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

DATE: **May 28, 2015**

TIME: **6:00 p.m. Executive Closed Session**
7:00 p.m. Regular Session

PLACE: **Woodley Island Marina Meeting Room**

The Meeting Room is wheelchair accessible. Accommodations and access to Harbor District meetings for people with other handicaps must be requested of the Director of Administrative Services at 443-0801 at least 24 hours in advance of the meeting.

1. Call to Order at 6:00 p.m.

a. Move to Executive Closed Session pursuant to the provisions of the California Government Code Sections 54956.8 (Conference with Real Property Negotiators):

1. Conference with Real Property Negotiator
Agency Negotiator: Board President, Executive Director and District Counsel
Under Negotiation:
Pre-Permitted Oyster Leases

2. Adjourn Executive Closed Session

3. Call to Order Regular Session at 7:00 P.M. and Roll Call

4. Pledge of Allegiance

5. Report on Executive Session

6. 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.

7. Consent Calendar

8. Communications and Reports

a. Executive Directors Report
b. Staff Reports
c. District Counsel, District Planner and District Treasurer Reports
d. Commissioner and Committee Reports
e. Other

9. Non Agenda

10. Unfinished Business

a. Consideration of adoption of Resolution 2015-06, A Resolution Establishing Rates for Offloading Seafood at District Properties.

b. Consideration of adoption of Resolution 2015-07, A Resolution Establishing Protocols for Securing Credit Card Information from Tenants to Allow for Automatic Payments.

c. Consideration of adopting Resolution 2015-08 which establishes findings relative to the application by the Humboldt Bay National Wildlife Refuge for the White Slough Tidal Wetlands Restoration Project.

d. Consideration of granting Permit 15-03 to the Humboldt Bay National Wildlife Refuge for the White Slough Tidal Wetlands Restoration Project.

11. New Business

a. Consideration of Exclusive Right to Negotiate with Samoa Pellets LLC for Redwood Terminal 2.

b. Consideration of Coast Seafoods Company Lease for Redwood Terminal 2 Warehouse.

c. Consideration of appointing two Commissioners to serve on a 2x2 working group with two Eureka City Councilmembers.

d. Right to Fish Ordinance - Discussion

e. Consideration of adoption of Resolution 2015-09, A Resolution Granting Easement to Pacific Gas and Electric Company for future gas service at Redwood Terminal 2.

12. Administrative and Emergency Permits

13. Adjournment

RESOLUTION NO. 2015-06

A RESOLUTION ESTABLISHING RATES FOR OFFLOADING SEAFOOD AT HARBOR DISTRICT PROPERTIES

WHEREAS, there is interest in the use of Harbor District properties for offloading seafood caught from commercial fishing vessels; and

WHEREAS, the Harbor District would incur administrative and operational costs associated with the offloading of seafood; and

WHEREAS, it is typical for ports to charge per pound rates for offloading seafood.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Humboldt Bay Harbor, Recreation and Conservation District as follows:

- All seafood off-loaded at a Harbor District property using a Harbor District hoist will be charged a fee based on the following rates:
  - Bottom Fish = $.025 /lb (under 5,000 lb)
  - Bottom Fish = $.020/lb (5,000-10,000 lb)
  - Bottom Fish = $.015/lb (10,000 lb +)
  - Albacore = $.025 /lb (under 5,000 lb)
  - Albacore = $.020/lb (5,000-10,000 lb)
  - Albacore = $.015/lb (10,000 lb +)
  - Crab = $.050/lb (under 5,000 lb)
  - Crab = $.040/lb (5,000 lb-10,000 lb)
  - Crab = $.030/lb (10,000 lb +)
  - Salmon = $.075/lb
  - Shellfish = $.25/bushel
  - Other = $.025/lb

- Note: These fees don't include other charges that may be incurred, including but not limited to fees for use of the District's forklift and for personnel time.

- Entities intending to utilize a Harbor District hoist for offloading seafood must first provide proof of insurance to the Harbor District consisting of the following: comprehensive general liability insurance in a responsible company with limits of not less than $1,000,000 for injury to one person, $2,000,000 for injury to two or more persons in one occurrence, and $1,000,000 for damage to property, with the Harbor District named as an additional insured.

PASSED AND ADOPTED by the Board of Commissioners of the Humboldt Bay Harbor, Recreation and Conservation District at a duly called meeting held on the 28th day of May 2015, by the following polled vote:

AYES:

NOES:

ABSENT:

_____

RICHARD MARKS, President
Board of Commissioners

ATTEST:

_____

GREG DALE, Secretary
Board of Commissioners

CERTIFICATE OF SECRETARY

The undersigned, duly qualified and acting Secretary of the HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, does hereby certify that the attached Resolution is a true and correct copy of RESOLUTION NO. 2015-06 entitled,

A RESOLUTION ESTABLISHING RATES FOR OFFLOADING SEAFOOD AT HARBOR DISTRICT PROPERTIES

as regularly adopted at a legally convened meeting of the Board of Commissioners of the HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, duly held on the 28th day of May 2015; and further, that such Resolution has been fully recorded in the Journal of Proceedings in my office, and is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand this 28th day of May 2015.

_____

GREG DALE, Secretary
Board of Commissioners

RESOLUTION NO. 2015-07

A RESOLUTION ESTABLISHING PROTOCOLS FOR SECURING CREDIT CARD INFORMATION FROM TENTANTS TO ALLOW FOR AUTOMATIC PAYMENTS

WHEREAS, the Harbor District has over 200 tenants who make monthly or annual payments; and

WHEREAS, currently there is no mechanism to allow for storage of credit card information and automatic credit card payments; and

WHEREAS, allowance of automatic payments would (1) allow for easier payment and collection from tenants that opt for automatic charges; and (2) allow the District to charge credit cards when payments are past due.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Humboldt Bay Harbor, Recreation and Conservation District as follows:

1. New tenants and transients will be required to pledge a credit card and agree to future charges. If transients cannot provide a credit card then they would be required to pay one month in advance (or if they are staying for less than one month, they would pay for their entire stay). Credit card information will be stored by a third party and used by Harbor District staff to process payments.

PASSED AND ADOPTED by the Board of Commissioners of the Humboldt Bay Harbor, Recreation and Conservation District at a duly called meeting held on the 28th day of May 2015, by the following polled vote:

AYES:

NOES:

ABSENT:

RICHARD MARKS, President
Board of Commissioners

ATTEST:

GREG DALE, Secretary
Board of Commissioners

CERTIFICATE OF SECRETARY

The undersigned, duly qualified and acting Secretary of the HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, does hereby certify that the attached Resolution is a true and correct copy of RESOLUTION NO. 2015-07 entitled,

A RESOLUTION ESTABLISHING PROTOCOLS FOR SECURING CREDIT CARD INFORMATION FROM TENTANTS TO ALLOW FOR AUTOMATIC PAYMENTS

as regularly adopted at a legally convened meeting of the Board of Commissioners of the HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, duly held on the 28th day of May 2015; and further, that such Resolution has been fully recorded in the Journal of Proceedings in my office, and is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand this 28th day of May 2015.

_____

GREG DALE, Secretary
Board of Commissioners

RESOLUTION NO. 2015-08

A RESOLUTION ESTABLISHING FINDINGS RELATIVE TO THE PERMIT APPLICATION BY THE HUMBOLDT BAY NATIONAL WILDLIFE REFUGE FOR THE WHITE SLOUGH TIDAL RESTORATION PROJECT, HUMBOLDT BAY, CALIFORNIA

WHEREAS, the Board of Commissioners of the Humboldt Bay Harbor, Recreation and Conservation District is empowered by Appendix II of the Harbors and Navigation Code, and its own ordinances and resolutions, to grant permits, leases, rights, and privileges; and

WHEREAS, no permits, rights, leases, and privileges may be granted without first having considered certain potential impacts and without first having made findings relative to said impacts; and

WHEREAS, the Board of Commissioners of the Humboldt Bay Harbor, Recreation and Conservation District has been presented with certain evidence relating to the White Slough Tidal Restoration Project proposed by Humboldt Bay National Wildlife Refuge upon the air, land, environment, and ecology of the land under the jurisdiction of the Humboldt Bay Harbor, Recreation, and Conservation District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Humboldt Bay Harbor, Recreation and Conservation District as follows:

The Board of Commissioners of the Humboldt Bay Harbor, Recreation and Conservation District has found the following to be true and adopts the following findings with respect to the proposed use contemplated by Humboldt Bay National Wildlife Refuge in Application 15-03 and supplements and amendments thereto:

1. The use proposed by Humboldt Bay National Wildlife Refuge is necessary to promote the safety, health, comfort, and convenience of the public; and

2. The project complies with the California Environmental Quality Act in that with mitigation it will have a less than significant impact on the environment; and

3. The proposed use is consistent with the Humboldt Bay Management Plan; with special relevance to policies CAE-2, CAS-2, CAS-3, CAS-4, and CAS-5; and

4. The proposed use is required by the public convenience and necessity; and

5. The proposed use is reasonably required to promote growth, and to meet area demands, and does not adversely effect the environment or ecology of the area to any substantial degree; and,

6. The proposed use will not produce an unreasonable burden on the natural resources and aesthetics of the area, on the public health and safety, and air and water quality in the vicinity of Humboldt Bay, or on the parks, recreation and scenic area, historic sites and buildings, or archeological sites in the area.

PASSED AND ADOPTED by the Board of Commissioners of the Humboldt Bay Harbor, Recreation and Conservation District at a duly called meeting held on the 28th day of May 2015, by the following polled vote:

AYES:

NOES:

ABSENT:

RICHARD MARKS, President
Board of Commissioners

ATTEST:

GREG DALE, Secretary
Board of Commissioners

CERTIFICATE OF SECRETARY

The undersigned, duly qualified and acting Secretary of the HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, does hereby certify that the attached Resolution is a true and correct copy of RESOLUTION NO. 2015-08 entitled,

A RESOLUTION ESTABLISHING FINDINGS RELATIVE TO THE PERMIT APPLICATION BY THE HUMBODLT BAY NATIONAL WILDLIFE REFUGE FOR THE WHITE SLOUGH TIDAL RESTORATION PROJECT, HUMBOLDT BAY, CALIFORNIA

as regularly adopted at a legally convened meeting of the Board of Commissioners of the HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, duly held on the 28th day of May 2015; and further, that such Resolution has been fully recorded in the Journal of Proceedings in my office, and is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand this 28th day of May 2015.

_____

GREG DALE, Secretary
Board of Commissioners

10d

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT

PERMIT

Permit No. 15-03

601 Startare Drive
Woodley Island Marina
P O Box 1030
Eureka, CA 95502-1030

Permittee:

Humboldt Bay National Wildlife Refuge
Mr. Eric Nelson, Manager
1020 Visitor Center Access Road
Loleta, CA 95551
(707) 733-5406

The Board of Commissioners of the **Humboldt Bay Harbor, Recreation and Conservation District** hereinafter referred to as "**District",** having considered the Application herein, number 15-03, received by the **District** on February 25, 2015, and the **Humboldt Bay National Wildlife Refuge,** hereinafter referred to as "**Permittee**", and the **California State Coastal Conservancy** as the lead agency, pursuant to the California Environmental Quality Act of 1970, as amended, establishing findings relative to the Application by **Permittee** for restoration and enhancement of wetland habitats provided for in this Permit, the **Permittee** is hereby authorized to perform the work of improvement, as more particularly described in the Application filed with the **District**.

You are hereby authorized to conduct that activity described in the Permit Application of **Permittee** consisting of:

Restoration and enhancement of wetland habitats.

That the location of the proposed activity shall be in Humboldt Bay, Humboldt County, California,

SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

1. If the **Permittee** materially changes the plan and scope of the activity, it will be necessary to submit a new application and request a revision of the permit.

2. That there shall be no unreasonable interference with navigation by the work herein authorized.

3. After completion of restoration and enhancement work in any given area, surveys for the non-native plant species *Spartina densiflora* will be conducted annually for 5 years and any plants detected will be removed or killed

4. That no attempt shall be made by the **Permittee** to interfere or forbid the full and free use by the public of all navigable waters at or adjacent to the work.

5. That the Board of Commissioners of the **District** may revoke this Permit at any time upon a finding by the **District** of a violation by the **Permittee** of any condition of this Permit.

