

## RESEARCH ENTRY AGREEMENT

This RESEARCH ENTRY AGREEMENT ("the Agreement") made and entered into this 7th day of March, 2011, by and between **RIVER MEASUREMENTS**, a Division of West Consulting with a mailing address of 811 NE 154th St. Vancouver, WA 98685 ("Licensee") working under the direction of the **Chehalis River Basin Flood Authority** and **GREEN DIAMOND RESOURCE COMPANY**, a Washington corporation ("Green Diamond"), with a mailing address of P. O. Box 9001, Shelton, Washington 98584.

### RECITALS

Licensee desires to obtain permission from Green Diamond to enter that area of Green Diamond's real property known as the Olympic Tree Farm tract as shown on Attachment A (the "Property").

### AGREEMENT

IN CONSIDERATION of the mutual covenants and promises contained below, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged by each of the parties hereto, Green Diamond and Licensee agree as follows:

#### 1. PERMISSION.

A. Green Diamond grants to Licensee the nonexclusive and revocable privilege to enter upon the Property for the sole purpose of conducting scientific research known as the **Chehalis Flood Early Warning Plan** as conducted by the *Chehalis River Basin Flood Authority (Flood Authority) comprised of 11 member agencies including Grays Harbor County, Lewis County, Thurston County, City of Aberdeen, Town of Bucoda, City of Centralia, City of Chehalis, City of Montesano, City of Oakville, Town of Pe Ell, and the Confederated Tribes of the Chehalis Reservation*. The scientific research shall include data collection and transmission of real time data river stage, precipitation, and air temperature data. This stream gaging station will remain in operation for an indefinite amount of time on the Property ("Activities").

B. Collected data will be available to the Chehalis Flood Authority, its stakeholders, and the general public in near real-time through a website that is being implemented as part of the flood warning program. The NWS will receive the data to improve river forecasts in the Chehalis Basin. The data will also be made available to Green Diamond Resource Company.

C. Licensee agrees to provide and pay for all labor, equipment, and materials, and supplies to complete the work under this Agreement, unless otherwise specified herein.

D. Licensee agrees to access the Property using only roads and entry ways approved by Green Diamond.

E. Licensee agrees to cease using vehicles on Green Diamond's roads during periods when weather conditions make driving hazardous or may have a detrimental impact to the environment, including, but not limited to, the occurrence of rain in sufficient quantity and duration that driving would result in rutting and deformation of the road surface, degradation of water-bars, or tracking of mud onto public roadways. Vehicles used on un-surfaced ("dirt") roads shall also be limited to All Terrain Vehicles ("ATVs"). If any waterbars are traversed, Licensee shall maintain and, if necessary, repair all damage caused by traveling across such waterbars.

2. **TERM.** The term of this Agreement shall commence on the effective date shown above and continue indefinitely, unless terminated or extended as otherwise provided herein.

3. **REPRESENTATIONS.**

A. Green Diamond makes no representations as to the present or future conditions, natural or man-made, of the Property, the character of the traffic on any of its roads, the condition of access roads, or risks associated with or arising from other persons on the Property. Licensee has entered into this Agreement at its own risk and assumes all risk of personal injury and property damage to itself, its agents, servants, employees, contractors, successors and assigns in connection with the Activities under this Agreement. Nothing in this Agreement shall be construed as a guarantee of the type of work or quantity or quality of any products located in or on the Property.

B. Licensee represents that it, or its contractor, is experienced and competent in performing the Activities herein described and further represents it is familiar with and will comply with all applicable statutes, rules, and regulations promulgated by federal, state, county, local, and other governmental agencies having control over, or an interest in, the work hereunder. Licensee agrees to conduct the Activities in a diligent and workmanlike manner in accordance with the highest standards and practices recognized in the industry. Licensee shall not unnecessarily damage trees while conducting the Activities.

4. **RESPONSIBILITIES OF LICENSEE.**

A. Licensee shall comply with local, State of Washington and federal laws, agreements, permits, regulations, and statutes governing the Activities. Licensee shall comply with regulations applicable to forestry practices, water quality, fish and game protection, fire prevention, environmental protection and safety, and any other conditions or restrictions imposed by any governmental or quasi-governmental body. Green Diamond does not warrant its authority to permit the Activities. Licensee shall be solely responsible for obtaining at its sole cost and expense any and all other permits, licenses, variances and the like requisite to the conduct of the Activities.

