record share repurchases upon trade date as opposed to the settlement date when cash is disbursed. We record a liability to account for repurchases that have not been cash settled. There were no unsettled repurchases as of June 30, 2017.

PERFORMANCE MEASURES

We use Adjusted Earnings before Interest, Taxes, Depreciation, Depletion and Amortization (Adjusted EBITDA) as a key performance measure to evaluate the performance of the consolidated company and our business segments. This measure should not be considered in isolation from and is not intended to represent an alternative to our results reported in accordance with U.S. generally accepted accounting principles (U.S. GAAP). However, we believe Adjusted EBITDA provides meaningful supplemental information for investors about our operating performance, better facilitates period to period comparisons, and is widely used by analysts, lenders, rating agencies and other interested parties.

Our definition of Adjusted EBITDA may be different from similarly titled measures reported by other companies. Adjusted EBITDA, as we define it, is operating income from continuing operations adjusted for depreciation, depletion, amortization, basis of real estate sold, unallocated pension service costs and special items. Adjusted EBITDA excludes results from joint ventures.

ADJUSTED EBITDA BY SEGMENT

<table>
<thead>
<tr>
<th>DOLLAR AMOUNTS IN MILLIONS</th>
<th>QUARTER ENDED</th>
<th>AMOUNT OF CHANGE</th>
<th>YEAR-TO-DATE ENDED</th>
<th>AMOUNT OF CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA by Segment:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Timberlands</td>
<td>$222</td>
<td>$220</td>
<td>$2</td>
<td>$464</td>
</tr>
<tr>
<td>Real Estate &amp; ENR</td>
<td>37</td>
<td>28</td>
<td>9</td>
<td>80</td>
</tr>
<tr>
<td>Wood Products</td>
<td>274</td>
<td>189</td>
<td>85</td>
<td>481</td>
</tr>
<tr>
<td>Unallocated Items</td>
<td>(27)</td>
<td>(24)</td>
<td>(3)</td>
<td>(65)</td>
</tr>
<tr>
<td></td>
<td><strong>533</strong></td>
<td><strong>437</strong></td>
<td><strong>96</strong></td>
<td><strong>1,025</strong></td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$506</td>
<td>$413</td>
<td>$93</td>
<td>$960</td>
</tr>
</tbody>
</table>
We reconcile Adjusted EBITDA by segment to "Net earnings" for the consolidated company and to "Operating income" for the business segments, as those are the most directly comparable U.S. GAAP measures for each. The table below reconciles Adjusted EBITDA for the quarter ended June 30, 2017:

<table>
<thead>
<tr>
<th>DOLLAR AMOUNTS IN MILLIONS</th>
<th>Timberlands</th>
<th>Real Estate &amp; ENR</th>
<th>Wood Products</th>
<th>Unallocated Items</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA by Segment:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net earnings</td>
<td>$ 24</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earnings from discontinued operations, net of income taxes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense, net of capitalized interest</td>
<td>100</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income taxes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net contribution to earnings</td>
<td>$ (12)</td>
<td>$ 23</td>
<td>$ 177</td>
<td>$ (30)</td>
<td>$ 158</td>
</tr>
<tr>
<td>Equity earnings from joint ventures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-operating pension and other postretirement benefit costs (credits)</td>
<td></td>
<td></td>
<td></td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Interest income and other</td>
<td></td>
<td></td>
<td></td>
<td>(9)</td>
<td>(9)</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>(12)</td>
<td>23</td>
<td>177</td>
<td>(31)</td>
<td>157</td>
</tr>
<tr>
<td>Depreciation, depletion and amortization</td>
<td>87</td>
<td>4</td>
<td>36</td>
<td>2</td>
<td>129</td>
</tr>
<tr>
<td>Basis of real estate sold</td>
<td></td>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unallocated pension service costs</td>
<td></td>
<td></td>
<td></td>
<td>(10)</td>
<td>(10)</td>
</tr>
<tr>
<td>Special items(1)</td>
<td>147</td>
<td></td>
<td>61</td>
<td>2</td>
<td>210</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$ 222</td>
<td>$ 37</td>
<td>$ 274</td>
<td>$ (27)</td>
<td>$ 506</td>
</tr>
</tbody>
</table>

(1) Special items include: $147 million of impairment charges related to our Uruguayan operations; $50 million of product remediation; $11 million of retroactive and prospective countervailing and antidumping duties; and $2 million of Plum Creek merger-related costs.

The table below reconciles Adjusted EBITDA for the quarter ended June 30, 2016:

<table>
<thead>
<tr>
<th>DOLLAR AMOUNTS IN MILLIONS</th>
<th>Timberlands</th>
<th>Real Estate &amp; ENR</th>
<th>Wood Products</th>
<th>Unallocated Items</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA by Segment:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net earnings</td>
<td>$ 168</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earnings from discontinued operations, net of income taxes</td>
<td></td>
<td></td>
<td></td>
<td>(38)</td>
<td></td>
</tr>
<tr>
<td>Interest expense, net of capitalized interest</td>
<td>114</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income taxes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net contribution to earnings</td>
<td>$ 125</td>
<td>$ 12</td>
<td>$ 156</td>
<td>$ (18)</td>
<td>$ 275</td>
</tr>
<tr>
<td>Equity earnings from joint ventures</td>
<td></td>
<td></td>
<td></td>
<td>(7)</td>
<td>(7)</td>
</tr>
<tr>
<td>Non-operating pension and other postretirement benefit costs (credits)</td>
<td></td>
<td></td>
<td></td>
<td>(10)</td>
<td>(10)</td>
</tr>
<tr>
<td>Interest income and other</td>
<td></td>
<td></td>
<td></td>
<td>(10)</td>
<td>(10)</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>125</td>
<td>12</td>
<td>156</td>
<td>(45)</td>
<td>248</td>
</tr>
<tr>
<td>Depreciation, depletion and amortization</td>
<td>95</td>
<td>3</td>
<td>33</td>
<td>2</td>
<td>133</td>
</tr>
<tr>
<td>Basis of real estate sold</td>
<td></td>
<td>13</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unallocated pension service costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special items(1)</td>
<td></td>
<td></td>
<td></td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$ 220</td>
<td>$ 28</td>
<td>$ 189</td>
<td>$ (24)</td>
<td>$ 413</td>
</tr>
</tbody>
</table>

(1) Special items include: $8 million of Plum Creek merger-related costs and $11 million of legal expense.
The table below reconciles Adjusted EBITDA for the year-to-date period ended June 30, 2017:

<table>
<thead>
<tr>
<th>DOLLAR AMOUNTS IN MILLIONS</th>
<th>Timberlands</th>
<th>Real Estate &amp; ENR</th>
<th>Wood Products</th>
<th>Unallocated Items</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA by Segment:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net earnings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 181</td>
</tr>
<tr>
<td>Earnings from discontinued operations, net of income taxes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>199</td>
</tr>
<tr>
<td>Interest expense, net of capitalized interest</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>58</td>
</tr>
<tr>
<td>Income taxes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net contribution to earnings</td>
<td>$ 136</td>
<td>$ 49</td>
<td>$ 349</td>
<td>$ (96)</td>
<td>$ 438</td>
</tr>
<tr>
<td>Equity earnings from joint ventures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>58</td>
</tr>
<tr>
<td>Non-operating pension and other postretirement benefit costs (credits)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>30</td>
</tr>
<tr>
<td>Interest income and other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(18)</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>$ 136</td>
<td>$ 49</td>
<td>$ 349</td>
<td>(84)</td>
<td>$ 450</td>
</tr>
<tr>
<td>Depreciation, depletion and amortization</td>
<td>181</td>
<td>7</td>
<td>71</td>
<td>3</td>
<td>262</td>
</tr>
<tr>
<td>Basis of real estate sold</td>
<td></td>
<td>24</td>
<td></td>
<td></td>
<td>24</td>
</tr>
<tr>
<td>Unallocated pension service costs</td>
<td></td>
<td></td>
<td></td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Special items(1)</td>
<td>147</td>
<td></td>
<td>61</td>
<td>14</td>
<td>222</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$ 464</td>
<td>$ 80</td>
<td>$ 481</td>
<td>(65)</td>
<td>$ 960</td>
</tr>
</tbody>
</table>

(1) Special items include: $147 million of impairment charges related to our Uruguayan operations; $50 million of product remediation; $11 million of retroactive and prospective countervailing and antidumping duties; and $14 million of Plum Creek merger-related costs.

The table below reconciles Adjusted EBITDA for the year-to-date period ended June 30, 2016:

<table>
<thead>
<tr>
<th>DOLLAR AMOUNTS IN MILLIONS</th>
<th>Timberlands</th>
<th>Real Estate &amp; ENR</th>
<th>Wood Products</th>
<th>Unallocated Items</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA by Segment:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net earnings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 249</td>
</tr>
<tr>
<td>Earnings from discontinued operations, net of income taxes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(58)</td>
</tr>
<tr>
<td>Interest expense, net of capitalized interest</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>209</td>
</tr>
<tr>
<td>Income taxes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net contribution to earnings</td>
<td>$ 254</td>
<td>$ 27</td>
<td>$ 243</td>
<td>$ (82)</td>
<td>$ 442</td>
</tr>
<tr>
<td>Equity earnings from joint ventures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(12)</td>
</tr>
<tr>
<td>Non-operating pension and other postretirement benefit costs (credits)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(24)</td>
</tr>
<tr>
<td>Interest income and other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(19)</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>$ 254</td>
<td>$ 27</td>
<td>$ 243</td>
<td>(137)</td>
<td>$ 387</td>
</tr>
<tr>
<td>Depreciation, depletion and amortization</td>
<td>165</td>
<td>5</td>
<td>63</td>
<td>4</td>
<td>237</td>
</tr>
<tr>
<td>Basis of real estate sold</td>
<td></td>
<td>30</td>
<td></td>
<td></td>
<td>30</td>
</tr>
<tr>
<td>Unallocated pension service costs</td>
<td></td>
<td></td>
<td></td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Special items(1)</td>
<td></td>
<td></td>
<td></td>
<td>93</td>
<td>93</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$ 419</td>
<td>$ 62</td>
<td>$ 306</td>
<td>(38)</td>
<td>$ 749</td>
</tr>
</tbody>
</table>

(1) Special items include: $118 million of Plum Creek merger-related costs, $36 million gain on sale of non-strategic assets, and $11 million of legal expense.

CRITICAL ACCOUNTING POLICIES

There have been no significant changes during second quarter 2017 to our critical accounting policies presented in our 2016 Annual Report on Form 10-K.
LONG-TERM INDEBTEDNESS OBLIGATIONS

The following summary of our long-term indebtedness obligations includes:

- scheduled principal repayments for the next five years and after;
- weighted average interest rates for debt maturing in each of the next five years and after; and
- estimated fair values of outstanding obligations.

We estimate the fair value of our debt instruments using quoted market prices we received for the same types and issues of our debt or on the discounted value of the future cash flows using market yields for the same type and comparable issues of debt. Changes in market rates of interest affect the fair value of our fixed-rate debt.

### SUMMARY OF LONG-TERM INDEBTEDNESS PRINCIPAL OBLIGATIONS AS OF JUNE 30, 2017

**DOLLAR AMOUNTS IN MILLIONS**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>THEREAFTER</th>
<th>TOTAL</th>
<th>FAIR VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed-rate debt</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average interest rate</td>
<td>6.95%</td>
<td>7.00%</td>
<td>7.38%</td>
<td>5.60%</td>
<td>6.39%</td>
<td>5.74%</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td><strong>Variable-rate debt</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average interest rate</td>
<td>—%</td>
<td>—%</td>
<td>—%</td>
<td>2.84%</td>
<td>—%</td>
<td>—%</td>
<td>2.84%</td>
<td>N/A</td>
</tr>
</tbody>
</table>

(1) Excludes $42 million of unamortized discounts, capitalized debt expense and fair value step-up (related to Plum Creek merger).

(2) Variable-rate debt matures in 2020. However, as noted in Note 10: Long-Term Debt and Lines of Credit, a portion of the $550 million has been reclassified to "Current maturities of long-term debt" as of June 30, 2017 due to prepayment of this term loan in July 2017. Refer to Note 10: Long-Term Debt and Lines of Credit for further details of this prepayment.

**CONTROLS AND PROCEDURES**

**EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES**

Disclosure controls are controls and other procedures that are designed to ensure that information required to be disclosed in the reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Act is accumulated and communicated to the issuer’s management, including its principal executive and principal financial officers, to allow timely decisions regarding required disclosure. The company’s principal executive officer and principal financial officer have concluded that the company’s disclosure controls and procedures were effective as of June 30, 2017, based on an evaluation of the company’s disclosure controls and procedures as of that date.

**CHANGES IN INTERNAL CONTROLS**

During 2017, we integrated the acquired Plum Creek operations into our overall internal controls over financial reporting.

Except as described above, no changes occurred in the company’s internal control over financial reporting during second quarter 2017 that have materially affected, or are reasonably likely to materially affect, the company’s internal control over financial reporting.

**LEGAL PROCEEDINGS**

Refer to "Notes to Consolidated Financial Statements – Note 12: Legal Proceedings, Commitments and Contingencies."

**RISK FACTORS**

There have been no material changes with respect to the risk factors disclosed in our 2016 Annual Report on Form 10-K.

**UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

There have been no share repurchases during the second quarter and year-to-date 2017. Refer to "Notes to Consolidated Financial Statements – Note 5: Net Earnings Per Share" for further information regarding our Share Repurchase Authorization.

**DEFAULTS UPON SENIOR SECURITIES**

None.

**MINE SAFETY DISCLOSURES**

Not applicable.
The disclosure set forth below is provided pursuant to Items 1.01 and 2.03 of Form 8-K.

Term Loan Agreement

On July 24, 2017, Weyerhaeuser Company (Company or Weyerhaeuser) entered into a Term Loan Agreement (New Term Loan Agreement) with Northwest Farm Credit Services, PCA, as Administrative Agent, and the lenders party thereto, which provides for a $225 million senior unsecured term loan that will mature in July 2026. Along with cash on hand of the Company, the funds borrowed under the New Term Loan Agreement were used to prepay the Company’s existing $550 million term loan under the credit agreement dated as of September 13, 2013, by and among Weyerhaeuser, CoBank, ACB, as Administrative Agent, and the lenders party thereto (2013 Term Credit Agreement). The borrowing under the New Term Loan Agreement will bear interest, at Weyerhaeuser’s option, at a floating rate based on LIBOR or a Base Rate (as defined in the New Term Loan Agreement) plus a spread that will vary depending upon the credit rating assigned to Weyerhaeuser’s long-term senior unsecured debt from time to time.

Weyerhaeuser Covenants

Under the New Term Loan Agreement, key covenants relating to Weyerhaeuser include requirements to maintain:

- a minimum defined total adjusted shareholders’ equity of $3.0 billion, and
- a funded debt ratio (defined total funded indebtedness divided by defined total adjusted shareholders’ equity plus defined total funded indebtedness) of not more than 65%.

The New Term Loan Agreement contains other covenants customary for a borrower with Weyerhaeuser’s credit rating. These include covenants that place limitations on Weyerhaeuser’s ability to incur secured debt, enter into certain sale and leaseback transactions, merge or sell all or substantially all of its assets or fundamentally change its business.

Amendment to Installment Note

Reference is made to that certain Assumption and Amendment Agreement dated as of April 28, 2016, by and among Plum Creek Timberlands, L.P., Weyerhaeuser and MeadWestvaco Timber Note Holding Company II, L.L.C., including the Amended and Restated Installment Note dated December 16, 2013, as amended as of April 28, 2016, that is attached as Annex A thereto (Installment Note). Pursuant to Sections 2.01 and 3.01 of Appendix A to the Installment Note, the affirmative and negative covenants set forth in the 2013 Term Credit Agreement or, as applicable, any Replacement Credit Agreement (as defined in the Installment Note) are incorporated by reference into the Installment Note. The New Term Loan Agreement is a Replacement Credit Agreement; therefore, effective upon the execution of the New Term Loan Agreement, the affirmative and negative covenants set forth in the New Term Loan Agreement replaced such provisions from the 2013 Term Credit Agreement and became incorporated by reference into the Installment Note.

Claim Agreement

In connection with the New Term Loan Agreement, Weyerhaeuser NR Company (WNR), a wholly owned subsidiary of Weyerhaeuser, and Weyerhaeuser entered into a claim agreement pursuant to which the lenders under the New Term Loan Agreement will have claims enforceable against WNR for payment of obligations under the New Term Loan Agreement to the same extent that holders of certain debt securities issued by Weyerhaeuser have successfully asserted claims, if any, enforceable against WNR for the payment of such debt securities by reason of any assumption agreement entered into between WNR and Weyerhaeuser pursuant to which WNR assumed the performance of payment obligations of Weyerhaeuser in respect of such debt securities.

The foregoing description of the New Term Loan Agreement and the related matters, including the effect of the New Term Loan Agreement on the Installment Note, is a general description only, does not purport to be complete and is qualified in its entirety by reference to the New Term Loan Agreement and the Installment Note, which are filed with this quarterly report as Exhibit 10.1 and 4.1, respectively and are incorporated into this quarterly report by reference. The New Term Loan Agreement contains representations and warranties that Weyerhaeuser made to the lenders that are party to the New Term Loan Agreement as of a specific date. The assertions embodied in those representations and warranties were made solely for purposes of the contractual agreements between the parties to the New Term Loan Agreement and may be subject to important qualifications and limitations to which the parties agreed in connection with negotiating the New Term Loan Agreement. Moreover, some of those representations and warranties may not be accurate or complete as of any specified date, may be subject to a contractual standard of materiality different from those generally applicable to investors, or may have been used for the purpose of allocating risk between the parties rather than establishing matters as fact. For the foregoing reasons, investors should not rely on the representations and warranties contained in the New Term Loan Agreement as statements or representations of factual information.

Certain of the lenders and their respective affiliates have, from time to time, performed, and may in the future perform, various commercial banking and general financing services for the Company for which they received or will receive customary fees and reimbursement for related expenses.
EXHIBITS

<table>
<thead>
<tr>
<th>Exhibit</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>Assumption and Amendment Agreement and Installment Note dated as of April 28, 2016 by and among Plum Creek Timberlands, L.P., Weyerhaeuser Company and MeadWestvaco Timber Note Holding Company II, L.L.C. (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed on May 4, 2016 - Commission File Number 1-4825)</td>
</tr>
<tr>
<td>10.1</td>
<td>Term Loan Agreement dated July 24, 2017, by and among Weyerhaeuser Company, Northwest Farm Credit Services, PCA, as administrative agent, and the lenders party thereto</td>
</tr>
<tr>
<td>12.1</td>
<td>Statements regarding computation of ratios</td>
</tr>
<tr>
<td>31.1</td>
<td>Certification pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934</td>
</tr>
<tr>
<td>32.1</td>
<td>Certification pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934, and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350)</td>
</tr>
<tr>
<td>100.INS</td>
<td>XBRL Instance Document</td>
</tr>
<tr>
<td>100.SCH</td>
<td>XBRL Taxonomy Extension Schema Document</td>
</tr>
<tr>
<td>100.CAL</td>
<td>XBRL Taxonomy Extension Calculation Linkbase Document</td>
</tr>
<tr>
<td>100.DEF</td>
<td>XBRL Taxonomy Extension Definition Linkbase Document</td>
</tr>
<tr>
<td>100.LAB</td>
<td>XBRL Taxonomy Extension Label Linkbase Document</td>
</tr>
<tr>
<td>100.PRE</td>
<td>XBRL Taxonomy Extension Presentation Linkbase Document</td>
</tr>
</tbody>
</table>
Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WEYERHAEUSER COMPANY

Date: July 28, 2017

By: /s/ Jeanne M. Hillman

Jeanne M. Hillman
Vice President and Chief Accounting Officer
TERM LOAN AGREEMENT

dated as of

July 24, 2017,

among

WEYERHAEUSER COMPANY,

The LENDERS Party Hereto

and

NORTHWEST FARM CREDIT SERVICES, PCA,

as Administrative Agent,

___________________________

NORTHWEST FARM CREDIT SERVICES, PCA

and

COBANK, ACB,

as Joint Lead Arrangers and Joint Bookrunners,
* For voting purposes only. Percentages are approximate due to rounding.

** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
TERM LOAN AGREEMENT dated as of July 24, 2017 (this “Agreement”), among Weyerhaeuser Company, a Washington corporation, the LENDERS party hereto and NORTHWEST FARM CREDIT SERVICES, PCA, as Administrative Agent.

The parties hereto agree as follows:

**ARTICLE I**

**DEFINITIONS**

Section 1.01 Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“Administrative Agent” means Northwest Farm Credit Services, PCA, in its capacity as administrative agent hereunder and under the other Loan Documents, and its successors in such capacity as provided in Article VIII.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Affiliate” means, with respect to a specified Person, another Person that directly or indirectly Controls or is Controlled by or is under common Control with the Person specified.

“Agreement” has the meaning set forth in the preamble hereto.

“Anti-Corruption Laws” means all laws, rules and regulations of the United States and Canada applicable to the Borrower or any Restricted Subsidiary from time to time concerning or relating to bribery or corruption, including the United States Foreign Corrupt Practices Act of 1977 and the Corruption of Foreign Public Officials Act (Canada).

“Applicable Rate” means, for any day, with respect to any Base Rate Loan or Eurodollar Loan, as the case may be, the applicable rate per annum set forth below based upon the Ratings received from S&P and Moody’s:

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Level 4</th>
<th>Level 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P:</td>
<td>A- or higher</td>
<td>BBB+</td>
<td>BBB</td>
<td>BBB-</td>
<td>BB+ or lower</td>
</tr>
<tr>
<td>Moody’s:</td>
<td>A3 or higher</td>
<td>Baa1</td>
<td>Baa2</td>
<td>Baa3</td>
<td>Ba1 or lower</td>
</tr>
<tr>
<td>Eurodollar Loan</td>
<td>1.50%</td>
<td>1.55%</td>
<td>1.60%</td>
<td>1.725%</td>
<td>2.00%</td>
</tr>
<tr>
<td>Base Rate Loan</td>
<td>0.50%</td>
<td>0.55%</td>
<td>0.60%</td>
<td>0.725%</td>
<td>1.00%</td>
</tr>
</tbody>
</table>

For purposes of the foregoing, (a) in the event either S&P or Moody’s shall not have in effect a Rating (other than by reason of the circumstances referred to in the last sentence of this definition), the Applicable Rate shall be based on the remaining Rating by either S&P or Moody’s, as the case may be, (b)
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment toCoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving
effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
in the event neither S&P nor Moody’s shall have in effect a Rating (other than by reason of the circumstances referred to in the last sentence of this definition), the Applicable Rate shall be based on Level 5, (c) if the Ratings established by S&P or Moody’s shall fall within different Levels, the Applicable Rate shall be based on the higher of the two Ratings, unless the Ratings differ by two or more Levels, in which case the Applicable Rate shall be based on the Level one level below that corresponding to the higher Rating, and (d) if the Rating by S&P or Moody’s shall be changed (other than as a result of a change in the rating system of S&P or Moody’s), such change shall be effective as of the date on which it is first announced by the applicable rating agency, irrespective of when notice of such change is received by the Borrower, the Administrative Agent or the Lenders. Each change in the Applicable Rate shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of S&P or Moody’s shall change, or if any such rating agency shall cease to be in the business of rating corporate debt obligations, the Borrower and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system or the unavailability of a Rating from such rating agency (it being agreed that, notwithstanding anything in Section 9.02 to the contrary, any such amendment may be effected with the consent of the Required Lenders) and, pending the effectiveness of any such amendment, the Applicable Rate shall be determined by reference to the Rating from such rating agency most recently in effect prior to such change or cessation.

