

PRELIMINARY TITLE REPORT

Eastside Timber

130



AMERITITLE-K FALLS
300 KLAMATH AVE/P.O. BOX 5017
KLAMATH FALLS, OR 97601

Date: September 24, 2012

Attn: CHERICE

Title Number: 0011866
Title Examiner: JUNE LIGHTLE

PRELIMINARY TITLE REPORT FOR:

REPORT NO. 1

Policy or Policies to be issued:
STANDARD OWNER'S POLICY

Liability
\$ TBD

Premium
\$ 200.00MIN

We are prepared to issue ALTA (6-17-2006), title insurance policy(ies) of Chicago Title Insurance Company in the form and amounts above, insuring the title to the land described as follows:

In the County of Lake, State of Oregon, as follows:

**Township 36 South, Range 17 East of the Willamette Meridian,
Section 36: The N½;
 The N½ of the SW¼;
 The S½ of the SE¼.**

And dated as of September 21, 2012 at 8:00 A.M., title is vested in:

RLF KLAMATH PROPERTIES, LLC

The estate or interest in the land described or referred to in this report and covered herein is:

FEE SIMPLE

This report is preliminary to the issuance of title insurance and shall become null and void unless a policy is issued and the full premium therefore paid.

Schedule B of the policy(ies) to be issued will contain the following general and special exceptions unless removed prior to issuance:

GENERAL EXCEPTIONS:

1. 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; proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
3. Easements, or claims of easement, not shown by the public records; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
4. Any encroachment (of existing improvements located on the subject land onto adjoining land or of existing improvements located on adjoining land onto subject land), encumbrance, violation, variation, or adverse circumstance affecting the title that would be disclosed by an accurate and complete land survey of the subject land.
5. Any lien, or right to a lien, for services, labor, material, equipment rental or workers compensation heretofore or hereafter furnished, imposed by law and not shown by the public records.
6. Unpatented mining claims whether or not shown by the public records.

SPECIAL EXCEPTIONS:

7. Taxes for the fiscal year 2012-2013, a lien that is not yet due or payable.
8. Reservations or exceptions in patents or in Acts authorizing the issuance thereof.
9. Rights incident to the use of any existing power, telephone lines that may cross the property and the rights of the public in public roads that may cross and/or border said property.
10. The assessment roll and the tax roll disclose that the premises herein described have been specially assessed as Forest Land Assessment. If the land becomes disqualified for the special assessment under the statute, an additional tax may be levied; in addition thereto a penalty may be levied if notice of disqualification is not timely given..
11. Ancestral Rights, if any, of descendants of aboriginal inhabitants to occupy, use and possess any portion of the premises, as reserved by treaties, understandings, practice, statutes, or judicial decisions; for food gathering, shelter, religious ceremonies, social and economic gatherings, battle fields and burial sites.
12. Easement exchange agreement, including the terms and provisions thereof, by and between Weyerhaeuser Company, a Washington corporation and Vesta R. Bean, recorded June 5, 1973, in Book 163 at Page 561, Lake County Deed Records, Oregon.
13. Memorandum of Agreement, including the terms and provisions thereof, by and between Weyerhaeuser Company, a Washington corporation, and ZX Land and Cattle Company, providing for, amongst other things, grazing leases unto said ZX Land and Cattle Company, recorded march 23, 1984, in Book 197 at Page 603, Lake County Deed Records, Oregon.

14. Easement, created by instrument, including the terms and provisions thereof, for road, being 66 feet in width, recorded April 2, 1991, in Book 217 at page 87, Lake County deed Records, Oregon. In favor of the United States of America.
15. Reservation unto Weyerhaeuser Company Foundation, it successors and assigns, all geothermal steam and heat, and all metals, ores and minerals together with all appurtenances thereto, including, but not limited to, a right of entry, as set forth in that certain Warranty Deed, including the terms and provisions thereof, from Weyerhaeuser Company Foundation, a Washington non-profit corporation, to Divided Resources, Inc., an Oregon Corporation, recorded December 17, 1993, Book 224 at Page 481, Lake County Deed Records, Oregon.
16. We are unable to ascertain from the records if the premises herein described have a means of ingress and egress to and from a legally dedicated road or highway, therefore, Notwithstanding Paragraph 4 of the insuring clauses of the policy, the policy will not insure against loss arising by reason of any lack of a right of access to and from the land.

End of Exceptions

NOTE A: Any map or sketch enclosed as an attachment herewith is furnished for information purposes only to assist in property location with reference to streets and other parcels. No representation is made as to accuracy and the company(ies) assume no liability for any loss occurring by reason of reliance thereon.

NOTE B: This report does not include a search for financing statements filed in the office of the Secretary of State, in this or any other state, and no liability is assumed if a financing statement is filed in the office of the County Clerk covering timber on the premises wherein the lands are described other than by metes and bounds or under the rectangular survey system.

NOTE C: Taxes for fiscal year 2011-2012, paid.

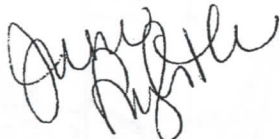
Account No.:	9653	Map No.:	3617-1700
Amount:	\$915.71	Code No.:	702

NOTE D: We find no judgments, state and/or federal tax liens on RLF Klamath Properties, LLC.