B. Licensee promptly report to Green Diamond any violations of any laws, regulations, or permits of which Licensee has knowledge and promptly send to Green Diamond a copy of any notice of violation received by Licensee. A copy of all citations or other written documents Licensee receives from any agency shall accompany the notice of violation.

C. Licensee shall provide Green Diamond with names and addresses of all individuals to enter the Property in advance of such entry and shall revise and resubmit the list as personnel changes are made. Licensee shall also provide Green Diamond with a list of the license plate numbers and a description of the vehicles used for entry to the Property. Access shall be limited to normal business hours unless otherwise approved by Green Diamond. Licensee shall maintain the Property used by Licensee in an orderly, clean, and sanitary manner as required by Green Diamond.

D. In the event of any violation of this Agreement, or the occurrence of dangerous fire weather, or of possible damage to roads by their use in wet weather, or of the interference of Green Diamond's operations, Green Diamond shall notify the Licensee's representative in charge in the field, and Licensee shall immediately suspend the Activities or take steps to remedy the situation as Green Diamond may direct.

E. Licensee shall strictly limit the Activities to those described above, and shall not construct or erect any buildings, structures, equipment or improvements on the Property without the written consent of Green Diamond.

F. Licensee shall acquaint itself with and confine the Activities within the Property boundaries, and shall be responsible and liable for any trespass outside such boundaries as a result of the Activities.

G. Licensee shall return any key(s) that have been issued by Green Diamond for access to the Property. A five hundred-dollar (\$500.00) fee per key will be charged to the Licensee for any key(s) that is not returned at the expiration or termination of this Agreement.

H. Licensee shall not cut merchantable trees.

## **5. FIRE AND FIRE PREVENTION.**

A. Licensee shall not undertake any burning of debris.

B. Licensee assumes full responsibility for personal injury or property damage resulting from the Activities by fire or otherwise, including without limitation damage to any timber, logs, logging works, or equipment, and agrees to conform to all laws of the State of Washington pertaining to forest fires and their prevention and to all rules and regulations of the various departments and subdivisions thereof, as well as those of Green Diamond, the U. S. Forest Service, and any other public authority. Licensee agrees to do all in its power to prevent and suppress forest fires on the Property or upon other lands whether owned by Green Diamond, the United States of America, or any third party.

## **6. INDEMNITY.**

To the fullest extent permitted by law, Licensee shall defend, indemnify, protect and hold harmless Green Diamond, its affiliated companies and their officers, insurers, agents and employees, as well as the property of Green Diamond, from and against all expenses, fines, suits, losses, liens, claims, demands, penalties, damages, liabilities (including attorneys' fees and costs), judgments, decrees or settlements (collectively, "Claims") on account of injuries to or death of any and all persons whomever, including Licensee or Green Diamond, and any and all damage to property to whomsoever belonging, including property owned by, rented to, or in the care, custody or control of the parties hereto, and any obligation of applicable law, arising or growing out of, or in any manner connected with this Agreement or caused or occasioned, in whole or in part by reason of or arising during the presence of the person or property of Licensee upon or in proximity to the Property. The foregoing obligation of Licensee shall apply with respect to Claims caused or contributed to by the negligence of Green Diamond, or its officers, employees, or agents; however it shall not be construed as an indemnification against the sole combined negligence of Green Diamond or its officers, employees, or agents. The provisions of this paragraph 6. shall survive the expiration or termination of this Agreement.

**7. INSURANCE.**

Licensee, at its expense, shall procure insurance with companies satisfactory to Green Diamond covering the Licensee against risks and with minimum limits as indicated below:

