



SQUAXIN ISLAND TRIBE

RESOLUTION NO. 04-52A

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 is empowered to acquire, manage, lease, or use Tribal real property under its Constitution, Article III, Section 1(b), and its inherent authority; and

WHEREAS, the Squaxin Island Tribal Council has agreed to purchase on the terms and conditions expressed in the attached Real Estate Purchase and Sale Agreement the real property (Green Diamond Resource Company) described therein; and

WHEREAS, the Squaxin Island Tribal Council has agreed to the purchase price of \$772,000.00 and certain costs, if any;

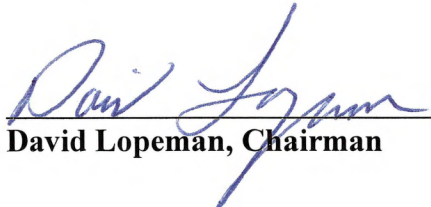


NOW THEREFORE BE IT RESOLVED, that the Squaxin Island Tribal Council hereby approves the purchase of real property for the sale price of \$772,000.00 and certain costs, if any, on the terms and conditions expressed in the attached Purchase and Sale Agreement;

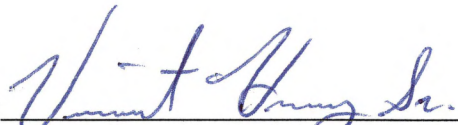
NOW THEREFORE BE IT FURTHER RESOLVED, that the Squaxin Island Tribal Council hereby authorizes the Chairman or, in his absence, the Executive Director to do any and all acts necessary to acquire the property, including executing the purchase and sale agreement, its exhibits, a continuation statement, excise affidavits, escrow instructions and any and all other documents necessary to close the transaction.

CERTIFICATION

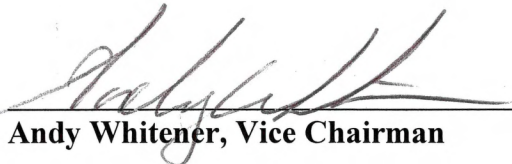
The Squaxin Island Tribal Council hereby certifies that the foregoing Resolution was adopted at the regular meeting of the Squaxin Island Tribal Council, held on this 12th day of August 2004, at which time a quorum was present and was passed by a vote of 4 for and 0 against, with 0 abstentions.



David Lopeman, Chairman

Attested by: 

Vincent Henry, Sr., Secretary



Andy Whitener, Vice Chairman

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is made and entered into this 31st day of January, 2005, by and between GREEN DIAMOND RESOURCE COMPANY, a Washington corporation ("SELLER"), and Squaxin Island Tribe ("BUYER").

RECITALS

A. SELLER is the owner of that certain property and property rights described as the north half of the northeast quarter and the northeast quarter of the northwest quarter of Section 21, the northwest quarter of the northeast quarter and the north half of the northwest quarter of Section 22, both in Township 19 North, Range 3 West, W.M., Mason County, Washington, W.M. shown on Exhibit A attached hereto (herein the "Property").

B. BUYER desires to purchase the Property, and SELLER is willing to convey the Property to BUYER, on the terms and conditions contained herein.

AGREEMENT

IN CONSIDERATION of the following promises and covenants, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. AGREEMENT TO CONVEY; PURCHASE PRICE: \$772,000. Subject to the satisfaction of all of the conditions contained herein, SELLER shall convey and BUYER shall purchase the Property, for the price and on the terms and conditions set forth herein. The purchase price for the Property shall be \$772,000 (the "Purchase Price") and shall be payable at Closing (as hereinafter defined).

2. PAYMENT.

2.1 Deposit. Upon the date that an original of this Agreement is fully executed and delivered by each of the parties hereto (herein the "Effective Date"), BUYER shall deliver to the Title Company (as defined below) a deposit check payable to SELLER in the amount of \$10,000 (the "Deposit"), which Deposit shall be credited to the account of SELLER upon the satisfaction of all contingencies referenced in Section 6 below (all applicable time periods to be referred to herein as the "Contingency Period"). Such Deposit shall not bear interest. If this sale closes, BUYER shall receive a credit against the Purchase Price in the amount of the Deposit.

2.2 Payment Terms. At Closing, BUYER shall pay to SELLER, in immediately available funds, twenty (20) percent of the Purchase Price (\$154,400), less a credit in the amount of the Deposit previously paid to the Title Company. The remaining balance shall be carried under a Note (Exhibit B) and Deed of Trust (Exhibit C) to be executed by BUYER at Closing with 7% interest payable on the declining balance with periodic payments (herein the "Regular Payments") as



follows: thirty (30) percent of the Purchase Price (\$231,600) plus accrued interest to be paid one year after Closing; thirty (30) percent of the Purchase Price (\$231,600) plus accrued interest to be paid two years after Closing. The remaining outstanding balance plus accrued interest to be paid three years after Closing. All regular payments shall be made through an escrow account at the Title Company unless SELLER specifically issues other instructions.

2.3 Delay of payments. SELLER shall have the right to delay acceptance of any of the Regular Payments in order to facilitate the use of the funds in a Section 1031 tax-deferred exchange of properties as described in Section 11 of this Agreement. To initiate a delay in payment SELLER must notify BUYER and the Title Company of SELLER's wish to delay payment thirty (30) days prior to the scheduled payment date. If SELLER chooses to delay receipt of a Regular Payment no further interest shall accrue for the amount of the Regular Payment after the scheduled payment date; provided, such delay shall not exceed four (4) years after Closing.