6. That the **Permittee** shall comply with any regulations, condition, or instructions affecting the work hereby authorized if and when issued by the Federal Water Pollution Control Administration and/or the State of California Water Resources Control Agency having jurisdiction to abate or prevent water pollution. Such regulations, conditions, or instruction in effect or prescribed by Federal or State Agencies are hereby made a condition of this Permit.

7. That neither the **District**, nor its Board of Commissioners, nor any officer of the **District** shall be liable to any extent for the injury or damage to any person or property or for the work authorized by this Permit, and the **Permittee** shall indemnify and hold harmless the **District**, its Commissioners and officers free and harmless from any liability for any such injury, death or damage.

8. That the **District**, its Commissioners, or any officer or employee of the **District** shall in no case be liable for any damages or injury of the work herein authorized which may be caused by or result from future operations undertaken by the **District** for the conservation or improvement of navigation, or for other purposes, and no claim or right to compensation shall accrue from any such damage.

9. That as a condition to the issuance of this Permit, **Permittee** agrees to indemnify and hold harmless **District** from and against any and all liability, loss, or damage **District** may suffer from claims and demands for attorneys' fees, costs of suit, and costs of administrative records made against **District** by any and all third parties as a result of third party environmental actions against **District** arising out of the subject matter of this Permit, including, but not limited to attorneys' fees, costs of suit, and costs of administrative records pursuant to the California Code of Civil Procedure §1021.5 or any other applicable local, state or federal laws, whether such attorneys' fees, costs of suit, and costs of administrative

records are direct or indirect, or incurred in the compromise, attempted compromise, trial appeal or arbitration of claims for attorneys' fees, costs of suit, and costs of administrative records in connection with the subject matter of this Permit.

10. That this Permit is valid as of the 28th day of May, 2015, and is made subject to the **Permittee** approving and agreeing to the conditions above set forth and executing said approval as hereinafter provided.

EXECUTED on this 28th day of May, 2015, by authority of the Board of Commissioners of the **Humboldt Bay Harbor, Recreation and Conservation District**.

_____

Richard Marks, President
Board of Commissioners
Humboldt Bay Harbor, Recreation and Conservation District

Humboldt Bay National Wildlife Refuge, Permittee, in the above Permit, hereby accepts and agrees to all of the conditions hereinabove set forth. **Permittee** shall indemnify and hold harmless the **District**, its Board of Commissioners, officers and employees from any and all claims of any nature arising from the performance of and work of improvement contained in the Application for injury, death or damage to any person or property.

Humboldt Bay National Wildlife Refuge, Permittee, in the above Permit, agrees to indemnify and hold harmless **District,** its Board of Commissioners, officers and employees from and against any and all liability, loss or damage **District** may suffer from claims and demands from attorneys' fees; costs of suit and costs of administrative records made against **District** by any and all third parties as a result of third party environmental actions against **District** arising out of the subject matter of this Permit including, but not limited to, attorneys' fees, costs of suit and costs of administrative records pursuant to the California Code of Civil Procedure §1021.5 or any other applicable local, state or federal laws, whether such attorneys fees, costs of suit and costs of administrative records are direct or indirect, or incurred in the compromise, attempted compromise, trial, appeal or arbitration of claims for attorneys' fees, costs of suit and costs of administrative records in connection with the subject matter of this Permit.

Dated: _____

_____

Eric Nelson
Manager
Humboldt Bay National Wildlife Refuge

DRAFT 11a

EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT

This Agreement is entered into this 29 day of May, 2015 ("Commencement Date"), by and between the Humboldt Bay Harbor, Recreation, and Conservation District ("District"), a California governmental entity, and Samoa Wood Pellets LLC, a California company ("SWP). SWP and the District are sometime collectively referred to as the "Parties" and each, individually, may be referred to as a "Party."

1. RECITALS. The Parties enter into this Agreement in light of the following facts and objectives:

A. SWP seeks to lease and develop the District's Redwood Terminal 2 warehouse (92,000 sqft), machine building (31,000 sqft) and dock (7,000 sqft), ("Project") on 3.0 acres of property owned by District, located on the Redwood Marine Terminal Berth 2 Site, Samoa, California (the "Property") and seeks to enter into an agreement with District to conduct exclusive negotiations with District regarding the Property. The Property, as defined herein, is limited only to the Redwood Marine Terminal Berth 2 as identified on Exhibits "A" and attached hereto and incorporated by reference.

B. The Parties acknowledge that the Project will require certain entitlements, including without limitation discretionary approvals from the District, California Coastal Commission, U.S. Army Corps of Engineers and Humboldt Bay Municipal Water District, all of which will require environmental review pursuant to the California Environmental Quality Act ("CEQA") or National Environmental Policy Act.

2. TERM

A. Term. The term of this Agreement shall be for 3 months (90 days), or as otherwise provided in Section 12, commencing on the date of this Agreement (the "Term").

B. Extensions. At the option of the Parties, the Term may be extended for an additional two (2) three (3) month periods by mutual written consent of District and SWP. The Executive Director is authorized to approve such extensions on behalf of District. Additionally, in the event that SWP has fully performed under the terms and conditions of this Agreement in a timely manner, and in the event that the Parties have negotiated a preliminary lease agreement over which the Parties have reached agreement about its terms, District shall extend the Term by the amount of time necessary to complete the legal review of the lease agreement.

C. Additional Extensions. Notwithstanding Sections 2.B and 11, if District determines that it is in the best interests of District, District may extend the time for SWP's performance of any of the terms and conditions of this Agreement. District shall have sole discretion to grant such additional extensions to SWP and in no event shall this provision be construed so as to convey any right or entitlement to an additional extension for performance to SWP.

3. NEGOTIATIONS

A. District and SWP shall negotiate diligently and in good faith during the Term towards a lease agreement providing for the leasing by District to SWP, of all or part of the Property. The good faith negotiations agreed to between the Parties requires each to reasonably communicate with the other. This will include all methods of communication including via telecommunications (fax, phone, e-mail, etc.), face-to-face meetings between the Parties' representatives, and written correspondence. Nothing in this Agreement shall be construed to require SWP or District to ultimately agree to specific terms for a lease, and both Parties have the discretion to decide not to enter a lease if the Parties do not reach agreement on the details for the lease agreement.

B. District shall not negotiate with any other person or entity regarding long-term leasing or other long-term use authorization of the Property or any portion of the Property, or solicit or entertain bids or proposals to do so, during the Term.

C. District and SWP will engage in good faith efforts to prepare the necessary documents to allow the District's Board of Commissioners ("Board") to determine whether it wishes to approve the CEQA documents, Project entitlements, and lease.

D. Each Party agrees that any and all data, reports and documentation supplied by one Party ("Disclosing Party"), or its affiliates or third parties on its behalf, to the other Party under this Agreement ("Receiving Party"), which are confidential, to the extent permitted by the California Public Records Act, cannot be disclosed or otherwise disseminated by the Receiving Party without the consent of the Disclosing Party. If District is challenged regarding a document that SWP deems confidential, then SWP shall defend, indemnify and hold harmless District and its officers, officials, employees and agents against and from such challenge.

4. RIGHT OF ENTRY

A. SWP, its agents, and independent contractors shall have the right to enter on the Property, upon reasonable prior notice to District, to perform, at SWP's expense, any and all structural, soil, hydrological, archaeological, or environmental site assessments, and to conduct any surveys, title work, planning, and any other investigations as SWP deems appropriate in its sole and absolute discretion. District will cooperate and provide reasonable assistance to SWP and its representatives in carrying out its inspection.

B. SWP shall indemnify and hold District, its elected officials, agents, directors, staff, volunteers and designated representatives, harmless from any lien, loss, claim, liability, damage, or expense, including reasonable attorneys' fees and costs, that District may suffer or incur, arising out of or in connection with SWP's entry upon and inspection of the Property, including, without limitation, any loss, damage, or liability that District may suffer or incur by reason of any injury to any person or property caused by SWP, its agents, employees, independent contractors, consultants, or invitees. SWP shall also require that all third parties performing investigation on the site to have and maintain liability insurance with minimum coverage of $1,000,000 for general commercial

liability. SWP shall require written proof of insurance and shall provide copies to District at District's request. Upon the completion by SWP of any and all such investigations of the Property, SWP shall restore the Property to substantially the same condition existing prior to such investigations. Notwithstanding anything to the contrary provided in this paragraph, SWP shall not be obligated to remediate, restore or indemnify District for incidental or consequential damages with respect to any environmental or physical condition that is merely discovered, as opposed to caused, by SWP. SWP's obligations hereunder shall survive termination of this Agreement or, if applicable, any lease agreement.

5. EQUIPMENT STORAGE. SWP or its designees may store equipment necessary for site investigation purposes, for the time period such equipment is reasonably necessary for site investigation purposes, on the Property during the Term provided the equipment is in operating condition and currently licensed (if appropriate). SWP or its designees shall store equipment only in areas approved by District. District shall not be responsible for any damage or theft of equipment stored on the Property by SWP or its designees. In the event of termination of this Agreement, SWP shall remove stored equipment from the Property within ten (10) days of the date of termination of this Agreement. If not removed within ten (10) days after the date of termination, stored equipment will be removed, sold or destroyed by District at SWP's expense.

6. CONSIDERATION. The Parties agree to strictly comply with the recitals and mutual covenants and conditions contained in this Agreement. Further, within fifteen (15) days of the Commencement Date, SWP shall pay to the District the sum of Five Thousand Dollars ($5,000) for the exclusive right and initial services of District staff and administration during the Term and $2,500 for any extension. If a lease agreement is executed arising out of negotiations pursuant to this Agreement, these amounts shall be credited to the initial lease payment(s). The parties acknowledge that due to the unknown contingencies that may occur in exploring issues related to a potential lease the actual costs to the District may exceed $5,000 in the initial term and $2,500 in the extensions. Should the District incur additional staff time and expenses related to a potential lease during the initial term or in extensions SWP shall reimburse the District for said additional expenses and costs. District shall document any such expenses and costs and provide to SWP in writing. If the parties cannot reach agreement on reimbursement the issue shall be resolved by arbitration pursuant to paragraph 11 D. of this agreement. Any costs and expenses incurred by the District in excess of the specific initial term and/or extension payments shall not be credited to the initial lease payment.

7. SCHEDULE OF PERFORMANCE

A. Project Submissions

Within sixty (60) days of the Commencement Date, SWP shall provide to District the following information:

1. The name and identification of the type of legal entity with which District would contact.

2. Name and person (or persons) who will represent SWP in negotiations with District.

3. A narrative description of the development proposed, including a description of its physical characteristics, potential leasehold improvements and number of proposed employees.

4. Funding sources and proposed uses for the Project, including all anticipated development costs.

5. Estimated development and pre-development schedule including time required for all design and permit processing including but not limited to compliance with CEQA.

6. Executed copies of any contracts which SP has entered into with its consultants for the Project pertaining to architectural, engineering, environmental analysis, and soil analysis.

7. Proposed site plans for the Project showing the site layout, legal description of the proposed lease area, proposed leasehold improvements, access points, and parking layout areas. The plan should show adjacent land uses to illustrate the Project's relationship to the surrounding area.

B. District Approval. Within thirty (30) days after District receives any information or documents required to be submitted to it by SWP pursuant to this section, District shall advise SWP of its acceptance or rejection of the information or documents. If District rejects any information or documents submitted to it by SWP, SWP may revise its submission and resubmit to District. District shall advise SWP of its acceptance or rejection of any revised submission within thirty (30) days of its receipt of the revised submission from SWP.

8. PERMITS REQUIRED. SWP understands and agrees it is solely responsible for obtaining a permit from District and all other applicable governmental approvals for the Project, at SWP's sole expense. District agrees that it will provide any documentation or authorization necessary for SWP to proceed with the process of obtaining any and all required governmental approvals for the Project, including, without limitation, authorization for SWP to act as District's agent with respect to those governmental approvals.

9. NEGOTIATION OF LEASE AGREEMENT. If SWP has performed all of the requirements in Section 7.A above in a timely manner, SWP may deliver to District a draft of a lease agreement. SWP and District shall negotiate diligently and in good faith until a lease is agreed upon, unless the Term has expired, or the Parties terminate this Agreement.

