

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

DATE: August 13, 2020

TIME: Closed Session – 5:00 P.M.
Special Session – 6:00 P.M.

PLACE: Join Zoom Meeting
<https://us02web.zoom.us/j/3432860852>

Meeting ID: 343 286 0852

Teleconference Option:
(669) 900-9128, 343 286 0852#

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

2. Public Comment

Note: This portion of the Agenda allows the public to speak to the Board on the closed session items. Each speaker is limited to speak for a period of three (3) minutes regarding each item on the Closed Session Agenda. 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. The three (3) minute time limit for each speaker may be enforced by the President of the Board of Commissioners or the Presiding Member of the Board of Commissioners at the regular meeting of the District.

3. Move to Executive Closed Session

- a) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Terms of potential purchase of real property with Assessor's Parcel Numbers 401-011-001, 401-011-010, 401-011-012, 401-011-018, 401-011-020, 401-011-023, 401-021-011, 401-021-018, 401-021-027, 401-011-028, 401-021-029, and 401-031-045 on the Samoa Peninsula, Humboldt County, California pursuant to California Government Code § 54956.8. District negotiators: Larry Oetker, Executive Director and Ryan Plotz, District Counsel. Negotiating party: Security National and Friends of the Dunes. Under negotiation: price and payment terms.
- b) CONFERENCE WITH LEGAL COUNSEL--EXISTING LITIGATION (Paragraph (1) of subdivision (d) of Section 54956.9) Name of case: Humboldt Fisherman's Marketing Association, Inc. et al. v. Humboldt Bay Harbor, Recreation, and Conservation District, Court of Appeal, First District, Court Case No. A158634.
- c) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Terms of potential purchase of real property with Assessor's Parcel Numbers 401-112-021 on the Samoa Peninsula, Humboldt County, California pursuant to California Government Code § 54956.8. District negotiators: Larry Oetker, Executive Director and Ryan Plotz, District Counsel. Negotiating party: DG Fairhaven LLC. Under negotiation: price and payment terms.
- d) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Terms of potential purchase of real property with Assessor's Parcel Numbers 401-112-021 and 401-112-024 on the Samoa Peninsula, Humboldt County, California pursuant to California Government Code § 54956.8. District negotiators: Larry Oetker, Executive Director and Ryan Plotz, District Counsel. Negotiating party: Nordic Aquafarms California LLC Under negotiation: price and payment terms.

4. Call to Order Special Session at 6:00 P.M. and Roll Call

5. 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. 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.

6. Business

- a) **Consider Adopting Resolution 2020-10, Accepting Grant Funding; Resolution of Deed Acceptance; Resolution Authorizing the Transfer Property To Friends of the Dunes And Other Required Actions Associated With The Acquisition Assessor's Parcel Numbers 401-011-001, 401-011-010, 401-011-012, 401-011-018, 401-011-020, 401-011-023, 401-021-011, 401-021-018, 401-021-027, 401-011-028, 401-021-029, and 401-031-045 on the Samoa Peninsula, Humboldt County, California Commonly Referred To As The Dog Ranch.**

Recommendation: Staff recommends the Board: Adopt Resolutions

1. Accepting Grant Funds
2. Authorizing an Amendment to the Purchase and Sales Agreement and accepting the real property deed; and
3. Authorize the Executive Director to execute the Agreement to Transfer Real Property upon Sale with the Friends of the Dunes

Recommendation: It is recommended that the Board Adopt Resolution 2020-10.

Summary: The Dog Ranch Property is approximately 357 acres of privately owned land on the western edge of Humboldt Bay. The property has ecological value and is part of the bay's watershed. There would be conservation value to Humboldt Bay and broader community if the Dog Ranch Property is acquired and managed by a public agency. The District has been working with federal, state and local partners to purchase the Dog Ranch Property and transfer it to the Friends of the Dunes. Friends of the Dunes would hold the property on an interim basis for approximately 3 to 5 years until a public agency can permanently acquire it.

- b) **Review and Provide Direction on the Samoa Peninsula Fire, Industrial Water, Wastewater, and other infrastructure that serves the Harbor District and other properties on Humboldt Bay.**

Recommendation: Receive a presentation from Staff and Provide Direction as required.

Summary: Staff from the Harbor District, Humboldt County, Humboldt Bay Municipal Water District, Samoa Peninsula Community Services District, City of Eureka, and City of Arcata have been meeting to discuss how we can work together to complete upgrades and maintenance to the public infrastructure on the Samoa Peninsula. Since the infrastructure is owned and managed by several different governmental agencies, there is a need to coordinate our efforts in order to effectively manage and plan for future development opportunities.

- c) **Approval of the Second Amendment to the Lease Agreement with Nordic Aquafarms California LLC at the District's Redwood Marine Terminal II Property APN's 401-112-021 and 401-112-024**

Recommendation: Receive a presentation from Staff and Provide Direction as required.

Summary: At their April 29th meeting the Board authorized Staff to execute a letter of intent to amend the existing lease agreement. The Board also approved a Relocation Plan associated with the proposed lease amendment. This agenda item will implement the actions approved in the letter of intent.

- d) **Cancel Regular August 27, 2020 Board Meeting**

Recommendation: It is recommended that the Board: Cancel the Regular August 27, 2020 meeting and start the implementation of the revised meeting 2nd Thursday Board meetings at 6:00 pm on Thursday, September 10th.

Summary: The Board adopted amendment NO 7 to Ordinance NO 7 and Resolution 2020-09 on July 23rd which changed the regular meeting date and meeting format. These changes go into effect 30 days after adoption.

7. Permits - NONE

8. Future Agenda Items

9. Adjournment



STAFF REPORT – HARBOR DISTRICT MEETING

August 13, 2020

TO: Honorable Board President and Harbor District Board Members

FROM: Larry Oetker, Executive Director

DATE: August 3, 2020

TITLE: **Consider Adopting Resolution 2020-10, Accepting Grant Funding; Resolution of Deed Acceptance; Resolution Authorizing the Transfer Property To Friends of the Dunes And Other Required Actions Associated With The Acquisition Assessor’s Parcel Numbers 401-011-001, 401-011-010, 401-011-012, 401-011-018, 401-011-020, 401-011-023, 401-021-011, 401-021-018, 401-021-027, 401-011-028, 401-021-029, and 401-031-045 on the Samoa Peninsula, Humboldt County, California Commonly Referred To As The Dog Ranch.**

STAFF RECOMMENDATION: Staff recommends the Board: Adopt:

1. Resolution 2020-10 Accepting Grant Funds;
2. Resolution 2020-11 Accepting Grant Deed and CEQA determination; and
3. Resolution 2020-12 Authorizing an Amendment to the Purchase and Sales Agreement and the Agreement to Transfer Real Property Upon Sale to the Friends of the Dunes.

BACKGROUND: The Dog Ranch Property is approximately 357 acres of privately owned land on the western edge of Humboldt Bay. The property has ecological value and is part of the bay’s watershed. There would be conservation value to Humboldt Bay and broader community if the Dog Ranch Property is acquired and managed by a public agency. The District has been working with federal, state and local partners to purchase the Dog Ranch Property and transfer it to the Friends of the Dunes. Friends of the Dunes would hold the property on an interim basis for approximately 3 to 5 years until a public agency can permanently acquire it.

DISCUSSION: It is anticipated, but not guaranteed, that a federal or State agency will ultimately own and manage the Dog Ranch property. The State Coastal Conservancy and other Agencies have granted and/or committed approximately \$2,119,000 for the acquisition. All these funds should be in place by September 2020 with escrow set to close as soon as practical thereafter. Due to staffing, funding, and other management issues, the Harbor District notified the Coastal Conservancy in the Winter of 2019 that we would not be able to go through with the interim acquisition, but that the Harbor District was committed to working with the Coastal Commission and partner agencies to find another organization to assume interim ownership. Over the last several months, an agreement was reached with the Coastal Conservancy, other funding agencies, property owner, and Friends of the Dunes where the Harbor District would continue to accept the grant funds and close escrow with the property owner, and then immediately upon ownership by the Harbor District, the property would be transferred to the Friends of the Dunes. The transaction is anticipated to happen on the same day.

The Grant Agreement from the California Wildlife Conservation Board specifically includes as the Friends of the Dunes as the “Successor Grantee”. Section 5.4 of the Grant Agreement states: “Grantee and Successor Grantee have informed Grantor that Grantee intends to transfer the Property to Successor Grantee, and Successor Grantee intends to accept the Property from Grantee, immediately after the close of escrow of Grantee’s acquisition of the Property (“Transfer Date”). The consideration for the transfer will be Successor Grantee’s assumption of all the covenants, obligations, and liabilities of Grantee under this Agreement. Grantor hereby approves such conveyance of the Property from Grantee to Successor Grantee by grant deed.....”

Section 4.4 Environmental Matters. Of the transfer agreement specifies that: “... TRANSFEROR did not possess or use the property in any way or form other than to facilitate the transfer of said real property from the current owner to TRANSFEREE. The TRANSFEREE acknowledges that the TRANSFEROR has no environmental liability associated with said real property.”

The Board through Resolution 2018-10 authorized a total matching and in-kind contribution of \$18,500 for he purposed of escrow fees, title insurance, closing costs and post-acquisition property management and planning. The attached transfer agreement would conditionally contribute an additional \$7,500 to Friends of the Dunes for property management. The District will be released of the obligation to provide the additional \$7,500 if the Friends of the Dunes raises more than \$30,000 of net revenue from a future fundraiser before January 15, 2024 or TRANSFEREE completes the transfer of title of the Property to an appropriate long-term land manager before January 15, 2024.

The disbursement to Friends of the Dunes would occur as follows:

- \$7,500 before January 15, 2022
- \$7,500 before January 15, 2023
- \$7,500 before January 15, 2024

The District would have no further obligations associated with this transaction, other than to transfer funds from the funding agencies to Friends of the Dunes as they may be made available. The Board may be asked to consider entering into a future Memorandum of Agreement with Friends of the Dunes and other agencies to assist with the long-term management of the tideland and shoreline portions of the property at a later date.

ATTACHMENTS:

- A.** Draft Resolution 2020-10: Grant Acceptance
- B.** Draft Resolution 2020-11: Deed Acceptance and CEQA
- C.** Resolution 2020-12: 1st amendment to Purchase and Sales Agreement and Agreement to Transfer Real Property Upon Sale
- D.** Resolution 2018-10 committing District funds for acquisition

**HUMBOLDT BAY HARBOR, RECREATION AND
CONSERVATION DISTRICT**

RESOLUTION NO. 2020-10

**A RESOLUTION TO ACCEPT GRANT FUNDING FOR THE PURCHASE OF THE
DOG RANCH PROPERTY AND TRANSFER OF THE PROPERTY TO
FRIENDS OF THE DUNES**

WHEREAS, the Humboldt Bay Harbor District has the opportunity to purchase the privately owned Dog Ranch Property and transfer it to Friends of the Dunes until a public agency takes permanent ownership of the property; and

WHEREAS, the public acquisition and management of the Dog Ranch Property would provide conservation value to Humboldt Bay and is consistent with the following Humboldt Bay Management Plan policies:

CAE-2: Maintain, restore and enhance aquatic ecosystem integrity.

CAE-3: Protect and maintain environmentally sensitive habitat areas.

NOW, THEREFORE, BE IT RESOLVED, that the District herby:

1. Accepts grant funding from the State Wildlife Conservation Board for the acquisition of the Dog Ranch Property and transfer the Dog Ranch Property to Friends of the Dunes; and
2. Authorizes the Executive Director to execute the Grant Agreement and all other documents required to implement the grant.

PASSED, APPROVED AND ADOPTED by the Board of Commissioners of the Humboldt Bay Harbor, Recreation and Conservation District at a duly called meeting held on the 13th day of August 2020 by the following polled vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

**Stephen Kullmann, President
Board of Commissioners**

**Patrick Higgins, 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. 2020-10 entitled,

**A RESOLUTION TO ACCEPT GRANT FUNDING FOR THE PURCHASE OF THE
DOG RANCH PROPERTY AND TRANSFER OF THE PROPERTY TO
FRIENDS OF THE DUNES**

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 13th day of August 2020; 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 13th day of August 2020.

Patrick Higgins, Secretary
Board of Commissioners

**HUMBOLDT BAY HARBOR, RECREATION
AND CONSERVATION DISTRICT**

RESOLUTION NO. 2020-11

**A RESOLUTION TO ACCEPT A GRANT DEED FOR THE PURCHASE OF THE
DOG RANCH PROPERTY**

WHEREAS, the District may not have deeds or grants conveying an interest in or easement upon real estate accepted for recordation without its consent evidenced by its certificate or resolution of acceptance in accordance with Section 27281 of the Government Code; and

WHEREAS, the public acquisition and management of the Dog Ranch Property would provide wildlife and conservation value to Humboldt Bay and is consistent with the following Humboldt Bay Management Plan policies:

CAE-2: Maintain, restore and enhance aquatic ecosystem integrity.

CAE-3: Protect and maintain environmentally sensitive habitat areas.

WHEREAS, the Board, by Resolution No. 2020-10 authorized the acceptance of grant funds for the acquisition of the Dog Ranch Property and immediate transfer of the property to Friends of the Dunes; and

WHEREAS, the Board finds and determines that the Grant Deed attached to the Purchase and Sales Agreement dated May 31, 2019 is acceptable for recordation.

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. There is no possibility that the acquisition and immediate transfer of the property for "Wildlife Conservation Purposes" will have a significant effect on the environment and, as such, the acquisition and immediate transfer is Categorically Exempt from CEQA review per Cal. Code Regs., tit. 14, § 15313.

SECTION 2. The Grant Deed for APN's 401-011-001, 401-011-010, 401-011-012, 401-011-018, 401-011-020, 401-011-023, 401-021-011, 401-021-018, 401-021-027, 401-011-028, 401-021-029, and 401-031-045 on the Samoa Peninsula, Humboldt County, California commonly referred to as the Dog Ranch which is attached to the Purchase and Sales Agreement dated May 31, 2019 is acceptable for recordation.

SECTION 3. Immediately upon closing Escrow, the Executive Director shall transfer said real property to the Friends of the Dunes in Accordance with the Grant Agreement and Agreement to Transfer Real Property Upon Sale August 13, 2020.

SECTION 4. The Executive Director is hereby directed to execute the Certificate of Acceptance and Transfer and all other documents associated with this acquisition and transfer of the real property.

PASSED, APPROVED AND ADOPTED by the Board of Commissioners of the Humboldt Bay Harbor, Recreation and Conservation District at a duly called meeting held on the 13th day of August 2020 by the following polled vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

**Stephen Kullmann, President
Board of Commissioners**

**Patrick Higgins, 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. 2020-11 entitled,

**A RESOLUTION TO ACCEPT A GRANT DEED FOR THE PURCHASE OF THE
DOG RANCH PROPERTY**

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 13th day of August 2020; 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 13th day of August 2020.

Patrick Higgins, Secretary
Board of Commissioners

**HUMBOLDT BAY HARBOR,
RECREATION AND
CONSERVATION DISTRICT**

RESOLUTION NO. 2020-12

**A RESOLUTION AUTHORIZING AMENDMENTS TO THE PURCHASE AND SALES
AGREEMENT OF THE DOG RANCH PROPERTY AND AN AGREEMENT TO
TRANSFER REAL PROPERTY UPON SALE TO FRIENDS OF THE DUNES**

WHEREAS, the District received approximately \$2 million of grant funding from the State Coastal Conservancy, Environmental Enhancement and Mitigation Program, and Wildlife Conservation Board for the acquisition of APN's 401-011-001, 401-011-010, 401-011-012, 401-011-018, 401-011-020, 401-011-023, 401-021-011, 401-021-018, 401-021-027, 401-011-028, 401-021-029, and 401-031-045 on the Samoa Peninsula, Humboldt County, California commonly referred to as the Dog Ranch; and

WHEREAS, the District entered into a Purchase and Sales Agreement dated May 31, 2019 for said acquisition, and

WHEREAS, the public acquisition and management of the Dog Ranch property would provide wildlife and conservation value to Humboldt Bay and is consistent with the following Humboldt Bay Management Plan policies:

CAE-2: Maintain, restore and enhance aquatic ecosystem integrity.

CAE-3: Protect and maintain environmentally sensitive habitat areas.

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Approves the First Amendment to Purchase and Sale Agreement amendment for APN's 401-011-001, 401-011-010, 401-011-012, 401-011-018, 401-011-020, 401-011-023, 401-021-011, 401-021-018, 401-021-027, 401-011-028, 401-021-029, and 401-031-045 (Exhibit A).

SECTION 2. Approves the Agreement to Transfer Real Property Upon Sale with Friends of the Dunes (Exhibit B).

SECTION 3. Authorizes the Executive Director to sign all documents associated with the grant funding, acquisition and transfer of the property.

PASSED, APPROVED AND ADOPTED by the Board of Commissioners of the Humboldt Bay Harbor, Recreation and Conservation District at a duly called meeting held on the 13th day of August 2020 by the following polled vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

**Stephen Kullmann, President
Board of Commissioners**

**Patrick Higgins, 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. 2020-12 entitled,

A RESOLUTION AUTHORIZING AMENDMENTS TO THE PURCHASE AND SALES AGREEMENT OF THE DOG RANCH PROPERTY AND AN AGREEMENT TO TRANSFER REAL PROPERTY UPON SALE TO FRIENDS OF THE DUNES

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 13th day of August 2020; 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 13th day of August 2020.

Patrick Higgins, Secretary
Board of Commissioners

Exhibit A

FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT

This First Amendment to Purchase and Sale Agreement (the “Amendment”) is made as of August 13, 2020 (“Effective Date”), between SAMOA DUNES I, LLC, an Alaska limited liability company, and SAMOA DUNES II, LLC, an Alaska limited liability company, and SEQUOIA INVESTMENTS XI, LLC, an Alaska limited liability company (collectively, “Seller”), and HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, a Special District of the State of California (“Buyer”). Capitalized terms not otherwise defined herein shall have the meanings given them in the Purchase Agreement (as defined below in Recital A).

Recitals

A. Seller and Buyer have previously entered into that certain Real Property Purchase and Sale Agreement dated May 31, 2019 (the “Purchase Agreement”), pursuant to which Seller agreed to sell to Buyer, and Buyer agreed to purchase from Seller, certain Real Property.

B. Section C.1.a. of Buyers funding Grant Agreement E13708-0 from CNRA requires withholding 5 percent (5%) of the amount funded pending project completion (the “Holdback Funds”). Seller agrees to close escrow with up to \$35,448.00 of said Holdback Funds withheld from the Purchase Price until after the Closing and such Holdback Funds will be paid directly to the Buyer by CNRA after the Closing.

C. Seller and Buyer desire to provide for the terms of Buyer’s obligation to remit the Holdback Funds to Seller promptly after Buyer’s receipt of such Holdback Funds from CNRA.

In consideration of the above Recitals and for other good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

1. Within Five (5) business days after Buyer’s receipt of the Holdback Funds from CNRA, Buyer shall remit the entire amount of such Holdback Funds withheld from the Purchase Price to Seller in immediately available funds. Seller and Buyer shall cooperate in good faith in satisfying any conditions of CNRA to its release of the Holdback Funds to Buyer.

2. Except as modified pursuant hereto, no other changes or modifications to the Purchase Agreement are intended or implied and in all other respects the Purchase Agreement is hereby specifically ratified, restated and confirmed by Seller and Buyer. The Purchase Agreement and this Amendment shall be read and construed as one agreement.

[THE SIGNATURE PAGE IS THE NEXT PAGE]

IN WITNESS WHEREOF the parties hereto have executed this Amendment the day and year first written above.

SAMOA DUNES I, LLC

By Security National Master Manager, LLC,
its Manager

Robin P. Arkley II, Sole Member

HUMBOLDT BAY HARBOR,
RECREATION AND CONSERVATION
DISTRICT

By Larry Oetker
Its Executive Director

SAMOA DUNES II, LLC

By Security National Master Manager, LLC,
its Manager

Robin P. Arkley II, Sole Member

SEQUOIA INVESTMENTS XI, LLC

By Security National Master Manager, LLC,
its Manager

Robin P. Arkley II, Sole Member

Exhibit B

AGREEMENT TO TRANSFER REAL PROPERTY UPON SALE

This AGREEMENT TO TRANSFER REAL PROPERTY UPON SALE dated August 13, 2020 (the “Effective Date”), is made and entered into by and between HUMBOLDT BAY HARBOR, RECREATION and CONSERVATION DISTRICT, a California Special District (“TRANSFEROR”), and FRIENDS OF THE DUNES, a California Domestic Non-Profit (“TRANSFEREE”).

RECITALS

WHEREAS, TRANSFEROR is acquiring approximately 357 acres of coastal dune habitat located between Humboldt Bay and the Pacific Ocean, through a certain Real Property Purchase Agreement dated May 31, 2019, hereto attached as Exhibit ‘A’, which includes Assessor’s Parcel Nos. 401-011-001, 401-011-010, 4001-011-012, 401-011-018, 401-011-020, 401-011-023, 401-021-011, 401-021-018, 401-021-027, 401-021-028, 401-021-029, and 401-031-045, more particularly described on Exhibit ‘A’ of the Real Property Purchase Agreement. TRANSFEROR is in the process of securing all the required funding to acquire the Property and anticipates that it will deposit the funds into escrow in September 2020.

WHEREAS, In the Grant Agreement from the California Wildlife Conservation Board the TRANSFEROR is specifically listed as the Grantee and the TRANSFEREE is specifically listed as the Successor Grantee. Section 5.4 of the Grant Agreement states: “Grantee and Successor Grantee have informed Grantor that Grantee intends to transfer the Property to Successor Grantee, and Successor Grantee intends to accept the Property from Grantee, immediately after the close of escrow of Grantee’s acquisition of the Property (“Transfer Date”). The consideration for the transfer will be Successor Grantee’s assumption of all the covenants, obligations, and liabilities of Grantee under this Agreement. Grantor hereby approves such conveyance of the Property from Grantee to Successor Grantee by grant deed.....”

WHEREAS, TRANSFEREE wishes to receive from TRANSFEROR, and TRANSFEROR wished to grant to TRANSFEREE, the Real Property on accordance with the following conditions.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I.
DEFINITIONS

“**Agreement**” shall mean this Real Property Agreement.

“**Agency**” shall mean any Governmental Agency as a party to a Financial Grant obtained for acquiring the Real Property.

“**Appraisals**” shall mean those certain appraisals prepared for the Dog Ranch and Poovy Tract more specifically described in the Real Property Purchase Agreement.

“**Assignment**” shall mean those acts, if any, related to this and all related agreements in which the TRANSFEROR assigns to the TRANSFEREE.

“**Grant**” shall mean that certain Financial Grant TRANSFEROR receives for the acquisition of the Real Property more commonly known as the Dog Ranch and Poovey Tract and further described in the Real Property Purchase Agreement.

“**Grant Funds**” shall mean those process received by TRANSFEROR for the acquisition of the Real Property.

“**Grantee**” shall mean the Humboldt Bay Harbor, Recreation and Conservation District, herein identified as TRANSFEROR.

“**Real Property Purchase Agreement**” shall mean the agreement referenced above and attached hereto as Exhibit ‘A’.

“**Successor Grantee**” shall mean Friends of the Dunes, herein identified as “TRANSFEREE”.

“**Title Report**” shall mean the preliminary title report for the Title Policy with respect to the Real Property issued by the Title Company after the effective date.

“**Title Company**” shall mean Fidelity National Title Company – Eureka, California.

“**Terms**” shall mean those Articles and Conditions of the Real Property Purchase Agreement, all Grants received for the acquisition of the Real Property, and those Articles and Conditions of this, the Agreement to Transfer Real Property Upon Sale.

ARTICLE II TRANSFER OF ASSETS

2.0 TRANSFEROR is receiving Grant Funds to acquire the Real Property; as a condition of receiving the grant funds, the funding agencies will require the recordation of conservation deed restrictions which will require that the Property is to remain in a natural state in perpetuity; the funding agency(ies) also require ongoing monitoring and reporting. The Coastal Conservancy has been working with potential State, Federal, and Tribal partners to facilitate the transfer of the property from TRANSFEROR, to an appropriate long-term conservation land manager. It is anticipated, but not guaranteed, that TRANSFEREE may hold title for approximately three (3) to five (5) years before the appropriate long-term conservation land manager can receive authorization to acquire fee title to the Property from TRANSFEREE. At the close of escrow, the TRANSFEREE agrees to implement all the terms and conditions from the funding agencies which are included in the Wildlife Conservation Board Grant Agreement NO. 2018039, Environmental Enhancement and Mitigation Program Grant Agreement NO. E13708-0; and Habitat Conservation Fund Grant Agreement NO. 18-031.