“Approved Fund” means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in commercial loans and similar extensions of credit in the ordinary course of its activities and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“Arrangers” means Northwest Farm Credit Services, PCA and CoBank, ACB, in their capacities as the joint lead arrangers and joint bookrunners for the credit facility provided for herein.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an Eligible Assignee, in the form of Exhibit A or any other form approved by the Administrative Agent and the Borrower, in each case with the consent of any Person whose consent is required by Section 9.04 and accepted by the Administrative Agent.

“Attributable Debt” means, in respect of any Sale and Lease-Back Transaction at any time, the present value (discounted at the interest rate implicit in such transaction) of the obligation of the lessee for rental payments during the remaining term of the applicable lease (including any period for which such lease has been extended or may, at the option of the lessor, be extended), determined in accordance with GAAP; provided that if such Sale and Lease-Back Transaction results in a Capital Lease Obligation, the amount of “Attributable Debt” represented thereby will be determined in accordance with the definition of “Capital Lease Obligations.

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“Bail-In Legislation” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time that is described in the EU Bail-In Legislation Schedule.

* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving
effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
“Bankruptcy Event” means, with respect to any Person, that such Person has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in, any such proceeding or appointment; provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority so long as such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States of America or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any agreements made by such Person.

“Base Rate” means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus ½ of 1% per annum and (c) LIBOR on such day (or if such day is not a Business Day, the immediately preceding Business Day) for a deposit in dollars with a maturity of one month plus 1% per annum. For purposes of clause (c) above, LIBOR on any day shall be based on the LIBOR Screen Rate (or, if the LIBOR Screen Rate is not available for such one-month maturity, the Interpolated Screen Rate) at approximately 11:00 a.m., London time, on such day for deposits in dollars with a maturity of one month. Any change in the Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or LIBOR shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or LIBOR, respectively.

“Base Rate Loan” means a Loan that bears interest at a rate determined by reference to the Base Rate.

“Board of Governors” means the Board of Governors of the Federal Reserve System of the United States of America.

“Borrower” means Weyerhaeuser Company, a Washington corporation, and its successors permitted by Section 6.03.

“Borrowing” means Loans of the same Type made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect.

“Borrowing Request” means a request by the Borrower for a Borrowing in accordance with Section 2.03, which shall be, in the case of any such written request, in the form of Exhibit B or any other form reasonably acceptable to the Administrative Agent and the Borrower.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, when used in connection with a Eurodollar Loan, the term “Business Day” shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

“Capital Lease Obligations” of any Person means, subject to Section 1.04, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP and, for purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP.
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
A “Change in Control” shall be deemed to have occurred if (a) any “person” or “group” (within the meaning of Rule 13d-5 of the SEC under the Exchange Act as in effect on the date hereof, but excluding any employee benefit plan of the Borrower or its Subsidiaries, and any Person acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) shall own directly or indirectly, beneficially or of record, shares representing more than 40% of the aggregate ordinary voting power represented by the issued and outstanding capital stock of the Borrower or (b) a majority of the seats (other than vacant seats) on the board of directors of the Borrower shall at any time be occupied by persons who were not (i) directors of the Borrower on the date hereof, (ii) directors nominated or appointed by the management of the Borrower or (iii) directors nominated, appointed or approved by a majority of the directors referred to in the preceding clauses (i) and (ii) or this clause (iii).

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any rule, regulation, treaty or other law, (b) any change in any rule, regulation, treaty or other law or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that, notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted, promulgated or issued.

“Claims” has the meaning set forth in Section 9.13.

“Claim Agreement” means the Claim Agreement dated as of the date hereof executed by the Borrower and WNR, in favor of the Administrative Agent for the benefit of the Lenders, substantially in the form of Exhibit C or any other form approved by the Administrative Agent.


“Commitment” means, with respect to each Lender, the commitment of such Lender to make a Loan hereunder, expressed as an amount representing the maximum principal amount of such Lender’s Loan hereunder, as such commitment may be reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender’s Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Commitment, as applicable. The aggregate amount of the Lenders’ Commitments on the Effective Date is $225,000,000.

“Communications” means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of the Borrower pursuant to any Loan Document or the transactions contemplated therein that is distributed to the Administrative Agent or any Lender by means of electronic communications pursuant to Section 9.01, including through the Platform.

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.
effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Credit Party” means the Administrative Agent and each Lender.

“Default” means any event or condition that constitutes, or upon notice, lapse of time or both would constitute, unless cured or waived, an Event of Default.

“Defaulting Lender” means any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, (i) to fund any portion of its Loans or (ii) to pay to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to funding (specifically identified in such writing, including, if applicable, by reference to a specific Default) has not been satisfied, (b) has notified the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s good faith determination that a condition precedent (specifically identified in such writing, including, if applicable, by reference to a specific Default) to funding a Loan cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by the Borrower or the Administrative Agent made in good faith to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon the Borrower or the Administrative Agent’s receipt of such certification in form and substance satisfactory to it and the Administrative Agent, (d) has become the subject of a Bankruptcy Event or (e) has, or has a direct or indirect parent company that has, become the subject of a Bail-In Action.

“Disclosed Matters” means any information disclosed in (a) the Annual Report on Form 10-K of the Borrower for the fiscal year ended December 31, 2016 and all other reports publicly filed by the Borrower with the SEC on Forms 10-K, 10-Q or 8-K since December 31, 2016 and prior to the date hereof, (b) the Annual Report on Form 10-K of Plum Creek Timber Company, Inc. for the fiscal year ended December 31, 2015 and all other reports publicly filed by Plum Creek Timber Company, Inc. with the SEC on Forms 10-K, 10-Q or 8-K since December 31, 2015 and prior to the date hereof, and (c) the actions, suits and proceedings disclosed on Schedule 3.06.

“dollars” or “$” refers to lawful money of the United States of America.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country that is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country that is a parent of any Person described in clause (a) above or (c) any institution established in an EEA Member Country that is a subsidiary of any Person described in clause (a) or (b) above and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein and Norway.
effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
“EEA Resolution Authority” means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Effective Date” means the date on which the conditions specified in Article IV are satisfied (or waived in accordance with Section 9.02).

“Eligible Assignee” means (a) a Lender, (b) an Affiliate of a Lender, (c) an Approved Fund and (d) any commercial bank, any investment bank, any savings and loan association, any savings bank and any insurance company that, in each case under this clause (d), extends credit or makes or purchases loans in the ordinary course of business, other than, in each case, (i) the Borrower or any Subsidiary, (ii) any Defaulting Lender or (iii) any natural person.

“Environmental Laws” means all rules, regulations, codes, ordinances, judgments, orders, decrees, directives and other laws, and all injunctions, notices or binding agreements, issued, promulgated or entered into by or with any Governmental Authority and relating in any way to the environment, to preservation or reclamation of natural resources, or to health or safety matters (as such relate to Hazardous Materials).

“Environmental Liability” means any liability, obligation, loss, claim, action, order or cost, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties and indemnities), directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the presence, Release or threatened Release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Interests” means shares of capital stock, partnership interests, membership interests, beneficial interests or other ownership interests, whether voting or nonvoting, in, or interests in the income or profits of, a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any of the foregoing (other than, prior to the date of such conversion, Indebtedness that is convertible into any such Equity Interests).


“ERISA Affiliate” means any entity, trade or business (whether or not incorporated) that, together with the Borrower or any Subsidiary, is treated as a “single employer” within the meaning of Section 414 of the Code.

“ERISA Event” means (a) any “reportable event”, as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived), (b) any failure by any Plan to satisfy the minimum funding standard (within the meaning of Sections 412 and 430 of the Code or Sections 302 and 303 of ERISA) applicable to such Plan, in each case whether or not waived, (c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA, of an application for a waiver of the minimum funding standard with respect to any Plan, (d) a determination that any Plan is, or is expected to be, in “at-risk” status (as defined in Section 303(i)(4) of ERISA or Section 430(i)(4) of the Code), (e) the incurrence by the Borrower or any Subsidiary or any of their respective ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan, (f) the filing of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan, (g) the incurrence by the Borrower or any Subsidiary or any of their respective ERISA Affiliates of
* For voting purposes only. Percentages are approximate due to rounding.

** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan, (h) the receipt by the Borrower or any Subsidiary or any of their respective ERISA Affiliates of any notice, or the receipt by any Multiemployer Plan from the Borrower or any Subsidiary or any of their respective ERISA Affiliates of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent, within the meaning of Section 4245 of ERISA, or in endangered or critical status, within the meaning of Section 305 of ERISA, or terminated, within the meaning of Section 4041A of ERISA or (i) the conditions for imposition of a Lien under Section 303(k) of ERISA shall have been met with respect to any Plan.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Eurodollar Borrowing” means a Borrowing comprised of Eurodollar Loans.

“Eurodollar Loan” means a Loan that bears interest at a rate determined by reference to LIBOR.

“Eurodollar Reserve Percentage” means, for any day with respect to any Lender, that percentage (expressed as a decimal) which is in effect on such day, as prescribed by the Board of Governors, for determining the reserve requirement (if any) for such Lender in respect of eurocurrency funding (currently referred to as “Eurocurrency liabilities” in Regulation D of the Board of Governors). The Eurodollar Reserve Percentage shall be adjusted automatically on and as of the effective date of any change in any such reserve percentage.

“Event of Default” has the meaning set forth in Article VII.


“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. Federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.18(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.16, amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender acquired the applicable interest in such Loan or Commitment or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient’s failure to comply with Section 2.16(f) and (d) any U.S. Federal withholding Taxes imposed under FATCA.

“Existing Credit Agreement” means the Credit Agreement dated as of September 13, 2013, among the Borrower, the lenders party thereto and CoBank, ACB, as administrative agent.

“Farm Credit Equities” has the meaning set forth in Section 5.11(a).

“Farm Credit Lender” means a lending institution organized and existing pursuant to the provisions of the Farm Credit Act of 1971 and under the regulation of the Farm Credit Administration.
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
“Farm Credit Lender Transfer Certificate” means, in connection with an assignment or sale of a participation pursuant to Section 9.04 by a Farm Credit Lender, a certificate executed by an officer of such Farm Credit Lender and certifying to the Borrower that such Farm Credit Lender has used commercially reasonable efforts to consummate the relevant assignment or sale of a participation with another Person that would be expected to make patronage distributions to the Borrower on a going forward basis that are consistent with (or better than) those that the Borrower could reasonably have expected to have received from such Farm Credit Lender.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b) of the Code.

“Federal Funds Effective Rate” means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System, as published on the next succeeding Business Day by the Federal Reserve Bank of New York or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it; provided that if such rate shall be less than zero, such rate shall be deemed to be zero for all purposes of this Agreement.

“Financial Officer” means, with respect to any Person, the chief financial officer, the principal accounting officer, the treasurer or the controller of such Person.

“Foreign Lender” means a Lender that is not a U.S. Person.

“GAAP” means generally accepted accounting principles in the United States of America, applied in accordance with the consistency requirements thereof.

“Governmental Authority” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national body exercising such powers or functions, such as the European Union or the European Central Bank).

“Guarantee” of or by any Person means any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or to purchase (or to advance or supply funds for the purchase of) any security for the payment of such Indebtedness, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness of the payment of such Indebtedness, (c) to maintain working capital, equity capital or other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness; provided, however, that the term Guarantee shall not include endorsements for collection or deposit, in either case in the ordinary course of business. The amount, as of any date of determination, of any Guarantee shall be the principal amount outstanding on such date of the Indebtedness guaranteed thereby (or, in the case of (i) any Guarantee the terms of which limit the monetary
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
exposure of the guarantor or (ii) any Guarantee of an obligation that does not have a principal amount, the maximum monetary exposure as of such date of the guarantor under such Guarantee (as determined, in the case of clause (i), pursuant to such terms or, in the case of clause (ii), reasonably and in good faith by a Financial Officer of the Borrower)).

“Hazardous Materials” means all explosive, radioactive, hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

“Indebtedness” of any Person means, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments (other than, for the avoidance of doubt, performance bonds, surety bonds and similar instruments), (c) all obligations of such Person issued or assumed as the deferred purchase price of property or services due more than six months after such property is acquired or such services are completed (excluding (i) trade accounts payable and accrued expenses, in each case incurred in the ordinary course of business, (ii) deferred compensation payable to directors, officers or employees of the Borrower or any Subsidiary and any such obligations incurred under ERISA and (iii) any purchase price adjustment or earn-out obligation, except, in the case of this clause (iii), to the extent that the amount thereof is due and payable), (d) all Indebtedness of others secured by any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed by such Person, valued, as of any date of determination, at the lesser of (i) the principal amount of such Indebtedness and (ii) the fair market value of such property (as determined in good faith by such Person), (f) all Guarantees by such Person of Indebtedness of others, (g) all Capital Lease Obligations of such Person and (h) all obligations of such Person as an account party in respect of letters of credit (other than trade related letters of credit issued in the ordinary course of business) and the principal component of all obligations of such Person in respect of bankers’ acceptances. The Indebtedness of any Person shall include the Indebtedness of any partnership in which such Person is a general partner.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

“Indemnitee” has the meaning set forth in Section 9.03(b).

“Information” has the meaning set forth in Section 9.12.

“Installment Note” has the meaning set forth in Section 9.18.

“Interest Election Request” means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.07, which shall be, in the case of any such written request, in the form of Exhibit B or any other form reasonably acceptable to the Administrative Agent and the Borrower.

“Interest Payment Date” means (a) with respect to any Base Rate Loan, the last Business Day of each March, June, September and December and (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months’ duration, such day or days prior to the last day of such Interest Period as shall occur at intervals of three months’ duration after the first day of such Interest Period.
* For voting purposes only. Percentages are approximate due to rounding.

** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
“Interest Period” means, with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the day that is one, two, three or six months thereafter (or, if agreed to by each Lender participating therein, 12 months thereafter or a period of another duration thereafter), as the Borrower may elect; provided that (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, and (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“Interpolated Screen Rate” means, with respect to any Eurodollar Borrowing for any Interest Period, a rate per annum which results from interpolating on a linear basis between (a) the applicable LIBOR Screen Rate for the longest maturity for which a LIBOR Screen Rate is available that is shorter than such Interest Period and (b) the applicable LIBOR Screen Rate for the shortest maturity for which a LIBOR Screen Rate is available that is longer than such Interest Period, in each case at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

“IRS” means the United States Internal Revenue Service.

“Lenders” means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption, other than any such Person that shall have ceased to be a party hereto pursuant to an Assignment and Assumption.

“LIBOR” means, with respect to any Eurodollar Borrowing for any Interest Period, the LIBOR Screen Rate at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period. If no LIBOR Screen Rate shall be available at such time for a particular Interest Period but LIBOR Screen Rates shall be available at such time for a particular Interest Period but LIBOR Screen Rates shall be available for maturities both longer and shorter than such Interest Period, then LIBOR for such Interest Period shall be the Interpolated Screen Rate; provided that LIBOR for any Interest Period shall be increased or decreased as provided in Section 2.14(g). Notwithstanding the foregoing, if LIBOR, determined as provided above, would otherwise be less than zero, then LIBOR shall be deemed to be zero for all purposes.

“LIBOR Screen Rate” means, for any day and time, with respect to any Eurodollar Borrowing for any Interest Period, the London interbank offered rate as administered by the ICE Benchmark Administration Ltd. (or any other Person that takes over the administration of such rate) for deposits in dollars (or delivery on the first day of such Interest Period) for a period equal in length to such Interest Period as displayed on the Reuters screen page that displays such rate (currently page LIBOR01 or LIBOR02) or, in the event such rate does not appear on a page of the Reuters screen, on the appropriate page of such other information service that publishes such rate from time to time as shall be selected by the Administrative Agent from time to time in its reasonable discretion.

“Lien” means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, encumbrance, hypothecation, charge or security interest on, in or of such asset and (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement relating to such asset; provided that an operating lease shall not be deemed to constitute a Lien.
* For voting purposes only. Percentages are approximate due to rounding.

** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
“Loan Documents” means this Agreement, the Claim Agreement and, except for purposes of Section 9.02, any promissory notes delivered pursuant to Section 2.09(c) and the letter agreement regarding “Waiver and Release of Borrower Rights Under the Farm Credit Act of 1971,” dated as of the date hereof, between the Borrower and Northwest Farm Credit Services, PCA.

“Loans” means the loans made by the Lenders to the Borrower pursuant to this Agreement.

“Material Adverse Effect” means (a) a materially adverse effect on the business, financial condition, operations or properties of the Borrower and the Restricted Subsidiaries, taken as a whole, (b) a materially adverse effect on the ability of the Borrower to perform its payment obligations under any Loan Document or (c) a materially adverse effect on the rights and remedies available to the Administrative Agent and the Lenders under the Loan Documents.

“Material Indebtedness” means Indebtedness (other than Indebtedness under the Loan Documents) of the Borrower and the Restricted Subsidiaries in an aggregate principal amount of $150,000,000 or more.

“Material Restricted Subsidiary” means each Restricted Subsidiary (a) the total assets of which (determined on a consolidated basis for such Restricted Subsidiary and its Restricted Subsidiaries) equal 5.0% or more of the consolidated total assets of the Borrower and the Restricted Subsidiaries or (b) the revenues of which (determined on a consolidated basis for such Restricted Subsidiary and its Restricted Subsidiaries) equal 5.0% or more of the consolidated revenues of the Borrower and the Restricted Subsidiaries, in each case as of the last day of or for the most recently ended period of four fiscal quarters of the Borrower for which financial statements have been delivered pursuant to Section 5.01 (or, prior to the first such delivery, such period ended December 31, 2016).

“Maturity Date” means the nine-year anniversary of the Effective Date.

“Maximum Rate” has the meaning set forth in Section 9.13.

“MNPI” means material information concerning the Borrower or any Subsidiary or their securities that is not Public Information. For purposes of this definition, “material information” means information concerning the Borrower or the Subsidiaries, or any of their securities, that could reasonably be expected to be material for purposes of the United States Federal and state securities laws.

“Moody’s” means Moody’s Investors Service, Inc., and any successor to its rating agency business.

“Multiemployer Plan” means a “multiemployer plan” as defined in Section 4001(a)(3) of ERISA to which the Borrower or any ERISA Affiliate is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions.

“OFAC” means the United States Treasury Department Office of Foreign Assets Control.

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Taxes (other than connections arising solely from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
“Other Taxes” means all present or future stamp, court or documentary, intangible, excise, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.18).

“Participant Register” has the meaning set forth in Section 9.04(c)(ii).
“Participants” has the meaning set forth in Section 9.04(c)(i).

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any “employee pension benefit plan”, as defined in Section 3(2) of ERISA (other than a Multiemployer Plan), that is subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any Subsidiary or any of their respective ERISA Affiliates is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“Platform” has the meaning set forth in Section 9.01(d).

“Prime Rate” means a variable rate of interest per annum equal, on any day, to the rate of interest referenced on such day in the online edition of The Wall Street Journal as the “prime rate” (which reference, as of the Effective Date, indicates that such rate represents the base rate posted by 70% of the nation’s largest banks), or if the online edition of The Wall Street Journal is not published on such day or such rate is not referenced therein on such day, such rate as last referenced in the online edition of The Wall Street Journal. In the event the online edition of The Wall Street Journal ceases to reference such rate on a regular basis, the term “Prime Rate” shall be determined on any day by reference to such other regularly published or circulated “prime rate” for such day as is reasonably acceptable to the Administrative Agent and the Borrower. Any change in the Prime Rate shall be automatically effective on the date such change is published or circulated, without the necessity of notice to the Borrower.

“Private Side Lender Representatives” means, with respect to any Lender, representatives of such Lender that are not Public Side Lender Representatives.

“Public Information” means any information that (a) has been disseminated in a manner making it available to investors generally, within the meaning of Regulation FD under the Securities Act and the Exchange Act or (b) does not constitute material information concerning the Borrower or the Subsidiaries or their securities. For purposes of this definition, “material information” means information concerning the Borrower or the Subsidiaries, or any of their securities, that could reasonably be expected to be material for purposes of the United States Federal and state securities laws.

“Public Side Lender Representatives” means, with respect to any Lender, representatives of such Lender that do not wish to receive MNPI.

“Rating” means, as of any date, (a) the rating by Moody’s or S&P, as the case may be, in effect on such date of the Senior Unsecured Long-Term Debt of the Borrower or (b) if Moody’s or S&P, as the case may be, does not have a rating in effect on such date of the Senior Unsecured Long-Term Debt of the Borrower, the corporate rating of the Borrower by Moody’s or S&P, as applicable.
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
“Recipient” means the Administrative Agent and any Lender, or any combination thereof (as the context requires).

“Register” has the meaning set forth in Section 9.04(b).

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the directors, officers, partners, members, trustees, employees, agents, administrators, managers, representatives and advisors of such Person and of such Person’s Affiliates.

“Release” means any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into or through the environment or within or upon any building, structure, facility or fixture.

“Required Lenders” means, at any time, Lenders holding Commitments or Loans representing more than 50% of the Commitments or Loans of all Lenders at such time. For purposes of this definition, the amount of the Commitments and Loans shall be determined by excluding the Commitment or Loan of any Defaulting Lender. For the avoidance of doubt, Voting Participants shall have the voting rights specified in Section 9.04(c)(iii) with respect to any matter requiring the approval of the Required Lenders.

“Responsible Officer” means, with respect to any Person, the chief executive officer, the chief financial officer, the principal accounting officer, the treasurer, the controller (or an individual performing an equivalent function) or the general counsel of such Person.

“Restricted Subsidiary” means each Subsidiary that is not an Unrestricted Subsidiary.


“Sale and Lease-Back Transaction” means any arrangement with any Person providing for the leasing by the Borrower or a Restricted Subsidiary of any real property in the United States of America (except for temporary leases for a term of not more than three years), which property has been or is to be sold or transferred by the Borrower or such Restricted Subsidiary to such Person.

“Sanctioned Country” means, at any time, a country, region or territory which is itself the subject or target of any Sanctions (at the time of this Agreement, Crimea, Cuba, Iran, North Korea, Sudan and Syria).

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of specially designated Persons maintained by OFAC, the U.S. Department of State, the U.S. Department of Commerce or the Department of Foreign Affairs, Trade and Development (Canada) or (b) any Person owned or controlled by any such Person.

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by OFAC, the U.S. Department of State, the U.S. Department of Commerce or the Department of Foreign Affairs, Trade and Development (Canada).

“SEC” means the United States Securities and Exchange Commission.

“Securities Act” means the United States Securities Act of 1933.
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
“Senior Unsecured Long-Term Debt” means senior, unsecured, non-credit-enhanced long-term indebtedness for borrowed money of the Borrower.

“Shareholders’ Interest in the Borrower and the Restricted Subsidiaries” means, at any time, the aggregate of capital and surplus, including surplus resulting from the March 1, 1913 revaluation of timber and timberlands, of the Borrower and the Restricted Subsidiaries at such time, after deducting the cost of shares of the Borrower held in treasury.

“subsidiary” means, with respect to any Person (herein referred to as the “parent”), any corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of Equity Interests having ordinary voting power for the election of directors or other governing body members (other than Equity Interests having such power only by reason of the happening of a contingency) are, at the time any determination is being made, beneficially owned by the parent and/or one or more subsidiaries of the parent.

“Subsidiary” means any subsidiary of the Borrower.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Test Period” means, at any time, the last day of the then most recently ended fiscal quarter or fiscal year of the Borrower with respect to which financial statements have been delivered pursuant to Section 5.01(a) or 5.01(b).