10. DISTRICT RESPONSIBILITIES. SWP understands and acknowledges that any lease agreement resulting from the negotiations arising from this Agreement must be considered and approved by the Board at a regular Board meeting. The Board is the only entity for District with the power and authority to enter into any agreement on behalf of District. District staff, including but not limited to the Executive Director and District Counsel, may negotiate on behalf

of District for proposed terms they believe will be acceptable to the Board, but approval by the Board is not guaranteed.

11. FAILURE TO PERFORM UNDER THIS AGREEMENT

A. Time is of the Essence. District and SWP hereby acknowledge that time is of the essence to this Agreement, such that the Parties' failure to fully perform according to the terms and conditions of this Agreement shall be considered a material breach of this Agreement (a "Default").

B. Notice of Default. Should there be a Default in performance by a Party, the non-defaulting Party must give written notice of such Default to the defaulting Party. Such notice must specify the nature of the event or deficiency giving rise to the Default; the action required to cure the deficiency, if an action to cure is possible; and a date not less than thirty (30) calendar days from the date of the notice within which action to cure must be taken.

C. Cure. Notwithstanding anything to the contrary, a Default does not constitute cause to terminate this Agreement if the defaulting Party cures, corrects, or remedies the Default within the time period required in the notice or other agreement between the Parties. In the case of a Default by either Party, the alleged defaulting Party shall promptly commence to cure the identified Default and shall complete the cure within thirty (30) days after receipt of the notice of Default. The thirty (30) day cure period for a Default shall be extended as reasonably necessary to remedy such Default, provided that the alleged defaulting Party commences such cure promptly after receiving the notice of Default and continuously and diligently pursues such remedy at all times until such Default is cured.

D. Arbitration. Any disputes between the parties concerning or arising out of this Agreement shall be resolved by binding arbitration. The parties shall mutually agree on the arbitrator, who shall have the authority to determine procedural and substantive issues relating to the dispute, to the extent the parties are unable to agree. If the parties cannot agree on an arbitrator, the parties shall request the judge of the Humboldt County, California Superior Court who has primary responsibility for civil cases, or the presiding judge of that Court, to appoint an arbitrator. The arbitration shall take place in Humboldt County, California unless the parties agree to a different venue. The parties shall shall equally in the cost of the arbitration.

12. TERMINATION.

This Agreement may terminate under the following circumstances:

A. By either Party upon the uncured Default of the other Party;

B. By SWP upon giving District thirty (30) days prior written notice of its intent to terminate this Agreement;

C. Upon expiration of the Term and any extensions;

D. Upon the latest of (i) all of the Project entitlements being approved and deemed final or (ii) entering into a lease agreement between the Parties.

13. INDEMNIFICATION. SWP hereby covenants, on behalf of itself, its successors and assigns, to indemnify, save and hold harmless and defend District, its elected officials, agents, directors, staff, volunteers and designated representatives, from any action brought by a third party challenging the validity of this Agreement or seeking damages which may arise directly or indirectly from the negotiation, formation, execution, enforcement or termination of this Agreement. Nothing in this section shall be construed to mean that SWP is required to hold District harmless and/or defend it from any claims arising from, or alleged to arise from, the negligent acts, or negligent failure to act, on the part of District. District agrees that it will fully cooperate with SWP in the defense of any matter in which SWP is defending and/or holding District harmless.

14. LIMITATIONS. By its execution of this Agreement, District is not committing to itself to or agreeing to undertake (a) commitment or reservation of public funds, revenues or reserves to the Project; (b) approval of the Project by District; or (c) any other acts or activities requiring the subsequent independent exercise of discretion by District. Execution of this Agreement by District is merely an agreement to enter into a period of exclusive negotiations according to the terms of this Agreement, and the Board reserves final discretion and approval by District as to any lease agreement and all proceedings and decisions in connection with any lease agreement. This Agreement also shall not prevent District from providing any person or entity with any information regarding the Property that is contained in public records, as that term is defined by California Government Code Section 6252, which is not exempt from disclosure under the California Public Records Act.

15. NOTICES

Notices for District shall be addressed to:

Jack Crider
Executive Director
Humboldt Bay Harbor, Recreation, and Conservation District
601 Startare Drive
Eureka, CA 95501
E-Mail Address:jcrider@humboldtbay.org

Copied to:

Notices for SWP shall be addressed to:

Kevin R. Leary, PE
Managing Partner
Samoa Wood Pellets, LLC
P.O. Box 224
Samoa, CA 95564

DRAFT

16. ASSIGNMENT. This Agreement cannot be assigned by SWP without District's prior written approval, except that approval shall not be required for a successor-in-interest formed by SP for the express purpose of fulfilling the obligations set forth in this Agreement.

17. INTERPRETATION/VENUE. This Agreement and its performance will be governed, interpreted, construed, and regulated by the laws of the State of California. Exclusive venue for any action arising from this Agreement will be in Humboldt County Superior Court.

18. ENTIRE AGREEMENT. This Agreement, and its attachments, sets forth the entire understanding of the Parties as to the matters covered in this Agreement. There are no other understandings, terms or other agreements expressed or implied, oral or written.

19. SEVERABILITY. If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, then such portion will be deemed modified to the extent necessary in the opinion of the court to render such portion enforceable and, as so modified, such portion and the balance of this Agreement will continue in full force and effect.

20. CONSTRUCTION. This Agreement shall be construed as a whole and in accordance with its fair meaning and without regard to any presumption or other rule requiring construction against the Party preparing this Agreement. This Agreement is the result of negotiations between the Parties who are each represented by an attorney. This Agreement shall be interpreted as though it was jointly drafted by the Parties, and it shall not be construed against a Party based upon the Party that drafted any particular section, phrase or word of the Agreement.

21. COUNTERPARTS. This Agreement may be executed in any number or counterparts, each of which will be an original, but all of which together will constitute one instrument executed on the same date.

IN WITNESS WHEREOF the Parties hereto have executed this contract the day and year first hereinabove written.

DISTRICT:

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT

_____
Richard Marks, President
Board of Commissioners

ATTEST:

_____
Paul Brisso, District Counsel

Samoa Wood Pellets LLC:

SWP

_____
Kevin R. Leary, PE
Managing Partner

_____

DRAFT

EXHIBIT A

DESCRIPTION OF PROPERTY

DRAFT

DRAFT 11b

COAST SEAFOODS COMPANY LEASE

This Lease is made and entered into as of the [xx] day of May, 2015, by and between the HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT (hereinafter referred to as "Lessor"), a California public entity acting pursuant to Harbors and Navigation Code Appendix II, and COAST SEAFOODS COMPANY, a Washington company (hereinafter referred to as "Lessee").

1. Description of Lease Premises

1.1 On and subject to the terms and provisions of this Lease, Lessor hereby leases to Lessee and Lessee leases from Lessor a portion of land and existing structures measuring approximately 0.287 acres in size, including 10,000 square feet of an existing warehouse facility and a 1,600 square foot parking area, located at Redwood Terminal 2, 364 Vance Ave. Drive, Samoa, California (the "Lease Premises"), together with all easements, rights of access, ingress and egress and all other rights appurtenant thereto. The Lease Premises are described on Exhibit A attached hereto and shown generally on Exhibits B and C attached hereto. Provided that no material breach (as defined in Section 12 below) has occurred under the terms of this Lease, Lessee shall quietly have, hold and enjoy the Lease Premises throughout the entire term of this Lease without interruption or disturbance by Lessor and those claiming under or through Lessor.

2. Term

2.1 The term of this Lease shall commence as of July 1, 2015, and end on July 1, 2025, unless sooner terminated pursuant to any provision hereof. This Lease is subject to the California Environmental Quality Act (CEQA), and conditional upon compliance with the CEQA process. This Lease is further conditioned upon Lessee obtaining the necessary permits and authorizations from other agencies, including but not limited to the California Coastal Commission, U.S. Army Corps of Engineers, and Regional Water Quality Control Board. If the CEQA compliance process or obtaining the necessary permits and authorizations from other agencies is completed after the anticipated commencement for the term of this lease, the parties will adjust the term of the lease accordingly. If the Lease is not approved in the CEQA process, the Lease is void.

2.2 In addition to this Lease, Lessee also is in the process of securing leases to (4) subtidal tideland parcels from Lessor in the tidelands adjacent to the Lease Premises, shown on Exhibit D attached hereto (the "Subtidal Parcels"). Leasing the Subtidal Parcels is a necessary component of Lessee's proposed operations described in Section 5. The parties acknowledge that Lessee is entering into this Lease on the condition that it will obtain leases to the Subtidal Parcels on reasonable terms acceptable to Lessee. In the event that Lessee does not secure leases to the Subtidal Parcels within one (1) year of the effective date of this Lease, or acquires such leases but Lessor elects to terminate any lease of any Subtidal Parcel at a later date, Lessee shall have the option to terminate this Lease upon thirty (30) days' written notice to Lessor.

3. Option to Renew

3.1 Option: Lessee is hereby granted four (4) options to extend this Lease for a term of five (5) years from and after the expiration of the original term or upon the expiration of any extensions exercised pursuant to this Section 3, upon the same terms and conditions of this Lease except for the establishment of a new rent for the additional five-year period, using the guidelines set forth in Section 4.2 of this Lease.

3.2 Lessee's Exercise of Option: To exercise the option to renew, Lessee shall give written notice to Lessor of Lessee's exercise of the option no later than twelve (12) months prior to the expiration of the original Lease term.

3.3 Extension Subject to Terms of Lease: The extension of this Lease for any of the five (5) year renewal periods is subject to all covenants, terms, conditions, reservations, restrictions, time limitations, and other provisions of this Lease, including the new rental amount. If Lessee is in material breach of this Agreement as defined in Section 12, at the time of exercising the option to renew or at the commencement of the extended term, Lessee's right to exercise the option to renew shall be waived and forfeited and the Lease shall terminate as of the termination date of the original term or any extended term, and Lessee shall no longer have the right to renew this Lease for an additional five (5) year term.

3.4 Lease Deemed Renewed Upon Notice. The parties agree that upon Lessee giving written notice of exercise of its written option to renew the original Lease for an additional five (5) year period, this Lease shall be deemed renewed and the rent established for the additional five (5) year period, pursuant to the provisions of Section 4.2.

4. Rent

4.1 Payment of Rent. Lessee agrees to pay to Lessor at such place as Lessor may designate in writing and without deduction, offset, prior notice, or demand, as rent for the Lease Premises during the first year, the sum of $3,500 per month for the Lease Premises, in lawful money of the United States of America, payable in advance on or before the first business day of each month during the term hereof commencing July 1, 2015, or upon Lessee obtaining all necessary permits and authorizations from other agencies, including but not limited to the California Coastal Commission, Regional Water Quality Control Board, and Humboldt County, whichever is earlier. No security deposit is required.

4.2 Adjustments of Rent. Each year of this Lease, including during any extension term, the rent shall be adjusted for the next year by difference in the change of the U.S. Department of Labor Consumer Price Index, All Urban Consumers, West Urban Area. The most recent 12 months available in the Index thirty (30) days prior to the start of the lease year will be used to calculate the increase. If there is a reduction in the Index over the applicable period, there will be no increase or decrease in the rental amount for the next year.

4.3 Failure to Timely Pay Rent. If Lessee fails to pay the rent specified in this Lease by the fifteenth (15th) day of the month Lessee shall pay to Lessor a late charge of Five Hundred ($500) Dollars in addition to the accrued and unpaid rental, and, in addition to such

charge, Lessee shall pay to Lessor interest at the rate of five sixths of 1 percent (0.8335%) per month upon the sum due from the date on which such rental becomes due and payable to and including the date of payment in full. Lessor shall apply any monies received from Lessee first to any penalty and interest charges and then to any rental or other sums then due. The penalty and interest charges provided by this paragraph are in addition to all other remedies that Lessor may have that are provided by this Lease or otherwise by law, to enforce payment of any rental or other sum that has become due and has not been paid.