2.1 Management Funding: TRANSFEREE’s acceptance of the Property is contingent upon having secured a substantial amount (as determined by the TRANSFEREE’s Board of Directors) of the estimated ONE HUNDRED FIFTEEN THOUSAND FIVE HUNDRED FORTY FIVE DOLLARS (\$115,545) of land stewardship funding which is estimated to be required over the proposed Five (5) year interim holding period, before the appropriate long-term land manager can receive authorization to take permanent possession of the Property.

(a) To assist with costs, TRANSFEROR will complete an expeditious pass-through to TRANSFEREE of any remaining closing cost, stewardship, or management funding that is authorized to be provided to TRANSFEREE by the funding agencies as part of this transaction.

(b) TRANSFEROR will provide TRANSFEREE up to TWENTY-TWO THOUSAND FIVE HUNDRED DOLLARS (\$22,500), total aggregate, to assist TRANSFEREE with land management expenses as outlined in the above-referenced budget document. The TRANSFEROR will disburse the funds as follows: a) SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$7,500) on or before January 15, 2022; b) SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$7,500) on or before January 15, 2023; and c) SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$7,500) on or before January 15, 2024.

TRANSFEROR shall be released of the obligation to provide said SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$7,500) committed in item a) above if TRANSFEREE completes the transfer of title of the Property to an appropriate long-term land manager before January 15, 2022. TRANSFEROR shall be released of the obligation to provide said SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$7,500) committed in item b) above if TRANSFEREE completes the transfer of title of the Property to an appropriate long-term land manager before January 15, 2023. TRANSFEROR shall be released of the obligation to provide said SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$7,500) committed in item c) above if TRANSFEREE raises more than THIRTY THOUSAND DOLLARS (\$30,000) of net revenue from a future fundraiser coordinated with the current owner of the property owner before January 15, 2024 or TRANSFEREE completes the transfer of title of the Property to an appropriate long-term land manager before January 15, 2024. TRANSFEREE is encouraged but is not obligated to hold said fundraiser.

2.2 Transfer Price: The consideration and transfer price shall be ONE DOLLAR AND 00 100 THS (\$1.00).

2.3 Escrow, Deliveries at Closing: Escrow and closing costs shall be funded as part of the grant agreements signed by the TRANSFEROR. At Closing, the following deliveries shall be made:

(a) Deliveries by TRANSFEROR. TRANSFEROR shall deliver or cause to be delivered to TRANSFEREE (a) a Grant Deed duly executed and acknowledged by the TRANSFEROR, transferring and conveying the Real Property to TRANSFEREE, subject to all Permitted Exceptions, and (b) such other and further certificates, assurances, consents, and documents as are usual and customary in the area where the Real Property is located and may reasonably be required by TRANSFEREE in connection with the consummation of the transactions contemplated hereby.

(b) Deliveries by TRANSFEREE. TRANSFEREE shall deliver or cause to be delivered to TRANSFEROR, (a) the Cash Payment and (b) such other and further certificates, assurances, consents, and documents as are usual and customary in the area where the Real Property is located and may reasonably be required by TRANSFEROR in connection with the consummation of the transaction contemplated hereby.

ARTICLE III REPRESENTATION AND WARRANTIES OF TRANSFEREE

TRANSFEREE hereby represents and warrants to TRANSFEROR as of the Effective Date and as of the Closing Date as follows:

3.1 Organization and Authority. TRANSFEREE is a domestic non-profit, duly organized, validly existing and in good standing under the laws of the State of California, with full power and authority to conduct its business as now conducted and to own its assets. TRANSFEREE has the power to enter into and perform its obligations pursuant to this Agreement. TRANSFEREE's execution, delivery and performance of this Agreement have been duly authorized by all requisite agency action on the part of TRANSFEREE. This Agreement constitutes TRANSFEREE's legal, valid and binding obligations enforceable against TRANSFEREE in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, moratorium, reorganization or similar laws affecting creditors' rights and to equitable principles.

3.2 Absence of Conflicts and Consent Requirements. TRANSFEREE's execution and delivery of this Agreement, and the performance of its obligations hereunder, do not and will not: (a) conflict with or violate TRANSFEREE's organizational or governing documents; (b) violate or, alone or with notice or passage of time, result in the material breach or termination of, or otherwise give any contracting party the right to terminate or declare a default under, the terms of any material written agreement to which TRANSFEREE is a party or by which TRANSFEREE or its assets are bound, or (c) violate any judgment, order, decree, material law, statute, regulation or other judicial or governmental restriction to which TRANSFEREE is subject. There is no requirement applicable to TRANSFEREE to make any filing with, or to obtain any permit, authorization, consent or approval of, any governmental or regulatory authority as a condition to the lawful performance by TRANSFEREE of its obligations hereunder.

3.3 Litigation Affecting TRANSFEREE. There is no claim, action, proceeding or investigation pending or threatened in writing, nor is there outstanding any writ, order, decree or injunction that (a) calls into question TRANSFEREE's authority or right to enter into this Agreement and consummate the transactions contemplated hereby, or (b) would otherwise prevent or delay the transactions contemplated by this Agreement.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF TRANSFEROR

TRANSFEROR hereby represents and warrants to TRANSFEREE as of the Effective Date and as of the Closing Date as follows:

4.1 Authority; Enforceability. TRANSFEROR is a California Special District, duly organized, validly existing and in good standing under the laws of the State of California, with full power and authority to conduct its business as now conducted and to own its assets. TRANSFEROR has the power to enter into and perform its obligations pursuant to this Agreement. TRANSFEROR's execution, delivery and performance of this Agreement have been duly authorized by all requisite corporate action on the part of TRANSFEROR. This Agreement constitutes TRANSFEROR's legal, valid and binding obligations enforceable against TRANSFEROR in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, moratorium, reorganization or similar laws affecting creditors' rights and to equitable principles.

4.2 Absence of Conflicts and Consent Requirements. TRANSFEROR's execution and delivery of this Agreement, and the performance of its obligations hereunder, do not and will not: (a) conflict with or violate TRANSFEROR's organizational or governing documents; (b) violate or, alone or with notice or passage of time, result in the material breach or termination of, or otherwise give any contracting party

the right to terminate or declare a default under, the terms of any material written agreement to which TRANSFEROR is a party or by which TRANSFEROR or its assets are bound, or (c) violate any judgment, order, decree, material law, statute, regulation or other judicial or governmental restriction to which TRANSFEROR is subject. There is no requirement applicable to TRANSFEROR to make any filing with, or to obtain any permit, authorization, consent or approval of, any governmental or regulatory authority as a condition to the lawful performance by TRANSFEROR of its obligations hereunder.

4.3 Ownership of Real Property. TRANSFEROR at close of the Real Property Purchase Agreement included in Exhibit A will hold fee title to the Real Property, free and clear of any liens, claims, charges, rights of first refusal, options, rights of tenants or third parties or other encumbrances of any nature whatsoever except for the Permitted Encumbrances. Immediately at the close of escrow, TRANSFEROR shall instruct Title Company to transfer said Real Property to TRANSFEREE under the terms and conditions of this agreement.

4.4 Environmental Matters. As stated in Section 4.3 above, TRANSFEROR did not possess or use the property in any way or form other than to facilitate the transfer of said real property from the current owner to TRANSFEREE. The TRANSFEREE acknowledges that the TRANSFEROR has no environmental liability associated with said real property. To TRANSFEROR's actual knowledge, (a) no Claim of Environmental Liability relating to the conditions at or on the Real Property is pending or threatened by any governmental agency or other third-party; (b) TRANSFEROR has not received any written notice which remains pending under any applicable environmental law concerning the Real Property and which notice relates to any substance that, as of the date hereof, is a Hazardous Material; (c) there is no proceeding against TRANSFEROR, or any pending investigation or inquiry with respect to TRANSFEROR, by any federal, state or local court, tribunal, administrative agency, department, commission, board or other authority or instrumentality with respect to the presence on the Real Property of any material which is a Hazardous Material, or the migration thereof from or to other property; (d) the Real Property has not been used for the generation, treatment, storage or disposal of any Hazardous Material, and there has been no migration or other transport of any Hazardous Material from any location off-site to the Real Property, during the period in which TRANSFEROR has owned the Real Property or prior to that time; and (e) there are no Hazardous Materials in, on or under the Real Property.

4.5 Litigation. Compliance with Laws. To TRANSFEROR's actual knowledge, there are no material actions, suits or proceedings filed or commenced by or before any court or any governmental or administrative agency, and there are no orders, injunctions, awards, judgments or decrees outstanding against, affecting or relating to TRANSFEROR or to any of the Real Property.

4.6 Disclaimer of Warranties. Except with respect to the warranties and representations expressly set forth in this Agreement, TRANSFEROR makes no warranty, express or implied, whether of merchantability, suitability or fitness for a particular purpose, or quality as to the Real Property, or any part thereof, or the absence of any defects therein, whether latent or patent, or as to the exact number of acres comprising the Real Property, it being understood that the Real Property is to be conveyed hereunder "AS IS, WHERE IS, WITH ALL FAULTS" on the date hereof, and in their condition as of the Effective Date.

ARTICLE V
CONDITIONS TO TRANSFEREE'S OBLIGATION TO CLOSE

TRANSFEREE's obligation to consummate the transactions contemplated hereunder are contingent upon the satisfaction of each of the following conditions, any of which may be waived in writing by TRANSFEREE, in whole or in part, in its absolute discretion:

5.1 Representations, Warranties and Covenants of TRANSFEROR. The representations and warranties of TRANSFEROR in this Agreement shall be true and correct on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of such date. All of the covenants and all agreements of TRANSFEROR to be performed on or before the Closing Date in accordance with this Agreement shall have been duly performed in all material respects.

5.2 No Injunction. At the Closing Date, no injunction, ruling, restraining order or decree of any nature of any court or governmental authority shall be in effect which (i) prevents consummation of any of the transactions contemplated hereby, (ii) could cause any of the transactions contemplated by this Agreement to be rescinded following consummation or (iii) affects adversely the right of TRANSFEREE to own the Real Property.

5.3 No Material Change. There shall not have occurred a material change in the condition of the Real Property after the expiration of the Due Diligence Period.

5.4 Closing Items. TRANSFEROR shall have delivered the items set forth in Section 2.3 (a) hereof.

5.5 Absence of Litigation. (a) No claim, action, suit, arbitration, investigation, inquiry or other proceeding by or before any court or governmental authority or by any other person shall be pending; or (b) no party to this Agreement shall have been advised by any governmental authority (which advisory has not been officially withdrawn by such agency or authority on or prior to the Closing Date) that such agency or authority is investigating the transactions contemplated by this Agreement to determine whether to file or commence any litigation, which, in the case of either

(a) or (b) above, seeks or would seek to enjoin, restrain or prohibit the consummation of the transactions contemplated by this Agreement or to require the divestiture by TRANSFEREE of the Real Property.

5.6 Title Policy. Title Company shall be unconditionally and irrevocably committed to issue the Title Policy.

5.7 Landfill Parcel Division. The Landfill Parcel shall have become a separate legal parcel

5.8 TRANSFEROR's Performance. TRANSFEROR's performance of all obligations under this Agreement.

5.9 Failure of Conditions. If any condition set forth above has not been satisfied or does not occur, then TRANSFEREE, in addition to any remedy available to TRANSFEREE under this Agreement, may terminate this Agreement upon written notice to TRANSFEROR and Title Company, in which case the Deposit shall be immediately returned to TRANSFEREE. TRANSFEREE may also elect to reasonably extend the Closing Date in order to have such condition(s) satisfied.

ARTICLE VI.
CONDITIONS TO TRANSFEROR'S OBLIGATION TO CLOSE

TRANSFEROR's obligation to consummate the transactions contemplated hereunder are contingent upon the satisfaction of each of the following conditions, any of which may be waived in writing by TRANSFEROR, in whole or in part, in its absolute discretion:

6.1 Representations, Warranties and Covenants of TRANSFEREE. The representations and warranties of TRANSFEREE in this Agreement shall be true and correct on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of such date. All of the covenants and agreements of TRANSFEREE to be performed on or before the Closing Date in accordance with this Agreement shall have been duly performed in all material respects

6.2 No Injunction. At the Closing Date, no injunction, ruling, restraining order or decree of any nature of any court or governmental authority shall be in effect which (i) prevents consummation of any of the transactions contemplated hereby or (ii) could cause any of the transactions contemplated by this Agreement to be rescinded following consummation.

6.3 Closing Items. TRANSFEROR shall have delivered the items set forth in Section 2.08(b) hereof.

6.4 Absence of Litigation. (a) No claim, action, suit, arbitration, investigation, inquiry or other proceeding by or before any court or governmental authority or by any other person shall be pending; or (b) no party to this Agreement shall have been advised by any governmental authority (which advisory has not been officially withdrawn by such agency or authority on or prior to the Closing Date) that such agency or authority is investigating the transactions contemplated by this Agreement to determine whether to file or commence any litigation, which, in the case of either (a) or (b) above, seeks or would seek to enjoin, restrain or prohibit the consummation of the transactions contemplated by this Agreement.

6.5 Failure of Conditions. If any condition set forth above has not been satisfied or does not occur, then TRANSFEREE, in addition to any remedy available to TRANSFEREE under this Agreement, may terminate this Agreement upon written notice to TRANSFEROR and Title Company, in which case the Deposit shall be immediately returned to TRANSFEREE. TRANSFEREE may also elect to reasonably extend the Closing Date in order to have such condition(s) satisfied.

ARTICLE VII.
SURVIVAL; INDEMNIFICATION

7.1 Survival. The respective representations and warranties of TRANSFEROR and TRANSFEREE contained in Articles II, III and IV of this Agreement or in any instrument or document delivered pursuant to this Agreement, and the provisions of Article VII of this Agreement, shall survive the Closing for the applicable statute of limitations or such other time as expressly stated.

7.2 Indemnification.

(a) TRANSFEROR and TRANSFEREE (in such capacity, the "Indemnifying Party") hereby agree to indemnify and hold harmless the other (in such capacity, the "Indemnified Party") from any and all liabilities, losses, claims, judgments, damages, expenses and costs (including, without limitation, reasonable counsel fees and costs and expenses incurred in connection therewith) (collectively, the "Indemnifiable Damages") which Indemnified Party may suffer or incur by reason of Indemnifying

Party's breach of any of its representations, warranties or covenants herein, or as a result of its negligent or willful acts or omissions.

(b) With respect to any claim for indemnification hereunder, Indemnified Party will give to Indemnifying Party and its counsel, accountants and other representatives full and free access, during normal business hours and upon the giving of reasonable prior notice, to their books and records relating to such claims, and to their employees, accountants, counsel and other representatives, all without charge to Indemnifying Party, except for reimbursement of reasonable out-of-pocket expenses. In this regard, Indemnified Party agrees to maintain any of its books and records which may relate to a claim for indemnification hereunder for such period of time as may be necessary to enable Indemnifying Party to resolve such claim.

(c) Indemnifying Party shall not have any obligation to Indemnified Party under this Section 7.02 with respect to any matter unless Indemnified Party shall have taken all reasonable steps to mitigate the liabilities, losses, claims, judgments, damages, expenses and costs involved upon and after becoming aware of such matter. In no event shall Indemnifying Party be liable for consequential or punitive damages and Indemnified Party hereby expressly waives any claim for consequential or punitive damages.

ARTICLE VIII DISPUTE RESOLUTION; REMEDIES

8.1 Dispute Resolution. The parties covenant to attempt in good faith to resolve all disputes or controversies that arise out of or relate to this Agreement.

8.2 Remedies. If the parties cannot in good faith resolve any such dispute or controversy, either party may pursue all of its rights and remedies at law or in equity, including, without limitation, seeking injunctive relief against the breaching party's activities in breach of this Agreement.

8.3 No Right of Rescission. Anything in this Agreement to the contrary notwithstanding, no breach of any representation, warranty, covenant or agreement contained herein shall give rise to any right on the part of TRANSFEROR or TRANSFEREE after the Closing to rescind this Agreement or any of the transactions contemplated hereby.

ARTICLE IX MISCELLANEOUS

9.1 Governing Law; Attorney's Fees. This Agreement shall be governed by and construed in accordance with the laws of the State of California without reference to the choice of law principles thereof. In the event litigation is commenced because of an alleged dispute, breach, default or misrepresentation in connection with this Agreement, the Prevailing Party shall be entitled to recover reasonable attorneys' fees and costs in addition to any other relief to which the party may be entitled.

9.2 Confidentiality. Neither TRANSFEROR nor TRANSFEREE shall disclose to any person other than legal counsel or consultants with a need to know any confidential information that it obtains from the other party in connection with this Agreement, unless and until such information (a) is or becomes a

matter of public knowledge through no fault of such party, (b) is lawfully acquired from a third Person without, to such party's actual knowledge, restrictions of confidentiality, or (c) is required to be disclosed pursuant to applicable law, court order, administrative ruling or judgment. If TRANSFEREE does not purchase the Real Property as contemplated by this Agreement, TRANSFEREE shall promptly return any confidential information so obtained and shall not use any such confidential information for its own purposes or advantages or publish or disclose to any third person any such information unless and until it (x) is or becomes a matter of public knowledge through no fault of such party, (y) is lawfully acquired from a third person without, to such party's actual knowledge, restrictions of confidentiality, or (z) is required to be disclosed pursuant to applicable law.

9.3 Counterparts. This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement.

9.4 No Third-Party Beneficiaries. There are no intended third-party beneficiaries to this Agreement. Nothing in this Agreement or any ancillary documents, whether expressed or implied, is intended or shall be construed to confer upon or give to any person, firm, corporation or legal entity, other than the parties hereto, any rights, remedies or other benefits under or by reason of this Agreement.

9.5 Entire Agreement. This Agreement (including any agreements incorporated herein) and the Schedules and Exhibits hereto contain the entire agreement between the parties with respect to the subject matter hereof, and there are no agreements, understandings, representations and warranties regarding the subject matter hereof between the parties other than those set forth or referred to herein.

Section 9.06 Expenses. Except as expressly provided herein to the contrary, whether or not the transactions contemplated by this Agreement are consummated, all legal and other costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

9.7 Notices. All notices hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered personally, sent by documented overnight delivery service, or to the extent receipt is confirmed by telephone, telecopy, telefax or other electronic transmission service to the appropriate address or number as set forth below. Notices to TRANSFEROR shall be addressed to:

Humboldt Bay Harbor, Recreations and Conservation District
601 Startare Drive
Eureka, CA 95501-0765
Larry Oetker, Executive Director

or at such other address and to the attention of such other person as TRANSFEROR may designate by notice to TRANSFEREE in accordance with this Section 9.7.

Notices to TRANSFEREE shall be addressed to:

Friends of The Dunes
220 Stamps Lane
Arcata, CA 95521
Mike Cipra, Executive Director

or at such other address and to the attention of such other person as TRANSFEREE may designate by written notice to TRANSFEROR in accordance with this Section 9.7.

Notices personally delivered shall be deemed given on the date of such personal delivery; notice sent by mail shall be deemed given on the fifth business day after deposit in the United States mail; notices sent by documented overnight courier services for next day morning delivery shall be deemed given the first business day after timely delivery to the courier; and notices given by facsimile shall be deemed given on the first business day after the sender obtains telephone verification of receipt.

9.8 Assignment; Successors and Assigns. This Agreement may not be assigned by either party without the prior written consent of the other, which consent shall not be unreasonably withheld. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

9.9 Headings. The section and article headings contained in this Agreement are inserted for convenience and reference only and will not affect the meaning or interpretation of this Agreement. All references to "Sections," "Articles," "Schedules," or "Exhibits" contained herein mean Sections or Articles of this Agreement and Schedules or Exhibits attached to this Agreement, which are hereby incorporated by reference, unless otherwise stated. All capitalized terms defined herein are equally applicable to both the singular and plural forms of such terms.

9.10 Schedules and Exhibits. The inclusion of any matter in a Schedule or Exhibit hereto shall be deemed to relate to all parts of this Agreement, despite any references therein to sections of this Agreement.

9.11 Amendments and Waivers. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by the party against whom enforcement of any such modification or amendment is sought. Any party hereto may, only by an instrument in writing, waive compliance by the other party hereto with any term or provision of this Agreement. The waiver by any party hereto of a breach of any term or provision of this Agreement shall not be construed as a waiver of any subsequent breach.

9.12 Severability of Provisions. If any provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon any such determination, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

IN WITNESS WHEREOF, this Agreement has been executed and delivered by or on behalf of the parties as of the date first above written.

Humboldt Bay Harbor Conservation
and Recreation District

Friends of the Dunes

Larry Oetker, Executive Director

Mike Cipra, Executive Director

REAL PROPERTY PURCHASE AGREEMENT

THIS REAL PROPERTY PURCHASE AGREEMENT dated as of 5/31, 2019 (the "Effective Date"), is made and entered into by and between SAMOA DUNES I, LLC, an Alaska limited liability company, SAMOA DUNES II, LLC, an Alaska limited liability company, and SEQUOIA INVESTMENTS XI, LLC, an Alaska limited liability company (collectively, "Seller"), and HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, a Special District of the State of California ("Buyer").

RECITALS

WHEREAS, Seller owns approximately 366 acres of coastal dune habitat located between Humboldt Bay and the Pacific Ocean in Humboldt County, California, commonly known as Assessor's Parcel Nos. 401-011-001, 401-011-010, 401-011-012, 401-011-018, 401-011-020, 401-011-023, 401-021-011, 401-021-018, 401-021-027, 401-021-028, 401-021-029, and 401-031-045 (the "Seller Property"), more particularly described on Exhibit A attached hereto (including any all easements, rights, hereditaments and appurtenances appertaining thereto, and all improvements consisting of a residence, barn, access gates and other structures, but excluding the area comprising the Closed Landfill, collectively the "Real Property"); and

WHEREAS, Buyer wishes to purchase from Seller, and Seller wishes to sell to Buyer, the Real Property in accordance with the following terms and conditions.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I. DEFINITIONS

"Agreement" shall mean this Real Property Purchase Agreement.

"Appraisals" shall mean those certain appraisals entitled "An Appraisal Report of Dog Ranch, A 205.69 Gross Acre Site, 1400 New Navy Base Road, Samoa, CA 95564, Date of Value April 21, 2016" and "An Appraisal Report of Poovey Track, A 160.69 Gross Acre Site, 1155 Vance Avenue, Samoa, CA 95564, Date of Value April 21, 2016," both issued by Robert Horning, Ward Levy Appraisal Group., Inc.

"Buyer" shall have the meaning set forth in the introductory paragraph hereof.

"Cash Payment" shall have the meaning set forth in Section 2.02 hereof.

"Claim of Environmental Liability" shall mean any and all claims, liabilities, obligations, losses or damages in connection with the Real Property suffered or incurred as a result of (A) any suit, action, legal or administrative proceeding, or demand asserted or threatened by any third-party, including any governmental agency or authority, arising under any federal, state or local environmental law or regulation; (B) requirements imposed by any federal, state or local environmental laws and regulations, including all costs of remediation or costs otherwise incurred

in complying with applicable laws and regulations; and (C) any and all judgments, court costs, legal fees, and other costs of discovery and defense associated with (A) or (B) above.

“Closed Landfill” shall have the meaning given such term in the Closed Landfill Easement Agreement.

“Closed Landfill Access Easement” shall mean that portion of the Closed Landfill Easement Area described in in Exhibit B to the Closed Landfill Easement Agreement as the “Access Easement” that will remain as an encumbrance upon the Real Property.

“Closed Landfill Easement Agreement” shall mean that certain Closed Landfill Access and Maintenance Easement Agreement recorded as Instrument No. 2011-2811-10 in the Official Records of Humboldt County, California.

“Closed Landfill Easement Area” shall mean the Easement Area as defined in Exhibit B to the Closed Landfill Easement Agreement as the “Landfill Easement”.

“Closing” shall have the meaning set forth in Section 2.05 hereof.

“Closing Date” shall mean the date on which the Closing occurs.

“CNRA” shall mean the California Natural Resources Agency.

“Conservation Agencies” shall mean the CNRA, the CSCC and the WCB collectively.

“CSCC” shall mean the California State Coastal Conservancy.

