

ATTACHMENT A

CLTA Preliminary Report Form

(Rev. 11/06)

Order Number: 2303-3445692

Page Number: 1

First American Title



First American Title Company

**221 East Pine Street
Fort Bragg, CA 95437**

Escrow Officer: Bonni Mallory
Phone: (707)964-4729
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E-Mail: bmallory@firstam.com

E-Mail Loan Documents to: FortBragg.docs@firstam.com
Property: Vacant Land
, CA

PRELIMINARY REPORT

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policyforms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit A attached. *The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.* Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of JANUARY 20, 2010 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

ALTA Loan Policy 1056.06 (6-17-06)

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

USAL REDWOOD FOREST COMPANY LLC, A DELAWARE LIMITED LIABILITY COMPANY

The estate or interest in the land hereinafter described or referred to covered by this Report is:

A fee.

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2010-2011, a lien not yet due or payable.
2. Taxes for 2009-2010. Report to follow. Please verify before closing.
3. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
4. Rights of the public in and to that portion of the land lying within ANY PUBLIC ROAD OR HIGHWAY.
5. An easement for POLES AND WIRES and incidental purposes, recorded AUGUST 18, 1947 in BOOK 218, PAGE 210 of Official Records.
In Favor of: PACIFIC GAS AND ELECTRIC COMPANY
Affects: SECTION 6, 24 X 17
6. An easement for POLES AND WIRES and incidental purposes, recorded JULY 26, 1948 in BOOK 236, PAGE 212 of Official Records.
In Favor of: PACIFIC GAS AND ELECTRIC COMPANY
Affects: SECTIONS 11 AND 14, 23 X 17

7. An easement for POLES AND WIRES and incidental purposes, recorded OCTOBER 3, 1949 in BOOK 262, PAGE 4 of Official Records.
In Favor of: PACIFIC GAS AND ELECTRIC COMPANY
Affects: SECTION 11, 23 X 17
8. An easement for POLES AND WIRES and incidental purposes, recorded MARCH 10, 1953 in BOOK 339, PAGE 468 of Official Records.
In Favor of: PACIFIC GAS AND ELECTRIC COMPANY
Affects: SECTIONS 20, 29 AND 32, 24 X 17
9. An easement for WATER PIPE LINE and incidental purposes in the document recorded DECEMBER 12, 1957 in BOOK 474, PAGE 258 of Official Records.
10. An easement for STATE HIGHWAY and incidental purposes, recorded FEBRUARY 14, 1919 in Book 118 of Deeds, Page 454.
In Favor of: STATE OF CALIFORNIA
Affects: SECTION 29, 24 X 17
11. A waiver of any claims for damages by reason of the location, construction, landscaping or maintenance of a contiguous freeway, highway, roadway or transit facility as contained in the document recorded FEBRUARY 14, 1919 in BOOK 118, PAGE 454 of Deeds.
12. An easement for STATE HIGHWAY and incidental purposes, recorded JUNE 4, 1920 in LIBER 160, PAGE 42 of Deeds.
In Favor of: STATE OF CALIFORNIA
Affects: SECTION 6, 24 X 17
13. A waiver of any claims for damages by reason of the location, construction, landscaping or maintenance of a contiguous freeway, highway, roadway or transit facility as contained in the document recorded JUNE 4, 1920 in LIBER 160, PAGE 42 of Deeds.
14. An easement for STATE HIGHWAY and incidental purposes, recorded DECEMBER 9, 1930 in BOOK 58, PAGE 5 of Official Records.
In Favor of: STATE OF CALIFORNIA
Affects: SECTION 6, 24 X 17
15. A waiver of any claims for damages by reason of the location, construction, landscaping or maintenance of a contiguous freeway, highway, roadway or transit facility as contained in the document recorded DECEMBER 9, 1930 in BOOK 58, PAGE 5 of Official Records.
16. An easement for STATE HIGHWAY and incidental purposes, recorded SEPTEMBER 16, 1942 in BOOK 156, PAGE 273 of Official Records.
In Favor of: STATE OF CALIFORNIA
Affects: SECTION 6, 24 X 17
17. A waiver of any claims for damages by reason of the location, construction, landscaping or maintenance of a contiguous freeway, highway, roadway or transit facility as contained in the document recorded SEPTEMBER 16, 1942 in BOOK 156, PAGE 273 of Official Records.