“Timber Installment Notes Collateral” means any credit support provided in any timber installment note transaction.

“Total Adjusted Shareholders’ Equity” means, as of any date, the consolidated shareholders’ equity of the Borrower that would be reported as “total equity” on a consolidated balance sheet of the Borrower prepared as of such date in accordance with GAAP; provided that, for purposes of calculating “Total Adjusted Shareholders’ Equity”, there shall be excluded (a) any cumulative other comprehensive income or loss, in each case as reflected on the consolidated balance sheet of the Borrower in accordance with GAAP, (b) treasury common shares in the Borrower and (c) the aggregate net book value (after deducting any reserves applicable thereto) of investments in Unrestricted Subsidiaries.

“Total Funded Indebtedness” means, as of any date, the Loans and any other Indebtedness of the Borrower and the Restricted Subsidiaries that would be reported as “long-term debt”, “current maturities of long-term debt” or “short-term debt” on a consolidated balance sheet of the Borrower prepared as of such date in accordance with GAAP, in an amount that would be so reported, provided that, for purposes of calculating “Total Funded Indebtedness”, there shall be excluded (a) any Indebtedness of Unrestricted Subsidiaries, (b) any Indebtedness that is non-recourse to the Borrower and the Restricted Subsidiaries, including any Indebtedness reported as “long-term debt (nonrecourse to the company) held by variable interest entities” on a consolidated balance sheet of the Borrower, and (c) any Indebtedness secured by Timber Installment Notes Collateral in an amount equal to at least 90% of the outstanding principal amount thereof.

“Transactions” means (a) the execution, delivery and performance by the Borrower of this Agreement, the borrowing of Loans and the use of the proceeds thereof and (b) the payment of fees and expenses in connection with the foregoing.
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to LIBOR or the Base Rate.

“Unrestricted Subsidiary” means (a) each Subsidiary designated as an Unrestricted Subsidiary on Schedule 1.01 or by a Responsible Officer of the Borrower in the manner provided below, in each case until such time as such Subsidiary is redesignated as a “Restricted Subsidiary” in the manner provided below, and (b) each subsidiary of an Unrestricted Subsidiary. The Borrower may designate any Subsidiary as an “Unrestricted Subsidiary” by delivering to the Administrative Agent a certificate of a Responsible Officer of the Borrower specifying such designation and certifying that immediately after giving effect to such designation no Default shall have occurred and be continuing. The Borrower may designate any Unrestricted Subsidiary as a “Restricted Subsidiary” by delivering to the Administrative Agent a certificate of a Responsible Officer specifying such redesignation and certifying that immediately after giving effect to such designation (i) no Default shall have occurred and be continuing and (ii) the Borrower will, on a pro forma basis as of the last day of the then most recent Test Period, have been in compliance with Sections 6.04 and 6.05.

“U.S. Person” means a “United States person” within the meaning of Section 7701(a)(30) of the Code.

“U.S. Tax Compliance Certificate” has the meaning set forth in Section 2.16(f)(ii)(B)(3).

“USA Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001.

“Voting Participant” has the meaning set forth in Section 9.04(c)(iii).

“Voting Participant Notification” has the meaning set forth in Section 9.04(c)(iii).

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

“WNR” means Weyerhaeuser NR Company, a Washington corporation.

“Write-Down and Conversion Powers” means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

Section 1.02 Classification of Loans and Borrowings. For purposes of this Agreement, Loans and Borrowings may be classified and referred to by Type (e.g., a “Eurodollar Loan” or “Eurodollar Borrowing”).

Section 1.03 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
the same meaning and effect as the word “shall”. The words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all real and personal, tangible and intangible assets and properties, including cash, securities, accounts and contract rights. The word “law” shall be construed as referring to all statutes, rules, regulations, codes and other laws (including official rulings and interpretations thereunder having the force of law), and all judgments, orders, writs and decrees, of all Governmental Authorities. Except as otherwise provided herein and unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument or other document (including this Agreement and the other Loan Documents) shall, except as otherwise provided herein, be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any definition of or reference to any statute, rule or regulation shall be construed as referring thereto as from time to time amended, supplemented or otherwise modified (including by succession of comparable successor laws), and all references to any statute shall be construed as referring to all rules, regulations, rulings and official interpretations promulgated or issued thereunder, (c) any reference herein to any Person shall be construed to include such Person’s successors and assigns (subject to any restrictions on assignment set forth herein) and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all functions thereof, (d) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof and (e) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement.

Section 1.04 Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature used herein shall be construed in accordance with GAAP as in effect from time to time; provided that (a) if the Borrower, by notice to the Administrative Agent, shall request an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent, by notice to the Borrower, shall request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith and (b) notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any change to GAAP occurring after the date hereof as a result of the adoption of any proposals set forth in the Proposed Accounting Standards Update, Leases (Topic 840), issued by the Financial Accounting Standards Board on August 17, 2010, or any other proposals issued by the Financial Accounting Standards Board in connection therewith, in each case if such change would require treating any lease (or similar arrangement conveying the right to use) as a capital lease where such lease (or similar arrangement) was not required to be so treated under GAAP as in effect on December 31, 2016.

ARTICLE II
THE CREDITS

Section 2.01 Commitments. Subject to the terms and conditions set forth herein, each Lender agrees to make a Loan to the Borrower on the Effective Date in a principal amount not in excess of such Lender’s Commitment. No portion of any Loan that is repaid or prepaid may be reborrowed.

Section 2.02 Loans and Borrowings.
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
(a) Each Loan shall be made as part of a Borrowing consisting of Loans of the same Type made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make its Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender’s failure to make Loans as required.

(b) Subject to Section 2.13, each Borrowing shall be comprised entirely of Base Rate Loans or Eurodollar Loans, as the Borrower may request in accordance herewith. Each Lender at its option may make any Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that (i) any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement and (ii) any such domestic or foreign branch or Affiliate of such Lender shall not be entitled to any greater indemnification under Section 2.14 or 2.16 with respect to such Loan than that to which the applicable Lender (acting through its domestic branch) was entitled on the date on which such Loan was made (or, to the extent provided in such Section, would have been entitled as a result of a Change in Law after the date on which such Loan was made).

(c) At the commencement of each Interest Period for any Eurodollar Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of $1,000,000 and not less than $1,000,000; provided that a Eurodollar Borrowing that results from a continuation of an outstanding Eurodollar Borrowing may be in an aggregate amount that is equal to such outstanding Borrowing. At the time that each Base Rate Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of $500,000 and not less than $1,000,000. Borrowings of more than one Type may be outstanding at the same time; provided that there shall not at any time be more than a total of five (or such greater number as may be agreed to by the Administrative Agent) Eurodollar Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert to or continue, any Eurodollar Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

Section 2.03 Requests for Borrowings. To request a Borrowing on the Effective Date, the Borrower shall give notice (which notice may be given by telephone, to be confirmed in writing as set forth below) to the Administrative Agent (a) in the case of a Eurodollar Borrowing, not later than 12:00 p.m., Pacific time, three Business Days before the Effective Date or (b) in the case of a Base Rate Borrowing, not later than 10:00 a.m., Pacific time, on the Effective Date. Each such Borrowing Request shall be irrevocable and shall be made (or, in the case of any telephonic Borrowing Request, shall be confirmed promptly) by hand delivery, facsimile or electronic transmission of a “pdf” or similar copy to the Administrative Agent of an executed written Borrowing Request. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) the aggregate amount of such Borrowing;

(ii) the date of such Borrowing, which shall be the Effective Date;

(iii) whether such Borrowing is to be a Base Rate Borrowing or a Eurodollar Borrowing;
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
(iv) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term “Interest Period”; and

(v) the location and number of the account to which funds are to be disbursed.

If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be (i) in the case of a Borrowing Request delivered by the time referred to in clause (a) above, a Eurodollar Borrowing with an Interest Period of one month’s duration and (ii) otherwise, a Base Rate Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month’s duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender’s Loan to be made as part of the requested Borrowing.

Section 2.04 [Reserved].

Section 2.05 [Reserved].

Section 2.06 Funding of Borrowings.

(a) Each Lender shall make (i) each Eurodollar Loan to be made by it hereunder on the Effective Date by wire transfer of immediately available funds by 9:00 a.m., Pacific time, and (ii) each Base Rate Loan to be made by it hereunder on the Effective Date thereof by wire transfer of immediately available funds by 1:00 p.m., Pacific time (or, if earlier, two hours after the time of delivery to the Administrative Agent of the applicable Borrowing Request), in each case to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. The Administrative Agent will make Loans available to the Borrower by remitting the amounts so received, in like funds, promptly (and, in any event, by (i) 9:30 a.m., Pacific time, in the case of Eurodollar Loans and (ii) 1:30 p.m., Pacific time, in the case of Base Rate Loans) to the account specified by the Borrower in the applicable Borrowing Request.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender’s share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance on such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of a payment to be made by such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of a payment to be made by the Borrower, the interest rate applicable to such Borrowing. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender’s Loan included in such Borrowing. Any payment by the
* For voting purposes only. Percentages are approximate due to rounding.

** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

Section 2.07 Interest Elections.

(a) Each Borrowing initially shall be of the Type and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in the applicable Borrowing Request or as otherwise provided in Section 2.03. Thereafter, the Borrower may elect to convert such Borrowing to a Borrowing of a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, the Borrower shall give notice (which notice may be given by telephone, to be confirmed in writing as set forth below) to the Administrative Agent of such election by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such Interest Election Request shall be irrevocable and shall be made (or, in the case of any telephonic Interest Election Request, shall be confirmed promptly) by hand delivery, facsimile or electronic transmission of a “pdf” or similar copy to the Administrative Agent of an executed written Interest Election Request. Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be a Base Rate Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is to be a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term “Interest Period”.

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month’s duration.

(c) Promptly following receipt of an Interest Election Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of such Lender’s portion of each resulting Borrowing.
* For voting purposes only. Percentages are approximate due to rounding.

** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
(d) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be continued as a Eurodollar Borrowing for an additional Interest Period of one month. Notwithstanding any contrary provision hereof, if an Event of Default under clause (h) or (i) of Article VII has occurred and is continuing with respect to the Borrower, or if any other Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, has notified the Borrower of the election to give effect to this sentence on account of such other Event of Default, then, in each such case, so long as such Event of Default is continuing, (i) no outstanding Borrowing may be converted to or continued as a Eurodollar Borrowing and (ii) unless repaid, each Eurodollar Borrowing shall be converted to a Base Rate Borrowing at the end of the Interest Period applicable thereto.

Section 2.08 Termination of Commitments. The Commitment of each Lender will terminate immediately following the making of its Loan on the Effective Date.

Section 2.09 Repayment of Loans; Evidence of Debt.

(a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of the Loan of such Lender on the Maturity Date.

(b) The records maintained by the Administrative Agent and the Lenders shall be prima facie evidence, absent manifest error, of the existence and amounts of the obligations of the Borrower in respect of the Loans, interest and fees due or accrued hereunder; provided that in the event of any inconsistency between the records maintained by the Administrative Agent and any Lender, the records maintained by the Administrative Agent shall control; provided further that the failure of the Administrative Agent or any Lender to maintain such records or any error therein shall not in any manner affect the obligation of the Borrower to pay any amounts due hereunder in accordance with the terms of this Agreement.

(c) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent and the Borrower (each such approval not to be unreasonably withheld, delayed or conditioned). Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the payee named therein (or to such payee and its registered assigns).

Section 2.10 Prepayment of Loans.

(a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to the requirements of this Section.

(b) [Reserved].

(c) The Borrower shall give notice (which notice may be given by telephone, to be confirmed in writing by hand delivery, facsimile or electronic transmission of a “pdf” or similar
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
copy) to the Administrative Agent of any optional prepayment under paragraph (a) of this Section (i) in the case of prepayment of a Eurodollar Borrowing, not later than 12:00 p.m., Pacific time, three Business Days before the date of prepayment or (ii) in the case of prepayment of a Base Rate Borrowing, not later than 11:00 a.m., Pacific time, on the date of prepayment (which shall be a Business Day). Each such notice shall be irrevocable and shall specify the prepayment date, the Borrowing or Borrowings to be prepaid and the principal amount of each such Borrowing or portion thereof to be prepaid; provided that a notice of prepayment of any Borrowing pursuant to paragraph (a) of this Section may state that such notice is conditioned upon the occurrence of one or more events specified therein, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified date of prepayment) if such condition is not satisfied. Promptly following receipt of any such notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02.

(d) Each prepayment of a Borrowing shall be applied ratably to the Loans included in such Borrowing. Prepayments shall be accompanied by accrued interest on the principal amount prepaid and, subject to Section 2.15, shall be without premium or penalty.

Section 2.11 Fees.

(a) [Reserved].

(b) [Reserved].

(c) The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

(d) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent. Fees paid shall not be refundable under any circumstances (except as otherwise expressly agreed).

Section 2.12 Interest.

(a) The Loans comprising each Base Rate Borrowing shall bear interest at the Base Rate plus the Applicable Rate.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest at LIBOR for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) [Reserved].

(d) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% per annum plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
any other such amount, 2% per annum plus the rate applicable to Base Rate Loans as provided in paragraph (a) of this Section.

(e) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and on the Maturity Date; provided that (i) interest accrued pursuant to paragraph (d) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of a Eurodollar Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(f) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Base Rate at times when the Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Base Rate or LIBOR shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

Section 2.13 Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing the Administrative Agent determines (which determination shall be prima facie evidence absent manifest error) that adequate and reasonable means do not exist for ascertaining LIBOR for such Interest Period, then the Administrative Agent shall give notice (which may be telephonic, by facsimile or by electronic transmission of a “pdf” or similar copy) thereof to the Borrower and the Lenders as promptly as practicable and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (a) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective, and such Borrowing shall be continued as a Base Rate Borrowing, and (b) any Borrowing Request for a Eurodollar Borrowing shall be treated as a request for a Base Rate Borrowing.

Section 2.14 Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;

(ii) impose on any Lender or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Eurodollar Loans made by such Lender; or

(iii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of the term “Excluded Taxes” and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender or other Recipient of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make any such Loan, or to reduce the amount of any sum received or receivable by such Lender or other Recipient hereunder (whether of principal, interest or any other amount), in each case by an amount reasonably deemed by such
* For voting purposes only. Percentages are approximate due to rounding.

** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
Lender or other Recipient to be material, then, from time to time upon request of such Lender or other
Recipient, the Borrower will pay to such Lender or other Recipient, as the case may be, such additional
amount or amounts as will compensate such Lender or other Recipient, as the case may be, for such
additional costs or expenses incurred or reduction suffered.

(b) If any Lender determines that any Change in Law affecting such Lender or any lending
office of such Lender or such Lender’s holding company, if any, regarding capital or liquidity
requirements has had or would have the effect of reducing the rate of return on such Lender’s capital
or on the capital of such Lender’s holding company, if any, as a consequence of this Agreement, the
Commitment of such Lender or the Loan made by such Lender to a level below that which such
Lender or such Lender’s holding company could have achieved but for such Change in Law (taking
into consideration such Lender’s policies and the policies of such Lender’s holding company with
respect to capital adequacy or liquidity) by an amount reasonably deemed by such Lender to be
material, then, from time to time upon request of such Lender, the Borrower will pay to such Lender,
as the case may be, such additional amount or amounts as will compensate such Lender or such
Lender’s holding company for any such reduction suffered.

(c) If, and for so long as, any Lender shall be required pursuant to the requirements of the
Board of Governors to maintain reserves with respect to eurocurrency funding (currently referred to
as “Eurocurrency liabilities” in Regulation D of the Board of Governors), then, from time to time
upon request of such Lender, the Borrower will pay to such Lender additional interest on the
applicable Eurodollar Loans of such Lender at a rate per annum determined by such Lender up to
but not exceeding the excess of (i) (A) the applicable LIBOR divided by (B) one minus the
Eurodollar Reserve Percentage over (ii) the applicable LIBOR.

(d) A certificate of a Lender or other Recipient setting forth in reasonable detail the basis
and calculation of the amount or amounts necessary to compensate such Lender or other Recipient
or its holding company, as the case may be, as specified in paragraph (a), (b) or (c) of this Section
shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall
pay such Lender or other Recipient, as the case may be, the amount shown as due on any such
certificate within 30 days after receipt thereof.

(e) Failure or delay on the part of any Lender or other Recipient to demand compensation
pursuant to this Section shall not constitute a waiver of such Lender’s or other Recipient’s right to
demand such compensation; provided that the Borrower shall not be required to compensate a
Lender or other Recipient pursuant to this Section for any increased costs or expenses incurred or
reductions suffered more than 180 days prior to the date that such Lender or other Recipient, as the
case may be, notifies the Borrower of the Change in Law or other event giving rise to such increased
costs or expenses or reductions and of such Lender’s or other Recipient’s intention to claim
compensation therefor; provided further that, if the Change in Law giving rise to such increased
costs or expenses or reductions is retroactive, then the 180-day period referred to above shall be
extended to include the period of retroactive effect thereof.

(f) Notwithstanding any other provision of this Section to the contrary, no Lender or other
Recipient shall request, or be entitled to receive, any compensation pursuant to this Section unless (i)
it shall be the general policy or practice of such Lender or other Recipient to seek compensation in
similar circumstances under comparable provisions of other credit agreements, if any, and (ii) such
compensation would not be duplicative of any increase in LIBOR pursuant to Section 2.14(g).
* For voting purposes only. Percentages are approximate due to rounding.

** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
(g) On the third and sixth anniversaries of the Effective Date (or on such other date approximately preceding any such anniversary as the Arrangers, the Administrative Agent and the Borrower may agree) (each such date, a “Reset Reference Point”), the Administrative Agent (i) shall determine the difference (in basis points), if any, between the Current Cost of Funds (as defined below) as of such Reset Reference Point and the Effective Date Cost of Funds (as defined below) and (ii) thereafter shall promptly notify the Lenders and the Borrower of such difference by delivering a certificate in substantially the form of Exhibit F (or in such other form as is mutually acceptable to the Administrative Agent and the Borrower). LIBOR (as otherwise determined in accordance with the definition thereof) for any Interest Period shall be increased or decreased, as applicable, by the amount of such difference (in a like amount of basis points), which increase or decrease shall commence from and as of such Reset Reference Point and shall remain in effect until the next Reset Reference Point; provided that in no event shall LIBOR for any Interest Period be reduced below zero. As used in this Section 2.14(g):

“Current Cost of Funds” means, as of any Reset Reference Point, the amount (in basis points and which amount shall be set forth as a negative number if the amount in the following clause (x) is less than the amount in the following clause (y)), if any, by which (x) the LIBOR Floating Note Rate differs from (y) LIBOR for an Interest Period of one month, in each case determined as of the date that is two Business Days prior to such Reset Reference Point.

“Effective Date Cost of Funds” means, as of the Effective Date, one basis point, which is the amount by which (x) the LIBOR Floating Note Rate differs from (y) LIBOR for an Interest Period of one month, in each case determined as of the date that is two Business Days prior to the Effective Date.

“LIBOR Floating Note Rate” means, as of any date of determination, the estimated funding cost (not the actual sale price), including standard underwriting fees, for new three-year debt securities indexed to the one-month LIBOR Screen Rate issued by the Farm Credit Funding Corporation into the primary market based on market observations on such date indicated at approximately 9:30 a.m., Eastern time; it being understood that such indications represent the Farm Credit Funding Corporation’s best estimate of the cost of new debt issuances based on a combination of daily surveys of selected farm credit selling group members (participating bond dealers) and ongoing monitoring of the fixed income markets for actual, recent, primary market issuance by other government-sponsored of similar bonds and notes and pricing within related derivative markets, particularly the interest rate swap market. Historical information on such funding costs is available, for the prior week, on the Farm Credit Funding Corporation’s website (farmcreditfunding.com/ffcb_live/fundingCostIndex.html) under the “Output” tab of the most recent spreadsheet.

By way of example, assuming the Effective Date Cost of Funds is 15 basis points, (a) if the Current Cost of Funds as of a Reset Reference Point is 35 basis points, then LIBOR for any Interest Period shall be increased by 20 basis points commencing from and as of such Reset Reference Point, and (b) if the Current Cost of Funds as of a Reset Reference Point is -5 basis points (i.e., the LIBOR Floating Note Rate is 5 basis points less than LIBOR for an Interest Period of one month, in each case as of such Reset Reference Point), then LIBOR shall be decreased (but not below zero) by 20 basis points commencing from and as of such Reset Reference Point.

Section 2.15 Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert or continue any Eurodollar Loan on the date
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
specified in any notice delivered pursuant hereto (other than any notice deemed ineffective as contemplated under Section 2.13 and other than any failure to borrow as a result of a failure to make a Loan by any Lender as required hereunder), (d) the failure to prepay any Eurodollar Loan on a date specified therefor in any notice of prepayment given by the Borrower (whether or not such notice may be revoked in accordance with the terms hereof) or (e) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.18(b) (other than in reliance on clause (iii) thereof), then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event in accordance with this Section. Such loss, cost or expense to any Lender shall be deemed to consist of an amount reasonably determined by such Lender to be the excess, if any, of (i) the amount of interest that would have accrued on the principal amount of such Loan had such event not occurred, at LIBOR (determined without regard to any floor set forth in the definition thereof) that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest that would accrue on such principal amount for such period at the interest rate such Lender would bid if it were to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the London interbank market. In no event shall such loss, cost or expense include the loss of anticipated profits or loss of any interest rate floor or any administrative, processing or similar fees. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section (which shall set forth the basis for requesting and the method of calculating such compensation) shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 30 days after receipt thereof; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section for any loss, cost or expense shown on such certificate incurred or suffered more than 30 days prior to the date that such Lender delivers such certificate to the Borrower.

**Section 2.16 Taxes.**

(a) **Payments Free of Taxes.** Any and all payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) **Payment of Other Taxes by the Borrower.** The Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) **Evidence of Payment.** Upon request by the Administrative Agent, as soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return.
After giving effect to the Effective Date assignment and the Effective Date participations.
reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) **Indemnification by the Borrower.** The Borrower shall indemnify each Recipient, upon written request therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability shall be delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, and shall be conclusive absent manifest error. The Borrower shall pay such Recipient the amount shown as due on any such certificate within 30 days after receipt thereof. If any Recipient becomes entitled to a refund of Indemnified Taxes for which such Recipient has received payment from the Borrower hereunder, such Recipient shall, at the expense of the Borrower, use its reasonable efforts (consistent with internal policy, and legal and regulatory restrictions) to obtain such refund. If any Recipient receives a refund or is entitled to claim a tax credit in respect of any Indemnified Taxes for which such Recipient has received payment from the Borrower hereunder, such Recipient shall promptly notify the Borrower of such refund or credit and shall, within 30 days after receipt of a request by the Borrower (or promptly upon receipt, if the Borrower has requested application for such refund or credit pursuant hereto), repay such refund or amount of credit to the Borrower, net of all out-of-pocket expenses of such Recipient and without interest; provided that the Borrower, upon the request of such Recipient, agrees to return such refund or amount of credit (plus penalties, interest or other charges) to such Recipient in the event such Recipient is required to repay such refund or such credit is denied or subsequently determined to be unavailable.

(e) **Indemnification by the Lenders.** Each Lender shall, within 10 days after demand therefor, severally indemnify the Borrower and the Administrative Agent for (i) any Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender’s failure to comply with the provisions of Section 9.04(c)(ii) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, as determined by the Administrative Agent or the Borrower in good faith, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; provided that, in the case of the Borrower, such indemnification shall not apply to Indemnified Taxes. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to Administrative Agent under this paragraph (e). The agreements in this paragraph (e) shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all other obligations hereunder.