“Cure Notice” shall have the meaning set forth in Section 2.03(a) hereof.

“Disapproved Exception(s)” shall have the meaning set forth in Section 2.03(a) hereof.

“Donation” shall have the meaning set forth in Section 2.02 hereof.

“Donation Acknowledgement” shall have the meaning set forth in Section 2.02 hereof.

“Due Diligence Period” shall have the meaning set forth in Section 2.04 hereof.

“Effective Date” shall mean the date set forth in the preamble.

“Hazardous Material” shall mean any hazardous or toxic substance, material, pollutant or waste which is now or in the future defined or regulated by any federal, state or local law.

“Inability to Cure Notice” shall have the meaning set forth in Section 2.03(a) hereof.

“Indemnified Party” shall have the meaning set forth in Section 7.02(a) hereof.

“Indemnifying Party” shall have the meaning set forth in Section 7.02(a) hereof.

“Permitted Exceptions” shall mean those exceptions specified in the Title Report that are either accepted or deemed accepted by Buyer pursuant to the provisions of Section 2.03.

“Prevailing Party” means the party determined to be the prevailing party by any arbitrator, magistrate or court in connection with any dispute, breach, default or misrepresentation in connection with this Agreement.

“Purchase Price” shall have the meaning set forth in Section 2.02 hereof.

“Real Property” shall have the meaning set forth in the Recitals.

“Seller” shall have the meaning set forth in the introductory paragraph hereof.

“Seller Property” shall have the meaning set forth in the Recitals.

“Seller Removal Items” shall have the meaning set forth in Section 2.03(a) hereof.

“Title Report” shall mean the preliminary title report for the Title Policy with respect to the Real Property issued by the Title Company after the Effective Date.

“Title Company” shall mean Fidelity National Title Company’s Eureka, California, office.

“Title Objection Notice” shall have the meaning set forth in Section 2.03(a) hereof.

“Title Policy” shall mean an ALTA standard coverage policy of insurance insuring Buyer’s fee title interest to the Real Property at the Closing, with liability in the amount of the Purchase Price, subject only to the Permitted Exceptions.

“Updated Appraisals” shall have the meaning set forth in Section 2.02 hereof.

“WCB” shall mean the California Wildlife Conservation Board.

ARTICLE II. PURCHASE AND SALE OF ASSETS

Section 2.01 Purchase and Sale. Seller will sell and convey to Buyer, and Buyer will purchase and acquire from Seller, all of Seller’s right, title and interest, as of the Closing Date, in the Real Property, an approximate depiction of which is attached hereto as Exhibit B.

Section 2.02 Purchase Price; Earnest Money Deposit.

(a) Buyer and Seller acknowledge that the appraised value of the Real Property based upon the Appraisals is Two Million Eighteen Thousand Dollars (\$2,018,000), but that Buyer and Seller believe that the fair market value of the Real Property may have materially increased since the effective dates of the Appraisals. Buyer has requested updates to the Appraisals (the “Updated Appraisals”) and Buyer and Seller agree that the purchase price (the “Purchase Price”) for the Real Property will be an amount equal to the fair market value reflected in the Updated Appraisals. The Purchase Price shall be paid by (i) payment by Buyer to Seller in immediately

available funds, as directed by Seller, the amount of Two Million Eighteen Thousand Dollars (\$2,018,000) (the "Cash Payment") and (ii) by written acknowledgement delivered by Buyer to Seller (the "Donation Acknowledgement") of a charitable donation in an amount equal to the difference between the Purchase Price and the Cash Payment (the "Donation"). It shall be a condition to Buyer's obligation to close the transaction contemplated by this Agreement that Buyer shall have received certain grant funding from the Conservation Agencies, which grant funding will constitute the funds to be used by Buyer to pay the Cash Payment. Seller acknowledges that in the event the Updated Appraisals indicate a Purchase Price that is less than the Cash Payment, the Conservation Agencies will not provide grant funding in excess of such Purchase Price and Buyer would be unable to pay the Cash Payment. In such event, Seller shall have the option, in its sole discretion, to either terminate this Agreement or to accept the Purchase Price indicated by the Updated Appraisals.

(b) Within fifteen (15) days of the Effective Date, Seller shall open an escrow with Title Company and Buyer shall deposit with Title Company the amount of Two Thousand Dollars (\$2,000) in immediately available funds (the "Initial Deposit"), which Initial Deposit shall be refundable to Buyer in the event Buyer terminates this Agreement prior to the expiration of the Due Diligence Period. In the event Buyer does not so terminate this Agreement, Buyer shall, no later than the date on which the Due Diligence Period expires, deposit with Title Company an additional Two Thousand Dollars (\$2,000) in immediately available funds (the "Additional Deposit," and the Initial Deposit and the Additional Deposit collectively, the "Deposit"), and the Deposit shall become non-refundable except as otherwise expressly provided herein.

Section 2.03 Subdivision; Title Review.

(a) Seller shall use commercially reasonable efforts to cause the Closed Landfill to become a separate legal parcel (the "Closed Landfill Parcel") to be retained by Seller. Buyer and Seller acknowledge that the Closed Landfill Parcel will not encompass the entirety of the Closed Landfill Easement Area, that the Real Property will remain burdened by access rights of the Grantee under the Closed Landfill Easement Agreement, and that such access rights shall constitute a Permitted Exception.

(b) Seller shall convey and Buyer shall accept title to the Real Property subject only to the Permitted Exceptions either expressly deemed hereunder to constitute a Permitted Exception or those exceptions accepted by the Buyer as disclosed on the Title Report issued by Title Company. No later than thirty (30) days after receipt by Buyer of the Title Report and all documents referenced in the exceptions specified therein, Buyer shall notify Seller in writing ("Title Objection Notice") of any title matters disapproved by Buyer ("Disapproved Exception(s)"). Notwithstanding the foregoing (i) any and all monetary exceptions, other than the lien for any current and non-delinquent real property taxes and assessments, and (ii) any exceptions to title caused or permitted by Seller after the Effective Date (collectively, the "Seller Removal Items") shall be deemed Disapproved Exceptions and shall be removed by Seller at or prior to the Closing. No later than ten (10) days after Seller receives a Title Objection Notice from Buyer, Seller will notify Buyer in writing ("Cure Notice") of the Disapproved Exceptions, if any, that Seller will attempt to remove or cure at Seller's expense, and which Disapproved Exceptions it is unable or unwilling to attempt to cure or remove. Seller's failure to timely deliver a Cure Notice by the end of such ten (10) day period shall be deemed Seller's election not to cure or remove the Disapproved Exceptions. The manner of Seller's cure or removal of a Disapproved Exception shall be subject to

Buyer's reasonable approval and Seller shall undertake commercially reasonable good faith measures to cure or remove any Disapproved Exception that Seller has agreed to remove or cure in a Cure Notice. Seller shall promptly notify Buyer and Title Company of its inability to cure or remove, after utilizing commercially reasonable good faith measures, any Disapproved Exception that Seller agreed to remove or attempt to cure in a Cure Notice (each an "Inability to Cure Notice"). Buyer shall have ten (10) days after (i) the receipt or deemed delivery of a Cure Notice stating that there are Disapproved Exceptions Seller is unable or unwilling to attempt to cure or (ii) receipt of an Inability to Cure Notice to waive its objection to the Disapproved Exceptions by written notice to Seller and Title Company and to proceed to the Closing (in which case such Disapproved Exceptions shall be deemed Permitted Exceptions). Failure of Buyer to give notice of waiver to Seller within such ten (10) business day period will be deemed an election by Buyer to waive its objection to any Disapproved Exceptions and to proceed to the Closing.

Section 2.04 Due Diligence Period. Buyer shall have a period of one hundred twenty (120) days (the "Due Diligence Period") from the Effective Date to conduct Buyer's due diligence regarding the Real Property. Except to the extent prohibited by an obligation of confidentiality to a third party, Seller will cooperate fully with Buyer in providing all documentation and information in Seller's possession or control concerning the Real Property that a reasonably prudent purchaser would consider pertinent and relevant to the evaluation and investigation of the Real Property and the purchase thereof. Subject to Seller's approval of the nature and scope of Buyer's investigations, in Seller's commercially reasonable discretion, Seller will provide access to the Real Property for all physical inspections required by Buyer, as well as such engineering, zoning, environmental and hazardous waste reviews and other such matters as Buyer shall deem appropriate, all of which shall be conducted at Buyer's expense. In the event Buyer fails to notify Seller in writing of Buyer's disapproval of the Real Property in its condition as of such date, Buyer shall be deemed to have accepted the Real Property in its condition as of the expiration of the Due Diligence Period. In the event Buyer notifies Seller in writing of Buyer's disapproval of the Real Property's condition on or before the last day of the Due Diligence Period, this Agreement will terminate without further obligation of either party and Title Company shall, without further instructions, immediately return the Deposit to Buyer.

Section 2.05 Time and Place of Closing. The closing ("Closing") of the transactions contemplated by this Agreement will occur within sixty (60) days from the date on which Buyer receives its grant funding from the Conservation Agencies, or such other time and place as the parties may agree in writing. It is understood that the Closing shall be deemed to take place effective as of the close of business on the Closing Date, regardless of the time at which the Closing actually occurs on the Closing Date. Possession of the Property shall be delivered to Buyer at the close of business on the Closing Date, by which time Seller shall have delivered to Buyer all keys to improvements and gates located on or affecting access to the Real Property.

Section 2.06 Closing Costs; Transfer Taxes. Buyer shall pay 50% and Seller shall pay 50% of all closing costs, including, but not limited to, the documentary transfer tax, recording fees, escrow fees and title insurance premiums arising from the transfer of the Real Property hereunder. The cost of the Title Report shall be paid by Seller.

Section 2.07 Post-Closing Obligations. Seller shall be responsible for (a) timely payment of all ad valorem property taxes assessed on the Real Property which are payable with respect to the Real Property and attributable to any period prior to the Closing Date; (b) all of Seller's obligations

pursuant to the other provisions of this Agreement; and (c) timely payment of any and all costs incurred with respect to Seller's ownership and maintenance of the Real Property prior to the Closing Date. Buyer shall be responsible for (x) timely payment of all ad valorem property taxes assessed on the Real Property which are payable with respect to the Real Property and attributable to any period after the Closing Date; (y) all of Buyer's obligations pursuant to the other provisions of this Agreement; and (z) timely payment of any and all costs incurred with respect to Buyer's ownership and maintenance of the Real Property after the Closing Date.

Section 2.08 Deliveries at Closing. At the Closing, the following deliveries shall be made:

(a) **Deliveries by Seller.** Seller shall deliver or cause to be delivered to Buyer (a) a grant deed duly executed and acknowledged by the Seller transferring and conveying the Real Property to Buyer, subject to all Permitted Exceptions, and (b) such other and further certificates, assurances, consents and documents as are usual and customary in the area where the Real Property is located and may reasonably be required by Buyer in connection with the consummation of the transactions contemplated hereby, including, but not limited to, FIRPTA Affidavits and California Form 590.

(b) **Deliveries by Buyer.** Buyer shall deliver or cause to be delivered to Seller (a) the Cash Payment and the Donation Acknowledgement (or, if applicable, the Purchase Price in immediately available funds) and (b) such other and further certificates, assurances, consents and documents as are usual and customary in the area where the Real Property located and may reasonably be required by Seller in connection with the consummation of the transaction contemplated hereby.

ARTICLE III. **REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer hereby represents and warrants to Seller as of the Effective Date and as of the Closing Date, as follows:

Section 3.01 Organization and Authority. Buyer is a special district duly organized, validly existing and in good standing under the laws of the State of California, with full power and authority to conduct its business as now conducted and to own its assets. Buyer has the power to enter into and perform its obligations pursuant to this Agreement. Buyer's execution, delivery and performance of this Agreement have been duly authorized by all requisite agency action on the part of Buyer. This Agreement constitutes Buyer's legal, valid and binding obligations enforceable against Buyer in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, moratorium, reorganization or similar laws affecting creditors' rights and to equitable principles.

Section 3.02 Absence of Conflicts and Consent Requirements. Buyer's execution and delivery of this Agreement, and the performance of its obligations hereunder, do not and will not: (a) conflict with or violate Buyer's organizational or governing documents; (b) violate or, alone or with notice or passage of time, result in the material breach or termination of, or otherwise give any contracting party the right to terminate or declare a default under, the terms of any material written agreement to which Buyer is a party or by which Buyer or its assets are bound, or (c) violate any

judgment, order, decree, material law, statute, regulation or other judicial or governmental restriction to which Buyer is subject. There is no requirement applicable to Buyer to make any filing with, or to obtain any permit, authorization, consent or approval of, any governmental or regulatory authority as a condition to the lawful performance by Buyer of its obligations hereunder.

Section 3.03 Litigation Affecting Buyer. There is no claim, action, proceeding or investigation pending or threatened in writing, nor is there outstanding any writ, order, decree or injunction that (a) calls into question Buyer's authority or right to enter into this Agreement and consummate the transactions contemplated hereby, or (b) would otherwise prevent or delay the transactions contemplated by this Agreement.

ARTICLE IV. REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Buyer as of the Effective Date and as of the Closing Date as follows:

Section 4.01 Authority; Enforceability. Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Alaska, with full power and authority to conduct its business as now conducted and to own its assets. Seller has the power to enter into and perform its obligations pursuant to this Agreement. Seller's execution, delivery and performance of this Agreement have been duly authorized by all requisite corporate action on the part of Seller. This Agreement constitutes Seller's legal, valid and binding obligations enforceable against Seller in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, moratorium, reorganization or similar laws affecting creditors' rights and to equitable principles.

Section 4.02 Absence of Conflicts and Consent Requirements. Seller's execution and delivery of this Agreement, and the performance of its obligations hereunder, do not and will not: (a) conflict with or violate Seller's organizational or governing documents; (b) violate or, alone or with notice or passage of time, result in the material breach or termination of, or otherwise give any contracting party the right to terminate or declare a default under, the terms of any material written agreement to which Seller is a party or by which Seller or its assets are bound, or (c) violate any judgment, order, decree, material law, statute, regulation or other judicial or governmental restriction to which Seller is subject. There is no requirement applicable to Seller to make any filing with, or to obtain any permit, authorization, consent or approval of, any governmental or regulatory authority as a condition to the lawful performance by Seller of its obligations hereunder.

Section 4.03 Ownership of Real Property. Seller owns fee title to the Real Property, free and clear of any liens, claims, charges, rights of first refusal, options, rights of tenants or third parties or other encumbrances of any nature whatsoever except for the Permitted Encumbrances.

Section 4.04 Environmental Matters. To Seller's actual knowledge, (a) no Claim of Environmental Liability relating to the conditions at or on the Real Property is pending or threatened by any governmental agency or other third-party; (b) Seller has not received any written notice which remains pending under any applicable environmental law concerning the Real Property and which notice relates to any substance that, as of the date hereof, is a Hazardous Material; (c) there is no proceeding against Seller, or any pending investigation or inquiry with

respect to Seller, by any federal, state or local court, tribunal, administrative agency, department, commission, board or other authority or instrumentality with respect to the presence on the Real Property of any material which is a Hazardous Material, or the migration thereof from or to other property; (d) the Real Property has not been used for the generation, treatment, storage or disposal of any Hazardous Material, and there has been no migration or other transport of any Hazardous Material from any location off-site to the Real Property, during the period in which Seller has owned the Real Property or prior to that time; and (e) there are no Hazardous Materials in, on or under the Real Property.

Section 4.05 Litigation; Compliance with Laws. To Seller's actual knowledge, there are no material actions, suits or proceedings filed or commenced by or before any court or any governmental or administrative agency, and there are no orders, injunctions, awards, judgments or decrees outstanding against, affecting or relating to Seller or to any of the Real Property. Seller is presently maintaining the Real Property so as to materially comply with all applicable statutes, ordinances, rules, regulations and orders of any governmental authority.

Section 4.06 Disclaimer of Warranties. Except with respect to the warranties and representations expressly set forth in this Agreement, Seller makes no warranty, express or implied, whether of merchantability, suitability or fitness for a particular purpose, or quality as to the Real Property, or any part thereof, or the absence of any defects therein, whether latent or patent, or as to the exact number of acres comprising the Real Property, it being understood that the Real Property is to be conveyed hereunder "AS IS, WHERE IS, WITH ALL FAULTS" on the date hereof, and in their condition as of the Effective Date.

ARTICLE V. CONDITIONS TO BUYER'S OBLIGATION TO CLOSE

Buyer's obligation to consummate the transactions contemplated hereunder are contingent upon the satisfaction of each of the following conditions, any of which may be waived in writing by Buyer, in whole or in part, in its absolute discretion:

Section 5.01 Representations, Warranties and Covenants of Seller. The representations and warranties of Seller in this Agreement shall be true and correct on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of such date. All of the covenants and agreements of Seller to be performed on or before the Closing Date in accordance with this Agreement shall have been duly performed in all material respects.

Section 5.02 No Injunction. At the Closing Date, no injunction, ruling, restraining order or decree of any nature of any court or governmental authority shall be in effect which (i) prevents consummation of any of the transactions contemplated hereby, (ii) could cause any of the transactions contemplated by this Agreement to be rescinded following consummation or (iii) affects adversely the right of Buyer to own the Real Property.

Section 5.03 No Material Change. There shall not have occurred a material change in the condition of the Real Property after the expiration of the Due Diligence Period.

Section 5.04 Closing Items. Seller shall have delivered the items set forth in Section 2.08(a) hereof.

Section 5.05 Absence of Litigation. (a) No claim, action, suit, arbitration, investigation, inquiry or other proceeding by or before any court or governmental authority or by any other person shall be pending; or (b) no party to this Agreement shall have been advised by any governmental authority (which advisory has not been officially withdrawn by such agency or authority on or prior to the Closing Date) that such agency or authority is investigating the transactions contemplated by this Agreement to determine whether to file or commence any litigation, which, in the case of either (a) or (b) above, seeks or would seek to enjoin, restrain or prohibit the consummation of the transactions contemplated by this Agreement or to require the divestiture by Buyer of the Real Property.

Section 5.06 Title Policy. Title Company shall be unconditionally and irrevocably committed to issue the Title Policy.

Section 5.07 No Tenants, Squatters, Encampments. Prior to the end of the Due Diligence Period, Seller shall have caused the removal of all then existing tenants, squatters, inhabitants or encampments occupying the Real Property, and all associated equipment, property, trash and litter. Thereafter and until the Closing Date, Seller shall ensure that the Real Property remains vacant of any tenants, squatters, inhabitants or encampments occupying the Real Property.

Section 5.08 Landfill Parcel Division. The Landfill Parcel shall have become a separate legal parcel

Section 5.09 Seller's Performance. Seller's performance of all obligations under this Agreement.

Section 5.10 Failure of Conditions. If any condition set forth above has not been satisfied or does not occur, then Buyer, in addition to any remedy available to Buyer under this Agreement, may terminate this Agreement upon written notice to Seller and Title Company, in which case the Deposit shall be immediately returned to Buyer. Buyer may also elect to reasonably extend the Closing Date in order to have such condition(s) satisfied.

ARTICLE VI.

CONDITIONS TO SELLER'S OBLIGATION TO CLOSE

Seller's obligation to consummate the transactions contemplated hereunder are contingent upon the satisfaction of each of the following conditions, any of which may be waived in writing by Seller, in whole or in part, in its absolute discretion:

Section 6.01 Representations, Warranties and Covenants of Buyer. The representations and warranties of Buyer in this Agreement shall be true and correct on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of such date. All of the covenants and agreements of Buyer to be performed on or before the Closing Date in accordance with this Agreement shall have been duly performed in all material respects

Section 6.02 No Injunction. At the Closing Date, no injunction, ruling, restraining order or decree of any nature of any court or governmental authority shall be in effect which (i) prevents consummation of any of the transactions contemplated hereby or (ii) could cause any of the transactions contemplated by this Agreement to be rescinded following consummation.

Section 6.03 Closing Items. Seller shall have delivered the items set forth in Section 2.08(b) hereof.

Section 6.04 Absence of Litigation. (a) No claim, action, suit, arbitration, investigation, inquiry or other proceeding by or before any court or governmental authority or by any other person shall be pending; or (b) no party to this Agreement shall have been advised by any governmental authority (which advisory has not been officially withdrawn by such agency or authority on or prior to the Closing Date) that such agency or authority is investigating the transactions contemplated by this Agreement to determine whether to file or commence any litigation, which, in the case of either (a) or (b) above, seeks or would seek to enjoin, restrain or prohibit the consummation of the transactions contemplated by this Agreement.

Section 6.05 Failure of Conditions. If any condition set forth above has not been satisfied or does not occur, then Buyer, in addition to any remedy available to Buyer under this Agreement, may terminate this Agreement upon written notice to Seller and Title Company, in which case the Deposit shall be immediately returned to Buyer. Buyer may also elect to reasonably extend the Closing Date in order to have such condition(s) satisfied.

ARTICLE VII. SURVIVAL; INDEMNIFICATION

Section 7.01 Survival. The respective representations and warranties of Seller and Buyer contained in Articles III and IV of this Agreement or in any instrument or document delivered pursuant to this Agreement, and the provisions of Article VII of this Agreement, shall survive the Closing for the applicable statute of limitations or such other time as expressly stated.

Section 7.02 Indemnification.

(a) Seller and Buyer (in such capacity, the "Indemnifying Party") hereby agree to indemnify and hold harmless the other (in such capacity, the "Indemnified Party") from any and all liabilities, losses, claims, judgments, damages, expenses and costs (including, without limitation, reasonable counsel fees and costs and expenses incurred in connection therewith) (collectively, the "Indemnifiable Damages") which Indemnified Party may suffer or incur by reason of Indemnifying Party's breach of any of its representations, warranties or covenants herein, or as a result of its negligent or willful acts or omissions.

(b) Seller further and expressly agrees to indemnify and hold harmless Buyer, its officers, officials, agents and employees, from any and all liabilities, losses, claims, judgments, damages, expenses and costs (including, without limitation, reasonable counsel fees and costs and expenses incurred in connection therewith) which Buyer may suffer or incur by reason of any Claim of Environmental Liability arising from, in whole or in part, releases of environmentally hazardous, toxic or dangerous substances from the Closed Landfill Parcel. Notwithstanding the term of survival stated in Section 7.01, above, this subsection 7.02(b) shall survive the Closing for the time period of regulatory oversight of the Closed Landfill.

(c) With respect to any claim for indemnification hereunder, Indemnified Party will give to Indemnifying Party and its counsel, accountants and other representatives full and free access, during normal business hours and upon the giving of reasonable prior notice, to their books

and records relating to such claims, and to their employees, accountants, counsel and other representatives, all without charge to Indemnifying Party, except for reimbursement of reasonable out-of-pocket expenses. In this regard, Indemnified Party agrees to maintain any of its books and records which may relate to a claim for indemnification hereunder for such period of time as may be necessary to enable Indemnifying Party to resolve such claim.

(d) Indemnifying Party shall not have any obligation to Indemnified Party under this Section 7.02 with respect to any matter unless Indemnified Party shall have taken all reasonable steps to mitigate the liabilities, losses, claims, judgments, damages, expenses and costs involved upon and after becoming aware of such matter. In no event shall Indemnifying Party be liable for consequential or punitive damages and Indemnified Party hereby expressly waives any claim for consequential or punitive damages.

ARTICLE VIII. **DISPUTE RESOLUTION; REMEDIES**

Section 8.01 Dispute Resolution. The parties covenant to attempt in good faith to resolve all disputes or controversies that arise out of or relate to this Agreement.

Section 8.02 Remedies. If the parties cannot in good faith resolve any such dispute or controversy, either party may pursue all of its rights and remedies at law or in equity, including, without limitation, seeking injunctive relief against the breaching party's activities in breach of this Agreement.

Section 8.03 No Right of Rescission. Anything in this Agreement to the contrary notwithstanding, no breach of any representation, warranty, covenant or agreement contained herein shall give rise to any right on the part of Seller or Buyer after the Closing to rescind this Agreement or any of the transactions contemplated hereby.

ARTICLE IX. **MISCELLANEOUS**

Section 9.01 Governing Law; Attorney's Fees. This Agreement shall be governed by and construed in accordance with the laws of the State of California without reference to the choice of law principles thereof. In the event litigation is commenced because of an alleged dispute, breach, default or misrepresentation in connection with this Agreement, the Prevailing Party shall be entitled to recover reasonable attorneys' fees and costs in addition to any other relief to which the party may be entitled.

