

RECORDING REQUESTED BY:

Fidelity National Title Company

When Recorded Mail Document To:

Humboldt County
Public Works Department
825 Fifth Street
Eureka, CA 95501

APN: 303-012-022, 303-012-032
304-021-003, 304-021-004

SPACE ABOVE THIS LINE FOR RECORDER'S USE

TRAIL EASEMENT AGREEMENT

This TRAIL EASEMENT AGREEMENT ("Agreement") is made by and between Green Diamond Resource Company, a Washington corporation, having a mailing address of 1301 Fifth Avenue, Suite 2700, Seattle, Washington 98101 ("Grantor") and Humboldt County, a political subdivision of the State of California, having a mailing address of 825 Fifth Street, Eureka, California 95501-1153 ("Grantee"). Grantor and Grantee collectively are the "Parties".

WITNESSETH

WHEREAS, Grantor is the owner of certain lands and premises situated in the County of Humboldt, State of California, and known as Assessor Parcel Numbers 303-012-022, 303-012-032, 304-021-003 and 304-021-004 (the "Property"); and

WHEREAS, Grantee is desirous of acquiring certain rights and privileges over, under, above and across specific portions of the Property,

WHEREAS, Grantor is desirous of granting such rights and privileges in accordance with the terms and conditions herewith.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, Grantor and Grantee hereby agree as follows:

- 1. GRANT AND AUTHORIZED USE.** Grantor conveys and grants to Grantee, subject to the terms and conditions herein, a non-exclusive easement with a width of fifteen (15) feet over an existing road and skid trail located in Sections 13, 14, 23 and 24, Township 4 North, Range 1 West, Humboldt Meridian, Humboldt County, California, and located approximately as shown in **Exhibit A** to this Agreement (the "Easement Area"). Grantee shall have a right to use, maintain,

and improve the existing road and skid trail in the Easement Area for public recreational access, including but not limited to pedestrian, equestrian and bicycle access, across the Property for any lawful purposes (the "Authorized Use"). Grantee shall limit public use to pedestrian activities. . At all times, Grantee will prohibit motor vehicle use of the Easement Area except when Grantee is engaged in maintenance of construction activities subject to authorization and other conditions herein. Grantee shall not use motor vehicles in the Easement Area for authorized maintenance or construction activities during the winter period from October 16th through May 14th or when wet weather conditions may promote extraordinary erosion and detrimental impact to the environment. Any damage caused to drainage or erosion control structures in the Easement Area by Grantee's authorized use will be repaired by Grantee immediately following damage. Any improvements to the road in the Easement Area by Grantee shall be constructed, at Grantee's expense, as all-season surfaced roads satisfying the construction standards and use limitations set forth in the Green Diamond Resource Company Aquatic Habitat Conservation Plan, approved by the National Marine Fisheries Service and the U.S. Fish & Wildlife Service, effective July 1, 2007 (the "AHCP") and any amendments thereto or any successor habitat conservation plan and incidental take permit. To ensure compliance with the AHCP standards, Grantee shall consult Grantor and obtain Grantor's express approval for Grantee's proposed plan and specifications for road improvements in the Easement Area. In the event that the Property is no longer subject to the AHCP or a successor habitat conservation plan, then Grantor may condition approval of any road improvements by Grantee on minimum requirements of California or United States law.

2. TYPE OF EASEMENT AND TERM.

This grant of easement is made in gross to Grantee for so long as the Easement Area is used within the scope of Authorized Use. This Agreement and the rights herein granted may not be assigned without a written, executed, and recorded amendment consenting to such an assignment.

3. COVENANTS AND WARRANTY.

(a) Grantee covenants and warrants to Grantor that it is duly organized, validly existing, and in good standing and has the right, power, and authority to enter into this Agreement and bind itself hereto through the signatory for Grantee below.

(b) The privileges granted herein to Grantee are given expressly subject to existing encumbrances, regulatory requirements, and other matters of record affecting the privileges in any manner whatsoever. Grantor does not warrant that it has authority to permit the Authorized Use on behalf of any third party and Grantee shall secure all other permits, privileges or rights required for the Authorized Use. Grantor does not warrant title to the Property and shall not be liable for defects thereto or failure thereof.

