



SQUAXIN ISLAND TRIBE

RESOLUTION NO. 17-76

of the

SQUAXIN ISLAND TRIBAL COUNCIL

WHEREAS, the Squaxin Island Tribal Council is the Governing Body of the Squaxin Island Tribe, its members, its lands, its enterprises and its agencies by the authority of the Constitution and Bylaws of the Squaxin Island Tribe, as approved and adopted by the General Body and the Secretary of the Interior on July 8, 1965; and

WHEREAS, under the Constitution, Bylaws and inherent sovereignty of the Tribe, the Squaxin Island Tribal Council is charged with the duty of protecting the health, security, education and general welfare of tribal members, and of protecting and managing the lands and treaty resources and rights of the Tribe; and

WHEREAS, the Tribe is a federally-recognized Indian Tribe possessing reserved powers, including the powers of self-government; and

WHEREAS, the Squaxin Island Tribal Council has been entrusted with the creation of ordinances and resolutions in order to fulfill their duty of protecting the health, security, education and general welfare of tribal members, and of protecting and managing the lands and treaty resources of the Tribe; and

WHEREAS, the Squaxin Island Tribal Council has the goal of making the Squaxin Island Reservation an economic, social, cultural and political land base for the Squaxin Island Tribe; and

WHEREAS, the Squaxin Island Tribe desires to purchase approximately 109.36 acres of property adjacent to existing Squaxin Trust land, known by Mason County Tax Parcel Nos. 31930-20-00000, 31930-21-00000, and 41925-11-00000, which property is currently held as designated forest land subject to a Continuing Forest Land Obligation.

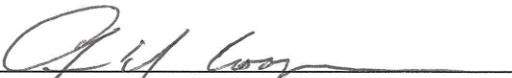
NOW THEREFORE BE IT RESOLVED, that the Squaxin Island Tribal Council hereby agrees to the purchase and sale of the real property as set forth in the attached Purchase and Sale Agreement;

NOW THEREFORE BE IT RESOLVED, that the Squaxin Island Tribal Council approves and agrees to the limited waiver of sovereign immunity included within the attached Purchase and Sale Agreement;

NOW BE IT FINALLY RESOLVED, that the Squaxin Island Tribal Council hereby authorizes its Chairman, Arnold Cooper, or the Tribal Administrator, Kris Peters to do any and all acts necessary to (1) acquire the above referenced property, by executing any and all documents contemplated by the Purchase and Sale Agreement, including but not limited to the Agreement itself, the DNR Notice of Continuing Forest Land Obligations, and the Contract for Reforestation Services, and to make material and non-material changes to such documents, (2) close the transactions through the Mason County Title Company, (3) take steps to preserve the designated forest land tax classification for the property, and (4) seek fee to trust status.

CERTIFICATION

The Squaxin Island Tribal Council hereby certifies that the foregoing Resolution was adopted at the regular meeting of the Squaxin Island Tribal Council, held on this 24 day of October, 2017, at which time a quorum was present and was passed by a vote of 6 for and 0 against, with 0 abstentions.



Arnold Cooper, Chairman

Attested by: 

Steven Dorland, Secretary



Charlene Krise, Vice Chairman

CONTRACT FOR REFORESTATION SERVICES

This CONTRACT FOR REFORESTATION SERVICES (this "Contract") is made and entered into on this _____ day of October, 2017 by and between ISLAND TIMBER COMPANY LIMITED PARTNERSHIP, a Washington limited partnership ("Island Timber"), whose address is 8133 River Drive SE, Tumwater, Washington, 98501 and SQUAXIN ISLAND TRIBE, a federally recognized Native American Indian tribe ("Squaxin Tribe"), whose address is 10 SE Squaxin Lane, Shelton, Washington 98584.

Island Timber and Contractor agree as follows:

1. PURPOSE/SCOPE OF SERVICES.

The purpose of this Contract between Island Timber and Squaxin Tribe, is for Island Timber to complete reforestation obligations over a portion of the real property located in the N½ of the NW¼ of Section 30, Township 19 N, Range 3 W, in Mason County, Washington (the "Property") and approximately as shown on the site map attached hereto as Exhibit A.

Island Timber agrees to complete the reforestation obligation in accordance with the provisions of RCW 76.09.070 as those obligation relate to Forest Practice Application 2419324 (the "FPA") for the "Double Bogey" harvest unit, and pursuant to the terms of this Contract (the "Services").

2. TERM.

This Contract shall commence on the effective date and shall terminate upon the earlier of established reforestation compliant with the provisions of RCW 76.09.070 or the termination date of October 2, 2021, whichever date occurs first.

Island Timber will promptly commence the Services and use reasonable and diligent efforts to cause all Services to be completed as soon as reasonably feasible, but in any event no later than the termination date. Time is of the essence in this Contract. Island Timber shall furnish and timely pay all subcontractors and for all material, labor, and equipment used in connection with the work, and shall not create or permit the creation of any liens or claims of lien against Squaxin Tribe's property.

3. COMPENSATION.

Squaxin Tribe and Island Timber agree that the compensation for the services rendered under this Contract is the fulfillment to obligation under the Real Estate Purchase and Sale Agreement dated October ____, 2017 in which Island Timber has been full compensated for the Services herein.

4. ACCESS TO PROPERTY.

Squaxin Tribe grants Island Timber a license to use all roads and rights-of-way on and accessing the Property as needed to perform its services under this Contract. If any fee is due a third party for Island Timber's use of roads and rights-of- way, it shall be Squaxin Tribe's responsibility to pay the fee. Island Timber shall have no road maintenance obligation under this Contract.

5. ROAD USE AND MAINTENANCE.

Maintenance. Maintenance is defined as work normally necessary to preserve and keep the roads on the Property or easement roads providing access to the Property ("roads") in their present condition or as hereafter improved. At a minimum, Island Timber will maintain the roads to preserve and keep the roads in their present condition or as hereafter improved and to meet forest practice standards set forth in WAC 222-24-050 as now written or hereafter amended. During periods when either party and/or other parties with an easement or license jointly use the road(s), or any portion thereof, the cost of maintenance and resurfacing shall be allocated among such users on the basis of their respective use including that of their agents, contractors, subcontractors, licensees, and permittees. During periods of joint maintenance, the users shall meet at times to be set by mutual agreement and establish necessary maintenance provisions. Such provisions shall include, but not be limited to (i) the appointment of a maintainer, which may be one of the parties or any third party, to perform or contract the maintenance; (ii) the extent of resurfacing necessary to keep the road safe and to reduce environmental impacts; and (iii) a method of payment by which each party using the road or a portion thereof, shall pay its pro rata share of the cost of maintenance.

Road Repair. Island Timber shall repair at its sole cost and expense any damage to roads arising out of its use or that of its contractors or subcontractors which is in excess of normal and prudent usage. Should damage be caused by an unauthorized user, the cost of repair shall be treated as ordinary maintenance and handled as set forth above.

6. WARRANTY OF FITNESS.

The safety of Island Timber's personnel while performing work related to the Services under this Contract is of importance to both Squaxin Tribe and Island Timber. Island Timber acknowledges that it has inspected the property and roads, knows the condition thereof and is entering into this Contract with full knowledge of the state and condition of the property and roads, accepts them "AS IS" with all inherent risks and assumes all risks of all activities thereon related to the work. Squaxin Tribe warrants that it has disclosed to Island Timber all latent or hidden dangerous conditions on the Property of which it has current actual knowledge.

7. STANDARDS.

Island Timber will perform its services in a manner consistent with the degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances in the same locality in that Island Timber agrees to:

- a. demonstrate honesty, integrity and objectivity with information that is accurate; and
- b. comply with all local, state and federal laws, regulations and rules, including, but not limited to, rules governing forest practices and reforestation; and
- c. demonstrate professionalism in the understanding, knowledge and competency in the subject matter and conduct operations in a manner consistent with the best management practices of the industry
- d. avoid conflicts of interest or the appearance of such and immediately disclose all conflicts of interest and be prepared to discuss and resolve conflicts in a manner consistent with the Geological Society code of conduct.

It is understood between the parties that the Services to be performed by Island Timber are specific to the Squaxin Tribe's ownership of the Property and compliance with the reforestation obligations under the FPA, Washington State RCW 76.09.070, and any other rule or regulation

of any other federal, state, or local jurisdiction. Island Timber will apply a method currently required by the Washington Forest Practices rules. Island Timber does not represent or warrant its work to be useable for any purpose other than that described in Paragraph 1, above.