18. An easement for STATE HIGHWAY and incidental purposes, recorded JUNE 9, 1931 in BOOK 62, PAGE 316 of Official Records.
In Favor of: STATE OF CALIFORNIA
Affects: SECTION 20, 24 X 17
19. A waiver of any claims for damages by reason of the location, construction, landscaping or maintenance of a contiguous freeway, highway, roadway or transit facility as contained in the document recorded JUNE 9, 1931 in BOOK 62, PAGE 316 of Official Records.
20. An easement for STATE HIGHWAY and incidental purposes, recorded NOVEMBER 2, 1944 in LIBER 180, PAGE 134 of Official Records.
In Favor of: STATE OF CALIFORNIA
Affects: SECTION 17, 24 X 17
21. A waiver of any claims for damages by reason of the location, construction, landscaping or maintenance of a contiguous freeway, highway, roadway or transit facility as contained in the document recorded NOVEMBER 2, 1944 in LIBER 180, PAGE 134 of Official Records.
22. A waiver of any claims for damages by reason of the location, construction, landscaping or maintenance of a contiguous freeway, highway, roadway or transit facility as contained in the document recorded MARCH 25, 1970 in BOOK 813, PAGE 332 of Official Records.
23. An easement for RIGHT OF WAY FOR ROAD and incidental purposes in the document recorded MAY 2, 1951 in BOOK 286, PAGE 387 of Official Records.

Terms and provisions contained in the above document.
24. An easement for RIGHT TO USE EXISTING ROADS AND CONSTRUCT AND USE ROADS and incidental purposes in the document recorded APRIL 9, 1957 in BOOK 457, PAGE 367 of Official Records.

Terms and provisions contained in the above document.
25. The terms and provisions contained in the document entitled AGREEMENT FIXING LOCATION OF BOUNDARY recorded NOVEMBER 13, 1958 in BOOK 496, PAGE 292 AND ALSO RECORDED NOVEMBER 20, 1958 IN BOOK 497, PAGE 32, BOTH of Official Records.
26. An easement for ROAD and incidental purposes in the document recorded JUNE 22, 1956 in BOOK 434, PAGE 263 of Official Records.
27. An easement for ROAD and incidental purposes in the document recorded MARCH 24, 1964 in BOOK 654, PAGE 321 of Official Records.
28. An easement for INGRESS, EGRESS AND UTILITY PURPOSES and incidental purposes in the document recorded MAY 23, 1977 in BOOK 1090, PAGE 133 of Official Records.
29. An easement for RIGHT TO CONSTRUCT AND USE A ROAD and incidental purposes in the document recorded JULY 3, 1898 in BOOK 74, PAGE 126 of Deeds.
30. An easement for RIGHT OF WAY FOR ALL PURPOSES and incidental purposes in the document recorded AUGUST 16, 1940 in BOOK 142, PAGE 351 of Official Records.

31. An easement for 40 FOOT RIGHT OF WAY and incidental purposes in the document recorded SEPTEMBER 10, 1941 in BOOK 152, PAGE 122 of Official Records.
32. An easement for PRIVATE ROAD and incidental purposes in the document recorded DECEMBER 6, 1943 in BOOK 168, PAGE 204 of Official Records.
33. An easement for ACCESS, INGRESS, EGRESS, ROADWAY and incidental purposes in the document recorded DECEMBER 13, 1944 in BOOK 178, PAGE 338 of Official Records.
34. An easement for RIGHT TO TAKE WATER AND PRIVATE ROAD and incidental purposes in the document recorded JANUARY 14, 1946 in BOOK 194, PAGE 101 of Official Records.
35. An easement for ROAD and incidental purposes in the document recorded MARCH 25, 1948 in BOOK 232, PAGE 295 of Official Records.
36. An easement for ROAD and incidental purposes in the document recorded AUGUST 21, 1948 in LIBER 238, PAGE 44 of Official Records.
37. An easement for POLES AND WIRES and incidental purposes, recorded JANUARY 10, 1949 in BOOK 242, PAGE 22 of Official Records.
In Favor of: PACIFIC GAS AND ELECTRIC COMPANY
Affects: SECTION 10, 23 X 17
38. An easement for INGRESS AND EGRESS and incidental purposes in the document recorded MAY 10, 1950 in BOOK 262, PAGE 421 of Official Records.
39. An easement for INGRESS AND EGRESS and incidental purposes in the document recorded MAY 10, 1950 in BOOK 262, PAGE 422 of Official Records.
40. An easement for INGRESS AND EGRESS and incidental purposes in the document recorded FEBRUARY 5, 1951 in BOOK 286, PAGE 49 of Official Records.
41. An easement for INGRESS AND EGRESS and incidental purposes in the document recorded AUGUST 20, 1951 in BOOK 297, PAGE 126 of Official Records.
42. An easement for RIGHT OF WAY FOR ALL PURPOSES and incidental purposes in the document recorded SEPTEMBER 21, 1951 in BOOK 299, PAGE 191 of Official Records.
43. An easement for INGRESS AND EGRESS and incidental purposes in the document recorded OCTOBER 25, 1951 in BOOK 301, PAGE 239 of Official Records.
44. An easement for INGRESS AND EGRESS and incidental purposes in the document recorded MAY 19, 1952 in BOOK 316, PAGE 391 of Official Records.
45. An easement for INGRESS AND EGRESS and incidental purposes in the document recorded FEBRUARY 15, 1952 in BOOK 309, PAGE 35 of Official Records.
46. An easement for INGRESS AND EGRESS and incidental purposes in the document recorded SEPTEMBER 29, 1952 in BOOK 327, PAGE 416 of Official Records.

47. An easement for INGRESS AND EGRESS and incidental purposes in the document recorded DECEMBER 23, 1952 in BOOK 334, PAGE 240 of Official Records.
48. An easement for RIGHT OF WAY FOR PASSAGE OF VEHICLES AND PERSONS OVER EXISTING ROAD and incidental purposes in the document recorded JULY 13, 1953 in BOOK 348, PAGE 24 of Official Records.

Document(s) declaring modifications thereof recorded MARCH 7, 1956 in BOOK 423, PAGE 250 of Official Records.
49. An easement for RIGHT TO USE AND REALIGN ROAD and incidental purposes in the document recorded MARCH 7, 1956 in BOOK 423, PAGE 252 of Official Records.
50. An easement for RIGHT TO USE EXISTING ROAD and incidental purposes in the document recorded MARCH 7, 1956 in BOOK 423, PAGE 254 of Official Records.
51. An easement for RIGHT TO USE EXISTING ROAD and incidental purposes in the document recorded MARCH 7, 1956 in BOOK 423, PAGE 260 of Official Records.
52. An easement for WATER AND TELEVISION LINES and incidental purposes in the document recorded JANUARY 27, 1958 in BOOK 477, PAGE 82 of Official Records.
53. RIGHTS FOR NON-EXCLUSIVE USE OF ROADS CONTAINED IN THAT CERTAIN DOCUMENT ENTITLED MEMORANDUM OF AGREEMENT; AND THE TERMS AND PROVISIONS CONTAINED IN THE AGREEMENT REFERRED TO,
RECORDED: DECEMBER 6, 1957, IN BOOK 473, PAGE 578, OFFICIAL RECORDS
AFFECTS: SECTIONS 19, 20, 27 AND 32, 5 X 3
54. RIGHT OF WAY, WATER RIGHTS AND RIGHTS INCIDENTAL THERETO AS CONTAINED IN THAT CERTAIN DEED:
RECORDED: APRIL 26, 1943, IN LIBER 162, PAGE 417, OFFICIAL RECORDS
AFFECTS: SECTION 10, 23 X 17
55. RIGHT OF WAY FOR INGRESS AND EGRESS, WATER RIGHTS, RIGHT TO LAY PIPE LINES AND RIGHTS INCIDENTAL THERETO AS CONTAINED IN AGREEMENT
RECORDED: OCTOBER 2, 1947 IN LIBER 228, PAGE 94, OFFICIAL RECORDS
AFFECTS: A PORTION OF SECTIONS 11 AND 14, 23 X 17
56. RIGHT TO TAKE WATER FROM SPRING; RIGHT TO INSTALL AND MAINTAIN PIPELINE AS CONTAINED IN THE DOCUMENT
RECORDED: MAY 24, 1956, BOOK 431, PAGE 419, OFFICIAL RECORDS
AFFECTS: SECTION 6, 24 X 17
57. Abutter's rights of ingress and egress to or from STATE HIGHWAY have been relinquished in the document recorded MARCH 25, 1954 in BOOK 367, PAGE 6 of Official Records.
58. An easement for INGRESS AND EGRESS and incidental purposes in the document recorded MAY 26, 1955 in BOOK 399, PAGE 597 of Official Records.

- 59. An easement for INGRESS AND EGRESS and incidental purposes in the document recorded MAY 26, 1955 in BOOK 400, PAGE 1 of Official Records.
- 60. An easement for RIGHT TO USE ROAD and incidental purposes in the document recorded AUGUST 26, 1957 in BOOK 467, PAGE 192 of Official Records.
- 61. An easement for RIGHT OF WAY FOR ALL PURPOSES and incidental purposes in the document recorded SEPTEMBER 6, 1961 in BOOK 576, PAGE 382 of Official Records.

Terms and provisions contained in the above document.

- 62. An easement for ROAD PURPOSES and incidental purposes in the document recorded APRIL 9, 1976 in BOOK 1035, PAGE 526 of Official Records.

Terms and provisions contained in the above document.

- 63. PERMITTED ENCUMBRANCES AS CONTAINED IN THE DEED FROM NORTH AMERICAN TIMBER CORP. TO HAWTHORNE TIMBER COMPANY RECORDED DECEMBER 15, 1999 AS INSTRUMENT NO. 1999-23469 OF OFFICIAL RECORDS.

- 64. An easement for ROAD PURPOSES and incidental purposes in the document recorded JUNE 28, 2001 as INSTRUMENT NO. 2001-12075 of Official Records.

Terms and provisions contained in the above document.

- 65. THE TERMS AND PROVISIONS AS SET FORTH IN THAT CERTAIN DOCUMENT RECORDED DECEMBER 15, 1999 AS 1999-23469.

AFFECTS TRACT TWO

- 66. The terms and provisions contained in the document entitled GRAND DEED recorded DECEMBER 6, 1984 as BOOK 1485, PAGE 265 of Official Records.

- 67. A deed of trust to secure an original indebtedness of \$35,000,000.00 recorded JUNE 13, 2007 as INSTRUMENT NO. 2007-10986 of Official Records.

Dated: JUNE 13, 2007
Trustor: USAL REDWOOD FOREST COMPANY LLC, A DELAWARE LIMITED LIABILITY COMPANY
Trustee: PRLAP, INC.
Beneficiary: BANC OF AMERICA E-COMMERCE HOLDINGS, INC. AND BANK OF AMERICA, N.A.

- 68. A deed of trust to secure an original indebtedness of \$20,000,000.00 recorded JUNE 13, 2007 as INSTRUMENT NO. 2007-10987 of Official Records.

Dated: JUNE 13, 2007
Trustor: USAL REDWOOD FOREST COMPANY LLC, A DELAWARE LIMITED LIABILITY COMPANY
Trustee: PRLAP, INC.
Beneficiary: BANC OF AMERICA E-COMMERCE HOLDINGS, INC. AND BANK OF AMERICA, N.A.

69. An easement for PUBLIC HIGHWAY and incidental purposes, recorded APRIL 22, 2009 as INSTRUMENT NO. 2009-05604 of Official Records.
In Favor of: STATE OF CALIFORNIA
Affects: SECTION 7, T23S, R17W
70. ANY CLAIM THAT THE TIMBER REFERRED TO IN TRACT TWO IS NOT REAL PROPERTY.
71. THE LACK OF A RIGHT OF ACCESS TO AND FROM THAT PORTION OF THE LAND DESCRIBED AS TOWNSHIP 23 NORTH, RANGE 17 WEST, SECTION 36, SW 1/4; NW 1/4 SE 1/4.
72. ANY CLAIM THAT ANY PORTION OF THE LAND IS BELOW THE ORDINARY HIGH WATER MARK WHERE IT WAS LOCATED PRIOR TO ANY ARTIFICIAL OR AVULSIVE CHANGES IN THE LOCATION OF THE SHORELINE.
73. Any rights, interests or easements in favor of the public which exist or are claimed to exist over any portion of the land covered by water.
74. Rights of parties in possession.

Prior to the issuance of any policy of title insurance, the Company will require:

75. With respect to USAL REDWOOD FOREST COMPANY LLC, a Delaware limited liability company:
- a. A copy of its operating agreement and any amendments thereto;
 - b. If it is a California limited liability company, that a certified copy of its articles of organization (LLC-1) and any certificate of correction (LLC-11), certificate of amendment (LLC-2), or restatement of articles of organization (LLC-10) be recorded in the public records;
 - c. If it is a foreign limited liability company, that a certified copy of its application for registration (LLC-5) be recorded in the public records;
 - d. With respect to any deed, deed of trust, lease, subordination agreement or other document or instrument executed by such limited liability company and presented for recordation by the Company or upon which the Company is asked to rely, that such document or instrument be executed in accordance with one of the following, as appropriate:
 - (i) If the limited liability company properly operates through officers appointed or elected pursuant to the terms of a written operating agreement, such document must be executed by at least two duly elected or appointed officers, as follows: the chairman of the board, the president or any vice president, and any secretary, assistant secretary, the chief financial officer or any assistant treasurer;
 - (ii) If the limited liability company properly operates through a manager or managers identified in the articles of organization and/or duly elected pursuant to the terms of a written operating agreement, such document must be executed by at least two such managers or by one manager if the limited liability company properly operates with the existence of only one manager.
 - e. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require