(f) **Status of Lenders.**
For voting purposes only. Percentages are approximate due to rounding.

After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

After giving effect to the Effective Date assignment and the Effective Date participations.
(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent (as applicable), at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding any other provision of this Section, a Lender shall not be required to deliver any form pursuant to this Section that such Lender is not legally able to deliver.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person:

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. Federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(2) executed originals of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit D-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
Certificate” and (y) executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable; or

(4)  to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, a U.S. Tax Compliance Certificate substantially in the form of Exhibit D-2 or Exhibit D-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit D-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. Federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender’s obligations under FATCA or to determine the amount to deduct and withhold from such payment.

(iii) Each Lender claiming any additional amounts payable pursuant to this Section 2.16 shall use reasonable efforts (consistent with internal policy and legal and regulatory restrictions) to file any certificate or document requested by the Borrower or to change the jurisdiction of its applicable lending office if, in the reasonable judgment of such Lender, the making of such a filing or change (A) would eliminate or reduce the amount payable pursuant to this Section 2.16 in the future and (B) would not be materially disadvantageous to such Lender or require the disclosure of information that such Lender reasonably considers to be confidential.

* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
Each Lender and the Administrative Agent agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

Defined Terms. For purposes of this Section, the term “applicable law” includes FATCA.

Survival. Each party’s obligations under this Section shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document. Solely for purposes of clause (D) of paragraph (f)(ii) of this Section, “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

Section 2.17 Payments Generally; Pro Rata Treatment; Sharing of Setoffs.

(a) The Borrower shall make each payment required to be made by it hereunder or under any other Loan Document prior to the time expressly required hereunder or under such other Loan Document for such payment (or, if no such time is expressly required, prior to 12:00 p.m., Pacific time), on the date when due, in immediately available funds, without any defense, setoff, recoupment or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to such account as may be specified by the Administrative Agent, except that payments pursuant to Sections 2.14, 2.15, 2.16 and 9.03 shall be made directly to the Persons entitled thereto and payments pursuant to other Loan Documents shall be made to the Persons specified therein. The Administrative Agent shall distribute any such payment received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment under any Loan Document shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments under each Loan Document shall be made in dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto, and (ii) second, towards payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on its Loan resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loan and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall notify the Administrative Agent of such fact and shall purchase (for cash at face value) participations in the Loans of other Lenders to the extent necessary so that the amount of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amounts of principal of and accrued interest on their Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
in accordance with the express terms of this Agreement (for the avoidance of doubt, as in effect from
time to time), including pursuant to Sections 2.18(b) or 2.19, or any payment obtained by a Lender
as consideration for the assignment of or sale of a participation in its Loan to any Person that is an
Eligible Assignee (as such term is defined from time to time) and (iii) the provisions of this
paragraph shall be subject to Section 5.11(c). The Borrower consents to the foregoing and agrees, to
the extent it may effectively do so under applicable law, that any Lender acquiring a participation
pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and
counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the
Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to
the date on which any payment is due to the Administrative Agent for the account of the Lenders
hereunder that the Borrower will not make such payment, the Administrative Agent may assume that
the Borrower has made such payment on such date in accordance herewith and may, in reliance upon
such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in
fact made such payment, then each of the Lenders severally agrees to repay to the Administrative
Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each
day from and including the date such amount is distributed to it to but excluding the date of payment
to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined
by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it hereunder to or
for the account of the Administrative Agent, then the Administrative Agent may, in its discretion
(without any contrary provision hereof), (i) apply any amounts thereafter received by the
Administrative Agent for the account of such Lender to satisfy such Lender’s obligations in respect
of such payment until all such unsatisfied obligations have been discharged or (ii) hold any such
amounts in a segregated account as cash collateral for, and application to, any future funding
obligations of such Lender pursuant to Sections 2.06(b), 2.16(e), 2.17(d) and 9.03(c), in each case in
such order as shall be determined by the Administrative Agent in its discretion.

Section 2.18 Mitigation Obligations; Replacement of Lenders.

(a) If any Lender requests compensation under Section 2.14, or if the Borrower is required
to pay any Indemnified Taxes or additional amounts to any Lender or to any Governmental
Authority for the account of any Lender pursuant to Section 2.16, then such Lender shall use
reasonable efforts to designate a different lending office for funding or booking its Loans hereunder
or to assign and delegate its rights and obligations hereunder to another of its offices, branches or
Affiliates if, in the reasonable judgment of such Lender, such designation or assignment and
delegation (i) would eliminate or reduce amounts payable pursuant to Section 2.14 or 2.16, as the
case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or
expense and would not otherwise be disadvantageous. The Borrower hereby agrees to pay all
reasonable costs and expenses incurred by any Lender in connection with any such designation or
assignment and delegation.

(b) If (i) any Lender (or any Participant in respect of any Lender) requests compensation
under Section 2.14, (ii) the Borrower is required to pay any Indemnified Taxes or additional amounts
to any Lender (or any Participant in respect of any Lender) or any Governmental Authority for the
account of any Lender (or any Participant in respect of any Lender) pursuant to Section 2.16,
(iii) any Lender has become a Defaulting Lender or (iv) any Lender has failed to consent to a
proposed
* For voting purposes only. Percentages are approximate due to rounding.

** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
amendment, waiver, discharge or termination that under Section 9.02 requires the consent of all the Lenders (or all the affected Lenders) and with respect to which the Required Lenders shall have granted their consent, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, (A) terminate the Commitment of such Lender and prepay outstanding Loan of such Lender in full, in each case without any obligation to terminate any Commitment, or prepay any Loan, of any other Lender (other than solely pursuant to Section 2.10(b)), or (B) require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04, but with the processing and recordation fee being waived by the Administrative Agent in such instance), all its interests, rights (other than its existing rights to payments pursuant to Section 2.14 or 2.16) and obligations under this Agreement and the other Loan Documents to an Eligible Assignee that shall assume such obligations (which may be another Lender, if a Lender accepts such assignment and delegation); provided that, in the case of any such assignment and delegation under clause (B) above, (1) the Borrower shall have received the prior written consent of the Administrative Agent with respect to such Eligible Assignee, which consent shall not be unreasonably withheld, delayed or conditioned, (2) such Lender shall have received payment of an amount equal to the outstanding principal of its Loan, accrued interest thereon, accrued fees and all other amounts payable to it hereunder from the assignee and/or the Borrower, (3) in the case of any such assignment and delegation relating to a request for compensation under Section 2.14, such assignment and delegation will result in a reduction in such compensation and (4) such assignment and delegation does not conflict with applicable law. A Lender shall not be required to make any such assignment and delegation, or to have its Commitment and Loan so terminated or repaid, if, prior thereto, as a result of a waiver or consent by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation, or to cause such termination or repayment, have ceased to apply. Each party hereto agrees that an assignment and delegation required pursuant to this paragraph may be effected pursuant to an Assignment and Assumption executed by the Borrower, the Administrative Agent and the assignee and that the Lender required to make such assignment and delegation need not be a party thereto.

Section 2.19 Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then, for so long as such Lender is a Defaulting Lender, the Commitment and the Loan of such Defaulting Lender shall not be included in determining whether the Required Lenders or any other requisite Lenders have taken or may take any action hereunder or under any other Loan Document (including any consent to any amendment, waiver or other modification pursuant to Section 9.02); provided that any amendment, waiver or other modification requiring the consent of all Lenders or all Lenders affected thereby shall, except as otherwise provided in Section 9.02, require the consent of such Defaulting Lender in accordance with the terms hereof. In the event that the Administrative Agent and the Borrower each agree that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then on such date such Lender will cease to be a Defaulting Lender; provided that, except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from such Lender having been a Defaulting Lender.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lenders, on the Effective Date, that:
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
Section 3.01 Organization; Powers. The Borrower and each Restricted Subsidiary is (a) duly organized, validly existing and (to the extent the concept is applicable in such jurisdiction) in good standing under the laws of the jurisdiction of its organization, (b) has all requisite corporate or other organizational power and authority required for the ownership and operation of its properties and the conduct of its business as now conducted and (c) is qualified to do business in every jurisdiction where such qualification is required, except in each case referred to in clauses (a) (other than with respect to the Borrower), (b) and (c), for failures that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

Section 3.02 Authorization; Enforceability. The execution, delivery and performance by the Borrower of the Loan Documents are within its corporate powers and have been duly authorized by all necessary corporate action. This Agreement has been duly executed and delivered by the Borrower and constitutes, and each other Loan Document, when executed and delivered by the Borrower, will constitute, a legal, valid and binding obligation of the Borrower, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors’ rights generally and to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

Section 3.03 Governmental Approvals; Absence of Conflicts. The execution, delivery and performance by the Borrower of the Loan Documents (a) do not require any consent or approval of, registration or filing with or any other action by any Governmental Authority, except such as have been, or substantially contemporaneously with the borrowing hereunder will be, obtained or made and are (or will so be) in full force and effect, (b) will not violate any applicable law or order of any Governmental Authority, (c) will not violate the charter or by-laws of the Borrower, (d) will not violate or result (alone or with notice or lapse of time, or both) in a default under any indenture or other agreement or instrument binding upon the Borrower or any Restricted Subsidiary or any of their assets and (e) will not result in the creation or imposition of any Lien on any asset now owned or hereafter acquired by the Borrower or any Restricted Subsidiary, except in each case referred to in clauses (a), (b), (d) and (e), to the extent that any such failure to obtain or make or any such violation, default or payment, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

Section 3.04 Financial Condition; No Material Adverse Change.

(a) The Borrower has heretofore furnished to the Lenders or filed with the SEC its consolidated balance sheet and consolidated statements of operations, comprehensive income, changes in equity and cash flows as of and for the fiscal year ended December 31, 2016, audited by and accompanied by the opinion of KPMG LLP, independent registered public accounting firm. Such financial statements present fairly, in all material respects, the financial position and results of operations of the Borrower and its consolidated Subsidiaries as of such dates and for such periods in accordance with GAAP.

(b) Except for the Disclosed Matters and except for changes in operating results arising in the ordinary course of business, there has been no material adverse change in the business, financial condition, operations or properties of the Borrower and the Restricted Subsidiaries, taken as a whole, since December 31, 2016.

Section 3.05 Properties. The Borrower and each Restricted Subsidiary has good title to, or valid leasehold or other limited property interests in, all its property, except for Liens not prohibited by Section 6.01 and except where the failure to have such title or leasehold or other interest, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.
* For voting purposes only. Percentages are approximate due to rounding.

** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
Section 3.06 Litigation. There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Borrower, threatened in writing against or affecting the Borrower or any Restricted Subsidiary (a) except for the Disclosed Matters, that would reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (b) that involve any of the Loan Documents or the Transactions.

Section 3.07 Compliance with Laws. Except for the Disclosed Matters, the Borrower and each Restricted Subsidiary is in compliance with all laws, including all orders of Governmental Authorities, applicable to it or its property (including Environmental Laws), except where the failure to comply, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

Section 3.08 Investment Company Status. The Borrower is not an “investment company” as defined in the Investment Company Act of 1940.

Section 3.09 Taxes. The Borrower and each Restricted Subsidiary has filed or caused to be filed all Federal, state and local tax returns required to have been filed and has paid or caused to be paid all taxes required to have been paid by it, except (a) payment of taxes that are being contested in good faith by appropriate proceedings and for which the Borrower or such Restricted Subsidiary, as applicable, has set aside on its books reserves with respect thereto to the extent required by GAAP or (b) to the extent that the failure to do so would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

Section 3.10 ERISA. No ERISA Event has occurred or, to the knowledge of the Borrower, is reasonably expected to occur that, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect.

Section 3.11 Disclosure. None of the reports, certificates or other written information furnished by or on behalf of the Borrower to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or furnished hereunder on or prior to the Effective Date (as modified or supplemented by all other information so furnished on or prior to the Effective Date), when taken as a whole and together with the Disclosed Matters, contains as of the Effective Date any material misstatement of fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not materially misleading; provided that (a) with respect to financial projections or other forward-looking information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed by it to be reasonable at the time made and at the time made available to the Administrative Agent (it being understood that financial projections or other forward-looking information are subject to significant uncertainties and contingencies, many of which are beyond the control of the Borrower, that actual results or events may differ significantly from the projected or forecasted results or events and such differences may be material) and (b) no representation is made herein with respect to information of a general economic or industry specific nature.

Section 3.12 Federal Reserve Regulations. No part of the proceeds of the Loans will be used by the Borrower or its Subsidiaries for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U of the Board of Governors), or extending credit for the purpose of purchasing or carrying margin stock, in each case, in a manner that entails a violation (including on the part of any Lender) of any of the regulations of the Board of Governors, including Regulations U and X.

Section 3.13 Anti-Corruption Laws and Sanctions. The Borrower has implemented and maintains policies and procedures designed to reasonably ensure compliance by the Borrower and the
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
Restricted Subsidiaries and their respective directors, officers, employees and agents (in each case acting in their capacities as such) with applicable Anti-Corruption Laws and Sanctions, and the Borrower and its Restricted Subsidiaries and, to the knowledge of the Borrower, their respective officers, directors and employees are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of the Borrower or any Restricted Subsidiary or, to the knowledge of the Borrower, any of their respective directors, officers or employees is a Sanctioned Person. The Borrower will not request any Borrowing, and the Borrower will not use, and will not permit its Subsidiaries and its or their respective directors, officers, employees and agents to use, the proceeds of any Borrowing (a) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (b) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, to the extent such activities, business or transaction would be prohibited by Sanctions if conducted by a corporation incorporated in the United States or in Canada, or (c) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

**ARTICLE IV**

**CONDITIONS**

The obligations of the Lenders to make Loans hereunder shall not become effective until the date on which each of the following conditions shall be satisfied (or waived in accordance with Section 9.02):

(a) The Administrative Agent shall have received (i) from each party hereto either (A) a counterpart of this Agreement signed on behalf of such party or (B) evidence satisfactory to the Administrative Agent (which may include a facsimile transmission or electronic transmission of a “pdf” or similar copy of a signature by such party of a counterpart hereof) that such party has signed a counterpart of this Agreement and (ii) an executed copy of the Claim Agreement.

(b) The Administrative Agent shall have received a written opinion (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of each of (i) Cravath, Swaine & Moore LLP, special New York counsel to the Borrower, and (ii) Jose Quintana, Senior Counsel, as counsel for the Borrower, in each case in form and substance reasonably satisfactory to the Administrative Agent.

(c) The Administrative Agent shall have received such customary documents and certificates in connection with the effectiveness of this Agreement as the Administrative Agent may reasonably request relating to the organization, existence and good standing of the Borrower and the authorization of the Transactions, all in form and substance reasonably satisfactory to the Administrative Agent.

(d) The Administrative Agent shall have received a certificate, dated the Effective Date and signed by a Responsible Officer of the Borrower, confirming satisfaction of the conditions set forth in paragraphs (h) and (i) of this Article IV.

(e) The Arrangers and the Administrative Agent shall have received all fees and expenses due and payable on or prior to the Effective Date, and in the case of expenses, to the extent invoiced in reasonable detail at least two Business Days prior to the Effective Date.
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
(f) Substantially concurrently with the funding of Loans hereunder, all principal, accrued and unpaid interest, fees and other amounts due or outstanding under the Existing Credit Agreement shall have been or shall be paid in full and the commitments thereunder shall have been or shall be terminated, and the Administrative Agent shall have received a customary payoff letter in evidence thereof.

(g) The Lenders shall have received, at least three Business Days prior to the Effective Date (or such later date as the Administrative Agent shall reasonably agree), all documentation and other information about the Borrower required under applicable “know your customer” and anti-money laundering rules and regulations, including the USA PATRIOT Act, in each case, that has been requested by the Administrative Agent in writing at least 10 Business Days prior to the Effective Date.

(h) The representations and warranties of the Borrower set forth in Article III shall be true and correct in all material respects, in each case on and as of the Effective Date, immediately after giving effect to the Borrowing occurring on such date, except in the case of any such representation and warranty that expressly relates to a prior date, in which case such representation and warranty shall be true and correct in all material respects on and as of such prior date.

(i) On the Effective Date, immediately after giving effect to the Borrowing occurring on such date, no Default shall have occurred and be continuing or would result therefrom.

(j) The Administrative Agent shall have received evidence that (i) the Borrower has purchased, or agreed to purchase, the Farm Credit Equities consistent with Section 5.11 (it being acknowledged and agreed that such condition shall be satisfied upon the execution and delivery by the Borrower on the Effective Date of the updated Northwest Farm Credit Services Membership Agreement in the form provided by the Administrative Agent to the Borrower) and (ii) the Borrower has entered into a standard agreement agreeing to waive and release certain rights typically accorded borrowers of Farm Credit Lenders (it being acknowledged and agreed that such condition shall be satisfied upon the execution and delivery by the Borrower on the Effective Date of the letter agreement regarding “Waiver and Release of Borrower Rights Under the Farm Credit Act of 1971” in the form provided by the Administrative Agent to the Borrower).

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding.

ARTICLE V

AFFIRMATIVE COVENANTS

Until the Commitments shall have expired or been terminated, the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full, the Borrower covenants and agrees with the Lenders that:

Section 5.01 Financial Statements and Other Information. The Borrower will furnish to the Administrative Agent, on behalf of each Lender:

* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
(a) within 95 days after the end of each fiscal year of the Borrower, its consolidated balance sheet and related consolidated statements of operations, comprehensive income, changes in equity and cash flows as of the end of or for such fiscal year, together with the notes thereto, setting forth in each case in comparative form the figures for the previous fiscal year, all audited by and accompanied by the opinion of KPMG LLP or another independent registered public accounting firm of recognized national standing (which shall not be qualified in any material respect, it being understood and agreed that any qualification solely with respect to management’s assessment of the internal controls over financial reporting of an acquired business shall not in any event be considered material) to the effect that such consolidated financial statements present fairly in all material respects the financial position and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis as of the end of or for such fiscal year in accordance with GAAP consistently applied, except as noted therein;

(b) within 50 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, its consolidated balance sheet and related consolidated statements of operations, comprehensive income and cash flows as of the end of or for such fiscal quarter (other than in the case of the consolidated statement of cash flows) and the then elapsed portion of such fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by a Financial Officer of the Borrower as presenting fairly in all material respects the financial position and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP as of the end of or for such period, except as therein noted, subject to year-end audit adjustments and the absence of footnotes (which certification requirement shall be deemed satisfied by the execution by a Financial Officer of the Borrower of the certification required to be filed with the SEC pursuant to Item 601 of Regulation S-K);

(c) no later than two Business Days after the required time of delivery of financial statements under clause (a) or (b) above, a certificate (substantially in the form of Exhibit E hereto) of a Financial Officer of the Borrower (i) certifying that, to the knowledge of such Financial Officer, no Default or Event of Default has occurred or, if a Default or an Event of Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto, (ii) setting forth computations in reasonable detail demonstrating compliance with the covenants contained in Sections 6.04 and 6.05 and (iii) including a reconciliation setting forth adjustments made to such financial statements to make the computations set forth in clause (ii) above; and

(d) promptly after any request therefor, such other information regarding the operations, business affairs and financial condition of the Borrower and the Restricted Subsidiaries as the Administrative Agent (or any Lender through the Administrative Agent) may reasonably request (other than information (i) that constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure is prohibited by applicable law or by any contractual obligation or (iii) that is subject to attorney client or similar privilege or constitutes attorney work product).

Information required to be delivered pursuant to clauses (a), (b) and (d) of this Section shall be deemed to have been delivered if such information, or one or more reports containing such information, shall have been posted by the Administrative Agent on the Platform or shall be available on the website of the SEC at sec.gov or on the website of the Borrower at weyerhaeuser.com. Information required to be delivered pursuant to this Section may also be delivered by electronic communication of a “pdf” or similar copy.
* For voting purposes only. Percentages are approximate due to rounding.

** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
**Section 5.02 Notices of Default.** Upon a Responsible Officer of the Borrower obtaining knowledge of the occurrence of any Default or Event of Default, the Borrower will furnish to the Administrative Agent prompt written notice thereof, specifying the nature and extent thereof and the corrective action (if any) proposed to be taken with respect thereto.

**Section 5.03 Existence; Conduct of Business.** The Borrower and each Restricted Subsidiary will do or cause to be done all things necessary to preserve, renew and keep in full force and effect (a) its legal existence and (b) the rights, licenses, permits, privileges, franchises, authorizations and United States registered patents, copyrights and trademarks necessary or desirable in the conduct of its business; provided that the foregoing shall not (i) apply (other than in the case of clause (a) with respect to the Borrower) to the extent the failure to do so would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, (ii) prohibit any transaction permitted under Section 6.03 or (iii) prohibit the liquidation or dissolution of any Restricted Subsidiary to the extent the assets of such Restricted Subsidiary are transferred to the Borrower or another Restricted Subsidiary or are disposed of in a transaction permitted by this Agreement.

**Section 5.04 Payment of Taxes.** The Borrower and each Restricted Subsidiary will pay its tax liabilities before the same shall become delinquent or in default, except where (a) (i) the validity or amount thereof is being contested in good faith by appropriate proceedings and (ii) the Borrower or such Restricted Subsidiary has set aside on its books reserves with respect thereto to the extent required by GAAP or (b) the failure to make payment would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

**Section 5.05 Maintenance of Properties.** The Borrower and each Restricted Subsidiary will keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, except where the failure to do so would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

**Section 5.06 Insurance.** The Borrower and each Restricted Subsidiary will maintain, with financially sound and reputable (as determined by the Borrower in good faith) third-party insurers, insurance in such amounts (giving effect to any self-insurance), to such an extent and against such risks as is customary for companies in the same or similar business (as determined by the Borrower in good faith), it being understood and agreed that it is not customary for such companies to insure timberlands against any damage or casualty.

**Section 5.07 Books and Records; Inspection Rights.** The Borrower and each Restricted Subsidiary will keep proper books of record and account in which full, true and correct entries in accordance with GAAP in all material respects are made in respect of all financial transactions and matters involving the assets and business of the Borrower or such Restricted Subsidiary, as the case may be (it being understood and agreed that any foreign Restricted Subsidiaries may maintain books and records in a manner permitting financial statements to be prepared in conformity with generally accepted accounting principles that are applicable in their respective jurisdictions of organization). The Borrower and each Restricted Subsidiary will permit the Administrative Agent, on behalf of the Lenders, at the expense of the Administrative Agent or the Lenders unless an Event of Default has occurred and is continuing, (a) to visit and inspect its financial records and properties and to make extracts from such financial records and (b) to discuss its business affairs and financial condition with its officers and independent accountants (so long as a representative of the Borrower is present, or the Borrower has consented to the absence of such a representative), all at such reasonable times during normal business hours and upon reasonable advance notice to the Borrower; provided that (i) unless an Event of Default has occurred and is continuing, the Administrative Agent may not exercise such rights more often than
* For voting purposes only. Percentages are approximate due to rounding.

** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
once during any calendar year and (ii) neither the Borrower nor any Restricted Subsidiary shall be required to provide any information (A) that constitutes non-financial trade secrets or non-financial proprietary information, (B) in respect of which disclosure is prohibited by applicable law or by any contractual obligation or (C) that is subject to attorney client or similar privilege or constitutes attorney work product.

**Section 5.08 Compliance with Laws.** The Borrower and each Restricted Subsidiary will comply with all laws, including all orders of any Governmental Authority, applicable to it or its property (including Environmental Laws), except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect. The Borrower will implement and maintain policies and procedures designed to reasonably ensure compliance by the Borrower and the Restricted Subsidiaries and their respective directors, officers, employees and agents (in each case acting in their capacities as such) with applicable Anti-Corruption Laws and Sanctions.