2.4 Non-regular payments. BUYER shall have the right to make payments in addition to the Regular Payments. To make an additional payment BUYER shall notify SELLER in writing thirty (30) days prior to the date the payment is to be made. SELLER can either a) accept the payment on the date stated by BUYER or b) reject the non-regular payment and require SELLER to instead make the Regular Payment required in Section 2.2 (subject to the right to delay payment set forth in Section 2.3).

3. CLOSING.

3.1 Place and Time. The closing of the sale and purchase of the Property shall occur through an escrow with Mason County Title Insurance Company (the "Title Company"), at its offices at 130 West Railroad Avenue, Shelton, Washington. The date that the Purchase Price is disbursed to SELLER as set forth herein shall be referred to as the "Closing." Time is of the essence to this Agreement, and SELLER shall have no obligation to grant any extension of Closing, SELLER being willing to enter into this Agreement based upon the assumption that the contemplated transaction shall close no later than March 1, 2005, unless extended in writing by both parties.

3.2 Costs and Apportionment. SELLER and BUYER shall each be responsible for payment of one-half of all customary closing costs, including the escrow fee and recording fees. SELLER shall pay for a standard title insurance policy, and shall be responsible for payment of the real estate excise tax. BUYER shall be responsible for any expanded title insurance coverage. BUYER shall be responsible for payment of any taxes or penalties payable that may be due to the removal of the Property from current zoning or forest-land classification. BUYER shall be responsible for any survey. Current year real property taxes and assessments with respect to the Property, both general and special, shall be prorated between the parties as of Closing. The last officially certified rate and valuation shall be used for such proration.

3.3 Cooperation. At and prior to Closing, the parties hereto shall execute, acknowledge and deliver any and all documents and shall deliver all funds necessary to consummate the transaction contemplated hereby, including escrow instructions and documents required by the

Title Company. The parties agree to allow each other the opportunity to review copies of all Closing documents delivered to the Title Company at least ten (10) days prior to Closing.

3.4 Possession. From and after Closing, BUYER shall be entitled to possession of the Property, subject to the rights of third parties, if any, disclosed to BUYER prior to Closing.

3.5 Conveyance. At Closing, SELLER shall execute, acknowledge and deliver a statutory form Warranty Deed.

4. EARLY TERMINATION; DEPOSIT. In the event BUYER gives written notice to SELLER terminating this Agreement pursuant to the terms of Section 6, prior to expiration of the Contingency Period, or in the event BUYER terminates this Agreement pursuant to Sections 6 or 17 or in the event of a default by SELLER, the Deposit shall be returned to BUYER, and neither party shall have any further obligation hereunder, including without limitation the obligation to purchase or to sell the Property; except that the obligations specified in this Agreement to survive termination shall so survive. In the event that SELLER terminates this Agreement pursuant to Section 7, the Deposit shall be returned to BUYER, and neither party shall have any further obligation hereunder, including without limitation the obligation to purchase or sell the Property; except that the obligations specified in this Agreement to survive termination shall so survive. In the event that SELLER terminates this Agreement due to a default by BUYER, the Deposit shall be paid over to SELLER as liquidated damages.

5. REPRESENTATIONS AND INDEMNITIES.

5.1 SELLER's Representations. SELLER represents and warrants to BUYER:

(i) SELLER owns the Property free of liens or other encumbrances other than those shown in the title insurance commitment described in Section six (6) hereof;

(ii) To SELLER's Actual Knowledge, there are no violations of law affecting the Property, and SELLER has received no notices of violations pertaining to the Property;

(iii) To SELLER's Actual Knowledge: (a) SELLER has not, during its ownership of the Property, disposed of any Hazardous Substances into or onto the soils or waters of the Property or used the Property as a landfill, nor are there any underground storage tanks on or under the Property; and (b) SELLER has no Actual Knowledge of any third party disposing of Hazardous Substances into or onto the soils or waters of the Property either before or during SELLER's ownership or possession of the Property; provided, however, that SELLER has applied pesticides, insecticides, herbicides, and fertilizers (including aerial spraying thereof) to the timber in accordance with applicable approved Forest Practices Rules and best management practices of the industry and in accordance with applicable laws. As used in this Agreement, the term "Hazardous Substances" means any substance, waste, or material defined or designated as hazardous, toxic, or dangerous by the Comprehensive Environmental Response, Compensation and Liability Act and the Washington Model Toxics Control Act.

(iv) SELLER reforested the Property with approximately 300 trees per acre after its most recent harvesting event on the Property.

(v) SELLER is a corporation duly incorporated and validly existing in good standing under the laws of the state of Washington and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

As used in this Agreement, the term “to SELLER’s Actual Knowledge” means the actual knowledge, without special inquiry, of the following employees of SELLER: Paul Wing, Manager, Land & Forest Management; Jim Thiemens, General Manager, Northwest Timberlands; and Keith Simmons, Manager, Harvest Planning.