NOTE E: Any conveyance or encumbrance by RLF Klamath Properties, LLC should be executed pursuant to a proper resolution of the members voted on at a duly called meeting of the membership in accordance with the by laws or other authority of the corporation.

Certified copies of the resolution authorizing the conveyance and encumbrance and of the minutes of the meeting of the membership and copies of the by-laws or other authority for such conveyance or encumbrance should be furnished for examination.

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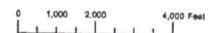
By: JUNE LIGHTLE
Title Examiner

END

MISSION STATEMENT

"Superior Service with Commitment and Respect for Customers and Employees"

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSE ONLY

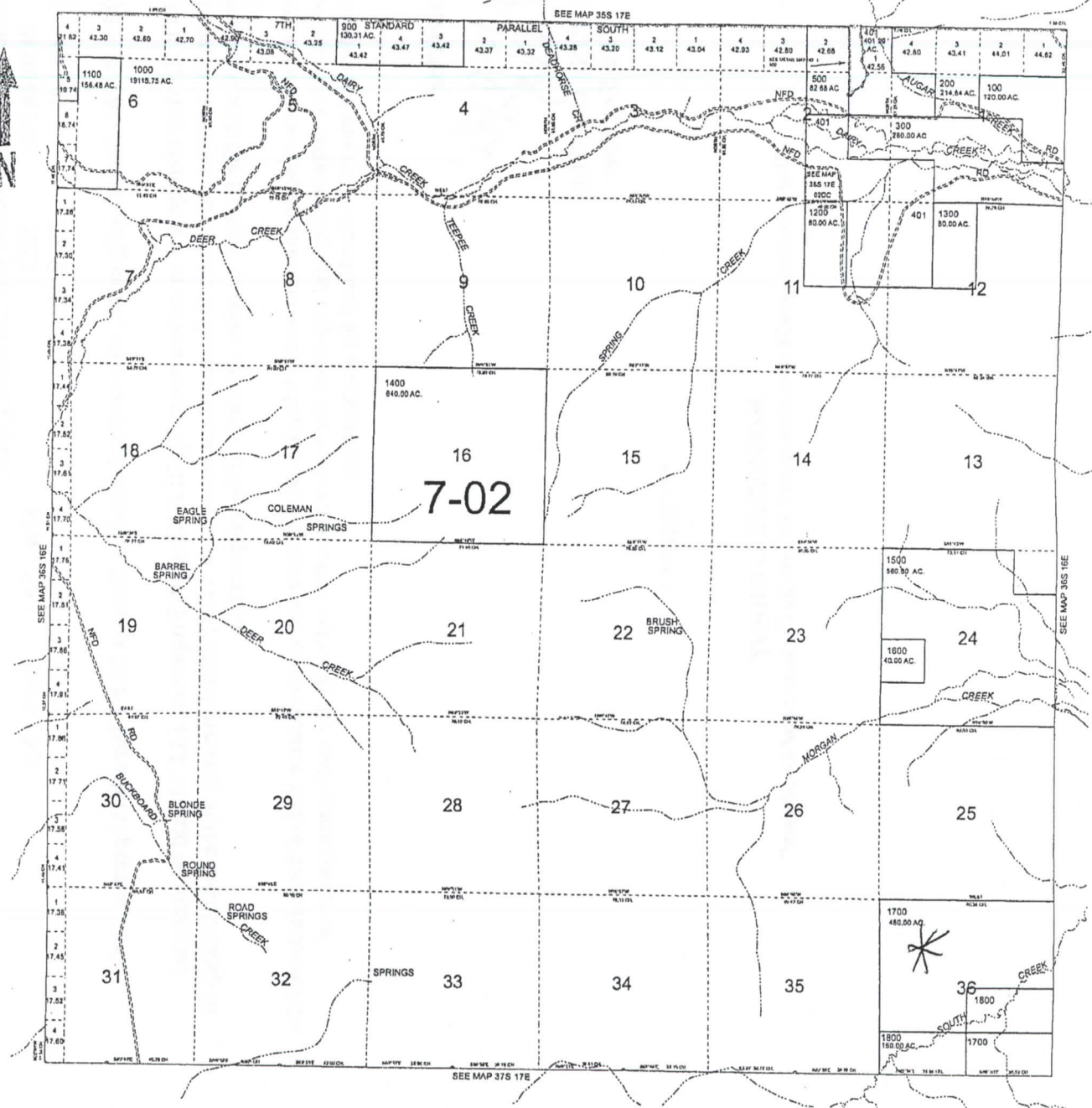


T.36S. R.17E. W.M.
LAKE COUNTY
1" = 2000'

36S 17E
CANCELLED NO.
600 THRU 802

AmeriTitle

THIS SKETCH IS MADE SOLELY FOR THE PURPOSE OF ASSISTING IN LOCATING CERTAIN PREMISES AND NO LIABILITY IS ASSUMED FOR VARIATIONS IF ANY, IN DIMENSIONS AND LOCATIONS ASCERTAINED BY ACTUAL SURVEY.



Revised: EB
10/12/2007
36S 17E