8. INDEPENDENT CONTRACTOR.

In performing Services under this Contract, Island Timber is in all respects an independent contractor. Island Timber is not the employee, agent, or partner of Squaxin Tribe. Island Timber is solely responsible for the proper accounting and payment of its own federal income tax, social security, workers' compensation and other taxes, insurance premiums, and all other expenses associated with its business.

9. PERFORMANCE OF SERVICES; COVENANTS.

In connection with Island Timber and any of Island Timber's contractors or subcontractors' operations with respect to this Contract and the use and construction of roads on the Property, Island Timber shall:

a. Comply with all applicable federal, state, and local laws, rules, and regulations, including without limitation applicable provisions of the Washington Forest Practices Act and the rules and regulations issued thereunder, and all laws, rules, and regulations relating to worker safety, fire protection and suppression, and road construction, repair, and maintenance.

b. Remove from the Property any trash, garbage oil drums, cans, and filters, wire cable, and other discarded materials and equipment left or placed on the Property by Island Timber or its contractors, subcontractors, agents, or employees.

c. Operate in a good and workmanlike manner, planting adequate trees per acre so that the survival rate is 190 tree per acre or more, and take such steps as may be reasonably required to obtain the highest rate of new plantation survival.

d. Use best due diligence to prevent fires and use all people and equipment reasonably necessary to prevent fires from spreading.

e. Pay and perform all obligations and liabilities arising under any contracts pertaining to reforestation of the Property, and pay all costs of labor and materials and keep the Property free and clear of all liens and encumbrances that may arise from Island Timber's or its contractors' or subcontractors' activities hereunder. Island Timber shall not suffer or permit any lien or encumbrance of any kind to be filed against or upon the Property.

f. Upon Squaxin Tribe's reasonable request, suspend operations at any time when, due to weather conditions, such operations would cause excessive damage to roads or soil on the Property or when there is undue risk of fire.

g. Comply with all applicable Environmental Laws (hereinafter defined) and not permit any third party to dispose or otherwise release any Hazardous Substance (hereinafter defined) on the Property, except for such Hazardous Substances complying with all applicable Environmental Laws that are removed from the property upon completion of Island Timber's activities thereon. The term "Hazardous Substance" means any substance or material defined or designated as hazardous or toxic (or any similar term) under any Environmental Law. The term "Environmental Law" means any federal, state, or local law, ordinance, rule, or regulation relating to pollution or protection of the environment or actual or threatened releases, discharges, or emissions into the environment.

h. Island Timber shall permit Squaxin Tribe and/or its representative from time to time to inspect Island Timber's reforestation progress.

10. INDEMNITY

Island Timber shall defend, indemnify and hold Squaxin Tribe harmless from all claims, losses, injuries, demands, damages, liabilities, liens, penalties or expenses, including, without limitation, reasonable attorneys' fees that are, (i) caused by or arising in connection with the operations of Island Timber and its agents, employees, contractors or subcontractors with respect to reforestation operations; (ii) arising from Island Timber's breach of or failure to comply with any of the terms, covenants and conditions of this Contract; (iii) arising from Island Timber's breach of or failure to comply with any of the terms and conditions of the FPA; or (iv) brought or made by any of Island Timber's employees, agents, contractors or subcontractors in connection with the work. However, Island Timber shall not be required to indemnify Squaxin Tribe to the extent any such claim, loss or damage arises from the negligence of Squaxin Tribe or its agents or employees. As to Squaxin Tribe only, and only for the purpose of giving effect to Island Timber's indemnification of Squaxin Tribe in this Contract, Island Timber waives any immunity that Island Timber may have under the Industrial Insurance Act, Title 51 RCW, or similar workers' compensation, benefits or disability laws. The foregoing waiver was mutually negotiated by the parties, as shown by the Island Timber's initials:

Island Timber _____

Island Timber hereby releases and waives all claims against Squaxin Tribe with respect to claims, damages or injuries arising from the operations of Island Timber under this Contract, except to the extent caused by the negligence or misconduct of Squaxin Tribe or by Squaxin Tribe's breach of any obligation under this Contract. Island Timber's indemnity and defense obligations under this Section 10 shall survive expiration or termination of this Contract.

11. INSURANCE

Island Timber agrees to carry and maintain at all times during the term of this Contract, and Island Timber shall require its contractors and subcontractors to carry and maintain in full force and effect, the insurance described below. All insurance must be purchased on an occurrence basis, and be issued by a carrier admitted by the Insurance Commissioner to do business in the State of Washington. Non-admitted or surplus lines carriers, or admitted carriers with a Best rating of "B" or below must be approved in advance by Squaxin Tribe.

Types of Required Insurance.

Commercial General Liability. Insurance written under Insurance Services Office (ISO) Form CG0001 or its equivalent with minimum limits as set out below covering liability arising from premises, operations, independent contractors, personal injury, products completed and liability assumed under an insured contract.

Description:

General Aggregate Limit	\$2,000,000
Each Occurrence Limit	\$1,000,000

Business Auto Policy (BAP). Insurance on an ISO CG0001 form or equivalent providing Bodily Injury and Property Damage Liability coverage for all owned, hired or non-owned vehicles assigned to, or used in, the performance of the contract for a combined single limit of not less than \$1,000,000 each occurrence.

Employer's Liability insurance on all employees engaged in the operations on the Property and not covered by state workers' compensation insurance.

All such insurance policies shall name Squaxin Tribe and its successors and assigns with respect to the Property (as to which Island Timber receives notice) as additional insureds. Island Timber's successors and assigns shall furnish and Island Timber shall cause its contractors or subcontractors to furnish one or more certificates or endorsements acceptable to Squaxin Tribe evidencing the foregoing insurance coverage prior to the commencement of operations hereunder.

12. TERMINATION AND SUSPENSION.

In the event of default on any of the terms and conditions set forth herein by either party hereto, the non-defaulting party (at its sole option) may choose to give a fifteen (15) day notice of termination and thereby terminate this Contract. In addition, either party may, with notice to the other party but without liability to the other, suspend activities when performance is delayed or prevented by act of God, labor dispute, government acts, or any circumstances beyond the reasonable control of the suspending party.

In the event Island Timber shall fail to perform services in the manner prescribed in this Contract, or if Island Timber fails to perform or abide by any of its covenants or obligations under this Contract and thereafter fails to cure such failure within ten (10) days following Island Timber's receipt of notice of such failure from Squaxin Tribe, (the foregoing being herein an "Event of Default"), then Squaxin Tribe may elect to terminate this Contract immediately. Upon such cancellation any and all rights of Island Timber to enter upon the Property or the roads providing access to the Property shall immediately and automatically terminate and Island Timber shall have no further right or interest of any nature whatsoever in or to the Property or the roads providing access to the Property and any outstanding or future forestland or reforestation obligation under the FPA.

13. ASSIGNMENT.

This Contract may not be assigned and interests and rights of Island Timber under this Contract may not be assigned by operation of law or otherwise, either in whole or in part, nor may Island Timber receive any other consideration with respect to any of the Services without the specific written approval of Squaxin Tribe, which may be withheld at Squaxin Tribe's sole discretion. This Contract may be terminated by Squaxin Tribe, by written notice to Island Timber, in the event Island Timber (i) files for bankruptcy or has a bankruptcy proceeding filed against it, (ii) makes an assignment for the benefit of creditors, (iii) has a receiver appointed for it, (iv) becomes insolvent, or (v) ceases paying its employees or agents when due. Squaxin Tribe may terminate this Contract if Island Timber becomes incapacitated or ceases to exist.

14. MODIFICATIONS.

Any modification of this Contract must be in writing and signed by both parties, including any extension of the terms hereof. Modifications will be attached to and become a part of this original Contract.

15. MISCELLANEOUS:

This Contract contains the entire understanding of the parties with respect to the subject matter, and supersedes and replaces all prior agreements and negotiations, representations and agreements with respect to the subject matter.

No waiver or change of any of the provisions of this Contract shall be binding upon any party unless in writing and signed by the party to be charged thereby. The waiver by one party hereto of a breach of any provision of this Contract shall not operate or be construed as a waiver of any subsequent breach.

If any term or provision of this Contract is held to be invalid, illegal or unenforceable for any reason, any such term or provision shall be deemed automatically amended to the minimum extent necessary to make it valid, legal and enforceable and such invalidity, illegality or unenforceability shall not affect any other term or provision of this Contract and such other terms and provisions shall remain in full force and effect.

This Contract shall be governed by the laws of the state Washington. Venue of any action with respect to the enforcement of this Contract shall be in the Superior Court, in Thurston County, Washington, and the parties hereby irrevocably agree to submit to the jurisdiction thereof.

Subject to the restriction against the assignment of Island Timber's rights hereunder without Squaxin Tribe's prior consent, this Contract and the terms and provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their successors, heirs and assigns.