5.2 BUYER’s Representations. BUYER represents and warrants to SELLER that it is a federally recognized Indian Tribe and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

5.3 As Is, Where Is Sale. Except as expressly provided in SELLER’s representations and warranties in this Agreement, the Property is sold strictly “As Is, Where Is,” with all faults, it being understood and agreed that SELLER disclaims all warranties or representations of any kind or character, express or implied, with respect to the Property, including, but not limited to, warranties or representations as to matters of title (other than Seller’s warranty of title set forth in the deed to be delivered at Closing), zoning, tax consequences, physical or environmental conditions, availability of access, ingress or egress, property value, operating history, governmental approvals, governmental regulations or any other matter or thing relating to or affecting the Property (along with the exceptions listed in the Report as provided in Section 6, such exceptions are known herein as “Permitted Exceptions”). BUYER agrees that the grant to BUYER by SELLER of the opportunity to inspect the Property and terminate the Agreement, on the terms set forth elsewhere herein, constitutes good and sufficient consideration for the disclaimer by SELLER of such warranties and the acceptance of this as-is, where is sale.

5.4 Cross Indemnities. After Closing:

(i) SELLER shall, to the maximum extent permitted by law, save, defend, indemnify and hold harmless BUYER from and against any and all suits, actions, legal or administrative proceedings, claims, demands, actual damages, fines, punitive damages, losses, costs, liabilities, interest and attorney fees resulting from any breach of any SELLER representation or warranty set forth in Section 5.1 above; and

(ii) BUYER shall, to the maximum extent permitted by law, save, defend, indemnify and hold harmless SELLER from and against any and all suits, actions, legal or administrative proceedings, claims, demands, actual damages, fines, punitive damages, losses, costs, liabilities, interest and attorney fees resulting from (a) the release of hazardous materials in, at or under the Property, or (b) any other event, condition or circumstance relating to the Property; provided, however, that this BUYER indemnity obligation shall not apply with respect to any circumstance



that qualifies as a SELLER breach of representation or warranty which is subject to Section 5.4 (i) above.

6. CONDITIONS TO BUYER'S OBLIGATIONS. Subject to the limitations in Section 8 hereof, BUYER shall have the right to inspect, to measure, to test and to inquire as to the Property, in each case upon prior written notice to SELLER, and subject to the rights of tenants, if any. BUYER may terminate this Agreement by written notice to SELLER given within sixty (60) days following the Effective Date or prior to Closing, whichever comes first, specifying a reasonable objection regarding the Property. If no such written notice is given within the applicable time period, the conditions set forth herein shall be deemed to have been satisfied and/or waived, and BUYER shall have no right to terminate this Agreement nor to receive a return of the Deposit (except as provided in Section 17 hereof). If such written notice is given within the applicable time period, such notice shall constitute BUYER's election to terminate this Agreement without liability of SELLER to BUYER, in which event the Deposit shall be returned to BUYER. Other than drilling a test well to determine the availability of subsurface water, which this Agreement expressly permits, BUYER shall not conduct any subsurface testing without prior written approval of SELLER.

SELLER shall deliver or cause to be delivered to BUYER as soon as practicable after Closing a standard form of owner's title insurance dated as of the date of Closing in the full amount of the Purchase Price and showing title to the Property in the name of BUYER, subject to no special exceptions other than the Permitted Exceptions. Within ten (10) days of the Effective Date or as soon as practicable thereafter, SELLER shall deliver to BUYER a preliminary commitment for title insurance (the "Report") issued by the Title Company. Within ten (10) days after receipt of the Report, BUYER shall give to SELLER written notice (the "Initial Notice") specifying those exceptions, if any, shown on the Report which BUYER finds to be unacceptable (the "Unacceptable Exceptions"). Within seven (7) days after actual receipt of the Initial Notice, SELLER shall give to BUYER written notice (the "Reply Notice") either agreeing to remove all of the Unacceptable Exceptions or declining to do so as specified in the Reply Notice. In the event SELLER indicates in the Reply Notice that it shall not remove all of the Unacceptable Exceptions, BUYER may terminate this Agreement by giving written notice to SELLER. For purposes of this Agreement, Permitted Exceptions shall include those exceptions to title shown on the Report to which BUYER does not object in the Initial Notice and those, if any, to which BUYER subsequently waives objection as well as those items described in Section 5.3.

7. CONDITIONS ON SELLER'S OBLIGATION TO CLOSE. SELLER's obligation to complete the sale shall be subject to and conditioned upon the following:

(i) Non-discovery by SELLER or BUYER of any conditions or circumstances which would constitute a breach of SELLER's representations and warranties if they were known to SELLER; and

(ii) SELLER is able to structure the transaction as a Section 1031 exchange as described in Section 11 hereof.

In the event that either contingency is not satisfied on or prior to the date set forth for Closing in Section 3.1 (including any extension), then SELLER may terminate this Agreement by giving written notice to BUYER. In no event shall SELLER terminate this Agreement on the basis of (ii) above if this contingency may be met at a later date and BUYER agrees to an extension of the Closing date to satisfy this contingency.

8. ACCESS TO PROPERTY. SELLER shall allow BUYER access to the Property for surveying and other land use planning purposes, as well as for inspection as set forth in Section 6. BUYER agrees that BUYER and its agents shall not cause any damage to the Property in the course of any such access, and BUYER shall indemnify and hold SELLER and the Property harmless from any lien, claim, damage, loss, cost or expense (including attorney fees) arising out of or related to any such access or activities, or to any damage or repair of the same.

9. BROKERS. Each party represents and warrants to the other that it has employed no broker or finder in connection with this transaction and agrees to indemnify the other party against any claim therefor.

