

AGENDA
SPECIAL MEETING OF THE BOARD OF COMMISSIONERS
HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT

DATE: April 29, 2020

TIME: **Executive Closed Session 5:00 P.M.**
Regular Session 6:00 P.M.

PLACE: Join Zoom Meeting
<https://us02web.zoom.us/j/6420506940?pwd=YVZldHVHV21pZ0pQa0lyTitSK0c4QT09>

Meeting ID: 642 050 6940
Password: 060470
One tap mobile
+14086380968,,6420506940#,,#060470# US (San Jose)
+16699006833,,6420506940#,,#060470# US (San Jose)

1. Call to Order Closed Session at 5:00 P.M.

2. Public Comment

Note: This portion of the Agenda allows the public to speak to the Board on the various issues not itemized on this Agenda. A member of the public may also request that a matter appearing on the Consent Calendar be pulled and discussed separately. Pursuant to the Brown Act, the Board may not take action on any item that does not appear on the Agenda. Each speaker is limited to speak for a period of three (3) minutes regarding each item on the Agenda. Each speaker is limited to speak for a period of three (3) minutes during the PUBLIC COMMENT portion of the Agenda regarding items of special interest to the public not appearing on the Agenda that are within the subject matter jurisdiction of the Board of Commissioners. The three (3) minute time limit may not be transferred to other speakers. The three (3) minute time limit for each speaker may be extended by the President of the Board of Commissioners or the Presiding Member of the Board of Commissioners at the regular meeting of the District. The three (3) minute time limit for each speaker may be enforced by the President of the Board of Commissioners or the Presiding Member of the Board of Commissioners at the regular meeting of the District.

3. Move to Executive Closed Session

- a) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Terms of potential acquisition and/or lease of real property on the Samoa Peninsula, Humboldt County, with Assessor's Parcel Numbers, 401-112-021 and 401-112-024 California pursuant to California Government Code § 54956.8. District negotiators: Larry Oetker, Executive Director and Ryan Plotz, District Counsel. Negotiating party: California Marine Investments LLC. Under negotiation: price and payment terms.
- b) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Terms of potential purchase of real property with Assessor's Parcel Numbers 401-112-021, 401-111-006, 401-122-011, 401-122-012, 401-031-061, 401-031-070, 401-031-040, and 401-031-055 on the Samoa Peninsula, Humboldt County, California pursuant to California Government Code § 54956.8. District negotiators: Larry Oetker, Executive Director and Ryan Plotz, District Counsel. Negotiating party: Green Diamond Resource Company and DANCO. Under negotiation: price and payment terms.
- c) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Terms of potential lease of real property on the Samoa Peninsula, Humboldt County, with Assessor's Parcel Numbers, 401-112-021 California pursuant to California Government Code § 54956.8. District negotiators: Larry Oetker, Executive Director and Ryan Plotz, District Counsel. Negotiating party: Green Cloud Inc. Under negotiation: price and payment terms.
- d) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Terms of potential acquisition and/or lease of real property on the Samoa Peninsula, Humboldt County, with Assessor's Parcel Numbers, 401-121-012 and 401-121-010 California pursuant to California Government Code § 54956.8. District negotiators: Larry Oetker, Executive Director and Ryan Plotz, District Counsel. Negotiating party: EWP Renewable Corp. Under negotiation: price and payment terms.

Agenda for April 29, 2020 Special Board Meeting

- 4. Call to Order Regular Session at 6:00 P.M. and Roll Call**
- 5. Pledge of Allegiance**
- 6. Report on Executive Closed Session**
- 7. Public Comment**

Note: This portion of the Agenda allows the public to speak to the Board on the various issues not itemized on this Agenda. A member of the public may also request that a matter appearing on the Consent Calendar be pulled and discussed separately. Pursuant to the Brown Act, the Board may not take action on any item that does not appear on the Agenda. Each speaker is limited to speak for a period of three (3) minutes regarding each item on the Agenda. Each speaker is limited to speak for a period of three (3) minutes during the PUBLIC COMMENT portion of the Agenda regarding items of special interest to the public not appearing on the Agenda that are within the subject matter jurisdiction of the Board of Commissioners. The three (3) minute time limit may not be transferred to other speakers. The three (3) minute time limit for each speaker may be extended by the President of the Board of Commissioners or the Presiding Member of the Board of Commissioners at the regular meeting of the District. The three (3) minute time limit for each speaker may be enforced by the President of the Board of Commissioners or the Presiding Member of the Board of Commissioners at the regular meeting of the District.