Section 9.02 Confidentiality. Neither Seller nor Buyer shall disclose to any person other than legal counsel or consultants with a need to know any confidential information that it obtains from the other party in connection with this Agreement, unless and until such information (a) is or becomes a matter of public knowledge through no fault of such party, (b) is lawfully acquired from a third Person without, to such party's actual knowledge, restrictions of confidentiality, or (c) is required to be disclosed pursuant to applicable law, court order, administrative ruling or judgment. If Buyer does not purchase the Real Property as contemplated by this Agreement, Buyer shall promptly return any confidential information so obtained and shall not use any such confidential information for its own purposes or advantages or publish or disclose to any third person any such

information unless and until it (x) is or becomes a matter of public knowledge through no fault of such party, (y) is lawfully acquired from a third person without, to such party's actual knowledge, restrictions of confidentiality, or (z) is required to be disclosed pursuant to applicable law.

Section 9.03 Counterparts. This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement.

Section 9.04 No Third Party Beneficiaries. There are no intended third party beneficiaries to this Agreement. Nothing in this Agreement or any ancillary documents, whether expressed or implied, is intended or shall be construed to confer upon or give to any person, firm, corporation or legal entity, other than the parties hereto, any rights, remedies or other benefits under or by reason of this Agreement.

Section 9.05 Entire Agreement. This Agreement (including any agreements incorporated herein) and the Schedules and Exhibits hereto contain the entire agreement between the parties with respect to the subject matter hereof, and there are no agreements, understandings, representations and warranties regarding the subject matter hereof between the parties other than those set forth or referred to herein.

Section 9.06 Expenses. Except as expressly provided herein to the contrary, whether or not the transactions contemplated by this Agreement are consummated, all legal and other costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

Section 9.07 Notices. All notices hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered personally, sent by documented overnight delivery service, or to the extent receipt is confirmed by telephone, telecopy, telefax or other electronic transmission service to the appropriate address or number as set forth below. Notices to Seller shall be addressed to:

Samoa Dunes I, LLC
Samoa Dunes II, LLC
Sequoia Investments XI, LLC
c/o Security National Master Manager, LLC
13702 Coursey Blvd., Bldg. 1
Baton Rouge, LA 70817
Attention: Robin P. Arkley II

or at such other address and to the attention of such other person as Seller may designate by notice to Buyer in accordance with this Section 9.07. Notices to Buyer shall be addressed to:

Humboldt Bay Harbor, Recreation
and Conservation District
601 Startare Drive
Eureka, CA 95501
Attention: Larry Oetker, Executive Director

or at such other address and to the attention of such other person as Buyer may designate by written notice to Seller in accordance with this Section 9.07. Notices personally delivered shall be deemed given on the date of such personal delivery; notice sent by mail shall be deemed given on the fifth business day after deposit in the United States mail; notices sent by documented overnight courier services for next day morning delivery shall be deemed given the first business day after timely delivery to the courier; and notices given by facsimile shall be deemed given on the first business day after the sender obtains telephone verification of receipt.

Section 9.08 Assignment; Successors and Assigns. This Agreement may not be assigned by either party without the prior written consent of the other, which consent shall not be unreasonably withheld. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

Section 9.09 Headings; Definitions. The section and article headings contained in this Agreement are inserted for convenience and reference only and will not affect the meaning or interpretation of this Agreement. All references to "Sections," "Articles," "Schedules," or "Exhibits" contained herein mean Sections or Articles of this Agreement and Schedules or Exhibits attached to this Agreement, which are hereby incorporated by reference, unless otherwise stated. All capitalized terms defined herein are equally applicable to both the singular and plural forms of such terms.

Section 9.10 Schedules and Exhibits. The inclusion of any matter in a Schedule or Exhibit hereto shall be deemed to relate to all parts of this Agreement, despite any references therein to particular sections of this Agreement.

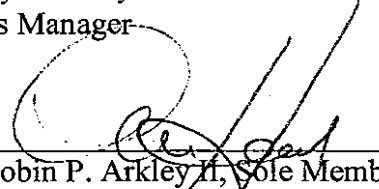
Section 9.11 Amendments and Waivers. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by the party against whom enforcement of any such modification or amendment is sought. Any party hereto may, only by an instrument in writing, waive compliance by the other party hereto with any term or provision of this Agreement. The waiver by any party hereto of a breach of any term or provision of this Agreement shall not be construed as a waiver of any subsequent breach.

Section 9.12 Severability of Provisions. If any provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon any such determination, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

IN WITNESS WHEREOF, this Agreement has been executed and delivered by or on behalf of the parties as of the date first above written.

SAMOA DUNES I, LLC

By Security National Master Manager, LLC,
its Manager



Robin P. Arkley II, Sole Member

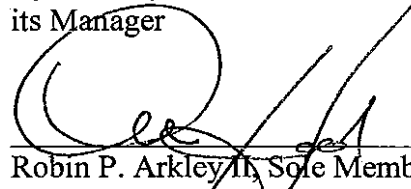
HUMBOLDT BAY HARBOR,
RECREATION AND CONSERVATION
DISTRICT



By Larry Oetker
Its Executive Director

SAMOA DUNES II, LLC

By Security National Master Manager, LLC,
its Manager



Robin P. Arkley II, Sole Member

SEQUOIA INVESTMENTS XI, LLC

By Security National Master Manager, LLC,
its Manager



Robin P. Arkley II, Sole Member

EXHIBIT A

LEGAL DESCRIPTION

Real property in the Humboldt County County of Humboldt, State of California, described as follows:

TRACT A:

PARCEL ONE:

ALL THAT PORTION OF SECTION 10 IN TOWNSHIP 5 NORTH OF RANGE 1 WEST, HUMBOLDT MERIDIAN, BOUNDED AS FOLLOWS:

BOUNDED ON THE NORTH BY THE NORTH LINE OF SAID SECTION 10;

AND ON THE WEST BY THE WEST LINE OF SAID SECTION 10

BOUNDED ON THE SOUTH BY THE SOUTH LINE OF LOT 3 OF SAID SECTION 10 (ACCORDING TO THE GOVERNMENT TOWNSHIP PLAT) AND BY THE SOUTH BOUNDARY OF SWAMP AND OVERFLOWED LAND LOCATION NO. 3552, DESCRIBED IN PATENT BY THE STATE OF CALIFORNIA TO HARRY A. MARKS, DATED SEPTEMBER 12, 1902 AND RECORDED IN THE RECORDER'S OFFICE OF HUMBOLDT COUNTY IN BOOK 18 OF PATENTS, PAGE 22;

AND BOUNDED ON THE EAST BY THE WEST LINE OF THE RIGHT OF WAY AND LANDS GRANTED TO HUMBOLDT NORTHERN RAILWAY COMPANY BY H. A. MARKS AND ELIZABETH MARKS, HIS WIFE, BY DEED DATED FEBRUARY 07, 1906 AND RECORDED IN BOOK 94 OF DEEDS, PAGE 236 IN SAID RECORDER'S OFFICE.

ALSO A PARCEL BOUNDED AS FOLLOWS:

COMMENCING AT THE POINT WHERE THE EAST LINE OF THE STRIP OF LAND DEEDED TO HUMBOLDT NORTHERN RAILWAY COMPANY BY H. A. MARKS AND ELIZABETH MARKS, HIS WIFE, BY DEED DATED MAY 21, 1913 AND RECORDED IN BOOK 121 OF DEEDS, PAGE 448, IN SAID RECORDER'S OFFICE, INTERSECTS THE NORTH LINE OF SECTION 10 IN TOWNSHIP 5 NORTH OF RANGE 1 WEST OF HUMBOLDT MERIDIAN, AS ESTABLISHED BY J. N. LENTELL IN HIS SURVEY NO. 244, RECORD OF WHICH IS ON FILE IN SAID RECORDER'S OFFICE IN BOOK 8 OF SURVEYS, PAGE 77; RUNNING

THENCE SOUTHERLY ALONG SAID EAST LINE OF LAND DEEDED TO HUMBOLDT NORTHERN RAILWAY COMPANY TO A POINT IN THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 10 WHERE IT INTERSECTS THE SOUTHEASTERLY LINE OF THE RIGHT OF WAY OF THE NORTHWESTERN PACIFIC RAILROAD, BEING THE SAME RIGHT OF WAY GRANTED BY H. A. MARKS TO THE EUREKA AND KLAMATH RIVER RAILROAD COMPANY BY DEED DATED FEBRUARY 13, 1897, RECORDED IN BOOK 59 OF DEEDS, PAGE 545 IN SAID RECORDER'S OFFICE;

THENCE NORTH 19-1/2° EAST ALONG THE EAST LINE OF SAID RIGHT OF WAY TO A POINT 780 FEET SOUTH OF THE NORTH LINE OF SAID SECTION 10;

THENCE EAST TO THE EAST LINE OF STATE TIDE LAND LOCATION NO. 194 AS DESCRIBED IN PATENT ISSUED BY THE STATE OF CALIFORNIA TO H. A. MARKS, DATED JULY 18, 1903 AND RECORDED IN SAID RECORDER'S OFFICE IN BOOK 18 OF PATENTS, PAGE 42;

THENCE ALONG SAID EAST LINE NORTH 22-1/2° EAST ABOUT 840 FEET TO THE NORTHEAST CORNER OF SAID TIDE LAND LOCATION AT A POINT 51.09 CHAINS EAST FROM THE CORNER TO SECTIONS 3, 4, 9 AND 10 OF SAID TOWNSHIP;

THENCE WEST TO THE POINT OF COMMENCEMENT.

EXCEPTING THEREFROM HOWEVER, THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

COMMENCING ON THE SECTION LINE AT A POINT DISTANT THEREON 1525.75 FEET EAST OF

THE NORTHWEST CORNER OF SECTION 10 IN TOWNSHIP 5 NORTH OF RANGE 1 WEST, HUMBOLDT MERIDIAN; AND RUNNING THENCE SOUTH 473 FEET; THENCE EAST 570 FEET TO THE EAST LINE OF THE RIGHT OF WAY OF THE NORTHWESTERN PACIFIC RAILROAD, BEING THE SAME RIGHT OF WAY GRANTED TO H. A. MARKS TO THE EUREKA AND KLAMATH RIVER RAILROAD, BY DEED OF RECORD IN BOOK 59 OF DEEDS, PAGE 545; THENCE ALONG THE EAST LINE OF SAID RIGHT OF WAY NORTH 19-3/4° EAST, 970 FEET, MORE OR LESS, TO THE NORTHERLY BOUNDARY OF SWAMP AND OVERFLOWED LAND SURVEY NO. 304 AS DESCRIBED IN PATENT OF RECORD IN BOOK 9 OF PATENTS, PAGE 434; THENCE ALONG SAID BOUNDARY SOUTH 40° WEST, 540 FEET, MORE OR LESS, TO THE NORTH LINE OF SAID SECTION 10; AND THENCE WEST ON THE SECTION LINE TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

COMMENCING ON THE SOUTH LINE OF LOT 3 OF SAID SECTION 10 AT A POINT WHICH IS DISTANT THEREON 660 FEET EAST OF THE SOUTHWEST CORNER THEREOF; AND RUNNING THENCE NORTH, 102.2 FEET; THENCE EAST, 691.2 FEET; THENCE SOUTH 68-1/2° EAST, 77.5 FEET TO THE COUNTY ROAD LEADING FROM SAMOA TO ARCATA; THENCE SOUTHERLY ALONG SAID ROAD TO THE SUBDIVISION LINE; AND THENCE WESTERLY ALONG SAID SUBDIVISION LINE AND THE SOUTHERLY LINE OF SAID LOT 3, 790 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF CONVEYED TO THE COUNTY OF HUMBOLDT BY DEED RECORDED MARCH 30, 1965 UNDER RECORDER'S SERIAL NO. 4735 IN BOOK 830, PAGE 449, OF OFFICIAL RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF CONVEYED TO TERRY R. RUDD BY DEED RECORDED AUGUST 12, 1969 DESCRIBED AS FOLLOWS:

BEGINNING ON THE NORTH LINE OF SAID SECTION 10 AT A POINT DISTANT THEREON 1525.75 FEET EAST OF THE NORTHWEST CORNER THEREOF; AND RUNNING THENCE SOUTH, 453 FEET; THENCE SOUTH 77° 35' WEST, 248.8 FEET; THENCE SOUTH 56° 48' WEST, 411.62 FEET TO THE CENTER LINE OF THE 80 FOOT RIGHT OF WAY OF PACIFIC GAS AND ELECTRIC COMPANY AS DESCRIBED IN THE FINAL ORDER OF CONDEMNATION RECORDED JULY 22, 1964 IN BOOK 797 OF OFFICIAL RECORDS, PAGE 256; THENCE NORTH 15° 28-1/2' EAST ALONG SAID CENTER LINE 759.45 FEET TO THE NORTH LINE OF SAID SECTION; AND THENCE EAST ALONG SAID SECTION LINE, 384.85 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHERLY TERMINUS OF THE COURSE IN THE DEED FROM LELA BUGBEE, ET AL, TO THE COUNTY OF HUMBOLDT, RECORDED MARCH 30, 1965 IN BOOK 830 OF OFFICIAL RECORDS, PAGE 449, WHICH COURSE READS AS FOLLOWS:

"THENCE NORTH 20° 46' 07" EAST 875 FEET TO A POINT WHICH IS SOUTH 69° 13' 53" EAST 71 FEET FROM ENGINEER'S STATION 323+25.00 IN SAID SURVEY" WHICH STATION IS AS SHOWN ON THE SURVEY MADE BY THE COUNTY OF HUMBOLDT FOR THE NEW NAVY BASE

ROAD, F. A. S. 967 (4), FROM ARCATA TO SAMOA; AND RUNNING
THENCE SOUTH 20° 46' 07" WEST ALONG THE EAST LINE OF THE STRIP OF LAND CONVEYED
TO THE COUNTY OF HUMBOLDT BY THE ABOVE REFERRED TO DEED ABOUT 625 FEET TO A
POINT THAT BEARS SOUTH 69° 13' 53" EAST FROM THE ENGINEER'S STATION 329+50.00 OF
SAID SURVEY; AND RUNNING
THENCE EASTERLY ON A STRAIGHT LINE WHICH RUNS 4 FEET SOUTH OF THE SOUTH SIDE OF
THE CASING OF THE 3 FOOT DIAMETER WELL EXISTING ON SAID LAND TO THE OLD COUNTY
ROAD;
THENCE NORTHERLY ALONG SAID OLD COUNTY ROAD TO A POINT THAT BEARS SOUTH 69°
13' 53" EAST FROM THE POINT OF BEGINNING; AND
THENCE NORTH 69° 13' 53" WEST TO THE POINT OF BEGINNING.

PARCEL TWO:

THE RIGHTS AND PRIVILEGES REGARDING DIKES, DITCHES AND FLOOD GATES ALONG OR
ACROSS THE RAILROAD OF HUMBOLDT NORTHERN RAILWAY COMPANY AS RESERVED BY H.A.
MARKS AND ELIZABETH MARKS, HIS WIFE, BY DEEDS DATED MAY 21, 1913, AND RECORDED
IN SAID RECORDER'S OFFICE IN BOOK 121 OF DEEDS, PAGE 448, AND DATED FEBRUARY 07,
1906, RECORDED IN BOOK 94 OF DEEDS, PAGE 236.

TRACT B:

PARCEL ONE:

BEGINNING AT THE NORTHERLY TERMINUS OF THE COURSE IN THE DEED FROM LELA
BUGBEE, ET AL, TO THE COUNTY OF HUMBOLDT, RECORDED MARCH 30, 1965 IN BOOK 830 OF
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SURVEY; AND RUNNING
THENCE EASTERLY ON A STRAIGHT LINE WHICH RUNS 4 FEET SOUTH OF THE SOUTH SIDE OF
THE CASING OF THE 3 FOOT DIAMETER WELL EXISTING ON SAID LAND, TO THE OLD COUNTY
ROAD;
THENCE NORTHERLY ALONG SAID OLD COUNTY ROAD TO A POINT THAT BEARS SOUTH 69°
13' 53" EAST FROM THE POINT OF BEGINNING; AND
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PARCEL TWO:

THE RIGHTS AND PRIVILEGES REGARDING DIKES, DITCHES AND FLOOD GATES ALONG OR
ACROSS THE RAILROAD OF HUMBOLDT NORTHERN RAILWAY COMPANY AS RESERVED BY H.A.
MARKS AND ELIZABETH MARKS, HIS WIFE, BY DEEDS DATED MAY 21, 1913, AND RECORDED
IN SAID RECORDER'S OFFICE IN BOOK 121 OF DEEDS, PAGE 448, AND DATED FEBRUARY 07,
1906, RECORDED IN BOOK 94 OF DEEDS, PAGE 236.

TRACT C:

PARCEL ONE

LOTS 1, 2, 4 AND THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 9 IN TOWNSHIP 5 NORTH, RANGE 1 WEST, HUMBOLDT MERIDIAN.

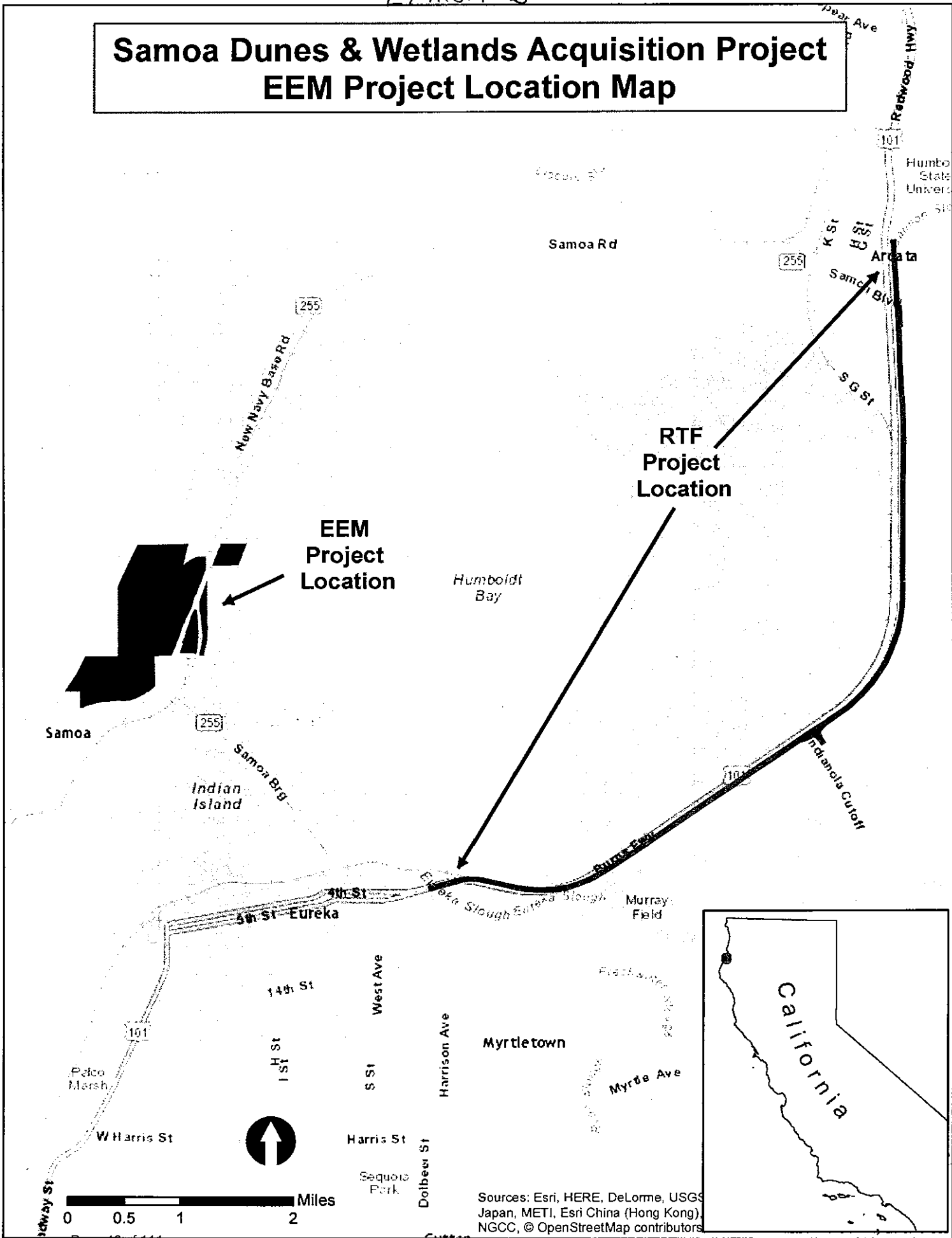
EXCEPTING THEREFROM THAT PORTION OF LOT 2 CONVEYED BY THOMAS BAIR AND WIFE TO P. PURVIANCE BY DEED RECORDED APRIL 12, 1911 IN BOOK 118 OF DEEDS, PAGE 247, HUMBOLDT COUNTY, CALIFORNIA.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF CONVEYED BY GEORGIA-PACIFIC CORPORATION TO THE COUNTY OF HUMBOLDT BY DEED RECORDED JANUARY 28, 1971, RECORDED OCTOBER 13, 1972 IN BOOK 1160 OF OFFICIAL RECORDS, PAGE 623, HUMBOLDT COUNTY, CALIFORNIA.

PARCEL TWO

THAT PORTION OF LOT 1 AND THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 16, TOWNSHIP 5 NORTH, RANGE 1 WEST, HUMBOLDT MERIDIAN, ACCORDING TO THE OFFICIAL PLAT OF THE UNITED STATES GOVERNMENT SURVEY, LYING NORTHERLY OF THE NORTH LINE OF THAT PARCEL OF LAND CONVEYED BY GEORGIA-PACIFIC CORPORATION TO THE COUNTY OF HUMBOLDT BY DEED DATED JANUARY 28, 1971, RECORDED OCTOBER 13, 1972 IN BOOK 1160 OFFICIAL RECORDS, PAGE 623, HUMBOLDT COUNTY RECORDS.