4.4 Damage or Destruction of Premises. It is specifically agreed that in the event of the termination of this Lease by Lessor with cause, prior to the expiration date of this original term or prior to the expiration date of any renewal period, no portion of the rent paid in advance shall be refundable. It is specifically agreed that in the event the buildings and/or structures located on the Lease Premises shall be damaged or destroyed by fire, the elements or an act of God such as an earthquake or tsunami that renders the Lease Premises substantially unusable by Lessee for the purposes for which the Lease Premises are devoted, Lessee shall have the right to terminate this Lease upon written notice to Lessor within thirty (30) days after the date of such fire, the elements or act of God such as an earthquake or tsunami that renders the Lease Premises substantially unusable by Lessee for the purposes for which the Lease Premises are devoted, and be entitled to a pro rata refund of any rent paid in advance from the date of such termination.

5. Land Use

5.1 Use by Lessee, Improvements Authorized. Lessee agrees to use the Lease Premises as a mariculture facility and related uses as detailed more fully in Lessee's application to the Harbor District dated [xx], as approved by the Lessor on [xx] (collectively "Project Approvals"). Lessee is hereby authorized to construct improvements consistent with the Project Approvals, including but not limited to constructing and installing mariculture facilities on the Lease Premises as described in the Project Approvals. These facilities include, without limitation, the construction of seed setting facilities, upwellers, wet storage, seed grading facilities, shellfish processing and shipping facilities, and storage space, within Lessor's existing 131,650 square foot warehouse shown on Exhibit C. Lessee shall construct the improvements within the 10,000 square feet of area located in the southeast corner of the warehouse leased by Lessee from Lessor. Lessee agrees to give reasonable notice to Lessor regarding construction and improvement activities to be undertaken at the Lease Premises, and will coordinate such activities with Lessor and adjacent users of Lessor's property. Lessee shall also have the nonexclusive right to use Lessor's existing restrooms in the warehouse facility. Lessee may request a modification of the use of the Lease Premises, which consent shall not be unreasonably withheld by Lessor.

5.2 Improvements at Lessee's Expense. Lessee shall, at its own expense, maintain and keep the Lease Premises and all improvements in good order and repair and sound condition, provided, however, that this Lease shall not require Lessee to improve any structure on the Lease Premises over the condition of said structure as the same existed on the date of this Lease.

5.3 Alteration of Lease Premises. With the exception of the alterations as specified in the Project Approvals the removal of, or substantial alteration to any existing structure or other improvement during the term of this Lease and any renewal term thereof, will not be undertaken

without prior written permission from Lessor, which permission shall not be unreasonably withheld.

5.4 Regulatory Permission and Approvals. No permission or regulatory permit issued under the authority of California Harbors and Navigation Code, Appendix II, shall be required hereunder from Lessor for any repair, replacement, or maintenance in kind of the Lease Premises or any improvements thereon. With the exception of the improvements and work specified in the Project Approvals and Section 13 below, a regulatory permit from Lessor shall be required for any dredging, construction of any new structure or other improvement, or removal of or substantial alteration to any existing structure or other improvement bayward of the present line of mean higher high water. The Lease Premises is subject to potential regulation by a variety of government agencies, including but not limited to the County of Humboldt, the Coastal Commission, the Regional Water Quality Control Board, and the U.S. Army Corps of Engineers. Depending on the nature and extent of leasehold additions or alterations, additional CEQA compliance may also be necessary. Lessee shall be responsible for all necessary permits and compliance with all applicable requirements and regulations.

5.5 Access, Compatible Use of Surrounding Areas. Lessor agrees that it will maintain and manage its property surrounding the Lease Premises in such a manner to afford Lessee reasonable access to the Lease Premises, including maintaining enough open space on Lessor's surrounding property for ingress/egress and maneuvering of trucks used by Lessee as part of its operations on the Lease Premises. Lessee acknowledges that the surrounding premises may be leased by Lessor to other parties for other uses, and Lessor agrees that such uses will be compatible and will not interfere with Lessee's use of the Lease Premises. Specifically, Lessor shall not lease or sublease all or any portion of its existing warehouse to any entity or individual whose operations involve the generation, use, storage, transportation or disposal of any flammable explosives, radioactive materials, asbestos, PCBs, hazardous wastes, toxic substances or related materials, including all substances, wastes, pollutants, and contaminants now or hereafter defined within such (or any similar) term under any federal, state or local statute, ordinance, code, rule or regulation now existing or hereafter enacted or amended ("Hazardous Materials"), other than commercial or office operations where such use, storage, transportation or disposal is a normal and incidental part of such operations, without the prior written consent of Lessee, which shall not be unreasonably withheld.

5.6 Use of Easement. That portion of the Lease Premises that is a non-exclusive easement for the use of Lessor's dock, as shown in Exhibit E, shall be available to Lessee for Lessee's non-exclusive use (the "Dock Easement"). This Lease also includes an irrevocable, non-exclusive easement (during the term of this Lease only) over that portion of Lessor's property identified on Exhibit E for reasonable ingress and egress to and from the Leased Premises, seven (7) days a week, on foot or motor vehicle, including trucks, over or along a right of way extending from the nearest public right of way, Fay Avenue, to the Lease Premises (the "Access Easement"). Lessee shall be responsible for any improvement to the Access Easement needed to make it suitable for actual use and any costs associated with providing other services to the Lease Premises, such as utilities, as may be necessary for Lessee. Upon execution of this Lease by both parties, Lessee shall record an easement memorializing such easements, in a form substantially similar to that attached as Exhibit E.

Subject to the limitations stated in Section 5.5, Lessor reserves the right to grant to third parties use of the Dock Easement and/or Access Easement, provided that Lessor and Lessee shall negotiate an equitable pro-rata reimbursement to Lessee for amounts incurred by Lessee for improvement of the access for ingress and egress. Lessor, Lessee and other future tenants or potential tenants of Lessor shall also negotiate specific terms of use of the Dock Easement and/or Access Easement if necessary to ensure compatible non-exclusive use of such easement(s) by various parties, provided that such specific terms of the use of the easement shall not materially interfere with Lessee's use of the Lease Premises pursuant to this Lease.

5.7 Right of First Refusal. The parties acknowledge that Lessee may desire to expand its operations in the future, and may seek to rent the 10,000 square feet of the existing warehouse facility immediately to the west of the leased parcel to accommodate expanded operations consistent with this Lease, as shown in Exhibit C (the "Expanded Lease Area"). Lessee shall have a right of first refusal to occupy, rent, and use the Expanded Lease Area. Lessor shall provide written notice at least thirty (30) days prior to any proposed lease of the Expanded Lease Area, and Lessee shall have ten (10) days to exercise its right of first refusal to rent such area. In the event that Lessee elects not to exercise its right of first refusal and the Expanded Lease Area is leased to a third party, it does not waive its right of first refusal should the Expanded Lease Area become available upon termination or expiration of the third party's lease. Lessor shall notify Lessee in the event that such lease is terminated or expires.

5.8 Non-Discrimination. Lessee in its use of the Lease Premises shall not discriminate against any person or class of persons on the basis of race, color, creed, national origin, sex, age or physical disability.

5.9 Residential Structures. Improvements on the Lease Premises shall not be used as a residence.

6. Reservations and Encumbrances

6.1 Mineral Rights Reserved to the State of California. Lessor and Lessee acknowledge that all deposits of minerals, including oil and gas, on the Lease Premises have been reserved to the State of California pursuant to the Harbors and Navigation Code Appendix II, Section 78(g). Lessor furthermore expressly reserves all other natural resources in or on the Lease Premises, including but not limited to sand, gravel and inert earth. In no event shall any minerals or other natural resources be removed from the Lease Premises without the prior consent of Lessor. No dredge spoils materials shall be removed from the Lease Premises without Lessor's written consent which shall not be unreasonably withheld.

6.2 Lessor's Right of Entry. Lessor shall have the right to go on the Lease Premises during normal business hours and in groups of not more than three people and upon not less than 24 hours' notice for purposes of inspecting the Lease Premises or showing the same to prospective lenders or lessees.

6.3 Lessor's Right to Encumber Lease Premises. Lessor expressly reserves the right to lease or encumber the Lease Premises, in whole or in part, during the Lease term for any purpose not inconsistent nor incompatible with the rights and privileges of Lessee under this Lease provided that such lease or encumbrance does not interfere with Lessee's right to use and quiet enjoyment of the Lease Premises. Prior to leasing or encumbering the Lease Premises in whole or in part consistent with this Section 6.3, Lessor will give Lessee six (6) months' notice and provide Lessee an opportunity to comment on Lessor's proposed lease or encumbrance. Lessee agrees at any time and from time to time upon request of Lessor to execute and deliver any instruments necessary to cause this Lease to be subordinate to any mortgage, deed of trust, lien resulting from any other similar method of financing or refinancing, or other instrument of security now or which in the future may be, placed on all or a portion of the Lease Premises (as used in this Section 6.3, collectively "Lien") and Lessee hereby appoints Lessor and Lessee's attorney to execute and deliver such instruments, if any such instrument of subordination shall contain the agreement of the holder of such Lien to the following, which agreement may be conditioned upon this Lease being in full force and effect and Lessee not being in default under this Lease:

(a) No foreclosure of, deed given in lieu of foreclosure, or sale under such Lien, and no steps or procedures taken under such Lien shall disturb Lessee's right to possession of the Lease Premises or affect any of Lessee's rights and options under this Lease, and any resulting purchaser or other transferee of the Lease Premises shall be subject to this Lease and shall recognize Lessee's rights and options under this Lease.

(b) This lease may be amended with the prior written consent of the holder of such Lien, which consent shall not be unreasonably withheld or withheld for the purpose of effectuating a change in the terms of the Lien or this Lease.

(c) Lessee shall not be named in any foreclosure action or other proceeding related to the Lien.

6.4 Lease Subject to Pre-Existing Contracts; No Warranty of Fitness. This Lease may be subject to pre-existing contracts, leases, licenses, easements, encumbrances and claims and it is made without warranty by Lessor of condition of fitness of the land for the stated or intended use.

6.5 Lessee's Right to Exclude Persons from Lease Premises. Nothing in this Lease shall preclude Lessee from excluding persons from the Lease Premises when their presence or activity would constitute a material interference with Lessee's use and quiet enjoyment of the Lease Premises as provided under this Lease.

6.6 Lessor Alterations. Lessor acknowledges that Lessee has a material interest in the Lease Premises and its utility, condition and value. Except in the event of an emergency which poses an imminent threat of injury to any person or property, Lessor shall not make any structural alterations, additions, or improvements to the Lease Premises without Lessee's prior

written consent, which Lessee shall not unreasonably withhold. Lessor shall not make alterations to the Lease Premises that substantially interfere with Lessee's use of the Lease Premises.

7. Rules, Regulations and Taxes

7.1 Lessee is hereby notified by Lessor that the possessory interest created hereunder may be subject to a possessory interest tax or property taxation when created, pursuant to Sections 107 to 107.6 of the California Revenue and Taxation Code or other applicable law, and that Lessee and/or the party in whom the possessory interest is vested may be subject to the payment of property taxes levied on such interests. Lessee agrees and acknowledges that it has actual notice pursuant to Section 107.6 of the California Revenue and Taxation Code that it may be required to pay a possessory interest tax as a result of this Lease and the letting to Lessee of the Lease Premises. Lessee hereby acknowledges that it has actual knowledge of the possible existence of a possessory interest tax and has read the provisions of Sections 107 to 107.6 of the California Revenue and Taxation Code. Lessee shall pay all possessory interest taxes levied by any governmental agencies by reason of this Lease or Lessee's possession of the Lease Premises. In the event that Lessor leases a portion of the existing warehouse or Dock Easement to a third party, Lessee shall be responsible for a pro-rata share of applicable property or possessory interest taxes, allocated based on the square footage occupied by all existing and future tenants.

8. Indemnification

8.1 Lessee's Indemnification of Lessor. Lessor shall not be liable for and Lessee hereby agrees to indemnify, defend, hold harmless and to release Lessor, its Board of Commissioners, officers, agents and employees from and against any and all claims, demands, losses, fines, penalties, liabilities, actions, lawsuits and other proceedings, judgments and awards, and costs and expenses (including reasonable attorneys' fees) (collectively "Claims") arising directly or indirectly, in whole or in part, or in any way connected with the breach of this Lease or Lessee's use of the Lease Premises. Nothing herein shall be construed as an assumption of liability by Lessee for pre-existing environmental conditions, known or unknown at execution of this Lease, caused by prior tenants or users of the Lease Premises or surrounding areas, including any and all Hazardous Materials that may exist on the Upland Lease Premises or surrounding areas prior to execution of this Lease. Lessee does not assume nor does the Lessor assign to Lessee any liability or responsibility for environmental conditions that exist at the Lease Premises prior to the term of this Agreement, including but not limited to liability for Hazardous Materials that have come to be located at the Lease Premises.

