

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

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED)

April 28, 2016

RAYONIER INC.

COMMISSION FILE NUMBER 1-6780

**Incorporated in the State of North Carolina
I.R.S. Employer Identification Number 13-2607329**

**225 Water Street, Suite 1400
Jacksonville, Florida 32202
(Principal Executive Office)**

Telephone Number: (904) 357-9100

Check the appropriate box below if the form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

RAYONIER INC.
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ITEM 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

On April 28, 2016, Rayonier Inc. (“Rayonier”), Rayonier TRS Holdings Inc. (“TRS”) and Rayonier Operating Company LLC (“ROC”, collectively with Rayonier and TRS, each individually a “Borrower” and collectively, the “Borrowers”) entered into a First Amendment and Incremental Term Loan Agreement (the “Amendment Agreement”) with the several banks, financial institutions and other institutional lenders party thereto as “Lenders” (the “Lenders”) and CoBank, ACB (“CoBank”), as administrative agent (in such capacity, the “Administrative Agent”), to amend certain terms of the Credit Agreement dated August 5, 2015, among the Borrowers, the Lenders, the Administrative Agent and the other parties thereto (as amended, supplemented or otherwise modified, the “Credit Agreement”) and to provide a senior unsecured incremental term loan facility to ROC in an aggregate amount of \$300 million (the “2016 Incremental Term Loan Facility”) to be advanced by certain Lenders providing commitments under the 2016 Incremental Term Loan Facility pursuant to the terms of the Credit Agreement. On April 28, 2016, Rayonier, TRS and CoBank, as administrative agent, also entered into the 2016 Guarantee Agreement (the “2016 Guarantee Agreement”) pursuant to which Rayonier and TRS will guarantee ROC’s obligations under the 2016 Incremental Term Loan Facility.

The Credit Agreement governs the terms of the senior unsecured credit facilities established under it prior to the date hereof in the aggregate principal amount of \$550 million, consisting of a revolving credit facility in the initial amount of \$200 million, and a term loan facility in the amount of \$350 million, and the Credit Agreement will also govern the terms of the 2016 Incremental Term Loan Facility.

On April 28, 2016, ROC borrowed \$300 million under the 2016 Incremental Term Loan Facility. A portion of the proceeds were used to finance the Menasha Acquisition (as defined below) and the related fees and expenses, and the remaining portion of the proceeds will be used to repay outstanding revolving loans that have been advanced under the Credit Agreement.

The periodic interest rate on the borrowing under the 2016 Incremental Term Loan Facility or portions thereof are based, at ROC’s option, on either (1) a Eurodollar rate plus an applicable margin (currently 1.90%) based on the ratio of consolidated funded debt of Rayonier and its subsidiaries to the sum of the consolidated net worth of Rayonier and its subsidiaries plus the consolidated funded debt of Rayonier and its subsidiaries (the “Leverage Ratio”) or (2) the highest of prime rate, the federal funds rate plus ½ of 1.00%, and the one-month Eurodollar rate plus 1.00% plus the applicable margin (currently 0.90%) based on the Leverage Ratio. Interest is payable either quarterly or based on a one-, two-, three- or six-month interest period, depending on which type of interest rate is selected by ROC. The Borrowers expect to receive annual patronage refunds under the Credit Agreement from the Lenders party to the Credit Agreement that are lending institutions organized and existing pursuant to the Farm Credit Act of 1971 and under the regulation of the Farm Credit Administration. Patronage refunds are profits distributions made by a cooperative to its member-users based on the quantity or value of business done with the member-user.

All advances made under the 2016 Incremental Term Loan Facility must be paid on April 28, 2026. Advances made under the 2016 Incremental Term Loan Facility may be prepaid, without penalty (other than payment of customary breakage costs for payment of an advance accruing interest at the Eurodollar rate prior to the end of the interest period for such advance), at any time in whole or part.

The 2016 Incremental Term Loan Facility will be subject to the covenants and events of default contained in the Credit Agreement. The Credit Agreements contain financial covenants related to leverage and interest coverage, as well as other affirmative and negative covenants relating to, among other things, dividends, liens, mergers, dispositions of timber and timberlands, subsidiary debt, sales and issuances of capital stock of subsidiaries, and affiliate transactions. The Credit Agreement also contains customary events of default. If an event of default occurs and is continuing, the Lenders holding more than 50% of the outstanding amount of the commitments and advances under the credit facilities thereunder may accelerate amounts due under the Credit Agreement (except in the case of a bankruptcy or insolvency event of default, in which case such amounts shall automatically become due and payable).

Some of the Lenders and potential lenders under the Credit Agreement (and their respective subsidiaries or affiliates) have in the past provided, and may in the future provide, investment banking, underwriting, lending, commercial banking, trust and other advisory services to Rayonier and its subsidiaries and affiliates. These parties have received, and may in the future receive, customary compensation from Rayonier and its subsidiaries and affiliates for such services.

The foregoing descriptions of the Amendment Agreement and 2016 Guarantee Agreement do not purport to be a complete description and are qualified in their entirety by reference to the full text of the Amendment Agreement and 2016 Guarantee Agreement, copies of which are being filed as Exhibits 10.1 and 10.2, respectively, hereto and are incorporated herein by reference.

ITEM 2.01. COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS

On April 29, 2016, Rayonier, jointly with Forest Investment Associates (“FIA”), completed the acquisition (the “Menasha Acquisition”) of all of the outstanding common stock of Menasha Forest Products Corporation (“Menasha”). In a subsequent transaction that is expected to close in the second quarter, Rayonier and FIA will distribute the timberlands owned by Menasha to various entities, ultimately resulting in Rayonier owning an identified portfolio of 61,000 acres of the Menasha timberlands for a final purchase price of \$263 million. Rayonier financed its portion of the Menasha Acquisition with proceeds received from the Washington Disposition as described in Item 8.01 herein and with proceeds from the 2016 Incremental Term Loan Facility as described in Item 1.01 herein.

ITEM 2.03. CREATION OF A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT

The information provided in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.03.

ITEM 7.01. REGULATION FD DISCLOSURE

Beginning on May 2, 2016, and at certain other times thereafter, Rayonier intends to use or otherwise provide the presentation materials attached to this Current Report on Form 8-K as Exhibit 99.1, which exhibit is incorporated herein by reference, in connection with webcasts, presentations or other communications with various investors or securities market professionals.

The information in Item 7.01 of this Current Report on Form 8-K, including 99.1, is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any registration statement or other document filed under the U.S. Securities Exchange Act of 1933, as amended, or the Exchange Act, except as otherwise expressly dated in such filing.

ITEM 8.01. OTHER EVENTS

Washington Disposition

On April 28, 2016, Rayonier completed its disposition of approximately 55,000 acres located in Washington to FIA for a sale price of approximately \$130 million (the “Washington Disposition”). The proceeds received from the Washington Disposition were used to finance Rayonier’s portion of the Menasha Acquisition.

Press Release

On May 2, 2016, Rayonier issued a press release announcing the completion of the Menasha Acquisition and the Washington Disposition, as well as entry into the Amendment Agreement. A copy of the press release is being filed as Exhibit 99.2 hereto and is incorporated by reference herein.

ITEM 9.01.

FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits.

The following are filed as Exhibits to this Report.

<u>Exhibit No.</u>	<u>Exhibit Description</u>
10.1	First Amendment and Incremental Term Loan Agreement, dated April 28, 2016, by and among Rayonier Inc., Rayonier TRS Holdings Inc., Rayonier Operating Company LLC, as Borrowers, COBANK, ACB, as Administrative Agent and the several banks, financial institutions and other institutional lenders party thereto.
10.2	2016 Guarantee Agreement dated as of April 28, 2016 among Rayonier Inc., Rayonier TRS Holdings Inc. and COBANK, ACB, as Administrative Agent.
99.1	Presentation, dated May 2, 2016.
99.2	Press Release, dated May 2, 2016.

SIGNATURE

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 hereunto duly authorized.

RAYONIER INC. (Registrant)

BY: /s/ MARK MCHUGH

Mark McHugh

Senior Vice President and
Chief Financial Officer

May 2, 2016

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION	LOCATION
10.1	First Amendment and Incremental Term Loan Agreement, dated April 28, 2016, by and among Rayonier Inc., Rayonier TRS Holdings Inc., Rayonier Operating Company LLC, as Borrowers, COBANK, ACB, as Administrative Agent and the several banks, financial institutions and other institutional lenders party thereto.	Filed herewith.
10.2	2016 Guarantee Agreement dated as of April 28, 2016 among Rayonier Inc., Rayonier TRS Holdings Inc. and COBANK, ACB, as Administrative Agent.	Filed herewith.
99.1	Presentation, dated May 2, 2016.	Furnished herewith.
99.2	Press Release, dated May 2, 2016.	Filed herewith.

FIRST AMENDMENT AND INCREMENTAL TERM LOAN AGREEMENT

This **FIRST AMENDMENT AND INCREMENTAL TERM LOAN AGREEMENT**, dated as of April 28, 2016 (this "Agreement"), is entered into by and among **RAYONIER INC.**, a North Carolina corporation ("Rayonier"), **RAYONIER TRS HOLDINGS INC.**, a Delaware corporation ("TRS") and **RAYONIER OPERATING COMPANY LLC**, a Delaware limited liability company ("ROC"; each of Rayonier, TRS and ROC being referred to herein individually as a "Borrower", and collectively as the "Borrowers"), the several banks, financial institutions and other institutional lenders party hereto and **COBANK, ACB** ("CoBank"), as administrative agent (in such capacity, the "Administrative Agent").

PRELIMINARY STATEMENTS:

(1) The Borrowers, the Lenders party thereto and the Administrative Agent entered into that certain Credit Agreement, dated as of August 5, 2015 (as amended, supplemented or otherwise modified, the "Credit Agreement");

(2) The Borrowers have requested that (a) the Lenders and Voting Participants agree to certain amendments to the Credit Agreement as further described below and (b) certain Lenders provide Incremental Term Loan Advances with respect to an Incremental Term Loan Facility (herein designated, and hereinafter referred to, as the "2016 Incremental Term Loan Facility") to ROC in an aggregate amount equal to \$300,000,000 pursuant to the terms of Section 2.25(b) of the Credit Agreement; and

(3) The Administrative Agent and the Lenders, Voting Participants and Incremental Term Loan Lenders party hereto are willing to agree to such amendments and, in the case of the Incremental Term Loan Lenders, to establish the 2016 Incremental Term Loan Facility and provide the Incremental Term Loan Advances thereunder, as applicable, upon the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and in order to induce the parties hereto to enter into the transactions described herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the Administrative Agent, the Lenders, Voting Participants and Incremental Term Loan Lenders party hereto and the Borrowers hereby covenants and agrees as follows:

SECTION 1. Definitions. All capitalized terms not otherwise defined herein shall have the meanings attributed thereto in the Credit Agreement.

SECTION 2. Amendments to Credit Agreement. Each of the Lenders and Voting Participants party hereto and each of the Borrowers agrees that the Credit Agreement is hereby amended as follows:

(a) The following definitions are hereby added to Section 1.01 of the Credit Agreement in the appropriate alphabetical order:

"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 which is described in the EU Bail-In Legislation Schedule.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition 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.

“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.

“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.

“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.

(b) In the definition of “Defaulting Lender” in Section 1.01 of the Credit Agreement, the word “or” immediately preceding clause (d)(ii) is hereby deleted, the period at the end of such clause (d)(ii) is hereby deleted, the word “or” is inserted at the end of such clause (d)(ii) and the following new clause (d)(iii) is inserted immediately following clause (d)(ii):

(iii) become the subject of a Bail-in Action.

(c) The definition of “Guarantee Agreement” in Section 1.01 of the Credit Agreement is hereby amended in its entirety to read as follows:

“Guarantee Agreement” means, collectively, (a) the Guarantee Agreement, dated as of the Closing Date, among Rayonier, TRS and ROC, as guarantors, and CoBank, as Administrative Agent, such agreement to be substantially in the form of Exhibit C hereto and (b) the 2016 Guarantee Agreement, dated as of April 28, 2016, among Rayonier and TRS as guarantors, and CoBank, as Administrative Agent.

(d) In the definition of “Lenders” in Section 1.01 of the Credit Agreement, the following phrase is hereby inserted immediately following the first reference to “an Assignment and Assumption”:

or pursuant to Section 2.25

(e) The definition of “Term Loan Advance” in Section 1.01 of the Credit Agreement, is hereby amended in its entirety to read as follows:

“Term Loan Advance” means an advance by a Lender to ROC as part of a Term Loan Borrowing.

(f) In Section 2.02(a) of the Credit Agreement, the reference to “subsection (a) above” is hereby replaced with a reference to “this Section 2.02.”

(g) In Section 2.03(b) of the Credit Agreement, the reference to “subsection (b)” is hereby replaced with a reference to “subsection (c).”

(h) In Section 2.03(c) of the Credit Agreement, the reference to “Section 2.03(d)” is hereby replaced with a reference to “Section 2.03(e).”

(i) In Section 2.03(d) of the Credit Agreement, the reference to “subsection (d)” in the second sentence is hereby replaced with a reference to “subsection (e).”

(j) Section 2.07(a)(iii) of the Credit Agreement is hereby amended in its entirety to read as follows:

(iii) Swing Line Loans. Swing Line Loans shall bear interest at a rate per annum equal at all times to the Alternate Base Rate then in effect, plus the Applicable Margin for Revolving Credit Advances that are Alternate Base Rate Advances.