In construing the parties' intent with regard to this Contract, no stricter construction of any term or provision hereof shall be asserted against a party by reason of its being the drafter or alleged drafter thereof and the language in this Contract will be construed according to its fair meaning and not strictly for or against either party.

16. COUNTERPARTS; DELIVERY.

This Contract may be executed in one or more counterparts, and by the respective parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which together shall constitute one and the same agreement. This Contract may be effectively delivered by the transmission of a party's signed counterpart hereof to the other party by (i) personal delivery, (ii) facsimile transmission to the facsimile number(s) for the other party specified below, (iii) email transmission of a "pdf" file to the other party at the email address specified below, or (iv) any electronic means that makes an electronically signed copy available to the other party. Photocopies, electronic copies, and "pdf" files of any signed counterpart of this Contract are effective and valid for any and all purposes as if they were the original signed counterpart.

To Island Timber:
8133 River Drive SE
Tumwater, WA 98501
Attention: Contract Department
Email: contracts@portblakely.com
Fax: (360) 570-0311

To Squaxin Tribe:
10 SE Squaxin Lane
Shelton, Washington 98584
Attention: Ray Peters
Email: _____
Fax: _____

17. NOTICES:

Except as otherwise expressly provided in this Contract, all notices or requests under this Contract shall be in writing and shall be delivered personally, sent by nationally recognized overnight courier service, mailed via certified US Mail, return receipt requested, postage prepaid, to the respective addresses set forth in the preamble above or sent by facsimile or email transmission to the respective facsimile number and email address specified in Paragraph 16 (or to such other address or facsimile number or email address as an addressee party hereafter directs by notice to the other party); provided, however, that in the case of notice by email, the notifying party shall concurrently also send such notice by one of the other approved means of giving notice. Notice will be deemed given upon personal delivery, machine confirmation of a facsimile transmission, addressee's email reply to an email notice, or, if mailed or sent by overnight courier service, the earlier of five (5) business days after being deposited in the mail or with the overnight courier service or actual receipt (or refusal of delivery), whichever is earlier.

18. AUTHORIZATION:

Island Timber represents and warrants to Squaxin Tribe that this Contract has been duly authorized, executed and delivered by Island Timber and is the legal, valid and binding obligation of Island Timber.

This Contract is hereby executed the day and year first hereinabove written.

	Squaxin Island Tribe, a federally recognized Native American Indian Tribe		ISLAND TIMBER COMPANY LIMITED PARTNERSHIP, a Washington limited partnership
By:	_____	By:	_____
Printed Name:	_____	Printed Name	_____
Its:	_____	Its:	_____
Date:	_____		_____

REAL ESTATE PURCHASE AND SALE AGREEMENT

This Real Estate Purchase and Sale Agreement (this "**Agreement**") is made this _____ day of October, 2017, by and between SQUAXIN ISLAND TRIBE, a federally recognized Indian tribe, ("**Buyer**") and Island Timber Company Limited Partnership, a Washington limited partnership, or assigns ("**Seller**"), for purchase and sale of approximately 109.36 acres, more or less, of real property situated in Mason County, Washington, and legally described on Exhibit A attached hereto and incorporated herein by reference, together with all rights appurtenant thereto and all improvements, fixtures, timber (standing, dead or downed), and to the extent owned by Seller, all minerals, oil, gas, sand, rock and gravel located therein or thereon, subject to the Permitted Exceptions specified herein (collectively, the "**Property**").

Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller the Property for the price and upon the terms and conditions set forth below.

1. PURCHASE PRICE; PAYMENT; DEPOSIT.

The total purchase price for the Property is ONE MILLION TWO HUNDRED THOUSAND AND NO/100 DOLLARS (U.S. \$1,200,000.00) (the "**Purchase Price**") which amount shall be paid in cash or other immediately available federal funds upon Closing. Accompanying this Agreement is Buyer's earnest money deposit cashier's check for SIXTY THOUSAND AND NO/100 DOLLARS (U.S. \$60,000.00), a sum equal to five percent (5%) of the Purchase Price (the "**Deposit**") payable to Mason County Title Company ("**Closing Agent**") as the closing agent, such Deposit funds to be held in escrow and disbursed by the Closing Agent on the terms and conditions of this Agreement. The Deposit shall apply to the purchase price at Closing. If there is a failure of any condition to Buyer's obligation to close hereunder or if Seller fails, without legal excuse, to close as required herein, the Deposit shall be promptly returned to Buyer. If Buyer fails, without legal excuse, to close as required herein, the Deposit shall be forfeited to Seller as Seller's sole and exclusive remedy for Buyer's failure to close without legal excuse.

2. CLOSING DATE.

The terms "**Closing Date**" or "**Date of Closing**", as used herein, shall mean the date Closing occurs. The term "**Closing**", as used herein, shall mean the closing of this transaction, as evidenced by the delivery of all documents necessary for the conveyance of the Property, the recordation of the Special Warranty Deed, and payment of all funds required to complete the purchase contemplated herein.

This sale shall be closed in the office of the Closing Agent located at Shelton, Washington, on or before the date that is twenty (20) days following the earlier of Buyer's acceptance of the condition of title or November 24, 2017, which shall be the last day to close this transaction (the "**Closing Deadline**"). Buyer and Seller shall deposit in escrow with Closing Agent all instruments, documents and monies necessary to complete the sale in accordance with this Agreement. If the sale fails to close by the Closing Deadline, and Buyer is not in default hereunder, the Deposit shall be promptly refunded to Buyer and the Closing Deadline shall be the termination date of this Agreement.

3. PRORATIONS; CLOSING COSTS.

Taxes and assessments for the current year shall be prorated as of the Date of Closing.

3.1. At Closing, Seller shall pay the following:

premium for an owner's standard coverage title insurance policy (without endorsements or extended coverage) in the insured amount of the Purchase Price; and
real estate excise taxes; and
one-half (1/2) of the Closing Agent's escrow fee.

3.2. At Closing, Buyer shall pay the following:

cost of recording the conveyance deed; and
one-half (1/2) of Closing Agent's escrow fee; and
the cost of any special endorsements to the owner's title insurance policy as Buyer may require, and the additional cost of extended coverage title insurance if Buyer elects to obtain such form of title insurance; and
all costs associated with Buyer's financing; and
any survey, environmental, timber cruise, and other due diligence costs of Buyer.

The parties recognize that if Buyer requests a continuance of the forest or timberland tax classification or designation of the Property, it may be necessary for Buyer to submit to the Mason County assessor's office in advance of the Date of Closing, a request for continuance, , a timber management plan, and/or the signed real estate excise tax affidavit containing such request for continuance. Seller agrees to cooperate with Buyer, including signing, as seller, the applicable request for continuance or real estate excise tax affidavit for the transaction prior to Closing, as reasonably requested by Buyer, in order to have Buyer's continuance request considered in time for Closing by the Closing Deadline; provided, however, Seller shall not be required to incur any expense, obligation or liability in so cooperating. Buyer shall be responsible for payment of all fees associated with any request for continuance.

Notwithstanding the foregoing, if Buyer's request for continuance is disapproved, not yet approved, or the Property is removed from its forest land, open space, timberland or similar non-ad valorem tax classification or designation ("**Non-Ad Valorem Classification**") before Closing, Buyer may elect to terminate this Agreement and receive a refund of the Deposit. Buyer shall be responsible for and shall defend, indemnify, and hold Seller harmless from and against all compensating taxes, interest, penalties, claims, costs, fees (including attorneys' fees and costs), damages, assessments, (including ad valorem real property tax assessments or reassessments), lawsuits, and liabilities of any kind whatsoever if Buyer's use of or actions with respect to the Property after Closing results in a change in the Non-Ad Valorem Classification applicable to the Property. The provisions of this indemnity and defense obligation shall survive the Closing and any termination of this Agreement and shall not be limited by any other provision of this Agreement.

4. COMMISSIONS.

No real estate agent or broker has been involved in this transaction and no commission is owing. Buyer and Seller each represents and warrants to the other that:

- a. it has not engaged any real estate agent or broker in connection with this sale, and
- b. it will pay at Closing the commission of any agent or broker it has engaged with respect to this sale.

Buyer and Seller each further hereby agree to indemnify the other against, and hold the other harmless from, any and all loss, damage, liability, cost or expense, including attorneys' fees, suffered or incurred by it arising out of or relating to any claim for real estate commission, or

fees, claimed by any real estate agent or broker claiming to have been engaged by the indemnifying party.