- A. Workers Compensation (Statutory amount) and Employer's Liability (\$1,000,000), if applicable.
- B. Commercial General Liability insurance of \$1,000,000 combined single limit Bodily Injury and Property Damage each occurrence. Extensions of coverage to include Contractual Liability, Products and Completed Operations, Cross Liability, and Pollution arising out of heat, smoke or fumes from Hostile Fires.
- C. Commercial Automobile Liability insurance with minimum limits of \$1,000,000 per occurrence combined single limit of Bodily Injury and Property Damage coverage. Coverage shall extend to all owned, hired, or non-owned vehicles.
- D. The policies specified in B. and C. above shall include an endorsement that shall name Green Diamond Resource Company 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. The policies specified in B - C. above shall include an endorsement that provides Green Diamond be given a thirty (30)-day written notice prior to cancellation or material change to the policy. All liability coverages must be on an "occurrence" basis as opposed to "claims made". All insurance shall be in a form sufficient to protect Licensee and Green Diamond against the claims of third persons, and to cover claims by Green Diamond against Licensee for which the Licensee has assumed liability under this Agreement.
- F. Prior to commencement of Activities, Licensee shall furnish Green Diamond a certificate(s) of insurance, dated and signed by a stated, authorized agent for the insuring company or companies, in a form acceptable to Green Diamond and containing a representation that coverage of the types listed above is provided with the required limits. Green Diamond reserves the right to require a certified copy of the policy (ies) or to examine the actual policy (ies). Such certificates shall be sent to Green Diamond at the address provided herein.

**8. LICENSEE'S EMPLOYEES.**

Licensee's employees shall be deemed employees of Licensee and will not for any purpose be considered employees or agents of Green Diamond. Green Diamond shall exercise no control or supervision over the employees of Licensee hereunder. It is understood and agreed that no relationship of employer and employee is or shall be deemed to exist either between Green Diamond and Licensee or between Green Diamond and any other person or persons performing labor or services on behalf of Licensee. Licensee shall furnish and be responsible for its own employees, agents and equipment. It is expressly understood that Green Diamond has no authority over Licensee's agents or employees, and any complaint by Green Diamond about Licensee's agents or employees will be brought by Green Diamond to Licensee's attention for resolution by Licensee.

**9. SAFETY.**

A. Licensee shall comply with all federal, state, and local safety and health laws, regulations and standards. Failure of Licensee to comply with all federal, state, and local health and safety laws, rules, and regulations is grounds for immediate revocation of this Agreement.

B. Licensee is responsible for safety and health conditions in connection with the Activities. Licensee has primary and ultimate responsibility for instructing and supervising its employees on safe work practices. It is Licensee's responsibility to protect its own and others' employees from such hazards. Licensee is responsible for identifying existing on-site hazards in its area of the Activities and for taking appropriate actions to inform its employees how to recognize and avoid the hazard and to protect its own and others' employees from those hazards. If Licensee creates or causes a hazard in the course of the Activities, Licensee is responsible for correcting the hazard. Licensee has an obligation to immediately notify Green Diamond and others at the Property whenever Licensee becomes aware of a hazard that Licensee cannot remove or correct immediately. Green Diamond supervisory and management personnel have the authority to inform Licensee of violations of any health and safety laws, rules and regulations at all Green Diamond operations. When necessary to prevent injury and/or property damage, Green Diamond supervisors will immediately stop the Activities. The Activities will resume only after the appropriate corrective actions have been taken by Licensee.

**10. HAZARDOUS MATERIALS.**

A. Licensee shall indemnify Green Diamond and hold Green Diamond harmless from and against any and all loss, cost, damage, expense or claim of any kind and nature (including, without limitation, court costs, expenses and attorney's fees) paid, incurred or suffered by, or asserted against, Green Diamond, as a direct or indirect result of the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release from, the Property, of any Hazardous Materials arising out of, in connection with, or in any manner related to the Activities or any actions or omissions of Licensee. The provisions of this paragraph shall survive the expiration or termination of this Agreement.

B. As used herein, the term "Environmental Laws" shall mean any federal, state, local or foreign law, statute, decree, ordinance, code, rule or regulation, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 and any other federal, state or local law or ordinance relating to the actual or threatened emission, discharge or release into the environment (including, without limitation, ambient air, surface water, groundwater or land) or any pollutant, contaminant, hazardous, toxic or dangerous waste, substance, chemical or material, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of such substances, and any and all regulations, codes, plans, orders, decrees, judgments, injunctions, notices or demand letters issued, entered, promulgated or approved thereunder. As used herein, the term "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, including, without limitation, asbestos, PCBs, oil or any other substance defined as a "hazardous substance," "toxic substance" or "hazardous material" in any Environmental Laws.

