

## RCMBA GDRC RECREATIONAL USE AGREEMENT

This RECREATIONAL USE AGREEMENT (this "Agreement") is made this \_\_\_th day of \_\_\_\_\_, 2017, by and between Green Diamond Resource Company, a Washington corporation ("GDRC") and The Redwood Coast Mountain Bike Association, a California nonprofit corporation ("RCMBA").

### RECITALS

A. GDRC is the owner of real property legally described in Exhibit A, attached hereto and incorporated by reference, and commonly known as Hatchery Ridge, located in Humboldt County, California ("Hatchery Ridge"), which is currently vacant and unoccupied forest land.

B. For the present time GDRC intends to continue the current use of Hatchery Ridge as forest land and, as provided for in the Recreational Use Immunity Act (the "Act"), will permit members of RCMBA to use Hatchery Ridge for the purposes of certain outdoor recreation for no fee, subject to GDRC's right to terminate such use.

C. RCMBA is an organization devoted to the promotion and facilitation of non-motorized recreation. RCMBA wishes to assist in the construction and maintenance of non-motorized bike trails and other trail features on portions of Hatchery Ridge, and GDRC is willing to permit RCMBA to do so, as provided under the Act and under the terms and conditions set forth in this Agreement.

### AGREEMENT

1. Revocable License. GDRC grants to RCMBA a revocable license allowing RCMBA and/or its members to construct and maintain, at the sole cost, expense and liability of RCMBA, trails and mountain bike trail features ("Trails") as previously constructed, or newly constructed, on Hatchery Ridge, subject to the terms and conditions set forth in this Agreement. RCMBA acknowledges and agrees that the license: a) is not assignable; b) is non-exclusive and does not exclude GDRC from full possession of Hatchery Ridge; c) is revocable by GDRC pursuant to the terms of this Agreement; and d) shall immediately terminate upon sale, transfer or assignment of GDRC's interest in Hatchery Ridge. RCMBA acknowledges that the grant of this license, RCMBA's construction and maintenance of the Trails, and the public's use is being made as the use of private land for public recreational use and purposes under the Act. By acceptance of this license, RCMBA acknowledges that the licensed use area and GDRC's property surrounding the licensed use area are commercial timberland, and GDRC manages its property for timber production including, but not limited to, harvesting, slash burning, and herbicide application. RCMBA shall not object to any lawfully conducted timber harvesting, management activities and/or development of property carried out by GDRC or its agents, other permittees, lessees, contractors, successors, or assigns.

2. Construction of the Trails. All Trails constructed, installed or maintained by RCMBA and/or its members shall comply with the "Construction Guidelines" published by the International Mountain Biking Association ("IMBA") as set forth in its manual entitled "Trail Solutions," or any future similar IMBA publication intended to replace the same (the "Trail Standards"). RCMBA shall, at its sole cost and expense, conspicuously post and maintain warning signs advising users of known dangerous artificial latent conditions on the Trails on Hatchery Ridge as provided for in the Act including, but not limited to, at the entrance points to the Hatchery Ridge and on RCMBA's website, [www.█.com](http://www.█.com). During the construction of trails, RCMBA shall not cut or damage live trees. RCMBA shall provide GDRC five (5) day notice prior to commencement of construction activities.

3. Maintenance of Trails. RCMBA and its members shall, at their sole cost and expense, maintain all Trails installed by them in good condition and repair, such that the same are safe for their intended use and are at all times in compliance with the Trail Standards. RCMBA shall inspect all Trails constructed by it and/or its members on at least a quarterly basis to ensure that all such Trails are in the condition required by this Section 3. Any Trails that are found not to be in the condition required by this Section 3 shall, at RCMBA sole cost and expense, be either: (i) removed by RCMBA; or (ii) repaired by RCMBA so as to meet the requirements of this Section 3. Upon GDRC's request, RCMBA and GDRC shall jointly inspect all Trails constructed and/or installed pursuant to this Agreement to ensure compliance with the terms of this Agreement.

4. GDRC Approval. No new Trails shall be constructed on Hatchery Ridge by RCMBA and/or its members without the prior written approval of GDRC, which such approval may be granted or withheld in its sole discretion. RCMBA will designate the proposed location of Trails with plastic flagging (red and white candy stripe) and provide GDRC with a written Trail route plan for GDRC approval, and shall afford GDRC the opportunity to review and approve any changes or additions to the trail plan. The trail plan shall be designed to minimize use of the 5000 road. Should GDRC approve the construction of any new Trail, all such construction shall be at RCMBA's sole cost and expense, and shall be performed in strict compliance with the Trails Standards or other applicable guidelines published by IMBA. Within ten (10) days of the execution of this Agreement, RCMBA shall provide to GDRC a written request to continue the construction and/or installation of any Trails that have not yet been completed. RCMBA shall take no further action, including the continuation of construction or installation, on any such Trails until GDRC has approved or denied such request in writing. This license does not authorize RCMBA or its members or guests to take any species listed for protection under the federal or California Endangered Species Act.

5. Property Conditions and Dangerous Conditions. GDRC makes no representation as to the present or future conditions of the licensed use area and its fitness for biking activities under this license. RCMBA accepts this license subject to all danger or injury to persons and damages or destruction to property while RCMBA members and guests are on GDRC property. In this regard, RCMBA assumes all risk of injury or death to individuals who are on GDRC property pursuant to this license and all risk of damage to property upon or in proximity to the GDRC property with RCMBA's knowledge or consent, without regard to whether such injury or damage is occasioned by known or unknown, hidden or disclosed defects on the GDRC property. RCMBA shall immediately notify GDRC and its members of any abnormal or dangerous conditions on Hatchery Ridge of which RCMBA becomes aware.

6. Prohibition of Flammable Materials. Due to the danger of forest fires, RCMBA shall not bring onto Hatchery Ridge any flammable or explosive materials, including, but not limited to, any kerosene, gasoline, propane or other similar substances, except for gasoline (in amounts less than two gallons) for machinery used for trail construction and/or maintenance. If such gasoline is brought onto Hatchery Ridge, RCMBA shall remove all such gasoline immediately after its use, and in no event shall any gasoline be stored or maintained on Hatchery Ridge overnight. Each RCMBA work crew shall have a fire extinguisher on site at all times.

7. Own Risk. RCMBA acknowledges and agrees that all recreational activities undertaken by it or its members and guests on Hatchery Ridge are undertaken at RCMBA's own risk, and that GDRC shall have no liability whatsoever for any injuries to persons or property occurring due to such activities. RCMBA shall, to the fullest extent permitted by law, indemnify, defend, and hold harmless GDRC 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 use of GDRC

property by RCMBA or anyone else entering GDRC property at RCMBA's direction or invitation, or the failure on the part of RCMBA to perform fully its promises contained herein. RCMBA shall cooperate in good faith in the defense of any action brought by any person making a claim against GDRC for that person's use of Hatchery Ridge and the Trails thereon. RCMBA's obligations under this Section 7 shall survive the termination of this Agreement and the revocation of the license granted by this Agreement.

8. Insurance. RCMBA shall, at its own expense, maintain commercial general liability insurance with respect to RCMBA's acts and omissions. Such insurance shall have a minimum liability limit for bodily injury or property damage of at least One Million Dollars (\$1,000,000) per occurrence. The policy shall include an endorsement naming Green Diamond Resource Company as an additional insured. RCMBA shall furnish GDRC with certificates evidencing such insurance within ten (10) working days of the execution of this Agreement. Throughout the term of this Agreement RCMBA shall, on an annual basis, provide renewal certificates to GDRC evidencing such coverage. During the term of this Agreement RCMBA shall immediately provide GDRC with written notice should there be any cancellation of or change to the policies or any claim made under the policies. RCMBA hereby waives any subrogation claim against GDRC by its insurers under the insurance policy specified above, for damages arising from any peril insured against under such policy.

9. Revocation of License. GDRC may revoke the license granted by this Agreement and terminate this Agreement at any time, for any reason or for no reason, by giving no less than ten (10) days prior written notice to RCMBA of same. In the event of revocation of the license, RCMBA shall immediately cease using and accessing the Hatchery Ridge Property for any purpose. Further, upon the termination of this Agreement and revocation of the license, GDRC may, at its election, require RCMBA to take any of the following actions, at RCMBA's sole cost and expense: (i) discontinue maintenance and construction of the Trails on Hatchery Ridge by RCMBA, and remove warning signs; or (ii) abandon all of the Trails and associated warning signs in place, in their current condition as of the date on which this Agreement terminates. RCMBA's obligations under this Section 9 shall survive the termination of this Agreement. RCMBA may terminate this Agreement at any time for any reason or for no reason, by giving no less than ten (10) days prior written notice to GDRC of same. Upon its termination of this Agreement and revocation of the license, RCMBA shall immediately cease using and accessing the Hatchery Ridge Property, and discontinue maintenance and construction of the Trails on Hatchery Ridge.

10. Posting. RCMBA will post this Agreement on their official website, [www.████████.com](http://www.████████.com), and any future websites and provide RCMBA's members copies of this Agreement at their annual meetings for the period that this Agreement is in force. Upon termination of this Agreement by either party, RCMBA's obligations pertaining to this Section 10 will cease.

11. Management of Hatchery Ridge. As of the date of this Agreement, Hatchery Ridge is being managed by GDRC. RCMBA shall provide all notice, communications and requests directed to GDRC at the address(es) set forth below. Should the management of Hatchery Ridge change during the term of this Agreement, GDRC will notify RCMBA in writing.

12. Miscellaneous.

12.1 Notices. All notices by either party under this Agreement shall be in writing and shall be provided to the other party via United States mail, return receipt requested, to the addresses set forth below the parties' respective signature block or such other address as may be provided by one party to the other in writing.

12.2 Entire Agreement. This Agreement is intended by the parties to be the final expression and the complete and exclusive statement of their agreement with respect to the matters contained herein, and any and all prior or contemporaneous agreements or understandings, whether oral or written, pertaining to such matters are merged in this Agreement and shall not be admissible or effective for any other purpose. This Agreement may not be amended except by a writing signed by both parties that expressly states that it is an amendment to this Agreement.

12.3 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.

12.4 Attorneys' Fees. If either party to this Agreement consults an attorney regarding enforcement of this Agreement, or if any litigation is commenced between the parties, or if any party institutes any proceeding, the prevailing party shall be entitled, in addition to such other relief as may be granted, to a reasonable sum for its attorneys' fees and costs, whether or not a suit is brought.

12.5 Severability. If any provision of this Agreement, or the application of the provisions to any person or circumstances, shall be deemed invalid or unenforceable to any extent, the remainder of the Agreement and the application of such provisions to other persons or circumstances, other than those to which it is held invalid, shall not be affected and shall be enforced to the fullest extent permitted by law, provided the invalidity of such provision does not materially affect the benefits accruing to any party.

12.6 Governing Law. This Agreement is made and entered into in the State of California and shall in all respects be interpreted, enforced and governed by the laws of the State of California. The Agreement shall in all cases be construed as a whole according to its fair meaning, not strictly for or against either party.

12.7 Authority. Each party signing this Agreement represents and warrants that he or she has the proper authority to bind the party on whose behalf he or she signs.

12.8 Construction of Agreement. The provisions set forth in this Agreement shall not be construed in favor of or against either party, but shall be construed as if both parties prepared this Agreement.

12.9 Not Subject to Assignment. The rights and obligations under this Agreement may not be assigned or assumed by any other party and this Agreement is not subject to assignment.

### 13. Recreational Use without Monetary Consideration and Statutory Immunity

RCMBA and GDRC agree that there is no fee or other monetary consideration paid by RCMBA for access to GDRC property as described herein. RCMBA acknowledges that it has requested that GDRC make its property available for recreational activities, and that GDRC has not specifically invited use of its property by RCMBA. The parties agree that Sections 846 and 846.2 of the California Civil Code provide landowners with immunity from potential liability to recreational users except under certain conditions. Pursuant to these Code sections, an owner owes no duty of care to keep the premises safe for entry or use by others for any recreational purpose or to give any warning of hazardous conditions, uses of, or structures or activities on such premises to persons entering for recreational purposes, except as otherwise provided.

RCMBA MOUNTAIN BIKE COALITION,  
a California nonprofit corporation,

GREEN DIAMOND RESOURCE COMPANY  
a Washington corporation

EXHIBIT A

Legal Description and Trial Map