



204 South Lincoln
 Port Angeles, WA 98362

SCHEDULE A

Commitment No.: **102883**

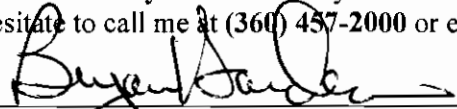
Reference No. : Umbrella Creek 3
 Seller : Rayonier Forest Resources
 Buyer : To Be Determined

Effective Date of Commitment: **January 17, 2008 at 8:00 A.M.**

Prepared For: TerraPointe Services, a Rayonier Company
 Erica Kelly
 3033 Ingram Street
 Hoquiam, WA 98550

Inquiries Should be Directed to: **Clallam Title Company**
 Researched By: Bryan Harden

Your title officer for this transaction is **Bryan Harden**. If you have any questions concerning this title commitment, please do not hesitate to call me at (360) 457-2000 or e-mail bryan@clallamtitle.com

By 
 Bryan Harden, Title Officer

1. Policy or Policies to be issued:

(a) ALTA Owners Policy Standard

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

Proposed Insured:

To Be Determined

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., formerly known as Rayonier Timberlands Operating Company, L.P., a Delaware limited partnership

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

The Southwest Quarter of the Southwest Quarter of Section 17;
 Government Lot 4; the Southeast Quarter of the Southwest Quarter; the Southwest Quarter of the Southeast Quarter; and the East half of the Southeast Quarter of Section 18;
 Government Lot 1; the Northeast Quarter of the Northwest Quarter; and the Northwest Quarter of the Northeast Quarter of Section 19;
 AND the Northwest Quarter of the Northwest Quarter of Section 20;
 ALL in Township 31 North, Range 14 West, W.M., Clallam County, Washington.

Situate in the County of Clallam, 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 0301.

2. General taxes for the year 2008, in an amount not yet available, which cannot be paid until February 15, 2008.

Tax Account No.: 143117 005000, 143118 005000, 143119 002000 and 143120 220000

Note: Taxes for 2007 were paid in full in the amount of \$38.56 + 15.17.

Affects: Portion in Section 17

Note: Taxes for 2007 were paid in full in the amount of \$137.04 + 53.39.

Affects: Portion in Section 18

Note: Taxes for 2007 were paid in full in the amount of \$184.91 + 72.17.

Affects: Portion in Section 19 and other property

Note: Taxes for 2007 were paid in full in the amount of \$45.63 + 15.17.

Affects: Portion in Section 20

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.

Recorded: October 21, 1975

Recording No.: 447798, 447799 and 447800

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 Clallam County Assessor or the company for additional information.

4. Reservations and Exceptions, including the Terms and Conditions thereof.

Reserving: Minerals

Reserved by: ITT Rayonier Incorporated

Recorded: December 17, 1985

Recording No.: 573398

5. Easement, including terms and provisions contained therein:

Recorded: October 23, 1942

Recording No.: 203016

In favor of: Clallam County

For: County road purposes

Affects: Portions in Sections 18 and 19

6. A record of Survey and matters relating thereto:

Recorded: December 14, 1995

Recording No.: 732342

Volume/Page: 34/45

Affects: Portion in Section 20

7. A record of Survey and matters relating thereto:
Recorded: December 4, 1998
Recording No.: 1998 1020193
Volume/Page: 41/15
Affects: Portion in Section 19

8. A record of Survey and matters relating thereto:
Recorded: August 1, 2000
Recording No.: 2000 1050381
Volume/Page: 45/7
Affects: Portion in Section 19

9. A record of Survey and matters relating thereto:
Recorded: March 6, 2007
Recording No.: 2007 1197207
Volume/Page: 62/85
Affects: Portion in Section 18

10. Loss or damage by reason that there appears to exist no insurable right of access to and from the land herein described to a public right-of-way. Unless this matter is solved to the satisfaction of the company, the forthcoming policy/endorsement will contain an exception to coverage for loss or damage by reason or lack of a right of access to and from the land.

11. Terms, conditions, provisions and stipulations of the partnership agreement of Rayonier Forest Resources, L.P., a Delaware limited partnership. According to the certificate of limited partnership, Rayonier Timberlands Management, LLC, a Delaware limited liability company is the general partner thereof. Any amendments to said partnership must be submitted prior to closing. Any conveyance or encumbrance of the partnership property must be executed by Rayonier Timberlands Management, LLC, a Delaware limited liability company as provided for therein.

End of Special Exceptions

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:
Ptns 17, 18, 19 & 20-31-14

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.