10. NOTICE. Any notice required or permitted to be delivered hereunder shall be in writing and shall be deemed given and received when personally delivered or three (3) days after deposit in the United States Mail, postage prepaid, Certified or Registered Mail, Return Receipt Requested, addressed to SELLER or BUYER, as the case may be, to the following addresses or to such other address as may be specified by written notice given as aforesaid:

If to SELLER: Green Diamond Resource Company
 P.O. Box 9001
 215 N.3rd Street
 Shelton, WA 98584

Attn: Land Manager

With a copy to: Green Diamond Resource Company
 Legal Department
 1301 Fifth Avenue, Suite 2700
 Seattle, Washington 98101-2613

If to BUYER: Squaxin Island Tribe
 70 S.E. Squaxin Lane
 Shelton, WA 98584

Attn: Brian Thompson

With a copy to: Squaxin Island Legal Department

3711 SE Old Olympic Hwy
Shelton, Washington 98584

11. ASSIGNMENT; SUCCESSORS BOUND. Prior to Closing, BUYER shall have no right to sell, convey or assign its interest in this Agreement and/or in the Property. Any such purported assignment shall be, at the election of SELLER, null and void. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns. BUYER and SELLER agree that SELLER intends to assign this Agreement to an intermediary to act in place of SELLER as the seller of the Property and thereby elect to consummate this transaction as a like kind exchange pursuant to Internal Revenue Code Section 1031. SELLER's intermediary for purposes of this transaction shall be 1031 Exchange Services, Inc., 40 Lake Bellevue, Suite 101, Bellevue, WA 98005. BUYER shall assist and cooperate with SELLER in any such assignment and exchange at no additional cost, expense or liability to BUYER created by the exchange and BUYER agrees to execute any and all documents as are reasonably necessary in connection with the exchange, provided, however, BUYER shall have no obligation to take title to any other property in order to complete or facilitate the exchange.

12. INTEGRATION; AMENDMENTS. This Agreement constitutes the entire agreement of the parties with respect to the Property and supersedes all prior written or oral negotiations or agreements with respect thereto. Any modifications, changes, additions or deletions to this Agreement or any of the Exhibits attached hereto shall first be approved by and between SELLER and BUYER, in writing.

13. ENFORCEMENT. This Agreement shall be governed by the laws of the State of Washington. BUYER and SELLER agree that they shall have as recourse for the judicial enforcement of this Agreement and the Note and Deed of Trust in Exhibits B and C the Superior Court of the State of Washington for Mason County and appellate courts therefrom. The Tribe agrees to a limited waiver of sovereign immunity for purposes of the Superior Court's jurisdiction over the Parties pursuant to the Resolution Regarding Limited Waiver of Sovereign Immunity of The Squaxin Island Tribe, attached hereto as Exhibit D. The Tribe makes its limited waiver of sovereign immunity for purposes of any judicial or nonjudicial action by the SELLER to enforce this Agreement and the Note and Deed of Trust in Exhibits B and C. The Tribe agrees to forego any right or claim of right to seek or require exhaustion of tribal court remedies as a prerequisite to any action by SELLER to enforce this Agreement and the Note and Deed of Trust in Exhibits B and C. The Tribe agrees that, for purposes of service of process, the Tribe's Chairman and Secretary of the Tribal Council are appointed individually as its agents for service of process under or relating to the Purchase and Sale Agreement and related Note and Deed of Trust, and agrees that service on either of the Tribe's appointed agents by hand or by certified mail, return receipt requested, shall be effective as service upon the Tribe for all purposes under or relating to enforcement of the Purchase and Sale Agreement and related Note and Deed of Trust.

14. SEVERABILITY. If any provision contained herein is declared by a court of competent jurisdiction to be void or unenforceable as written, the parties intend and desire that (a) such provision be enforced and enforceable to the fullest extent permitted by law, and (b) the invalidity



or unenforceability of such provision shall not affect the validity or enforceability of the balance of this Agreement.

15. ATTORNEY FEES. Should any litigation be commenced between BUYER and SELLER to enforce or to interpret this Agreement, the prevailing party in such litigation shall be entitled, in addition to all other relief, to receive from the losing party a reasonable sum as and for its costs and attorneys' fees incurred both at and in preparation for trial and any appeal or review, such sum to be set by the court(s) before which the matter is heard.

16. LEGAL REPRESENTATION. Each of the parties hereto has been or has had the opportunity to be represented, to the extent desired, by legal counsel of its choice in respect to this transaction.

17. TIME OF ESSENCE; WAIVER. Time is of the essence of this Agreement and each provision hereof. Failure by either party hereto at any time to require performance of any provision of this Agreement shall not limit the right of such party to enforce such provision in the future, nor shall any waiver by any party of any breach of any provision be a waiver (a) of any succeeding breach of that provision, (b) of that provision itself, (c) of this non-waiver provision, or (d) of any other provision hereof. The foregoing shall not be interpreted to prevent waiver of BUYER's conditions nor to extend the time period within which BUYER must notify SELLER of the failure of any such condition.