Samoa Dunes & Wetlands Acquisition Project EEM Project Location Map



Sources: Esri, HERE, DeLorme, USGS, Japan, METI, Esri China (Hong Kong), NGCC, © OpenStreetMap contributors

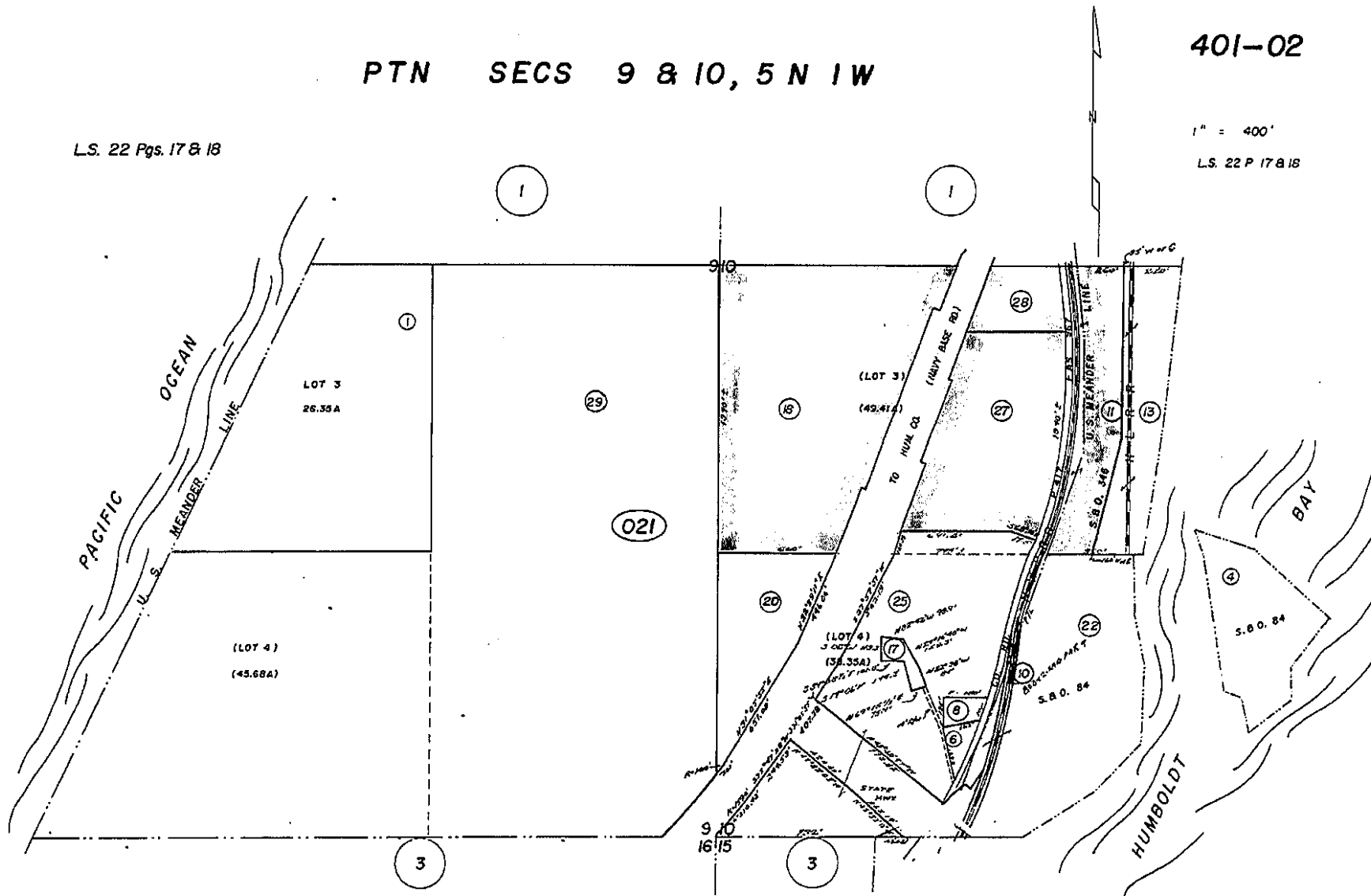
PTN SECS 9 & 10, 5 N 1 W

401-02

L.S. 22 Pgs. 17 & 18

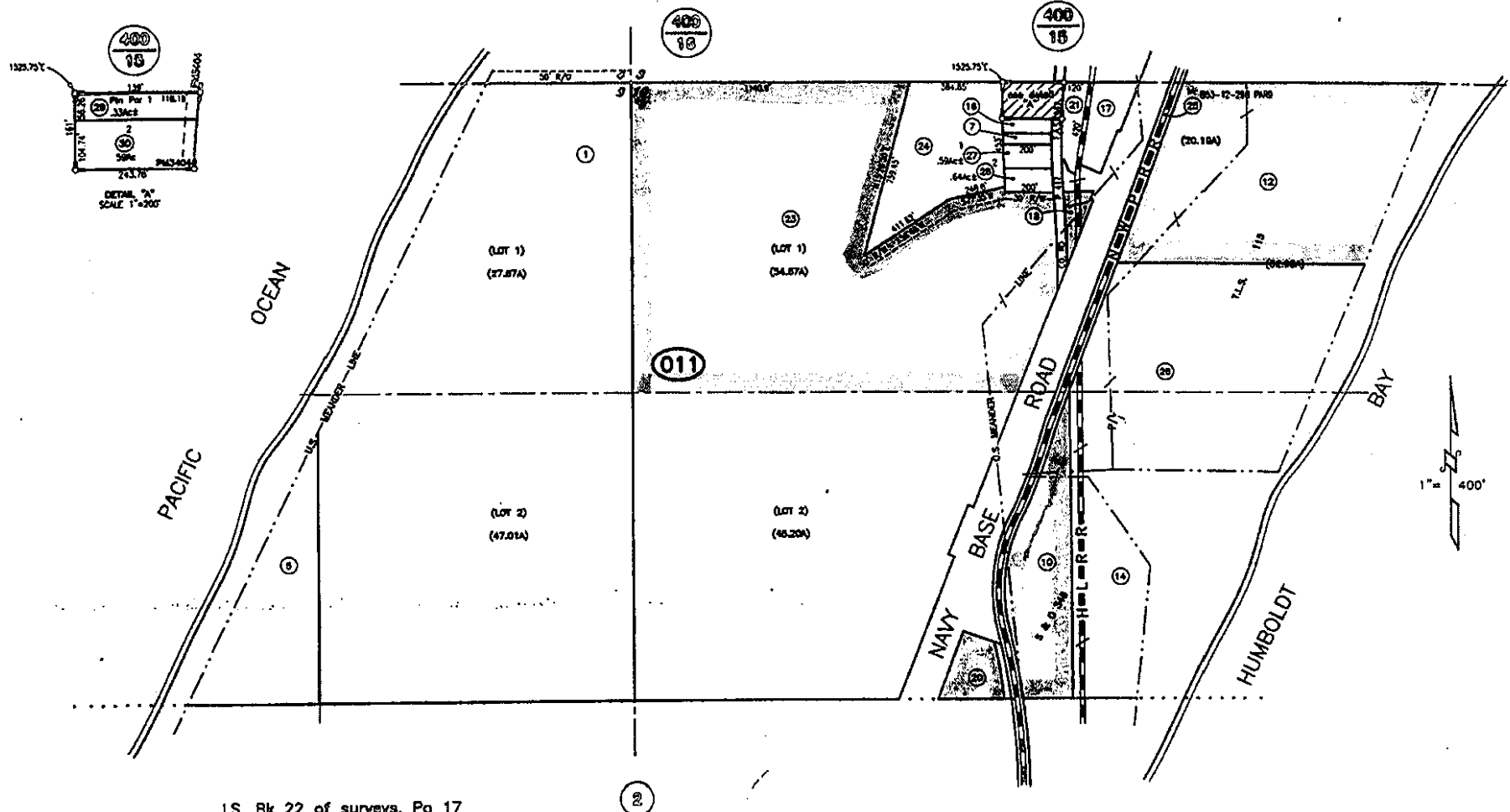
1" = 400'

L.S. 22 P 17 & 18



PTN SECS 9 & 10 T5N, R1W H.B.& M.

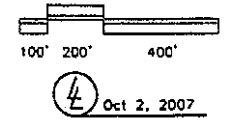
401-01



LS, Bk 22 of surveys, Pg 17
 PM3329 of PM Bk 31, Pgs 142-143
 PM3404 of PM Bk 33, Pgs 1-2

ASSESSOR'S PARCEL MAP
 1. THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY.
 2. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN.
 3. ASSESSOR'S PARCELS MAY NOT COMPLY WITH LOCAL LOT-SPLIT OR BUILDING SITE ORDINANCES.

NOTE - Assessor's Block Numbers Shown in Ellipses
 Assessor's Parcel Numbers Shown in Circles.
 Assessor's Map Bk.401, Pg.01
 County of Humboldt, CA.



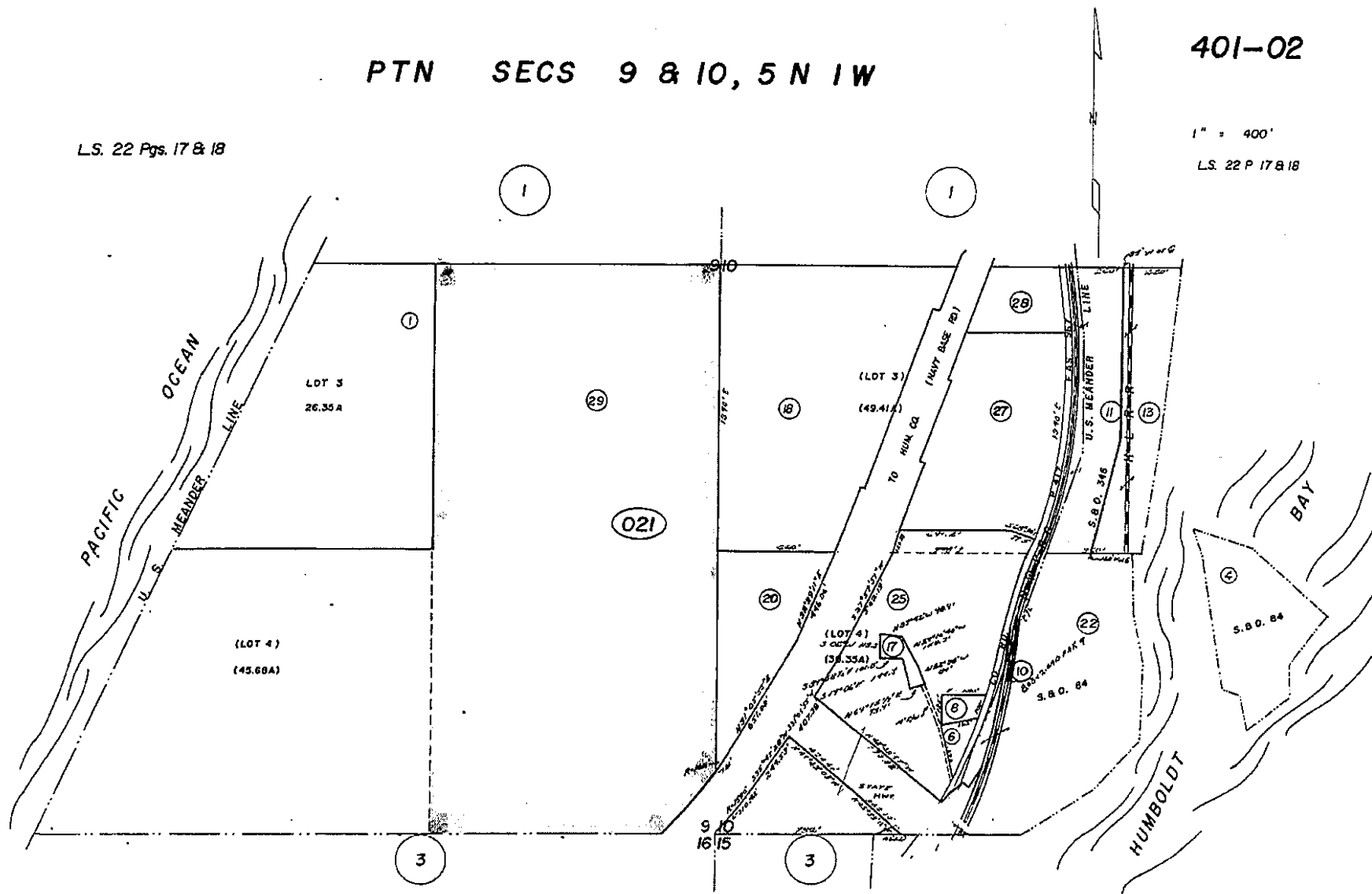
PTN SECS 9 & 10, 5 N 1 W

401-02

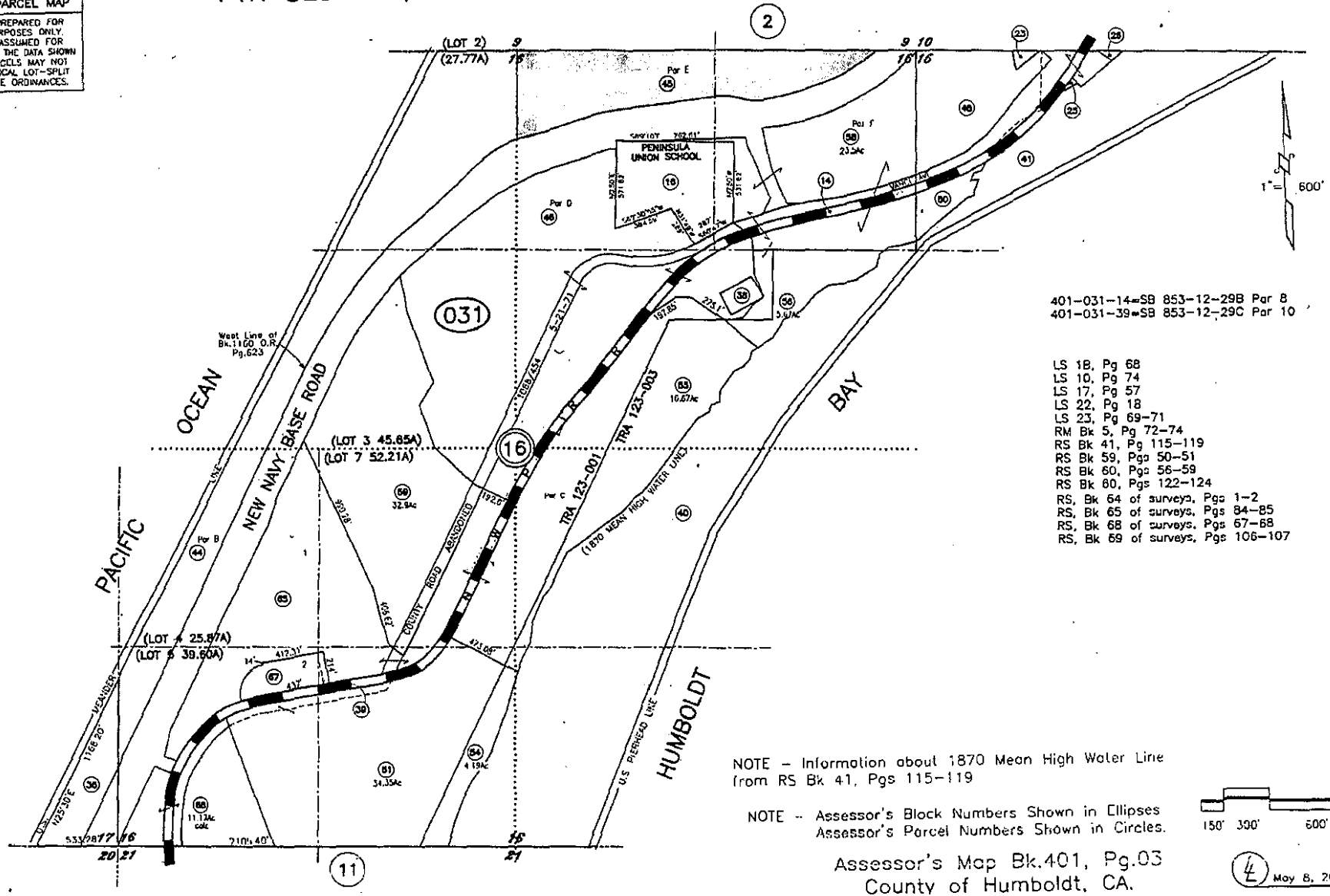
L.S. 22 Pgs. 17 & 18

1" = 400'

L.S. 22 P 17 & 18



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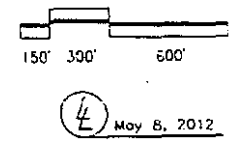
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 401-031-39-SB 853-12-29C Par 10

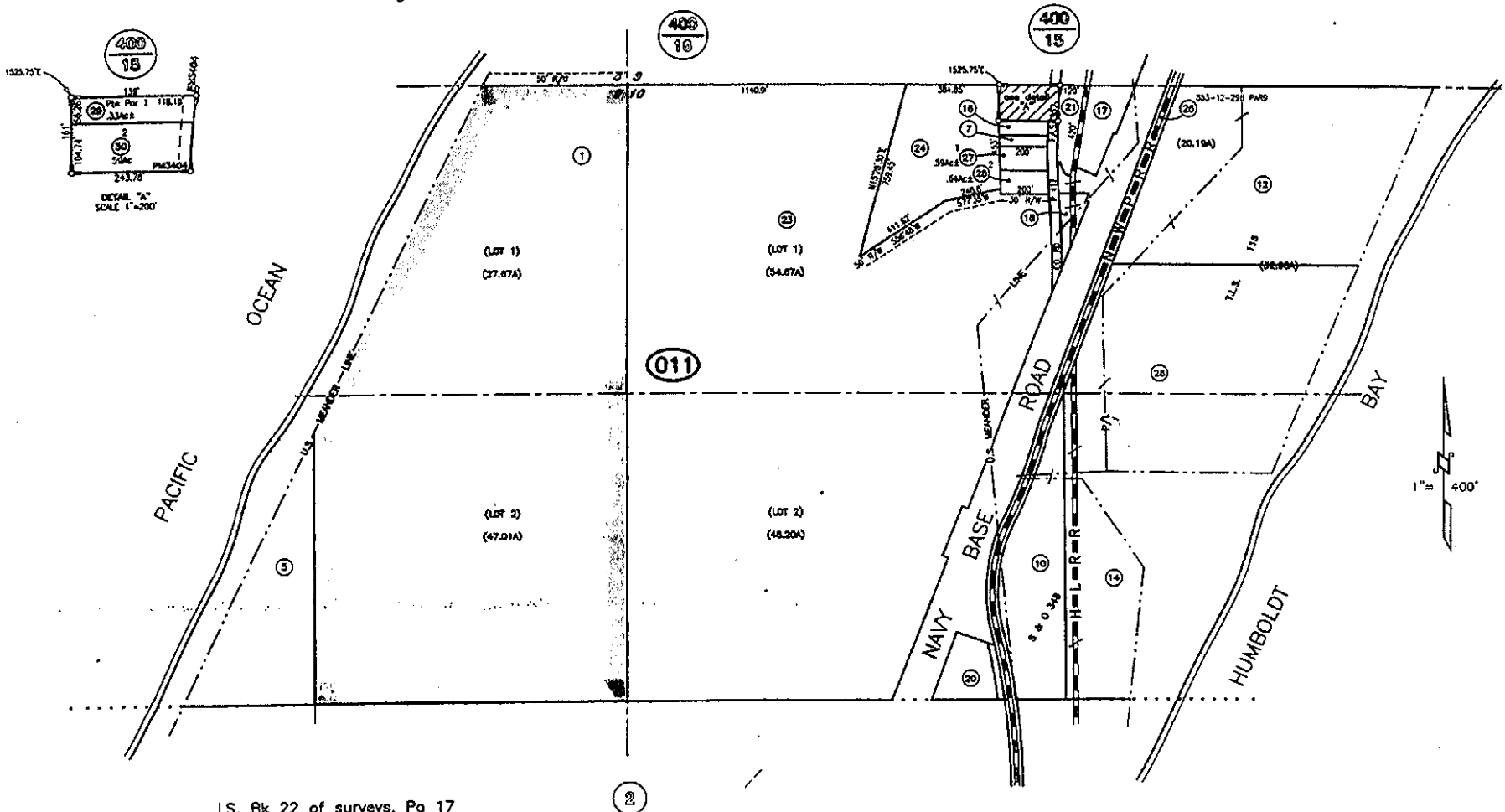
- LS 18, Pg 68
- LS 10, Pg 74
- LS 17, Pg 57
- LS 22, Pg 18
- LS 23, Pg 69-71
- RM Bk 5, Pg 72-74
- RS Bk 41, Pg 115-119
- RS Bk 59, Pgs 50-51
- RS Bk 60, Pgs 56-59
- RS Bk 60, Pgs 122-124
- RS, Bk 64 of surveys, Pgs 1-2
- RS, Bk 65 of surveys, Pgs 84-85
- RS, Bk 68 of surveys, Pgs 67-68
- RS, Bk 69 of surveys, Pgs 106-107

NOTE - Information about 1870 Mean High Water Line from RS Bk 41, Pgs 115-119

NOTE - Assessor's Block Numbers Shown in Ellipses
 Assessor's Parcel Numbers Shown in Circles.

Assessor's Map Bk.401, Pg.03
 County of Humboldt, CA.

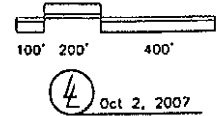




LS, Bk 22 of surveys, Pg 17
 PM3329 of PM Bk 31, Pgs 142-143
 PM3404 of PM Bk 33, Pgs 1-2

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 Assessor's Parcel Numbers Shown in Circles.
Assessor's Map Bk.401, Pg.01
 County of Humboldt, CA.



**HUMBOLDT BAY HARBOR, RECREATION
AND CONSERVATION DISTRICT**

RESOLUTION NO. 2018-10

**A RESOLUTION TO AUTHORIZE THE EXECUTION OF A GRANT AGREEMENT
AND ACCEPT FUNDS FROM THE CALIFORNIA STATE COASTAL
CONSERVANCY FOR THE ACQUISITION OF REAL PROPERTY KNOWN
LOCALLY AS THE DOG RANCH AND POOVEY TRACT LOCATED ON THE NORTH
SPIT OF HUMBOLDT BAY, CALIFORNIA**

WHEREAS, the California State Coastal Conservancy (“Conservancy”) has funding available from the Habitat Conservation Fund (“HCF”) that can be used for the acquisition of habitat to protect rare, endangered, threatened or fully protected species and the acquisition, enhancement, or restoration of wetlands; and

WHEREAS, the Humboldt Bay Harbor, Recreation and Conservation District (“District”) is a county-wide special district with permit jurisdiction over all tide, submerged and other lands granted to the District, including all of Humboldt Bay, and has a statutory purpose to protect natural resources for the benefit of the public; and

WHEREAS, the real property known locally as the Dog Ranch and Poovey Tract, identified by Assessor’s Parcel Numbers 401-011-001, -010, -012, -018, -020, -023; 401-021-011, -018, -027, -028, -029; and 401-031-045 provides habitat for numerous rare, endangered, threatened, and protected species as well as wetlands and rare Beach Pine-Sitka Spruce forest; and

WHEREAS, the real property is adjacent to approximately 1,300 acres of a publicly protected coastal dune system and is being acquired for wildlife habitat protection and enhancement, open space preservation, and public access, and has been designated as the “Samoa Dunes and Wetlands Conservation Project”; and

WHEREAS, the Conservancy has awarded a grant to the District in the amount of \$673,350 to assist with the acquisition of the aforementioned real property; and

WHEREAS, the California Natural Resource Agency previously awarded the District \$708,948 and the Wildlife Conservation Board is tentatively scheduled to award an additional \$700,000 in February 2019 towards the acquisition; and

WHEREAS, the procedures established by the Conservancy require a Resolution from the Board of Commissioners designating positions whose incumbents are authorized to negotiate and execute the grant agreement and other required documents.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Humboldt Bay Harbor, Recreation and Conservation District hereby:

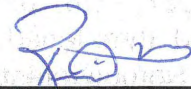
1. Accepts the award of a California State Coastal Conservancy Grant in the amount of \$673,350 to assist with the acquisition of real property known locally as the Dog Ranch and Poovey Tract; and
2. Certifies that the District has reviewed, understands, and agrees to the provisions contained in the grant agreement; and
3. Delegates the authority to the Executive Director, or his/her designee, to negotiate and execute the grant agreement and any subsequent amendments with the State of California for the purposes of this grant, and to execute all other documents needed in connection with the grant; and
4. Authorizes a total matching cash and in-kind contribution of \$18,500 for the purposes of Escrow fees, Title insurance, closing costs and post-acquisition property management and planning for the Samoa Dunes and Wetlands Conservation Project.

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 25th day of October 2018, by the following polled vote:

AYES: Doss, Dale, Marks, Kullman, Higgins

NOES: 

ABSENT: 



**RICHARD MARKS, President
Board of Commissioners**

ATTEST:



**PATRICK HIGGINS, 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. 2018-10 entitled,

**A RESOLUTION TO AUTHORIZE THE EXECUTION OF A GRANT AGREEMENT
AND ACCEPT FUNDS FROM THE CALIFORNIA STATE COASTAL
CONSERVANCY FOR THE ACQUISITION OF REAL PROPERTY KNOWN
LOCALLY AS THE DOG RANCH AND POOVEY TRACT LOCATED ON THE NORTH
SPIT OF 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 25th day of October 2018; 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 25th day of October 2018.



PATRICK HIGGINS, Secretary
Board of Commissioners



STAFF REPORT – HARBOR DISTRICT MEETING
August 13, 2020

TO: Honorable Board President and Harbor District Board Members

FROM: Larry Oetker, Executive Director

DATE: August 10, 2020

TITLE: **Review and Provide Direction on the Samoa Peninsula Fire, Industrial Water, Wastewater, and other infrastructure that serves the Harbor District and other properties on Humboldt Bay.**

STAFF RECOMMENDATION: Staff recommends the Board: Receive a presentation and provide Direction as required.

SUMMARY: Staff from the Harbor District, Humboldt County, Humboldt Bay Municipal Water District, Samoa Peninsula Community Services District, City of Eureka, and City of Arcata have been meeting to discuss how we can work together to complete upgrades and maintenance to the public infrastructure on the Samoa Peninsula. Since the infrastructure is owned and managed by several different governmental agencies, there is a need to coordinate our efforts in order to effectively manage and plan for future development opportunities. On February 27, 2020, the Board authorized staff to enter into an agreement with the other agencies to formalize the Samoa Peninsula Infrastructure Workgroup.

