



2205 Washington Street / PO Box 256
Port Townsend, WA 98368

**SCHEDULE A
Second Report**

Commitment No.: **71839**

Reference No. : Anderson Creek 2
Seller : Rayonier
Buyer : TBD

Effective Date of Commitment: **February 14, 2008 at 8:00 A.M.**

Prepared For: Terra Point Services
Erica Kelly
3033 Ingram Street
Hoquiam, WA 98550

Inquiries Should be Directed to: **Jefferson Title Company**
Researched By: Susan Brandt

Your title officer for this transaction is **Susan Brandt**. If you have any questions concerning this title commitment, please do not hesitate to call me at **(360) 385-2000** or e-mail **susan@jeffersontitlecompany.com**

By _____
Susan Brandt, Title Officer

1. Policy or Policies to be issued:

(a) ALTA Owners Policy Standard

	Amount
	Cancellation Fee
	\$ TBD
	Premium \$50.00
	Tax 4.20

Proposed Insured:

TBD

2. The estate or interest in the land described or referred to in this Commitment and covered herein is **Fee Simple**.

3. Title to said estate or interest in said land is at the effective date hereof vested in:

Rayonier Forest Resources, L.P., a Washington Limited Partnership, which acquired title as Rayonier Timber Operating Company, L.P.

4. The land referred to in this Commitment is located in the County of **Jefferson**, State of **WA**, and described as follows:

Government Lots 1, 2 and that portion of Lots 7 and 8 lying North of the County Road, all in Section 1, Township 27 North, Range 13 West of the Willamette Meridian.

Situate in the County of Jefferson, State of Washington.

SCHEDULE B

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company.

- A. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records
- B. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry or persons in possession thereof.
- C. Easements, claims of easement or encumbrances which are not shown by the public records.
- D. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public record.
- E. (A) Unpatented mining claims; (B) reservations or exceptions in patents or in acts authorizing the issuance thereof; (C) water rights, claims or title to water; Whether or not the matters excepted under (A), (B), or (C) are shown by the public records; (D) Indian tribal codes or regulations, Indian Treaty or Aboriginal Rights, including easements or equitable servitudes.
- F. Any lien, or right to a lien, for services, Labor or Material therefore or hereafter furnished, imposed by law and not shown by the public records. Any lien, or right to lien, for services, labor materials or medical assistance theretofore or hereafter furnished, imposed by law and not shown by the public records.
- G. Any service installation, connection, maintenance, construction, tap or reimbursement charges/costs for sewer, water, garbage or electricity.
- H. Defects, liens encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires of record for value the estate or interest or mortgages thereon covered by this Commitment.

Special Exceptions:

1. Lien of the real estate excise sales tax and surcharge upon any sale of said premises, if unpaid. As of the date herein, the excise tax rate is 1.78%. Tax code RCW Chapter 82.45.
2. General Taxes. The first half becomes delinquent after April 30th. The second half becomes delinquent after October 31st.
 Year: 2008
 Amount Billed: \$393.94
 Amount Paid: \$0.00
 Amount Due: \$393.94, plus interest and penalty, if delinquent
 Tax Account No.: 713 013 001
 Assessed value of Land: \$201,805.00
 Assessed value of Improvement: \$0.00
 Affects: Said premises and other property
3. The lands described herein have been classified on the tax rolls as forest land pursuant to RCW 84.33, and the timber located thereon is not taxed as real property but will be subject to collection of a tax upon harvesting hereof. In the event that said property is removed from its present designation as forest land it may become liable to assessment of a compensating tax for prior years.

 Any sale or transfer of said property required completion of an application and submission to the county assessor within 60 days of such sale requesting that the classification be continued.

 Note: If the proposed transaction involves a sale of the property so classified or designated, there will be additional requirements regarding the real estate excise tax affidavit. Please contact Jefferson County Assessor or the company for additional information.
4. Reservations imposed by instrument recorded on December 17, 1985, under Recording No. 298551.
5. Record of Surveys and matters relating thereto:
 Recorded: March 11, 1974 and June 25, 2004
 Recording No. 222018 and 486204
 Volume/Page 1/21 and 27/75
6. Easement, including terms and provisions contained therein:
 Recorded: August 8, 1978
 Recording No.: 252059
 In favor of: Jefferson County
 For: Ingress and egress over an existing roadway
 Affects: Government Lot 8, Parcel A
7. Agreement and the terms and conditions thereof:
 Between: Public Utility District No. 1 of Clallam County
 And: Public Utility District No. 1 of Jefferson County
 Recorded: May 22, 1981
 Recording No.: 272422
 Regarding: To supply public utility service, including water and electricity for all uses
 Affects: Said premises and other property

8. Statement of Claim and Notice of Intent to Preserve imposed by instrument recorded on June 5, 1986, under Recording No. 301160.
9. The forthcoming transaction may require compliance with RCW 58.17 (Subdivisions) and with any county of municipal subdivision codes or ordinances. This matter is expressly excluded from coverage on the forthcoming policy(ies) pursuant to paragraph 1(A) of the exclusions from coverage.

Notes:

1. The legal description in this commitment is based on information provided with the application and the public records as defined in the policy to issue. The parties to the forthcoming transaction must notify the title insurance company prior to closing if the description does not conform to their expectations.
2. Abbreviated Legal Description:
GLS 1, 2 PTN 7 & 8 1-27-13W
3. According to the application for title insurance, title is to vest in persons not yet revealed and when so vested will then be subject to matters disclosed by a search of the records against their names.
4. The Company has been asked to issue an owner's policy without disclosure of the liability amount. This commitment shall be effective only when the amount of the policy committed for has been inserted in Schedule "A" hereof. The forthcoming policy must be issued in an amount at least equal to the full value of the estate insured in accordance with our rating schedule on file in the office of the Washington State Insurance Commissioner.

The Company may have further requirements if the undisclosed amount to be insured exceeds the current assessed valuation.

5. According to the information supplied to this company, any one of the following: W. Lee Nutter, as Chairman, President and Chief Executive Officer, Paul G. Boynton, as Senior Vice President, Timothy H. Brannon, as Senior Vice President, John P. O'Grady, as Senior Vice President, Gerald J. Pollack, as Senior Vice President and Chief Financial Officer, Parag P. Bhansali, as Vice President, William D. Ericksen, as Vice President, Jay A. Fredericksen, as Vice President, Jack M. Kriesel, as Vice President and General Manager, Charles Margiotta, as Vice President, Eric W. Schrumm, as Vice President, Hans E. Vanden Noort, Vice President and Corporate Controller, Mike Herman, Vice President, General Counsel and Assistant Secretary, Macdonald Auguste, Treasurer, W. Edwin Frazier, III, Corporate Secretary, Tracy K. Arthur, as Assistant Secretary, Timothy H. Courson, as Assistant Secretary, and Donald L. Schwendiman, as Assistant Secretary, are authorized to execute the forthcoming documents on behalf of Rayonier, Inc., a Washington Corporation. Any amendments thereto should be submitted to this company prior to closing.

Schedule C

The following are the requirements to be complied with:

1. Instruments necessary to create the estate or interest or mortgage to be insured must be properly executed, delivered and duly filed for record.
2. Investigation should be made to determine if there are any service, installation, maintenance or construction charges for sewer, water or electricity.
3. In the event this transaction fails to close, a cancellation fee will be charged for services rendered in accordance with our rate schedule.