**Section 5.09 Use of Credit.** The proceeds of the Loans will be used solely to refinance or otherwise repay or prepay, in part, Indebtedness outstanding under the Existing Credit Agreement and to pay fees and expenses in connection therewith. The Borrower will not request any Borrowing, and the Borrower will not use, and will not permit its Subsidiaries and its or their respective directors, officers, employees and agents to use, the proceeds of any Borrowing (a) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (b) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, to the extent such activities, business or transaction would be prohibited by Sanctions if conducted by a corporation incorporated in the United States, or (c) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

**Section 5.10 Claim Agreement.** The Borrower will perform, observe and comply with each of its covenants and agreements in the Claim Agreement, and do or cause to be done all things necessary to keep the Claim Agreement in full force and effect.

**Section 5.11 Farm Credit Equities.**

(a) So long as a Farm Credit Lender is a Lender hereunder, the Borrower will acquire Equity Interests in such Farm Credit Lender (or its designated Affiliate) in such amounts and at such times as such Farm Credit Lender may require in accordance with such Farm Credit Lender’s (or such Affiliate’s) bylaws, patronage resolutions and/or capital plan or similar documents (as each may be amended from time to time); **provided, however, that, notwithstanding anything to the contrary contained herein, the maximum amount of equity that the Borrower may be required to acquire in such Farm Credit Lender (or its designated Affiliate) shall not exceed the maximum amount required by the applicable bylaws, patronage resolutions, capital plan and related documents, in each case, (x) as in effect (and in the form provided to the Borrower) on the Effective Date or (y) in the case of a Farm Credit Lender that becomes a Lender as a result of an assignment pursuant to Section 9.04, as in effect (and in the form provided to the Borrower) at the time of the closing of the related assignment (the Equity Interests so required to be acquired by the Borrower being referred to as the “Farm Credit Equities”).** As of the Effective Date, each Farm Credit Lender party hereto confirms delivery to the Borrower, and the Borrower acknowledges receipt, of documents from such Farm Credit Lender that describe the nature of the Farm Credit Equities in such Farm Credit Lender (or its designated Affiliate) required to be acquired by the Borrower in connection with such Farm Credit Lender’s Loan, as well as applicable capitalization requirements. Each Farm Credit Lender party hereto as of the Effective Date acknowledges and agrees that the amount of Farm Credit Equities in such Farm Credit Lender

CHAR1\1536846v3

CHAR1\1539728v3
For voting purposes only. Percentages are approximate due to rounding.

** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
(or its designated Affiliate) acquired by the Borrower on or prior to the Effective Date satisfies the requirements of this Section 5.11 with respect to such Farm Credit Lender (or its designated Affiliate).

(b) The Borrower and each Farm Credit Lender acknowledge that such Farm Credit Lender’s (or its designated Affiliate’s) bylaws, patronage resolutions, capital plan and similar documents (as each may be amended from time to time) shall govern (i) the rights and obligations of the Borrower and such Farm Credit Lender (or its designated Affiliate) with respect to the applicable Farm Credit Equities and any patronage refunds or other distributions made on account thereof or on account of the Borrower’s patronage with such Farm Credit Lender, and (ii) the Borrower’s eligibility for patronage distributions from such Farm Credit Lender (or its designated Affiliate), whether in the form of Farm Credit Equities and/or cash. Patronage distributions, if any, in the event of a sale of a participation interest pursuant to Section 9.04 shall be governed by the respective bylaws, patronage resolutions and/or capital plan of the applicable seller and purchaser of such participation interest.

(c) Each party hereto acknowledges that each Farm Credit Lender has a statutory first lien pursuant to the Farm Credit Act of 1971 (as amended from time to time) on all Farm Credit Equities in such Farm Credit Lender (or its designated Affiliate) that the Borrower may now own or hereafter acquire, which statutory lien shall be for such Farm Credit Lender’s sole and exclusive benefit. The Farm Credit Equities in any Farm Credit Lender (or its designated Affiliate) shall not constitute security for the obligations arising under the Loan Documents due to any other Lender. To the extent that any of the Loan Documents create a Lien on the Farm Credit Equities in any Farm Credit Lender (or its designated Affiliate) or on patronage accrued by such Farm Credit Lender for the account of the Borrower (including, in each case, proceeds thereof), such Lien shall be for such Farm Credit Lender’s sole and exclusive benefit and shall not be subject to pro rata sharing hereunder. Neither the Farm Credit Equities nor any accrued patronage shall be offset against the obligations arising under the Loan Documents except that, if an Event of Default shall have occurred and is continuing, a Farm Credit Lender may elect, solely at its discretion, to set off and apply the cash portion of any patronage distribution or retirement of Farm Credit Equities against any obligation of the Borrower owed to such Lender under this Agreement, whether or not such obligation is then due and payable. The Borrower acknowledges that any corresponding tax liability associated with such application is the sole responsibility of the Borrower. No Farm Credit Lender shall have an obligation to retire the Farm Credit Equities in such Farm Credit Lender (or its designated Affiliate) upon any Default or Event of Default, or at any other time, either for application to the obligations arising under the Loan Documents or otherwise.

ARTICLE VI
NEGATIVE COVENANTS

Until the Commitments shall have expired or been terminated, the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full, the Borrower covenants and agrees with the Lenders that:

Section 6.01 Secured Indebtedness.

(a) The Borrower will not, and will not permit any Restricted Subsidiary to, issue, assume or guarantee any indebtedness for money borrowed (hereinafter in this Section 6.01 referred to as “debt”) if such debt is secured by a deed of trust, mortgage, pledge, security interest or other lien or encumbrance (any deed of trust, mortgage, pledge, security interest or other lien or encumbrance...
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
being hereinafter in this Section 6.01(a) referred to as a “mortgage”) upon or with respect to any timber or timberlands of the Borrower or such Restricted Subsidiary located in the States of Washington, Oregon, Arkansas, Oklahoma, Mississippi, North Carolina, Georgia or Louisiana, or upon or with respect to any principal manufacturing plant (as defined in Section 6.01(c)) of the Borrower or such Restricted Subsidiary located anywhere in the United States of America, in either case now owned or hereafter acquired, without in any such case effectively providing, concurrently with the issuance, assumption or guarantee of any such debt, that the Loans (together with, if the Borrower shall so determine, any other Indebtedness of or guarantee by the Borrower or such Restricted Subsidiary ranking equally with the Loans and then existing or thereafter created) shall be secured equally and ratably with (or prior to) such debt for so long as such debt is so secured; provided, however, that the foregoing restrictions shall not be applicable to:

(i) mortgages upon or with respect to any property of the Borrower or any Restricted Subsidiary securing debt to the Borrower or a Restricted Subsidiary;

(ii) mortgages upon or with respect to any property acquired, constructed or improved by the Borrower or any Restricted Subsidiary which are created, incurred or assumed contemporaneously with, or within 180 days after, such acquisition or the completion of such construction or improvement, to secure or provide for the payment of any part of the purchase price of such property or the cost of such construction or improvement, or mortgages upon or with respect to any property existing at the time of acquisition thereof by the Borrower or any Restricted Subsidiary; provided that in the case of any such construction or improvement the mortgage shall not apply to any property theretofore owned by the Borrower or any Restricted Subsidiary other than any property on which the property so constructed is located (including any related rights) or to which the improvement relates;

(iii) any mortgage existing on any timber or timberlands of any Person or upon or with respect to any principal manufacturing plant of any Person at the time of acquisition by the Borrower or any Restricted Subsidiary of such Person; and

(iv) any extension, renewal or replacement of any mortgage referred to in clause (ii) or (iii) above; provided that the principal amount of debt secured thereby shall not exceed the principal amount of debt so secured at the time of such extension, renewal or replacement and any fees, discount, premium and expenses relating to such extension, renewal or replacement, and that such extension, renewal or replacement shall be limited to all or part of the property subject, or that upon the acquisition thereof would have become subject, to the mortgage so extended, renewed or replaced.

(b) Notwithstanding the provisions of paragraph (a) of this Section 6.01, the Borrower or any Restricted Subsidiary may issue, assume or guarantee secured debt that would otherwise be subject to the foregoing restrictions in an aggregate principal amount that, together with the aggregate principal amount of all other such debt of the Borrower and the Restricted Subsidiaries outstanding at such time (for the avoidance of doubt, other than any debt secured in reliance on paragraph (a) of this Section 6.01 and all Attributable Debt in respect of Sale and Lease-Back Transactions existing at such time (other than Sale and Lease-Back Transactions permitted because the Borrower would be entitled to incur debt secured by a mortgage on the property to be leased without equally and ratably securing the Loans pursuant to paragraph (a) of this Section 6.01, and other than Sale and Lease-Back Transactions the proceeds of which have been applied in accordance with Section 6.02(b)), does not at the time exceed 5% of Shareholders’ Interest in the Borrower and the Restricted
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
Subsidiaries as of the last day of the then most recently ended Test Period (or, prior to the end of the first Test Period, December 31, 2016).

(c) For purposes of this Section 6.01, (i) the term “principal manufacturing plant” shall not include any manufacturing plant that, in the reasonable opinion of the Board of Directors of the Borrower, is not a principal manufacturing plant of the Borrower and the Restricted Subsidiaries; and (ii) the following types of transactions shall not be deemed to create debt secured by a mortgage: (A) the sale, mortgage or other transfer of timber in connection with an arrangement under which the Borrower or any Restricted Subsidiary is obligated to cut such timber or a portion thereof in order to provide the transferee with a specified amount of money, however determined; and (B) the mortgage of any property of the Borrower or any Restricted Subsidiary in favor of any Governmental Authority to secure (i) partial, progress, advance or other payments to the Borrower or any Restricted Subsidiary pursuant to the provisions of any contract or statute and (ii) Indebtedness consisting of industrial development, pollution control or other revenue bonds or similar instruments issued or guaranteed by any Governmental Authority.

Section 6.02 Sale and Lease-Back Transactions. The Borrower will not, and will not permit any Restricted Subsidiary to, enter into any Sale and Lease-Back Transaction unless (a) the Borrower or such Restricted Subsidiary would be entitled under Section 6.01 to incur debt (as defined in Section 6.01) secured by a mortgage on the property to be leased without equally and ratably securing the Loans or (b) the Borrower applies an amount equal to the fair value (as determined by the Board of Directors of the Borrower) of the property so leased to the retirement, within 90 days of the effective date of any such Sale and Lease-Back Transaction, of debt incurred or assumed by the Borrower or a Restricted Subsidiary which by its terms matures at, or is extendible or renewable at the option of the obligor to, a date more than 12 months after the date of the creation of such debt.

Section 6.03 Merger, Consolidation and Other Fundamental Changes. The Borrower will not merge or consolidate with or into any other Person, or sell, transfer or otherwise dispose of all or substantially all of its consolidated properties or assets to any Person in a single transaction or in a series of related transactions, unless: (a) in the case of a merger or consolidation, the Borrower is the surviving or resulting Person or (b) (i) in the case of a merger or consolidation, the surviving or resulting Person is or (ii) in the case of any such sale, transfer or other disposition, the transferee Person is, in either case, organized in the United States of America or any State thereof and shall expressly assume, pursuant to customary documentation reasonably satisfactory to the Administrative Agent, the obligations of the Borrower under this Agreement and the other Loan Documents (whereupon such Person shall succeed to, and be substituted for, and may exercise every right and power of the Borrower under this Agreement and the other Loan Documents with the same effect as if such Person had been named as the Borrower herein and, in the case of any such sale, transfer or other disposition, the Borrower shall be relieved of all obligations and covenants under this Agreement and the other Loan Documents).

Section 6.04 Funded Debt Ratio. The Borrower will not permit Total Funded Indebtedness as of the last day of any Test Period to exceed 65% of the sum of Total Adjusted Shareholders’ Equity and Total Funded Indebtedness, in each case, as of the last day of such Test Period.

Section 6.05 Total Adjusted Shareholders’ Equity. The Borrower will not permit Total Adjusted Shareholders’ Equity as of the last day of any Test Period to be less than $3,000,000,000.

Section 6.06 Change in Business. The Borrower will not engage, and will not permit any Restricted Subsidiary to engage, to any material extent in any businesses other than the businesses
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
conducted by the Borrower and the Restricted Subsidiaries as of the date hereof, except for businesses that are ancillary thereto, or reasonable extensions, developments and modifications thereof or are otherwise reasonably related thereto.

ARTICLE VII

EVENTS OF DEFAULT

If any of the following events ("Events of Default") shall occur:

(a) the Borrower shall fail to pay any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower shall fail to pay (i) any interest on any Loan or (ii) any fee or any other amount (other than an amount referred to in clause (a) of this Article), in each case payable under this Agreement or any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of (A) in the case of clause (i), five Business Days and (B) in the case of clause (ii), five Business Days after notice thereof from the Administrative Agent to the Borrower;

(c) any representation or warranty made or deemed made by the Borrower in any Loan Document or in any document required to be delivered pursuant to any Loan Document, or in any certificate delivered on behalf of the Borrower pursuant to a Loan Document, shall prove to have been false or misleading in any material respect when made or deemed made;

(d) the Borrower shall fail to observe or perform any covenant or agreement contained in Section 5.02, 5.03(a) (with respect to the legal existence of the Borrower) or 5.09 or in Article VI;

(e) the Borrower shall fail to observe or perform any covenant or agreement contained in any Loan Document (other than those specified in clause (a), (b) or (d) of this Article), and such failure shall continue unremedied for a period of 30 days after written notice thereof from the Administrative Agent to the Borrower;

(f) the Borrower or any Restricted Subsidiary shall fail to make any payment (whether of principal, interest, termination payment or other payment obligation and regardless of amount) in respect of any Material Indebtedness when and as the same shall become due and payable, and such failure shall continue after the applicable grace period, if any, has expired;

(g) any default occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity, or that continues after the applicable grace period, if any, specified in the agreement or instrument related to such Material Indebtedness and permits the holder or holders of such Material Indebtedness or any trustee or agent on its or their behalf, with or without the giving of notice, to cause such Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (g) shall not apply to any secured Indebtedness
* For voting purposes only. Percentages are approximate due to rounding.

** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
that becomes due as a result of the voluntary sale or transfer or other disposition of or
damage to the assets securing such Indebtedness;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall
be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or
any Material Restricted Subsidiary or its debts, or of a substantial part of its assets, under any
Federal or state bankruptcy, insolvency, receivership or similar law now or hereafter in effect
or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar
official for the Borrower or any Material Restricted Subsidiary or for a substantial part of its
assets, and, in any such case, such proceeding or petition shall continue undismissed for
60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Borrower or any Material Restricted Subsidiary shall (i) voluntarily
commence any proceeding or file any petition seeking liquidation (other than any liquidation
of a Restricted Subsidiary permitted by Section 5.03), reorganization or other relief under
any Federal or state bankruptcy, insolvency, receivership or similar law now or hereafter in
effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner,
any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to
the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official
for the Borrower or any Material Restricted Subsidiary or for a substantial part of its assets,
(iv) file an answer admitting the material allegations of a petition filed against it in any such
proceeding or (v) make a general assignment for the benefit of creditors, or the board of
directors (or similar governing body) of the Borrower or any Material Restricted Subsidiary
(or any committee thereof) shall adopt any resolution or otherwise authorize any action to
approve any of the actions referred to above in this clause (i) or clause (h) of this Article;

(j) the Borrower or any Material Restricted Subsidiary shall become unable, admit
in writing its inability or fail generally to pay its debts as they become due;

(k) one or more final judgments requiring the payment of money in an aggregate
amount in excess of $200,000,000 (other than any such judgment covered by insurance to the
extent the insuror has been notified thereof in writing and has not denied liability therefor),
shall be rendered against the Borrower, any Restricted Subsidiary or any combination thereof
and the same shall remain undischarged for a period of 60 consecutive days during which
execution shall not be effectively stayed, or any action shall be legally taken by a judgment
creditor to attach or levy upon any assets of the Borrower or any Restricted Subsidiary to
enforce any such judgment;

(l) one or more ERISA Events shall have occurred that, individually or in the
aggregate, would reasonably be expected to result in a Material Adverse Effect;

(m) a Change in Control shall occur; or

(n) the Claim Agreement shall cease, for any reason, to be in full force and effect,
or the Borrower shall contest the validity or enforceability thereof;

then, and in every such event (other than an event with respect to the Borrower described in clause (h) or (i)
of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent
may, or at the request of the Required Lenders shall, by notice to the Borrower, take any or all of the following
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other monetary obligations of the Borrower hereunder, shall become due and payable immediately, in each case without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in the case of any event with respect to the Borrower described in clause (h) or (i) of this Article, the Commitments shall automatically terminate, the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other monetary obligations of the Borrower hereunder, shall immediately and automatically become due and payable, in each case without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

ARTICLE VIII

THE ADMINISTRATIVE AGENT

Each of the Lenders hereby irrevocably appoints the entity named as the Administrative Agent in the heading of this Agreement and its successors to serve in such capacity under the Loan Documents, and authorizes the Administrative Agent to execute, deliver and administer the Loan Documents and to take such actions and to exercise such powers as are delegated to the Administrative Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto.

The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent (and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent in its individual capacity), and such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or Affiliate thereof or any other Person that may do business with or own Equity Interests in the Borrower as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

The Administrative Agent shall not have any duties or obligations except those expressly set forth in the Loan Documents. In performing its functions and duties under this Agreement, the Administrative Agent shall act solely as agent of the Lenders and shall not assume, or be deemed to have assumed, any relationship of agency or trust with or for the Borrower. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing (and it is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law, and that such term is used as a matter of market custom and is intended to create or reflect only an administrative relationship between contracting parties), (b) the Administrative Agent shall not have any duty to take any discretionary action or to exercise any discretionary power, except discretionary rights and powers expressly contemplated by the Loan Documents that the Administrative Agent exercise (including in connection with any transaction contemplated by Section 6.03) or that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith to be necessary, under the circumstances as provided in the Loan Documents), provided that the Administrative Agent shall
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
not be required to take any action that, in its opinion, could be contrary to any Loan Document or applicable law or may expose it to liability, and (c) except as expressly set forth in the Loan Documents, the Administrative Agent shall not have any duty to disclose, and the Administrative Agent shall not be liable for the failure to disclose, any information relating to the Borrower, or any Subsidiary or Affiliate of the Borrower, that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith to be necessary, under the circumstances as provided in the Loan Documents), which consent or request, as applicable, shall be binding upon all Lenders, or in the absence of its own gross negligence, bad faith or willful misconduct (such absence to be presumed unless otherwise determined by a court of competent jurisdiction by a final and nonappealable judgment). The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof (stating that it is a “notice of default” and stating the nature of the Default) is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document or the occurrence of any Default, (iv) the due execution, legality, sufficiency, validity, enforceability, effectiveness, genuineness or value of any Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent or satisfaction of any condition that expressly refers to the matters described therein being acceptable or satisfactory to the Administrative Agent.

The Administrative Agent shall be entitled to rely, and shall not incur any liability for relying, upon any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person (whether or not such Person in fact meets the requirements set forth in the Loan Documents for being the signatory, sender or authenticator thereof). The Administrative Agent also shall be entitled to rely, and shall not incur any liability for relying, upon any statement made to it orally or by telephone and believed by it to be made by the proper Person (whether or not such Person in fact meets the requirements set forth in the Loan Documents for being the signatory, sender or authenticator thereof), and may act upon any such statement prior to receipt of written confirmation thereof. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent may perform any of and all its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any of and all their duties and exercise their rights and powers through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facility provided for herein as well as activities as the Administrative Agent. No Agent shall be
* For voting purposes only. Percentages are approximate due to rounding.

** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence, bad faith or willful misconduct.

Subject to this paragraph and Section 9.18, the Administrative Agent may resign from its capacity as such. In connection with such resignation, the Administrative Agent shall give notice of its intent to resign to the Borrower and the Lenders. Upon receipt of any such notice of resignation by the Administrative Agent, the Required Lenders shall have the right, subject to Section 9.18 and the consent of the Borrower (other than during the existence of an Event of Default under clause (a), (b), (h) or (i) of Article VII), which consent of the Borrower shall not be unreasonably withheld, delayed or conditioned, to appoint a successor, which shall be a Farm Credit Lender or a bank (or an Affiliate of a Farm Credit Lender or a bank). If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its intent to resign, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor, subject to Section 9.18 and the consent of the Borrower (other than during the existence of an Event of Default under clause (a), (b), (h) or (i) of Article VII), which consent of the Borrower shall not be unreasonably withheld, delayed or conditioned. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed by the Borrower and such successor. Notwithstanding the foregoing, in the event no successor Administrative Agent shall have been so appointed and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its intent to resign, the retiring Administrative Agent may give notice of the effectiveness of its resignation to the other Agents, the Lenders and the Borrower, whereupon, on the date of effectiveness of such resignation stated in such notice, (a) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents, without any other further act or deed on the part of such retiring Administrative Agent or any other Person, and (b) the Required Lenders shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent; provided that (i) all payments required to be made hereunder or under any other Loan Document to the Administrative Agent for the account of any Person other than the Administrative Agent shall be made directly to such Person and (ii) all notices and other communications required or contemplated to be given or made to the Administrative Agent shall also directly be given or made to each Lender. Following the effectiveness of the Administrative Agent’s resignation from its capacity as such, the provisions of this Article and Section 9.03, as well as any exculpatory, reimbursement and indemnification provisions set forth in any other Loan Document, shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent, any Arranger or any other Lender, or any of the Related Parties of any of the foregoing, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, any Arranger or any other Lender, or any of the Related Parties of any of the foregoing, and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
Each Lender, by delivering its signature page to this Agreement and funding its Loans on the Effective Date, or delivering its signature page to an Assignment and Assumption or any other Loan Document pursuant to which it shall become a Lender hereunder, shall be deemed to have acknowledged receipt of, and consented to and approved, each Loan Document and each other document required to be delivered to, or be approved by or satisfactory to, the Administrative Agent or the Lenders on the Effective Date.

Notwithstanding anything herein to the contrary, neither any Arranger nor any Person named on the cover page of this Agreement as a Syndication Agent or a Documentation Agent shall have any duties, responsibilities or obligations under this Agreement or any other Loan Document (except in its capacity, as applicable, as the Administrative Agent or a Lender), but all such Persons shall have the benefit of the indemnities provided for hereunder.

The provisions of this Article (other than provisions of this Article providing the Borrower with a consent right, all of which shall also be for the benefit of the Borrower) are solely for the benefit of the Administrative Agent and the Lenders, and the Borrower shall not have any rights as a third party beneficiary of any such provisions.

ARTICLE IX
MISCELLANEOUS

Section 9.01 Notices.

(a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) of this Section), all notices and other communications provided for herein shall be in writing and, subject to the requirements of clause (i) below, shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by email or fax, as follows:

(i) if to the Borrower, by email to cashmanu@weyerhaeuser.com, with a copy, in the case of any notice of Default or otherwise in respect of Article VII, to jose.quintana@weyerhaeuser.com and laura.smith@weyerhaeuser.com, in each case, with each such email notice of Default or otherwise in respect of Article VII to be promptly followed by delivery of a copy thereof by overnight courier service to 220 Occidental Avenue South, Seattle, Washington 98104, Attention: Treasury;

(ii) if to Northwest Farm Credit Services, PCA, as the Administrative Agent, to Loan Accounting, 2001 S. Flint Road, Spokane, WA 99224, Telephone: 1-800-216-4535, Facsimile: 509-340-5508; Email: nwfcsloanaccounting@northwestfcs.com; with a copy to Brandi Phipps, Financial Specialist, 2001 S. Flint Road, Spokane, WA 99224; Telephone: 509-340-5440; Facsimile: 509-340-5503; Email: NWFCSAllCapitalMarkets@northwestfcs.com); and

(iii) if to any other Lender, to it at its address (or email, fax number or telephone number) set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by fax shall be deemed to have been
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
given when sent (except that, if not given during normal business hours for the recipient, shall be
deemed to have been given at the opening of business on the next business day for the recipient);
and notices delivered through electronic communications to the extent provided in paragraph (b) of
this Section shall be effective as provided in such paragraph.