(k) In Section 2.22(a)(iv) of the Credit Agreement, the following phrase is hereby inserted at the beginning of the last sentence:

Subject to Section 8.16,

(l) In Section 2.25(b)(i) of the Credit Agreement, the following phrase is hereby inserted at the beginning of such clause (i):

Subject to Section 2.25(b)(ii),

(m) In Section 2.25(b)(ii)(B) of the Credit Agreement, in the second parenthetical, the following phrase is hereby inserted immediately following the words “need not be true and correct on any”:

Increased Amount Date or any

(n) The last sentence in Section 2.25(b) of the Credit Agreement is hereby amended in its entirety to read as follows:

On or after any Increased Amount Date on which any Incremental Term Loan Commitment becomes effective, but within the applicable availability period and subject to the foregoing terms and conditions, each Incremental Term Loan Lender with an Incremental Term Loan Commitment shall make an Incremental Term Loan Advance to the applicable Borrower in an amount equal to its Incremental Term Loan Commitment and, if then not

already a Lender, shall become a Lender hereunder with respect to such Incremental Term Loan Commitment and the Incremental Term Loan Advance made pursuant thereto.

(o) In Sections 3.02(a) and (b) of the Credit Agreement, the following phrase is hereby inserted at the beginning of each such section:

“Except as otherwise provided in any Incremental Term Loan Amendment with respect to a Borrowing of Incremental Term Loans,”

(p) The following new clause (t) is hereby inserted immediately following Section 4.01(s):

No Borrower is an EEA Financial Institution.

(q) In Section 5.01(k)(iii) of the Credit Agreement, the words “together with” are hereby deleted and replaced with the following phrase:

on the earlier of (x) the date that is five Business Days after the financial statements required under clause (i) or (ii) above, as applicable, are filed with the SEC and (y)(A) in the case of the financial statements required under clause (i) above, 50 days after the end of such Fiscal Quarter and (B) in the case of the financial statements required under clause (ii) above, 90 days after the end of such fiscal year,

(r) The following new Section 8.16 is hereby inserted immediately following Section 8.15:

Section 8.16 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 any such parties, each party hereto acknowledges that any liability of any Lender that is an EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, 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 Lender 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 undertaking, 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 3. Incremental Term Loans. This Section 3 is an Incremental Term Loan Amendment as referred to in the Credit Agreement, and each Borrower and each of the Incremental Term Loan Lenders with respect to the 2016 Incremental Term Loan Facility (each a “2016 Incremental Term Loan Lender”) identified on the signature pages hereto hereby agrees as follows:

(a) Pursuant to Section 2.25(b) of the Credit Agreement, there is hereby established under the Credit Agreement a new Class of Incremental Term Loan Commitments (each a “2016 Incremental Term Loan Commitment”) to make Incremental Term Loan Advances to ROC (the “2016 Incremental Term Loan Advances”) under the 2016 Incremental Term Loan Facility to be made by the 2016 Incremental Term Loan Lenders. The amount of the 2016 Incremental Term Loan Commitment of each 2016 Incremental Term Loan Lender is set forth opposite such 2016 Incremental Term Loan Lender’s name on Schedule I hereto. Subject to the terms and conditions set forth in Section 4 below, and in Section 2.25(b) of the Credit Agreement, each 2016 Incremental Term Loan Lender party hereto severally agrees to make an Incremental Term Loan Advance with respect to the 2016 Incremental Term Loan Facility to ROC in Dollars in one advance on the 2016 Increased Amount Date referred to below in the amount of such Lender’s 2016 Incremental Term Loan Commitment. The aggregate amount of the 2016 Incremental Term Loan Commitments is THREE HUNDRED MILLION DOLLARS (\$300,000,000) as of the 2016 Increased Amount Date.

(b) To request the Borrowing of 2016 Incremental Term Loan Advances under this Section 3, ROC shall submit a Notice of Borrowing to the Administrative Agent not later than (x) 12:00 Noon (New York City time) on the third Business Day prior to the 2016 Increased Amount Date in the case of a Borrowing to be comprised of Eurodollar Rate Advances or (y) 12:00 Noon (New York City time) on the 2016 Increased Amount Date in the case of a Borrowing to be comprised of Alternate Base Rate Advances, subject to the same requirements of a Notice of Borrowing for Revolving Credit Advances and Term Loan Advances as provided in Section 2.02 of the Credit Agreement; provided that, in the case of the initial Advance of the 2016 Incremental Term Loan Advances to be made on the 2016 Increased Amount Date, the Interest Period with respect to such Advance shall be such period as is acceptable to the Administrative Agent in its sole discretion.

(c) The closing date for the 2016 Incremental Term Loan Facility is April 28, 2016 (the “2016 Increased Amount Date”).

(d) The Maturity Date for the 2016 Incremental Term Loan Advances is April 28, 2026.

(e) A portion of the proceeds of the 2016 Incremental Term Loan Advances shall be used to finance a timberland acquisition on or within three (3) Business Days of the 2016 Increased Amount Date, including related fees and expenses, and the remaining portion of the proceeds of the 2016 Incremental Term Loan Advances shall be used to repay outstanding Revolving Credit Advances on the last day of the Interest Period applicable to such Advances as of the Increased Amount Date.

(f) The 2016 Incremental Term Loan Advances shall constitute obligations of ROC and shall be guaranteed with all Term Loan Advances on a *pari passu* basis.

(g) Each of the 2016 Incremental Term Loan Lenders party hereto and ROC hereby agrees that (a) the 2016 Incremental Term Loan Advances shall not be subject to scheduled amortization and (b) the Applicable Margins for the 2016 Incremental Term Loan Advances shall be equal to the applicable percentage set forth below corresponding to the Leverage Ratio then in effect as set forth below.

Pricing Level	Leverage Ratio	Applicable Margin for Eurodollar Rate Advances	Applicable Margin for Alternate Base Rate Advances
Level I	≤ 25%	1.775%	0.775%
Level II	> 25% but ≤ 50%	1.900%	0.900%
Level III	> 50% but ≤ 60%	2.150%	1.150%
Level IV	> 60%	2.400%	1.400%

For purposes of determining the Applicable Margin with respect to the 2016 Incremental Term Loan Advances:

(i) The Applicable Margin shall be set at Level II until receipt of the Compliance Certificate for the measurement period ending June 30, 2016 (unless any prior financial statements demonstrate that a higher Pricing Level should have been applicable during such period, in which case such higher Pricing Level shall be deemed to be applicable during such period).

(ii) The Applicable Margin shall be recomputed as of the end of each fiscal quarter ending on and after the measurement period ending on June 30, 2016 based on the Leverage Ratio as of such quarter end. Any increase or decrease in the Applicable Margin computed as of a quarter end shall be effective no later than five (5) Business Days following the date on which the certificate evidencing such computation is due to be delivered under 5.01(k)(iii) of the Credit Agreement. If a certificate is not delivered when due in accordance with such Section 5.01(k)(iii) of the Credit Agreement then the rates in Level IV shall apply as of the first Business Day after the date on which such certificate was required to have been delivered and shall remain in effect until the date on which such certificate is delivered.

(iii) If, as a result of any restatement of or other adjustment to the financial statements of Rayonier or for any other reason, Rayonier or the Lenders determine that (i) the Leverage Ratio as calculated by Rayonier as of any applicable date was inaccurate and (ii) a proper calculation of the Leverage Ratio would have resulted in higher pricing for such period, the Borrowers shall immediately and retroactively be obligated to pay to the Administrative Agent for the account of the applicable Lenders, promptly on demand by the Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to any Borrower under the Bankruptcy Code of the United

States, automatically and without further action by the Administrative Agent or any Lender), an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period. This paragraph shall not limit the rights of the Administrative Agent or any Lender, as the case may be, under Section 2.3 or Section 2.23 of the Credit Agreement.

(h) Scheduled Interest. (i) ROC shall pay interest on the unpaid principal amount of each 2016 Incremental Term Loan Advance until such principal amount shall be paid in full, at the following rates *per annum*:

(A) During such periods as a 2016 Incremental Term Loan Advance is an Alternate Base Advance, a rate per annum equal at all times to the sum of (y) the Alternate Base Rate in effect from time to time plus (z) the Applicable Margin for 2016 Incremental Loan Advances that are Alternate Base Rate Advances in effect from time to time, payable in arrears quarterly on the first Business Day of each April, July, October and January, during such periods.

(B) During such periods as a 2016 Incremental Term Loan Advance is a Eurodollar Rate Advance, a rate per annum equal at all times during each Interest Period for such Advance to the sum of (y) the Eurodollar Rate for such Interest Period for such Advance plus (z) the Applicable Margin for 2016 Incremental Term Loan Advances that are Eurodollar Rate Advances in effect from time to time, payable in arrears on the last day of such Interest Period and, if such Interest Period has a duration of more than three months, on each day that occurs during such Interest Period every three months from the first day of such Interest Period and on the date such Advance shall be Converted or paid in full.

(ii) Default Interest. At any time during which ROC shall fail (x) to pay any principal of any 2016 Incremental Term Loan Advance when the same becomes due and payable, or (y) to perform or observe any term, covenant or agreement contained in Section 5.04 of the Credit Agreement, the Administrative Agent may, and upon the request of the Required Lenders shall, require the Borrowers to pay interest ("Default Interest") on (A) the unpaid principal amount of each 2016 Incremental Term Loan Advance owing to each Lender by ROC, payable in arrears on the dates referred to in clauses (i)(A) and (i)(B) above, at a rate per annum equal at all times to 2% per annum above the rate per annum required to be paid on such 2016 Incremental Term Loan Advance pursuant to clauses (i)(A) and (i)(B) above, and (B) to the fullest extent permitted by law, the amount of any interest, fee or other amount payable hereunder that is not paid when due, from the date such amount shall be due until such amount shall be paid in full, payable in arrears on the date such amount shall be paid in full and on demand, at a rate per annum equal at all times to 2% per annum above the rate per annum required to be paid on Advances that are Alternate Base Rate Advances pursuant to Section 2.07(a)(i)(A) of the Credit Agreement, provided, however, that following acceleration of the Advances pursuant to Section 6.01 of the Credit Agreement, Default Interest shall accrue and be payable hereunder whether or not previously required by the Administrative Agent.

(i) ROC agrees that upon notice by any 2016 Incremental Term Loan Lender to ROC (with a copy of such notice to the Administrative Agent) to the effect that a Note is required or appropriate in order for such 2016 Incremental Term Loan Lender to evidence (whether for

purposes of pledge, enforcement or otherwise) the 2016 Incremental Term Loan Advances owing to, or to be made by, such 2016 Incremental Term Loan Lender, ROC shall promptly execute and deliver to such 2016 Incremental Term Loan Lender, a 2016 Incremental Term Loan Note in the form of Exhibit A attached hereto, payable to the order of such 2016 Incremental Term Loan Lender in a principal amount up to the 2016 Incremental Term Loan Commitment of such 2016 Incremental Term Loan Lender.

(j) Each 2016 Incremental Term Loan Lender party hereto agrees not to assign its 2016 Incremental Term Loan Commitment hereunder without the consent of ROC (such consent not to be unreasonably withheld or delayed and provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Agent within five (5) Business Days after having received notice thereof) unless (a) an Event of Default has occurred and is continuing at the time of such assignment or (b) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund.

SECTION 4. Conditions of Effectiveness. This Agreement shall become effective on the 2016 Increased Amount Date upon the satisfaction of the conditions precedent set forth in this Section 4:

(a) The Administrative Agent (or its counsel) shall have received from each Borrower and from each other party hereto (including the Administrative Agent, the 2016 Incremental Term Loan Lenders and such other Lenders and Voting Participants constituting the Required Lenders) an executed signature page counterpart of this Agreement.

(b) The Administrative Agent shall have received an officer's certificate from each Borrower including (i) the authorization of the execution, delivery and performance by such Borrower of this Agreement and, in the case of ROC, the borrowing of the 2016 Incremental Term Loan Advances, (ii) a certification that, after giving effect to the funding of the 2016 Incremental Term Loan Facility on a pro forma basis, Rayonier shall have a Leverage Ratio not greater than 50%, (iii) before and after giving effect to the 2016 Incremental Term Loan Advances, each of the representations and warranties in Article IV of the Credit Agreement shall be true and correct in all material respects (or if qualified by materiality or material adverse effect, in all respects) as of the 2016 Increased Amount Date, or if such representation speaks of an earlier date, as of such earlier date and (iv) no default or event of default under the Credit Agreement shall have occurred and be continuing or would result from the borrowing of the 2016 Incremental Term Loans.

(c) The Administrative Agent shall have received a duly executed copy of a guarantee agreement with respect to the 2016 Incremental Term Loan Facility in the form attached hereto as Exhibit B.

(d) Each 2016 Incremental Term Loan Lender requesting a 2016 Incremental Term Loan Note shall have received a copy of such 2016 Incremental Term Loan Note duly executed by ROC.

(e) The Administrative Agent shall have received, to the extent invoiced in reasonable detail at least one (1) Business Day prior to the 2016 Increased Amount Date, reimbursement or payment of all reasonable out of pocket expenses (including reasonable fees, charges and disbursements of Moore & Van Allen PLLC) required to be reimbursed or paid by the Borrowers pursuant to Section 8.04 of the Credit Agreement in connection with the preparation, negotiation, execution and delivery of this Agreement.