8. New Business

- a) **Consideration of lease of real property on the Samoa Peninsula, Humboldt County, with Assessor's Parcel Numbers, 401-112-021 and 401-112-024 to California Marine Investments LLC.**

Recommendation: Staff recommends the Board Direct Staff to: Execute Lease Documents

Summary: The Harbor District owns property at Redwood Marine Terminal II that is available for lease.

- b) **Consideration of lease or other real property agreement on the Samoa Peninsula, Humboldt County, with Assessor's Parcel Numbers 401-112-021, 401-111-006, 401-122-011, 401-122-012, 401-031-061, 401-031-070, 401-031-040, and 401-031-055 with Green Diamond Resource Company and DANCO.**

Recommendation: Staff recommends the Board Direct Staff to: Execute lease, purchase or other real property agreements.

Summary: The Harbor District, Green Diamond Resource Company, And DANCO owns property at on the Samoa Peninsula that have share services agreements, utility easements, and other infrastructure that cross property lines. The entities have an excellent cooperative relationship and some of the agreements need to be terminated, revised, expanded, and/or new agreements put in place.

- c) **Consideration of lease of real property on the Samoa Peninsula, Humboldt County, with Assessor's Parcel Numbers, 401-112-021 with Green Cloud Inc.**

Recommendation: Staff recommends the Board Direct Staff to: Execute Lease Documents

Summary: The Harbor District owns property at Redwood Marine Terminal II that is available for lease.

9. Adjournment

COMMISSIONERS

1st Division

Larry Doss

2nd Division

Greg Dale

3rd Division

Stephen Kullmann

4th Division

Richard Marks

5th Division

Patrick Higgins

Humboldt Bay
Harbor, Recreation and Conservation District
 (707) 443-0801
 P.O. Box 1030
 Eureka, California 95502-1030



STAFF REPORT – HARBOR DISTRICT MEETING
April 29, 2020

TO: Honorable Board President and Harbor District Board Members

FROM: Larry Oetker, Executive Director

DATE: April 29, 2020

TITLE: Consideration of lease of real property on the Samoa Peninsula, Humboldt County, with Assessor's Parcel Numbers, 401-112-021 and 401-112-024 to California Marine Investments LLC (Roll Call Vote)

RECOMMENDATION: Staff recommends the Board: Direct Staff to: Execute Letter of Intent and to draft lease amendment documents with Nordic Aquafarms.

The Harbor District and Nordic Aquafarms have an existing lease agreement for approximately 30 acres in the northwest portion of the District's Redwood Marine Terminal II property. As part of this existing lease, the large Machine Building which connects the Shops and Stores and Warehouse Buildings was slated to be torn down along with the large Boiler Building and other buildings in the Lease Area. The Harbor District and Nordic Aquafarms has reached an agreement which would increase the existing lease area by approximately 3 acres to a total of 33 acres.

As part of this 3-acre expansion, most of the Shops and Stores Building will be torn down and the tenants will need to relocate. The project still needs to receive Coastal Development Permits before any buildings can be torn down and the project can proceed. We do not anticipate that the permits will be received prior to May 1, 2021 and therefore no tenants will be required to relocate from the premises prior to May 1, 2021.

THIS IS NOT A DIRECTIVE TO MOVE OUT AT THIS TIME.

A formal Relocation Notice to Tenants will be distributed as soon as the Board authorizes Staff to proceed with the lease amendment. The Harbor District is in the process of drafting Tenant Relocation Plan which will be made available on May 8th with the Harbor District Board hearing comments at their May 14th meeting. This is not a commitment, but Tenants may be eligible for relocation assistance under the California Relocation Assistance Law (GC 7260). Assistance may include:

- Advisory assistance with finding a new place to rent
- Actual moving expenses
- Reestablishment payment for potential increase lease costs and other costs associated with a new site to occupy a business.