18. CASUALTY OR CONDEMNATION PRIOR TO CLOSING. Prior to Closing, in the event of a material loss or damage to the Property (not caused by BUYER or its representatives), or in the event all or any portion of the Property is taken by eminent domain, BUYER may, at its option, terminate this Agreement. If in the event of such casualty or condemnation, BUYER does not terminate this Agreement prior to the Closing, BUYER shall proceed with the purchase pursuant to the same terms and conditions (including the Purchase Price) set forth herein. SELLER agrees to notify BUYER of any eminent domain proceedings or material loss or damage immediately upon learning thereof.

19. CONTINUING FOREST LAND OBLIGATIONS. BUYER acknowledges and SELLER represents that the Property is subject to those certain forestland 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 E (the "Continuing Obligations"). At or before Closing, BUYER agrees to sign and deliver to SELLER the original of the notice attached hereto as Exhibit E or such other notice that indicates the BUYER's knowledge of the Continuing Obligations as may be required by the Washington Department of Natural Resources ("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 Obligations at BUYER's sole cost and expense in a timely fashion, and to indemnify, defend and hold SELLER harmless from and against the Continuing 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 any

termination of this Agreement and shall not be limited by any provision otherwise terminating indemnification obligations herein.

20. SURVIVAL. Portions of this Agreement are intended to survive any expiration or termination of this Agreement, the closing of the transaction contemplated hereby and/or the execution and delivery of SELLER's deed or other instrument of transfer. Accordingly, all provisions hereof which contemplated performance after any such event shall so survive, as shall all indemnity obligations of SELLER and the indemnity and restoration obligations of BUYER, the reciprocal attorney fee provision and the right to exercise remedies for default.

21. EXECUTION; EFFECTIVE DATE AND ACCEPTANCE PERIOD. The undersigned representatives of the BUYER and SELLER hereby warrant that they have full power, authority and legal right, and have obtained all approvals necessary, and are authorized to execute, deliver and perform all actions required by this Agreement. This Agreement may be executed in one or more counterparts and shall be effective upon the later of (a) the execution and delivery of this Agreement by each party hereto, and (b) the delivery of the Deposit described above to the Title Company, or (c) adoption by the Tribe of the Resolution Regarding Limited Waiver of Sovereign Immunity of The Squaxin Island Tribe, attached hereto as Exhibit D.

22. RECITALS. The Recitals are part of this Agreement and are incorporated herein by this reference.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