8.2 Lessor's Indemnification of Lessee. Lessee shall not be liable for and Lessor hereby agrees to indemnify, defend and hold harmless and to release Lessee, its Board of Directors, officers, agents and employees from and against any and all Claims caused by the gross negligence or intentional misconduct of Lessor or Board of Commissioners, officers, agents and employees. Lessor further agrees to indemnify and hold harmless Lessee for any pre-existing environmental conditions, known or unknown at the execution of this Lease, caused by prior tenants or users of the Lease Premises or surrounding areas, including any Hazardous Materials that may exist on the Lease Premises. Lessor expressly acknowledges that Lessee is

not a contributing party to the discharge or existence of any Hazardous Materials on the Lease Premises that may exist on the Lease Premises prior to execution of this Lease, and agrees to hold harmless and indemnify Lessee for any Claim for remediation, cleanup, recovery or liability associated with Hazardous Materials on the Lease Premises and surrounding areas, notwithstanding any discharge by Lessee on the Lease Premises or surrounding areas (including but not limited to any existing sewer pipes, leach fields, or infiltration areas) or construction on the Lease Premises associated with the permitted uses stated in Section 5, that may directly or indirectly contribute to the expansion of or contribution to any such Hazardous Materials.

8.3 Survival. Each party's indemnity obligations under this Section 8 and elsewhere in this Lease arising prior to the expiration, termination, or assignment of this Lease shall survive such expiration, termination or assignment.

9. Insurance

9.1 Liability Insurance Required. Lessee shall obtain, at its own expense and keep in full force and effect during the Lease term with an insurance company acceptable to Lessor, comprehensive, commercial general liability insurance providing bodily injury and property damage coverage, and shall include products liability and personal injury coverage with liability limits of not less than Two Million Dollars ($2,000,000.00) combined single limit insuring Lessee and Lessor and their authorized representatives, against any and all claims or liability, including but not limited to liability for injuries to persons and property, and for the death of any person or persons occurring in or about the Lease Premises, arising out of the use, occupancy, condition or maintenance of the Lease Premises and all improvements thereon. Lessee shall be the named insured. Lessee agrees that Lessor, its officers, agents and employees, including members of the Board of the Harbor Commissioners of the Lessor, shall be named as an additional insured under such liability policy. Such insurance shall be primary to any insurance maintained by the Lessor.

9.2 Provision of Certificate of Insurance. Lessee shall provide Lessor with a certificate of such insurance and shall keep such certificate current. The certificate evidencing such insurance shall be filed with the Lessor upon the commencement of the term of this Lease and Lessee shall not cancel or reduce such insurance coverage without at least thirty (30) days' written notice to Lessor. Within thirty (30) days of the renewal of any such policy, Lessee shall provide to Lessor a certificate showing that such coverage has been renewed.

9.3 Insurance in Effect at All Times. The liability insurance coverage specified in this Lease shall be in effect at all times during the Lease term including any and all renewal periods and subsequently until all of the Lease Premises has been accepted by Lessor as restored after completion by Lessee of the dismantling and removal of the improvements thereon pursuant to Section 14 of this Lease.

9.4 Adjustment of Insurance Coverage Upon Renewal. The required amount of insurance coverage may be reset by Lessor at the beginning of any renewal term hereunder upon not less than sixty (60) days' written notice to Lessee, provided however that the amount of

insurance coverage reset at the beginning of the renewal term hereunder shall be commercially reasonable.

9.5 Performance of Indemnification Provision. All public liability insurance, property damage insurance and products liability insurance required by this Section 9 shall insure performance of the indemnity provisions of Section 8 of this Lease of the Lease Premises and the policy shall contain cross-liability endorsements.

10. Utilities

10.1 Use of Sewer System and Leach Field. Lessee shall have the right to access and use Lessor's existing sewer line, pipes, and leach field, shown in Exhibit F, for the discharge of any wastewater generated from the approved uses located on the Lease Premises, including but not limited to Lessee's treated chlorinated seed wash water. Lessee may make any improvements to such sewer pipes and leach field necessary for such use, including installing any pipes or conduits to access the existing sewer system and leach field, subject to prior written approval by Lessor, which shall not be unreasonably withheld, and obtaining all required approvals from all necessary governmental agencies. Lessee's use of the sewer system and leach field is subject to Lessor's indemnification provisions of Section 8.2.

10.2 Shared Utilities. Lessor shall make all reasonable attempts to install individual meters in the warehouse to separately meter each tenant. Should individual meters not be installed, each tenant shall be separately responsible for their share of the warehouse utilities, including sewer, water, and electricity charges. Lessee's portion of the shared utilities shall be based on its average water, sewer and electricity use in the first six (6) months of operation within the warehouse after all of Lessee's improvements have been completed. This average shall be the baseline for Lessee's projected utilities demand, and shall only be modified or remeasured by the parties in the event that Lessee proposes, and Lessor approves, significant modifications to the proposed project that would substantially affect Lessee's utilities demand.

11. Assignment

Lessee shall not either voluntarily or by operation of law assign, transfer, mortgage, pledge, hypothecate or encumber this Lease and shall not sublet the Lease Premises, in whole or in part, without the prior written approval of Lessor, which approval Lessor shall not unreasonably withhold. All assignments, transfers and subleases of this Lease, and each of them, shall be subject to all the covenants, terms, conditions, reservations, restrictions, time limitations and other provisions of this Lease.

12. Default and Remedies

12.1 The occurrence of any one or more of the following events shall constitute a default or breach of this Lease by Lessee:

(a) Lessee's failure to make any payment of rental or other consideration as required under this Lease, where such failure continues for three (3) days after written notice from Lessor to Lessee.

(b) Lessee's failure to obtain or maintain any liability insurance required under Section 9.1.

(c) Lessee's abandonment of the Lease Premises during the Lease term for more than thirty (30) consecutive days; provided that for those portions of the Lease Premises not occupied by Lessee, the only evidence of abandonment shall be Lessee's failure to pay rent when due, as above set forth in Section 4.1.

(d) Lessee's failure to observe or perform any other term, covenant, or condition of this Lease to be observed or performed by the Lessee when such failure shall continue for a period of thirty (30) days after Lessor's giving written notice; however, if the nature of Lessee's default or breach is such that more than thirty (30) days are reasonably required for its cure, then Lessee shall not be deemed to be in default or breach if Lessee commences such cure within such thirty (30) day period and diligently proceeds with such cure to completion.

12.2 Other Remedies. In the event of a default or breach by Lessee and Lessee's failure to cure such default or breach, Lessor may, at any time and with or without notice in addition to every other remedy given Lessor by law or equity, do any one or more of the following:

(a) Continue this Lease in effect by not terminating Lessee's right to possession of said Lease Premises, in which event Lessor shall be entitled to enforce all Lessor's rights and remedies under this Lease including the right to recover the rent specified in this Lease as it becomes due under this Lease;

(b) Terminate this Lease and recover from Lessee:

(1) The worth at the time of award of the unpaid rent which has been earned at the time of termination of the Lease;

(2) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination of the Lease until the time of award exceeds the amount of rental loss that Lessee proves could have been reasonably avoided;

(3) The worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of rental loss that Lessee proves could be reasonably avoided; and

(4) Any other amount necessary to compensate Lessor for all detriment proximately caused by Lessee's failure to perform its obligations under this Lease; or

(c) Terminate the Lease and, in addition to any recoveries Lessee may seek under subparagraph (b) of this Section, bring an action to reenter and regain possession of said Lease Premises in the manner provided by the laws of unlawful detainer of the State of California then in effect; however, in no event shall the personal property of Lessee become that of Lessor and Lessor shall not use, sell or otherwise dispose of Lessee's personal property absent a court order authorizing such disposal.

(d) Exercise any other rights or remedy which Lessor may have at law or in equity.

12.3 Lessor Breach. If Lessor shall neglect or fail to perform or observe any of the terms, covenants or conditions contained in this Lease on its part to be performed or observed within thirty (30) days after written notice of default, or when more than thirty (30) days shall be required because of the nature of the default, if Lessor shall fail to proceed diligently to cure such default after written notice thereof, then Lessee have the right to terminate the Lease and Lessor shall be liable to Lessee for any and all damages sustained by Lessee as a result of Lessor's breach.

13. Removal of Improvements on the Lease Premises by Lessee During Lease Term

13.1 Removal of Improvements. Other than as described in the Project Approvals, Lessee shall not remove any improvements located on the Lease Premises that existed at the commencement of the Lease during the Lease term without the written consent of the Lessor.

13.2 No Consent Required from Lessor. For each of the items listed in the Project Approvals, Lessor acknowledges that it has given permission to Lessee to alter the Lease Premises, provided that Lessee gives notice to Lessor prior to commencing the approved work.

14. Removal of Improvements and Restoration of the Lease Premises Upon Expiration of Lease or Termination and Surrender of Lease Premises

14.1 Conditioned upon Lessee being in full and complete performance of all of the provisions of this Lease, Lessee may remove all personal property and trade fixtures it may own located on the Lease Premises and the same shall be removed without damage to the warehouse building and related components thereof. If damage is caused by such removal, Lessee agrees to repair such damage at its own cost.

14.2 Upon expiration or sooner termination of this Lease, Lessor may accept all or any portion of the Lease Premises, as then improved with structures, buildings, pipelines, machinery and facilities installed or constructed by Lessee during the term of this Lease; or Lessor may, in Lessor's absolute discretion, require Lessee to remove all or any portion of such improvements at Lessee's sole expense and risk, provided, however, that Lessee shall be responsible for

removing only such improvements as Lessor shall identify in writing to Lessee no later than thirty (30) days after expiration or earlier termination date of this Lease and Lessee shall only be required to remove entire structures or all such portions of a structure as are located on the Lease Premises; or, if Lessee refuses, Lessor may itself remove or have removed all or any portion of such improvements at Lessee's sole expense. In the event any improvements are left at the request of Lessor, Lessor shall pay to Lessee the net fair market value of the salvage of such improvements (value of improvements and salvage after Lessee's costs of removal and sale), if any. This Section 14.2 shall not apply to any property or fixtures voluntarily removed by Lessee pursuant to Section 14.1.

14.3 Restoration of Premises. In removing any improvements, Lessee shall restore the Lease Premises as nearly as possible to the conditions existing prior to their installation or construction, and shall complete all obligations of this Lease; provided that, nothing in the foregoing requirement shall be construed as expanding in any way the limitations of Lessee's indemnification obligations in Section 8 hereof. All such removal and restoration of the Lease Premises, required pursuant to this Section 14 of this Lease shall be commenced by Lessee no later than sixty (60) days and completed no later than one (1) year after the expiration or sooner termination of this Lease or any extension thereof. The deadlines for restoration of the premises shall be extended by the time that is required to obtain all necessary regulatory permits and approvals, provided that Lessee timely files applications for such permits and approvals. All such removal and restoration shall be to the reasonable satisfaction of Lessor.

14.4 Refusal to Timely Remove Improvements at end of Lease. If Lessee refuses or fails to timely dismantle and remove the improvements or portion of improvements designated by Lessor to be dismantled and removed from the Lease Premises and restore the Lease Premises as nearly as possible to its condition existing prior to the installation of the structures, buildings and facilities so placed thereon, Lessor may itself or may hire third parties to dismantle and remove such improvements and place the Lease Premises in a condition as near as possible to the condition of the Lease Premises existing prior to the installation of the structures, buildings and facilities thereon at Lessee's sole expense and Lessee shall reimburse Lessor for all costs and expenses thereof of the dismantling and removal of improvements and restoration of the Lease Premises by Lessor or such parties designated by Lessor. Nothing in this provision shall be interpreted to preclude Lessor from bringing legal action for breach of contract and seeking damages in the form of anticipated cost of removal, even if said improvements have not actually been removed prior to the legal process.