Key points of the lease amendment are:

- Lease amount will increase from current approximately \$179,000 annual lease payment to \$354,000 annual lease payment beginning when permits are approved.
- Nordic Aquafarms will pay all costs to relocate five (5) of the seven (7) businesses that will require relocation. District will pay for the two other month to month tenants.
- Nordic Aquafarms will pay a nonrefundable deposit of \$43,750 and pay up to \$175,000 annually to reimburse the Harbor District for lost lease revenue due to tenant relocation before the new lease payments are paid.
- All but the eastern 60 feet of the Shops and Stores Building will be torn down.
- District will receive an additional \$56,000 one-time cash payment for use of 2 additional megawatt capacity of the existing 20-megawatt substation.
 - Total one-time payment for substation use increased from \$500,000 to \$556,000.
 - Nordic Aquafarms will do all engineering and permitting to expand substation by 5 megawatts for future Harbor District tenants.
- Sea water intake increased from 3000 gallons per minute to 7000 gallons per minute.
- District retains a right of way / utility corridor along northern property boundary
- Nordic Aquafarms will pay all engineering, design, permitting, and construction to ensure that the utilities serving the remaining Harbor District property that are disrupted by the NAF demolition and construction project will be restored to fully operational standards.
- Nordic Aquafarms will have access to the property for their inspections.

Attachments

- A Proposed Lease Expansion Area
- B Letter of Intent



50 foot wide access road realignment

Ocean Outfall

Electric Substation

Option 2

Option 4

Option 1

Machine Building

RMTII Dock

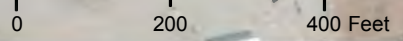
Water Storage

Lease Area

Well

Option 3

20 foot non-exclusive utility right-of-way



	Area	
	Ft. ²	Acres
Lease Area	1,155,267	27
Option 1	128,654	3
Option 2	59,657	1
Option 3	90,168	2
Option 4	215,553	5



April 24, 2020

Larry Oetker
Humboldt Bay Harbor, Recreation and Conservation District
601 Startare Drive
Eureka, California 95501

RE: Second Amendment to add Option to lease +/- 3.16 Acres north of existing lease option area and increase certain provisions related to water and electrical

Mr. Oetker:

This Letter of Intent outlines certain terms in which Nordic Aquafarms (Tenant) is willing to negotiate a second amendment to the existing lease option dated February 11, 2019 (Document number 2019-006258) and first amendment dated March 15, 2020. Certain provisions and terms appear below.

- 1. Landlord:** Humboldt Bay Harbor, Recreation and Conservation District
- 2. Tenant:** Nordic Aquafarms California, LLC a wholly owned subsidiary of Nordic Aquafarms, Inc
- 3. Premises:** An approximate 137,563 SF or 3.16 acre portion of APN 401-112-021 on Samoa Peninsula northerly of existing LEASE AREA and Options 1, 2, and 3 as defined in the original lease agreement. This additional area to become titled Option 4 throughout the lease option agreement.
- 4. Terms and Conditions:** Make coterminous with Document number 2019-006258 and as amended on March 15, 2020
- 5. Rent:** Modify Rider A paragraph 6.2 to add an additional piece of land titled Option 4 and an additional \$175,000 per year in rent for such option.
- 6. Demolition:** Existing structures will be removed by NAF at NAF cost including machine building and all but eastern approximately 60 ft of the shops and stores building that currently houses the HBHRCD maintenance shop. The HBHRCD maintenance shop will be preserved and exact specifications to be agreed upon. NAF will relocate and reconnect, and all utilities that serve the remainder of the HBHRCD are disturbed during the demolition and/or construction. NAF will include the construction of a 40 by 60 foot addition to the southern side of the HBHRCD maintenance shop in



the CEQA and Coastal Development Permit application. Addition, design, engineering, and construction to be paid by HBHRCD.