SECTION 5. Confirmation of Representations and Warranties. Each Borrower hereby represents and warrants, on and as of the date hereof, that (i) the execution, delivery and performance by such Borrower of this Agreement and the transactions contemplated hereby have been duly authorized by all corporate, stockholder, partnership or limited liability company action required to be obtained by such Borrower, and (ii) this Agreement has been duly executed and delivered by such Borrower and constitutes a legal, valid and binding obligation of such Borrower enforceable against such Borrower in accordance with its terms, subject to (1) the effects of bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other similar laws affecting creditors' rights generally, (2) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), and (3) implied covenants of good faith and fair dealing.

SECTION 6. Consent and Ratification of Guarantee. Each of the Borrowers hereby consents to the provisions of this Agreement in its capacity as a Guarantor, and ratifies the provisions of the Guarantee Agreement.

SECTION 7. Execution in Counterparts. This Agreement may be executed in counterparts (and by different parties hereto in separate 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 to this Agreement by facsimile or in electronic format (i.e., "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 8. Governing Law. This Agreement and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement and the transactions contemplated hereby shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 9. 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 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 PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON 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 10. Jurisdiction; Consent to Service of Process.

(a) Each Borrower irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any Lender or any Related Party of the foregoing in any way relating to this Agreement or the transactions relating hereto, in any forum other than the courts of the State of New York sitting in the Borough of Manhattan, and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation

or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by applicable law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against any Borrower or any other Loan Party or its properties in the courts of any jurisdiction.

(b) Each Borrower irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (a) of this Section 10. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

[Remainder of Page Intentionally Left Blank]

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 written above.

RAYONIER INC.

By /s/ ANDREW K. FRICKE
Name: Andrew K. Fricke
Title: Treasurer

RAYONIER OPERATING COMPANY LLC

By /s/ ANDREW K. FRICKE
Name: Andrew K. Fricke
Title: Treasurer

RAYONIER TRS HOLDINGS INC.

By /s/ ANDREW K. FRICKE
Name: Andrew K. Fricke
Title: Treasurer

COBANK, ACB, as Administrative Agent

By /s/ ZACHARY CARPENTER

Name: Zachary Carpenter

Title: Vice President

COBANK, FCB, as Lender

By /s/ ZACHARY CARPENTER

Name: Zachary Carpenter

Title: Vice President

RAYONIER INC.
FIRST AMENDMENT AND INCREMENTAL TERM LOAN AMENDMENT

AMERICAN AGCREDIT, PCA, as a Lender and a 2016 Incremental Term Loan Lender

By /s/ MICHAEL J. BALOK
Name: Michael J. Balok
Title: Vice President

RAYONIER INC.
FIRST AMENDMENT AND INCREMENTAL TERM LOAN AMENDMENT

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as a Lender

By /s/ CHRISTOPHER DAY

Name: Christopher Day

Title: Authorized Signatory

By /s/ MAX WALLINS

Name: Max Wallins

Title: Authorized Signatory

RAYONIER INC.
FIRST AMENDMENT AND INCREMENTAL TERM LOAN AMENDMENT

FARM CREDIT OF FLORIDA, ACA, as a Lender and a 2016 Incremental Term Loan Lender

By /s/ MARCUS A. BOONE

Name: Marcus A. Boone

Title: Senior Vice President &
Chief Lending Officer

RAYONIER INC.
FIRST AMENDMENT AND INCREMENTAL TERM LOAN AMENDMENT

FARM CREDIT SERVICES OF AMERICA, PCA, as a Lender and a 2016 Incremental Term Loan Lender

By /s/ BRUCE DEAN
Name: Bruce Dean
Title: Vice President

RAYONIER INC.
FIRST AMENDMENT AND INCREMENTAL TERM LOAN AMENDMENT

JPMORGAN CHASE BANK, N.A., as a Lender

By /s/ ANTJE FOCKE
Name: Antje Focke
Title: Executive Director

RAYONIER INC.
FIRST AMENDMENT AND INCREMENTAL TERM LOAN AMENDMENT

SUNTRUST BANK, as a Lender

By /s/ CHRIS HURSEY
Name: Chris Hursey
Title: Director

RAYONIER INC.
FIRST AMENDMENT AND INCREMENTAL TERM LOAN AMENDMENT

1ST FARM CREDIT SERVICES, FLCA, as a Voting Participant

By /s/ LEE FUCHS

Name: Lee Fuchs

Title: Vice President, Capital Markets Group

RAYONIER INC.
FIRST AMENDMENT AND INCREMENTAL TERM LOAN AMENDMENT

AGFIRST FARM CREDIT BANK, as a Voting Participant

By /s/ STEVEN J O'SHEA
Name: Steven J O'Shea
Title: Vice President

RAYONIER INC.
FIRST AMENDMENT AND INCREMENTAL TERM LOAN AMENDMENT

AGSTAR FINANCIAL SERVICES, FLCA, as a Voting Participant

By /s/ GRAHAM J. DEE

Name: Graham J. Dee

Title: Vice President Capital Markets

RAYONIER INC.
FIRST AMENDMENT AND INCREMENTAL TERM LOAN AMENDMENT

FARM CREDIT BANK OF TEXAS, as a Voting Participant

By /s/ LUIS M. H. REQUEJO
Name: Luis M. H. Requejo
Title: Director Capital Markets

RAYONIER INC.
FIRST AMENDMENT AND INCREMENTAL TERM LOAN AMENDMENT

FARM CREDIT EAST, ACA, as a Voting Participant

By /s/ KERRI B. SEARS
Name: Kerri B. Sears
Title: Vice President

RAYONIER INC.
FIRST AMENDMENT AND INCREMENTAL TERM LOAN AMENDMENT

FARM CREDIT MID-AMERICA, FLCA, as a Voting Participant

By /s/ RALPH M. BOWMAN
Name: Ralph M. Bowman
Title: Vice President

RAYONIER INC.
FIRST AMENDMENT AND INCREMENTAL TERM LOAN AMENDMENT

FARM CREDIT WEST, FLCA, as a Voting Participant

By /s/ ROBERT STORNETTA
Name: Robert Stornetta
Title: Vice President

RAYONIER INC.
FIRST AMENDMENT AND INCREMENTAL TERM LOAN AMENDMENT

NORTHWEST FARM CREDIT SERVICES, FLCA, as a Voting Participant

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

RAYONIER INC.
FIRST AMENDMENT AND INCREMENTAL TERM LOAN AMENDMENT

UNITED FCS d/b/a FCS COMMERCIAL FINANCE GROUP, as a Voting Participant

By /s/ LISA CASWELL
Name: Lisa Caswell
Title: Vice President

RAYONIER INC.
FIRST AMENDMENT AND INCREMENTAL TERM LOAN AMENDMENT

SCHEDULE I

2016 INCREMENTAL TERM LOAN COMMITMENT AMOUNTS

2016 Incremental Term Loan Lender	2016 Incremental Term Loan Commitment
American AgCredit, PCA	\$6,000,000.00
Farm Credit of Florida, ACA*	\$279,000,000.00
Farm Credit Services of America, PCA	\$15,000,000.00
TOTAL	\$300,000,000.00

* Farm Credit of Florida is assigning \$274,000,000 of its 2016 Incremental Term Loan Commitment to CoBank, FCB on the 2016 Increased Amount Date.

EXHIBIT A

FORM OF

2016 INCREMENTAL TERM LOAN NOTE

Dated: _____, 2016

FOR VALUE RECEIVED, the undersigned, Rayonier Operating Company LLC, a Delaware limited liability company (the "Borrower"), HEREBY PROMISES TO PAY to the order of _____ (the "Lender") for the account of its Applicable Lending Office (as defined in the Credit Agreement) on the Maturity Date (as defined in the Incremental Term Loan Agreement referred to below) the principal amount of each 2016 Incremental Term Loan Advance from time to time made by the Lender to the Borrower pursuant to (a) the Credit Agreement, dated as of August 5, 2015, among Rayonier Inc., Rayonier TRS Holdings, Inc. and Rayonier Operating Company LLC, as borrowers, the lenders parties thereto and CoBank, ACB, as Issuing Bank, Swing Line Lender and Administrative Agent for the Lender and such other lenders (as amended or modified from time to time, the "Credit Agreement") and (b) the First Amendment and Incremental Term Loan Agreement, dated as of April [], 2016, (the "Incremental Term Loan Agreement"; capitalized terms used herein and not defined herein shall have the meanings given to such terms in the Credit Agreement or Incremental Term Loan Agreement, as applicable), among Rayonier Inc., Rayonier TRS Holdings Inc. and Rayonier Operating Company LLC, as borrowers, the Lender and certain other lenders party thereto and CoBank, ACB as Administrative Agent.

The Borrower promises to pay interest on the unpaid principal amount of each 2016 Incremental Term Loan Advance from the date of such 2016 Incremental Term Loan Advance until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Credit Agreement and the Incremental Term Loan Agreement, as applicable.

Both principal and interest are payable in lawful money of the United States of America to CoBank, as Administrative Agent, at the Administrative Agent's Account, in same day funds. Each 2016 Incremental Term Loan Advance made by the Lender to the Borrower pursuant to the Credit Agreement or the Incremental Term Loan Agreement, as applicable, and all payments made on account of principal thereof, shall be recorded by the Lender and, prior to any transfer hereof, may be endorsed on the grid attached hereto which is part of this 2016 Incremental Term Loan Note.

This 2016 Incremental Term Loan Note is one of the Notes referred to in, and is entitled to the benefits of, the Credit Agreement and the Incremental Term Loan Agreement. The Credit Agreement and the Incremental Term Loan Agreement, among other things, (i) provide for the making of 2016 Incremental Term Loan Advances by the Lender to the Borrower from time to time, the indebtedness of the Borrower resulting from each such 2016 Incremental Term Loan Advance being evidenced by this Term Loan Note and (ii) contain provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

The Borrower hereby waives presentment, demand, protest and notice of any kind. No failure to exercise, and no delay in exercising, any rights hereunder on the part of the holder hereof shall operate as a waiver of such rights.

This 2016 Incremental Term Loan Note shall be governed by, and construed in accordance with, the laws of the State of New York.

RAYONIER OPERATING COMPANY LLC

By _____
Name:
Title:

EXHIBIT B

2016 GUARANTEE AGREEMENT

2016 GUARANTEE AGREEMENT dated as of April 28, 2016 (this "Agreement"), among (a) RAYONIER INC., a North Carolina corporation ("Rayonier"), (b) RAYONIER TRS HOLDINGS INC., a Delaware corporation ("TRS") and (c) COBANK, ACB, as administrative agent (the "Administrative Agent") for the Guaranteed Parties (as defined below).

Reference is made to (a) the Credit Agreement dated as of August 5, 2015 (as amended, supplemented or otherwise modified, the "Credit Agreement"), among Rayonier, TRS and RAYONIER OPERATING COMPANY LLC, a Delaware limited liability company ("ROC"), as borrowers, the lenders from time to time party thereto (the "Lenders") and CoBank, ACB, as Issuing Bank (the "Issuing Bank"), as Swing Line Lender (the "Swing Line Lender") and as Administrative Agent and (b) the First Amendment and Incremental Term Loan Agreement dated as of April 28, 2016 (the "Incremental Term Loan Agreement"), among Rayonier, TRS and ROC, as borrowers, the Lenders party thereto, the 2016 Incremental Term Loan Lenders from time to time party thereto (as defined in the Incremental Term Loan Agreement) and CoBank, ACB as Administrative Agent.

Capitalized terms used and not defined herein have the meanings assigned to them in the Credit Agreement or the Incremental Term Loan Agreement, as applicable.

It is a condition precedent to the effectiveness of the Incremental Term Loan Agreement that the Guarantors (as defined below) execute and deliver this Agreement.

Each of the Guarantors is a Borrower under (and as defined in) the Credit Agreement and acknowledges that it will derive substantial benefit from the making of the 2016 Incremental Term Loan Advances by the 2016 Incremental Term Loan Lenders.

Accordingly, the parties hereto agree as follows:

1. *Certain Defined Terms.* In addition to words and terms defined elsewhere in this Agreement, the following words and terms shall have the following meanings, respectively, unless the context hereof clearly requires otherwise:

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"Excluded Hedge Obligation" means, with respect to any Guarantor, any Hedge Obligation if, and to the extent that, all or a portion of the Guarantee of such Guarantor of such Hedge Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's failure for any reason not to constitute an "eligible contract participant" as defined in the Commodity Exchange Act (determined after giving effect to Section 21 and any other "keepwell, support or other agreements" for the benefit of such Guarantor) at the time the Guarantee of, or the grant of such security interest by, such

Guarantor becomes effective with respect to such related Hedge Obligation. If a Hedge Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Hedge Obligation that is attributable to swaps for which such Guarantee or grant of security interest is or becomes illegal.

“Hedge Obligation” means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act.