GREEN DIAMOND RESOURCE COMPANY

By: _____

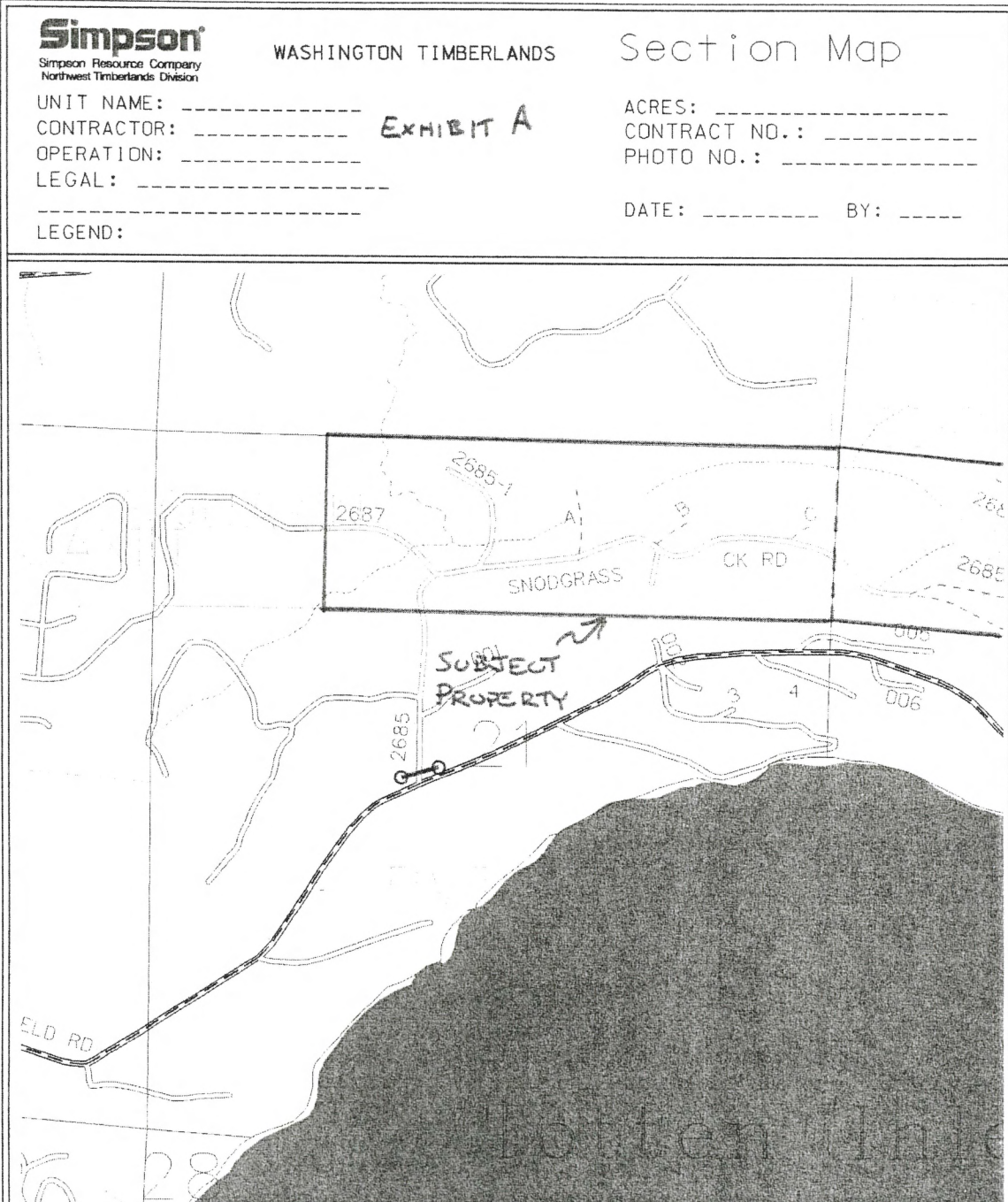
Title: _____

SQUAXIN ISLAND TRIBE

By:  _____

Title: Executive Director

EXHIBIT A





WASHINGTON TIMBERLANDS

Section Map

UNIT NAME: -----
CONTRACTOR: -----
OPERATION: -----
LEGAL: -----

EXHIBIT A cont.

ACRES: -----
CONTRACT NO.: -----
PHOTO NO.: -----

DATE: ----- BY: -----

LEGEND:

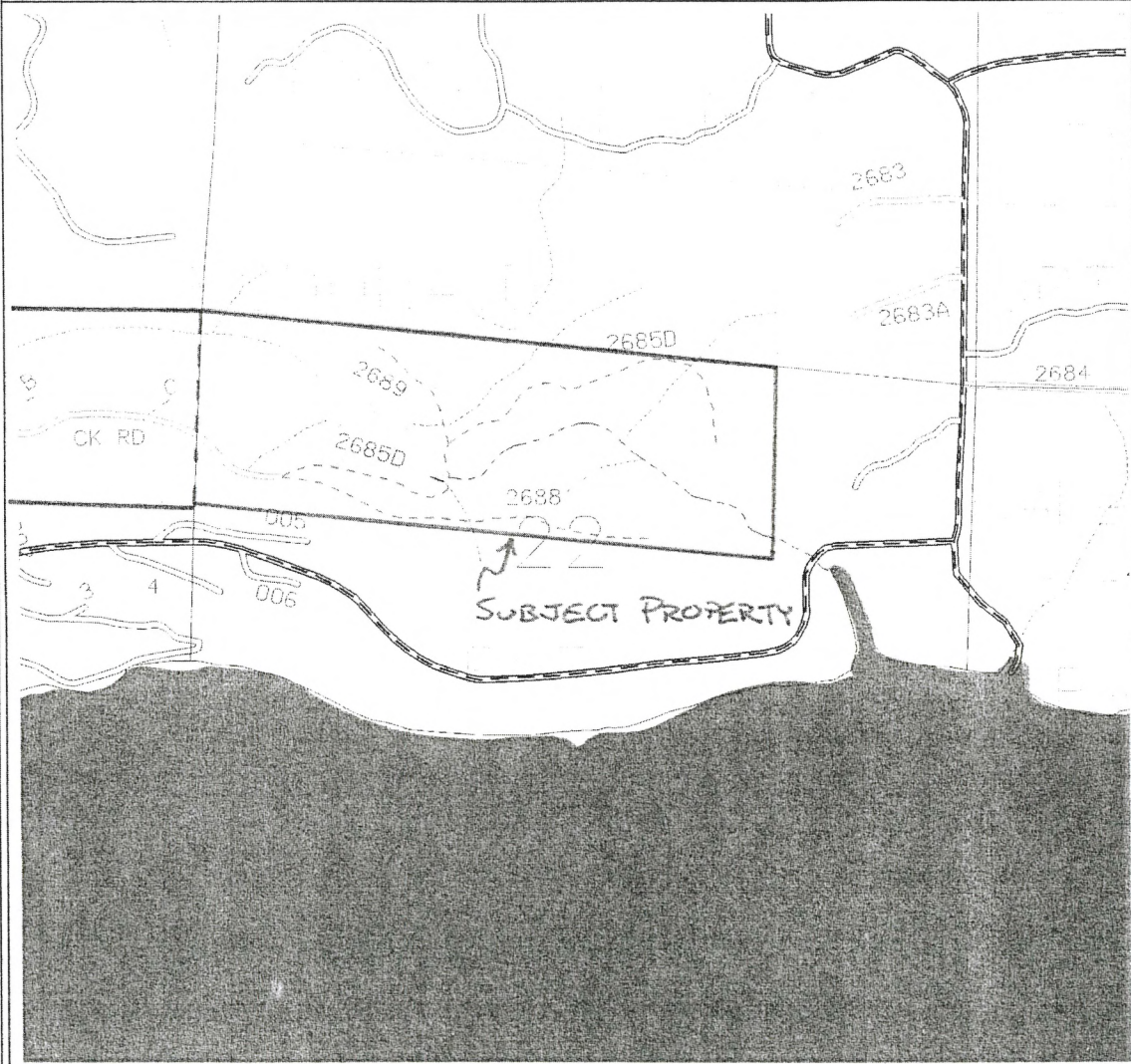


EXHIBIT B

NOTE

EXHIBIT C
DEED OF TRUST

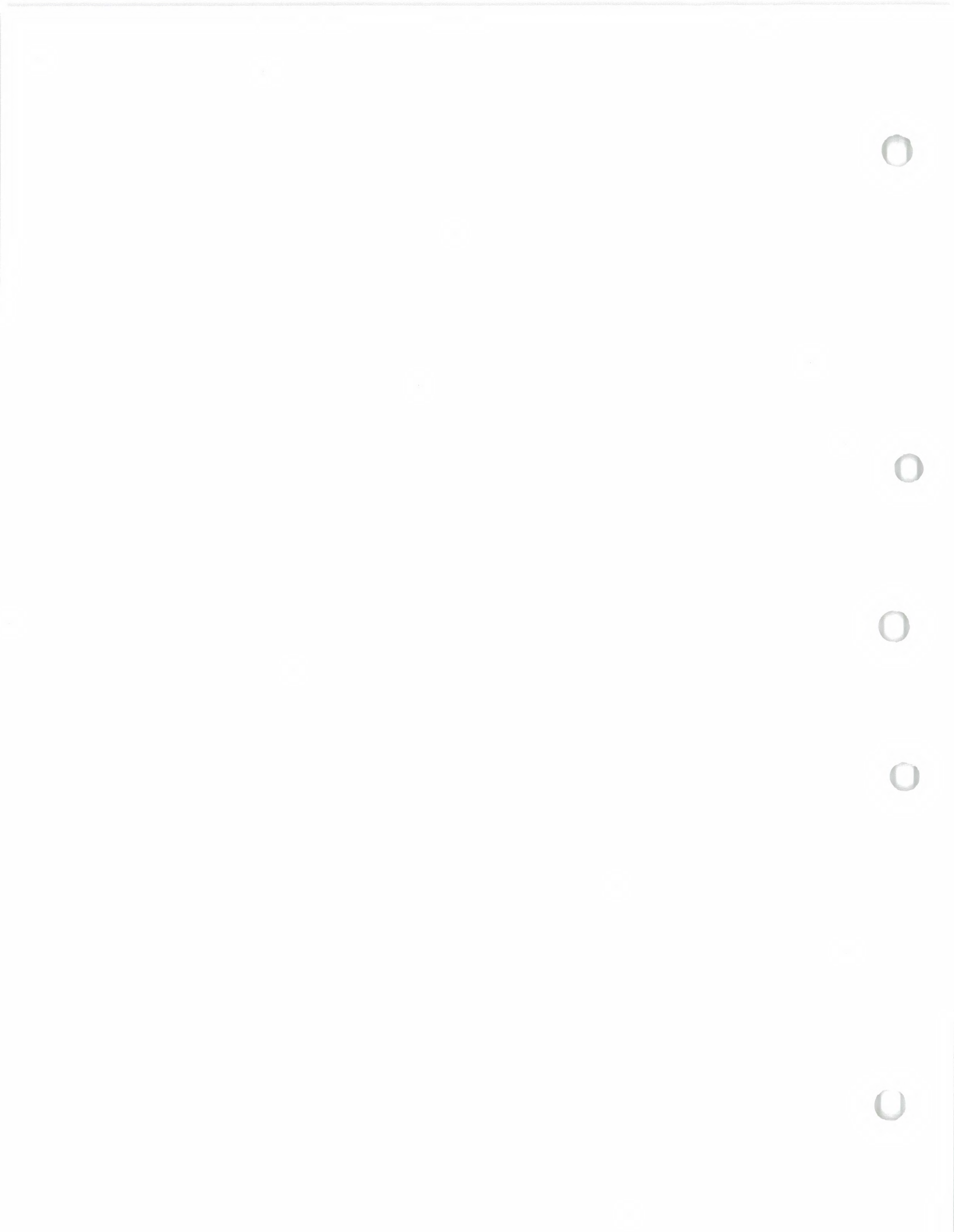
EXHIBIT D

RESOLUTION REGARDING LIMITED WAIVER OF SOVEREIGN IMMUNITY OF THE SQUAXIN ISLAND TRIBE

WHEREAS, The Squaxin Island Tribe (“the Tribe”) understands that its agreement to adopt an enforceable Resolution Regarding Limited Waiver of Sovereign Immunity is a material inducement to Green Diamond Resource Company, or its successors and assigns ("Green Diamond"), to enter into a Purchase and Sale Agreement, Note and Deed of Trust with the Tribe in relation to the purchase and sale of real property located in the State of Washington.

NOW THEREFORE, BE IT RESOLVED,

1. That the terms herein and not defined shall have the meanings given them in the Purchase and Sale Agreement, (*dated _____ or some other identification of the particular agreement*), between the Tribe and Green Diamond and the related Note and Deed of Trust for the performance of the Purchase and Sale Agreement.
2. That the Tribe hereby expressly waives its sovereign immunity from any judicial or nonjudicial action necessary for the purpose of enforcement of the terms of the Purchase and Sale Agreement and related Note and Deed of Trust. This waiver applies only to actions brought by Green Diamond.
3. That the Tribe agrees and consents that all disputes, controversies or claims arising out of or relating to the Purchase and Sale Agreement and related Note and Deed of Trust, or the Parties’ obligations and rights thereunder, shall be subject to enforcement in the manner prescribed by the Purchase and Sale Agreement and related Note and Deed of Trust and by the laws of the State of Washington.
4. That the Tribe consents to be sued in the Superior Court of the State of Washington for Mason County and appellate courts therefrom, for the purpose of enforcement of the Purchase and Sale Agreement and related Note and Deed of Trust. The assumption of jurisdiction by the Superior Court shall not be delayed or curtailed by any doctrine requiring exhaustion of tribal remedies, and the Tribe expressly waives any rights under any doctrine requiring exhaustion of tribal court remedies for purposes of enforcement under the Purchase and Sale Agreement and related Note and Deed of Trust. The Tribe does not waive, limit, or modify its sovereign immunity except as specifically set forth in this Resolution Regarding Limited Waiver of Sovereign Immunity.