DISCUSSION: At this meeting, Staff intends to focus on the domestic, fire suppression, industrial water systems as well as the new wastewater treatment plant. Staff intends to go over the Peninsula’s Ocean Outfall Pipes, railroad right of way, and other infrastructure at future meetings.



STAFF REPORT – HARBOR DISTRICT MEETING
August 13, 2020

TO: Honorable Board President and Harbor District Board Members

FROM: Larry Oetker, Executive Director

DATE: August 10, 2020

TITLE: **Approval of the Second Amendment to the Lease Agreement with Nordic Aquafarms California LLC at the District's Redwood Marine Terminal II Property APN's 401-112-021 and 401-112-024 (Roll Call Vote)**

RECOMMENDATION: Staff recommends the Board: Direct Staff to: Approve the lease amendment and authorize Executive Director to execute all documents associated with this agreement

SUMMARY: At their April 29th meeting, the Board authorized Staff to execute a letter of intent to amend the existing lease agreement. The Board also approved a Relocation Plan associated with the proposed lease amendment. This agenda item will implement the actions approved in the letter of intent.

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

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

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

The Board previously approved a Relocation Plan which would provide relocation assistance under the California Relocation Assistance Law (GC 7260). Key points of the lease amendment that were previously approved by the Board in the Letter of Intent are:

- Lease amount will increase from current approximately \$179,000 annual lease payment to \$354,000

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

Attachments

- A Second Amendment to Sublease

SECOND AMENDMENT TO SUBLEASE

This **SECOND AMENDMENT TO SUBLEASE** (“**Second Amendment**”) is dated as of this ____ day of _____, 2020 (the “**Effective Date**”), by and between **HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**, a California public entity (“**Landlord**”), and **NORDIC AQUAFARMS CALIFORNIA, LLC**, a Delaware limited liability company, f/k/a California Marine Investments LLC (“**Tenant**”).

RECITALS

A. Landlord and Tenant are parties to that certain Sublease dated as of February 11, 2019 (the “**Original Sublease**”), as amended by that certain First Amendment to Sublease dated as of March 15, 2020 (the “**First Amendment**,” and collectively with the Original Sublease, the “**Sublease**”), wherein Landlord has granted to Tenant the right to sublease certain improved real property in Humboldt County, California (as more particularly described and depicted in the Sublease, the “**Demised Premises**”). The Sublease was memorialized by Landlord and Tenant in that certain Memorandum of Option to Sublease dated as of February 11, 2019 and recorded in the Official Records of Humboldt County, California on April 10, 2019 as Document Number 2019-006258.

B. Landlord and Tenant now desire to amend the Sublease according to the terms and conditions set forth herein. Capitalized terms used in this Second Amendment and not otherwise defined herein shall have the meaning assigned to them in the Sublease.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. Expanded Lease Area.

(a) Sections 6.1 and 6.2 of Rider A of the Original Sublease are hereby amended and restated in their entirety as follows:

“**Section 6.1** Upon satisfaction or waiver by Tenant of the Conditions in the manner described in Section 1.1 of Rider A to the Original Sublease, Tenant shall sublease the “Lease Area”, “Option 1”, “Option 2”, and “Option 3” identified and depicted in Exhibit A to the Original Sublease, and subject to Section 1(e) of this Second Amendment, the “Expanded Lease Area” identified and depicted in Exhibit A to this Second Amendment. All of the foregoing real property described in the preceding sentence is collectively referred to herein as the “Lease Area”. By way of this Second Amendment, the Parties agree that Tenant’s right to elect to lease that additional real property depicted in Exhibit A to the Original Sublease as “Option 1”, “Option 2”, and “Option 3” shall be eliminated and the “Lease Area” depicted on Exhibit A to the Original Sublease shall be expanded to include within its boundaries the real property identified and depicted as “Option 1” on Exhibit A to the Original Sublease, the real property identified and depicted as “Option 2” on Exhibit A to the Original Sublease, the real property identified and depicted as “Option 3” on Exhibit A to the Original Sublease, and that additional real property identified and depicted on Exhibit A to this Second Amendment as the “Expanded Lease Area”. On and after the Commencement Date, the Lease Area, as defined in this Second Amendment, shall be deemed to be the “Demised Premises” or “Land” under the Sublease. Any provision in the Sublease that references or is applicable in the event Tenant elects to sublease an area described or depicted as “Option 1”, Option 2”, and/or “Option 3” shall remain effective and be interpreted to apply to the Lease Area. On and after the Commencement Date,

Tenant shall not obstruct, prevent, or otherwise hinder the use of the public right of way known as Vance Avenue, as such public right of way is shown on Exhibit A to the Original Sublease.

Section 6.2 On and after the Commencement Date, and subject to the terms and conditions of Section 4.1 of the Sublease, Tenant shall pay Annual Rent to Landlord for the Demised Premises. The Annual Rent rate for the Demised Premises shall be Three Hundred and Fifty Four Thousand Dollars (\$354,000.00) per annum.”

(b) The “Expanded Lease Area” is identified and depicted on Exhibit A attached to this Second Amendment and made a part hereof.

(c) Commencing on the Effective Date and continuing for a period of ninety (90) days thereafter, Tenant and its employees, agents and representatives shall have a license for access to the real property identified and depicted as the “Expanded Lease Area” at all reasonable times for the purposes of performing and conducting any Due Diligence in compliance with Article 2 of Rider A of the Original Sublease. Notwithstanding the foregoing, Tenant shall not enter any portion of the Expanded Lease Area that is leased by Landlord to any third party. In the event Tenant requires access to any portion of the Expanded Lease Area that is leased by Landlord to any third party, Tenant shall provide Landlord at least forty-eight (48) hours’ notice (which may be oral or electronic in nature) so that Landlord may provide notice to its third party tenant(s).

(d) Commencing on the Effective Date and continuing until December 31, 2020, Tenant shall have the right to apply for any Governmental Approvals from any Governmental Authorities necessary or desirable for the development, use and operation of the Project to the extent pertaining to the real property identified and depicted as the “Expanded Lease Area” (the “Expanded Lease Area Permit Application Period”). The Expanded Lease Area Permit Application Period shall otherwise be upon all of the terms and conditions of Article 3 of Rider A of the Original Sublease.

(e) In the event that Tenant exercises the Option, Tenant, at Tenant’s sole cost and expense, shall cause those existing structures within the Expanded Lease Area shown on Exhibit A attached hereto to be removed (the “Removal”), excepting solely for the existing maintenance shop of Landlord shown on Exhibit A (the “Maintenance Shop”), which Maintenance Shop is not deemed a portion of the real property identified and depicted as the “Expanded Lease Area” on Exhibit A, shall not be deemed a portion of the Demised Premises, and shall not be removed. In connection with the Removal, Tenant shall (i) within sixty (60) days of its receipt of the demolition engineering report, meet and confer with Landlord regarding the specific location that the demolition engineer recommends that the Maintenance Shop be demolished and retained, (ii) at Tenant’s sole cost and expense, provide all engineering, design, permitting, and construction to relocate, reconnect and restore to full operational standards all utilities which currently serve the Maintenance Shop to the extent that any of the same are disturbed in connection with the Removal, and (iii) at Tenant’s sole cost and expense, apply for a Coastal Development Permit as part of Tenant’s development of the Demised Premises to permit Landlord, at Landlord’s sole cost and expense, to construct an approximately forty foot (40’) by sixty foot (60’) addition to the southern side of the Maintenance Shop, which addition (including the design, engineering, permitting and construction thereof) shall be subject to the prior written approval of Landlord and Tenant, and each such approval shall not be unreasonably withheld, conditioned or delayed. Such addition to the Maintenance Shop shall not be deemed a portion of the real property identified and depicted as “Expanded Lease Area” on Exhibit A, and shall not be deemed a portion of the Demised Premises.

(f) Landlord shall have a non-exclusive right of way and utility corridor along the northern boundary line of the Expanded Lease Area, as such right of way and utility corridor is generally depicted on Exhibit A. The utility corridor shall be at least fifty (50) feet wide, except as reasonably necessary to

accommodate the existing water tower located near the northeast corner of the Expanded Lease Area. Tenant shall retain the right to use such right of way and utility corridor for any purposes permitted under the Sublease, as hereby amended (including, without limitation, for fire protection and construction), provided that Tenant shall not unreasonably interfere with Landlord's use of the right of way or utility corridor.

(g) The real property identified and depicted as the "Expanded Lease Area" is currently subject to six (6) leases between Landlord, as the landlord thereunder, and six (6) existing tenants (collectively, the "Expanded Lease Area Leases"). A list of the Expanded Lease Area Leases, including relevant terms pertaining to each of the same, is attached hereto as Exhibit B and made a part hereof. Landlord and Tenant have mutually prepared and approved that certain Tenant Relocation Plan for the benefit of the tenants of the Expanded Lease Area Leases (the "Tenant Relocation Plan"), which Tenant Relocation Plan is attached hereto as Exhibit C and made a part hereof. From and after the Effective Date, (i) Landlord shall use best efforts to cause the relocation of the tenants of the Expanded Lease Area Leases in accordance with the Tenant Relocation Plan and shall keep Tenant apprised of any and all developments pertaining to the same, (ii) as more particularly set forth on Exhibit B, Tenant shall be responsible for the relocation costs of the tenants of four (4) of the Expanded Lease Area Leases as designated in Exhibit B, and Landlord shall be responsible for the relocation costs of the tenants of two (2) of the Expanded Lease Area Leases as designated in Exhibit B, and (iii) to the extent that any of the Expanded Lease Area Leases are terminated early to facilitate Tenant's sublease of the real property identified and depicted as the "Expanded Lease Area," Tenant shall reimburse Landlord for the rent that Landlord otherwise would have received for any such Expanded Lease Area Lease (in accordance with the terms and conditions of any such Expanded Lease Area Lease as of the Effective Date) that is terminated early after the early termination date through the last day of the then current term of the lease (*i.e.*, exclusive of any extension or renewal rights any tenant could otherwise exercise as set forth in the applicable Expanded Lease Area Lease(s)) in an aggregate amount not to exceed \$175,000.00 for each calendar year or portion thereof from and after calendar year 2020 through the calendar year in which Tenant exercises its option to sublease the Lease Area (or, if Tenant does not exercise such option, the calendar year the Sublease, as hereby amended, is terminated). The obligation imposed upon Tenant by the preceding sentence shall survive the termination of the Sublease, as hereby amended. In connection with clause (iii) above, within ten (10) business days after the Effective Date, Tenant shall deposit with Landlord an amount equal to Forty-Three Thousand Seven Hundred Fifty Dollars (\$43,750.00) (the "Deposit"), which Deposit shall be held by Landlord in consideration for Tenant's option to sublease the real property identified and depicted as the "Expanded Lease Area," and shall be applied by Landlord to the rent that Landlord otherwise would have received under any Expanded Lease Area Lease as described in clause (iii) above. For avoidance of doubt, the Deposit shall count towards the \$175,000.00 limitation set forth in clause (iii) above and shall not be in addition to such limitation. Landlord represents and warrants to Tenant that (A) it has provided to Tenant a true and correct copy of each of the Expanded Lease Area Leases, which Expanded Lease Area Leases comprise all of the leases, rental agreements or other agreements which entitle any person to the occupancy or use of any portion of the real property identified and depicted as the "Expanded Lease Area" (each, a "Lease") that are presently in effect with respect to such real property, (B) to Landlord's knowledge, there is no default by Landlord or any of the tenants under any of the Expanded Lease Area Leases or event or condition which, with the giving of notice or the passage of time or both, could constitute a default thereunder, and (C) Landlord shall not enter into any new Lease with respect to the Expanded Lease Area or any portion thereof, or amend or modify any Expanded Lease Area Lease or consent to any amendment or modification of any Expanded Lease Area Lease in any manner which would adversely affect Tenant's rights under the Sublease, as hereby amended, or increase Tenant's obligations under the Sublease, as hereby amended (which prohibited amendment or modification or consent to the same shall be deemed to include, without limitation, any extension or renewal of the term of any of the Expanded Lease Area Leases or any increase in the rental obligations of any tenant of any of the Expanded Lease Area Leases). To facilitate the relocation of the tenants of the Expanded Lease Area Leases, Landlord shall, on the date Tenant gives notice of its election to sublease the Demised

Premises in accordance with Section 1.1 of Rider A of the Sublease, provide each tenant still in possession of a portion of the Expanded Lease Area a period of ninety (90) days to relocate and surrender possession of its leased premises to Landlord. Unless and until Tenant provides notice of its election to sublease the Demised Premises in accordance with Section 1.1 of Rider A of the Sublease, Landlord shall have no obligation to require any tenant of an Expanded Lease Area Lease to relocate prior to the date that is ninety (90) days following the date Tenant gives Landlord notice of its election to sublease the Demised Premises. If any tenant remains in possession of its leased premises at the Expanded Lease Area after the expiration of such ninety (90) day period, Tenant shall be entitled to an abatement of Annual Rent equal to the percentage of the Expanded Lease Area to the Demised Premises. If any tenant remains in possession of its leased premises at the Expanded Lease Area for more than sixty (60) days after the expiration of such ninety (90) day period, Tenant shall be entitled to terminate the Sublease, as hereby amended, by written notice to Landlord at any time prior to the date all such tenants have surrendered their leased premises to Landlord, in which event any Annual Rent theretofore paid by Tenant shall be returned by Landlord to Tenant promptly following Landlord's receipt of such notice, which obligation of Landlord shall survive the termination of the Sublease, as hereby amended.

(h) Tenant, at Tenant's sole cost and expense, shall comply with all laws relating to the storage, use and disposal of Hazardous Materials at the real property identified and depicted as the "Expanded Lease Area" (exclusive of the Maintenance Shop and any addition thereto); provided, however, that Tenant shall not be responsible for contamination of such Hazardous Materials existing as of the Effective Date. Tenant shall be solely responsible for and shall defend, indemnify, and hold Landlord harmless from and against all claims, costs and liabilities, including reasonable attorneys' fees and costs, arising out of or in connection with Tenant's storage, use and/or disposal of Hazardous Materials at the Expanded Lease Area (exclusive of the Maintenance Shop and any addition thereto). Tenant shall further be solely responsible for, and shall defend, indemnify, and hold Landlord harmless from and against all claims, costs and liabilities, including reasonable attorneys' fees and costs, arising out of or in connection with any removal, cleanup and restoration work and materials required hereunder to return the Expanded Lease Area (exclusive of the Maintenance Shop and any addition thereto) to its condition existing immediately prior to the appearance of the Hazardous Materials, to the extent such Hazardous Materials were introduced to the Expanded Lease Area (exclusive of the Maintenance Shop and any addition thereto) by Tenant. Landlord shall be expressly liable for, and shall indemnify and defend Tenant from and against any and all liabilities related to, any and all Hazardous Materials (i) at the Expanded Lease Area as of the Effective Date, and/or (ii) at the Maintenance Shop and/or any addition thereto whether before, as of, or after the Effective Date, in each case, including without limitation, any cost or expense related to removal, cleaning, abatement or remediation of any such Hazardous Materials, whether or not such Hazardous Materials are discovered by Tenant or any of the Tenant Parties.

(i) Concurrent with the full execution and delivery of this Second Amendment, each of Landlord and Tenant shall execute, acknowledge and deliver that certain Amendment to Memorandum of Option to Sublease, in substantially the form attached hereto as Exhibit D and made a part hereof, and either party shall be entitled to record the same.

2. Electric Substation. Section 5.2 of Rider A of the Original Sublease is hereby amended and restated in its entirety as follows:

"Landlord hereby grants to Tenant the right throughout the Term to access and use Landlord's electric substation as identified and depicted on Exhibit B for up to the full twenty (20) megawatts of same currently available to Landlord. The cost of such use by Tenant shall be Five Hundred Fifty-Six Thousand Dollars (\$556,000.00), payable to Landlord, in advance, within thirty (30) days following the Commencement Date. Tenant shall be responsible for providing its own power to such substation and, to the extent power is supplied to the electrical substation by any public or private utility company, Tenant

shall be directly responsible for paying any and all charges imposed by the utility company. Tenant shall provide Landlord, its employees, agents, and contractors, the unobstructed right of access to the electrical substation so that Landlord can make full use of the additional five (5) megawatts which may be installed as described below. Tenant, at Tenant's sole cost and expense, shall use commercially reasonable efforts to pursue and obtain all permits and approvals required by Pacific Gas & Electric Company to enable Landlord, at Landlord's sole cost and expense, to use commercially reasonable efforts to increase the megawatt capacity of the electrical substation by at least five (5) megawatts (*i.e.*, to a total of at least twenty-five (25) megawatts), provided that any such increase shall not result in any interruption in service to, or unreasonable interference with, Tenant's existing use of the electrical substation. Tenant provides no representation or warranty that any such permits and approvals will be issued or approved. The design, engineering and construction of such expansion of the electrical substation shall be subject to the reasonable approval of Landlord and Tenant. Further, Tenant, at Tenant's sole cost and expense and for its own use, may further increase the megawatt capacity of the electrical substation from time to time, provided that any such increase shall not result in any interruption in service to, or unreasonable interference with, Landlord's existing use of the electrical substation. Neither party may decrease the megawatt capacity of the electrical substation below twenty (20) megawatts without the other party's prior written consent in its sole and absolute discretion. Tenant shall insure and keep the electrical substation in good condition and repair throughout the Term of the Sublease, provided that Landlord shall be responsible for its proportionate share of such insurance, repair and maintenance costs based on the megawatts of the electrical substation that are then reserved and available to Landlord. In connection therewith, Tenant shall deliver to Landlord Tenant's reasonable estimate of any given cost, or group of costs, which it anticipates will be paid or incurred for the ensuing calendar year, as Tenant shall reasonably determine, and Landlord shall pay to Tenant an amount equal to Landlord's proportionate share of the estimated amount of such costs for such calendar year in equal monthly installments during such calendar year. Tenant reserves the right to revise such estimate from time to time upon prior notice to Landlord. As soon as reasonably possible following the end of each calendar year, Tenant shall furnish to Landlord a statement setting forth (i) the amount of such costs paid or incurred during the just ended calendar year, and (ii) the amount that Landlord has paid to Tenant for credit against such costs for such period. If Landlord shall have paid more than its obligation for such costs for the stated calendar year, Tenant shall either (y) credit the amount of such overpayment toward the next ensuing monthly payment of such costs that would otherwise be due by Landlord, or (z) refund to Landlord the amount of such overpayment within thirty (30) days after such determination. If such year-end statement shall show that Landlord did not pay its obligation for such costs in full, then Landlord shall pay to Tenant the amount of such underpayment within thirty (30) days from Tenant's billing of same to Landlord. The electrical usage of the electrical substation shall be separately metered for each of Landlord's and Tenant's usage, and each party shall pay for its electrical usage directly to the applicable electricity provider. Any expenditures pertaining to the electrical substation that would be capitalized under generally accepted accounting principles shall be subject to the prior written approval of each party, which approval shall not be unreasonably withheld, conditioned or delayed. The payment obligations of each party in this section shall survive the expiration or sooner termination of the Sublease."

3. Sea Chests.

(a) Section 5.7 of Rider A of the Original Sublease is hereby amended and restated in its entirety as follows:

"Landlord hereby grants to Tenant the non-exclusive right throughout the Term to access and use the "Bay Water Sea Chest" as identified and depicted on Exhibit B, and the "Red Tank Sea Chest" as identified and depicted on Exhibit B-1, so long as Tenant shall receive and remain in compliance with any required Governmental Approvals pertaining to its use of each of the same. The Bay Water Sea Chest and the Red Tank Sea Chest are collectively referred to herein as the "Sea Chests". Tenant shall have the right to use the Sea Chests up to an aggregate total of 7,000 gallons per minute from the combined capacity of

the Bay Water Sea Chest and the Red Tank Sea Chest. In connection with such use by Tenant, Landlord shall grant to Tenant a utility corridor in an area reasonably agreed upon by Landlord and Tenant to and from each of the Sea Chests and to and from the Demised Premises. Landlord shall use commercially reasonable efforts to pursue and obtain the necessary Governmental Approvals, during the Option Period, for Tenant's intended use of the Sea Chests, but Landlord provides no representation or warranty that any such Governmental Approvals will be issued or approved. Tenant shall reimburse Landlord for any and all reasonable costs incurred by Landlord to obtain such Governmental Approvals to facilitate Tenant's intended use of the Sea Chests upon submission by Landlord of an invoice particularly describing the costs incurred with supporting documentation. Tenant, at Tenant's sole cost and expense, shall have the right to install, operate and maintain any wiring, piping and associated infrastructure in connection with its use of the Sea Chests, including, without limitation, the right to reconfigure any existing wiring and piping to accommodate Tenant's use. The cost of such use by Tenant shall be the applicable tariff adopted by the Commissioners of Landlord, as such tariff may be amended from time to time in accordance with Landlord's ordinances, provided that any such tariff charged to Tenant shall be imposed on a reasonable, uniform and non-discriminatory basis and shall not exceed the tariff charged to any other third party users of each of the Sea Chests or any other sea chest owned or controlled by Landlord (on a proportionate basis, if and as applicable). Subject to availability and receipt of and compliance with any required Governmental Approvals, Tenant shall have the right to expand the capacity of each of the Sea Chests and use additional amounts of water in connection therewith."

(b) Exhibit B-1 is attached hereto to this Second Amendment and made a part hereof.

4. Conditions. As of the Effective Date, the Conditions described in Section 1.1(b), (c), (d), (e) and (f) of Rider A of the Original Sublease remain unfulfilled and must be satisfied prior to the Commencement Date. Further, the Lease Area, as defined in this Second Amendment, is subject to the Ground Lease, the Leasehold Mortgage and the Operating Lease. Landlord represents and warrants to Tenant that there are no leases of the Lease Area, as defined in this Second Amendment, superior to the Ground Lease. If Tenant exercises its option to sublease the Lease Area, as defined in this Second Amendment, the executed SNDAs as described in such Section 1.1(e), and the approval of the beneficiaries as described in such Section 1.1(f), shall be deemed to be Conditions which apply to the Lease Area, as defined in this Second Amendment, and must be satisfied prior to the Commencement Date. Additionally, the rate study for the cost of the use by Tenant of Landlord's ocean outfall pipe, as described in Section 5.1 of Rider A of the Original Sublease, has yet to be prepared and completed by Landlord and provided to Tenant, and such study is hereby deemed a Condition which must be satisfied prior to the Commencement Date.

5. Brokers. Each party hereby represents and warrants to the other party that it has not dealt with any broker or agent in connection with this Second Amendment and covenants to pay, hold harmless and indemnify the other party from and against any and all cost, expense or liability (including legal fees incurred in defending against any claim) for any compensation, commission and charges claimed by any broker or agent with respect to this Second Amendment or the negotiation hereof or otherwise arising from a breach of the foregoing warranty.

6. No Further Modification; Conflict. Except as set forth in this Second Amendment, all of the terms and provisions of the Sublease shall remain unmodified and in full force and effect. Effective as of the date first written above, all references to the "Sublease" shall refer to the Sublease as amended by this Second Amendment. In the event of any conflict between the terms, covenants and conditions of the Sublease, and the terms, covenants and conditions of this Second Amendment, the terms, covenants and conditions of this Second Amendment shall govern and control.

7. Miscellaneous.

(a) **Voluntary Agreement.** The parties have read this Second Amendment, and on the advice of counsel they have freely and voluntarily entered into this Second Amendment. This Second Amendment shall be interpreted neutrally between the parties regardless of which party drafted or caused to be drafted this Second Amendment.

(b) **Attorneys' Fees.** If either party commences an action against the other party arising out of or in connection with this Second Amendment, the prevailing party shall be entitled to recover from the non-prevailing party, reasonable attorneys' fees and costs of suit.

(c) **Successors.** Subject to the assignment and subletting provisions of the Sublease, this Second Amendment shall be binding on and inure to the benefit of the parties and their successors, legal representatives and assigns.

(d) **Counterparts; Signatures.** This Second Amendment may be signed in two or more counterparts. When at least one such counterpart has been signed by each party, this Second Amendment shall be deemed to have been fully executed, each counterpart shall be deemed to be an original, and all counterparts shall be deemed to be one and the same agreement. This Second Amendment may be executed by a party's signature transmitted by facsimile or by electronic means, and copies of this Second Amendment executed and delivered by means of faxed or electronic signatures shall have the same force and effect as copies hereof executed and delivered with original signatures. All parties hereto may rely upon faxed or electronic signatures as if such signatures were originals. All parties hereto agree that a faxed or electronic signature page may be introduced into evidence in any proceeding arising out of or related to this Second Amendment as if it were an original signature page.