“Qualified ECP Guarantor” means, in respect of any Hedge Obligation, each Guarantor that has total assets exceeding \$10,000,000 at the time the relevant Guarantee or grant of security interest becomes effective with respect to such Hedge Obligation or such other Person as constitutes an “eligible contract participant” under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another Person to qualify as an “eligible contract participant” at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

2. *Guarantee.* Each of Rayonier and TRS (collectively, the “Guarantors”) unconditionally guarantees, jointly with each other Guarantor and severally, as a primary obligor and not merely as a surety, (i) the due and punctual payment by ROC of (x) the principal of and premium, if any, 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 2016 Incremental Term Loan Advances made to ROC, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise and (y) all other monetary obligations, including fees, costs, expenses and indemnities, 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), of ROC to the Administrative Agent and each Lender under the 2016 Incremental Term Loan Facility established under the Incremental Term Loan Agreement and the other Loan Documents (collectively, the “Guaranteed Parties”), whether such amounts shall have accrued prior to, on or after the 2016 Increased Amount Date and (ii) the due and punctual payment and performance of all covenants, agreements, obligations and liabilities of ROC, monetary or otherwise, under or pursuant to the 2016 Incremental Term Loan Facility established under the Credit Agreement and the other Loan Documents (all the monetary and other obligations referred to in the preceding clauses (i) and (ii) being collectively called the “Obligations”). For the avoidance of doubt, the Obligations shall not include any Excluded Hedge Obligation.

Anything contained in this Agreement to the contrary notwithstanding, the obligations of TRS hereunder shall be limited to a maximum aggregate amount equal to the greatest amount that would not render such obligations subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Code or any provisions of applicable law (collectively, the “Fraudulent Transfer Laws”), in each case after giving effect to all other liabilities of TRS contingent or otherwise, that are relevant under the Fraudulent Transfer Laws and after giving effect as assets to the value (as determined under the applicable provisions of the Fraudulent Transfer Laws) of any rights to subrogation, contribution, reimbursement, indemnity or similar rights of TRS

pursuant to (i) applicable law, or (ii) any agreement providing for an equitable allocation among TRS and other Affiliates of Rayonier of obligations arising under Guarantees by such parties.

Each Guarantor further agrees that the Obligations may be extended or renewed, in whole or in part, without notice to or further assent from it, and that it will remain bound upon its guarantee notwithstanding any extension or renewal of any Obligation.

3. *Obligations Not Waived.* To the fullest extent permitted by applicable law, each Guarantor waives presentment to, demand of payment from and protest to ROC and any other guarantor of any of the Obligations, and also waives notice of acceptance of its guarantee and notice of protest for nonpayment. To the fullest extent permitted by applicable law, the obligations of each Guarantor hereunder shall not be affected by, and each Guarantor hereby waives any defense arising by reason of, (i) the failure of the Administrative Agent or any other Guaranteed Party to assert any claim or demand or to enforce or exercise any right or remedy against ROC or any other guarantor under the provisions of the Credit Agreement, the Incremental Term Loan Agreement any other Loan Document or otherwise, (ii) any rescission, waiver, amendment or modification of, or any release from any of the terms or provisions of this Agreement, any other Loan Document, any Guarantee or any other agreement, including with respect to any other Guarantor under this Agreement, or (iii) the failure to take or perfect any security interest in, or the release of, any collateral security held by or on behalf of any Guaranteed Party.

4. *Guarantee of Payment.* Each Guarantor further agrees that its guarantee constitutes a guarantee of payment when due and not of collection, and waives any right to require that any resort be had by the Administrative Agent or any other Guaranteed Party to any collateral security held for payment of the Obligations or any balance of any deposit or other account or credit on the books of the Administrative Agent or any other Guaranteed Party in favor of ROC or any other person.

5. *No Discharge or Diminishment of Guarantee.* The obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason (other than the indefeasible payment in full in cash of ROC's Obligations except contingent indemnification and reimbursement obligations, which pursuant to Section 8.04(f) of the Credit Agreement shall survive the termination of the Loan Documents and the payment in full of all obligations referred to in such Section 8.04(f)), including any claim of waiver, release, surrender, alteration or compromise of any of ROC's Obligations, and shall not be subject to any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of such Obligations, any law or regulation of any jurisdiction or any other event affecting any term of a Obligation or any other circumstance that might constitute a defense of ROC or any Guarantor. Without limiting the generality of the foregoing, the obligations of each Guarantor hereunder shall not be discharged or impaired or otherwise affected by the failure of the Administrative Agent or any other Guaranteed Party to assert any claim or demand or to enforce any remedy under the Credit Agreement, the Incremental Term Loan Agreement, any other Loan Document or any other agreement, by any waiver or modification of any provision of any thereof, by any default, failure or delay, willful or otherwise, in the performance of ROC's Obligations, or by any other act or omission that may or might in any manner or to any extent vary the risk of any

Guarantor or that would otherwise operate as a discharge of each Guarantor as a matter of law or equity (other than the indefeasible payment in full in cash of all of ROC's Obligations), and each Guarantor hereby waives any defense arising by reason of any of the foregoing actions.

6. *Defenses of Borrower Waived.* To the fullest extent permitted by applicable law, each of the Guarantors waives any defense based on or arising out of any defense of ROC or the unenforceability of ROC's Obligations or any part thereof from any cause or the cessation from any cause of the liability of ROC (other than the final and indefeasible payment in full in cash of ROC's Obligations except contingent indemnification and reimbursement obligations, which pursuant to Section 8.04(f) of the Credit Agreement shall survive the termination of the Loan Documents and the payment in full of all obligations referred to in such Section 8.04(f)). The Administrative Agent and the other Guaranteed Parties may, at their election, foreclose on any collateral security held by one or more of them by one or more judicial or nonjudicial sales, accept an assignment of any such collateral security in lieu of foreclosure, compromise or adjust any part of ROC's Obligations, make any other accommodation with ROC or any other guarantor or exercise any other right or remedy available to them against ROC or any other guarantor, without affecting or impairing in any way the liability of any Guarantor hereunder except to the extent ROC's Obligations have been fully, finally and indefeasibly paid in cash. Pursuant to applicable law, each of the Guarantors waives any defense arising out of any such election even though such election operates, pursuant to applicable law, to impair or to extinguish any right of reimbursement or subrogation or other right or remedy of such Guarantor against ROC, any other Guarantor or guarantor, as the case may be, or any collateral security.

7. *Agreement to Pay; Subordination.* In furtherance of the foregoing and not in limitation of any other right that the Administrative Agent or any other Guaranteed Party has at law or in equity against any Guarantor by virtue hereof, each Guarantor hereby agrees that, upon the failure of ROC to pay any of its Obligations when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, such Guarantor hereby promises to and will forthwith pay, or cause to be paid, to the Administrative Agent or such other Guaranteed Party as designated thereby in cash the amount of such unpaid Obligations. Upon payment by any Guarantor of any sums to the Administrative Agent or any Guaranteed Party as provided above, all rights of such Guarantor against ROC arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subordinate and junior in right of payment to the prior indefeasible payment in full in cash of all ROC's Obligations. In addition, any indebtedness of ROC now or hereafter held by any Guarantor is hereby subordinated in right of payment to the prior payment in full of the Obligations during the existence of an Event of Default. If any amount shall erroneously be paid to any Guarantor on account of (i) such subrogation, contribution, reimbursement, indemnity or similar right, or (ii) any such indebtedness of ROC, such amount shall be held in trust for the benefit of the Guaranteed Parties and shall forthwith be paid to the Administrative Agent to be credited against the payment of ROC's Obligations, whether matured or unmatured, in accordance with the terms of the Loan Documents.

8. *Information.* Each of the Guarantors assumes all responsibility for being and keeping itself informed of ROC's financial condition and assets, all other circumstances bearing upon the risk of nonpayment of ROC's Obligations and the nature, scope and extent of the risks that such

Guarantor assumes and incurs hereunder, and agrees that none of the Administrative Agent or the other Guaranteed Parties will have any duty to advise any of the Guarantors of information known to it or any of them regarding such circumstances or risks.

9. *Representations and Warranties; Taxes.* Each of the Guarantors represents and warrants as to itself that all representations and warranties relating to it contained in the Credit Agreement or any other Loan Document are true and correct in all material respects except for representations and warranties which by their terms refer to an earlier date (in which case such representations and warranties shall be true and correct in all material respects as of such earlier date) and except for representations and warranties which are qualified by materiality (in which case such representations and warranties shall be true and correct). Each Guarantor agrees that the provisions of Section 2.15 of the Credit Agreement shall apply equally to each Guarantor with respect to the payments made by it hereunder.

10. *Termination.* The Guarantees made by the Guarantors hereunder with respect to the Obligations (i) shall terminate when all the Obligations except contingent indemnification and reimbursement obligations, which pursuant to Section 8.04(f) of the Credit Agreement shall survive the termination of the Loan Documents and the payment in full of all obligations referred to in such Section 8.04(f), have been indefeasibly paid in full and the Lenders have no further commitment to lend under the Credit Agreement, and (ii) shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Obligation is rescinded or must otherwise be restored by any Guaranteed Party or any Guarantor upon the bankruptcy or reorganization of ROC or any Guarantor or otherwise.

11. *Binding Effect; Several Agreement; Assignments.* Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the Guarantors that are contained in this Agreement shall bind and inure to the benefit of each party hereto and their respective successors and assigns. This Agreement shall become effective as to any Guarantor when a counterpart hereof executed on behalf of such Guarantor shall have been delivered to the Administrative Agent and a counterpart hereof shall have been executed on behalf of the Administrative Agent, and thereafter this Agreement shall be binding upon, and inure to the benefit of such Guarantor the Administrative Agent and the other applicable Guaranteed Parties and their respective successors and assigns, except that no Guarantor may assign or otherwise transfer any of its rights or obligations hereunder or any interest herein (except in connection with any transaction permitted by Section 5.03(c) or Section 5.03(d) of the Credit Agreement) (and any such attempted assignment or transfer by any party hereto shall be null and void). This Agreement shall be construed as a separate agreement with respect to each Guarantor and may be amended, modified, supplemented, waived or released with respect to any Guarantor without the approval of any other Guarantor and without affecting the obligations of any other Guarantor hereunder.

12. *Waivers; Amendment.* (a) No failure or delay of the Administrative Agent in exercising any power or right hereunder 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 hereunder and of the other Guaranteed Parties 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 this Agreement or consent to any departure by any Guarantor therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on any Guarantor in any case shall entitle such Guarantor to any other or further notice or demand in similar or other circumstances.

Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to a written agreement entered into between the Guarantors with respect to which such waiver, amendment or modification relates and the Administrative Agent, with the prior written consent of the Required Lenders (except as otherwise provided in the Credit Agreement).

13. *Governing Law.* This Agreement and the other Loan Documents and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Loan Document (except, as to any other Loan Document, as expressly set forth therein) and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, the law of the State of New York.

14. *Notices.* All communications and notices hereunder shall be in writing and given as provided in Section 8.02 of the Credit Agreement.

15. *Survival of Agreement; Severability.* (a) All covenants, agreements, representations and warranties made by the Guarantors herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the Administrative Agent and the other Guaranteed Parties and shall survive the making by the Lenders of the 2016 Incremental Term Loan Advances regardless of any investigation made by the Guaranteed Parties or on their behalf, and shall continue in full force and effect as long as the principal of or any accrued interest on any 2016 Incremental Term Loan Advance or any other fee or amount payable under this Agreement or any other Loan Document is outstanding and unpaid, or the 2016 Incremental Term Loan Commitments have not been terminated.

(b) In the event any one or more of the provisions contained in this Agreement or in any other Loan Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

16. *Counterparts.* This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract, and shall become effective as provided in Section 10. Delivery of an executed counterpart of a signature

page of this Agreement by facsimile or in electronic (i.e., “pdf” or “tif”) format shall be effective as delivery of a manually executed counterpart of this Agreement.

17. *Rules of Interpretation.* The rules of interpretation specified in Article I of the Credit Agreement shall be applicable to this Agreement.

18. *Jurisdiction; Consent to Service of Process.* (a) Each Guarantor irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any Guaranteed Party, the Issuing Bank, or any Related Party of the foregoing in any way relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of New York sitting in the Borough of Manhattan, and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by applicable law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent, any Guaranteed Party or the Issuing Bank may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Guarantor or such Person’s properties in the courts of any jurisdiction.

(b) Each Guarantor irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in clause (a) of Section 18 of this Agreement. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party hereto irrevocably consents to service of process at the address provided for notices in Section 14. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by applicable law.

19. *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 OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON 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 AND THE OTHER

LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 19.

20. *Right of Setoff.* If an Event of Default shall have occurred and be continuing, each Guaranteed Party is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held, and other obligations (in whatever currency) at any time owing, by such Guaranteed Party or any such Affiliate, to or for the credit or the account of any Guarantor against any and all of the obligations of such Guarantor now or hereafter existing under this Agreement or any other Loan Document to such Guaranteed Party or their respective Affiliates, irrespective of whether or not such Guaranteed Party or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of such Guarantor may be contingent or unmatured or are owed to a branch, office or Affiliate of such Guarantor different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness. The rights of each Guaranteed Party and their respective Affiliates under this Section 20 are in addition to other rights and remedies (including other rights of set-off) that such Guaranteed Party or their respective Affiliates may have.

21. *Keepwell.* Each Borrower and each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support to each other Guarantor as may be needed by such Guarantor from time to time to honor all of its obligations under this Agreement and the other Loan Documents to which it is a party with respect to Hedge Obligations that would, in the absence of the agreement in this Section 21, otherwise constitute Excluded Hedge Obligations (but, in each case, only up to the maximum amount of such liability that can be hereby incurred without rendering such Borrowers' and such Qualified ECP Guarantors' obligations and undertakings under this Section voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations and undertakings of the Borrowers and the Qualified ECP Guarantors under this Section 21 shall remain in full force and effect until the Revolving Credit Obligations and the Term Loan Obligations have been indefeasibly paid and performed in full. The Borrowers and the Qualified ECP Guarantors intend this Section 21 to constitute, and this Section 21 shall be deemed to constitute, a guarantee of the obligations of, and a "keepwell, support, or other agreement" for the benefit of, each Guarantor for all purposes of the Commodity Exchange Act.