(c) Grantor makes no representation as to the present or future conditions of the Easement Area or the character of the traffic on Grantor's roads. Grantor makes no representation as to the present or future conditions of the Easement Area and its fitness for the Authorized Use under this Agreement. Grantee accepts this Agreement subject to all danger or

injury to persons and damages or destruction to property while Grantee is on or about the Easement Area. In this regard, Grantee assumes all risk of injury or death to individuals who are on the Easement Area pursuant to this Agreement and all risk of damage to property upon or in proximity to the Easement Area with Grantee's knowledge or consent, without regard to whether such injury or damage is occasioned by known or unknown, hidden or disclosed defects in the Easement Area or by the negligence of Grantor or any person in the employ or service of Grantor.

4. RESERVATIONS AND NON-INTERFERENCE.

(a) Grantor reserves the right to use the Easement Area for the benefit of adjacent lands, including the right to cross and re-cross and construct intersecting roads, and installation of overhead and/or underground utilities, for itself, its agents, employees, contractors, licensees, permittees, successors, and assigns.

(b) By acceptance of this Agreement, Grantee acknowledges that the Easement Area and the Property are working forests, and Grantor manages its property for timber production including, but not limited to, harvesting, slash burning, and herbicide application. Grantee shall exercise its privileges under this Agreement so as to avoid any interference with Grantor's use of its own property as working forests or with the exercise by other easement holders of privileges that Grantor may give them in the Easement Area. Grantee acknowledges that a portion of the Easement Area is located on a portion of the Property where Grantor or its successors and assigns may ultimately exercise development rights. Grantee agrees that it will not object to any lawfully conducted timber harvesting, management activities and/or development of property carried out by Grantor or its agents, other easement holders, lessees, contractors, successors, or assigns.

(c) Prior to constructing or improving the trail in the Easement Area, Grantee shall provide Grantor with a plan showing the location and specifications for the proposed trail and Grantor shall review the plan to ensure compliance with the limitations in this Agreement and to ensure that it does not interfere with Grantor's use of the Property. If Grantor finds that the proposed trail will interfere with Grantor's use of the Property, Grantor will provide Grantee with notice and an alternative trail location, alignment or specification within thirty (30) days of receiving Grantee's proposed trail plan. Grantee shall not proceed with any improvement of roads in the Easement Area until Grantor approves in writing Grantee's plan. Any labor, equipment, materials and supplies to complete any road construction or reconstruction authorized pursuant to this Agreement shall be performed and paid for by Grantee. New trail construction or reconstruction shall conform to state law and any permits, including the AHCP. Any new trail construction or reconstruction shall be performed in accordance with any site-specific standards prescribed by Grantor.

(d) Grantor retains ownership of all merchantable and pre-merchantable timber on the Property. For purposes of this Agreement, "merchantable timber" means stands of timber which, in Grantor's judgment, have a higher value for current harvest than their present value for possible future harvest.

(e) Grantee acknowledges that its use is not exclusive, and that others are entitled to use the road in the Easement Area, including use for hauling operations, and that it is responsible for coordination and cooperation with all road users. Grantee agrees to cooperate and coordinate with Grantor and Grantor's contractors, timber purchasers and other users of Grantor's roads in the Easement Area.

5. MAINTENANCE AND ADDITIONAL CONDITIONS OF USE.

(a) Grantee agrees to comply with all applicable governmental laws, rules, statutes, regulations, and permits relating to its use of the Easement Area, and to do so at Grantee's cost.

(b) Grantee shall promptly report to Grantor any violations of any laws, regulations, or permits relating to the Authorized Use of which Grantee has knowledge and shall promptly send to Grantor a copy of any notice of violation received by Grantee that relates to the Authorized Use. A copy of all citations or other written documents Grantee receives from any agency shall accompany the notice of violation.

(c) Grantee shall take reasonable care to prevent wildfires from igniting on or spreading from the Easement Area. Grantee shall reimburse Grantor for all damages (including loss or damage to timber, and fire suppression costs) resulting from wildfires caused by Grantee's operations, contractors, or personnel, even if not attributable to negligence by Grantee or its agents.

(d) In the event of dangerous fire weather, possible damage to roads, or potential or actual interference with Grantor's operations, Grantor shall notify Grantee's representative and Grantee shall immediately suspend the Authorized Use or take steps to remedy the situation as Grantor may direct.