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IN WITNESS WHEREOF, Landlord and Tenant have executed this Second Amendment as of the date first written above.

LANDLORD:

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

By: _____
Name: _____
Title: _____

TENANT:

NORDIC AQUAFARMS CALIFORNIA, LLC,
a Delaware limited liability company,
f/k/a California Marine Investments LLC

By: _____
Name: _____
Title: _____

Exhibit A

Expanded Lease Area

[Attached]

Exhibit B

Expanded Lease Area Leases

Exhibit B-1

Red Tank Sea Chest

[Attached]



Exhibit C

Tenant Relocation Plan

[Attached]

Redwood Marine Terminal II Nordic Aquafarms

Tenant Relocation Plan

May 28, 2020

In compliance with California Relocation Assistance Law (California Government Code §7260 et seq.) and corresponding regulations set forth in the California Code of Regulations, Title 25, Chapter 6.

I. Executive Summary

The Humboldt Bay Harbor, Recreation, and Conservation District (the “Harbor District”) is planning for the development of a new approximately 600,000 square foot recirculating aquaculture facility at its Redwood Marine Terminal II property located at 364 Vance Avenue (APN 401-112-021). Phase I of the recirculating aquaculture project involves the demolition of a portion of the shops and stores building and the entire machine building identified on the following Site Map.



Purpose of Relocation Planning

The purpose this *Final* Relocation Plan (“Relocation Plan”) is to assist the Harbor District in planning for the recirculating aquaculture project. The Relocation Plan is a tool used by the Harbor District to identify the needs of the affected business occupants of the Subject Property, assess the availability of potential replacement sites for the businesses, and to put forth the Harbor District’s commitment to provide relocation assistance to displaced businesses in accordance with the Harbor District’s Relocation Assistance Program for locally funded projects (Relocation Program).

The Harbor District’s Relocation Program is outlined in Section IV of the Relocation Plan and a copy of the Harbor District’s Non- Residential Relocation Assistance Brochure is included as Appendix Item C. The Harbor District’s Program complies with California Relocation Assistance Law (California Government Code §7260 et seq.) and corresponding regulations set forth in the California Code of Regulations, Title 25, Chapter 6.



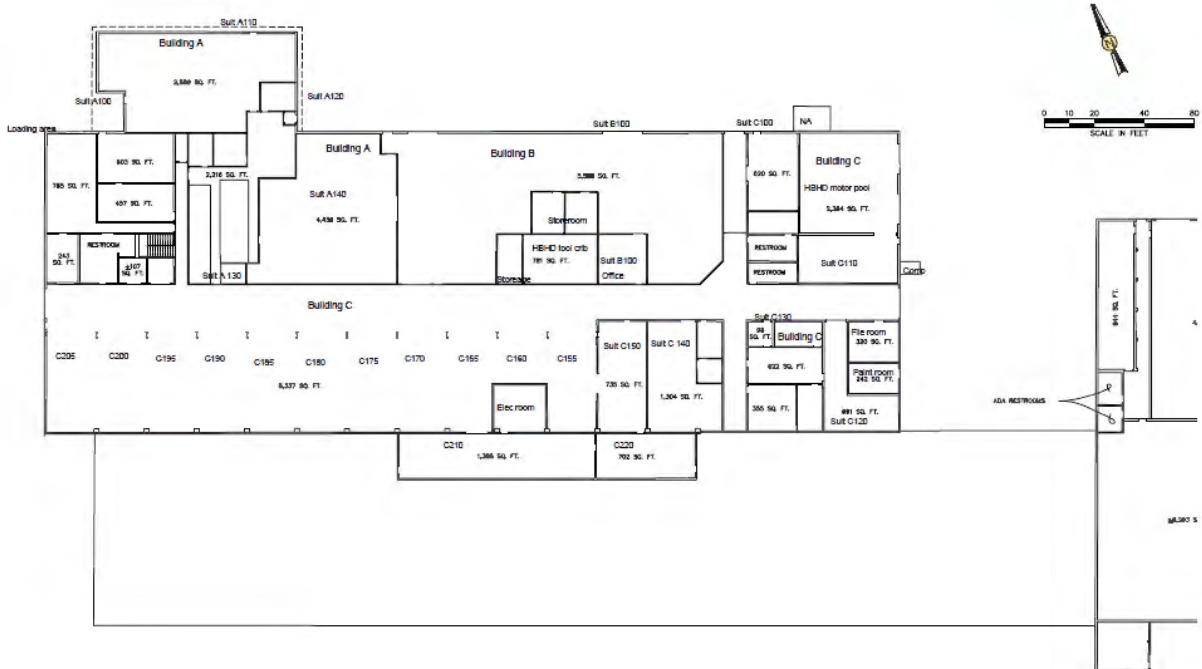
Shops and Stores



Offices



Machine Building



Summary of Impact

The Subject Property is comprised of several buildings which are slated for demolition. All the buildings except for the Shops and Stores building and one 384 square foot small portable office building and approximately 14,400 square feet of exterior yard space is vacant and unutilized. As depicted in the photographs above, the Shops and Stores Building is a three story, multi-tenant commercial office, warehouse, and shops and stores mixed-use, building which was formally part of a larger pulp mill complex. The “Shops and Stores” building is approximately 44,000 square feet. The floor plan of the Shops and Stores Building which includes the location of each of the existing tenants is illustrated in the floor plan above.

The following table outlines the current tenants, space number, use, square foot and lease term, and option to extend term. The types of businesses currently in occupancy include cleaning service, office equipment repair, manufacturing, office, distributor of bulk liquified petroleum products, research, and warehouse. If the recirculating aquaculture project proceeds, the building would be demolished, and tenants would need to vacate.

Area	Building	Space	Tenant	Lease End Date	Option End Date	Unit / Identifier	Sq. Ft
A	1	A110	Vacant Office			office	1,800
A	1	A120	Restif Office	1/20/2024	1/20/2026	office	980
A	1	A130	Restif Shop Space	1/20/2024	1/20/2026	warehouse	1,450
C	1	C195-C205	Restif Warehouse	1/20/2024	1/20/2026	warehouse	3,200
A	1	A140	Alternative Business Concepts	01/31/20201		office	750
A	1	A140	Alternative Business Concepts	1/31/2021	1/31/2023	warehouse lower	2,400
A	1	A140	Alternative Business Concepts	1/31/2021	1/31/2023	warehouse upper	2,400
B	1	B	Vacant Shop Space				4,100
B	1	B100	CPR Inc.	9/30/2020	9/30/2021	warehouse	4,100
B	1	B100	CPR Inc.	9/30/2020	9/30/2021	office	400
A	1	A100	HSU Sea Grant	7/30/2020	7/30/2024	office	486
A	1	A100	HSU Sea Grant	7/30/2020	7/30/2024	Shops & stores lab	600
C	1	C100	Pacific Flake	M to M		Shops & stores	600
C	1	C Pad	Pacific Flake	M to M		outside area	800
C	1	C110 -C130	Harbor District			warehouse	7,000
C2	1	C140	Coastal Business Systems			warehouse	1,300
C	2	C150 - C175	Vacant Shop			warehouse	4,200
C	1	C180 - 185	Suk-Choo Kim			Office	1,600
C	3	Lab	Vacant			Lab / Office	4,641
Shops & Stores Subtotal							42,807

Project Scheduling

Harbor District Board has directed staff to lease the area to the recirculating aquaculture company (Nordic Aquafarms California). As required, the Harbor District will also notify occupants of the Subject Property of their potential eligibility for non-residential relocation assistance benefits under the Harbor District’s Relocation Assistance Program (“Relocation Program”). The Harbor District will, within a reasonable period of time, attempt to meet with each business owner and present a Letter of Eligibility as well as a handbook detailing the Program. Relocation advisory assistance will be provided to help occupants better understand the Program, their rights and benefits, assistance in searching for replacement sites and help to secure reimbursement of eligible moving and related expenses from the Harbor District.

It is anticipated that the demolition will begin in the summer of 2021. The business occupants will be permitted to remain on the property at least through the end of April 2021 in order to allow them ample time to secure a replacement site and relocate.

Project Assurances

The business occupants would not be displaced without receiving written notice of the available relocation assistance, advisory services and at least a written 90-Day Notice to Vacate. As part of the lease agreement Nordic Aquafarms California has provided the Harbor District with a deposit of funds and a commitment to pay the full cost of relocation to four of the seven tenants outlined in the table below. The Harbor District would provide relocation assistance to the remaining tenants. The Nordic Aquafarms California deposit is meant to provide assurance that there are sufficient funds set aside to provide monetary assistance to the businesses that are eligible for relocation assistance as outlined by the Relocation Program.

Tenant	Use	Sq. Ft.	Current Lease Term	Lease Option Period	Responsible for Relocation
Restif Office	Office / Shop	5,630	1/1/2024	1/1/2026	NAF
Alternative Business Concepts	Office / Shop	5,550	1/1/2021	1/1/2023	NAF
CPR Inc.	Shop	4,500	7/1/2020	7/1/2021	NAF
HSU Sea Grant	Office / Lab	1,086	6/1/2020	6/1/2024	NAF
Coastal Business Systems	Warehouse	1,300	6/1/2020	NA	HD
Suk-Choo Kim	Warehouse	1,600	6/1/2020	NA	HD
Refined Hydrocarbon	Outside storage/office	3,384	8/31/2022	8/31/2024	NAF

Basis of Findings

In order to assess the Project’s potential impact and the feasibility of relocating the business occupants into the surrounding community, the Harbor District will contact real estate professionals, commercial property management companies, and commercial property owners to prepare a Relocation Plan. This Relocation Plan will be circulated for a 30-day public review and comment period. At the conclusion of that time period Harbor District will incorporate comments received into the Relocation Plan

In May and June 2020, the Harbor District intends to gather information about each business and its replacement site needs, present the proposed project scope to the business owners, toured the facility to better understand the Project’s potential impact (where permitted by the business owner) and provided information concerning the Harbor District’s Relocation Program.

Estimate of Project Relocation Costs

The following estimates are for budgeting purposes only. These figures should not be interpreted as firm, “not to exceed” or actual entitlement costs. These figures are based on the data obtained through the occupant interviews, current project scope, replacement site availability, review of Furniture, Fixture and Equipment appraisals (FF&E) provided by Harbor District and the judgment and experience of the Consultant. The estimates do not include payments to consultants or to contractors.

Total Estimate Range	
Most Probable	High
\$36,750	\$147,000

The Recirculating aquaculture project will utilize no State or federal funding.

II. Relocation Impact

Description of Current Occupants

The Harbor District will contact each business (in person and by mail) to schedule a formal interview as part of the preparation of this Relocation Plan. Appendix Item B includes a copy of the interview sheet and sample letter from the Harbor District will deliver to each business occupant identified at the Subject Property.

Information about the business types and structure, site characteristics, lease information and

client base will be collected as part of the preparation of the Relocation Plan. Copies of the existing leases will also be reviewed. The net rentable area is estimated to be 42,807 square feet with approximately 28,066 square feet are leased under term leases or on a month-to-month basis. In reviewing the leases, rents range from \$0.15 to \$0.70 per square foot.

III. Replacement Site Resources

A preliminary survey was conducted of commercial properties for lease in the Samoa Peninsula, Eureka, and Arcata area in order to ascertain the availability of replacement sites. As the market conditions regularly change, the commercial property survey will be regularly updated until all tenants are successfully relocated. The general categories of space surveyed included: General Office, shop, and warehouse. A summary of the potential available sites in and around the Harbor District is shown below.

Site	Office	Warehouse	GLA	Rate	Rate/ Ft
2326 3rd Street Eureka	1282	2678	3960	\$ 2,400.00	\$ 0.61
2950 California Eureka,	3300	0	3300	\$ 1,500.00	\$ 0.45
1220 5th Arcata	0	6000	6000	\$ 2,400.00	\$ 0.40
65 Ericson	730	1505	2855	\$ 2,300.00	\$ 0.81
7th & L Fortuna		4000	4000	\$ 2,750.00	\$ 0.69
164 Dinsmore Drive Fortuna	1600	2800	4400	\$ 5,500.00	\$ 1.25
1703 Guinto Arcata	2423	0	4736	\$ 2,011.00	\$ 0.83
1703 Guintoli Arcata	800	0	4736	\$ 800.00	\$ 1.00
1703 Guintoli Arcata	1513	0	4736	\$ 1,301.00	\$ 0.86

The result of the survey found at this time there are a sufficient number of available commercial properties for rent in the Samoa Peninsula, Eureka, Arcata and the immediately surrounding area that will allow for these different types of businesses relocate. It is important to provide an adequate amount of time and assistance for occupants to locate a secure replacement site. Allowing for a longer period of time between notification to the occupants of their eligibility for non-residential relocation assistance and the anticipated date the Harbor District needs the property vacated is critical in easing the competition for available space for lease within the local

real estate market. The Harbor District may use current staff or contract for outside consulting services to provide Relocation Advisors to work directly with the businesses and implement the Harbor District Relocation Program.

IV. Relocation Program

The California Relocation Assistance and Real Property Acquisition Guidelines (25 California Code of Regulations Section 6000 et. seq.), and such amendments that may follow, are the relocation rules and regulations for the purposes of implementing relocation benefits and administering relocation assistance for Harbor District projects or programs requiring relocation assistance and benefits under state laws. The information in this Section broadly summarizes the Harbor District's Relocation Program for Non- Residential Occupants and describes the principal provisions of relocation legislation concerning where and how to get assistance, eligibility for benefits, payments and requirements. Language assistance will be provided at no cost to displaced businesses.

The Harbor District assures that no person shall, on the grounds of race, color, national origin, age, gender, disability or religion as provided by the Civil Rights Act of 1964, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program, service or activity. If you have a complaint against the Harbor District or its third party contractors please call Chris Mikkelsen, Director of Facilities Management at (707) 443-0801.

Payment for loss of goodwill is considered a cost related to the acquisition of property. California law mandates that relocation payments cannot duplicate other payments, such as loss of business goodwill.

Benefit Eligibility

Every property owner or tenant who is displaced from property on which they operate their business, farm or non-profit organization, as a result of a Harbor District sponsored project, is protected under State of California legislation. Relocation legislation establishes strict eligibility and documentation requirements for owners and tenants. To receive payment for a particular benefit, they must satisfy all requirements for that particular benefit payment.

Summary of Relocation Assistance

Eligible displaced businesses are offered appropriate financial and advisory assistance to help relocate, including:

- A. **Advisory Assistance.** A Relocation Advisor to assist locating a replacement property either for sale or rent that is suitable in condition, price or rental range, and assistance to submit the documentation required to file the appropriate Program benefit claim forms. Information on services offered by other agencies is also made available. The

Relocation Advisor is the principal contact in all matters concerning the Harbor District's relocation programs and procedures. The Relocation Advisor will:

- Maintain contact with the business owner throughout the relocation process in order to determine the needs and preferences for a replacement location. Among other matters, requirements as to space, location, site configuration, zoning and cost will be taken into account.
- Assist in determining the need for outside specialists to plan, move and install personal property.
- Assist in identifying and resolving any issues regarding what is real estate and what is personal property to be moved.
- Assist in filing claim forms for the various types of relocation payments, including the type of documentation required to support the amount being claimed.
- Provide referrals to available replacement sites or provide the names of local real estate agents or brokers who can assist in finding the type of replacement location which appeals to the needs of the business. Explain which moving costs may be eligible for reimbursement and which are not eligible.
- Maintain strict confidentiality regarding all matters related to the business operation.
- Provide assurance that the business will not be required to move until Harbor District has provided at least 90 days advance written notice of the specific date by which the property must be vacated.

B. **Financial Assistance.** Property owners and tenants may be paid on the basis of actual, reasonable, and necessary moving costs and related expenses incurred in moving personal property up to a distance of 50 miles from the displacement location, or under certain circumstances, a fixed payment. Actual, reasonable moving expenses may be paid when the move is performed by a mover or when the business chooses a self-move. Some related expenses, such as personal property losses, expenses in finding a replacement site and reestablishment expenses may also be reimbursable.

- **All actual, reasonable and necessary moving expenses** must be supported by paid receipts or other evidence of expenses incurred, this is often referred to as "proof of payment". In addition to the cost of transporting the personal property to the replacement site (up to 50 miles). Moving payments are generally made after the move is completed and the premises are left clean and orderly. Payment typically takes four weeks to process from receipt of a signed claim form with required supporting documentation.

A business may choose to take full responsibility for all or part of the move operation (under a "Self-Move Agreement"), the Harbor District may approve a payment not to exceed the lower of two acceptable bids or estimates obtained from qualified moving firms, moving consultants, or a qualified Harbor District

representative.

Certain other expenses may also be reimbursable, such as:

- Packing and unpacking, loading and unloading of personal property
- Disconnecting and dismantling, reassembling and reinstalling machinery
- Temporary storage (with prior approval)
- Connection to utilities within the replacement site building
- Reprinting obsolete stationery
- Other eligible reimbursable costs may include:
 - Licenses, permits or certification caused by the move to the extent that the cost is necessary to its reestablishment at the replacement site.
 - The reasonable cost of professional services necessary for planning the move of the personal property, moving the personal property, or installing the relocated personal property at the replacement site.
 - Insurance of personal property in connection with the move and required storage (if any).
 - The reasonable cost of moving and reinstalling telephone, burglar, fire alarm and other specialty equipment or systems, if not purchased by the Harbor District as part of the real estate.
 - Purchase of substitute personal property if an item of personal property which is used as part of a business is not moved but is promptly replaced with a substitute item that performs a comparable function at the replacement site, the displaced business is entitled to the lesser of:
 - The cost of the substitute item, including installation costs at the replacement site, minus any proceeds from the sale or trade-in of the replaced item; or
 - The estimated cost of moving and reinstalling the replaced item, but with no allowance for storage.
 - Direct loss of tangible personal property if a person who is displaced from a place of business is entitled to relocate such property in whole or in part, but elects not to do so. Payment is computed on the basis of the lesser of:
 - The fair market value in place of the item, as is, for continued use, less the proceeds from the sale; or
 - The estimated reasonable cost of moving the item, as is, but not including any allowance for storage or for

reconnecting the piece of equipment, if the equipment is in storage or not being used at the acquired site.

- The reasonable cost incurred in attempting to sell an item that is not to be relocated may also be reimbursable.
- If the Harbor District considers personal property to be of low value and high bulk, and moving costs are disproportionate to its value, the allowable reimbursement for the expense of moving such property cannot exceed the lesser of:
 - The amount which would be received if the property were sold at the site; or
 - The replacement cost of a comparable quantity delivered to the new business location.
 - Examples of personal property covered by this provision include, but are not limited to, stockpiled sand, gravel, minerals, metals and other similar items of personal property.
- **Site Searching.** Reimbursement for actual reasonable expenses incurred in searching for a replacement property, in an amount not to exceed \$1,000. Such expenses may include mileage, meals and lodging away from home, time spent searching, fees paid to a real estate agent or broker to locate a replacement site (excluding fees or commissions related to the purchase of such sites), time spent in obtaining permits, attending zoning hearings, and negotiating purchase or lease of a replacement site.
 - **Reestablishment Payment.** In addition to a payment for actual reasonable moving and related expenses, a small business may be eligible to receive a payment of up to \$10,000 for reasonable and necessary expenses actually incurred in re-establishing its operation at a replacement site.
 - Repairs or improvements to the replacement real property required by Federal, State or local laws, code or ordinance.
 - Modifications to the replacement real property to accommodate the business or make the structure(s) suitable for the operation.
 - Construction and installation costs of exterior advertising signs and advertising of the replacement location.
 - Redecoration or replacement of soiled or worn surfaces at the replacement site, such as paint, paneling or carpeting.
 - Estimated increased costs of operation at the replacement site during the first 2 years for items such as monthly lease or rental costs, personal or real property taxes, insurance premiums, or utility charges.
 - Connection to available nearby utilities from the right-of-way to

improvements at the replacement site.

- Professional services performed prior to the purchase or lease of a replacement site to determine a sites' suitability for the business operation, including but not limited to soil testing, feasibility and marketing studies (excluding any fees or commissions directly related to the purchase or lease of the site).
- Impact fees or one-time assessments for heavy utility usage as determined to be necessary by the Harbor District.
- Other items which the Harbor District considers essential to the re-establishment of the business.
- **Fixed Payment "In Lieu of" Actual Moving & Related Expenses.** Under certain circumstances, eligible businesses may request a Fixed Moving Payment "in lieu of" (i.e., instead of) receiving a payment for actual, reasonable moving and reestablishment expenses. The minimum payment is \$1,000 and the maximum fixed payment is \$10,000. It is based on the average annual net earnings of the business or farm for the 2 years immediately prior to displacement. Proof of net earnings can be documented by income tax returns, certified financial statements, or other reasonable evidence acceptable to the Harbor District.
- No relocation payment received will be considered income for the purposes of the Internal Revenue Code, Personal Income Tax Law, Part 10 (commencing with Section 17001) of Division 2 of the Revenue and Taxation Code. This statement is not tendered as legal advice in regard to tax consequences and displaced persons should consult with their own tax advisor or legal counsel to determine the current status.

Time to File. Tenants must file relocation cost reimbursement claims within eighteen (18) months of the date they vacate the displacement site. The property owner must file a claim within eighteen (18) months after the date they move, or the date they receive the final acquisition payment, whichever is later.

Appeal. Displaced businesses have to right to appeal, if they feel the Harbor District has failed to properly determine eligibility for relocation assistance or the amount of a relocation payment. The Relocation Advisor will provide information about the appeal procedure and help file an appeal in a timely manner. Appellants will be given a prompt and full opportunity to be heard and have the right to be represented by legal counsel or another representative in connection with the appeal (but solely at their own expense). The Harbor District will consider all pertinent justifications and materials submitted by and appellant and other available information needed to ensure a fair review. The Harbor District will a written determination resulting from the appeal with an explanation of the basis for the decision. If still dissatisfied with the relief granted, an appellant may seek judicial review. Please see Appendix D, for further information on the Harbor District's Relocation Program Appeals Procedure.

Appendices

Appendix A - Maps of Project Area

Appendix B - Business Survey Sheet

Appendix C - Non-Residential Relocation Assistance Handbook

Appendix D - Relocation Assistance Program Appeal Procedure

Appendix E - Public Comments Received During the 30-day Review and Comment Period

Appendix Item A

Current View

**Proposed
Project
Future
View**

Appendix Item B

Informational Survey

As you may be aware, we are in the process of Finaling a Relocation Impact Study for the Harbor District related to their proposed recirculating aquaculture project. This project may impact the property your business occupies at 364 Vance Avenue Samoa Peninsula, California.

Below is a brief survey which we hope you will agree to complete and return to us. We would also greatly appreciate an opportunity to meet with you in person to discuss your business operation and its needs in greater detail.

<p>F (707)443-0800</p> <p>ax: cmikkelsen@humb oldtbay.org</p> <p>Em</p> <p>ail:</p>	<p>Mail: Humboldt Bay Harbor Recreation, and Conservation District 601 Startare Drive Eureka, CA 95502</p>
---	---

Business name:		DBA:	
Describe nature and type of business:			
Suite(s) occupied:	Est. square footage:	Number of employees:	
Number of years in business:	Years at this location:	Other locations:	
Hours and days of operation:		Seasonal business trends:	
Any special utility needs:		ADA Requirements:	
<p>Require proximity to public transportation? Yes No</p> <p>Do you depend on truck/large deliveries? Yes No</p> <p>Other special access requirements for your business or customers:</p>			

Any special features in your current suite that are specific to your business needs:	
Do you sublease any portion of your suite(s) to others: Yes No	If “yes”, please provide sub-tenant’s contact information:

<i>If your business must relocate in the future, please provide information on the desired location and type of space you would be looking for.</i>	
General area, cities, location preferences:	
Space (square feet) desired:	Type (commercial, office, retail):
Physical layout:	Special utility needs:
Storage:	Parking requirements:
Lease or purchase: <input type="checkbox"/> Lease <input type="checkbox"/> Purchase <input type="checkbox"/> both	Target rent/price range:
Other replacement site requirements/preferences:	
Have you already been looking at sites? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Where:	

Business Contact Information:		
Owner(s) name(s):	Fax:	Phone:
	Email:	Alternate phone:
Mailing address:	Additional authorized contact person, if any, we may speak to at your business regarding this Project:	
Person's name completing this survey:	Signature and date:	

Appendix Item C

Relocation Assistance Handbook Available to Non-Residential Occupants (Business, Farms and Non-Profit Organizations)

Summarizing the California Relocation Assistance Act (Gov. Code Section 7260 et.seq.) and California Relocation Assistance and Real Property Acquisition Guidelines (25 California Code of Regulations Section 6000 et.seq.).