14.5 Permits Required. In removing all improvements Lessee will be required to obtain any permits or any other governmental approval as may then be required by lawful authority.

14.6 No Removal or Replacement of Fill. Lessee shall not be required to remove or replace nor shall Lessor be required to pay for any fill remaining on this Lease Premises.

14.7 Surrender of Premises. Lessee agrees that upon the expiration or sooner termination of this Lease or any renewal thereof Lessee shall responsibly leave and surrender the

Lease Premises to Lessor in a state of good order, condition, repair and restoration, as provided in and subject to the time periods in Sections 14.1 through 14.3.

15. Quitclaim

Lessee shall, within ninety (90) days of the expiration or sooner termination of this Lease, execute and deliver to Lessor in a form provided by Lessor, a good and sufficient quitclaim of all rights under this Lease, subject to Lessee's right to occupy those portions of the Lease Premises necessary for removal of structures pursuant to Section 14. Should Lessee fail or refuse to deliver such a quitclaim, a written notice by Lessor reciting such failure or refusal shall, from the date of its recordation, be conclusive evidence against Lessee and all other claimants of the termination of this Lease and any rights or interests of Lessee in the Lease Premises and improvements thereon.

16. Holding Over

Any holding over by Lessee after the expiration of the Lease term, or any renewal, with or without the express or implied consent to Lessor, shall constitute a tenancy from month-to-month and shall be on terms, covenants and conditions of this Lease with rental, royalty or other consideration payable in advance on the first day of each month at the rate of one twelfth (1/12) of the most recent annual rent. Upon expiration or sooner termination of the Lease, Lessee shall not be required to pay the full rent to Lessor during the period when Lessee occupies the required portion of the Lease Premises necessary for the purposes of removal of the improvements and restoration of the Lease Premises, pursuant to the provisions of Section 14 of this Lease, except to the extent that Lessee's continued occupancy interferes with the use of Lessor or Lessor's assignees, or otherwise restricts Lessor's ability to lease or rent the property. In no event shall the rent for this period be less than one-third of the last rental amount rate.

17. Additional Provisions

17.1 No Waiver. The failure to enforce any right hereunder, or the waiver by either party of any default or breach of any covenant, term, condition, restriction or time limitation herein shall not constitute a waiver of the future exercise of any such right or of any other default or breach, whether of the same or any other covenant, term, condition, restriction or time limitation herein regardless of such party's knowledge of such other defaults or breaches. The subsequent acceptance of monies hereunder by Lessor shall not constitute a waiver of any preceding default or breach of any covenant, term, condition, restriction or time limitation, other than the failure of Lessee to pay the particular monies so accepted, regardless of Lessor's knowledge of such preceding default or breach at the time of acceptance of such monies, nor shall acceptance of monies after termination constitute a reinstatement, extension or renewal of this Lease or revocation of any notice or other act by Lessor.

17.2 Time is of the Essence. Time is of the essence of this Lease and each and all of its terms, covenants or conditions in which performance is a factor. Notwithstanding the foregoing, any non-monetary obligation of Lessee which cannot be satisfied due to war, strikes, acts of God or other events, whether similar or dissimilar to the foregoing, which are beyond the reasonable control of Lessee shall be excused until the cessation of such event.

17.3 Notice. All notices, requests and communications required or permitted hereunder shall be in writing and shall be sufficiently given and deemed to have been received upon personal delivery by messenger, overnight courier or telecopier, or, if mailed, upon the first to occur of actual receipt of forty-eight (48) hours after being placed in the United States mail, postage prepaid, registered or certified mail, with return receipt requested, addressed to the parties as follows:

Lessor: Humboldt Bay Harbor, Recreation
and Conservation District
Post Office Box 1030
Eureka, CA 95502-1030
Attn: Chief Executive Officer
Telephone: (707) 443-0801
Facsimile: (707) 443-0800

Lessee: Coast Seafoods Company
Attn: Jon Steinman
25 Waterfront Drive
Eureka, CA 95501-0375

With a copy to:

Pacific Seafood Group
Attn: Daniel Occhipinti
16797 S.E. 130th Avenue
Clackamas, OR 97015

17.4 Lessor's Consent. Where Lessor's consent is required under this Lease, its consent for one transaction or event shall not be deemed to be consent to any subsequent occurrence of the same or any other transaction event.

17.5 Amendment, Termination. This Lease may be terminated and its terms, covenants and conditions amended, revised or supplemented by written mutual agreement of the parties.

17.6 Binding on Successors and Assigns. The terms, covenants and conditions of this Lease shall extend to and be binding upon and inure to the benefit of the successors and assigns of the respective parties.

17.7 Severability. If any term, covenant or condition of this Lease is judicially determined to be invalid, it shall be considered deleted and shall not invalidate any of the remaining terms, covenants and conditions.

17.8 Counterparts. This Lease may be executed in any number of counterparts, each of which shall be a valid and binding original, but all of which together shall constitute one and the same instrument.

17.9 Jurisdiction. Lessor and Lessee consent to and agree that in the event any disputes or legal actions are commenced and litigated between Lessor and Lessee regarding the terms, conditions, rights, duties and obligations of the parties pursuant to the terms of this Lease, the Superior Court of California, County of Humboldt shall have exclusive jurisdiction of such disputes and/or legal actions. The parties further agree that this lease is entered into in Humboldt County, California, the place where the Lease Premises is located. This lease shall be construed and interpreted in accordance with the laws of the State of California.

17.10 Attorney's Fees and Costs: In the event of legal proceedings arising out the terms and conditions of this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees and other costs of litigation.

17.11 Termination of Rights. Lessee agrees that on the expiration or termination of this Lease, Lessee shall responsibly leave and surrender the Lease Premises to Lessor in a state of good order, condition, repair upon removal by Lessee of the improvements thereon and restoration of the Lease Premises as provided for in Section 14 of this Lease. The exercise of any right of termination shall not release Lessee from liability for any unpaid but accrued rental or any other consideration which may be due under this Lease or from any other obligations still applicable under the Lease. No portion of any rental paid by Lessee in advance shall be refunded except as provided in Section 4.3.

17.12 Entire Agreement. It is understood that there are no oral or written agreements or representations between the parties hereto affecting the Lease, and that the Lease as amended supersedes, cancels and merges any and all previous verbal or written negotiations, arrangements, representations, brochures, displays, models, photographs, renderings, floor plans, elevations, projections, estimates, agreements and understandings, if any, made by or between Lessor and Lessee, and their agents, with respect to the subject matter thereof, and none such shall be used to interpret, construe, supplement, or contradict the Lease. The Lease and all amendments hereto, are and shall be considered to be the only agreement between the parties and their representatives and agents. There are no other representations or warranties between the parties and any and all reliance with respect to representations shall be solely based upon the representations and agreements contained in this Lease. In the event of a conflict between this Lease and its exhibits, the language in this Lease shall prevail.

In witness whereof, the parties have executed this Lease at Eureka, Humboldt County, California, as of the date specified immediately adjacent to their respective signatures.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT

DATE: July 1 2015

By Richard Marks, President

COAST SEAFOODS COMPANY

DATE: July 1 2015

By: Jon Steinman

DRAFT 1d

RIGHT TO FISH ORDINANCE

A new Ordinance, titled "Fish and Seafood Operations" to conserve, protect, and encourage the development of seafood operations and limit the loss of fishing and seafood operations by limiting the circumstances under which commercial seafood and fishing operations that adhere to generally accepted practices may be subject to complaints or potential legal action and to provide a means of attempting to resolve complaints.

FISH AND SEAFOOD OPERATIONS

1. **Purpose and Findings**
2. **Definitions**
3. **Limitations of Actions**
4. **Procedures for Complaints, Investigations, and Resolution**
5. **Plat Disclosure**
6. **Subdivision Plat Disclosure Statement**

1. Purpose and Findings

A. It is the declared policy of Humboldt Bay Harbor, Recreation and Conservation District (District) to conserve, protect, and encourage the development of commercial fishing and seafood operations. It is in the public interest to promote a clearer understanding between the seafood and fishing industry and the general public concerning the normal operations and potential inconveniences associated with the seafood and fishing industry.

B. It is also the policy to reduce the loss of fishing and seafood operations by limiting the circumstances under which commercial seafood and fishing operations that adhere to generally accepted practices may be subject to complaints or interference by the District's permittees, tenants and other persons using District properties and to provide a mediation process to attempt to resolve such complaints.

C. This ordinance shall not in any way restrict or impede the authority of the State or County to protect the public health, safety, or welfare.

D. This ordinance is not intended to and shall not modify or abridge local, state or federal laws relating to health, safety, zoning, licensing requirements, or environmental standards. The provisions of this ordinance do not supersede the County Land Use Ordinance and do not alter in any way the District, County, State or Federal permitting process.

2. Definitions

As used in this ordinance, the following terms shall have the meanings indicated:

A. Commercial Seafood or Fishing Operation - A commercial seafood or fishing operation includes, but is not limited to, all matters of harvesting seafood and charter boat fishing, including boats and patrons leaving and returning at all hours; boat and gear maintenance, vessel lights and operation of generators, bait, ice, fish totes, forklift operation, net repairs, trolling pole and crab

tank installation, vessel retail sales; the commercial raising of seafood products by means such as, but not limited to, aquaculture, mariculture, and commercial oyster farming; and associated equipment..

B. Generally Accepted Seafood and Fishing Industry Practices - Those methods used in connection with the commercial seafood and fishing industries which are in compliance with any District permit or lease provisions and do not violate the County Land Use Ordinance or applicable federal, state, or local laws, public health, safety or welfare including practices which are recognized as the best management practices by various and appropriate government agencies for the harvesting of seafood. If a generally accepted practice has not been identified by a government agency, the District may consult with individuals with a working knowledge of the seafood industry and other individuals, businesses, or governmental agencies that the District deems appropriate.

3. Limitations of Actions

A. When conducted within standard and generally accepted seafood and fishing industry practices, tenants, customers, or permittees of the district or district tenants, visitors, employees. shall have no recourse against the inherent effects of commercial seafood and fishing operations conducted by the District's tenants, permittees or on property under the jurisdiction of the District. These inherent effects include, but are not limited to, smoke, noise, vibration, odors, fumes, dust, the operation of machinery of any kind during any twenty-four period, movement of equipment or boats..

B. A private action may not be maintained by any District tenant, customer, permittee or employee of the District or visitors to District premises with respect to any seafood or fishing operation conducted substantially in accordance with generally accepted seafood and fishing industry practices on the grounds that the seafood or fishing operation interferes or has interfered with the use and enjoyment of property, whether public or private.

C. Notwithstanding any provision of this section, no action alleging that a seafood or fishing operation has interfered with the reasonable use or enjoyment of real property or personal well-being by any tenants, customers, or permittees of the District or district tenants, visitors, employees may be filed in a court if the claimant has not sought resolution under this ordinance.

4. Procedures for Complaints, Investigations, and Resolution

A. Complaints. Complaints of nuisances that allegedly affect the reasonable use and enjoyment of property shall be made in writing to the District. Complaints that allege an impact to public health also shall be forwarded to the County Health Department.

B. Investigation. Upon receipt of a written complaint, a copy shall be provided to all parties involved and the District shall initiate an investigation. The District's Executive Director or his or her designee shall conduct the investigation. The District shall contact all parties involved in the dispute to ensure full understanding of the nature of the complaint and obtain additional information and documentation as may be necessary. When necessary, the District may enlist the professional expertise of qualified experts in the relevant field to clarify the issues pertaining

to the complaint. Once the investigation is complete, the District shall prepare a staff report with all pertinent information and send the report to all parties.

C. Resolution.

1) Upon receipt of the investigative report from the District, within 10 business days the complaining party shall advise the District in writing whether it wishes to drop its complaint or proceed to a mediation with the other party or parties
2) Within 10 business days of receipt of the request for mediation, the District's Chief Executive Officer shall schedule a mediation hearing. Unless a different mediator is agreed upon in writing by all parties, the District's Executive Director shall serve as the mediator. Notice shall be sent to all parties at least I 0 days prior to the hearing.
3) The mediation will discuss whether the particular practice does or does not conform to generally accepted practices. The mediator will attempt to facilitate a resolution acceptable to all parties but shall have no authority to make any binding decision or determination of facts. A party may not maintain a legal action unless the mediation process provided by this ordinance has been exhausted.