(b) Notices and other communications to the Lenders hereunder may be delivered or
furnished by electronic communications (including email and Internet and intranet websites);
provided that the foregoing shall not apply to notices under Article II to any Lender if such Lender
has notified the Administrative Agent that it is incapable of receiving notices under such Article by
electronic communication. Any notices or other communications to the Administrative Agent or the
Borrower may be delivered or furnished by electronic communications pursuant to procedures
approved by the recipient thereof prior thereto; provided that approval of such procedures may be
limited or rescinded by any such Person by notice to each other such Person.

(c) Any party hereto may change its address or email, fax number or telephone number for
notices and other communications hereunder by notice to the other parties hereto.

(d) The Borrower agrees that the Administrative Agent may, but shall not be obligated to,
make any Communication by posting such Communication on Debt Domain, Intralinks, Syndtrak or
a similar electronic transmission system (the “Platform”). The Platform is provided “as is” and “as
available”. Neither the Administrative Agent nor any of its Related Parties warrants, or shall be
deemed to warrant, the adequacy of the Platform and expressly disclaim liability for errors or
omissions in the Communications. No warranty of any kind, express, implied or statutory, including
any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party
rights or freedom from viruses or other code defects, is made, or shall be deemed to be made, by the
Administrative Agent or any of its Related Parties in connection with the Communications or the
Platform. In no event shall the Administrative Agent or any of its Related Parties have any liability
to the Borrower, any Lender or any other Person for losses, claims, damages, liabilities or expenses
of any kind (whether in tort, contract or otherwise) arising out of the Borrower’s or the
Administrative Agent’s transmission of the Communications through the Internet, except to the
extent that such losses, claims, damages, liabilities or expenses result from the gross negligence, bad
faith or willful misconduct of the Administrative Agent or any of its Related Parties (as determined
by a court of competent jurisdiction in a final and nonappealable judgment); provided, however, that
in no event shall the Administrative Agent or any of its Related Parties have any liability to the
Borrower, any Lender or any other Person for special, indirect, consequential or punitive damages
(as opposed to direct or actual damages) arising out of, in connection with or as a result of the
foregoing.

Section 9.02 Waivers; Amendments.

(a) No failure or delay by the Administrative Agent or any Lender in exercising any right
or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall
any single or partial exercise of any such right or power, or any abandonment or discontinuance of
steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise
of any other right or power. The rights and remedies of the Administrative Agent and the Lenders
hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or
remedies that they would otherwise have. No waiver of any provision of any Loan Document or
consent to any departure by the Borrower therefrom shall in any event be effective unless the same
shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be
effective
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
only in the specific instance and for the specific purpose for which given. Without limiting the
generality of the foregoing, the execution and delivery of this Agreement or the making of a Loan
shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent or
any Lender may have had notice or knowledge of such Default at the time.

(b) None of this Agreement, any other Loan Document or any provision hereof or thereof
may be waived, amended or modified except pursuant to an agreement or agreements in writing
entered into by the Borrower and the Required Lenders or by the Administrative Agent and the
Borrower with the consent of the Required Lenders; provided that no such agreement shall:

(i) increase the Commitment of any Lender without the written consent of such
Lender (it being understood that a waiver, amendment or modification of any condition
precedent set forth in Article IV or of any covenant or Default shall not constitute an increase
of any Commitment of any Lender);

(ii) reduce the principal amount of any Loan or reduce the rate of interest thereon or
reduce any fees payable hereunder, without the written consent of each Lender directly and
adversely affected thereby; provided that (A) only the consent of the Required Lenders shall
be necessary to waive any obligation of the Borrower to pay interest at the default rate or to
change the amount of the default rate specified in Section 2.12(d) and (B) it is understood
and agreed that any reduction in LIBOR pursuant to Section 2.14(g) shall not be subject to
this clause (ii);

(iii) postpone the scheduled final maturity date of any Loan, or any date for the
payment of any interest payable hereunder, or reduce the amount of, waive or excuse any
such payment, or postpone the scheduled final expiration date of any Commitment, in each
case, without the written consent of each Lender directly and adversely affected thereby (it
being understood that a waiver, amendment or modification of any covenant or Default shall
not constitute a postponement, waiver or excuse of any payment of principal, interest, fees or
other amounts); provided that only the consent of the Required Lenders shall be necessary to
waive any obligation of the Borrower to pay interest at the default rate or to change the
amount of the default rate specified in Section 2.12(d);

(iv) change Section 2.17(b) or 2.17(c) in a manner that would alter the pro rata
sharing of payments required thereby without the written consent of each Lender; or

(v) change any of the provisions of this Section 9.02(b), the percentage set forth in
the definition of the term “Required Lenders” or any other provision of this Agreement
specifying the number or percentage of Lenders required to waive, amend or modify any
rights hereunder or make any determination or grant any consent hereunder, without the
written consent of each Lender;

provided further that no such agreement shall amend, modify, extend or otherwise affect the rights or
obligations of the Administrative Agent without the prior written consent of the Administrative
Agent.

(c) Notwithstanding any other provision of this Section to the contrary:

(i) [reserved];
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
(ii) any provision of this Agreement or any other Loan Document may be amended (without the consent of any Lender) by an agreement in writing entered into by the Borrower and the Administrative Agent to cure any obvious error or any ambiguity, omission, defect or inconsistency;

(iii) any provision of this Agreement or any other Loan Document may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and the Borrower (A) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share in the benefits of this Agreement and the other Loan Documents with the Loans and the accrued interest and fees in respect thereof and (B) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders, provided that no Lender shall be obligated to commit to or hold any part of such credit facilities; and

(iv) notwithstanding anything in paragraph (b) of this Section to the contrary, no consent with respect to any amendment, waiver or other modification of this Agreement or any other Loan Document shall be required of (A) any Defaulting Lender, except with respect to any amendment, waiver or other modification referred to in clause (i), (ii) or (iii) of paragraph (b) of this Section and then only in the event such Defaulting Lender shall be affected by such amendment, waiver or other modification, or (B) in the case of any amendment, waiver or other modification referred to in the first proviso of paragraph (b) of this Section, any Lender that receives payment in full of the principal of and interest accrued on each Loan made by, and all other amounts owing to, such Lender or accrued for the account of such Lender under this Agreement at the time such amendment, waiver or other modification becomes effective, and whose Commitment, if not previously terminated, terminates by the terms and upon the effectiveness of such amendment, waiver or other modification.

(d) The Administrative Agent may, but shall have no obligation to, with the concurrence of any Lender, execute amendments, waivers or other modifications on behalf of such Lender. Any amendment, waiver or other modification effected in accordance with this Section shall be binding upon each Person that is at the time thereof a Lender and each Person that subsequently becomes a Lender.

(e) With respect to any matter requiring the approval of one or more Lenders (including Required Lenders), Voting Participants shall have the voting rights specified in Section 9.04(c)(iii) as to such matter.

Section 9.03 Expenses; Indemnity; Damage Waiver.

(a) Except as provided in Section 5.07, the Borrower shall pay (i) all reasonable and documented out-of-pocket expenses (including due diligence expenses, syndication expenses and travel expenses) incurred by the Administrative Agent, each Arranger and their respective Affiliates, including the reasonable fees, charges and disbursements of counsel for any of the foregoing (which shall be limited to a single firm of primary counsel and, if reasonably determined by the Administrative Agent to be reasonably necessary, a single firm of local counsel in each appropriate jurisdiction (which may include a single special counsel acting in multiple jurisdictions)), in connection with the structuring, arrangement and syndication of the credit facility provided for herein, as well as the preparation, execution, delivery and administration of this Agreement, the other Loan Documents
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
and any related documentation or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) [reserved] and (iii) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, any Arranger or any Lender, including the reasonable fees, charges and disbursements of counsel for any of the foregoing (which shall be limited to a single firm of primary counsel and, if reasonably determined by the Administrative Agent to be reasonably necessary, a single firm of local counsel in each appropriate jurisdiction (which may include a single special counsel acting in multiple jurisdictions), and, in the case of an actual or perceived conflict of interest, a single additional firm of counsel (or local counsel) for each group of affected parties that is similarly situated), in connection with the enforcement or protection of its rights in connection with this Agreement and the other Loan Documents, including its rights under this Section, or in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Arranger and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an “Indemnitee”), against, and hold each Indemnitee harmless from, any and all losses, claims, damages, penalties, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee (which shall be limited to a single firm of counsel for all Indemnites, taken as a whole, and, if reasonably determined by the Administrative Agent to be reasonably necessary, a single firm of counsel in each appropriate jurisdiction (which may include a single special counsel acting in multiple jurisdictions) for all Indemnities taken as a whole, and, in the case of an actual or perceived conflict of interest, where the Indemnitee affected by such conflict informs the Borrower of such conflict, a single additional firm of counsel (or local counsel) for each group of affected Indemnites that are similarly situated), incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the structuring, arrangement and the syndication of the credit facility provided for herein, the preparation, execution, delivery and administration of this Agreement, the other Loan Documents or any other agreement or instrument contemplated hereby or thereby, the performance by the parties to this Agreement or the other Loan Documents of their respective obligations hereunder or thereunder or the consummation of the Transactions or any other transactions contemplated hereby or thereby, (ii) any Loan or the use of the proceeds therefrom, (iii) any actual or alleged presence or Release of Hazardous Materials on or from any property owned or operated by the Borrower or any Subsidiary, or any other Environmental Liability related in any way to the Borrower or any Subsidiary, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and whether initiated against or by any party to this Agreement or any other Loan Document, any Affiliate of any of the foregoing or any third party (and regardless of whether any Indemnitee is a party thereto); provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, penalties, liabilities and related expenses resulted from (x) the gross negligence, bad faith or willful misconduct of such Indemnitee or of any of its Related Parties (as determined by a court of competent jurisdiction in a final and nonappealable judgment), (y) a material breach of the obligations of such Indemnitee or of any of its Related Parties under the Loan Documents (as determined by a court of competent jurisdiction in a final and nonappealable judgment) or (z) disputes solely between and among such Indemnitees to the extent such disputes do not arise from any act or omission of the Borrower, any of its Subsidiaries or any of their respective Affiliates (other than with respect to a claim against an Indemnitee acting in its capacity as the Administrative Agent, an Arranger or any other titled role under the Loan Documents unless such claim arose from the gross negligence, bad faith or willful misconduct of such Indemnitee or any of its Related Parties or a material breach of the obligations of such Indemnitee or any of its
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
Related Parties under the Loan Documents (in each case, as determined by a court of competent jurisdiction in a final and nonappealable judgment)). If any Indemnitee shall have received any payment from the Borrower under this paragraph, such Indemnitee shall (and, in the case of any such Indemnitee that is not a party hereto, the Indemnitees that are party hereto and that are Related Parties thereof shall cause such Indemnitee to) refund all amounts received by it under this paragraph in excess of those to which it shall have been entitled under the terms of this paragraph. This paragraph shall not apply with respect to Taxes other than any Taxes that represent losses, claims or damages arising from any non-Tax claim.

(c) To the extent that the Borrower fails to indefeasibly pay any amount required to be paid by it under paragraph (a) or (b) of this Section to the Administrative Agent (or any sub-agent thereof) or any of its Related Parties (and without limiting their obligation to do so), each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent) or such Related Party, as the case may be, such Lender’s pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or such sub-agent) in its capacity as such, or against any Related Party acting for the Administrative Agent (or any such sub-agent) in connection with such capacity. For purposes of this Section, a Lender’s “pro rata share” shall be determined based upon its share of the sum of the total Commitments or Loans at the time (or most recently outstanding and in effect).

(d) To the fullest extent permitted by applicable law, (i) the Borrower shall not assert, or permit any of its Affiliates or Related Parties to assert, and the Borrower hereby waives, any claim against any Indemnitee for any damages arising from the use by others of information or other materials obtained through telecommunications, electronic or other information transmission systems (including the Internet), except to the extent such claims result from the gross negligence, bad faith or willful misconduct of such Indemnitee or of any of its Related Parties or a material breach of the obligations of such Indemnitee or any of its Related Parties under the Loan Documents (in each case, as determined by a court of competent jurisdiction in a final and nonappealable judgment), and (ii) no party hereto shall assert, or permit any of its Affiliates or other Related Parties to assert, and each hereby waives, any claim against any other party, or any of their Affiliates or any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or the use of the proceeds thereof, provided that nothing in this clause (ii) shall diminish obligations of the Borrower under paragraphs (a) and (b) of this Section.

(e) All amounts due under this Section shall be payable within 30 days after written demand therefor, together with customary backup documentation in reasonable detail.

Section 9.04 Successors And Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) other than as provided in Section 6.03, the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (c) of this Section), any Arranger and, to the extent expressly contemplated hereby, the sub-agents of the Administrative Agent and the Related Parties of the Administrative Agent, any Arranger and any Lender) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) of this Section, any Lender may assign and delegate to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment or Loan at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld, delayed or conditioned) of:

(A) the Borrower; provided that (x) no consent of the Borrower shall be required (1) in case of a Lender that is a Farm Credit Lender, for an assignment by such Lender to any of its Affiliates that is also a Farm Credit Lender, (2) in case of a Lender that is not (and is not an Affiliate of) a Farm Credit Lender, for an assignment to a Lender or an Affiliate of a Lender or (3) if an Event of Default under clause (a), (b), (h) or (i) of Article VII has occurred and is continuing, for any other assignment, and (y) it is understood and agreed that the Borrower shall be deemed to act reasonably in withholding consent to (1) an assignment that it expects will result in a reduction in patronage distributions to the Borrower, except (other than in connection with assignments to an Affiliate) if in connection with such assignment the assigning Lender shall have delivered to the Borrower a Farm Credit Lender Transfer Certificate, or (2) an assignment that would result in this Agreement no longer constituting a “Replacement Credit Agreement” under (and as defined in) the Installment Note; and

(B) the Administrative Agent.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender’s Commitment or Loan, the amount of the Commitment or Loan of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $5,000,000 unless each of the Borrower and the Administrative Agent otherwise consents; provided that no such consent of the Borrower shall be required if an Event of Default under clause (a), (b), (h) or (i) of Article VII has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender’s rights and obligations under this Agreement;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500, provided that only one such processing and recordation fee shall be payable in the event of simultaneous assignments from any Lender or its Approved Funds to one or more other Approved Funds of such Lender, provided
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
further that the Administrative Agent may at its sole discretion waive such processing and recordation fee;

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain MNPI) will be made available and who may receive such information in accordance with the assignee’s compliance procedures and applicable law, including Federal, State and foreign securities laws; and

(E) the assignee, if it shall be a Farm Credit Lender but not then a Lender, shall deliver to the Borrower documents from such assignee that describe the nature of the Farm Credit Equities in such assignee (or its designated Affiliate) required to be acquired by the Borrower in such assignee pursuant to Section 5.11, as well as applicable capitalization requirements.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(v) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all the assigning Lender’s rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.14, 2.15, 2.16 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and records of the names and addresses of the Lenders, and the Commitment of, and principal amount (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the “Register”). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and, as to entries pertaining to it, any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon receipt by the Administrative Agent of an Assignment and Assumption executed by an assigning Lender and an assignee, the assignee’s completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee, if required under clause (C) of paragraph (b)(ii) of this Section, and the documents referred to in clause (E) of paragraph (b)(ii) of this Section, if applicable, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that the Administrative Agent shall not be required to accept such Assignment and Assumption or so record the information contained therein if the Administrative Agent reasonably believes that such Assignment and
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
Assumption lacks any written consent required by this Section, provides for an assignment and delegation to a Defaulting Lender or is otherwise not in proper form, it being acknowledged that the Administrative Agent shall have no duty or obligation (and shall incur no liability) with respect to obtaining (or confirming the receipt) of any such written consent or with respect to the form of (or any defect in) such Assignment and Assumption, any such duty and obligation being solely with the assigning Lender and the assignee. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph. Each assigning Lender and the assignee, by its execution and delivery of an Assignment and Assumption, shall be deemed to have represented to the Administrative Agent that all written consents required by this Section with respect thereto (other than the consent of the Administrative Agent) have been obtained and that such Assignment and Assumption is otherwise duly completed and in proper form, and each assignee, by its execution and delivery of an Assignment and Assumption, shall be deemed to have represented to the assigning Lender and the Administrative Agent that such assignee is an Eligible Assignee. Any assignment by a Lender pursuant to this Section shall not in any way constitute a novation, discharge, rescission, extinguishment or substitution of any Indebtedness or other obligation so assigned, and any Indebtedness or other obligation so assigned shall continue to be the same Indebtedness or other obligation and not a new Indebtedness or other obligation.

(c) (i) Any Lender may, with the prior written consent of the Borrower (such consent not to be unreasonably withheld, delayed or conditioned) but without the consent of the Administrative Agent (except as set forth in paragraph (c)(iii) of this Section), sell participations to one or more Persons (other than the Borrower, any Subsidiary, a Defaulting Lender or a natural person) ("Participants") in all or a portion of such Lender’s rights and obligations under this Agreement (including all or a portion of its Commitment and Loan); provided that (A) no consent of the Borrower shall be required (1) in case of a Lender that is a Farm Credit Lender, for a participation by such Lender to any of its Affiliates that is also a Farm Credit Lender, (2) in case of a Lender that is not (and is not an Affiliate of) a Farm Credit Lender, for any participation, (3) if an Event of Default under clause (a), (b), (h) or (i) of Article VII has occurred and is continuing, for any other participation, or (4) for any participation to a Farm Credit Lender set forth on Schedule 9.04, it being understood and agreed that the Borrower shall be deemed to act reasonably in withholding consent to (x) a participation that it expects will result in a reduction in patronage distributions to the Borrower, except (other than in connection with a participation to an Affiliate) if in connection with such participation the selling Lender shall have delivered to the Borrower a Farm Credit Lender Transfer Certificate, or (y) a participation that would result in this Agreement no longer constituting a “Replacement Credit Agreement” under (and as defined in) the Installment Note, (B) such Lender’s obligations under this Agreement shall remain unchanged, (C) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (D) subject to Section 9.04(c)(iii), the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall, subject to Section 9.04(c)(iii), provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement or any other Loan Document; provided that (x) such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or modification of this Agreement that requires the consent of each directly affected Lender pursuant to clause (i), (ii) or (iii) of the first proviso to Section 9.02(b) and directly adversely affects such
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
Participant and (y) no other agreement with respect to any amendment, waiver or modification of this Agreement may exist between such Lender and such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.14, 2.15 and 2.16 (subject to the requirements and limitations therein, including the requirements under Section 2.16(f) (it being understood that the documentation required under Section 2.16(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (x) agrees to be subject to the provisions of Sections 2.17 and 2.18 as if it were an assignee under paragraph (b) of this Section and (y) shall not be entitled to receive any greater payment under Section 2.14 or 2.16, with respect to any participation, than its participating Lender would have been entitled to receive, unless the sale of the participation to such Participant is made with the Borrower’s prior written consent. Each Lender that sells a participation agrees, at the Borrower’s request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.18(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.17(c) as though it were a Lender.

(ii) Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant’s interest in the Loans or other obligations under this Agreement or any other Loan Document (the “Participant Register”); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant’s interest in any Commitments, Loans or other obligations under this Agreement or any other Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as such) shall have no responsibility for maintaining a Participant Register.

(iii) Notwithstanding anything in this Section 9.04 to the contrary, any Farm Credit Lender that (A) (1) has purchased a participation in the minimum amount of $10,000,000 on or after the Effective Date, (2) is, by written notice to the Borrower and the Administrative Agent (“Voting Participant Notification”), designated by the selling Lender as being entitled to be accorded the rights of a Voting Participant hereunder, (3) receives the prior written consent of the Borrower (to the extent such consent is required for the sale of the participation pursuant to Section 9.04(c)(i)) to become a Voting Participant and (4) receives the prior written consent of the Administrative Agent to become a Voting Participant or (B) is set forth as a Voting Participant on Schedule 9.04, shall be entitled to vote (and the voting rights of the selling Lender shall be correspondingly reduced), on a dollar for dollar basis, as if such Participant were a Lender, on any matter requiring or allowing a Lender to provide or withhold its consent, or to otherwise vote on any proposed action (any Farm Credit Lender so entitled to vote being called a “Voting Participant”). To be effective, each Voting Participant Notification shall, with respect to any Voting Participant, (x) state the full name, as well as all contact information required of an assignee as set forth in Exhibit A hereto and (y) state
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
the dollar amount of the participation purchased. The Borrower and the Administrative Agent shall be entitled to conclusively rely on information contained in notices delivered pursuant to this paragraph.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement or the other Loan Documents to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or other reserve bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 9.05 Survival. All covenants, agreements, representations and warranties made by the Borrower in this Agreement and the other Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the other Loan Documents and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, any Arranger, any Lender or any Affiliate of any of the foregoing may have had notice or knowledge of any Default or incorrect representation or warranty at the time this Agreement or any other Loan Document is executed and delivered or any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid and so long as the Commitments have not expired or terminated. The provisions of Sections 2.14, 2.15, 2.16 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

Section 9.06 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents, the membership agreements (or similar agreements) with the Borrower required by a Farm Credit Lender in connection with the purchase of Farm Credit Equities pursuant to Section 5.11 and any separate letter agreement with respect to fees or the syndication of the credit facility provided for herein constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof, including any commitment advices delivered in connection with the credit facility established hereunder. Except as provided in Article IV, this Agreement shall become effective when it shall have been executed by the Administrative Agent and the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of all the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 9.07 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
Section 9.08  **Right of Setoff.** If an Event of Default shall have occurred and be continuing, each Lender and each Affiliate of any Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) or other amounts at any time held and other obligations (in whatever currency) at any time owing by such Lender or by such an Affiliate to or for the credit or the account of the Borrower against any of and all the obligations then due of the Borrower now or hereafter existing under this Agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such obligations the Borrower are owed to a branch, office or Affiliate of such Lender different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness. The rights of each Lender, and each Affiliate of any of the foregoing, under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender or Affiliate may have. Each Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided that the failure to give notice shall not affect the validity of such setoff and application.

Section 9.09  **Governing Law; Jurisdiction; Consent to Service of Process.**

(a) This Agreement shall be governed by, and construed in accordance with, the law of the State of New York.

(b) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each party hereto hereby irrevocably and unconditionally agrees that all claims arising out of or relating to this Agreement or any other Loan Document brought by it or any of its Affiliates shall be brought, and shall be heard and determined, exclusively in such New York State or, to the extent permitted by law, in such Federal court. Each party hereto agrees that a final judgment in any such action or proceeding shall be conclusive and, notwithstanding the foregoing, may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(c) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each party hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement or any other Loan Document will affect the right of any party hereto to serve process in any other manner permitted by law.

Section 9.10  **WAIVER OF JURY TRIAL.** EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to
CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving
effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 9.11 Heads. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 9.12 Confidentiality. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Related Parties, including accountants, legal counsel and other agents and advisors on a need-to-know basis, it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential in accordance with the terms of this Section or be subject to a professional obligation of confidentiality (and the Administrative Agent or such Lender, as applicable, shall be responsible for their compliance herewith), (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners) (in which case (other than in the case of a bank audit), the Administrative Agent or such Lender, as the case may be, agrees to inform the Borrower promptly thereof to the extent lawfully permitted to do so and to the extent practicable under the circumstances), (c) to the extent required by applicable law or by any subpoena or similar legal process (in which case, the Administrative Agent or such Lender, as the case may be, shall inform the Borrower promptly thereof to the extent lawfully permitted to do so and, to the extent practicable under the circumstances, prior to such disclosure), (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies under this Agreement or any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing confidentiality undertakings substantially similar to those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its Related Parties) to any swap or derivative transaction relating to the Borrower or any Subsidiary and its obligations, (g) on a confidential basis to the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the credit facility provided for herein, (h) with the consent of the Borrower or (i) to the extent such Information becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent, any Lender or any Affiliate of any of the foregoing on a nonconfidential basis from a source other than the Borrower or any of its Related Parties. For purposes of this Section, “Information” means all information received from the Borrower or any of its Related Parties relating to the Borrower or any Subsidiary or their businesses, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by or on behalf of the Borrower and other than information pertaining to the terms of this Agreement routinely provided by arrangers to data service providers, including league table providers, that serve the lending industry; provided that, in the case of information received from the Borrower after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person.

CHAR11536846v3
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
would accord to its own confidential information. It is agreed that, notwithstanding the restrictions of any prior confidentiality agreement binding on the Administrative Agent or any Arranger, such parties may disclose Information as provided in this Section.

Section 9.13 Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts that are treated as interest on such Loan under applicable law (collectively the “Charges”), shall exceed the maximum lawful rate (the “Maximum Rate”) that may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

Section 9.14 USA PATRIOT Act Notice. Each Lender and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with such Act.

Section 9.15 No Fiduciary Relationship. The Borrower, on behalf of itself and the Subsidiaries, agrees that in connection with all aspects of the transactions contemplated hereby and any communications in connection therewith, the Borrower and the Subsidiaries, on the one hand, and the Administrative Agent, the Lenders and their Affiliates, on the other hand, will have a business relationship that does not create, by implication or otherwise, any fiduciary duty on the part of the Administrative Agent, the Lenders or their Affiliates, and no such duty will be deemed to have arisen in connection with any such transactions or communications. The Administrative Agent, the Arrangers, the Lenders and their Affiliates may be engaged, for their own accounts or the accounts of customers, in a broad range of transactions that involve interests that differ from those of the Borrower and the Subsidiaries, and none of the Administrative Agent, the Arrangers, the Lenders or their Affiliates has any obligation to disclose any of such interests to the Borrower or any of its Subsidiaries.

Section 9.16 Non-Public Information.

(a) Each Lender acknowledges that all information, including requests for waivers and amendments, furnished by or on behalf of the Borrower or the Administrative Agent pursuant to or in connection with, or in the course of administering, this Agreement will be syndicate-level information, which may contain MNPI. Each Lender represents to the Borrower and the Administrative Agent that (i) it has developed compliance procedures regarding the use of MNPI and that it will handle MNPI in accordance with such procedures and applicable law, including Federal, state and foreign securities laws, and (ii) it has identified in its Administrative Questionnaire a credit contact who may receive information that may contain MNPI in accordance with its compliance procedures and applicable law, including Federal, state and foreign securities laws.

(b) The Borrower and each Lender acknowledge that, if information furnished by the Borrower pursuant to or in connection with this Agreement is being distributed by the Administrative
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
Agent through the Platform, (i) the Administrative Agent may post any information that the Borrower has indicated as containing MNPI solely on that portion of the Platform designated for Private Side Lender Representatives and (ii) if the Borrower has not indicated whether any information furnished by it pursuant to or in connection with this Agreement contains MNPI, the Administrative Agent reserves the right to post such information solely on that portion of the Platform designated for Private Side Lender Representatives. The Borrower agrees to use commercially reasonable efforts to identify all information provided to the Administrative Agent by or on behalf of the Borrower that is suitable to be made available to Public Side Lender Representatives, and the Administrative Agent shall be entitled to rely on any such designation by the Borrower without liability or responsibility for the independent verification thereof.

Section 9.17 Acknowledgement and Consent to Bail-In of EEA Financial Institutions.
Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among the parties hereto, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document may be subject to the Write-Down and Conversion Powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any EEA Resolution Authority.

Section 9.18 Acknowledgement Regarding Replacement Credit Agreement under Installment Note. Each Lender that is also a lender or participant under the Secured Financing Agreement, dated as of December 20, 2013, among MeadWestvaco Timber Note Holding Company II, LLC, Northwest Farm Credit Services, PCA, as administrative agent, and the lenders party thereto, hereby acknowledges its understanding and agreement that (a) as of the Effective Date, this Agreement constitutes a “Replacement Credit Agreement” for all purposes of the Amended and Restated Installment Note dated December 16, 2013, as amended as of April 28, 2016, of the Borrower (the “Installment Note”), and (b) none of the changes to any of the covenants or representations and warranties set forth in this Agreement compared to the covenants and representations and warranties set forth in the Existing Credit Agreement is material and adverse to the interests of such Lender. The Borrower hereby concurs with, and agrees to, the foregoing acknowledgements and agreements. The parties hereto further acknowledge and agree that (i) notwithstanding any Section or paragraph numbering set forth herein, for
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
purposes of the Installment Note, Section 5.02 hereof shall be deemed to be numbered “Section 5.05(a)”, Section 5.03(a) hereof (including the proviso set forth in Section 5.03) shall be deemed to be numbered “Section 5.01(a)”, Section 5.11 hereof shall be deemed to be numbered “Section 5.12”, Article VI hereof shall be deemed to be numbered “Section 6.01”, Section 6.03 hereof shall be deemed to be numbered “Section 6.01(c)”, Section 6.04 hereof shall be deemed to be numbered “Section 6.01(d)” and Section 6.05 hereof shall be deemed to be numbered “Section 6.01(e)” and (ii) so long as the Installment Note is outstanding and no Event of Default under clause (a), (b), (h) or (i) of Article VII has occurred and is continuing, any successor Administrative Agent under this Agreement shall be required to be a Farm Credit Lender.

**ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.**

[Signature pages follow]
**After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

***After giving effect to the Effective Date assignment and the Effective Date participations.
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

WEYERHAEUSER COMPANY,

By: /s/ Laura Smith
Name: Laura Smith
Title: VP Treasury & Enterprise Planning
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
NORTHWEST FARM CREDIT SERVICES, PCA, as the Administrative Agent and as a Lender,

By: /s/Jeremy A. Roewe 
Name: Jeremy A. Roewe
Title: Vice President

* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
Unrestricted Subsidiaries

1. WY Carolina Holdings LLC
2. WY Georgia Holdings 2004 LLC
3. WY Tennessee Holdings LLC
* For voting purposes only. Percentages are approximate due to rounding.

** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
## Lenders; Commitments

<table>
<thead>
<tr>
<th>Lender</th>
<th>Commitment</th>
<th>Percentage of Aggregate Amount of the Lenders’ Commitments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northwest Farm Credit Services, PCA</td>
<td>$225,000,000.00</td>
<td>100.000000000%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$225,000,000.00</td>
<td>100.000000000%</td>
</tr>
</tbody>
</table>
* For voting purposes only. Percentages are approximate due to rounding.

** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to
CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving
effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
Schedule 3.06

Litigation

None.
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.


## Voting Participants

<table>
<thead>
<tr>
<th>Lender</th>
<th>Assignee</th>
<th>Voting Participant</th>
<th>Commitment</th>
<th>Resulting Participation*</th>
<th>Resulting Percentage of Participations*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northwest Farm Credit Services, PCA</td>
<td></td>
<td></td>
<td>$155,000,000.00**</td>
<td>$25,000,000.00***</td>
<td>11.11%***</td>
</tr>
<tr>
<td></td>
<td>American AgCredit, FLCA</td>
<td></td>
<td>$29,000,000.00</td>
<td></td>
<td>12.89%</td>
</tr>
<tr>
<td></td>
<td>Farm Credit Mid-America, FLCA f/k/a Farm Credit Services of Mid-America, FLCA</td>
<td></td>
<td>$19,000,000.00</td>
<td></td>
<td>8.44%</td>
</tr>
<tr>
<td></td>
<td>Farm Credit East, ACA</td>
<td></td>
<td>$18,250,000.00</td>
<td></td>
<td>8.11%</td>
</tr>
<tr>
<td></td>
<td>Farm Credit Services of America, FLCA</td>
<td></td>
<td>$18,250,000.00</td>
<td></td>
<td>8.11%</td>
</tr>
<tr>
<td></td>
<td>Greenstone Farm Credit Services, FLCA</td>
<td></td>
<td>$10,250,000.00</td>
<td></td>
<td>4.56%</td>
</tr>
<tr>
<td></td>
<td>Western AgCredit, PCA</td>
<td></td>
<td>$7,500,000.00</td>
<td></td>
<td>3.33%</td>
</tr>
<tr>
<td></td>
<td>FCS Commercial Finance Group, for AgCountry Farm Credit Services, FLCA</td>
<td></td>
<td>$7,250,000.00</td>
<td></td>
<td>3.22%</td>
</tr>
<tr>
<td></td>
<td>Farm Credit West, FLCA</td>
<td></td>
<td>$5,250,000.00</td>
<td></td>
<td>2.33%</td>
</tr>
<tr>
<td></td>
<td>Fresno-Madera Federal Land Bank Association, FLCA</td>
<td></td>
<td>$5,000,000.00</td>
<td></td>
<td>2.22%</td>
</tr>
<tr>
<td></td>
<td>Farm Credit of New Mexico, FLCA a wholly owned subsidiary of Farm Credit of New Mexico, ACA</td>
<td></td>
<td>$3,500,000.00</td>
<td></td>
<td>1.56%</td>
</tr>
<tr>
<td></td>
<td>Yosemite Land Bank, FLCA</td>
<td></td>
<td>$3,500,000.00</td>
<td></td>
<td>1.56%</td>
</tr>
<tr>
<td></td>
<td>AgChoice Farm Credit, ACA for itself and/or agent/nominee for AgChoice Farm Credit, FLCA</td>
<td></td>
<td>$3,250,000.00</td>
<td></td>
<td>1.44%</td>
</tr>
<tr>
<td></td>
<td>CoBank, FCB</td>
<td></td>
<td>$70,000,000.00**</td>
<td>$30,000,000.00***</td>
<td>13.33%***</td>
</tr>
<tr>
<td></td>
<td>Farm Credit Bank of Texas</td>
<td></td>
<td>$13,000,000.00</td>
<td></td>
<td>5.78%</td>
</tr>
<tr>
<td></td>
<td>Capital Farm Credit, FLCA</td>
<td></td>
<td>$7,000,000.00</td>
<td></td>
<td>3.11%</td>
</tr>
<tr>
<td></td>
<td>AgFirst Farm Credit Bank</td>
<td></td>
<td>$20,000,000.00</td>
<td></td>
<td>8.89%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td>$225,000,000.00</td>
<td></td>
<td>100.00%</td>
</tr>
</tbody>
</table>

* For voting purposes only. Percentages are approximate due to rounding.

** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
[FORM OF] ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (this “Assignment”) is dated as of the “Effective Date” inserted below by the Administrative Agent (the “Effective Date”) and is entered into by and between the Assignor (as defined below) and the Assignee (as defined below). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the “Credit Agreement”), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 hereto (the “Terms and Conditions”) are hereby agreed to and incorporated herein by reference and made a part of this Assignment as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Terms and Conditions and the Credit Agreement, as of the Effective Date, (a) the interest in and to all of the Assignor’s rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto that represents the amount and percentage interest identified below of all of the Assignor’s outstanding rights and obligations under the facility identified below and (b) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned by the Assignor to the Assignee pursuant to clause (a) above (the rights and obligations sold and assigned pursuant to clauses (a) and (b) above being referred to herein collectively as the “Assigned Interest”). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment or the Credit Agreement, without representation or warranty by the Assignor.

1. Assignor: ___________________________

2. Assignee: ___________________________
   and [is][is not] a Farm Credit Lender [if the Assignee is not a Farm Credit Lender, specify if the Assignee is [a Lender][an Affiliate of [Identify Lender]]].


4. Administrative Agent: Northwest Farm Credit Services, PCA

5. Credit Agreement: Term Loan Agreement dated as of July 24, 2017, among Weyerhaeuser Company, the Lenders party thereto and Northwest Farm Credit Services, PCA, as Administrative Agent

[ ] Select as applicable.
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
6. Assigned Interest:

<table>
<thead>
<tr>
<th>Aggregate Amount of Commitment/Loans of all Lenders</th>
<th>Amount of Commitment/Loans Assigned(^2)</th>
<th>Percentage Assigned of Commitment/Loans of all Lenders(^3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
<td>%</td>
</tr>
</tbody>
</table>

Effective Date: _________________, 20___ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH DATE SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREOF].

The Assignee, if not already a Lender, (a) agrees to deliver to the Administrative Agent a completed Administrative Questionnaire in which the Assignee designates one or more credit contacts to whom all syndicate-level information (which may contain MNPI) will be made available and who may receive such information in accordance with the Assignee’s compliance procedures and applicable law, including Federal, State and foreign securities laws, and (b) if the Assignee is a Farm Credit Lender, agrees to deliver to the Borrower documents from the Assignee that describe the nature of the Farm Credit Equities in the Assignee (or its designated Affiliate) required to be acquired by the Borrower in the Assignee pursuant to Section 5.11 of the Credit Agreement, as well as applicable capitalization requirements.

\(^2\) Must comply with the minimum assignment amounts set forth in Section 9.04(b)(ii)(A) of the Credit Agreement, to the extent such minimum assignment amounts are applicable.

\(^3\) Set forth, to at least nine decimals, as a percentage of the amount in Column 2.
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
The terms set forth in this Assignment are hereby agreed to:

[NAME OF ASSIGNOR], as Assignor,

By: ______________________________

Name:

Title:
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
[NAME OF ASSIGNEE], as Assignee,

By: ____________________________________

Name: 

Title:
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
Consented to and Accepted:

NORTHWEST FARM CREDIT SERVICES, PCA, as Administrative Agent,

By: _______________________________

Name: 

Title:
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
[Consented to:

WEYERHAEUSER COMPANY, as Borrower

By: ___________________________

Name: ___________________________

Title: ___________________________

1 To be included only if Section 9.04(b)(i)(A) of the Credit Agreement requires the consent of the Borrower.
* For voting purposes only. Percentages are approximate due to rounding.

** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to
CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving
effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
1. **Representations and Warranties.**

1.1 **Assignor.** The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with any Loan Document, other than the representations and warranties made by it herein, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of any Loan Document (other than this Assignment) or any collateral thereunder, (iii) the financial condition of the Borrower, any Subsidiary or any other Affiliate of the Borrower or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower or any Subsidiary or any other Affiliate of the Borrower or any other Person obligated in respect of any Loan Document of any of their respective obligations thereunder.

1.2. **Assignee.** The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it is an Eligible Assignee and satisfies all the other requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 5.01 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and to purchase the Assigned Interest, (v) it has experience and expertise in the making of or investing in commitments or loans such as the Assigned Interest, as the case may be, (vi) it has, independently and without reliance upon the Administrative Agent, the Arrangers, the Assignor or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decisions to enter into this Assignment and to purchase the Assigned Interest, (v) it has experience and expertise in the making of or investing in commitments or loans such as the Assigned Interest, as the case may be, (vi) it has, independently and without reliance upon the Administrative Agent, the Arrangers, the Assignor or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decisions to enter into this Assignment and to purchase the Assigned Interest, (vii) it has attached to this Assignment any tax documentation required to be delivered by it pursuant to the terms of the Credit Agreement (including Section 2.16(f) thereof), duly completed and executed by the Assignee, (viii) it will acquire the Assigned Interest for its own account in the ordinary course and without a view to distribution of the Assigned Interest within the meaning of the Securities Act or the Exchange Act or other United States federal securities laws (it being understood that, subject to the provisions of Section 9.04 of the Credit Agreement, the disposition of the Assigned Interest or any interests therein shall at all times remain within its exclusive control) and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Arrangers, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at that time, continue to make its own credit decisions in taking or not taking action under any Loan Document, and (ii) it will perform in accordance with their terms all of the obligations that by the terms of the Loan Documents are required to be performed by it as a Lender.

2. **Payments.** From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. **General Provisions.** This Assignment shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns permitted in accordance with the Credit Agreement. This Assignment may be executed in any number of counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment by facsimile or other electronic imaging shall be effective as delivery of a manually executed counterpart of this Assignment. **THIS ASSIGNMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
Ladies and Gentlemen:

Reference is made to the Term Loan Agreement dated as of July 24, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), among Weyerhaeuser Company, a Washington corporation (the “Borrower”), the Lenders party thereto and Northwest Farm Credit Services, PCA, as Administrative Agent. Capitalized terms used but not otherwise defined herein shall have the meanings specified in the Credit Agreement.

**Borrowing Request**: The Borrower hereby gives you notice pursuant to Section 2.03 of the Credit Agreement that it requests the following Borrowing:

1. Aggregate principal amount of Borrowing: $___________________
2. Date of Borrowing: _____________________
3. Type of Borrowing (Base Rate or Eurodollar): _____________________
4. Initial Interest Period (if Eurodollar Borrowing): _____________________
5. Location and number of the account to which proceeds of the requested Borrowing are to be disbursed:[Name of Bank _____] (Acct. No. ______) ___

**Interest Election Request**: The Borrower hereby gives you notice pursuant to Section 2.07 of the Credit Agreement that it requests the conversion or continuation of a Borrowing, and specifies the following information with respect to such Borrowing and each resulting Borrowing:

1. Borrowing to which this request applies:
   Principal Amount: $___________________
   Type (Base Rate or Eurodollar): _____________________
   Interest Period (specify last day of current Interest Period): _____________________

2. Effective date of this election (Business Day): _____________________
3. Resulting Borrowing[s]:
Principal Amount: $___________________
Type (Base Rate or Eurodollar): ____________________
Interest Period (For Eurodollar Borrowing): ________________

* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
Very truly yours,

WEYERHAEUSER COMPANY

By: ________________________________
Name:
Title:
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
FORM OF CLAIM AGREEMENT

[Attached]
* For voting purposes only. Percentages are approximate due to rounding.

** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
CLAIM AGREEMENT

CLAIM AGREEMENT dated as of July 24, 2017 (this “Agreement”), between WEYERHAEUSER NR COMPANY, a Washington corporation (“WNR”), and NORTHWEST FARM CREDIT SERVICES, PCA, as Administrative Agent (the “Administrative Agent”) under the Term Loan Agreement dated as of July 24, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), among Weyerhaeuser Company, a Washington corporation (the “Company”), the lenders from time to time party thereto (the “Lenders”) and the Administrative Agent.

RECITALS

A. WNR is a wholly owned subsidiary of the Company. WNR has agreed, as between the Company and WNR, to assume the payment obligations in respect of certain indebtedness of the Company pursuant to that certain Assumption Agreement dated as of January 1, 2009 (as amended, restated, supplemented or otherwise modified from time to time, the “First Assumption Agreement”), made by WNR in favor of the Company, and that certain Assignment and Assumption Agreement dated as of October 1, 2009 (as amended, restated, supplemented or otherwise modified from time to time, the “Second Assumption Agreement” and, together with the First Assumption Agreement and any Additional Assumption Agreement (as defined below), collectively, the “Assumption Agreements”), by and between WNR and the Company.

B. It is a condition precedent to the obligation of the Lenders to make their respective extensions of credit to the Company under the Credit Agreement that WNR enter into this Agreement with the Administrative Agent, for the benefit of the Credit Agreement Parties (as defined below).

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, WNR hereby agrees with the Administrative Agent, for the benefit of the Credit Agreement Parties, as follows:

SECTION 1. Definitions.

(a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings assigned to such terms in the Credit Agreement.

(b) The following terms shall have the following meanings:

“Additional Assumption Agreement” means any agreement entered into by WNR after the date hereof pursuant to which WNR assumes payment obligations in respect of any indebtedness of the Company.

“Assumed Debt” means any indebtedness of the Company the payment obligations in respect of which shall have been assumed by WNR pursuant to one or more Assumption Agreements.

“Assumed Debt Agreement” means any indenture, credit agreement, note purchase agreement or other agreement, if any, pursuant to which the Company has incurred or will incur Assumed Debt and any note, instrument, agreement or other document evidencing or governing such Assumed Debt.

“Assumed Debt Claims” has the meaning specified in Section 2(a) hereof.
* For voting purposes only. Percentages are approximate due to rounding.

** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
“Assumed Debt Party” means any Person to which Assumed Debt is owed and any trustee for, or other representative of, the holders of such Assumed Debt under any Assumed Debt Agreement.

“Credit Agreement Claims” has the meaning specified in Section 2(a) hereof.

“Credit Agreement Obligations” means the due and punctual payment by the Company of (a) the principal of and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans made to the Company, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise and (b) all other monetary obligations of the Company to any of the Credit Agreement Parties under the Credit Agreement and each of the other Loan Documents, including obligations to pay fees, expense reimbursement obligations and indemnification obligations, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding).

“Credit Agreement Parties” means (a) the Lenders, (b) the Administrative Agent, (c) the beneficiaries of each indemnification obligation undertaken by the Company under the Credit Agreement and (d) the successors and assigns of each of the foregoing.

“Pro Rata Claim Amount” at any time means, in respect of the Credit Agreement Claim of any Credit Agreement Party, an amount equal to (a) the Credit Agreement Obligations owing to such Credit Agreement Party at such time, multiplied by (b) a fraction, the numerator of which is the amount of Assumed Debt (including accrued and unpaid interest and any related obligations in respect of premiums, fees and indemnities) owing at such time in respect of which Assumed Debt Claims exist and the denominator of which is the total amount of Assumed Debt (including accrued and unpaid interest and any related obligations in respect of premiums, fees and indemnities) owing at such time.

SECTION 2. Credit Agreement Claims.

(a) WNR hereby agrees with the Administrative Agent, for the benefit of the Credit Agreement Parties, that the Credit Agreement Parties shall have rights and claims enforceable against WNR for payment of all or a portion of the Credit Agreement Obligations to the same extent that the Assumed Debt Parties (as opposed to the Company) have rights and claims, if any, enforceable against WNR for payment of all or any portion of the Assumed Debt (including accrued and unpaid interest and any related obligations in respect of premiums, fees and indemnities) pursuant to or by reason of any Assumption Agreement (such rights and claims of the Assumed Debt Parties, the “Assumed Debt Claims”), as if WNR and the Company had entered into an assumption agreement in respect of the Credit Agreement Obligations on the same terms as such Assumption Agreement that is the subject of the Assumed Debt Claims (such rights and claims of the Credit Agreement Parties, the “Credit Agreement Claims”). It is understood and agreed that (i) if the Credit Agreement Parties have Credit Agreement Claims by reason of one or more, whether in whole or in part, but less than all, of the Assumed Debt being subject to Assumed Debt Claims, then the Credit Agreement Claims of any Credit Agreement Party shall be limited to its Pro Rata Claim Amount, and (ii) WNR shall be fully liable for any such Credit Agreement Claims subject only to the limitations expressly set forth in this Agreement. Any Credit Agreement Claims due and owing by WNR hereunder shall be payable by WNR to the Administrative Agent for the benefit of the Credit Agreement Parties.