5. TITLE INSURANCE.

As soon as reasonably possible after the date of this Agreement, but in any event no later than ten (10) days after the date of this Agreement, Seller will provide Buyer with a preliminary commitment for standard coverage owner's title insurance covering the Property in the amount of the Purchase Price (the "**Commitment**") issued by Mason County Title Company (the "**Title Company**"), together with copies of all recorded title documents set forth therein as special exceptions which are provided by the Title Company. Buyer may notify Seller at least ten (10) days prior to the Closing Deadline of its disapproval of any special exception shown in the Commitment or any supplement thereto. Any such special exceptions not disapproved by Buyer's notice of disapproval received by Seller on or before the date that is ten (10) days prior to the Closing Deadline, shall be deemed approved by Buyer. All general exceptions shown in the Commitment shall be deemed approved by Buyer.

Except as expressly provided below, Seller shall not be obligated to remove any title exceptions that Buyer disapproves. Neither Seller nor Buyer shall be required to close and this Agreement shall terminate if any such special exception that is timely disapproved by Buyer cannot be or is not removed by the Closing Deadline; provided, however, that Buyer may elect to waive its disapproval of such exception(s) and close on the remaining terms if it gives notice of such waiver to Seller by the earlier of (i) the Closing Deadline or (ii) five (5) days after Seller notifies Buyer that Seller will not remove any such disapproved special exception, and all such exceptions shall be deemed approved by Buyer. Notwithstanding the foregoing, Seller shall remove on or before Closing all monetary liens and encumbrances affecting the Property (other than non-delinquent real property taxes and assessments) and all encumbrances of any type affecting the Property (including, without limitation, unrecorded agreements) created after the date of this Agreement that have not been expressly approved in writing by Buyer (collectively, "**Impermissible Encumbrances**"), and Seller's failure to do so by the Closing Deadline shall constitute a material default of this Agreement by Seller. Exceptions, liens and encumbrances to be discharged by Seller may be paid out of the Purchase Price at Closing.

Buyer's obligation to close is conditioned on the Title Company issuing or being unconditionally committed to issue to Buyer at Closing an ALTA standard coverage owner's policy of title insurance (Form 2006) pursuant to the Commitment, together with such special endorsements thereto as Buyer may reasonably require, dated as of the Closing Date and insuring Buyer in the amount of the Purchase Price against loss or damage by reason of defect in Buyer's title to the Property and such other matters as are insured against by such policy and endorsements, subject only to the printed exclusions and general exceptions appearing in the policy form and those special exceptions approved or deemed approved by Buyer; provided, the cost of any such special endorsements to the title policy required by Buyer shall be borne by Buyer. Seller shall provide the Title Company with an owner's affidavit, in form reasonably acceptable to Seller as the Title Company may reasonably require in connection with issuance of such title policy; provided, Seller shall not be obligated to provide the Title Company with any indemnity.

If in connection with the anticipated Closing, the Title Company fails to issue or unconditionally commit to issue the title insurance to which Buyer is entitled under this Agreement, Buyer may elect to terminate this Agreement and receive a refund of the Deposit or may waive such deficiencies in the available title insurance by proceeding to Closing or, if such deficiencies in the available title insurance are due to Seller's default under this Agreement, Buyer may pursue an action for specific performance of this Agreement.

Notwithstanding the foregoing, if the Title Company issuing the Commitment is an agent and not a title insurance underwriter, the title policy and any required special endorsements shall be issued by the insurance underwriter, Old Republic Title Insurance Company.

6. CONVEYANCE OF TITLE; POSSESSION.

6.1. **Conveyance:** On Closing, Seller shall execute and deliver to Buyer a Special Warranty Deed, in the form attached as **Exhibit B**, which warrants title only in connection with lawful claims done or suffered by Seller, conveying title to the Property on an "AS-IS" basis expressly subject to the general and special title exceptions shown in the Commitment (except any disapproved special exceptions that Seller elects to remove and Impermissible Encumbrances), the lien for current and future real property taxes and assessments not delinquent as of Closing, any encumbrance or matter arising by, through or under Buyer, governmental impositions and regulations, water rights and claims to water, the lack of actual or legal access to any portion of the Property, other matters affecting title to the Property that would be disclosed by either a thorough physical and visual inspection of the Property or an accurate ALTA/NSPS land title survey of the Property (collectively, the "**Permitted Exceptions**").

6.2. **Possession:** Buyer shall be entitled to possession of the Property at Closing. Buyer shall not enter onto the Property prior to Closing without Seller's prior written consent, which consent may be granted at Seller's sole discretion.

7. RISK OF LOSS; CONDEMNATION; BANKRUPTCY.

Risk of loss of or damage to the Property shall be borne by the Seller until the Date of Closing. If the Property or any material portion thereof is taken in condemnation or damaged by fire or other casualty prior to Closing, Seller shall immediately, upon learning thereof, notify Buyer, and Buyer may elect either to terminate this Agreement and receive a refund of the Deposit, or to close on the terms hereof. As used in the preceding sentence, "**material**" means a portion of the Property that would reduce its value by more than five percent (5%) of the Purchase Price. If a bankruptcy filing is made by or against either party prior to Closing, the other party shall not be obligated to close unless such bankruptcy is dismissed prior to the Closing Deadline, and such other party may, at its option, elect to terminate this Agreement by written notice to the party subject to such bankruptcy, in which event the Deposit shall be returned to Buyer.

8. SUBSEQUENT ACTS.

Between the date of this Agreement and the Closing Date, Seller shall maintain the Property and keep it in a condition at least as good as on the date of this Agreement, subject to casualty damage as provided in Paragraph 7 above. Seller shall not cut or remove any timber, harvestable crop, improvements, minerals, sand, gravel, or other item or natural resource from the Property or enter into any contract or agreement for the same after the date of this Agreement without prior, written approval from Buyer, which may be withheld in Buyer's sole discretion.

9. SELLER REPRESENTATIONS AND WARRANTIES

Seller represents and warrants to Buyer that:

9.1. Seller, and the person signing on its behalf, has full right, power and authority to enter into and perform this Agreement, and the execution and performance of this Agreement has been duly authorized by all necessary action on the part of Seller. The execution and performance of this Agreement by Seller does not require the consent of any other person, court

or entity, and does not conflict with or breach any agreement, order, judgment or decree that is binding on Seller. Seller is duly organized and validly existing in the state of its formation and is in good standing under the laws of such state and under the laws of the State of Washington.

9.2. Seller is not a "foreign" person or entity for purposes of Section 1445 of the Internal Revenue code. Prior to closing, Seller shall execute and deliver to Closing Agent a certificate of non-foreign status which meets the I.R.C. Section 1445 Foreign Investment in Real Property Tax Act requirements necessary to eliminate any withholding obligation of Buyer.

10. BUYER REPRESENTATIONS AND WARRANTIES

Buyer represents and warrants to Seller that:

10.1. Buyer, and the person signing on its behalf, has full right, power and authority to enter into and perform this Agreement, and the execution and performance of this Agreement has been duly authorized by all necessary action on the part of Buyer. The execution and performance of this Agreement by Buyer does not require the consent of any other person, court or entity, and does not conflict with or breach any agreement, order, judgment or decree that is binding on Buyer. If Buyer is an entity, Buyer is duly organized and validly existing in the state of its formation and is in good standing under the laws of such state and under the laws of the State of Washington.

10.2. Buyer has sufficient funds to close this transaction.

10.3. Prior to Closing, Buyer shall not (i) do anything to create any liens, claims, restrictions or encumbrances against the Property, or (ii) change or attempt to change the land use, zoning, tax, environmental, permitting or other governmental or regulatory classification, status or condition of the Property. If any violation of this Section occurs, Seller shall have the right, in addition to any other available remedy, to terminate this Agreement and the Deposit shall thereupon be forfeited and disbursed to Seller.

11. SELLER'S DISCLAIMER; "AS IS" SALE.

Buyer has examined the Property and is purchasing the Property solely on the basis of Buyer's own examination and evaluation thereof. Neither Seller nor any agent, officer or employee of Seller makes or has made any representations or warranties and neither Seller nor any agent, officer or employee of Seller shall in any way be liable for or with respect to : (1) the condition, value, merchantability, quality or fitness of the Property or any timber, improvements, roads or fixtures thereon, including, without limitation, any culverts and bridges; (2) the suitability of the Property for commercial timber harvest, subdivision or real estate development or for any use whatsoever; (3) any applicable forestry, land use, DNR Road Maintenance and Abandonment Plan (RMAP), zoning, building, environmental, endangered or protected species, or fire laws, regulations, requirements, rules or ordinances or moratoriums or compliance therewith; (4) the existence or availability of water or utilities to the Property or water hookups; (5) the area or acreage of the Property, the timber volume or quantity, the age classification(s) of the timber or the species of timber; (6) the availability of permits for harvesting timber from the Property or for developing, subdividing or improving the Property; (7) access to the Property or the suitability thereof; (8) drainage, wetlands, shorelands, slope stability, critical areas or environmentally sensitive areas, boundaries, views, or encroachments; (9) the presence of endangered, threatened or protected species, or the nesting sites, waterways or critical or protected habitat of same; (10) the presence of any above ground or underground storage tanks, any environmental contamination or toxic or hazardous substances in, on or under the Property or groundwater thereof or of any adjacent property; (11) the existence of any moratorium affecting the Property or use or development thereof; or (12) the existence of any treaty, tribal, Native

American or other aboriginal rights, claims or restrictions against the Property or area in which the Property is located, whether based on historical use(s) of the Property or the area in which the Property is located, the presence of any religious, archeological or historical cultural resources, artifacts, features, or remains on the Property or in the area in which the Property is located, or otherwise.

Buyer assumes the responsibility and risks of all defects and conditions, including such defects and conditions, if any, that cannot be observed by casual inspection, including, without limitation, all environmental conditions, and the possible presence of environmental contamination and/or toxic or hazardous substances. Buyer has inspected the Property, is satisfied with the condition of the Property, and will be relying entirely on its inspection of the Property. Buyer has independently ascertained the applicable zoning, forestry, land use, RMAP, environmental, endangered and protected species, and other ordinances, rules, regulations, requirements, restrictions, laws and moratoriums affecting the Property and accepts the Property subject thereto. Buyer accepts the land, timber, improvements and fixtures (including, without limitation, any roads, culverts and bridges) and all other aspects of the Property in their present "AS IS" condition, without any representation or warranty, express or implied, and waives and releases all claims against Seller with regard to any condition affecting the Property, including, without limitation, any environmental contamination of or the presence of hazardous or toxic substances in, on or under the Property or migrating to or from the Property or groundwater thereof or any adjacent property, and agrees to indemnify and defend Seller, from and after Closing, against all claims and liabilities pertaining to the Property or any such condition affecting the Property.

Buyer further acknowledges that any information, whether written or oral, or in the form of maps, surveys, cruise data, inventory information, plats, soil reports, engineering studies, environmental studies, inspection reports, plans, specifications, or any other information whatsoever, without exception, pertaining to the Property and the timber thereon, any and all other matters concerning the condition, suitability, integrity, marketability, compliance with law, or other attributes or aspects of the Property and the timber thereon, is furnished to Buyer solely as a courtesy, and neither Seller nor its representatives have verified the completeness or accuracy of any statements or other information therein contained nor the qualifications of the persons preparing such information. Neither Seller nor its representatives warrant the completeness or accuracy of any information contained therein in any way.

12. NO ASSIGNMENT OR RECORDING; CONFIDENTIALITY.

Buyer shall not assign its rights hereunder to any person or entity without the prior written consent of Seller, which may be withheld in Seller's sole discretion. Any such assignment made without Seller's prior written consent shall be voidable at Seller's option and shall entitle Seller to terminate this Agreement and receive the Deposit. Seller may wish to complete this transaction (or portion thereof) as part of a Section 1031 tax-deferred exchange. Buyer agrees to cooperate with Seller in documenting and completing such exchange, including by agreeing that Seller may transfer all or any portion of Seller's rights and obligations under this Agreement to Seller's Qualified Intermediary, in Seller's sole discretion, provided that such assignment, if made, shall not release Seller from its obligations under this Agreement and by signing its acknowledgement of any notice it receives that such assignment to Seller's Qualified Intermediary has been made. Buyer agrees to accept Seller's Qualified Intermediary as the assigned Seller of the Property (or applicable portion thereof) described in this Agreement. In connection with Seller's exchange, Buyer shall not be obligated to incur any additional liability or expense or take title to any other property, and any additional expense Buyer incurs due solely to Seller's exchange shall, if reasonable and documented, be reimbursed by Seller at Closing.

Buyer shall not cause this Agreement or any memorandum or notice hereof to be recorded or placed of public record, nor shall Buyer disclose, prior to Closing, the Purchase Price of the Property or other provision of this Agreement or information it discovers about the Property (including any information that Seller provides or has provided to Buyer about the Property) to any third party other than its lender, appraiser, attorney or representative integrally involved in this transaction on behalf of Buyer provided Buyer informs them that such information is to be kept confidential.

13. CONTINUING FOREST LAND OBLIGATIONS.

Seller hereby represents and discloses to Buyer, and Buyer acknowledges, that the Property is subject to those certain continuing forest land obligations, applicable to the Property under the forest practices rules adopted pursuant to RCW 76.09.370, listed on the notice which is attached hereto as **Exhibit C** (the "**Continuing Forest Land Obligations**"). At or before Closing, Buyer agrees to sign and deliver to Seller the original of the notice attached hereto as **Exhibit C** or such other substantially similar notice that indicates the Buyer's knowledge of the Continuing Forest Land Obligations as may be required by the DNR at the time of Closing. At Closing, Seller shall send the executed notice to DNR in accordance with the requirements of RCW 76.09.390.

As of Closing, Buyer assumes and agrees to perform the Continuing Forest Land Obligations, whether or not described on **Exhibit C** attached hereto, at Buyer's sole cost and expense, in a timely fashion, and to indemnify, defend and hold Seller harmless from and against the Continuing Forest Land Obligations and any claim, loss, damage, cost or expense resulting from Buyer's failure to fulfill and perform the same. The provisions of this indemnity shall survive the Closing and shall not be limited by any other provision of this Agreement. Notwithstanding the foregoing, Seller shall be obligated to perform all obligations arising under the FPA, including reforestation.

14. DEFAULT; ATTORNEYS' FEES.

If Buyer fails without legal excuse to complete the purchase of the Property under this Agreement on or before the Closing Deadline, then the Closing Agent shall immediately pay the Deposit to Seller, and Buyer immediately shall forfeit the Deposit to Seller, as Seller's sole and exclusive remedy for Buyer's failure to complete the purchase of the Property under this Agreement. The parties agree and acknowledge that (i) Seller would suffer damages by reason of a failure of this transaction to close, (ii) the exact amount of such damages would be difficult to ascertain and to prove with certainty, (iii) the Deposit constitutes a fair and reasonable estimate of the actual damages Seller would suffer, and (iv) the parties (and/or their representatives) have negotiated and attempted, in good faith, to estimate the amount of such damages and to compensate Seller therefore as set forth herein.

If Closing shall not occur solely due to the default of Seller, Buyer's remedies shall be limited to either (i) return of the Deposit and termination of this Agreement, or (ii) specific performance of Seller's obligation to convey the Property to Buyer.

In the event any proceeding is instituted to enforce or interpret any of the terms of this Agreement, or of any document required hereby, or to enforce any right arising out of or in any way connected with this Agreement, or any document required hereby, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorneys' fees both at trial and on appeal, in addition to all other sums provided by law, including reasonable title insurance company charges or fees and reasonable and necessary expert witness fees. In addition, if Buyer is the subject of bankruptcy proceedings, then Buyer shall reimburse Seller all attorneys' fees and costs incurred by Seller in connection with such

proceedings. This provision shall survive the Closing and any termination of this Agreement and shall not be limited by any other provision of this Agreement.

After the Closing Deadline, Buyer shall have no obligation or right to complete the purchase of the Property from Seller and Seller shall have no obligation or right to complete the sale of the Property to Buyer; provided, however, if this sale fails to close by the Closing Deadline due to the failure of a party to perform its obligations hereunder without legal excuse, the other party shall have the remedies with respect thereto as provided for in this Agreement.

All representations and warranties given by either party under this Agreement shall survive the Closing, expiration, or termination of this Agreement for a period of six (6) months and then shall terminate and have no further force or effect.

15. PROFESSIONAL ADVICE.

Buyer and Seller each acknowledge that the terms and conditions of this Agreement affect the parties' rights and may have tax implications, and that it is therefore advisable to have this Agreement reviewed by such party's legal counsel and/or accountant. Each party is specifically aware that issues such as the form of deed, agency representation, title insurance, liquidated damages, financing, and representations and warranties are complicated and that the parties may require professional advice and for which each party should contact its own attorney or accountant. Furthermore, each party confirms and agrees that (a) it is not relying on any representations or advice by any real estate agent or broker involved in this transaction, and (b) it has satisfied itself as to the terms and conditions of this sale.

16. NO TIMBER HARVESTING.

Seller shall not, between the date hereof and Closing, cut or remove, or permit any other party under its control to cut or remove, any timber or logs within or from the Property.

17. GENERAL.

Time is of the essence in this Agreement. Unless specified otherwise herein, any periods of time referenced in this Agreement shall start on the day following the event commencing the period and expire at 4:00 p.m. (Pacific Time Zone) of the last calendar day of the specified time period unless the last day is a Saturday, Sunday or legal holiday in the State where the Property is located, in which event the specified period shall expire at 4:00 p.m. (Pacific Time Zone) on the next business day.

All notices, requests, demands, and other communications required or permitted to be given under this Agreement shall be in writing and shall be either (a) delivered personally to the party to whom notice is to be given (in which case such notice shall be deemed to have been duly given on the date of delivery), (b) sent by Federal Express (or other overnight courier service) (in which event notice shall be deemed to have been given on the day of delivery or refusal of delivery), (c) mailed to the party to whom notice is to be given, by United States first class mail, registered or certified, return receipt requested, postage prepaid (in which case such notice shall be deemed to have been duly given on the day of delivery or refusal of delivery), (d) delivered by electronic or telephonic facsimile (in which case such notice shall be deemed to have been duly given on the date of delivery), or (e) delivered by electronic mail (in which case such notice shall be deemed to have been duly given on the date of delivery). Communications shall be addressed as set forth below under the respective signature blocks of the parties. A copy of any notices to a party shall be concurrently sent to any person(s) identified below the signature block of such party who is designated to receive a copy of any notice to such party.

In no event shall any officer, director, employee, agent, or representative of either party have any personal liability in connection with this Agreement or transaction. The headings in this Agreement are for purposes of reference only and shall not limit or define the meanings thereof.

This Agreement shall be governed by and construed in accordance with the laws of the state where the Property is located. Venue of any action with respect to the enforcement of this Agreement shall be in the county in which the Property is located, or at Seller's option, in King County, Washington. The terms, covenants, indemnities, warranties and representations herein shall not merge in the deed of conveyance, but shall survive Closing. This Agreement constitutes the entire agreement of Buyer and Seller with respect to the subject matter and supersedes any and all prior agreements, negotiations and representations between them, written or oral.

The parties agree that no agency, partnership or joint venture of any kind shall be or is intended to be created by or under this Agreement. All exhibits to which reference is made herein and Addendum No. 1 (defined below) are deemed incorporated in this Agreement in their entirety.

This Agreement may be modified only in writing, signed by Buyer and Seller. Any waiver of rights hereunder shall be in writing and signed by the waiving party. No failure of either party to exercise any power given hereunder or to insist upon strict compliance with any obligation specified herein, and no custom or practice at variance with the terms hereof, shall constitute a waiver of either party's right to demand exact compliance with the terms hereof. In construing the parties' intent with regard to this Agreement, no greater or stricter construction of any term or provision hereof shall be asserted against a party by reason of such party's being the drafter or alleged drafter thereof.

This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. If any provision of this Agreement is found by a court to be invalid or unenforceable, such finding shall not render the other provisions hereof invalid or unenforceable. This Agreement may be signed in multiple counterparts, who together shall constitute one agreement, and signed counterparts hereof may be delivered electronically, including email transmission of a "pdf" thereof to the other party at the email address specified below.

18. ADDENDUM NO. 1.

The Addendum No. 1 to Real Estate Purchase & Sale Agreement to be signed by Buyer and Seller and dated as of the date of this Agreement in the form attached hereto ("**Addendum No. 1**"), is incorporated into, forms a part of and amends and modifies this Agreement. Except for its use in this Section 18, the phrase "this Agreement" shall mean this Agreement as amended and modified by Addendum No. 1. If there is any conflict or inconsistency between this Agreement and Addendum No. 1, the terms and conditions in Addendum No. 1 shall control. This Agreement shall not be effective or enforceable unless Addendum No. 1 is executed by the parties and delivered concurrently with this Agreement.

EXHIBITS:

- A – Legal Description
- B – Form of Notice of Continuing Forest Land Obligation
- C – Form Special Warranty Deed

Seller has signed this Real Estate Purchase and Sale Agreement as of the ____ day of October, 2017.

**Island Timber Company Limited Partnership, a
Washington limited partnership**

**By: The Port Blakely Company, a
Washington corporation, its General Partner**

By: _____
Print Name: C. Court Stanley
Title: President of Forestry Division

Address: Island Timber Company
c/o Port Blakely US Forestry
8133 River Drive S.E.
Tumwater, WA 98501

Attn: Gareth Waugh
Director of Forestry
Telephone: (360) 596-9418
Fax: (360) 570-0311
Email: gwaugh@portblakely.com

With copy to Warren Koons
Legal Davis Wright Tremaine LLP
Counsel: 777 108th Avenue NE, Suite 2300
Bellevue, WA 98004
Telephone: (425) 646-6117
Fax: (425) 646-6199
Email: warrenkoons@dwt.com

Buyer has signed this Real Estate Purchase and Sale Agreement as of the ____ day of October, 2017.

**SQUAXIN ISLAND TRIBE, a federally
recognized Indian tribe**

By: _____

Print Name: _____

Title: _____

Address: SQUAXIN ISLAND TRIBE
Island Enterprises, Inc.
10 SE Squaxin Lane
Shelton, Washington 98584

Attention: _____

Telephone: _____

Fax: _____

Email: _____

EXHIBIT A

Real Property Description

The land described in this Exhibit is located in the County of Mason, State of Washington, and described as follows:

PARCEL 1:

The North half (N 1/2) of the Northwest quarter (NW 1/4) of Section 30, Township 19 North, Range 3 West, W.M.

Parcel Nos. 31930 20 00000 and 31930 21 00000

PARCEL 2:

The Northeast quarter (NE 1/4) of the Northeast quarter (NE 1/4) of Section 25, Township 19 North, Range 4 West, W.M.

EXCEPTING therefrom a tract of land particularly described as follows:

BEGINNING at the Southwest corner of said Northeast quarter (NE 1/4) of the Northeast quarter (NE 1/4); thence North along the West line thereof, 375 feet; thence East parallel with the South line of said Northeast quarter (NE 1/4) of the Northeast quarter (NE 1/4) to the centerline of an existing road running in a general Northeasterly and Southwesterly direction, as it existed on July 16, 1956; thence Southerly along said centerline to its intersection with the Northerly right-of-way line of Hurley Wald rip Road, County Road No. 11200; thence Southeasterly along said Northerly right-of-way line to its intersection with the South line of said Northeast quarter (NE 1/4) of the Northeast quarter (NE 1/4); thence West along said South line to the POINT OF BEGINNING.

Parcel No. 41925 11 00000

EXHIBIT B

Washington State Department of Natural Resources

Notice of Continuing Forest Land Obligation

Sellers and Buyers of land and perpetual timber rights have certain rights and responsibilities when the land or perpetual timber rights are sold or transferred. Where the land is subject to certain continuing forest land obligations including without limitation: Reforestation; Road Maintenance and Abandonment Plans; Harvest Strategies along Type Np Waters in Eastern Washington; Conversion of forest land and required mitigation. **Prior to the sale or transfer of the land or perpetual timber rights the law requires that the following occur:** 1) the seller shall notify the buyer of the existence and nature of the obligations and 2) the buyer shall sign a Notice of Continuing Forest Land Obligation Form indicating the buyer's knowledge of such obligation. At the time of sale or transfer of the land or perpetual timber rights, the seller shall send the signed Form to the Department of Natural Resources (DNR). The Form is available at DNR region offices.

If the seller fails to notify the buyer about the continuing forest land obligation referenced above, the seller shall pay the buyer's costs related to such continuing forest land obligation, (including all legal costs) incurred by the buyer in enforcing the continuing forest land obligation against the seller. Failure by the seller to send the required notice to the DNR at the time of sale shall be prima facie evidence, in an action by the buyer against the seller for costs related to continuing forest land obligation, that the seller did not notify the buyer of the continuing forest land obligation prior to sale.
See RCW 76.09.070, RCW 76.09.390 and WAC 222-20-055.

There are also other types of obligations subject to certain requirements, including without limitation Small Forest Landowner Forest Riparian Easements and Landowner Landscape Plans. For more information, contact the DNR Region Office.

CONTINUING OBLIGATION/S

Reforestation (RCW 76.09.070)

Obligation exists on the property identified below and relates to the following Forest Practice Application/Notification (FPA/N) Numbers (list all that apply, add attachment if necessary)

2419324

Road Maintenance and Abandonment Plan (WAC 222-24-051) (RCW76.09.390(2))

Obligation exists on property identified below and relates to the following Road Maintenance and Abandonment Plan Numbers (list all that apply, add attachment if necessary) R240035

Harvest Strategy along Type Np Waters in Eastern Washington (WAC 222-30-022 (2)(b))

Obligation exists on the property identified below and relates to the following Forest Practices Application / Notification Numbers (list all that apply, add attachment if necessary) _____

Conversion of forest land (RCW 76.060 and 070)

Obligation exists on the property identified below and relates to the following Forest Practices Application / Notification Numbers or enforcement documents (list all that apply, add attachment if necessary) _____

PROPERTY IDENTIFICATION

Land/Rights Sold/Transferred(check one): Land and Timber Land Perpetual Timber Rights

Date that the Land/Rights was/were Sold/Transferred (month/day/year): _____

County/ies: Mason

DNR Region/s: South Puget Sound Region

Legal Description of the Lands/Rights being Sold/Transferred (include county parcel number/s, add attachment if necessary): real property described on the attached Exhibit A –

County Assessor's Tax Parcel No: 31930-20-00000; 31930-21-00000; 41925-11-00000

SELLER:

Signature: _____

Date: _____

Print name: _____

Title: _____

Address: 8133 River Dr. SE, Tumwater 98501

Phone: (360) 570-1992

BUYER:

Signature: _____

Date: _____

Print name: _____

Title: _____

Address: _____

Phone: _____

NOTE TO SELLER: At the time of sale or transfer of the property or the perpetual timber rights: The seller is responsible for delivering (by certified mail or in person) the SIGNED ORIGINAL to the DNR Region Office in which the property is located. However, if you choose to also have this form recorded by the county, deliver the original to the county and a copy delivered (by certified mail or in person) to the DNR Region Office.

FOR DNR USE ONLY

Notice of Continuing Forest Land Obligation #: _____ Date _____

Region: _____ Received By: _____

EXHIBIT A

LEGAL DESCRIPTION

The following described real property is situated in the County of Mason, State of Washington:

PARCEL 1:

The North half (N 1/2) of the Northwest quarter (NW 1/4) of Section 30, Township 19 North, Range 3 West, W.M.

Parcel Nos. 31930 20 00000 and 31930 21 00000

PARCEL 2:

The Northeast quarter (NE 1/4) of the Northeast quarter (NE 1/4) of Section 25, Township 19 North, Range 4 West, W.M.

EXCEPTING therefrom a tract of land particularly described as follows:

BEGINNING at the Southwest corner of said Northeast quarter (NE 1/4) of the Northeast quarter (NE 1/4); thence North along the West line thereof, 375 feet; thence East parallel with the South line of said Northeast quarter (NE 1/4) of the Northeast quarter (NE 1/4) to the centerline of an existing road running in a general Northeasterly and Southwesterly direction, as it existed on July 16, 1956; thence Southerly along said centerline to its intersection with the Northerly right-of-way line of Hurley Waldrip Road, County Road No. 11200; thence Southeasterly along said Northerly right-of-way line to its intersection with the South line of said Northeast quarter (NE 1/4) of the Northeast quarter (NE 1/4); thence West along said South line to the POINT OF BEGINNING.

Parcel No. 41925 11 00000

EXHIBIT C

When recorded return to:

SQUAXIN ISLAND TRIBE
Island Enterprises, Inc.
10 SE Old Squaxin Lane
Shelton, WA 98584

SPECIAL WARRANTY DEED

THE **GRANTOR, ISLAND TIMBER COMPANY LIMITED PARTNERSHIP**, a Washington limited partnership, for and in consideration of TEN DOLLARS and other good and valuable consideration, in hand paid, bargains, sells and conveys to the **GRANTEE, SQUAXIN ISLAND TRIBE**, a federally recognized Indian tribe, the real estate, situated in the County of Mason, State of Washington, legally described on the attached Exhibit 'A', having the following abbreviated legal description and assessor's tax parcel numbers:

Abbreviated Legal: NW 30-19N-03W; NE 25-19N-04W, and full described on the attached Exhibit A, at page 3

Assessor's Tax Parcel Number: 31930 20 00000; 31930 21 00000; 41925 11 00000

SUBJECT TO the matters, conditions, covenants, easements, restrictions, encumbrances and reservations listed on the attached Exhibit 'B'.

The Grantor for itself and its successors-in-interest does by these presents expressly limit the covenants of this Deed to those herein expressed, and excludes all covenants arising or to arise by statutory or other implication, and does hereby covenant that Grantor will forever warrant and defend the said described real estate against all persons whomsoever claiming or to claim by, through, or under said Grantor and not otherwise.

Dated this ____ day of October, 2017

ISLAND TIMBER COMPANY LIMITED
PARTNERSHIP, a Washington limited
partnership

By: THE PORT BLAKELY COMPANY,
a Washington corporation
Its General Partner

By: _____
C. Court Stanley
Its: President of Forestry Division

STATE OF WASHINGTON)
)ss

COUNTY OF THURSTON)

I certify that I know or have satisfactory evidence that C. Court Stanley is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledged it as the President of the Forestry Division for The Port Blakely Company, a Washington corporation, the General Partner of Island Timber Company Limited Partnership, a Washington limited partnership, to be the free and voluntary act of said entity for the uses and purposes mentioned in this instrument.

Dated: _____

Notary name printed or typed: _____
Notary Public in and for the State of Washington
Residing at _____
My appointment expires: _____

EXHIBIT 'A' to Special Warranty Deed

Description of Land

The land described in this Exhibit A is located in the County of Mason, State of Washington, as follows:

PARCEL 1:

The North half (N 1/2) of the Northwest quarter (NW 1/4) of Section 30, Township 19 North, Range 3 West, W.M.

Parcel Nos. 31930 20 00000 and 31930 21 00000

PARCEL 2:

The Northeast quarter (NE 1/4) of the Northeast quarter (NE 1/4) of Section 25, Township 19 North, Range 4 West, W.M.

EXCEPTING therefrom a tract of land particularly described as follows:

BEGINNING at the Southwest corner of said Northeast quarter (NE 1/4) of the Northeast quarter (NE 1/4); thence North along the West line thereof, 375 feet; thence East parallel with the South line of said Northeast quarter (NE 1/4) of the Northeast quarter (NE 1/4) to the centerline of an existing road running in a general Northeasterly and Southwesterly direction, as it existed on July 16, 1956; thence Southerly along said centerline to its intersection with the Northerly right-of-way line of Hurley Waldrip Road, County Road No. 11200; thence Southeasterly along said Northerly right-of-way line to its intersection with the South line of said Northeast quarter (NE 1/4) of the Northeast quarter (NE 1/4); thence West along said South line to the POINT OF BEGINNING.

Parcel No. 41925 11 00000

EXHIBIT B to Special Warranty Deed

PERMITTED EXCEPTIONS

The conveyance of land described in Exhibit A shall be subject to the following exceptions:

[List the special exceptions in the Commitment that are approved or deemed approved by Buyer, as well as all the other Permitted Exceptions described in Section 6.1. of the PSA]

1. Taxes or assessments which are not shown as existing liens by the public records or that may not yet be due and payable.
2. Claims arising from matters not shown on the public record due to (i) Unpatented mining claims; (ii) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (iii) water rights, claims or title to water; whether or not the matters described (i), (ii) & (iii) are shown in the public records; (iv) Indian tribal codes or regulations, Indian treaty or aboriginal rights, including easements or equitable servitudes.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Encroachments, overlaps, boundary line disputes, or other matters which are not shown by the public records.
5. Any service, installation, connection, maintenance, tap, capacity, construction or reimbursement charges for sewer, water, electricity or other utilities, or for garbage collection and disposal.
6. Any titles or rights asserted by anyone, including but not limited to persons, corporations, governments, or other entities, to riparian rights, if any.
7. The parcels described in Exhibit 'A' hereto have been designated as forest lands for tax purposes by instrument recorded June 5, 1985 as Auditor's File No. 440904 and 304005, and are subject to applicable taxes, penalties and interest as provided by Washington State statute upon removal of this designation or tax classification if the parcels fail to qualify for continuance of the classification, including any assessment for compensating tax due.

ADDENDUM NO. 1
TO
REAL ESTATE PURCHASE & SALE AGREEMENT

THIS ADDENDUM NO.1 TO REAL ESTATE PURCHASE & SALE AGREEMENT (this "Addendum") dated as of July __, 2017, is made by and between SQUAXIN ISLAND TRIBE, a federally recognized Indian tribe ("Buyer"), and ISLAND TIMBER COMPANY LIMITED PARTNERSHIP, a Washington limited partnership ("Seller"), regarding that certain Real Estate Purchase and Sale Agreement dated July __, 2017, (the "Agreement") for the purchase by Buyer and sale by Seller of certain real property located in Mason County, Washington (the "Property"), more particularly described in the Agreement. This Addendum is attached to and forms a part of the Agreement and is being executed and delivered concurrently with the Agreement. This Addendum amends and modifies the Agreement. In the event of any conflict between the Agreement and this Addendum, this Addendum shall control. References herein to the Agreement shall mean the Agreement as amended and modified by this Addendum.

1. DEFINED TERMS. Capitalized terms not otherwise defined in this Addendum shall have the meanings given them under the Agreement.

2. TRIBAL PROVISIONS. The following is added as a new Section 19 of the Agreement:

19. TRIBAL PROVISIONS.

- (a) Limited Waiver of Sovereign Immunity; Consent to be Sued. Buyer waives and shall not have tribal and/or sovereign immunity from (i) suit or action; (ii) compulsory arbitration and judicial enforcement of the arbitration award or awards; and (iii) administrative proceedings related to this Agreement and transactions related thereto. As to such subject matters, Buyer consents to be sued; to be required to arbitrate; to have the arbitration award or awards judicially enforced; and to be made a party to administrative proceedings and judicial review proceedings. Such subject matters are as follows: (y) this Agreement and (z) any and all proceedings to enforce, construe, perform, levy, collect, rescind or determine any disputes regarding the same or the terms provided in this Agreement, or which arise out of the transactions described in this Agreement. Such waivers and consent (1) apply to all proceedings in whatever court, agency or arbitration has or is exercising or is preparing or required to exercise jurisdiction; (2) extend to all enterprises, instrumentalities, agencies, officers, and agents of Buyer; and (3) are irrevocable and may not be rescinded, revoked or amended without the prior written consent of the Buyer.

- (b) Choice of Law. This Agreement shall create the rights and remedies that would apply and shall be governed by and construed in accordance with the laws of the State of Washington (without regard to principles of conflict of laws).
- (c) Waiver of Exhaustion of Tribe Remedies; Tribal Court Jurisdiction. Buyer consents and agrees that it shall not be necessary in any litigation or arbitration or dispute resolution proceedings pertaining to the transactions described in this Agreement or other transactions relating thereto, that there first be any deferral to or exhaustion of remedies in the Tribal Court of the Squaxin Island Tribe or any other tribal court or dispute resolution tribunal, or the Tribal Council of the Squaxin Island Tribe. Buyer agrees not to assert that the Tribal Court of the Squaxin Island Tribe or any other courts or dispute resolution tribunals created by Buyer, including but not limited to the Tribal Council, shall have jurisdiction as an adjudicative tribunal over any case or controversy or proceeding pertaining to said transaction or this Agreement unless the same is initiated by or consented to in writing by Seller.
- (d) Court Jurisdiction. Seller consents and agrees to be sued in the courts of the state of Washington. If it is determined that the foregoing court does not enjoy proper jurisdiction, then Seller consents to suit in any U.S. District Courts located in Washington, and, at Seller's option, the Tribal Court of the Squaxin Island Tribe. This consent of the Buyer will not extend to any other transactions or subjects.

3. COUNTERPARTS. This Addendum may be executed in 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 of this Addendum by fax transmission or e-mail transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Addendum.

(Remainder of page intentionally left blank.)

Executed as of the date set forth above.

BUYER:

SQUAXIN ISLAND TRIBE

By: _____

Name: _____

Title: _____

SELLER:

**ISLAND TIMBER COMPANY LIMITED
PARTNERSHIP**

By: The Port Blakely Company, a Washington
corporation, its General Partner

By: _____

Name: C. Court Stanley

Title: President of Forestry Division

Washington State Department of Natural Resources

Notice of Continuing Forest Land Obligation

Sellers and Buyers of land and perpetual timber rights have certain rights and responsibilities when the land or perpetual timber rights are sold or transferred. Where the land is subject to certain continuing forest land obligations including without limitation: Reforestation; Road Maintenance and Abandonment Plans; Harvest Strategies along Type Np Waters in Eastern Washington; Conversion of forest land and required mitigation. **Prior to the sale or transfer of the land or perpetual timber rights the law requires that the following occur:** 1) the seller shall notify the buyer of the existence and nature of the obligations and 2) the buyer shall sign a Notice of Continuing Forest Land Obligation Form indicating the buyer's knowledge of such obligation. At the time of sale or transfer of the land or perpetual timber rights, the seller shall send the signed Form to the Department of Natural Resources (DNR). The Form is available at DNR region offices.

If the seller fails to notify the buyer about the continuing forest land obligation referenced above, the seller shall pay the buyer's costs related to such continuing forest land obligation, (including all legal costs) incurred by the buyer in enforcing the continuing forest land obligation against the seller. Failure by the seller to send the required notice to the DNR at the time of sale shall be prima facie evidence, in an action by the buyer against the seller for costs related to continuing forest land obligation, that the seller did not notify the buyer of the continuing forest land obligation prior to sale. See RCW 76.09.070, RCW 76.09.390 and WAC 222-20-055.

There are also other types of obligations subject to certain requirements, including without limitation Small Forest Landowner Forest Riparian Easements and Landowner Landscape Plans. For more information, contact the DNR Region Office.

CONTINUING OBLIGATION/S

Reforestation (RCW 76.09.070)

Obligation exists on the property identified below and relates to the following Forest Practice Application/Notification (FPA/N) Numbers (list all that apply, add attachment if necessary)

2419324

Road Maintenance and Abandonment Plan (WAC 222-24-051) (RCW76.09.390(2))

Obligation exists on property identified below and relates to the following Road Maintenance and Abandonment Plan Numbers (list all that apply, add attachment if necessary) _____

Harvest Strategy along Type Np Waters in Eastern Washington (WAC 222-30-022 (2)(b))

Obligation exists on the property identified below and relates to the following Forest Practices Application / Notification Numbers (list all that apply, add attachment if necessary) _____

Conversion of forest land (RCW 76.060 and 070)

Obligation exists on the property identified below and relates to the following Forest Practices Application / Notification Numbers or enforcement documents (list all that apply, add attachment if necessary) _____

PROPERTY IDENTIFICATION

Land/Rights Sold/Transferred(check one): Land and Timber Land Perpetual Timber Rights

Date that the Land/Rights was/were Sold/Transferred (month/day/year): _____

County/ies: Mason

DNR Region/s: South Puget Sound Region

Legal Description of the Lands/Rights being Sold/Transferred (include county parcel number/s, add attachment if necessary): real property described on the attached Exhibit A –

County Assessor's Tax Parcel No: 31930-20-00000; 31930-21-00000; 41925-11-00000

SELLER:

Signature: _____

Date: _____

Print name: _____

Title: _____

Address: 8133 River Dr. SE, Tumwater 98501

Phone: (360) 570-1992

BUYER:

Signature: _____

Date: _____

Print name: _____

Title: _____

Address: _____

Phone: _____

NOTE TO SELLER: At the time of sale or transfer of the property or the perpetual timber rights: The seller is responsible for delivering (by certified mail or in person) the SIGNED ORIGINAL to the DNR Region Office in which the property is located. However, if you choose to also have this form recorded by the county, deliver the original to the county and a copy delivered (by certified mail or in person) to the DNR Region Office.

FOR DNR USE ONLY

Notice of Continuing Forest Land Obligation #: _____ Date _____

Region: _____ Received By: _____

EXHIBIT A

LEGAL DESCRIPTION

The following described real property is situated in the County of Mason, State of Washington:

PARCEL 1:

The North half (N 1/2) of the Northwest quarter (NW 1/4) of Section 30, Township 19 North, Range 3 West, W.M.

Parcel Nos. 31930 20 00000 and 31930 21 00000

PARCEL 2:

The Northeast quarter (NE 1/4) of the Northeast quarter (NE 1/4) of Section 25, Township 19 North, Range 4 West, W.M.

EXCEPTING therefrom a tract of land particularly described as follows:

BEGINNING at the Southwest corner of said Northeast quarter (NE 1/4) of the Northeast quarter (NE 1/4); thence North along the West line thereof, 375 feet; thence East parallel with the South line of said Northeast quarter (NE 1/4) of the Northeast quarter (NE 1/4) to the centerline of an existing road running in a general Northeasterly and Southwesterly direction, as it existed on July 16, 1956; thence Southerly along said centerline to its intersection with the Northerly right-of-way line of Hurley Waldrip Road, County Road No. 11200; thence Southeasterly along said Northerly right-of-way line to its intersection with the South line of said Northeast quarter (NE 1/4) of the Northeast quarter (NE 1/4); thence West along said South line to the POINT OF BEGINNING.

Parcel No. 41925 11 00000