5. Plat Disclosure

For any subdivision approved within the jurisdictional area of the District or abutting existing seafood or fishing operation, the plat shall contain a statement acknowledging the existence of this ordinance that shall be substantially the form set forth in Section 7 of this Code.

6. Subdivision Plat Disclosure Statement

The Humboldt Bay Harbor Recreation and Conservation District has adopted a Right to Fish and Conduct Seafood Operations Ordinance that protects fishing and seafood operations if such operations are conducted in accordance with generally accepted practices. This subdivision is located adjacent to or near water or seafood operations and the owners of lots in the subdivision may be subject to inconveniences arising from such operations.

11e

RESOLUTION NO. 2015-09

A RESOLUTION APPROVING TWO EASEMENT DEEDS TO PACIFIC GAS AND ELECTRIC COMPANY AT REDWOOD TERMINAL 2

WHEREAS, the Harbor District would benefit from a new gas connection at Redwood Terminal 2; and

WHEREAS, to install and maintain such a connection, Pacific Gas and Electric Company will require an easement at the property.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Humboldt Bay Harbor, Recreation and Conservation District as follows:

1. The attached grant deeds, referred to as LD# 1405-01-1222 and LD# 1405-01-1223 are granted to Pacific Gas and Electric Company.

PASSED AND ADOPTED by the Board of Commissioners of the Humboldt Bay Harbor, Recreation and Conservation District at a duly called meeting held on the 28th day of May 2015, by the following polled vote:

AYES:

NOES:

ABSENT:

RICHARD MARKS, President
Board of Commissioners

ATTEST:

GREG DALE, Secretary
Board of Commissioners

CERTIFICATE OF SECRETARY

The undersigned, duly qualified and acting Secretary of the HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, does hereby certify that the attached Resolution is a true and correct copy of RESOLUTION NO. 2015-09 entitled,

A RESOLUTION APPROVING TWO EASEMENT DEEDS TO PACIFIC GAS AND ELECTRIC COMPANY AT REDWOOD TERMINAL 2

as regularly adopted at a legally convened meeting of the Board of Commissioners of the HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, duly held on the 28th day of May 2015; and further, that such Resolution has been fully recorded in the Journal of Proceedings in my office, and is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand this 28th day of May 2015.

_____

GREG DALE, Secretary
Board of Commissioners

Distribution Easement (Rev. 12/14)

RECORDING REQUESTED BY AND RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY
Eureka Land Services Office
2555 Myrtle Avenue
Eureka, CA 95501

Location: City/Uninc_____
Recording Fee $_____
Document Transfer Tax $ _____
[ ] This is a conveyance where the consideration and value is less than $100.00 (R&T 11911).
[ ] Computed on Full Value of Property Conveyed, or
[ ] Computed on Full Value Less Liens & Encumbrances Remaining at Time of Sale

_____
Signature of declarant or agent determining tax

(SPACE ABOVE FOR RECORDER'S USE ONLY)

LD# 1405-01-1222

EASEMENT DEED

FRESHWATER TISSUE COMPANY, LLC, a California limited liability company,

hereinafter called Grantor, hereby grants to PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called Grantee, the right from time to time to construct, reconstruct, install, inspect, maintain, replace, remove, and use facilities of the type hereinafter specified, together with a right of way therefor, within the easement area as hereinafter set forth, and also ingress thereto and egress therefrom, over and across the lands of Grantor situate in the County of Humboldt, State of California, described as follows:

(APN 401-112-017)

PARCEL B as shown upon the Record of Survey Map filed for record March 30, 2012 in Book 69 of Surveys at page 106, Humboldt County Records.

Said facilities and easement area are described as follows:

One or more underground pipes with suitable service pipes and connections, as Pacific Gas and Electric Company from time to time deems necessary, for the conveyance by it of gas to be installed within the parcel of land described in Exhibit A and shown on Exhibit B, both attached hereto and made a part hereof.

Grantor further grants to Grantee the right, from time to time, to trim or to cut down any and all trees and brush now or hereafter within said easement area, and shall have the further right, from time to time, to trim and cut down trees and brush along each side of said easement area which now or hereafter in the opinion of Grantee may interfere with or be a hazard to the facilities installed hereunder, or as Grantee deems necessary to comply with applicable state or federal regulations.

Grantor shall not erect or construct any building or other structure or drill or operate any well within said easement area.

P.G.& E. CO. COPY

Grantor further grants to Grantee the right to assign to another public utility as defined in Section 216 of the California Public Utilities Code the right to install, inspect, maintain, replace, remove and use communications facilities within said easement area (including ingress thereto and egress therefrom).

Grantor acknowledges that they have read the "Grant of Easement Disclosure Statement", Exhibit "C", attached hereto and made a part hereof.

The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto.

Dated: _____, _____.

FRESHWATER TISSUE COMPANY, LLC,
a California limited liability company

_____
By Member

_____
By Member

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _____)

On _____, before me, _____ Notary Public,
Here insert name and title of the officer

personally appeared _____

_____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____ (Seal)
Signature of Notary Public

CAPACITY CLAIMED BY SIGNER

[ ] Individual(s) signing for oneself/themselves

[ ] Corporate Officer(s) of the above named corporation(s)

[ ] Trustee(s) of the above named Trust(s)

[ ] Partner(s) of the above named Partnership(s)

[ ] Attorney(s)-in-Fact of the above named Principal(s)

[ ] Other _____

EXHIBIT A

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

That portion of the Northwest Quarter of Section 21, Township 5 North, Range 1 West, Humboldt Meridian, described as follows:

BEGINNING at the Southwest corner of Parcel B as illustrated in Book 69 Surveys, Pages 106 and 107, Humboldt County Records;

thence South 66 degrees 20 minutes 37 seconds East, along the Southerly line of said Parcel B, 564.45 feet;

thence North 23 degrees 39 minutes 23 seconds East, 16.00 feet;

thence North 66 degrees 20 minutes 37 seconds West, parallel with the Southerly line of said Parcel B, 560.95 feet to the Westerly line of said Parcel B;

thence South 36 degrees 02 minutes 43 seconds West, along said Westerly line, 12.52 feet to the beginning of a curve concave to the East, having a radius of 450 feet;

thence Southerly along said curve, through a central angle of 0 degrees 29 minutes 26 seconds, for a distance of 3.85 feet to the point of beginning.

This description is based on Book 69 Surveys, Pages 106 and 107, Humboldt County Records.

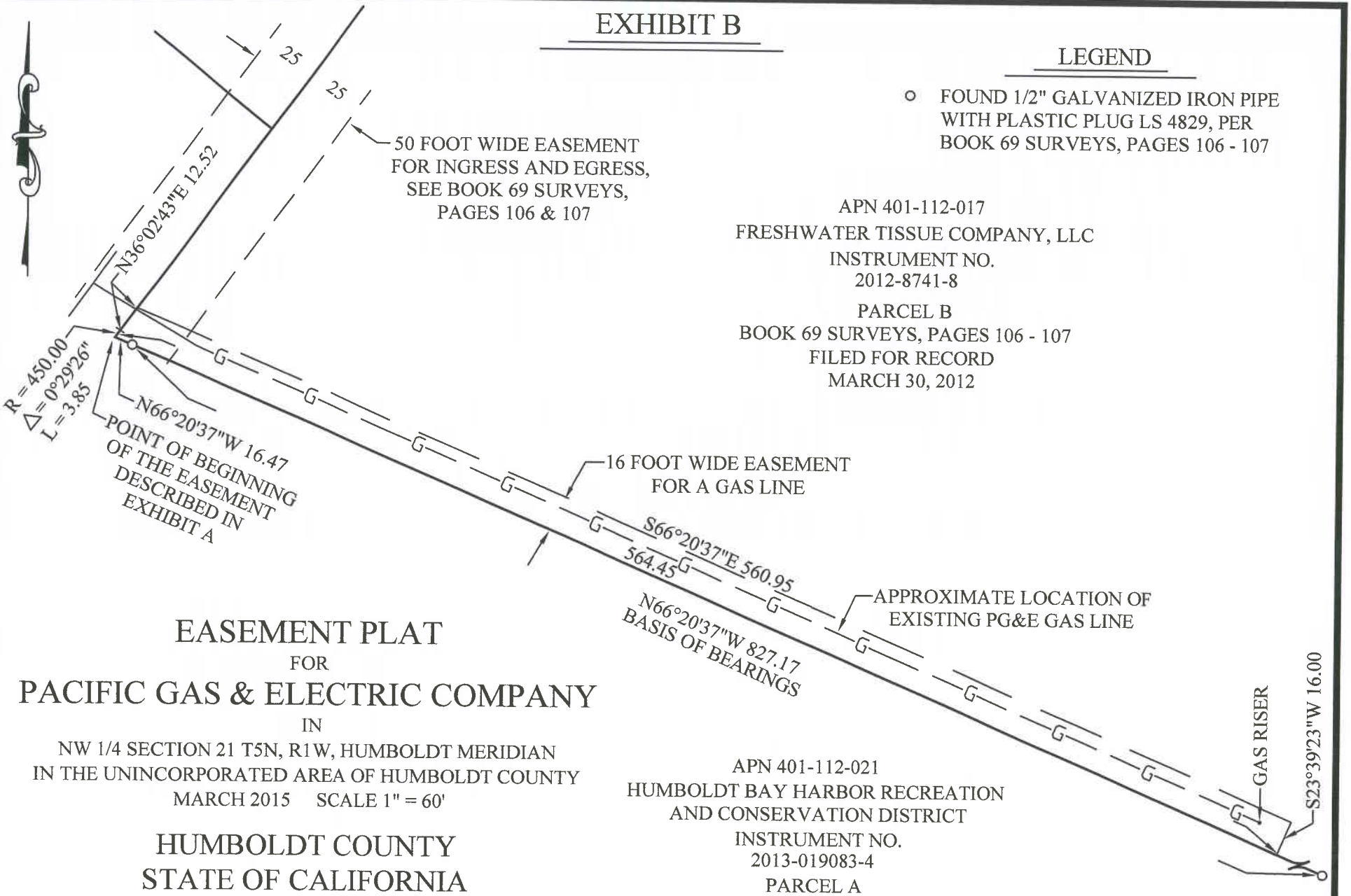
Prepared by:

Michael J. O'Hern

Michael J. O'Hern
LS 4829

Dated: APRIL 29, 2015

EXHIBIT B



EASEMENT PLAT
FOR
PACIFIC GAS & ELECTRIC COMPANY
IN
NW 1/4 SECTION 21 T5N, R1W, HUMBOLDT MERIDIAN
IN THE UNINCORPORATED AREA OF HUMBOLDT COUNTY
MARCH 2015 SCALE 1" = 60'

HUMBOLDT COUNTY
STATE OF CALIFORNIA

KELLY-O'HERN ASSOCIATES
EUREKA, CALIFORNIA

BASIS OF BEARINGS: BOOK 69 SURVEYS, PAGES 106 - 107

Pacific Gas and Electric Company

EXHIBIT "C"

GRANT OF EASEMENT DISCLOSURE STATEMENT

This Disclosure Statement will assist you in evaluating the request for granting an easement to Pacific Gas and Electric Company (PG&E) to accommodate a utility service extension to PG&E's applicant. **Please read this disclosure carefully before signing the Grant of Easement.**

- You are under no obligation or threat of condemnation by PG&E to grant this easement.

- The granting of this easement is an accommodation to PG&E's applicant requesting the extension of PG&E utility facilities to the applicant's property or project. Because this easement is an accommodation for a service extension to a single customer or group of customers, PG&E is not authorized to purchase any such easement.

- By granting this easement to PG&E, the easement area may be used to serve additional customers in the area. Installation of any proposed facilities outside of this easement area will require an additional easement.

- Removal and/or pruning of trees or other vegetation on your property may be necessary for the installation of PG&E facilities. You have the option of having PG&E's contractors perform this work on your property, if available, or granting permission to PG&E's applicant or the applicant's contractor to perform this work. Additionally, in order to comply with California fire laws and safety orders, PG&E or its contractors will periodically perform vegetation maintenance activities on your property as provided for in this grant of easement in order to maintain proper clearances from energized electric lines or other facilities.