- 7. Electrical:** Modify section 5.2 to read, Grant all of the available 20 megawatts for \$556,000. NAF will complete all permitting, engineering and receive approval from PG&E for the expansion of the substation by an additional 5 megawatts to meet the current and future needs of HBHRCD. HBHRCD will pay the direct construction costs associated with the future 5 megawatts by the HBHRCD.

NAF, at its own cost and at its own discretion may add additional capacity above the current 20 megawatts and contemplated 5 megawatts specified for HBHRCD.

Any future capital expenditures or operational costs (maintenance, non-electricity direct or indirect) from the shared substation will be pro-rated across the megawatt capacity between the parties. Electrical usage will be separately metered. In the case of capital expenditures pre-approval is required by all parties before the onset of the capital project, while any additional operational costs will be agreed upon and billed monthly.

- 8. Water:** Modify section 5.7 to include as much as 7000 GPM total from RMT II and Red Tank Sea Chest with possibility of future water expansion pending authorized amounts and availability.

- 9. Commencement:** While all terms become unified additional consideration as to timing to be determined to allow the orderly exit of existing tenants, details to be determined at a later date.

- 10. Utility Corridor:** HBHRCD shall retain up to sufficiently wide right of way and utility corridor along the northern lease area boundary line, in recognition that there is a pinchpoint on the northeast corner of NAF building and a final solution pending further design and engineering seen in bullet 13.

- 11. Rent Surety:** NAF shall keep HBHRCD whole between execution of this second amendment and close of the option period up to the agreed upon annual lease cost of \$175,000. Meaning as current tenant rent subsidies, due to normal expiry of their leases, NAF will reimburse HBHRCD for that lost portion. Further if HBHRCD or Tenant incurs cost due to an early termination of a tenant lease NAF will reimburse HBHRCD or Tenant for that cost, but in no case duplicative. In aggregate NAF will limit reimbursement to HBHRCD no more than \$175,000 annually. NAF shall pay



HBHRCD non refundable deposit equal to one fourth (\$43,750) of the \$175,000 rent surety.

12 Relocation of Tenants:

NAF shall draft a Tenant Relocation Plan that complies with California Relocation Assistance Law (California Government Code §7260 et seq.) and corresponding regulations set forth in the California Code of Regulations, Title 25, Chapter 6. The Tenant Relocation Plan is a tool used by the Harbor District to identify the needs of the affected business occupants of the Subject Property, assess the availability of potential replacement sites for the businesses, and to put forth the Harbor District’s commitment to provide relocation assistance to displaced businesses.

There are currently six (6) businesses within Option Area 4 which will require relocation. NAF will pay all costs associated with relocating four (4) of the businesses and the Harbor District will pay all costs associated with two (2) businesses as outlined below:

Tenant	Use	Sq. Ft.	Current Lease Term	Lease Option Period	Responsible for Relocation
Restif Office	Office / Shop	5,630	1/1/2024	1/26/2020	NAF
Alternative Business Concepts	Office / Shop	5,550	1/1/2021	1/1/2023	NAF
CPR Inc.	Shop	4,500	7/1/2020	7/1/2021	NAF
HSU Sea Grant	Office / Lab	1086	6/1/2020	6/1/2024	NAF
Coastal Business Systems	Warehouse	1300	6/1/2020	NA	HD
Suk-Choo Kim	Warehouse	1,600	6/1/2020	NA	HD

13. Permitting Cost: NAF shall provide engineering, design, permitting, and construction to ensure that the utilities including both domestic and industrial water and other improvements that are disrupted by the

NAF demolition and construction project will be restored to fully operational standards.

15. Access & Inspections: Tenant and its employees, agents and representatives (together with the equipment or machinery of any such party) shall have a license for access to the Demised Premises at all reasonable times for the purpose of conducting inspections and tests of the Demised Premises, including, without limitation, surveys, architectural, engineering, water quality and capacity, geo-technical, environmental and hydrogeological inspections and tests (including test pits, sampling, borings and drilling), and any other due diligence investigations, tests or analyses that Tenant may deem necessary or desirable for Tenant's development, use and operation of the Project.

This Letter of Intent has been prepared as an aid to negotiation of a second lease amendment and is not intended to be a binding contract upon any party, a commitment letter, or an agreement to agree. Neither the Landlord nor the Tenant will be liable by reason of the terms of, or failure to reach definitive agreements with respect to, the matters covered by this Letter of Intent.

Sincerely,




Brenda Chandler
CFO Nordic Aquafarms, Inc

(signature lines below)

Tenant:
Nordic Aquafarms California, LLC

Landlord:
Humboldt Bay Harbor, Recreation
and Conservation District

Agreed and Accepted:

By: 
ERIN HEIM

Agreed and Accepted:

By: _____

Its': PRESIDENT

Its': _____

Date: April 29th, 2020

Date: _____

COMMISSIONERS

- 1st Division
Larry Doss
- 2nd Division
Greg Dale
- 3rd Division
Stephen Kullmann
- 4th Division
Richard Marks
- 5th Division
Patrick Higgins

Humboldt Bay
Harbor, Recreation and Conservation District
 (707) 443-0801
 P.O. Box 1030
 Eureka, California 95502-1030



STAFF REPORT – HARBOR DISTRICT MEETING
April 29, 2020

TO: Honorable Board President and Harbor District Board Members

FROM: Larry Oetker, Executive Director

DATE: April 29, 2020

TITLE: Consideration of lease or other real property agreement on the Samoa Peninsula, Humboldt County, with Assessor’s Parcel Numbers 401-112-021, 401-111-006, 401-122-011, 401-122-012, 401-031-061, 401-031-070, 401-031-040, and 401-031-055 with Green Diamond Resource Company and DANCO. (Roll Call Vote)

RECOMMENDATION: Staff recommends the Board: Direct Staff to: negotiate and execute an amendment to the Shared Services Agreement

The attached Access Use and Maintenance Agreement between the District and Green Diamond. The issue is that the Fire Suppression system for the Town of Samoa is a risk. All parties continue to be work cooperatively and we do not foresee any disruption in service as long as the agreements are updated. As part of this agreement

- Harbor District would take over the electricity meter and payment from Green Diamond which serves the Red Tank and the RMT I commercial fisherman and aquaculture tenants
- DANCO will reimburse the Harbor District for the Cost of Electricity for the Red Tank and the District will continue to be reimbursed by our tenants for their electricity usage
- Green Diamond will continue to provide security patrols and do maintenance 7 nights per week and weekends
- Harbor District and DANCO will do maintenance on week days.

Attachments

- A Existing shared services agreement

2004-32660-7

Recorded — Official Records
Humboldt County, California
Carolyn Crnich, Recorder

Recorded by First American Title Ins Co
Rec Fee 25.00
Clerk: DG Total: 25.00
Sep 28, 2004 at 10:49

RECORDING REQUESTED BY
First American Title Company

AND WHEN RECORDED MAIL TO:
Simpson Samoa Company
917 East 11th Street
Tacoma, WA 98421-3039

Space Above This Line for Recorder's Use Only

A.P.N.: 401-021-004 and 401-011-026 and
401-011-014 and 401-031-058 and 401-
031-056 and 401-021-013 and 401-031-
050 and 401-031-048 and 401-031-026
and 401-031-025 and 401-021-022

File No.: 1201-1503005 (TH)

ACCESS, USE AND MAINTENANCE AGREEMENT

Document Title

ACCESS, USE AND MAINTENANCE AGREEMENT

THIS ACCESS, USE AND MAINTENANCE Agreement ("Agreement") is entered into as of the 28th day of September, 2004, by HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT, as "Owner," and SIMPSON SAMOA COMPANY, as "Permittee."

WHEREAS, Owner is the owner in fee of certain lands formerly leased from Owner by Permittee, which lands more particularly include the concrete block building, all pumps, motors and other equipment, and the water tank used for a fire water system that services lands owned by the Permittee as well as property owned by the Samoa Pacific Group, LLC and lands owned by the Owner, the location of which structures and equipment is more particularly described on Exhibit A attached hereto and made a part hereof (the "Tank Property"), which structures, equipment, and tank have been maintained by Permittee;

WHEREAS, it is desirable for Permittee to be able to have access to the Tank Property in order to operate, maintain, and repair the tank so that the fire water system can be maintained; and

WHEREAS, Owner is willing to permit access to Permittee for such operation, maintenance and repair of the tank; and

WHEREAS, owner and Permittee have agreed to execute that certain Purchase and Sale Agreement of even date herewith ("Purchase and Sale Agreement") and as a condition to closing the Purchase and Sale Agreement, they have agreed to enter into this Access, Use and Maintenance Agreement.

NOW THEREFORE, in accordance with the Purchase and Sale Agreement and in consideration of the mutual covenants, terms, conditions, and restrictions contained herein, and pursuant to the laws of the State of California, Owner hereby allows Permittee access and use over the Tank Property, to the extent hereinafter set forth in this Agreement.

1. Access and Use. Owner permits a limited nonexclusive right of access in, on, over and across the Tank Property to Permittee for the operation, maintenance, and repair of the equipment, pumps, motors, pump building, and tank located on the Tank Property, including inspections thereof, in the manner Permittee has maintained them during the preceding five (5) years and as required under that certain Shared Service, Facilities, Access and Use Agreement dated as of June 30, 1998, as amended from time to time ("Shared Services Agreement"). Permittee agrees that so long as this Agreement is in effect, Permittee will fulfill the obligations of Section 9(c) of the Shared Services Agreement on the Tank Property as if Permittee were the fee owner of such property.

2. Term. The rights granted hereunder to Permittee may be terminated by either party by giving the other party written notice of termination at least one (1) year in advance. It is

intended, however, that Permittee's rights be concurrent with its obligation to maintain the above mentioned fire water system under the Shared Services Agreement.

3. Terms and Conditions of Agreement. This Agreement shall be subject to the following additional terms, reservations, and conditions:

A. Use. This Agreement may be used by Permittee, its employees, agents, licensees, and contractors for activities related to the tank located on the Tank Property, including, without limitation, construction, operation, maintenance, or repair of the tank located on the Tank Property.

B. Permittee's Indemnity. Permittee shall indemnify, defend, and hold Owner harmless from any and all claims, suits, losses, damages, or expenses, on account of injuries to or death of any and all persons whomsoever, including Permittee, its contractors, employees or agents, and Owner, and any and all damage to property to whomsoever belonging, including property owned by, rented to, or in the care, custody, or control of the parties hereto, arising or growing out of, or in any manner connected with the work performed under this Agreement, or caused or occasioned, in whole or in part by reason of or arising during the presence of the person or of the property of Permittee, its contractors, employees, or agents upon or in proximity to the Tank Property; notwithstanding the foregoing, nothing herein contained is to be construed as an indemnification against the negligence or omissions of Owner, its officers, employees, or agents.

C. Insurance Obligations.

(1) Permittee, at its expense, shall procure insurance with companies satisfactory to Owner covering Permittee against risks and with minimum limits as indicated below:

(a) Workers' Compensation (Statutory amount) and Employer's Liability (\$1,000,000).

(b) Commercial General Liability insurance of \$5,000,000 combined single limit Bodily Injury and Property Damage each occurrence. Extensions of coverage to include Contractual Liability, Broad Form Property Damage, Products/Completed Operations, Cross Liability, and Pollution arising out of heat, smoke or fumes from Hostile Fires.

(c) Commercial Automobile Liability insurance with minimum limits of \$1,000,000 per occurrence combined single limit of Bodily Injury and Property Damage coverage. Coverage shall extend to all owned, hired, or non-owned vehicles.

(d) The policies specified in (b) and (c) above shall include an endorsement which shall name Owner as an additional insured on a primary basis for the duration of the Agreement term. The additional insured endorsement must be ISO CG20 10 11 85 (or other form with like wording). Additional insured status gives the additional insured

rights of indemnity under the policies that are independent of the Agreement requirement to indemnify.

(e) The policies specified in (a), (b), and (c) above shall include an endorsement which shall provide that Owner be given a 30 day written notice prior to cancellation or material change to the policy.

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

(g) All insurance in this paragraph (1) shall be in a form sufficient to protect Permittee and Permittee's contractors to the extent they are involved in the Agreement and Owner against the claims of third persons, and to cover claims by Owner against Permittee for which Permittee has assumed liability under this Agreement.

(h) Prior to commencement of operations, Permittee shall furnish Owner a certificate(s) of insurance, dated and signed by a stated, authorized agent for the insuring company or companies, in a form acceptable to Owner and containing a representation that coverage of the types listed above is provided with the required limits.

(i) Permittee, at its expense, shall procure all-risk property coverage for the weir structure on a replacement basis. Owner reserves the right to inspect the policy. The policy shall include an endorsement which shall provide that Owner be given a 30 day written notice prior to cancellation or material change to the policy.

4. Obligation to Remove. Upon termination of this Agreement and if requested in writing by Owner on or before such termination, Permittee shall have six (6) months to remove the tank, pump building, and equipment at Permittee's expense. If Owner does not so request removal, Owner may retain the tank, pump building, and equipment and shall not be required to reimburse Permittee for such property.

5. Owner's Right of Access. Owner shall at all reasonable times have a right of access to the Tank Property and the pump building and tank.

6. Successors and Assigns. The benefits and burdens hereof shall be binding upon and shall inure to the benefit of Owner and Permittee and their respective successors and assigns. Permittee may not assign this Agreement without the express written consent of Owner.

7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

8. Entire Agreement. This Agreement represents the entire understanding and agreement between the parties hereto and supersedes any and all prior agreements, whether written or oral, that may exist between the parties regarding same.

IN WITNESS WHEREOF, the Owner and Permittee have caused this Agreement to be executed as of the date first set forth above.

OWNER

PERMITTEE

HUMBOLDT BAY HARBOR,
RECREATION, AND CONSERVATION
DISTRICT

SIMPSON SAMOA COMPANY, a
Washington corporation

By: *Ronnie Pellegrini*
Name: Ronnie Pellegrini

By: *R.P. Tennison*
Name: R. P. Tennison

Title: President, Board of Commissioners

Title: President

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
) ss.
COUNTY OF HUMBOLDT)

On this 24 day of September, 2004, before me personally appeared Ronnie Pellegrini, to me known to be the President, Board of Commissioners of the entity that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute said instrument and that the seal affixed thereto (if any) is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.



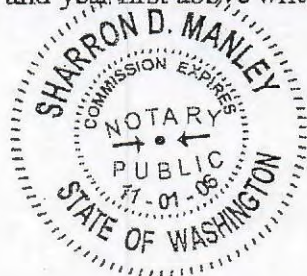
Joni L. Aitken
Notary Public in and for the State of California.
My commission expires: 2-10-08

CORPORATE ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF PIERCE)

On this 20th day of September, 2004, before me personally appeared R. P. Tennison to me known to be the President of the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument and that the seal affixed thereto (if any) is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.



Sharron D. Manley
Notary Public in and for the State of Washington.
My commission expires: 11-1-08

EXHIBIT A TO ACCESS, USE AND MAINTENANCE AGREEMENT

All that real property situated in the County of Humboldt, State of California, described as follows:

A non-exclusive easement for fire suppression water storage and associated facilities over the following described parcel:

BEGINNING at angle point no. 27 of the 1870 mean high water line, being the line described in Book 1722 of Official Records, Page 440, said point begin shown in Book 41 Surveys, Page 115 through 119, Humboldt County Records;
thence N 21° 09' 00" E, along said mean high water line, 13.73 feet;
thence S 61° 17' 35" E, 127.21 feet;
thence S 28° 42' 25" W, 88.00 feet;
thence N 61° 17' 35" W, 105.92 feet to said mean high water line;
thence N 14° 02' 00" E, along said mean high water line, 76.90 feet to the point of beginning.

END OF DESCRIPTION