(e) If any portion of the Easement Area requires access through a locked gate owned or maintained by Grantor, Grantor shall issue copies of key(s) needed to open gates for the access provided herein. Grantee shall not copy the key(s) provided by Grantor unless permitted to do so in writing by Grantor. Grantee shall return any key(s) that has been so issued in the event of termination of this Agreement. Grantee shall pay a fifty dollar (\$50) fee per key for any key(s) that is not so returned. Grantee shall keep road gates closed and locked unless otherwise instructed by a Grantor representative.

(f) Grantee shall repair any damage to Grantor's roads when such damage is caused by Grantee's use of the Easement Area. Except for periods when Grantor is using the Easement Area for log hauling, Grantee shall maintain the trail in the Easement Area, at its sole cost and expense, on an ongoing basis during all periods of road use, including: periodic spot rocking and grading to prevent damage to subgrades; ditching and culvert maintenance to prevent water damage to the roads and creeks; and maintenance of all erosion control devices in good working order. In the event that both Grantee and Grantor are using the road(s) for hauling, then during that period Grantee shall pay to Grantor a share of maintenance costs associated with hauling activities, prorated during the time of use in proportion to the use. Grantor will be the

maintaining party unless otherwise agreed. Reimbursements shall be due within thirty (30) days of invoice.

(g) Grantee shall obtain prior written permission from Grantor's authorized representative before gating, obstructing, or storing equipment on the Easement Area, and before causing or allowing any dirt, mud or other materials to be placed on or graded over any roads owned by Grantor. Grantee shall at no time be allowed to, or allow others to, dump or deposit any waste, debris, fill, soil, or other material from outside the Easement Area upon any portion of the Easement Area.

6. INDEMNIFICATION.

Grantee shall, to the fullest extent permitted by law, indemnify, defend, and hold harmless Grantor and its agents, contractors, successors, or assigns from and against any and all liability for damages, costs, losses, and expenses resulting from, arising out of or in any way connected with the occupation or use of the Easement Area by Grantee or anyone else entering the Property at Grantee's direction or invitation, or the failure on the part of Grantee to perform fully its promises contained herein.

7. ENVIRONMENTAL.

In the event of a spill or release of Hazardous Materials, Grantee shall promptly comply with all federal, state and local spill notification and response requirements and shall notify Grantor of the spill event. Grantee shall be responsible for the response and restoration costs of any release of Hazardous Materials in connection with the Agreement, and shall indemnify, defend, and hold harmless Grantor from any liability arising from claims or damages in connection with such release. "Hazardous Materials" shall mean any pollutant, contaminant, chemical or hazardous, toxic, or dangerous waste, substance, chemical or material, or any other substance or material regulated or controlled pursuant to any environmental laws now or at any time hereafter in effect.

8. LIENS.

Grantee shall keep the Easement Area free from any liens or encumbrances arising out of any work performed by Grantee, materials furnished to Grantee, or obligations incurred by Grantee. Grantor shall have the right to pay and discharge any lien imposed against the Property due to Grantee's breach of the aforesaid covenant. Grantee shall reimburse Grantor for the amount so paid, including the reasonable expenses of Grantor in connection therewith, within thirty (30) days of receiving notice from Grantor of any such payment with interest thereon at the rate of seven (7) percent per annum from the date of payment thereof by Grantor until the repayment thereof by Grantee. If Grantor exercises the option to make such payments, it shall not be obligatory on Grantor to inquire into the validity of any such lien unless Grantee shall have given notice to Grantor that said lien was being challenged and shall have furnished to Grantor the bond of a surety company or other security satisfactory to Grantor, in an amount satisfactory to Grantor, securing Grantor against the payment of the lien so contested and against any loss, damage, or penalty arising from Grantee's failure to pay it.

9. INSURANCE.

All liability policies will be purchased at each Grantee's expense. Policies of insurance will be issued in a form and by an insurance company with Best's Key Rating Guide or A- or better with a financial size rating of at least VIII, or as deemed acceptable by each Grantor and with minimum limits as indicated below:

(a) Workers' Compensation (Statutory amount) and Employer's Liability of \$1,000,000, if applicable and required by law.

(b) Commercial General Liability Comprehensive Liability/Contractor's Liability insurance with minimum limits of \$1,000,000 each occurrence; \$2,000,000 in the aggregate for Bodily Injury, Property Damage, Personal Injury and Advertising Injury, Contractual Liability, Products and Completed Operation. The policy shall provide Cross Liability/Separation of Insureds and Pollution arising out of heat, smoke or fumes from hostile fires. Additionally, the policy shall not exclude X, C or U (Explosion, Collapse or Underground). Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the first Named Insured, Contractors' insurance shall apply as if each Named Insured were the only Named Insured; and separately to each insured against whom claim is made or suit is brought. The aggregate limit required under this Agreement shall be on a per project basis.

(c) Business Automobile Liability insurance covering owned, non-owned, hired, leased and other vehicles ("any auto"), with a combined single limit of \$1,000,000 for Bodily Injury, Death, and Property Damage per occurrence.

(d) The policies specified in (b) and (c) above shall include an endorsement that shall name GREEN DIAMOND RESOURCE COMPANY, and each Grantor, and, if different, the landowner as an additional insured on a primary basis for the duration of the Agreement term. The additional insured endorsement must be ISO CG 20 10 10 01 (as amended from time to time or other form with like wording). Additional insured status gives the additional insured rights of indemnity under the policies that are independent of the contractual requirement to indemnify.

(e) Each Grantee shall provide each Grantor with 30-days written notice prior to cancellation or other material modification in the policy affecting the requirements in this Agreement. No such cancellation or modification shall affect each Grantee's obligation to maintain the insurance coverage required by this Agreement.

(f) All liability coverage must be on an "occurrence" basis as opposed to "claims made."

(g) Each Grantee hereby waives any subrogation claim against each Grantor by its insurers under the policies specified in subsections A, B and C above, for damages arising from any peril insured against under such policies. If necessary, the policies specified in A, B and C above shall include an endorsement allowing this waiver of subrogation claims.

(h) All insurance shall be in a form sufficient to protect each Grantor and each Grantee's contractors to the extent they are involved in the Agreement and each Grantor

against the claims of third persons, and to cover claims by each Grantor against each Grantee for which the Grantee has assumed liability under this Agreement.

(i) Prior to commencement of operations, each Grantee shall furnish each Grantor a certificate(s) of insurance, dated and signed by a stated, authorized agent for the insuring company or companies, in a form acceptable to each Grantor and containing a representation that coverage of the types listed above is provided with the required limits. Each Grantor reserves the right to require a certified copy of the policy(ies) or to examine the actual policy(ies). Said certificates for Green Diamond Resource Company shall be sent to Green Diamond Resource Company via email only at: COI@greendiamond.com.

(j) With respects to the requirements under Section 10. Insurance, each Grantee shall be responsible for payment of any and all deductibles or self-insured retentions under its insurance policies.

10. TERMINATION OR ABANDONMENT.

All rights of Grantee hereunder shall terminate upon Grantee's transfer or conveyance of the rights hereunder to a third party. Upon termination the easement conveyed in this Agreement shall revert to and merge with the interests of Grantor, its successors or assigns. Upon such termination, Grantee agrees to execute and deliver such documents as may be required to extinguish of record such easement.

11. DEFAULT AND RIGHT TO CURE.

(a) The following will be deemed a default by Grantee and a breach of this Agreement: (1) Grantee does or permits to be done anything that creates a lien upon the Property and the lien is not removed or bonded around within thirty (30) days after written notice thereof from Grantor to Grantee; or (2) Grantee's failure to perform any other term or condition under this Agreement within thirty (30) days after receipt of written notice from Grantor specifying the failure; provided that no such failure will be deemed to exist if Grantee has commenced to cure such default within such period and provided that such efforts are prosecuted to completion with reasonable diligence, and delay in curing a default will be excused if due to causes beyond the reasonable control of Grantee. If Grantee remains in default beyond any applicable cure period, Grantor will have the right to exercise any and all rights and remedies available to it under law and equity.

(b) The following will be deemed a default by Grantor and a breach of this Agreement: Grantor's failure to perform any term or condition under this Agreement within thirty (30) days after receipt of written notice from Grantee specifying the failure; provided that no such failure will be deemed to exist if Grantor has commenced to cure the default within such period and provided such efforts are prosecuted to completion with reasonable diligence, and delay in curing a default will be excused if due to causes beyond the reasonable control of Grantor. If Grantor remains in default beyond any applicable cure period, Grantee will have the right to exercise any and all rights available to it under law and equity.