- The description of the easement location where PG&E utility facilities are to be installed across your property must be satisfactory to you.

- The California Public Utilities Commission has authorized PG&E's applicant to perform the installation of certain utility facilities for utility service. In addition to granting this easement to PG&E, your consent may be requested by the applicant, or applicant's contractor, to work on your property. Upon completion of the applicant's installation, the utility facilities will be inspected by PG&E. When the facility installation is determined to be acceptable the facilities will be conveyed to PG&E by its applicant.

By signing the Grant of Easement, you are acknowledging that you have read this disclosure and understand that you are voluntarily granting the easement to PG&E. Please return the signed and notarized Grant of Easement with this Disclosure Statement attached to PG&E. The duplicate copy of the Grant of Easement and this Disclosure Statement is for your records.

Distribution Easement (Rev. 12/14)

RECORDING REQUESTED BY AND RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY
Eureka Land Services Office
2555 Myrtle Avenue
Eureka, CA 95501

Location: City/Uninc_____
Recording Fee $_____
Document Transfer Tax $ _____
[ ] This is a conveyance where the consideration and value is less than $100.00 (R&T 11911).
[ ] Computed on Full Value of Property Conveyed, or
[ ] Computed on Full Value Less Liens & Encumbrances Remaining at Time of Sale

_____
Signature of declarant or agent determining tax

(SPACE ABOVE FOR RECORDER'S USE ONLY)

LD# 1405-01-1223

EASEMENT DEED

HUMBOLDT BAY HARBOR RECREATION AND CONSERVATION DISTRICT, a public entity of the State of California,

hereinafter called Grantor, hereby grants to PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called Grantee, the right from time to time to construct, reconstruct, install, inspect, maintain, replace, remove, and use facilities of the type hereinafter specified, together with a right of way therefor, within the easement area as hereinafter set forth, and also ingress thereto and egress therefrom, over and across the lands of Grantor situate in the County of Humboldt, State of California, described as follows:

(APN 401-112-021)

PARCEL A as shown upon the Record of Survey Map filed for record March 30, 2012 in Book 69 of Surveys at page 106, Humboldt County Records.

Said facilities and easement area are described as follows:

One or more underground pipes with suitable service pipes and connections, as Pacific Gas and Electric Company from time to time deems necessary, for the conveyance by it of gas to be installed within the strip of land of the uniform width of 10 feet the centerline of which is described in Exhibit A and shown on Exhibit B, both attached hereto and made a part hereof.

Grantor further grants to Grantee the right, from time to time, to trim or to cut down any and all trees and brush now or hereafter within said easement area, and shall have the further right, from time to time, to trim and cut down trees and brush along each side of said easement area which now or hereafter in the opinion of Grantee may interfere with or be a hazard to the facilities installed hereunder, or as Grantee deems necessary to comply with applicable state or federal regulations.

Grantor shall not erect or construct any building or other structure or drill or operate any well within said easement area.

P.G.& E. CO.
COPY

Grantor further grants to Grantee the right to assign to another public utility as defined in Section 216 of the California Public Utilities Code the right to install, inspect, maintain, replace, remove and use communications facilities within said easement area (including ingress thereto and egress therefrom).

Grantor acknowledges that they have read the "Grant of Easement Disclosure Statement", Exhibit "C", attached hereto and made a part hereof.

The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto.

Dated: _____, _____.

HUMBOLDT BAY HARBOR RECREATION AND CONSERVATION DISTRICT

_____
By

_____
By

I hereby certify that a resolution was adopted on the _____ day of _____, 2015, by the

_____ authorizing the foregoing grant of easement.

By _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _____)

On _____, before me, _____ Notary Public,
Here insert name and title of the officer

personally appeared _____

_____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____ (Seal)
Signature of Notary Public

CAPACITY CLAIMED BY SIGNER

[ ] Individual(s) signing for oneself/themselves

[ ] Corporate Officer(s) of the above named corporation(s)

[ ] Trustee(s) of the above named Trust(s)

[ ] Partner(s) of the above named Partnership(s)

[ ] Attorney(s)-in-Fact of the above named Principal(s)

[ ] Other _____

EXHIBIT A

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

That portion of the Northwest Quarter of Section 21, Township 5 North, Range 1 West, Humboldt Meridian, described as follows:

An easement 10 feet in width, lying five feet on each side of the following described centerline:

COMMENCING at the Southwest corner of Parcel B as illustrated in Book 69 Surveys, Pages 106 and 107, Humboldt County Records, said point being a point on a curve concave to the East, having a radius of 450 feet, through which point a radial line of said curve bears North 54 degrees 26 minutes 43 seconds West;

thence along said Westerly line, Northerly along said curve through a central angle of 0 degrees 29 minutes 26 seconds, for a distance of 3.85 feet;

thence North 36 degrees 02 minutes 43 seconds East, along said Westerly line, 11.65 to the Point of Beginning of the centerline of this easement;

thence North 58 degrees 41 minutes 14 seconds West, 22.32 feet to the Westerly terminus of this easement.

This description is based on Book 69 Surveys, Pages 106 and 107, Humboldt County Records.

Prepared by:

Michael J. O'Hern

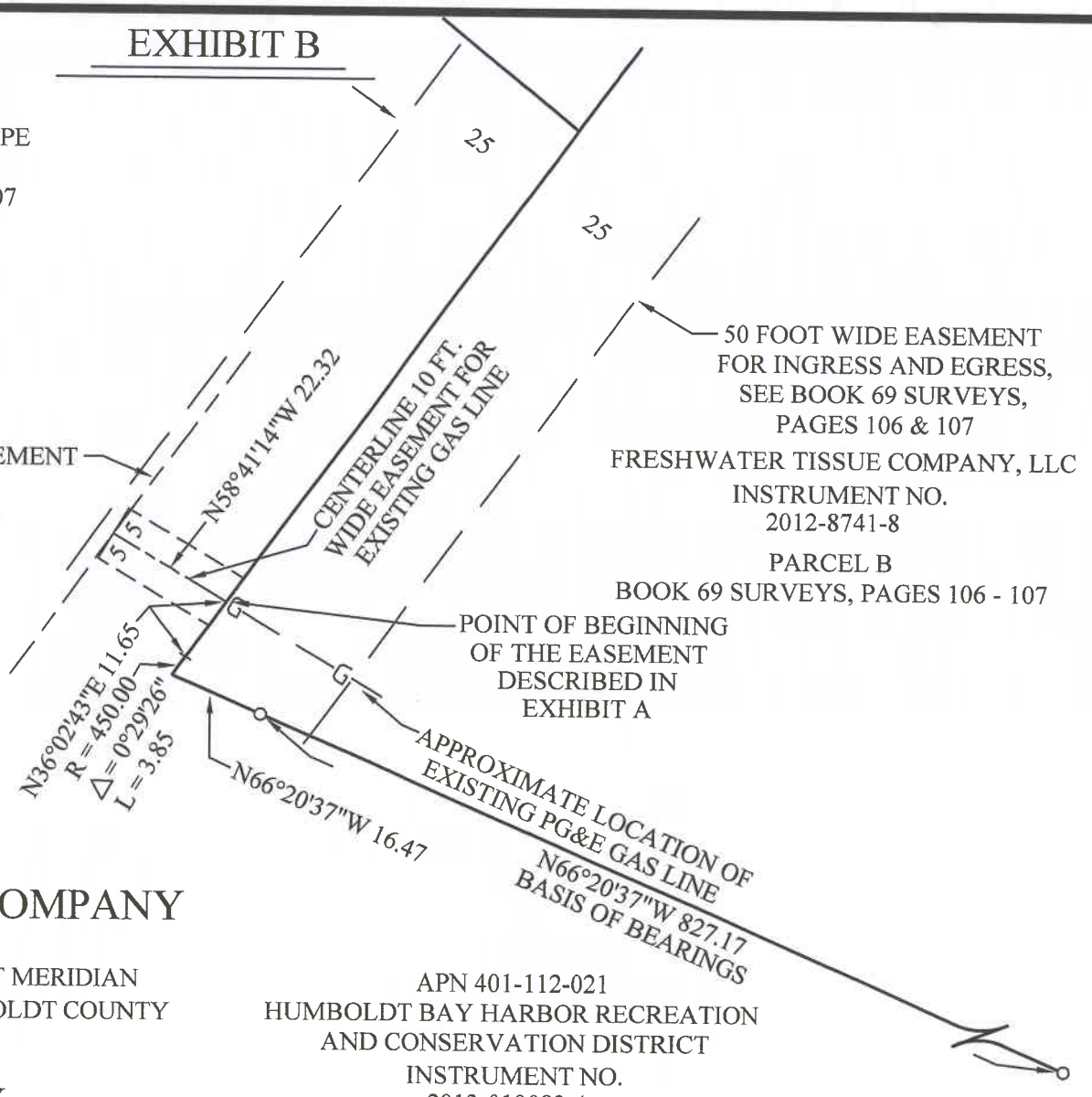
Michael J. O'Hern
LS 4829

Dated: APRIL 28, 2015

EXHIBIT B

LEGEND

○ FOUND 1/2" GALVANIZED IRON PIPE WITH PLASTIC PLUG LS 4829, PER BOOK 69 SURVEYS, PAGES 106 - 107



EASEMENT PLAT

FOR

PACIFIC GAS & ELECTRIC COMPANY

IN

NW 1/4 SECTION 21 T5N, R1W, HUMBOLDT MERIDIAN
IN THE UNINCORPORATED AREA OF HUMBOLDT COUNTY
MARCH 2015 SCALE 1" = 30'

HUMBOLDT COUNTY
STATE OF CALIFORNIA

KELLY-O'HERN ASSOCIATES
EUREKA, CALIFORNIA

APN 401-112-021
HUMBOLDT BAY HARBOR RECREATION AND CONSERVATION DISTRICT
INSTRUMENT NO. 2013-019083-4
PARCEL A
BOOK 69 SURVEYS, PAGES 106 - 107
FILED FOR RECORD
MARCH 30, 2012

BASIS OF BEARINGS: BOOK 69 SURVEYS, PAGES 106 - 107

Pacific Gas and Electric Company

EXHIBIT "C"

GRANT OF EASEMENT DISCLOSURE STATEMENT

This Disclosure Statement will assist you in evaluating the request for granting an easement to Pacific Gas and Electric Company (PG&E) to accommodate a utility service extension to PG&E's applicant. **Please read this disclosure carefully before signing the Grant of Easement.**

- You are under no obligation or threat of condemnation by PG&E to grant this easement.

- The granting of this easement is an accommodation to PG&E's applicant requesting the extension of PG&E utility facilities to the applicant's property or project. Because this easement is an accommodation for a service extension to a single customer or group of customers, PG&E is not authorized to purchase any such easement.

- By granting this easement to PG&E, the easement area may be used to serve additional customers in the area. Installation of any proposed facilities outside of this easement area will require an additional easement.

- Removal and/or pruning of trees or other vegetation on your property may be necessary for the installation of PG&E facilities. You have the option of having PG&E's contractors perform this work on your property, if available, or granting permission to PG&E's applicant or the applicant's contractor to perform this work. Additionally, in order to comply with California fire laws and safety orders, PG&E or its contractors will periodically perform vegetation maintenance activities on your property as provided for in this grant of easement in order to maintain proper clearances from energized electric lines or other facilities.

- The description of the easement location where PG&E utility facilities are to be installed across your property must be satisfactory to you.

- The California Public Utilities Commission has authorized PG&E's applicant to perform the installation of certain utility facilities for utility service. In addition to granting this easement to PG&E, your consent may be requested by the applicant, or applicant's contractor, to work on your property. Upon completion of the applicant's installation, the utility facilities will be inspected by PG&E. When the facility installation is determined to be acceptable the facilities will be conveyed to PG&E by its applicant.

By signing the Grant of Easement, you are acknowledging that you have read this disclosure and understand that you are voluntarily granting the easement to PG&E. Please return the signed and notarized Grant of Easement with this Disclosure Statement attached to PG&E. The duplicate copy of the Grant of Easement and this Disclosure Statement is for your records.