**11. HAZARDOUS MATERIALS; SPILL NOTIFICATION AND RESPONSE.**

In the event of a spill or release of Hazardous Materials, Licensee shall promptly comply with all federal, state and local spill notification and response requirements. Licensee shall at a minimum: (i) prevent further spilling or release; (ii) take appropriate corrective actions to mitigate the spill; and (iii) specifically

comply with local, state and federal spill notification and reporting requirements, and notify Green Diamond of any spill event. Licensee shall be responsible for the response and restoration costs of any release of Hazardous Materials in connection with this Agreement. This Section shall not be interpreted to prohibit the otherwise lawful application of oil-based herbicides if called for by this Agreement.

12. **OTHER.**

A. The Activities under this Agreement shall in no way interfere with the land management and logging activities conducted by Green Diamond, its contractors or assigns or use by other licensees. Licensee shall supervise all persons connected with Licensee under this Agreement to assure that the Activities are within the boundaries specified in this Agreement.

B. This Agreement is personal to Licensee and may not be assigned, transferred, or conveyed without the prior written consent of Green Diamond. This Agreement shall be governed by the laws of the State of Washington. The remedies provided herein will be cumulative and in addition to any other remedies provided by law or in equity. This document constitutes the entire agreement of the parties and may be altered, amended, or repealed only by executed written instrument signed by authorized representatives of both parties.

C. Failure by Green Diamond at any time to require strict performance by Licensee of any provision hereof shall in no way affect Green Diamond's rights hereunder to enforce such provision, nor shall any waiver by Green Diamond of any breach of any provision hereof be held to be a waiver of any succeeding breach of any such provision or as a waiver of the provision itself. In the event any action, suit, or legal proceeding is instituted by either party to this Agreement, the prevailing party shall be entitled to recover from the losing party both reasonable attorney's fees and reasonable expert witness fees as determined by the court, both at trial and on appeal or review. Attorney's fees and expert witness fees shall be in addition to other costs and disbursements allowed by law. Section headings and subheadings in this Agreement are for convenience only and shall not be considered a part of this Agreement or used in its interpretation.

D. Any notices required or desired to be given under this Agreement shall be in writing and shall be effective upon the earlier of: (i) when actually delivered by any generally accepted means of business communications (including FAX), or (ii) three (3) days after being deposited in the mail, postage prepaid, certified, return receipt requested to the address set forth below, or to such address as such party shall subsequently designate in writing.

**Green Diamond:**

Eric Beach  
PO Box  
Shelton, Washington  
(360) 427-4790

**Licensee:**

Steve Gustafson  
WEST Consultants, Inc.  
Vancouver, Washington  
(360) 571-2290

E. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which counterparts together shall constitute the same instrument, which may be sufficiently evidenced by one counterpart.

F. This Agreement shall bind and inure to the benefit of the successors, legal representatives, and permitted assignees of the respective parties.

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F. This Agreement shall bind and inure to the benefit of the successors, legal representatives, and permitted assignees of the respective parties.

G. Any modifications, changes, additions or deletions to this Agreement or the Exhibits attached hereto shall first be approved by and between Green Diamond and Licensees, in writing.

H. If any provision contained herein is declared by a court of competent jurisdiction to be void or unenforceable as written, the parties intend and desire that (a) such provision be enforced and enforceable to the fullest extent permitted by law, and (b) the invalidity or unenforceability of such provision shall not affect the validity or enforceability of the balance of this Agreement.

I. 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.


J. Portions of this Agreement are intended to survive any expiration or termination of this Agreement. Accordingly, all provisions hereof which contemplated performance after any such event shall so survive, as shall all indemnity and restoration obligations of Contractor, and the right to exercise remedies for default.

### 13. TERMINATION.

This Agreement may be terminated by Green Diamond at any time prior to expiration for the following reasons: (i) Licensee's failure to comply with any of the terms and conditions of this Agreement or (ii) Green Diamond, in its sole discretion, deems such termination to be in its best interest.

DATED as of the date first provided above.


**GREEN DIAMOND RESOURCE COMPANY,  
Washington Timberlands Division**

By 

**Eric Beach**

**Timberland Services Manager  
Washington Timberlands Division**

**LICENSEE**

By 

Print: **STEVEN A. GUSTAFSON**

Title: SENIOR HYDROLOGIST  
WEST CONSULTANTS, INC.  
VANCOUVER, WA

## Exhibit A

Area to be accessed: **Olympic Tree Farm**

Road #'s: **Cougar Smith, 600, 7600**

Watershed names: **West Fork Satsop**