(b) The determination of whether any Assumed Debt Claim exists shall be based solely upon the successful assertion by the applicable Assumed Debt Parties of such Assumed Debt Claim, and the Credit Agreement Parties shall not be permitted to assert that an Assumed Debt Claim exists unless and until such
* For voting purposes only. Percentages are approximate due to rounding.

** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
Assumed Debt Claim is successfully asserted by the applicable Assumed Debt Parties; provided that, if any Assumed Debt Party asserts an Assumed Debt Claim, the foregoing shall not be construed to prevent the assertion that a Credit Agreement Claim exists if such assertion of an Assumed Debt Claim is successful.

For purposes of this Section 2(b), an Assumed Debt Claim shall be considered “successfully asserted” or shall be viewed as the subject to “successful assertion” upon the occurrence of any of the following:

(i) an express agreement, stipulation, settlement or acknowledgment by WNR that (A) acknowledges liability of WNR directly to any Assumed Debt Party in respect of such Assumed Debt Claim or (B) provides consideration from WNR to any Assumed Debt Party as a result of such Assumed Debt Claim or in exchange for an agreement, stipulation, settlement or acknowledgment that such Assumed Debt Party has no, or will not assert any, Assumed Debt Claims;

(ii) at any time after the commitments under the Credit Agreement shall have terminated as a result of the occurrence of an event of default thereunder and the Credit Agreement Obligations shall have become due and payable, any subsequent action that has the effect of treating such Assumed Debt Claim in a manner, or results in a recovery to the holders of such Assumed Debt Claim in respect of their Assumed Debt Claim, in each case as a result of the applicable Assumed Debt Agreement, that is more favorable than the treatment of, or recovery in respect of, Credit Agreement Claims (unless the holders of such Credit Agreement Claims are offered and decline such treatment or recovery), including, but not limited to payment or grant of securities to any Assumed Debt Party or the assumption of any Assumed Debt by any third party; or

(iii) a final adjudication by a court or arbitrator that WNR is liable to any Assumed Debt Party for such Assumed Debt Claim.

(c) WNR acknowledges and agrees that no occurrence or circumstance occurring after the date of this Agreement shall cause a reduction in WNR’s obligations to the Administrative Agent, for the benefit of the Credit Agreement Parties, under this Agreement, other than (i) termination of this Agreement pursuant to Section 7 hereof or (ii) the payment by WNR in cash of any Credit Agreement Claims due and owing by WNR hereunder.

SECTION 3. Obligations Absolute.

WNR’s obligations under this Agreement shall in all respects be continuing, absolute, unconditional and irrevocable, and shall remain in full force and effect until all of the Credit Agreement Obligations (other than contingent expense reimbursement and indemnification obligations) have been paid in full and all Commitments under the Credit Agreement have been terminated. WNR agrees that any Credit Agreement Claims due and owing by WNR hereunder will be paid strictly in accordance with the terms of this Agreement, the Credit Agreement and the other Loan Documents, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Company or WNR with respect thereto. The liability of WNR under this Agreement shall be absolute, unconditional and irrevocable irrespective of:

(a) any change in the time, manner, or place of payment of, or in any other term of, the Credit Agreement Obligations, the Credit Agreement or any of the other Loan Documents or any other extension, compromise or renewal of the Credit Agreement Obligations;

(b) any reduction, limitation, impairment or termination of the Credit Agreement Obligations for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
subject to (and WNR hereby waives any right to or claim of) any defense or setoff, counterclaim, recoupment, or termination whatsoever by reason of the invalidity, illegality, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, the Credit Agreement Obligations;

(c) any amendment to, rescission, waiver or other modification of, or any consent to departure from, any of the terms of Credit Agreement or any of the other Loan Documents;

(d) any addition, exchange, release, surrender or non-perfection of any collateral, or any amendment to or waiver or release or addition of, or consent to departure from, any guaranty, securing any of the Credit Agreement Obligations; or

(e) any other circumstance which might otherwise constitute a defense available to, or a legal or equitable discharge of, the Company or WNR.

SECTION 4. Continued Liability.

Notwithstanding the agreements by WNR in respect of the Credit Agreement Claims pursuant to Section 2(a), as between the Company and the holders of any Credit Agreement Obligations, the Company shall continue to be the primary obligor with respect to the Credit Agreement Obligations and the Company shall not be released from its obligations under the Credit Agreement Obligations as a result of this Agreement. In no event shall this Agreement be construed to constitute an assignment or transfer of any of the rights or obligations of the Company under the Credit Agreement or the other Loan Documents.

SECTION 5. Representations and Warranties.

WNR represents, warrants and affirms for the benefit of the Credit Agreement Parties as follows:

(a) WNR is a corporation duly organized and validly existing under the laws of the State of Washington with all requisite power and authority to own and operate its properties, to conduct its business as proposed to be conducted and to enter into and perform its obligations under this Agreement.

(b) This Agreement constitutes a legal, valid and binding obligation of WNR, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors’ rights generally.


This Agreement shall be binding upon WNR and its successors and assigns and shall inure to the benefit of the Credit Agreement Parties and their respective successors and assigns; provided, however, that (a) WNR may not assign any of its obligations or rights under this Agreement and (b) only the Administrative Agent may enforce the rights of the Credit Agreement Parties hereunder. Each of the Credit Agreement Parties is an intended beneficiary of the obligations of WNR under this Agreement and the Administrative Agent shall be entitled to commence and pursue any action or proceeding against WNR with respect to WNR’s obligations under this Agreement.

SECTION 7. Amendments; Termination.

This Agreement may not be amended, supplemented, modified or terminated without the prior written consent of the Administrative Agent (acting at the direction of the Required Lenders), WNR and the Company; provided that this Agreement shall automatically terminate upon the payment in full of all Credit Agreement Obligations.
* For voting purposes only. Percentages are approximate due to rounding.

** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
Obligations (other than contingent expense reimbursement and indemnification obligations) and the termination of all Commitments under the Credit Agreement.

SECTION 8. Counterparts.

This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging shall be effective as delivery of a manually executed counterpart of this Agreement.


Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 10. Reinstatement.

This Agreement shall continue to be effective, or be reinstated, as the case may be, if at any time (a) payment, or any part thereof, of any of the Credit Agreement Obligations is rescinded or must otherwise be restored or returned by any Credit Agreement Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Company or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Company or any substantial part of its property, or otherwise, all as though such payments had not been made or (b) (i) Credit Agreement Obligations remain outstanding and (ii) WNR enters into an Assumption Agreement in respect of Assumed Debt after this Agreement has been terminated in accordance with its terms.

SECTION 11. Headings.

Section headings used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 12. No Waiver; Remedies.

No failure on the part of the Administrative Agent to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.


(a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE JURISDICTION OF THE SUPREME COURT OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES
For voting purposes only. Percentages are approximate due to rounding.

After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

After giving effect to the Effective Date assignment and the Effective Date participations.
DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE
COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR
RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY
JUDGMENT, AND EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY
AGREES THAT ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT BROUGHT
BY IT OR ANY OF ITS AFFILIATES SHALL BE BROUGHT, AND SHALL BE HEARD AND
DETERMINED, EXCLUSIVELY IN SUCH NEW YORK STATE OR, TO THE EXTENT PERMITTED
BY LAW, IN SUCH FEDERAL COURT. EACH PARTY HERETO AGREES THAT A FINAL
JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND,
NOTWITHSTANDING THE FOREGOING, MAY BE ENFORCED IN OTHER JURISDICTIONS BY
SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.

(c) EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY
WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION THAT IT MAY
NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR
PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT IN ANY COURT
REFERRED TO IN PARAGRAPH (b) OF THIS SECTION. EACH PARTY HERETO HEREBY
IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE DEFENSE OF
AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN
ANY SUCH COURT.


EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT
PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY
LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS
AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON
CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO
REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED,
EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF
LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT
IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS
AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN
THIS SECTION 14.

[The remainder of this page is intentionally left blank.]
For voting purposes only. Percentages are approximate due to rounding.

After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

After giving effect to the Effective Date assignment and the Effective Date participations.
IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed and delivered as of the date first above written.

WEYERHAEUSER NR COMPANY

By: ____________________________
Name: 
Title: 

ACKNOWLEDGED AND AGREED TO BY:

WEYERHAEUSER COMPANY

By: ____________________________
Name: 
Title: 

ACKNOWLEDGED AND AGREED TO BY:

NORTHWEST FARM CREDIT SERVICES, PCA, as Administrative Agent

By: ____________________________
Name: 
Title: 

CHAR1:1536846v3
* For voting purposes only. Percentages are approximate due to rounding.

** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
EXHIBIT D-1
to the Term Loan Agreement

[FORM OF] U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to the Term Loan Agreement dated as of July 24, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), among Weyerhaeuser Company, a Washington corporation (the “ Borrower”), the Lenders party thereto and Northwest Farm Credit Services, PCA, as Administrative Agent (in such capacity, the “Administrative Agent”). Capitalized terms used but not otherwise defined herein shall have the meanings specified in the Credit Agreement.

Pursuant to the provisions of Section 2.16 of the Credit Agreement, the undersigned hereby certifies that (a) it is the sole record and beneficial owner of the Loan(s) (as well as any note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (b) it is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, (c) it is not a “10-percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code and (d) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable. By executing this certificate, the undersigned agrees that (a) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (b) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

[NAME OF LENDER]

By: __________________________
Name: __________________________
Title: __________________________
Date: ______________ __, 20[ _ _ ]
* For voting purposes only. Percentages are approximate due to rounding.

** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
Pursuant to the provisions of Section 2.16 of the Credit Agreement, the undersigned hereby certifies that (a) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (b) it is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, (c) it is not a “10-percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, and (d) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable. By executing this certificate, the undersigned agrees that (a) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (b) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

[NAME OF PARTICIPANT]

By: __________________________
Name: __________________________
Title: __________________________
Date: __________________________, 20[ _ _ ]
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
[FORM OF] U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to the Term Loan Agreement dated as of July 24, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), among Weyerhaeuser Company, a Washington corporation (the “Borrower”), the Lenders party thereto and Northwest Farm Credit Services, PCA, as Administrative Agent (in such capacity, the “Administrative Agent”). Capitalized terms used but not otherwise defined herein shall have the meanings specified in the Credit Agreement.

Pursuant to the provisions of Section 2.16 of the Credit Agreement, the undersigned hereby certifies that (a) it is the sole record owner of the participation in respect of which it is providing this certificate, (b) its direct or indirect partners/members are the sole beneficial owners of such participation, (c) with respect to such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (d) none of its direct or indirect partners/members “10-percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code and (e) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (a) an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, or (b) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, from each of such partner’s/member’s beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (i) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (ii) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

[NAME OF PARTICIPANT]

By: __________________________
Name: _________________________
Title: ___________________________
Date: _____________, 20[ ___ ]
* For voting purposes only. Percentages are approximate due to rounding.

** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
Pursuant to the provisions of Section 2.16 of the Credit Agreement, the undersigned hereby certifies that (a) it is the sole record owner of the Loan(s) (as well as any note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (b) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any note(s) evidencing such Loan(s)), (c) with respect to the extension of credit pursuant to the Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (d) none of its direct or indirect partners/members is a “10-percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code and (e) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (a) an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, or (b) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, from each of such partner’s/member’s beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (i) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (ii) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

[NAME OF PARTICIPANT]

By: _________________________
Name:
Title:
Date: ____________ __, 20[ _ _ ]
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
[FORM OF] COMPLIANCE CERTIFICATE

The form of this Compliance Certificate has been prepared for convenience only, and is not to affect, or to be taken into consideration in interpreting, the terms of the Credit Agreement referred to below. The obligations of the Borrower under the Credit Agreement are as set forth in the Credit Agreement, and nothing in this Compliance Certificate, or the form hereof, shall modify such obligations or constitute a waiver of compliance therewith in accordance with the terms of the Credit Agreement. In the event of any conflict between the terms of this Compliance Certificate and the terms of the Credit Agreement, the terms of the Credit Agreement shall govern and control, and the terms of this Compliance Certificate are to be modified accordingly.

Reference is made to the Term Loan Agreement dated as of July 24, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), among Weyerhaeuser Company, a Washington corporation (the “Borrower”), the Lenders party thereto and Northwest Farm Credit Services, PCA, as Administrative Agent. Capitalized terms used but not otherwise defined herein shall have the meanings specified in the Credit Agreement.

The undersigned Financial Officer of the Borrower hereby certifies as of the date hereof, in such capacity and not in a personal capacity and without personal liability, as follows:

1. I am a Financial Officer of the Borrower.

2. I have reviewed the terms of the Credit Agreement and I have made, or have caused to be made under my supervision, a review in reasonable detail of the transactions and condition of the Borrower and the Restricted Subsidiaries during the [fiscal year of the Borrower ended [ ]] [fiscal quarter of the Borrower ended [ ]] (the “Applicable Accounting Period”). I have no knowledge of the existence of any condition or event that constitutes a Default or Event of Default as of the date of this Certificate[, except as set forth in a separate attachment, if any, to this Certificate, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto]1

3. The calculations of (a) Total Adjusted Shareholders’ Equity as of the last day of the Test Period ended as of the last day of the Applicable Accounting Period, (b) Total Funded Indebtedness as of the last day of the Test Period ended as of the last day of the Applicable Accounting Period and (c) the ratio of Total Funded Indebtedness as of the last day of such Test Period to the sum of Total Adjusted Shareholders’ Equity and Total Funded Indebtedness, in each case, as of the last day of such Test Period are true and accurate as of the date of this Certificate.

1 Specify the nature and extent of any existing Default, if any, and any corrective action taken or proposed to be taken with respect thereto.
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
The foregoing certifications are made and delivered on [       ], pursuant to Section 5.01(c) of the Credit Agreement.

WEYERHAEUSER COMPANY

By: ______________________________
Name: ____________________________
Title: ____________________________
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
Total Adjusted Shareholders’ Equity: (a) - (b) - (c) - (d) =

(a) consolidated shareholders’ equity of the Borrower that would be reported as “total equity” on the consolidated balance sheet of the Borrower prepared as of the last day of the Applicable Accounting Period in accordance with GAAP: $[___]

(b) exclude any cumulative other comprehensive income (loss), in each case as reflected on the consolidated balance sheet of the Borrower prepared as of the last day of the Applicable Accounting Period in accordance with GAAP: $[___]

(c) exclude treasury common shares in the Borrower: $[___]

(d) exclude the aggregate net book value (after deducting any reserves applicable thereto) of investments in Unrestricted Subsidiaries: $[___]

Minimum Required:

Total Funded Indebtedness: (a) + (b) + (c) - (d) - (e) - (f) =

(a) Loans and any other Indebtedness of the Borrower and the Restricted Subsidiaries that would be reported as “long-term debt” on the consolidated balance sheet of the Borrower prepared as of the last day of the Applicable Accounting Period in accordance with GAAP: $[___]

(b) Any Indebtedness of the Borrower and the Restricted Subsidiaries that would be reported as “current maturities of long-term debt” on the consolidated balance sheet of the Borrower prepared as of the last day of the Applicable Accounting Period in accordance with GAAP: $[___]

(c) Any Indebtedness of the Borrower and the Restricted Subsidiaries that would be reported as “short-term debt” on the consolidated balance sheet of the Borrower prepared as of the last day of the Applicable Accounting Period in accordance with GAAP: $[___]

(d) To the extent included in (a), (b) or (c), Indebtedness of Unrestricted Subsidiaries: $[___]

(e) To the extent included in (a), (b) or (c), Indebtedness that is non-recourse to the Borrower and the Restricted Subsidiaries, including any Indebtedness reported as “long-term debt (nonrecourse to the company) held by variable interest entities” on the consolidated balance sheet of the Borrower prepared as of the last day of the Applicable Accounting Period: $[___]

(f) To the extent included in (a), (b) or (c), Indebtedness secured by Timber Installment Notes Collateral in an amount equal to at least 90% of the outstanding principal amount thereof: $[___]

Ratio of Total Funded Indebtedness to Sum of Total Adjusted Shareholders’ Equity and Total Funded Indebtedness: (a) / (b) =

(a) Total Funded Indebtedness: $[___]

(b) Sum of Total Adjusted Shareholders’ Equity and Total Funded Indebtedness: $[___]

Maximum Permitted:

65%
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
[FORM OF] Cost of Funds True-Up Certificate

Reference is made to the Term Loan Agreement dated as of July 24, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), among Weyerhaeuser Company, a Washington corporation (the “Borrower”), the Lenders party thereto and Northwest Farm Credit Services, PCA, as Administrative Agent (in such capacity, the “Administrative Agent”). Capitalized terms used but not otherwise defined herein shall have the meanings specified in the Credit Agreement.

The undersigned officer of the Administrative Agent hereby certifies as of the date hereof, in such capacity and not in a personal capacity and without personal liability, as follows:

1. As of _____________ [insert applicable date that is the third or sixth anniversary, as applicable, of the Effective Date (or on such other date approximately preceding any such anniversary as the Arrangers, the Administrative Agent and the Borrower may agree)] (the “Applicable Reset Reference Point”), and pursuant to the calculations set forth on Annex A hereto, the Current Cost of Funds is [ ] basis points, which represents an [increase/decrease] of [ ] basis points compared to the Effective Date Cost of Funds.

2. Pursuant to Section 2.14(g) of the Credit Agreement, LIBOR shall be [increased/decreased] by [ ] basis points, which [increase/decrease] shall commence from and as of the Applicable Reset Reference Point and shall remain in effect until the next Reset Reference Point; provided that in no event shall LIBOR for any Interest Period be reduced below zero.

3. The calculations set forth on Annex A hereto are true and accurate as of the Applicable Reset Reference Point.
* For voting purposes only. Percentages are approximate due to rounding.
** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.
*** After giving effect to the Effective Date assignment and the Effective Date participations.
The foregoing certifications are made and delivered on [ ], pursuant to Section 2.14(g) of the Credit Agreement.

NORTHWEST FARM CREDIT SERVICES, PCA, as Administrative Agent

By: ________________________________
Name:
Title:
* For voting purposes only. Percentages are approximate due to rounding.

** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
As of [ ] (the “Applicable Reset Reference Point”).

1. **Effective Date Cost of Funds:** (a) - (b) =

   (a) LIBOR Floating Note Rate\(^2\) as of the date that is two Business Days prior to the Effective Date:

   \[ ___ \]

   (b) LIBOR for an Interest Period of one month as of the date that is two Business Days prior to the Effective Date:

   \[ ___ \]

2. **Current Cost of Funds:** (a) - (b) =

   (a) LIBOR Floating Note Rate as of the date that is two Business Days prior to the Applicable Reset Reference Point:

   \[ ___ \]

   (b) LIBOR for an Interest Period of one month as of the date that is two Business Days prior to the Applicable Reset Reference Point:

   \[ ___ \]

   \[ Increase/Decrease \]

3. **Cost of Funds Differential:** (a) compared to (b) =

   (a) Effective Date Cost of Funds:

   \[ ___ \]

   (b) Current Cost of Funds:

   \[ ___ \]

---

1 If (a) is less than (b) for Line 1 and/or Line 2, reflect as a negative number.

2 For purposes hereof, “LIBOR Floating Note Rate” means, as of any date of determination, the estimated funding cost (not the actual sale price), including standard underwriting fees, for new three-year debt securities indexed to the one-month LIBOR Screen Rate issued by the Farm Credit Funding Corporation into the primary market based on market observations on such date indicated at approximately 9:30 a.m., Eastern time; it being understood that such indications represent the Farm Credit Funding Corporation’s best estimate of the cost of new debt issuances based on a combination of daily surveys of selected farm credit selling group members (participating bond dealers) and ongoing monitoring of the fixed income markets for actual, recent, primary market issuance by other government-sponsored of similar bonds and notes and pricing within related derivative markets, particularly the interest rate swap market. Historical information on such funding costs is available, for the prior week, on the Farm Credit Funding Corporation’s website (farmcreditfunding.com/ffcb_live/fundingCostIndex.html) under the “Output” tab of the most recent spreadsheet.
* For voting purposes only. Percentages are approximate due to rounding.

** After giving effect to an assignment on the Effective Date by Northwest Farm Credit Services, PCA of $70,000,000.00 of its Commitment to CoBank, FCB (which will become a Lender via an Assignment and Assumption dated and effective as of the Effective Date), but before giving effect to the participations on the Effective Date.

*** After giving effect to the Effective Date assignment and the Effective Date participations.
Weyerhaeuser Company and Subsidiaries

Computation of Ratios of Earnings to Fixed Charges and
Computation of Ratios of Earnings to Combined Fixed Charges and Preference Dividends
For the years-to-date ended June 30, 2017, and 2016
(Dollar amounts in millions)

<table>
<thead>
<tr>
<th>Available earnings:</th>
<th>YEAR-TO-DATE ENDED</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>JUNE 2017</td>
<td>JUNE 2016</td>
<td></td>
</tr>
<tr>
<td>Earnings from continuing operations before interest expense, amortization of debt expense and income taxes</td>
<td>$438</td>
<td>$445</td>
<td></td>
</tr>
<tr>
<td>Add: interest portion of rental expense</td>
<td>9</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Add: distributed income of equity affiliates</td>
<td>23</td>
<td>32</td>
<td></td>
</tr>
<tr>
<td>Add: undistributed (income) losses of equity affiliates and income attributable to noncontrolling interests in subsidiaries</td>
<td>—</td>
<td>(12)</td>
<td></td>
</tr>
<tr>
<td>Available earnings</td>
<td>$470</td>
<td>$473</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fixed charges:</th>
<th>YEAR-TO-DATE ENDED</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest expense and other financial charges</td>
<td>$204</td>
<td>$215</td>
<td></td>
</tr>
<tr>
<td>Interest portion of rental expense</td>
<td>9</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Total fixed charges</td>
<td>213</td>
<td>223</td>
<td></td>
</tr>
<tr>
<td>Dividends on preference shares (pretax)</td>
<td>—</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>Total fixed charges and preference dividends</td>
<td>$213</td>
<td>$250</td>
<td></td>
</tr>
<tr>
<td>Ratio of earnings to fixed charges</td>
<td>2.21</td>
<td>2.12</td>
<td></td>
</tr>
<tr>
<td>Ratio of earnings to combined fixed charges and preference dividends</td>
<td>2.21</td>
<td>1.89</td>
<td></td>
</tr>
</tbody>
</table>
CERTIFICATION PURSUANT TO RULE 13A-14(a)
Under the Securities Exchange Act of 1934

I, Doyle R. Simons, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Weyerhaeuser Company.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 28, 2017

/s/ DOYLE R. SIMONS

Doyle R. Simons
President and Chief Executive Officer
I, Russell S. Hagen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Weyerhaeuser Company.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 28, 2017

/s/ RUSSELL S. HAGEN

Russell S. Hagen
Senior Vice President and Chief Financial Officer
Pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and section 1350, chapter 63 of title 18, United States Code, each of the undersigned officers of Weyerhaeuser Company, a Washington corporation (the “Company”), hereby certifies that:

The Company's Quarterly Report on Form 10-Q dated July 28, 2017 (the “Form 10-Q”) fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ DOYLE R. SIMONS
Doyle R. Simons
President and Chief Executive Officer
Dated: July 28, 2017

/s/ RUSSELL S. HAGEN
Russell S. Hagen
Senior Vice President and Chief Financial Officer
Dated: July 28, 2017

The foregoing certification is being furnished solely pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and section 1350, chapter 63 of title 18, United States Code and is not being filed as part of the Form 10-Q or as a separate disclosure document.

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.