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INTRODUCTION

The Harbor District Board adopted the California Relocation Assistance Act (Gov. Code Section 7260 *et seq.*) and California Relocation Assistance and Real Property Acquisition Guidelines (25 California Code of Regulations Section 6000 *et seq.*), and such amendments that may follow, as the Harbor District's own relocation rules and regulations for the purposes of implementing relocation benefits and administering relocation assistance for Harbor District projects or programs requiring relocation assistance and benefits under state laws.

This handbook broadly summarizes this Program and describes the principal provisions of relocation legislation concerning where and how to get assistance, eligibility for benefits, payments and requirements. Relocation regulations are complicated and difficult to interpret. Therefore, persons reading the handbook are urged not to form advance opinions as to the benefits and amounts to which they may be entitled. Strict requirements must be met before eligibility can be established and payment benefits determined. Premature action may jeopardize eligibility for a relocation payment.

BENEFIT ELIGIBILITY

Every owner or tenant who is displaced from property on which they operate their business, farm or non-profit organization, as a result of a Harbor District sponsored project, is protected under State of California legislation.

Relocation legislation establishes strict eligibility and documentation requirements for owners and tenants. To receive payment for a particular benefit, they must satisfy all requirements for that particular benefit payment. This handbook will explain the requirements and the process for obtaining financial and advisory relocation assistance services.

SUMMARY OF RELOCATION ASSISTANCE

As an eligible displaced person, you would be offered appropriate financial and advisory assistance to help you relocate, including:

- A. Payment for your moving expenses, which include either:
 - A payment for Actual Reasonable Moving and Related Expenses, or
 - A Fixed Payment in Lieu of a Payment for Actual Moving and Related Expenses
 - Advisory Assistance to explain the relocation process, the related eligibility requirements and the procedures for obtaining reimbursement for moving expenses.
- B. Other help as needed to reestablish your business, farm or non-profit organization to minimize the impact of the move.

If you disagree with the Harbor District's decision as to the amount of your payment or your eligibility for assistance, you may appeal that decision.

RELOCATION ADVISORY ASSISTANCE

A Relocation Advisor will help you find a replacement property either for sale or rent that is suitable in condition, price or rental range, and will help you submit the documentation required to file the appropriate benefit claim forms. Information on services offered by other agencies is also available. The Relocation Advisor is your principal contact in all matters concerning the Harbor District's relocation programs and procedures.

Your Relocation Advisor will:

- Maintain contact with the business owner throughout the relocation process in order to determine the needs and preferences for a replacement location. Among other matters, requirements as to space, location, site configuration, zoning and cost will be taken into account.
- Assist in determining the need for outside specialists to plan, move and install personal property.
- Assist in identifying and resolving any issues regarding what is real estate and what is personal property to be moved.
- Assist in filing claim forms for the various types of relocation payments, including the type of documentation required to support the amount being claimed.
- Provide referrals to available replacement sites or provide the names of

local real estate agents or brokers who can assist in finding the type of replacement location which appeals to the needs of the business.

- Explain which moving costs may be eligible for reimbursement and which are not eligible.
- Maintain strict confidentiality regarding all matters related to the business operation.
- Provide assurance that the business will not be required to move until Harbor District has provided at least 90 days advance written notice of the specific date by which the property must be vacated.

FINANCIAL ASSISTANCE

Owners or tenants may be paid on the basis of actual, reasonable, and necessary moving costs and related expenses incurred in moving personal property up to a distance of 50 miles from the displacement location, or under certain circumstances, a fixed payment. Actual, reasonable moving expenses may be paid when the move is performed by a professional mover or when the business chooses a self-move. Some related expenses, such as personal property losses, expenses in finding a replacement site and reestablishment expenses may also be reimbursable.

The business owner must provide the Relocation Advisor and Harbor District with an inventory of the personal property to be moved and advance notice of the approximate date of the move, unless the Harbor District specifically informs you that these notices are not necessary.

The Harbor District has the right to inspect the personal property at the displacement and replacement sites and to monitor the move, as a condition of approval of claims under the Program.

ACTUAL REASONABLE AND NECESSARY MOVING EXPENSES

All actual, reasonable and necessary moving expenses must be supported by paid receipts or other evidence of expenses incurred, this is often referred to as “proof of payment”. In addition to the cost of transporting your personal property to your replacement site (up to 50 miles), certain other expenses may be reimbursable, such as:

- | | |
|---------------------------------------|---|
| ○ Packing, unpacking | ○ Temporary storage (with prior approval) |
| ○ Loading, unloading | ○ Connection to utilities within the building |
| ○ Removing and reassembling machinery | ○ Disconnecting, dismantling |
| | ○ Reinstalling relocated machinery |
| | ○ Reprinting obsolete stationery |

Other eligible reimbursable costs may include:

- Any license, permit or certification caused by the move to the extent that the cost is necessary to its reestablishment at the replacement site.
- The reasonable cost of any professional services necessary for planning the move of the personal property, moving the personal property, or installing the relocated personal property at the replacement site.
- Insurance of personal property in connection with the move and required storage (if any).
- The reasonable cost of moving and reinstalling telephone, burglar, fire alarm and other specialty equipment or systems, if not purchased by the Harbor District as part of the real estate.

Moving payments are generally made after the move is completed and the premises are left clean and orderly. Payment typically takes four weeks to process from receipt of a signed claim form with required documentation.

Estimated Cost Move

If you agree to take full responsibility for all or part of the move of your operation (under a “Self-Move Agreement”), the Harbor District may approve a payment not to exceed the lower of two acceptable bids or estimates obtained from qualified moving firms, moving consultants, or a qualified Harbor District representative. A low cost or uncomplicated move may be based on a single bid or estimate at the Harbor District’s discretion. The advantage of this moving option is that it relieves you from documenting all moving expenses because the payment is limited to the amount of the lowest acceptable bid or estimate. The Harbor District may make this payment without additional documentation.

Purchase of Substitute Personal Property

If an item of personal property which is used as part of a business is not moved but is promptly replaced with a substitute item that performs a comparable function at the replacement site, the displaced business is entitled to the **lesser** of:

- The cost of the substitute item, including installation costs at the replacement site, minus any proceeds from the sale or trade-in of the replaced item, **or**
- The estimated cost of moving and reinstalling the replaced item, but with no allowance for storage.

Direct Loss of Tangible Personal Property

A business may claim payment for actual direct loss of tangible personal property as a result of moving or discontinuing a business operation. This payment cannot exceed the cost of moving the personal property.

Actual direct loss of personal property is allowed when a person who is displaced from a place of business is entitled to relocate such property in whole or in part, **but elects not to do so.**

Payment is computed on the basis of the **lesser** of:

- The fair market value in place of the item, **as is**, for continued use, less the proceeds from the sale, **or**
- The estimated reasonable cost of moving the item, **as is**, but not including any allowance for storage or for reconnecting the piece of equipment, if the equipment is in storage or not being used at the acquired site.

The reasonable cost incurred in attempting to sell an item that is not to be relocated is also reimbursable. The sales price, if any, and the actual reasonable cost of advertising and conducting the sale of personal property that is not to be relocated must be supported by a copy of the bills of sale or similar documents and by copies of any advertisements, offers to sell, auction records, or other data supporting the bona fide nature of the sale.

When personal property is abandoned with no effort being made by the business and/or owner to dispose of such property, the business and/or owner will not be entitled to claim moving expenses or losses for the items involved.

Low Value-High Bulk Personal Property

If the Harbor District considers personal property to be of low value and high bulk, and moving costs are disproportionate to its value, the allowable reimbursement for the expense of moving such property cannot exceed the **lesser** of:

- The amount which would be received if the property were sold at the site, **or**
- The replacement cost of a comparable quantity delivered to the new business location.

Examples of personal property covered by this provision include, but are not limited to, stockpiled sand, gravel, minerals, metals and other similar items of personal property.

Please discuss this with your Relocation Advisor before incurring these costs to assure that they are reimbursable.

Searching Expenses for Replacement Property

Displaced businesses, farms and non-profit organizations are entitled to reimbursement for actual reasonable expenses incurred in searching for a

replacement property, in an amount not to exceed \$1,000. Such expenses may include mileage, meals and lodging away from home, time spent searching, fees paid to a real estate agent or broker to locate a replacement site (excluding fees or commissions related to the purchase of

such sites), time spent in obtaining permits, attending zoning hearings, and negotiating purchase or lease of a replacement site.

Receipted bills or other applicable documentation must support all expenses claimed. Payment for time spent searching must be based on a reasonable hourly wage for the person(s) conducting the search.

Please discuss this with your Relocation Advisor before incurring these costs to assure that they are reimbursable.

RE-ESTABLISHMENT PAYMENT

In addition to a payment for actual reasonable moving and related expenses, a small business, non-profit organization or farm may be eligible to receive a payment of up to \$10,000 for reasonable and necessary expenses actually incurred in re-establishing its operation at a replacement site. To qualify, the business must have not more than 500 employees working at the site.

Business reestablishment benefits may include but are not limited to:

- Repairs or improvements to the replacement real property required by Federal, State or local laws, code or ordinance.
- Modifications to the replacement real property to accommodate the business or make the structure(s) suitable for the operation.
- Construction and installation costs of exterior advertising signs and advertising of the replacement location.
- Redecoration or replacement of soiled or worn surfaces at the replacement site, such as paint, paneling or carpeting.
- Estimated increased costs of operation at the replacement site during the first 2 years for items such as monthly lease or rental costs, personal or real property taxes, insurance premiums, or utility charges.
- Connection to available nearby utilities from the right-of-way to improvements at the replacement site.
- Professional services performed prior to the purchase or lease of a replacement site to determine a sites' suitability for the business operation, including but not limited to soil testing, feasibility and marketing studies (excluding any fees or commissions directly related to the purchase or lease of the site).
- Impact fees or one-time assessments for heavy utility usage as determined to be necessary by the Harbor District.

- Other items which the Harbor District considers essential to the re-establishment of the business.

INELIGIBLE RE-ESTABLISHMENT EXPENSES

The following are not considered to be reasonable, necessary or otherwise eligible expenses:

- Purchase of capital assets, such as office furniture, filing cabinets, and machinery or trade fixtures.
- Purchase of manufacturing materials, production supplies, product inventory, or other items used in the normal course of the business operation.
- Interest on money borrowed to make the move or purchase the replacement property.
- Payment to a part-time business in the home which does not contribute materially to the household income.

FIXED PAYMENT “IN LIEU OF” ACTUAL MOVING & RELATED EXPENSES

Under certain circumstances, eligible businesses, non-profit organizations and farms are eligible to obtain a Fixed Moving Payment “in lieu of” (**i.e., instead of**) receiving a payment for actual, reasonable moving and reestablishment expenses.

The fixed payment for a business or farm operation is based on the average annual net earnings of the business or farm for the 2 years immediately prior to displacement; the fixed payment for a non-profit organization is based on average annual gross revenues for the 2 years immediately prior to displacement, less administrative expenses.

To be eligible, the business, non-profit organization or farm cannot be part of a commercial enterprise having more than three other similar establishments which are not being acquired for the project.

The minimum fixed payment is \$1,000 and the maximum fixed payment is \$20,000. You must provide Harbor District with proof of net earnings to support your claim. Proof of net earnings can be documented by income tax returns, certified financial statements, or other reasonable evidence acceptable to the Harbor District. Your Relocation Advisor will inform you as to your eligibility for this payment and the documentation you must submit to support your claim.

Example of Computation of a Fixed Payment

2011	2012	2013
Annual Net Earnings \$16,500	Annual Net Earnings \$18,500	Year Displaced
Average annual net earnings $\$16,500 + \$18,500 = \$35,000 / 2 = \$17,500$ Fixed Payment = \$17,500		

Remember, if an “in lieu” payment is selected, there is no entitlement to reimbursement for any other moving, related or reestablishment expenses.

RELOCATION PAYMENTS NOT CONSIDERED TO BE INCOME

No relocation payment received will be considered income for the purposes of the Internal Revenue Code, Personal Income Tax Law, Part 10 (commencing with Section 17001) of Division 2 of the Revenue and Taxation Code. This statement is not tendered as legal advice in regard to tax consequences and displaced persons should consult with their own tax advisor or legal counsel to determine the current status of relocation payments.

FILING OF CLAIMS

Your Relocation Advisor will assist you in completing the required relocation claims and explain the type of documentation that you must submit in order to receive payment.

If you are a tenant, you must file your claim within eighteen (18) months of the date you move. If you own the real property, you must file your claim within eighteen (18) months after the date you move, or the date you receive the final acquisition payment, whichever is later. However, it is to your advantage to file your claim as soon as possible after you move. The sooner you submit the claim, the sooner it can be processed and paid.

YOUR RIGHT TO APPEAL

You have to right to appeal, if you feel the Harbor District has failed to properly determine your eligibility for relocation assistance or the amount of a relocation payment. Your Relocation Advisor will provide you additional information about the appeal procedure, if you desire, and help you file your appeal in a timely manner. You will be given a prompt and full opportunity to be heard. You have the right to be represented by legal counsel or another representative in connection with the appeal (but solely at your own expense). The Harbor District will consider all pertinent justifications and materials submitted by you and other available information needed to ensure a fair review. The Harbor District will provide you with a written determination resulting from the appeal with an explanation of the basis for the decision. If you are still dissatisfied with

the relief granted, you may seek judicial review.

WHEN THE HARBOR DISTRICT BECOMES YOUR LANDLORD

If the Harbor District successfully acquires the property you occupy, you may become a tenant of the Harbor District. You will be asked to enter into a rental agreement with the Harbor District which specifies the rent to be paid, its due date and the property management policies which will apply to your tenancy.

No person eligible for relocation payments, who is lawfully occupying real property acquired for a Harbor District sponsored project, will be asked to move without first being given at least 90 days advance written notice.

However, you may be evicted for the following reasons:

- You received an eviction notice prior to the date the Harbor District made an offer to purchase the property and as a result of that notice you are later evicted;
- Serious or repeated violation of material terms of the rental agreement;
- Failure to pay rent, except for just cause acceptable to the Harbor District;
- Performance of a dangerous or illegal act on the premises;
- Maintenance of a nuisance and failure to abate within a reasonable time following notice;
- The eviction is required by State law or County ordinance and cannot be prevented by reasonable efforts on the part of the Harbor District.

ANTI-DISCRIMINATION & LANGUAGES SERVICES

The Harbor District assures that no person shall, on the grounds of race, color, national origin, age, gender, disability or religion as provided by the Civil Rights Act of 1964, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program, service or activity. If you have a complaint against the Harbor District or its third party contractors please call, Sharon Jones, Facilities and Real Property Manager at (510) 494-4715.

Should you need language assistance with the translation of documents or interpretation services, your Relocation Advisor can help you. Language assistance will be provided at no cost to you.

ADDITIONAL INFORMATION

This handbook is a general overview the Harbor District's relocation assistance program. It is not intended as a complete statement of all the State laws and regulations. You are encouraged to contact your Relocation Advisor with respect to all relocation questions in order to protect all of your benefits. Loss of eligibility may occur if you sell or move from your property without first contacting your Relocation Advisor.

While every effort has been made to assure the accuracy of this handbook, it should be understood that it does not have the force and effect of law, rule, or regulation governing the payment of benefits. Should any difference or error occur, the law will take precedence.

Payment for loss of goodwill is considered a cost related to the acquisition of property. California law mandates that relocation payments cannot duplicate other payments, such as loss of business goodwill.

If you have any questions which have not been adequately answered in this informational handbook, please contact your Relocation Advisor.

Appendix Item D

Harbor District Relocation Assistance Program Appeal Procedure

The Harbor District's guidelines, rules and regulations for Relocation Assistance are the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and its implementing regulations, as they may be amended from time to time, for projects with federal financial assistance, and the California Relocation Assistance Act and Guidelines, and its implementing regulations, as they may be amended from time to time, for all other projects. The process below implements the requirements of the federal and state relocation laws and regulations for appeals of relocation assistance claims.

Right of Review: Any claimant aggrieved by the Harbor District's determination as to relocation assistance eligibility, the amount of relocation assistance, the failure to provide comparable permanent or adequate temporary housing, or the Harbor District's property management practices, may file an appeal and request that the Harbor District review and reconsider the relocation assistance claim.

Notice of Appeal Time Limitations/Content: A claimant seeking an Informal Oral Presentation and/or Formal Review must notify the Harbor District in writing within eighteen (18) months following the date of the move from the property or the date the claimant receives final compensation, whichever is later. The notice must state the reasons the claimant believes an error or omission has occurred and the nature of the error or omission. If necessary, the Claimant's Relocation Advisor shall provide assistance to the claimant in preparing the written claim.

The request shall be
directed to:
Humboldt Bay Harbor, Recreation, and
Conservation District
Attention: Chris Mikkelsen, Director of Facilities
Management
601 Startare Drive
Eureka, CA 95502

Formal Review: Formal review and reconsideration of the Claimant's claims will be conducted by an authorized, impartial designee of the Harbor District's Executive Director ("Hearing Officer"). The claimant shall have the right to be represented by an attorney or another representative at their expense (if they choose, but this is not a requirement for an appeal proceeding), to present the appeal by oral or documentary evidence, to submit rebuttal evidence, and to conduct such cross-examination as may be required for a full and true disclosure of facts. Claimant's Relocation Advisor shall attend the hearing. Unless the Hearing Officer requests additional information or analysis, no additional information shall be considered after the hearing concludes. The Hearing Officer shall have the authority to revise the initial determination or the determination of a previous informal oral presentation.

Informal Oral Presentation: Prior to a Formal Review, a claimant may request an Informal Oral Presentation. Within 15 days of making a request for an Informal Oral Presentation, the claimant will have the opportunity to discuss the claim with an authorized designee of the Harbor District's Executive Director. The Informal Oral Presentation is optional and is NOT a condition to obtaining a Formal Review. The claimant may be represented at their expense by an attorney or other representative. A summary of the matters discussed in the oral presentation shall be included in the appeal file.

Determination on Review: The claimant shall receive a copy of the Hearing Officer's determination, including

an explanation of the basis upon which the decision was made once the Hearing Officer's Review is completed. The determination shall be provided within six weeks of the hearing date or the date the claimant, at the Hearing Officer's request submits the last material to the Hearing Officer for consideration.

Right to Judicial Review: The claimant has the right to seek judicial review upon exhaustion of all administrative remedies. A claimant's administrative remedies have been exhausted after the Hearing Officer's determination of the Formal Review.

Inspection of Materials: The claimant may inspect and copy materials pertinent to the appeal, except materials which the Harbor District classifies as confidential. The Harbor District also may impose reasonable conditions on claimant's right to inspect consistent with applicable laws.

Appendix Item E

(Held for insertion of public comment received during 30-day comment period.)

If any members of the public would like to make comments on the Relocation Plan, they should contact the Harbor District:

To contact the Harbor District directly, please contact

Humboldt Bay Harbor, Recreation, and
Conservation District
Attention: Chris Mikkelsen, Director of Facilities
Management
601 Startare Drive
Eureka, CA 95502

Phone: (707) 443-0801
cmikkelsen@humboldtby.org

Appendix Item F

General Information Notice

Dear Tenant:

On April 30, 2020, the Board of Directors of the Humboldt Bay Harbor, Recreation (Harbor District), and Conservation District approved a Letter of Intent to Lease to Nordic Aquafarms California, LLC a portion of our property located at 364 Vance Avenue on the Samoa Peninsula which you currently occupy. When the negotiations are completed and the lease is final, Nordic Aquafarms California, LLC intends to remove the structures / facilities you currently occupy and construct new facilities for their use. No State or Federal funding is projected to be part of the project and the Harbor District is providing no subsidy to the lease or development.

This notice is to inform you of your rights under California law. **THIS IS NOT A NOTICE TO MOVE.**

If the lease is approved and Coastal Development Permits are approved the property and you are displaced from the project, you may be eligible for relocation assistance under the law. However, do not move now. This is **NOT** a notice to vacate the premises. If development permits are approved for the Nordic Aquafarms LLC project and you are eligible for relocation assistance, you will be given advisory services, including referrals to replacement properties, and at least 90 days advance written notice of the date you will be required to move. You may also receive a payment for moving expenses and may be eligible for financial assistance to help you rent or other eligible costs. If anyone moves into this unit (subleases) after this notice, your assistance may be reduced.

You should continue to pay your monthly rent because failure to pay rent and meet your obligations as a tenant may be caused for eviction and loss of relocation assistance. You are urged not to move or sign any agreement to purchase or lease a new unit before receiving formal notice of your eligibility for relocation assistance. If you move before receiving notice, you may not receive any assistance. Please contact us before you make any moving plans.

The Harbor District will have a Final Relocation Plan available for public review and comment on its website <http://humboldtbay.org/> and the Harbor District Board will receive comments on the relocation Plan at its May 14th and May 28th Board meetings. If you have any questions or comments, please contact Chris Mikkelsen, Director of Facilities Management at (707)443-0801.

Sincerely

Larry Oetker
Executive Director

Exhibit D

Amendment to Memorandum of Option to Sublease

PREPARED BY AND
WHEN RECORDED RETURN TO:

AMENDMENT TO MEMORANDUM OF OPTION TO SUBLEASE

This Amendment to Memorandum of Option to Sublease (this "Amendment") is entered into as of _____, 2020, by and between Humboldt Bay Harbor, Recreation and Conservation District, having an address of 601 Startare Drive, Eureka, California 95501 ("Landlord"), and Nordic Aquafarms California, LLC, a Delaware limited liability company, formerly known as California Marine Investments LLC, having an address of 511 Congress Street, Suite 500, Portland, Maine 04101 ("Tenant"). Landlord and Tenant are parties to that certain Sublease dated as of February 11, 2019 ("Sublease"), as amended by that certain First Amendment to Sublease dated as of March 15, 2020 (the "First Amendment"), and as amended by that certain Second Amendment to Sublease dated as of even date herewith (the "Second Amendment"), and collectively with the Sublease and the First Amendment, the "Option to Sublease") with respect to the Property (as defined below). Pursuant to the Option to Sublease, Landlord has granted to Tenant the right to sublease the Property or certain portions thereof (collectively, the "Sublease Rights"). The specific terms and conditions of the Sublease Rights are set forth in the Option to Sublease. All of the terms and conditions of the Option to Sublease are incorporated herein by this reference. It is the desire of the parties hereto to enter into this Amendment for the purpose of recording the same and giving notice of the existence of the Second Amendment and the Sublease Rights provided for therein, as more particularly described in this Amendment.

<u>Parties to the Option to Sublease</u>	Landlord:	Humboldt Bay Harbor, Recreation and Conservation District 601 Startare Drive Eureka, California 95501
	Tenant:	Nordic Aquafarms California, LLC 511 Congress Street, Suite 500 Portland, Maine 04101

<u>Description of Property</u>	The property described on <u>Exhibit A</u> attached hereto (the " <u>Property</u> ")
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<u>Term</u>	Thirty (30) years commencing on the Commencement Date (as defined in the Option to Sublease) and expiring on the last day of the calendar month in which the thirtieth (30th) anniversary of the Commencement Date occurs, subject to two (2) extension periods, each for a term of ten (10) years.
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<u>Purpose of Amendment</u>	This Amendment is executed for the purpose of giving record notice of the fact of execution of the Second Amendment and the Sublease Rights as provided for therein in lieu of recording the Second Amendment itself and is not intended to modify, limit or otherwise alter the terms, conditions and provisions of the Option to Sublease.
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This Amendment shall extend to and be binding upon the parties hereto and their legal representatives, heirs, successors and assigns.

Executed as a sealed instrument as of the date first above written.

LANDLORD:

HUMBOLDT BAY HARBOR, RECREATION AND
CONSERVATION DISTRICT

By: _____
Name: _____
Title: _____

TENANT:

NORDIC AQUAFARMS CALIFORNIA, LLC,
a Delaware limited liability company,
f/k/a California Marine Investments LLC

By: _____
Name: _____
Title: _____

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 _____)
) ss.
COUNTY OF _____)

On _____, 2020, before me, _____, 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 _____ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

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)
) ss.
COUNTY OF _____)

On _____, 2020, before me, _____, 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.

Signature _____ (Seal)