12. NOTICES. All notices, requests, demands and communications hereunder will be given by first-class certified or registered mail, return receipt requested, or by a nationally recognized

overnight courier, postage prepaid, to be effective when properly sent and received, refused or returned undelivered. Notice will be addressed as follows:

Grantor:

Green Diamond Resource Company
Administrative Forester
P.O. Box 68
Korbel, CA 95550
Phone (707) 668-4479

Grantee:

Humboldt County
Public Works Department
736 F Street
Arcata, CA 95521
Phone: (707) 822-5953

With a copy to:

Green Diamond Resource Company
Attn: Legal Department
1301 Fifth Avenue, Suite 2700
Seattle WA 98101-2613
Phone: 206-224-5830
Fax: 253-280-9018

Either Party hereto may change the place for the giving of notice to it by thirty (30) days' prior written notice to the other as provided herein.

13. INTERPRETATION.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to the conflicts of law principles of such state.

(b) A Party's waiver of any right hereunder or of the other Party's breach or failure to perform shall not be deemed a waiver of any other right hereunder or of any other breach or failure by the other Party, whether of a similar nature or otherwise.

(c) If any term or condition of this Agreement is found unenforceable, the remaining terms and conditions will remain binding upon the Parties as though said unenforceable provision were not contained herein. However, if the invalid, illegal or unenforceable provision materially affects this Agreement then the Agreement may be terminated by either Party on ten (10) days' prior written notice to the other Party hereto.

(d) Terms and conditions of this Agreement which, by their sense and context, survive the termination, cancellation, or expiration of this Agreement, including, but not limited to, Grantee's obligations under Paragraphs 6, 7, 9, and 14, shall so survive.

(e) This Agreement constitutes the entire agreement of the Parties with respect to the matters described herein and supersedes all prior written or oral negotiations or agreements with respect thereto. Each Party acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by either party, or anyone acting on behalf of either party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding. Any modification of this Agreement will be effective only if it is in writing signed by both parties, and the amended Agreement remains subject to the enforcement provisions of this Agreement.

(f) This Agreement shall bind and inure to the benefit of the successors, personal representatives, and permitted assignees of the respective Parties.

(g) Each of the Parties hereto has been or has had the opportunity to be represented, to the extent desired, by legal counsel of its choice in respect to this transaction. No provision of this Agreement shall be construed against one party as the drafter of the Agreement for that provision.

(h) Unless otherwise specified, the following rules of construction and interpretation apply: (1) captions are for convenience and reference only and in no way define or limit the construction of the terms and conditions hereof; (2) use of the term "including" will be interpreted to mean "including but not limited to"; (3) exhibits are an integral part of this Agreement and are incorporated by reference into this Agreement; (4) use of the terms "termination" or "expiration" are interchangeable; and (5) reference to a default will take into consideration any applicable notice, grace and cure periods.

14. ENFORCEMENT.

(a) If an action is instituted to enforce any of the terms, covenants, conditions or agreements contained in this Agreement or if an action is commenced because of any breach hereof, then the prevailing party in such action shall be entitled to all of its costs and reasonable attorneys' fees as fixed by the trial and appellate courts in said action.

(b) Grantee and Grantor hereby expressly and irrevocably waive all right to a trial by jury in any action, proceeding, claim, counterclaim or other litigation arising out of or relating to the Agreement or any of the activities or events referenced in this Agreement.

15. EXECUTION.

(a) Unless otherwise provided herein, this Agreement shall be effective on the last date of execution by the undersigned parties. This Agreement shall not be binding upon either Party until signed and acknowledged by each Party.

(b) Each of the undersigned represents that they have sufficient authority to execute this binding Agreement on behalf of the Party they represent.

(c) This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be executed as below subscribed.

"Grantee"

Humboldt County, a political subdivision of the State of California

By: _____

Print Name: _____

Its: _____

Date: _____

"Grantor"

**Green Diamond Resource Company,
a Washington corporation**

By: _____

Print Name: _____

Its: _____

Date: _____

A notary public, or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)

COUNTY OF _____)

On _____, 2020, before me, _____, a Notary Public in and for said County and State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity and that by his/her signature on the instrument of the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

STATE OF WASHINGTON)

COUNTY OF KING)

On _____, 2020, before me, _____, a Notary Public in and for said County and State, personally appeared Douglas S. Reed, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity and that by his signature on the instrument of the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Washington that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A