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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

GUARANTORS: RAYONIER INC.

By _____

Name:

Title:

RAYONIER TRS HOLDINGS INC.

By _____

Name:

Title:

COBANK, ACB, as Administrative Agent

By: _____

Name:

Title:

2016 GUARANTEE AGREEMENT

2016 GUARANTEE AGREEMENT dated as of April 28, 2016 (this "Agreement"), among (a) RAYONIER INC., a North Carolina corporation ("Rayonier"), (b) RAYONIER TRS HOLDINGS INC., a Delaware corporation ("TRS") and (c) COBANK, ACB, as administrative agent (the "Administrative Agent") for the Guaranteed Parties (as defined below).

Reference is made to (a) the Credit Agreement dated as of August 5, 2015 (as amended, supplemented or otherwise modified, the "Credit Agreement"), among Rayonier, TRS and RAYONIER OPERATING COMPANY LLC, a Delaware limited liability company ("ROC"), as borrowers, the lenders from time to time party thereto (the "Lenders") and CoBank, ACB, as Issuing Bank (the "Issuing Bank"), as Swing Line Lender (the "Swing Line Lender") and as Administrative Agent and (b) the First Amendment and Incremental Term Loan Agreement dated as of April 28, 2016 (the "Incremental Term Loan Agreement"), among Rayonier, TRS and ROC, as borrowers, the Lenders party thereto, the 2016 Incremental Term Loan Lenders from time to time party thereto (as defined in the Incremental Term Loan Agreement) and CoBank, ACB as Administrative Agent.

Capitalized terms used and not defined herein have the meanings assigned to them in the Credit Agreement or the Incremental Term Loan Agreement, as applicable.

It is a condition precedent to the effectiveness of the Incremental Term Loan Agreement that the Guarantors (as defined below) execute and deliver this Agreement.

Each of the Guarantors is a Borrower under (and as defined in) the Credit Agreement and acknowledges that it will derive substantial benefit from the making of the 2016 Incremental Term Loan Advances by the 2016 Incremental Term Loan Lenders.

Accordingly, the parties hereto agree as follows:

1. *Certain Defined Terms.* In addition to words and terms defined elsewhere in this Agreement, the following words and terms shall have the following meanings, respectively, unless the context hereof clearly requires otherwise:

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"Excluded Hedge Obligation" means, with respect to any Guarantor, any Hedge Obligation if, and to the extent that, all or a portion of the Guarantee of such Guarantor of such Hedge Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's failure for any reason not to constitute an "eligible contract participant" as defined in the Commodity Exchange Act (determined after giving effect to Section 21 and any other "keepwell, support or other agreements" for the benefit of such Guarantor) at the time the Guarantee of, or the grant of such security interest by, such Guarantor becomes effective with respect to such related Hedge Obligation. If a Hedge Obligation

arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Hedge Obligation that is attributable to swaps for which such Guarantee or grant of security interest is or becomes illegal.

“Hedge Obligation” means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act.

“Qualified ECP Guarantor” means, in respect of any Hedge Obligation, each Guarantor that has total assets exceeding \$10,000,000 at the time the relevant Guarantee or grant of security interest becomes effective with respect to such Hedge Obligation or such other Person as constitutes an “eligible contract participant” under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another Person to qualify as an “eligible contract participant” at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

2. *Guarantee.* Each of Rayonier and TRS (collectively, the “Guarantors”) unconditionally guarantees, jointly with each other Guarantor and severally, as a primary obligor and not merely as a surety, (i) the due and punctual payment by ROC of (x) the principal of and premium, if any, 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 2016 Incremental Term Loan Advances made to ROC, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise and (y) all other monetary obligations, including fees, costs, expenses and indemnities, 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), of ROC to the Administrative Agent and each Lender under the 2016 Incremental Term Loan Facility established under the Incremental Term Loan Agreement and the other Loan Documents (collectively, the “Guaranteed Parties”), whether such amounts shall have accrued prior to, on or after the 2016 Increased Amount Date and (ii) the due and punctual payment and performance of all covenants, agreements, obligations and liabilities of ROC, monetary or otherwise, under or pursuant to the 2016 Incremental Term Loan Facility established under the Credit Agreement and the other Loan Documents (all the monetary and other obligations referred to in the preceding clauses (i) and (ii) being collectively called the “Obligations”). For the avoidance of doubt, the Obligations shall not include any Excluded Hedge Obligation.

Anything contained in this Agreement to the contrary notwithstanding, the obligations of TRS hereunder shall be limited to a maximum aggregate amount equal to the greatest amount that would not render such obligations subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Code or any provisions of applicable law (collectively, the “Fraudulent Transfer Laws”), in each case after giving effect to all other liabilities of TRS contingent or otherwise, that are relevant under the Fraudulent Transfer Laws and after giving effect as assets to the value (as determined under the applicable provisions of the Fraudulent Transfer Laws) of any rights to subrogation, contribution, reimbursement, indemnity or similar rights of TRS

pursuant to (i) applicable law, or (ii) any agreement providing for an equitable allocation among TRS and other Affiliates of Rayonier of obligations arising under Guarantees by such parties.

Each Guarantor further agrees that the Obligations may be extended or renewed, in whole or in part, without notice to or further assent from it, and that it will remain bound upon its guarantee notwithstanding any extension or renewal of any Obligation.

3. *Obligations Not Waived.* To the fullest extent permitted by applicable law, each Guarantor waives presentment to, demand of payment from and protest to ROC and any other guarantor of any of the Obligations, and also waives notice of acceptance of its guarantee and notice of protest for nonpayment. To the fullest extent permitted by applicable law, the obligations of each Guarantor hereunder shall not be affected by, and each Guarantor hereby waives any defense arising by reason of, (i) the failure of the Administrative Agent or any other Guaranteed Party to assert any claim or demand or to enforce or exercise any right or remedy against ROC or any other guarantor under the provisions of the Credit Agreement, the Incremental Term Loan Agreement any other Loan Document or otherwise, (ii) any rescission, waiver, amendment or modification of, or any release from any of the terms or provisions of this Agreement, any other Loan Document, any Guarantee or any other agreement, including with respect to any other Guarantor under this Agreement, or (iii) the failure to take or perfect any security interest in, or the release of, any collateral security held by or on behalf of any Guaranteed Party.

4. *Guarantee of Payment.* Each Guarantor further agrees that its guarantee constitutes a guarantee of payment when due and not of collection, and waives any right to require that any resort be had by the Administrative Agent or any other Guaranteed Party to any collateral security held for payment of the Obligations or any balance of any deposit or other account or credit on the books of the Administrative Agent or any other Guaranteed Party in favor of ROC or any other person.

5. *No Discharge or Diminishment of Guarantee.* The obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason (other than the indefeasible payment in full in cash of ROC's Obligations except contingent indemnification and reimbursement obligations, which pursuant to Section 8.04(f) of the Credit Agreement shall survive the termination of the Loan Documents and the payment in full of all obligations referred to in such Section 8.04(f)), including any claim of waiver, release, surrender, alteration or compromise of any of ROC's Obligations, and shall not be subject to any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of such Obligations, any law or regulation of any jurisdiction or any other event affecting any term of a Obligation or any other circumstance that might constitute a defense of ROC or any Guarantor. Without limiting the generality of the foregoing, the obligations of each Guarantor hereunder shall not be discharged or impaired or otherwise affected by the failure of the Administrative Agent or any other Guaranteed Party to assert any claim or demand or to enforce any remedy under the Credit Agreement, the Incremental Term Loan Agreement, any other Loan Document or any other agreement, by any waiver or modification of any provision of any thereof, by any default, failure or delay, willful or otherwise, in the performance of ROC's Obligations, or by any other act or omission that may or might in any manner or to any extent vary the risk of any

Guarantor or that would otherwise operate as a discharge of each Guarantor as a matter of law or equity (other than the indefeasible payment in full in cash of all of ROC's Obligations), and each Guarantor hereby waives any defense arising by reason of any of the foregoing actions.

6. *Defenses of Borrower Waived.* To the fullest extent permitted by applicable law, each of the Guarantors waives any defense based on or arising out of any defense of ROC or the unenforceability of ROC's Obligations or any part thereof from any cause or the cessation from any cause of the liability of ROC (other than the final and indefeasible payment in full in cash of ROC's Obligations except contingent indemnification and reimbursement obligations, which pursuant to Section 8.04(f) of the Credit Agreement shall survive the termination of the Loan Documents and the payment in full of all obligations referred to in such Section 8.04(f)). The Administrative Agent and the other Guaranteed Parties may, at their election, foreclose on any collateral security held by one or more of them by one or more judicial or nonjudicial sales, accept an assignment of any such collateral security in lieu of foreclosure, compromise or adjust any part of ROC's Obligations, make any other accommodation with ROC or any other guarantor or exercise any other right or remedy available to them against ROC or any other guarantor, without affecting or impairing in any way the liability of any Guarantor hereunder except to the extent ROC's Obligations have been fully, finally and indefeasibly paid in cash. Pursuant to applicable law, each of the Guarantors waives any defense arising out of any such election even though such election operates, pursuant to applicable law, to impair or to extinguish any right of reimbursement or subrogation or other right or remedy of such Guarantor against ROC, any other Guarantor or guarantor, as the case may be, or any collateral security.

7. *Agreement to Pay; Subordination.* In furtherance of the foregoing and not in limitation of any other right that the Administrative Agent or any other Guaranteed Party has at law or in equity against any Guarantor by virtue hereof, each Guarantor hereby agrees that, upon the failure of ROC to pay any of its Obligations when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, such Guarantor hereby promises to and will forthwith pay, or cause to be paid, to the Administrative Agent or such other Guaranteed Party as designated thereby in cash the amount of such unpaid Obligations. Upon payment by any Guarantor of any sums to the Administrative Agent or any Guaranteed Party as provided above, all rights of such Guarantor against ROC arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subordinate and junior in right of payment to the prior indefeasible payment in full in cash of all ROC's Obligations. In addition, any indebtedness of ROC now or hereafter held by any Guarantor is hereby subordinated in right of payment to the prior payment in full of the Obligations during the existence of an Event of Default. If any amount shall erroneously be paid to any Guarantor on account of (i) such subrogation, contribution, reimbursement, indemnity or similar right, or (ii) any such indebtedness of ROC, such amount shall be held in trust for the benefit of the Guaranteed Parties and shall forthwith be paid to the Administrative Agent to be credited against the payment of ROC's Obligations, whether matured or unmatured, in accordance with the terms of the Loan Documents.

8. *Information.* Each of the Guarantors assumes all responsibility for being and keeping itself informed of ROC's financial condition and assets, all other circumstances bearing upon the risk of nonpayment of ROC's Obligations and the nature, scope and extent of the risks that such

Guarantor assumes and incurs hereunder, and agrees that none of the Administrative Agent or the other Guaranteed Parties will have any duty to advise any of the Guarantors of information known to it or any of them regarding such circumstances or risks.

9. *Representations and Warranties; Taxes.* Each of the Guarantors represents and warrants as to itself that all representations and warranties relating to it contained in the Credit Agreement or any other Loan Document are true and correct in all material respects except for representations and warranties which by their terms refer to an earlier date (in which case such representations and warranties shall be true and correct in all material respects as of such earlier date) and except for representations and warranties which are qualified by materiality (in which case such representations and warranties shall be true and correct). Each Guarantor agrees that the provisions of Section 2.15 of the Credit Agreement shall apply equally to each Guarantor with respect to the payments made by it hereunder.

10. *Termination.* The Guarantees made by the Guarantors hereunder with respect to the Obligations (i) shall terminate when all the Obligations except contingent indemnification and reimbursement obligations, which pursuant to Section 8.04(f) of the Credit Agreement shall survive the termination of the Loan Documents and the payment in full of all obligations referred to in such Section 8.04(f), have been indefeasibly paid in full and the Lenders have no further commitment to lend under the Credit Agreement, and (ii) shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Obligation is rescinded or must otherwise be restored by any Guaranteed Party or any Guarantor upon the bankruptcy or reorganization of ROC or any Guarantor or otherwise.

11. *Binding Effect; Several Agreement; Assignments.* Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the Guarantors that are contained in this Agreement shall bind and inure to the benefit of each party hereto and their respective successors and assigns. This Agreement shall become effective as to any Guarantor when a counterpart hereof executed on behalf of such Guarantor shall have been delivered to the Administrative Agent and a counterpart hereof shall have been executed on behalf of the Administrative Agent, and thereafter this Agreement shall be binding upon, and inure to the benefit of such Guarantor the Administrative Agent and the other applicable Guaranteed Parties and their respective successors and assigns, except that no Guarantor may assign or otherwise transfer any of its rights or obligations hereunder or any interest herein (except in connection with any transaction permitted by Section 5.03(c) or Section 5.03(d) of the Credit Agreement) (and any such attempted assignment or transfer by any party hereto shall be null and void). This Agreement shall be construed as a separate agreement with respect to each Guarantor and may be amended, modified, supplemented, waived or released with respect to any Guarantor without the approval of any other Guarantor and without affecting the obligations of any other Guarantor hereunder.

12. *Waivers; Amendment.* (a) No failure or delay of the Administrative Agent in exercising any power or right hereunder 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 hereunder and of the other Guaranteed Parties 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 this Agreement or consent to any departure by any Guarantor therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on any Guarantor in any case shall entitle such Guarantor to any other or further notice or demand in similar or other circumstances.

Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to a written agreement entered into between the Guarantors with respect to which such waiver, amendment or modification relates and the Administrative Agent, with the prior written consent of the Required Lenders (except as otherwise provided in the Credit Agreement).

13. *Governing Law.* This Agreement and the other Loan Documents and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Loan Document (except, as to any other Loan Document, as expressly set forth therein) and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, the law of the State of New York.

14. *Notices.* All communications and notices hereunder shall be in writing and given as provided in Section 8.02 of the Credit Agreement.

15. *Survival of Agreement; Severability.* (a) All covenants, agreements, representations and warranties made by the Guarantors herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the Administrative Agent and the other Guaranteed Parties and shall survive the making by the Lenders of the 2016 Incremental Term Loan Advances regardless of any investigation made by the Guaranteed Parties or on their behalf, and shall continue in full force and effect as long as the principal of or any accrued interest on any 2016 Incremental Term Loan Advance or any other fee or amount payable under this Agreement or any other Loan Document is outstanding and unpaid, or the 2016 Incremental Term Loan Commitments have not been terminated.

(b) In the event any one or more of the provisions contained in this Agreement or in any other Loan Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

16. *Counterparts.* This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract, and shall become effective as provided in Section 10. Delivery of an executed counterpart of a signature

page of this Agreement by facsimile or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement.

17. *Rules of Interpretation.* The rules of interpretation specified in Article I of the Credit Agreement shall be applicable to this Agreement.

18. *Jurisdiction; Consent to Service of Process.* (a) Each Guarantor irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any Guaranteed Party, the Issuing Bank, or any Related Party of the foregoing in any way relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of New York sitting in the Borough of Manhattan, and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by applicable law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent, any Guaranteed Party or the Issuing Bank may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Guarantor or such Person's properties in the courts of any jurisdiction.

(b) Each Guarantor irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in clause (a) of Section 18 of this Agreement. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party hereto irrevocably consents to service of process at the address provided for notices in Section 14. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by applicable law.

19. *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 OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON 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 AND THE OTHER

20. *Right of Setoff.* If an Event of Default shall have occurred and be continuing, each Guaranteed Party is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held, and other obligations (in whatever currency) at any time owing, by such Guaranteed Party or any such Affiliate, to or for the credit or the account of any Guarantor against any and all of the obligations of such Guarantor now or hereafter existing under this Agreement or any other Loan Document to such Guaranteed Party or their respective Affiliates, irrespective of whether or not such Guaranteed Party or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of such Guarantor may be contingent or unmaturred or are owed to a branch, office or Affiliate of such Guarantor different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness. The rights of each Guaranteed Party and their respective Affiliates under this Section 20 are in addition to other rights and remedies (including other rights of set-off) that such Guaranteed Party or their respective Affiliates may have.

21. *Keepwell.* Each Borrower and each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support to each other Guarantor as may be needed by such Guarantor from time to time to honor all of its obligations under this Agreement and the other Loan Documents to which it is a party with respect to Hedge Obligations that would, in the absence of the agreement in this Section 21, otherwise constitute Excluded Hedge Obligations (but, in each case, only up to the maximum amount of such liability that can be hereby incurred without rendering such Borrowers' and such Qualified ECP Guarantors' obligations and undertakings under this Section voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations and undertakings of the Borrowers and the Qualified ECP Guarantors under this Section 21 shall remain in full force and effect until the Revolving Credit Obligations and the Term Loan Obligations have been indefeasibly paid and performed in full. The Borrowers and the Qualified ECP Guarantors intend this Section 21 to constitute, and this Section 21 shall be deemed to constitute, a guarantee of the obligations of, and a "keepwell, support, or other agreement" for the benefit of, each Guarantor for all purposes of the Commodity Exchange Act.

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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

GUARANTORS: RAYONIER INC.

By /s/ ANDREW K. FRICKE

Name: Andrew K. Fricke

Title: Treasurer

RAYONIER TRS HOLDINGS INC.

By /s/ ANDREW K. FRICKE

Name: Andrew K. Fricke

Title: Treasurer

RAYONIER INC.
FIRST AMENDMENT AND INCREMENTAL TERM LOAN AMENDMENT

COBANK, ACB, as Administrative Agent

By: /s/ MICHAEL TOUSIGNANT
Name: Michael Tousignant
Title: Vice President

RAYONIER INC.
FIRST AMENDMENT AND INCREMENTAL TERM LOAN AMENDMENT



**Pacific Northwest Portfolio Repositioning:
Acquisition / Disposition / Financing**
Supplemental Materials | May 2016



Safe Harbor Statement

Certain statements in this presentation regarding anticipated financial outcomes including Rayonier's earnings guidance, if any, business and market conditions, outlook, expected dividend rate, Rayonier's business strategies, including expected harvest schedules, timberland acquisitions and sales of non-strategic timberlands, the anticipated benefits of Rayonier's business strategies, and other similar statements relating to Rayonier's future events, developments or financial or operational performance or results, are "forward-looking statements" made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. These forward-looking statements are identified by the use of words such as "may," "will," "should," "expect," "estimate," "believe," "intend," "project," "anticipate" and other similar language. However, the absence of these or similar words or expressions does not mean that a statement is not forward-looking. While management believes that these forward-looking statements are reasonable when made, forward-looking statements are not guarantees of future performance or events and undue reliance should not be placed on these statements.

The following important factors, among others, could cause actual results or events to differ materially from those expressed in forward-looking statements that may have been made in this document: the cyclical and competitive nature of the industries in which we operate; fluctuations in demand for, or supply of, our forest products and real estate offerings; entry of new competitors into our markets; changes in global economic conditions and world events, including political changes in particular regions or countries; fluctuations in demand for our products in Asia, and especially China; various lawsuits relating to matters arising out of our previously announced internal review and the restatement of our consolidated financial statements; the uncertainties of potential impacts of climate-related initiatives; the cost and availability of third party logging and trucking services; the geographic concentration of a significant portion of our timberland; our ability to identify, finance and complete timberland acquisitions; changes in environmental laws and regulations, timber harvesting, delineation of wetlands, and endangered species, that may restrict or adversely impact our ability to conduct our business, or increase the cost of doing so; adverse weather conditions, natural disasters and other catastrophic events such as hurricanes, wind storms and wildfires, which can adversely affect our timberlands and the production, distribution and availability of our products; interest rate and currency movements; our capacity to incur additional debt, and any decision we may make to do so; changes in tariffs, taxes or treaties relating to the import and export of our products or those of our competitors; changes in key management and personnel; our ability to meet all necessary legal requirements to continue to qualify as a real estate investment trust ("REIT") and changes in tax laws that could adversely affect tax treatment of our specific businesses or reduce the benefits associated with REIT status.

Specifically with respect to our Real Estate business, the following important factors, among others, could cause actual results to differ materially from those expressed in forward-looking statements that may have been made in this document: the cyclical nature of the real estate business generally, including fluctuations in demand for both entitled and unentitled property; a delayed or weak recovery in the housing market; the lengthy, uncertain and costly process associated with the ownership, entitlement and development of real estate, especially in Florida, which also may be affected by changes in law, policy and political factors beyond our control; the potential for legal challenges to entitlements and permits in connection with our properties; unexpected delays in the entry into or closing of real estate transactions; the existence of competing developers and communities in the markets in which we own property; the pace of development and the rate and timing of absorption of existing entitled property in the markets in which we own property; changes in the demographics affecting projected population growth and migration to the Southeastern U.S.; changes in environmental laws and regulations, including laws regarding water withdrawal and management and delineation of wetlands, that may restrict or adversely impact our ability to sell or develop properties; the cost of the development of property generally, including the cost of property taxes, labor and construction materials; the timing of construction and availability of public infrastructure; and the availability of financing for real estate development and mortgage loans.

For additional factors that could impact future results, please see Item 1A – Risk Factors in the Company's most recent Annual Report on Form 10-K and similar discussions included other reports that we subsequently file with the Securities and Exchange Commission (the "SEC").

Forward-looking statements are only as of the date they are made, and the Company undertakes no duty to update its forward-looking statements except as required by law. You are advised, however, to review any further disclosures we make on related subjects in our subsequent reports filed with the SEC.

Overview of Transactions

Menasha Acquisition

- Rayonier teamed with Forest Investment Associates (“FIA”) to acquire Menasha Forest Products Corporation (“Menasha”), a privately held timberland REIT, from Campbell Global
- Menasha owns ~132,000 acres of high quality timberlands in Oregon and Washington
- Following a distribution of assets expected to occur in the second quarter, Rayonier will end up with fee ownership of ~61,000 acres located in Oregon and Washington for total consideration of ~\$263 million
 - Rayonier and FIA will have no continuing interest in or relationship with the assets of the other party
- Rayonier’s ownership is more heavily weighted with mature, merchantable timber, while FIA’s ownership is more heavily weighted with pre-merchantable timber

Washington Disposition

- In a separate transaction, Rayonier closed on the sale of ~55,000 acres in Washington from Rayonier’s existing Pacific Northwest portfolio to FIA for ~\$130 million
- The Washington disposition is comprised primarily of pre-merchantable timber
- Rayonier used the proceeds from this disposition to fund part of the purchase price for the Menasha acquisition

Incremental Term Loan

- Concurrent with the acquisition and disposition, Rayonier entered into an incremental term loan agreement with a syndicate of Farm Credit institutions to provide a 10-year, \$300 million term loan
- Proceeds from the term loan will be used to fund the net purchase price of the Menasha acquisition (~\$133 million), to repay amounts outstanding under the Company’s revolver (~\$105 million) and for general corporate purposes
- Weighted average interest rate on the term loan is expected to be ~2.6% net of estimated patronage payments
 - \$200 million swapped to fixed at net rate of 2.9%; \$100 million floating at net rate of L + 1.33%

Menasha Acquisition – Strategic Rationale

Location

- ▶ Located in competitive log markets with favorable supply / demand tension
- ▶ Increases exposure to strong domestic markets in Pacific Northwest

Asset Quality

- ▶ Complements RYN's age-class distribution, improves sustainable yield ⁽¹⁾
- ▶ Significantly increases mix of Douglas-fir and improves overall site index

Optionality

- ▶ Fee simple ownership with no wood supply agreement encumbrances
- ▶ Dispersion of parcels across strong domestic markets improves operational flexibility

Value Creation

- ▶ Potential operational synergies from age-class optimization
- ▶ Competitive log markets fit RYN's log / stumpage sales program well

Financial Profile

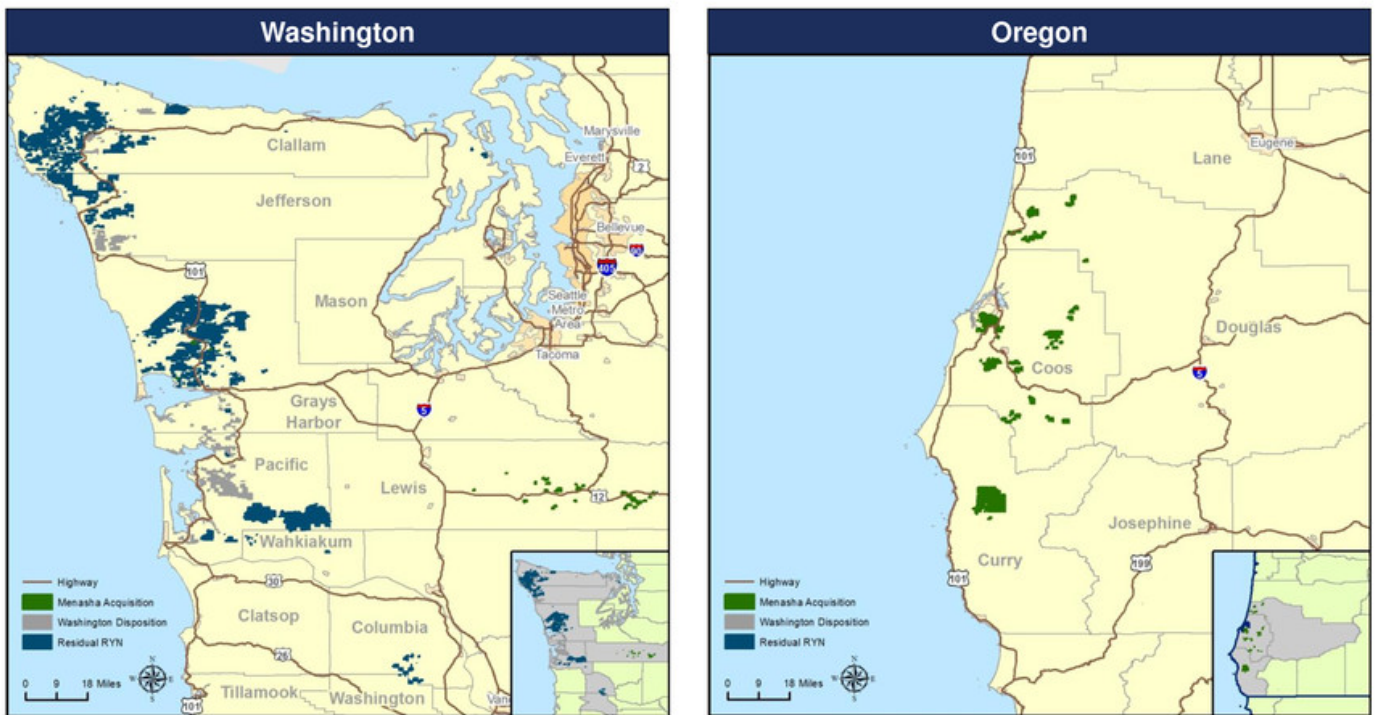
- ▶ More mature age-class profile improves near-term harvest and cash flow
- ▶ Diversifies cash flow profile; increases contribution from Pacific Northwest segment

The Menasha acquisition is a strong fit with Rayonier's key acquisition criteria.



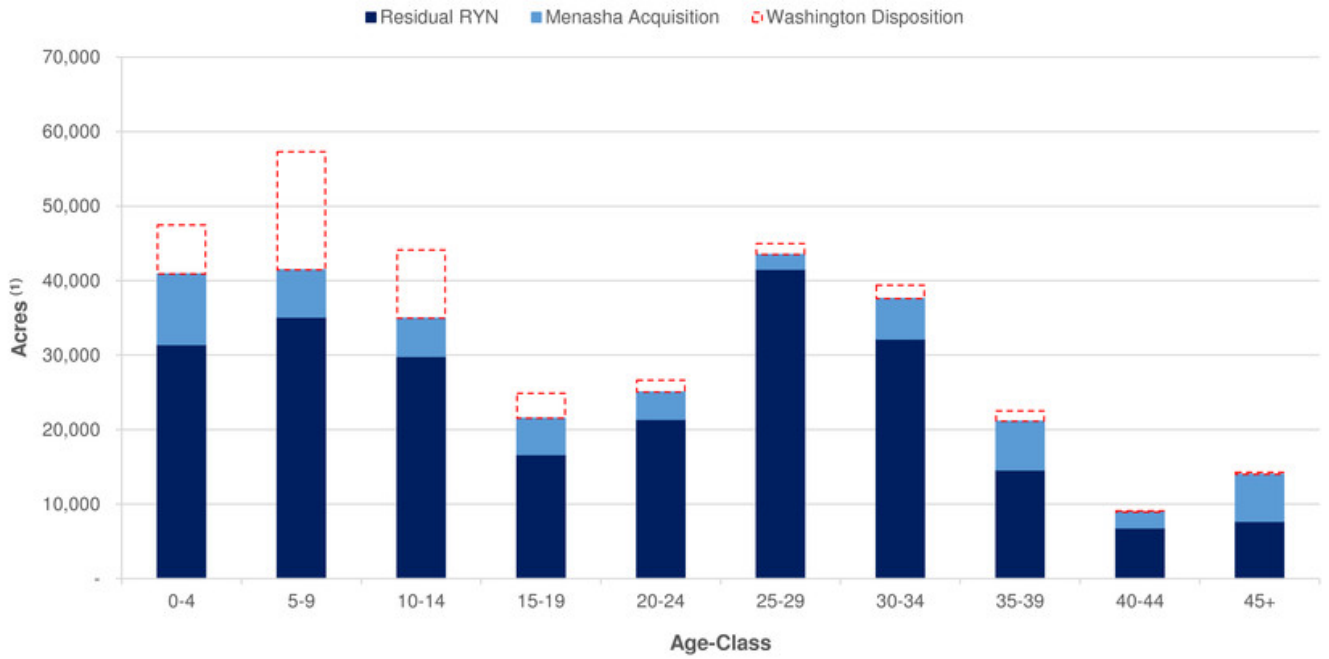
(1) "Sustainable yield" is defined in the Company's latest report on Form 10-K.

Pro Forma Pacific Northwest Ownership Map



The Menasha acquisition significantly expands Rayonier's footprint in attractive log markets in Oregon and Washington.

Pro Forma Pacific Northwest Age Class Profile

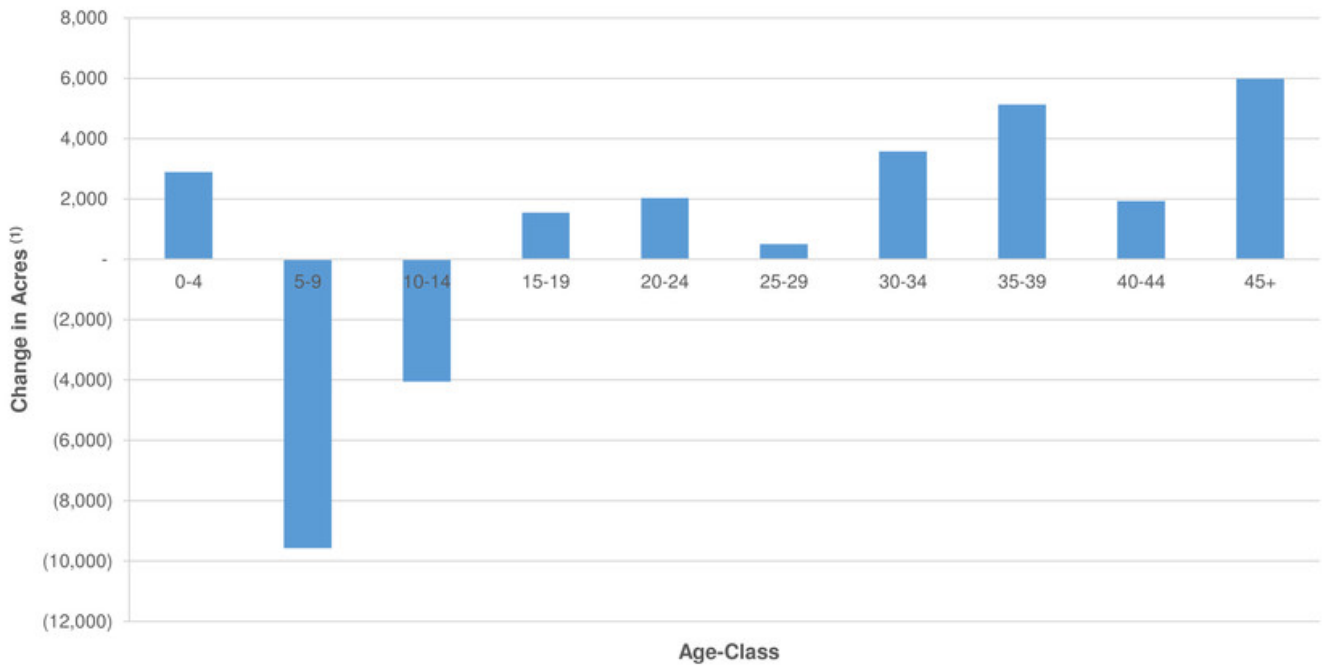


Pro forma for the Menasha acquisition and the Washington disposition, Rayonier's Pacific Northwest age-class profile will be significantly improved and more evenly distributed.



(1) Excludes non-operable and non-commercial acres.

Net Change in Operable Acres by Age Class

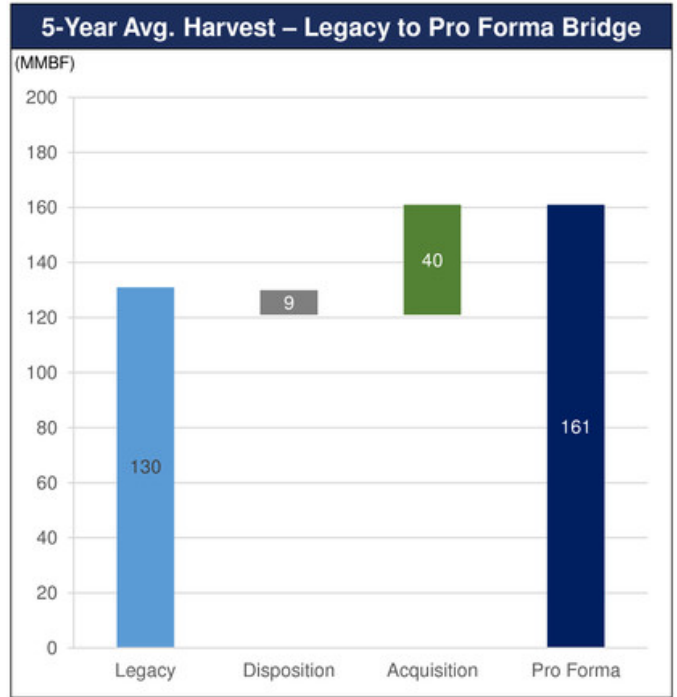
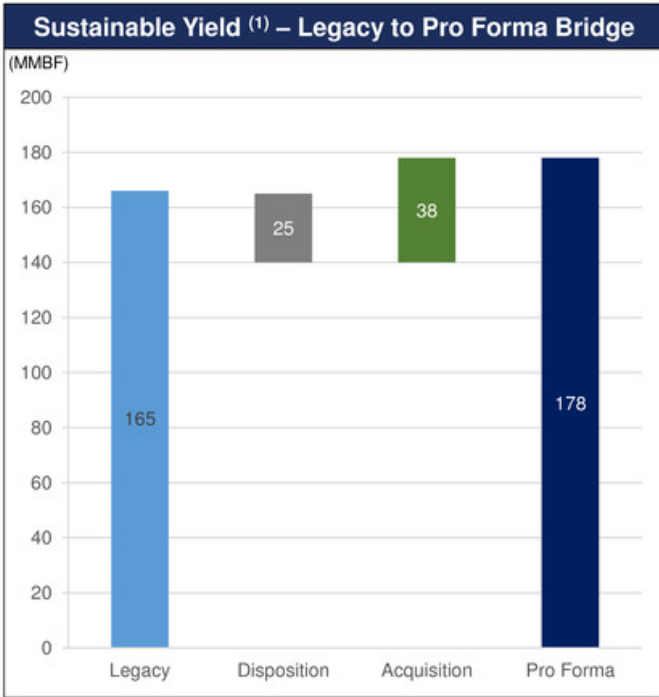


The Menasha acquisition increases Rayonier's volume of mature, merchantable timber, while the Washington disposition reduces its volume of pre-merchantable timber.



(1) Excludes non-operable and non-commercial acres.

Pro Forma Pacific Northwest Harvest Profile

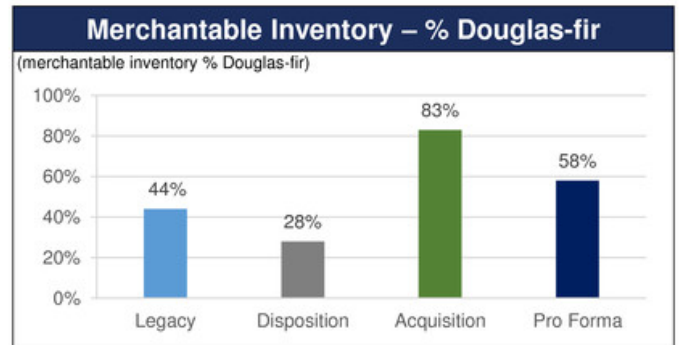
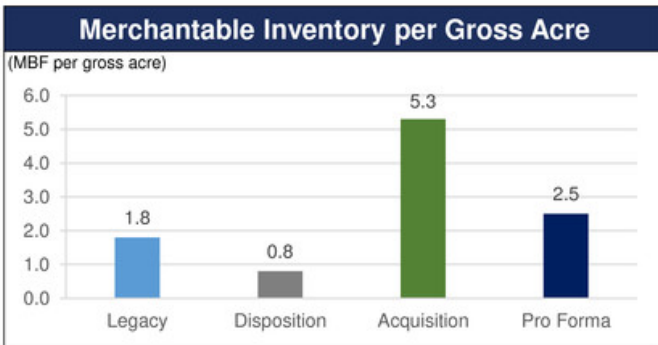
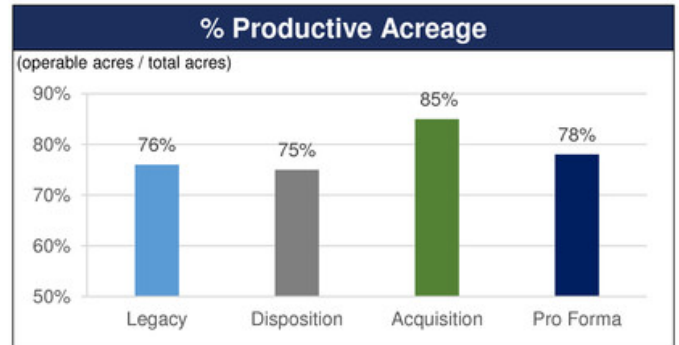
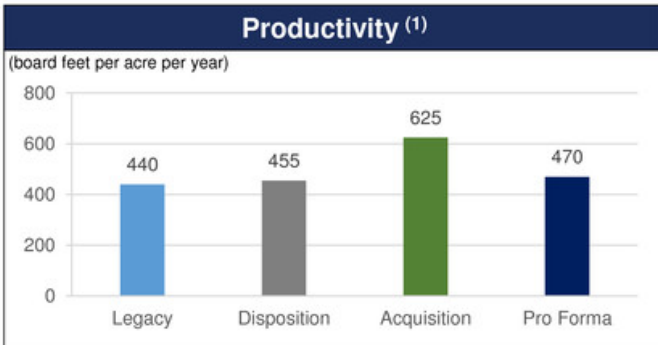


The acquisition of well-stocked, productive timberland coupled with the disposition of predominantly pre-merchantable timberland is expected to increase both near-term harvest and long-term sustainable yield.



(1) "Sustainable yield" is defined in the Company's latest report on Form 10-K.

Comparison of Key Metrics



The combination of the Menasha acquisition and the Washington disposition will significantly enhance Rayonier's Pacific Northwest timberland portfolio.



(1) Productivity based on "sustainable yield," as defined in the Company's latest report on Form 10-K.

Sources & Uses / Pro Forma Capitalization

(\$ in millions)

Sources		Uses	
New Term Loan	\$300.0	Menasha Acquisition	\$263.3
Washington Disposition	129.5	Repay Revolving Credit Facility	105.0
		Transaction Costs & Transfer Taxes	5.0
		Increase in Cash	56.2
Total Sources	\$429.5	Total Uses	\$429.5

	3/31/2016	New Term Loan	Menasha Acquisition	Washington Disposition	Revolver / Other ⁽¹⁾	Pro Forma 3/31/2016
Senior Notes due 2022	\$325.0	–	–	–	–	\$325.0
Term Loan due 2024	350.0	–	–	–	–	350.0
New Term Loan due 2026	–	300.0	–	–	–	300.0
Revolving Credit Facility due 2020	105.0	–	–	–	(105.0)	–
Other	92.8	–	–	–	–	92.8
Total Debt	\$872.8					\$1,067.8
(–) Cash & Equivalents	76.2	300.0	(263.3)	129.5	(110.0)	132.4
Net Debt	\$796.6					\$935.4
Equity Market Capitalization ⁽²⁾	3,029.1	–	–	–	–	3,029.1
Net Debt / Enterprise Value ⁽³⁾	20.8%					23.6%

(1) Includes repayment of revolving credit facility and transaction costs.

(2) Based on share price of \$24.68 as of 4/29/16 and common shares outstanding of 122.7 million as of 2/19/16 per most recent report on Form 10-K.

(3) Enterprise Value based on Equity Market Capitalization plus Net Debt.

Pro forma for the transactions, Rayonier will maintain a strong credit profile.



Pro Forma Debt Structure & Maturity Profile

Pro Forma Debt Profile

(\$ in millions)

	Balance @ 3/31/2016	Interest Rate	Annual Interest	% Fixed	Years to Maturity
Senior Notes due 2022	\$325.0	3.75%	\$12.2	100.0%	5.9
Term Loan due 2024	350.0	3.33%	11.7	100.0%	8.3
New Term Loan due 2026 ⁽¹⁾	300.0	2.55%	7.6	66.7%	10.0
Mortgage Notes due 2017	42.5	4.35%	1.9	100.0%	1.3
Revolving Credit Facility due 2020 ⁽²⁾	—	1.70%	0.4	—	4.3
Solid Waste Bond due 2020	15.0	1.70%	0.3	—	4.0
NZ Working Capital Facility due 2016	12.2	3.20%	0.4	—	0.2
NZ Shareholder Loan ⁽³⁾	23.1	NA	NA	NA	NA
Total / Weighted Avg.	\$1,067.8	3.22%	\$34.3	87.8%	7.6

(1) Assumes fixed rate portion of 2.93%, floating rate portion of L + 1.33% (net of patronage), and LIBOR of 0.45%.

(2) Interest on revolver represents unused facility fee of 0.175%.

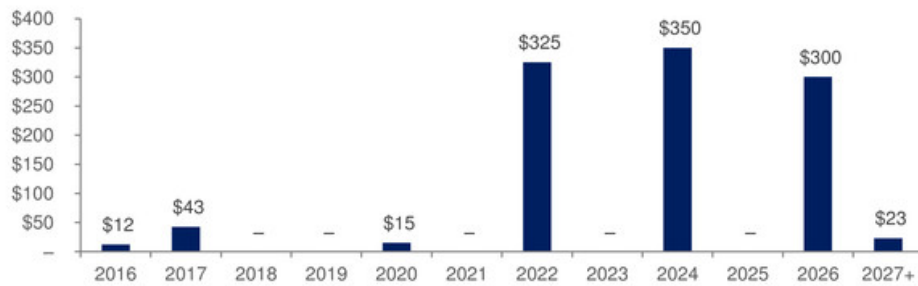
(3) Minority share of New Zealand shareholder loan; does not represent third-party indebtedness.

Highlights

- Average interest rate of 3.2%
- 88% fixed rate debt
- Average maturity of nearly 8 years

Pro Forma Maturity Profile

(\$ in millions)



Highlights

- Well staggered maturity profile
- Nearest significant maturity in 2022
- No significant stacked maturities

Pro forma for the transactions, Rayonier will have a very attractive debt structure and maturity profile.

Pacific Northwest Portfolio Repositioning – Key Takeaways

Transactions achieve many of Rayonier’s key objectives:

- Upgrades asset quality
- Accretive to cash available for distribution (CAD)⁽¹⁾
- Increases Adjusted EBITDA⁽¹⁾ / cash flow from sustainable harvesting activities
- Demonstrates capital allocation flexibility

Rayonier was able to achieve these results through:

- Creative acquisition structure; co-investor with complementary investment objectives
- Opportunistic acquisition funding through capital redeployment and attractive long-term debt

Key financial highlights include:

- Average annual Adjusted EBITDA⁽¹⁾ estimated to increase by ~\$11 million over next five years
- Average annual CAD⁽¹⁾ estimated to increase by ~\$7 million over next five years
- Strong pro forma capital structure with Net Debt / Enterprise Value⁽²⁾ of ~24%

The Menasha acquisition and the Washington disposition demonstrate Rayonier’s commitment to disciplined and opportunistic capital allocation.



(1) "Adjusted EBITDA" and "cash available for distribution (CAD)" are defined in the Company's latest report on Form 10-K.

(2) Based on share price of \$24.68 as of 4/29/16 and common shares outstanding of 122.7 million as of 2/19/16 per most recent report on Form 10-K.



For Release May 2, 2016 at 4:15 ET

**Rayonier Upgrades Pacific Northwest Timberland Portfolio
Through Acquisition of 61,000 acres and Disposition of 55,000 acres**

- Acquisition of 61,000 acres of well-stocked, highly-productive timberlands in Oregon and Washington for \$263 million
- Disposition of 55,000 acres comprised predominantly of pre-merchantable timber in Washington for \$130 million
- Transactions significantly enhance Rayonier's Pacific Northwest portfolio by smoothing the age-class distribution, increasing merchantable timber inventory* and increasing both long-term and near-term harvest potential
- Pacific Northwest merchantable timber inventory increases 42% from 666 MMBF (as of 9/30/2015) to 948 MMBF
- Pacific Northwest sustainable yield* increases from 165 MMBF (1.3 million tons) to 178 MMBF (1.4 million tons); expected average annual harvest over next five years increases from 130 MMBF (1.0 million tons) to 161 MMBF (1.3 million tons)
- Transactions estimated to increase average annual Adjusted EBITDA* and Cash Available for Distribution (CAD)* by approximately \$11 million and \$7 million, respectively, over the next five years
- Financing provided through 10-year, \$300 million incremental term loan with Farm Credit system; weighted average interest rate of approximately 2.6%

JACKSONVILLE, Fla. — (May 2, 2016) — Rayonier Inc. (NYSE:RYN) today announced the company has completed two separate transactions to enhance its Pacific Northwest timberland portfolio. The transactions include the acquisition of approximately 61,000 acres of well-stocked, highly-productive timberlands in Oregon and Washington, and the disposition of approximately 55,000 acres comprised of predominantly pre-merchantable timber in Washington. On a combined basis, these transactions will smooth the age-class distribution and materially improve the sustainable yield, near-term harvest potential, species mix and market diversification of the company's Pacific Northwest timberland portfolio.

Menasha Acquisition: The first transaction involves the purchase of Menasha Forest Products Corporation ("Menasha") jointly with Forest Investment Associates ("FIA"), a leading timberland investment management organization ("TIMO") based in Atlanta, Georgia. Menasha is a privately held timberland REIT with approximately 132,000 acres of timberland located in Oregon and Washington, which since 2007 has been managed by Campbell Global, a leading TIMO based in Portland, Oregon. Rayonier teamed with FIA to acquire all of the outstanding common stock of Menasha. In a subsequent transaction that is expected to close in the second quarter, Rayonier and FIA will distribute the timberlands to various entities, ultimately resulting in Rayonier owning an identified portfolio of 61,000 acres of the Menasha timberlands for a

final purchase price of approximately \$263 million. Following this distribution, Rayonier and FIA will have no continuing interest in or relationship with the assets of the other party. The Menasha acquisition (average plantation age of 22.4 years) complements the age-class profile of the company's existing Pacific Northwest portfolio (average plantation age of 19.0 years). The property is comprised of approximately 85% operable lands and contains merchantable timber inventory of approximately 326 MMBF (2.6 million tons), of which an estimated 83% is Douglas-fir. The acquisition is expected to increase the company's sustainable yield by approximately 38 MMBF (305,000 tons) per year and increase the company's average annual harvest over the next five years by approximately 40 MMBF (320,000 tons).

Washington Disposition: The second transaction involves the sale of approximately 55,000 acres of timberland located in Washington to FIA for approximately \$130 million. The Washington disposition (average plantation age of 12.6 years) evens out the age-class distribution of the company's existing Pacific Northwest portfolio. The property is comprised of approximately 75% operable lands and contains merchantable timber inventory of approximately 44 MMBF (350,000 tons), of which an estimated 28% is Douglas-fir. Excluding the effect of the Menasha acquisition, the Washington disposition would decrease the company's sustainable yield by approximately 25 MMBF (200,000 tons) per year; however, average annual harvest over the next five years is expected to decrease by only 9 MMBF (70,000 tons) from this disposition due to the younger age-class profile of the property.

Concurrent with these transactions, Rayonier also entered into an Incremental Term Loan Agreement with CoBank, ACB, as administrative agent, and a syndicate of Farm Credit institutions to provide a 10-year, \$300 million incremental term loan. Proceeds from the new term loan will be used to fund Rayonier's portion of the Menasha acquisition net of the proceeds received from the Washington disposition (approximately \$133 million), to repay approximately \$105 million outstanding on the company's revolving credit facility and for general corporate purposes. The company has entered into an interest rate swap transaction to fix the cost of \$200 million of the term loan for its 10-year term (the remaining \$100 million will have a variable rate). Based on the swap rate, the company's current leverage ratio and the pricing grid, the all-in cost of the fixed-rate portion of the term loan (net of estimated patronage payments) is expected to be approximately 2.9%, and the cost of the floating rate portion (net of estimated patronage payments) is expected to be LIBOR + 1.33%.

"These transactions exemplify how Rayonier is improving value for our shareholders through active portfolio management and disciplined capital allocation," said David Nunes, President and CEO of Rayonier. "The combination of the Menasha acquisition and the Washington disposition will upgrade our timberland portfolio by increasing both our near-term harvest and long-term sustainable yield, improving our species mix, smoothing our age-class distribution, and diversifying our markets.

"Moreover, the acquisition of well-stocked timberland coupled with the disposition of predominantly pre-merchantable timberland will allow us to operate much closer to our long-term sustainable yield in the Pacific Northwest over the next several years and drive meaningful accretion to our CAD. We are very pleased to close both transactions with the assistance of Forest Investment Associates. Rayonier remains committed to building long-term shareholder value, and we look forward to pursuing other value-creating opportunities in the future."

Supplemental materials regarding these transactions are available at www.rayonier.com in our Investor Relations section.

* *References to “merchantable timber inventory,” “sustainable yield,” “Adjusted EBITDA” and “cash available for distribution” (or “CAD”) are as defined in our most recent annual report on Form 10-K.*

About Rayonier

Rayonier is a leading timberland real estate investment trust with assets located in some of the most productive softwood timber growing regions in the United States and New Zealand. Rayonier owns, leases or manages approximately 2.7 million acres of timberlands located in the U.S. South, U.S. Pacific Northwest and New Zealand. More information is available at www.rayonier.com.

Forward-Looking Statements

This press release contains forward-looking statements, as defined by the Private Securities Litigation Reform Act of 1995 and other federal securities laws, related to the company's inventories and sustainable yield, which involve, among other things, uncertainties inherent in business, inventory estimation and harvest scheduling. These forward-looking statements are identified by the use of words such as “may,” “will,” “should,” “expect,” “estimate,” “believe,” “intend,” “project,” “anticipate” and other similar language. However, the absence of these or similar words or expressions does not mean that a statement is not forward-looking. While management believes that these forward-looking statements are reasonable when made, forward-looking statements are not guarantees of future performance or events and undue reliance should not be placed on these statements. The reader is cautioned not to rely on these forward-looking statements. If underlying assumptions prove inaccurate or known or unknown risks or uncertainties materialize, actual results could be vary materially from the expectations and projections of Rayonier. Risks and uncertainties include anticipated financial outcomes, business and market conditions, outlook, expected dividend rate and the implementation of the company's business strategies and other similar outcomes relating to the company's future events, developments or financial or operational performance or results. For additional factors that could impact future results, please see Item 1A — Risk Factors in the company's most recent Annual Report on Form 10-K and similar discussions included in other reports that we subsequently file with the Securities and Exchange Commission (the “SEC”). Forward-looking statements are only as of the date they are made, and the Company undertakes no duty to update its forward- looking statements except as required by law. You are advised, however, to review any further disclosures we make on related subjects in our subsequent reports filed with the SEC.

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