5. That the Tribe's Chairman and Secretary of the Tribal Council are appointed individually as its agents for service of process under or relating to the Purchase and Sale Agreement and related Note and Deed or Trust, and agrees that service on either of the Tribe's appointed agents by hand or by certified mail, return receipt requested, shall be effective as service upon the Tribe for all purposes under or relating to the Purchase and Sale Agreement and related Note and Deed of Trust.

6. That this Resolution Regarding Limited Waiver of Sovereign Immunity take effect immediately and shall continue until the later of six (6) years following the execution of the Purchase and Sale Agreement or Reconveyance of the Deed of Trust by Green Diamond, except that the waiver of sovereign immunity shall remain effective for any proceedings then pending, and all appeals therefrom.

CERTIFICATION

The foregoing resolution was enacted by the Squaxin Island Tribe's Tribal Council on the ____ day of _____, 200_, by a vote of ____ for, ____ opposed and ____ abstaining; at a duly called meeting at which a quorum of the Tribal Council was present.

Chairman, The Squaxin Island Tribe

Attest:

Tribal Secretary



Exhibit E

NOTICE OF CONTINUING FOREST LAND OBLIGATIONS

RCW 76.09.070, RCW 76.09.390 and WAC 222-20-055 requires that prior to the sale or transfer of land or perpetual timber rights subject to continuing forest land obligations under the forest practices rules adopted in 1982 and under RCW 76.09.370 adopted in 1999, (1) **the seller** shall notify the buyer of the existence and nature of such a continuing obligation and (2) **the buyer** shall sign a notice of continuing forest land obligation indicating the buyer's knowledge of the obligation. **The seller** at time of sale or transfer of the land or perpetual timber rights shall send to the department the signed notice of continuing forestland obligation.

If the seller fails to notify a buyer about the continuing forest land obligation, the seller shall pay the buyer's costs related to such continuing forest land obligation, including all legal costs and reasonable attorney's fees, 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 Department of Natural Resources 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.

CONTINUING OBLIGATION/S

Reforestation (RCW 76.09.070)

Obligation exists on the property identified above and relates to the following FPA/N#s (list all that apply, add attachments if necessary). Conversion FPA #2408154 (Seller retains negotiated reforestation responsibility).

No Reforestation obligation exists on the property.

Road Maintenance and Abandonment Plan (WAC 222-24-051)

Obligation exists on property identified above and relates to the following FPA/N #s and/or Road Maintenance Plan #s (list all that apply, add attachment if necessary):
Road Maintenance Plan #240023-2 – Culvert removal or replacement

No Road Plan obligation exists on the property.

Road Abandonment Plans: No road abandonment plans exist at this time. Buyer agrees that Seller has properly notified Buyer of any and all continuing obligations as required by WAC 222-20-055.

Harvest Strategy along Type 4 Waters in Eastern Washington (WAC 222-30-022 (2)(b))

Does not apply, all lands are located in Western Washington.



OBLIGATIONS (continued)

Small Landowner Forest Riparian Easement (WAC 222-21-030)

Does not apply, Green Diamond does not qualify as a small landowner.

PROPERTY IDENTIFICATION

Land/Rights Sold or Transferred: X Land and Timber __ Land Only __ Perpetual Timber Rights

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

County/ies: Mason

DNR Region/s: South Puget

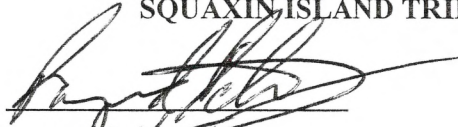
Legal Description of the Lands/Rights being Sold or Transferred (include county parcel number/s, add attachment if necessary):

The north half of the northeast quarter and the northeast quarter of the northwest quarter of Section 21, the northwest quarter of the northeast quarter and the north half of the northwest quarter of Section 22, both in Township 19 North, Range 3 West, W.M., Mason County, Washington, W.M.

Seller:
GREEN DIAMOND RESOURCE COMPANY

Buyer:
SQUAXIN ISLAND TRIBE

By: _____

By:  _____

Date:

Date: 1/31/05

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Address: Green Diamond Timber Company
1301 Fifth Ave, Suite 2700
Seattle Wa. 98101-2613

Address: Squaxin Island Tribe
70 S.E. Squaxin Lane
Shelton, Wa. 98584

Phone: 206-224-5800

Phone: 360-432-3907

NOTE TO SELLER:

At the time of sale or transfer of the property or the perpetual timber rights:

- (1) deliver (by certified mail or in person) the SIGNED ORIGINAL notice to the Department of Natural Resources regional office in which the property is located, and*
- (2) deliver a copy for recording to the county/ies in which the property is located.*

FOR DEPARTMENTAL USE ONLY

Notice of Continuing Forestland Obligation #:

Date Received:

Region:

Received by: