

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

**DATE:** March 5, 2014

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

**PLACE:** Woodley Island Marina Meeting Room

*The Meeting Room is wheelchair accessible. Accommodations and access to Harbor District meetings for people with other handicaps must be requested of the Director of Administrative Services at 443-0801 five (5) working days in advance of the meeting.*

1. **Call to Order at 6:00 p.m.**
  - a. Move to Executive Closed Session pursuant to the provisions of the California Government Code Sections 54957.6 (Negotiations with Represented Employees) and 54956.8 (Conference with Real Property Negotiator)
    1. Conference with Labor Negotiator  
Agency Negotiator: Chief Executive Officer, District Counsel, District Treasurer, two (2) or less of the members of the Board of Commissioners.  
Employee organization: As recognized by the Board of Commissioners of the Humboldt Bay Harbor, Recreation and Conservation District, including International Longshore and Warehouse Union, Local 14A
    2. Conference with Real Property Negotiator  
Agency Negotiators: Mike Wilson, Board President; Chief Executive Officer; District Counsel  
Under Negotiation:
      - a. Potential terms for District property acquisition from Pacific Gas & Electric Company
      - b. Potential property collateral to secure Coast Seafood Loan
      - c. Ocean Outfall Easement Agreement with DG Fairhaven Power
2. **Adjourn Executive Closed Session**
3. **Call to Order Regular Session at 7:00 p.m. and Roll Call**
4. **Pledge of Allegiance – Sea Scouts**
5. **Report on Executive Closed Session**
6. **Public Comment**

*Note: This portion of the Agenda allows the public to speak to the Board on various issues not itemized on this agenda. A member of the public may also request that a matter appearing on the Consent Calendar be pulled and discussed separately. Pursuant to the Brown Act, the Board may not take action on an 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 may be extended by the President of the Board of Commissioners or the Presiding Member of the Board of*

## **Agenda for March 5, 2014 Board Meeting**

*Commissioners at the regular meeting of the District. The three (3) minute time limit for each speaker may be enforced by the President of the Board of Commissioners or the Presiding Member of the Board of Commissioners at the regular meeting of the District.*

### **7. Consent Calendar**

*Note: All matters listed under the Consent Calendar are considered to be routine by the Board of Commissioners and will be enacted by one motion. There will be no separate discussion of these items. If discussion is required, that item will be removed from the Consent Calendar and considered separately.*

### **8. Communications and Reports**

- a. Chief Executive Officer's Report
  - 1. Redwood Terminal 2 ( Freshwater Pulp Mill Site) Cleanup Update
  - 2. Redwood Terminal 2 Property Marketing
  - 3. Shelter Cove Special Commission Meeting March 6, 2014 6:00 PM
- b. Staff Reports
- c. District Counsel's and Treasurer's Report
- d. Commissioner and Committee Reports
- e. Other

### **9. Non Agenda**

### **10. Unfinished Business**

### **11. New Business**

- a. Consideration of Agreement for Dredging and Transfer of Fisherman's Channel.
- b. Consideration of Lease Agreement with AgriMarine Holdings Inc. for Aquaponics Demonstration Project.
- c. Consideration of Hiring Z & Z Marine to inspect dredge equipment in Oregon.
- d. Consideration of Agreement and Permit to Brian Saxton DBA, Humboldt Kayak Adventures.
- e. Consideration of Pulp Mill Blight designation for Community Development Block Grant and providing \$5000 cash match.

### **12. Administrative and Emergency Permits**

### **12. ADJOURNMENT**



**AGREEMENT FOR DREDGING AND  
TRANSFER OF FISHERMAN’S CHANNEL**

This Agreement For Dredging and Transfer of Fisherman’s Channel (“Agreement”) is made and entered into effective as of the date (the “Effective Date”) countersigned by Pacific Gas and Electric Company, a California corporation (“PG&E”), and Humboldt Bay Harbor, Recreation and Conservation District, a California public entity (“District” and collectively with PG&E, the “Parties” and each a “Party”), in consideration of the covenants hereinafter set forth.

**RECITALS:**

A. PG&E owns certain real property surrounding its Humboldt Bay Power Plant located in Humboldt County, California. This Agreement pertains to a portion of such property commonly known as the Fisherman’s Channel, and lands southwesterly of King Salmon Avenue (collectively, the “Subject Property”) more particularly described in Exhibit A-1 and depicted for illustrative purposes only in Exhibit A-2, which are attached hereto and incorporated herein by this reference.

B. Fisherman’s Channel had been utilized by PG&E for many years as the once through cooling water source for the Humboldt Bay Power Plant, which is being decommissioned. PG&E no longer requires a cooling water source for its Humboldt Bay Power operations and desires to return the depth of Fisherman’s Channel to a depth adequate for reasonably anticipated use by dredging and disposal of the dredging materials. PG&E represents and warrants it has no on-going contractual commitment or regulatory permit condition requirement for the permanent maintenance of the channel depth of Fisherman’s Channel.

C. The District is committed to the operation and maintenance of navigable waters in the Humboldt Bay and desires to acquire dredging equipment that would allow it to perform dredging on its own behalf without the need to hire out of the area dredging contractors. The District, if it owned such equipment, would undertake the PG&E planned one-time dredging of Fisherman’s Channel and reuse of dredged material in lieu of disposal when possible.

D. The Parties wish to memorialize the mutual agreement under which PG&E would fund the District’s dredging and repair of the Fisherman’s Channel, and upon obtaining all necessary governmental approvals, for PG&E to convey the Subject Property to the District together with any and all improvements, fixtures, water and minerals located thereon and any and all rights appurtenant thereto, all on the terms and conditions set forth in this Agreement.

**AGREEMENTS**

NOW, THEREFORE, in consideration of the foregoing recitals which are specifically incorporated into the body of this Agreement, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Permitting.

a. PG&E shall prepare all documents and engineering assessments that are needed for permit(s) from any regulatory agency with jurisdiction to be issued to the District for the



dredging of Fisherman's Channel, together with separate permit(s) associated with the dredging of privately-owned canals (commonly referred to as the "Fingers") bordering the Fisherman's Channel on its northern and western sides. The PG&E-prepared permits will be reviewed and approved by the District and will be applied for by the District and issued in the District's name. All expenses incurred in the permitting process shall be paid by PG&E.

b. PG&E will provide the District with the supporting permit documentation and prior research and background information relating to the dredging of Fisherman's Channel and the adjoining Fingers, including the engineering, design and contact lists necessary for the District to assume implementation of the dredging work with the adjacent property owners that will be affected by the dredging activities in the Fisherman's Channel and those owners that may wish to participate with the District in the dredging of the Fingers. PG&E represents and warrants it has no on-going contractual commitment or regulatory permit condition requirement for dredging of the Fingers and District assumes no responsibility for dredging of the Fingers pursuant to this Agreement.

## 2. Funding of Dredging and Repair Activities.

a. Within ten (10) days of full execution of this Agreement, PG&E shall pay the District a non-refundable payment of Two Million Dollars (\$2,000,000.00) which funds shall be used by the District for the specific purpose of procuring dredging equipment, financing initial start-up and training of District personnel in dredging operations, reuse or disposal of dredged material, and to perhaps establish a funding source to contribute to potential future re-dredging of Fisherman's Channel as the District in its sole discretion may deem necessary. The District shall perform the one time PG&E planned dredging of Fisherman's Channel on a one-time basis to return the channel depth to a depth adequate for reasonably anticipated use, reuse/dispose of the dredging materials, and repair the existing barrier wall at the entrance of Fisherman's Channel, in accordance with the terms and conditions of the permit(s) issued to the District.

b. As the District deems appropriate, the District will work with any interested private property owners with respect to the dredging of the Fingers, in accordance with the regulatory permit(s) issued to the District. The dredging of the Fingers is not within the scope of PG&E's financial commitment under this Agreement, and the decision to proceed with such dredging activity is at the District's sole discretion. Neither PG&E nor the District commits to, or assumes responsibility for, any dredging of the Fingers in conjunction with the one-time PG&E planned dredging of the Fisherman's Channel, or at any time in the future, pursuant to this Agreement.

c. The District shall assume responsibility for the PG&E planned one-time dredging activities and repair work described herein. In the event the governmental approvals associated with the conveyance of the Subject Property described in Section 3(b) are not received in a timely manner, PG&E shall provide the District with access to the Fisherman's Channel under the terms of a mutually acceptable right of entry agreement such that timely performance of the dredging and repair to the barrier wall may proceed while the required approvals are being obtained.



3. Conveyance of the Subject Property.

a. PG&E shall convey, and the District shall accept, all PG&E's right, title and interest to the Subject Property as generally depicted in Exhibit A-2 within ninety (90) days following the satisfaction of the conditions precedent set forth below associated with obtaining all applicable local land use entitlements and the approval of the California Public Utilities Commission for the transfer the Subject Property. The Subject Property shall be conveyed by deed through an escrow to be opened by PG&E through the escrow office of Fidelity National Title Insurance Company, 404 H. Street, Eureka, CA 95501. Escrow fees, documentary transfer tax and recording fees shall be paid by the District. The District agrees to cooperate in executing and performing such escrow instructions as may be required by Fidelity National Title Insurance Company. PG&E shall provide to District a preliminary title report issued by Fidelity National Title Insurance Company. Title to the Subject Property shall be free and clear of all liens and encumbrances, save and except for taxes and assessments not yet delinquent and such easements or other encumbrances disclosed on a preliminary title report issued by Fidelity National Title Insurance Company. The District may elect to purchase title insurance, with such endorsements as the District may choose, at the District's sole cost.

b. The conveyance of the Subject Project shall be conditioned upon the following conditions precedent:

(i) The Subject Property must comply with the California Subdivision Map Act ("Map Act") (Government Code Section 66410, et seq.) ("Map Act Compliance"). The conveyance shall be conditioned upon confirmation of Map Act Compliance or determination that conveyance of the Subject Property to the District as contemplated in this Agreement is exempt from the Map Act. PG&E shall be responsible for all applications and expenses incurred in obtaining Map Act Compliance. In no event shall PG&E be required to assume any condition, burden, dedication, requirement or restriction on any development or use of the Subject Property or the obligation to pay any exaction, fee, cost, expense or other monetary obligation not approved in writing by PG&E.

(ii) PG&E has obtained approvals from the California Public Utilities Commission ("CPUC") that may be required by any laws, rules or regulations for the transactions contemplated by this Agreement upon terms and conditions acceptable to PG&E in PG&E's sole discretion ("CPUC Approval"). PG&E agrees to use its commercially reasonable efforts to obtain CPUC Approval. The District acknowledges that PG&E makes no representation or warranty with respect to CPUC Approval, and waives all claims against PG&E which may arise out of losses, expenses or damages suffered or incurred by the District as a result of the failure of the CPUC to approve the transfer of the Subject Property to the District as contemplated by this Agreement.

c. The Subject Property shall be conveyed with no warranties of title and subject to all matters affecting the Subject Property whether of record or not which would be disclosed by a current, accurate survey of the Subject Property. **THE DISTRICT ACCEPTS ITS INTEREST IN THE SUBJECT PROPERTY IN AN "AS-IS WITH ALL FAULTS" BASIS WITH ANY AND ALL PATENT AND LATENT DEFECTS, IS NOT RELYING ON AND HEREBY WAIVES ANY WARRANTY OF MERCHANTABILITY, HABITATBILITY, FITNESS FOR A PARTICULAR PURPOSE AND ANY OTHER REPRESENTATION OR**



**WARRANTIES, EXPRESS OR IMPLIED, OR ANY KIND WHATSOEVER FROM PG&E WITH RESPECT TO THE MATTERS CONCERNING THE SUBJECT PROPERTY,** including, but not limited to the physical condition of the Subject Property; zoning status; the presence of any hazardous substances, wetlands, cultural resources in, on or under the Subject Property.

d. PG&E has multiple legal parcels in the area, and the District as a public agency is exempt from some provisions of the Map Act, and the parties contemplate that compliance with the Map Act can be accomplished by the creation of a new parcel or by restructuring one of the existing PG&E parcels by way of lot line adjustment in order to convey the Subject Property. However, if the conveyance of the Subject Property in fee by a separate parcel is not possible or feasible, PG&E shall convey to District a navigation easement for public use for the Fisherman's Channel.

e. PG&E and the District each warrant and represent to the other that it has not retained, nor is it obligated to, any person or entity for brokerage, finder's or similar services in connection with the transactions contemplated by this Agreement, and that no commission, finder's fee or other brokerage or agent's compensation can be properly claimed by any person or entity based upon the acts of such party with regard to the transactions which are the subject matter of this Agreement.

4. Following the conveyance of the Subject Property, the District shall exempt PG&E from any special Improvement District that may be formed to support future maintenance of the Fisherman's Channel or the Fingers. The property rights to any real property retained by PG&E shall not include a right to use the Fisherman's Channel or the Fingers absent an agreement by PG&E to participate in any special Improvement District that may be formed to support future maintenance of the Fisherman's Channel or the Fingers. The District shall provide PG&E with access to the Subject Property in connection with any soil and water sampling that may be necessary in connection with PG&E's plant closure under the terms of a mutually acceptable right of entry agreement.

5. PG&E and the District agree to execute such additional documents and take such additional actions which are consistent with, and as may be reasonable and necessary to carry out the provisions of, this Agreement.

6. This Agreement is personal to the District, and the District shall not assign, or otherwise transfer this Agreement or any interest herein. Any assignment, or other transfer violating the requirements of this Section shall be voidable at PG&E's election, and, at the option of PG&E, shall constitute a default hereunder.

7. Neither Party shall be held responsible for the failure or delay in performance herein where such failure or delay is due to any act of God or of the public enemy, war, compliance with laws, governmental acts or regulations, fire, flood, epidemic, strikes and labor interruption, accident, unusually severe weather or other causes similar to the foregoing beyond their reasonable control, including without limitation the failure to obtain permits, consents or similar approvals relating to the dredging and repair activity or the land use entitlements contemplated by this Agreement. Any Party whose performance is affected by such force majeure shall promptly give notice to the other Party of the occurrence of circumstance of force majeure upon which it intends to rely to excuse its performance. If the circumstances of force majeure affect the other Party's performance herein or



delays performance for more than eighteen (18) months, then the other Party may terminate this Agreement upon fifteen (15) days advance written notice.

8. Any notices, requests or elections herein required or permitted shall be deemed given upon receipt and effective as to delivery if given in writing, and may be sent by registered United States Mail (return receipt requested) or by electronic mail or facsimile (with confirmed receipt) or by personal delivery or delivery by a nationally recognized courier service, addressed as follows or to such subsequent address as may be provided by Party to the other Party by proper notice:

If to the District:

Jack Crider  
Chief Executive Officer  
Humboldt Bay Harbor, Recreation and Conservation District  
601 Startare Dr.  
Eureka, CA 95501

If to PG&E:

Loren Sharp  
Senior Director/HBPP Plant Manager  
Humboldt Bay Nuclear Power Plant  
1000 King Salmon Ave.  
Eureka, CA 95503

9. This Agreement, its validity, construction and all rights under it shall be governed by the laws of the State of California and without reference to the choice of law principles of the State of California or any other state. Any action or legal proceeding arising out of this Agreement shall be brought and maintained in Humboldt County, California.

10. The District and PG&E agree that the terms and provisions of this Agreement embody their mutual intent and that such terms and provisions are not to be more liberally in favor of, or more strictly against, either Party.

11. This Agreement, together with its attached exhibits, contains the entire Agreement between the Parties with respect to the subject matter hereof, and any prior or contemporaneous agreements, discussions or understandings, written or oral, are superseded by this Agreement and shall be of no force or effect. No addition or modification of any term or provision of this Agreement shall be effective unless set forth in writing and signed by each of the Parties.

12. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES, INCLUDING LOST PROFITS, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY) OR OTHERWISE, AND WHETHER OR NOT SUCH DAMAGES WERE FORESEEN OR UNFORESEEN.

13. Neither this Agreement nor any agreements or transactions contemplated hereby shall be interpreted as creating any partnership, joint venture, association or other relationship between the Parties.

14. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument. Each Party shall be entitled to rely upon executed copies of this Agreement transmitted either by facsimile or a pdf version by email to the same and full extent as the originals.

IN WITNESS WHEREOF, the District and PG&E have caused this Agreement to be executed as of the Effective Date by their respective representatives thereunto duly authorized.

DISTRICT:

Humboldt Bay Harbor, Recreation and Conservation District

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

PG&E:

Pacific Gas and Electric Company

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



Exhibit A-1  
(Legal Description)

All of the real property described in the deed from Eureka Shipbuilders, Inc. to Pacific Gas and Electric Company dated February 8, 1952, and recorded in Book 197 of Official records at page 379, Humboldt County Records; excepting therefrom the following three (3) parcels of land:

- (1) All portions of land lying to the north and to the east of the southerly line of the parcel of land described in the deed from Pacific Gas and Electric Company to County of Humboldt dated July 20, 1954, and recorded in Book 302 of Official Records at page 481, Humboldt County Records.
- (2) Any portion of lands lying within the Map of King Salmon Resort dated July 13, 1948, and recorded in Book 12 of Maps at page 58, Humboldt County Records.
- (3) Any portion of lands lying within the parcel of land described in the deed from Pacific Gas and Electric Company to County of Humboldt dated December 16, 1988, and recorded in Book 1989 of Official Records at page 8410, Humboldt County Records.

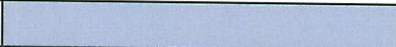
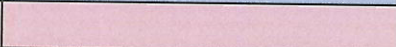

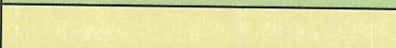
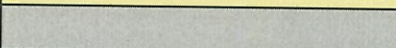
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Exhibit A-2  
(Depiction of Subject Property  
to be transferred to the District).



Document comparison by Workshare Compare on Tuesday, February 25, 2014  
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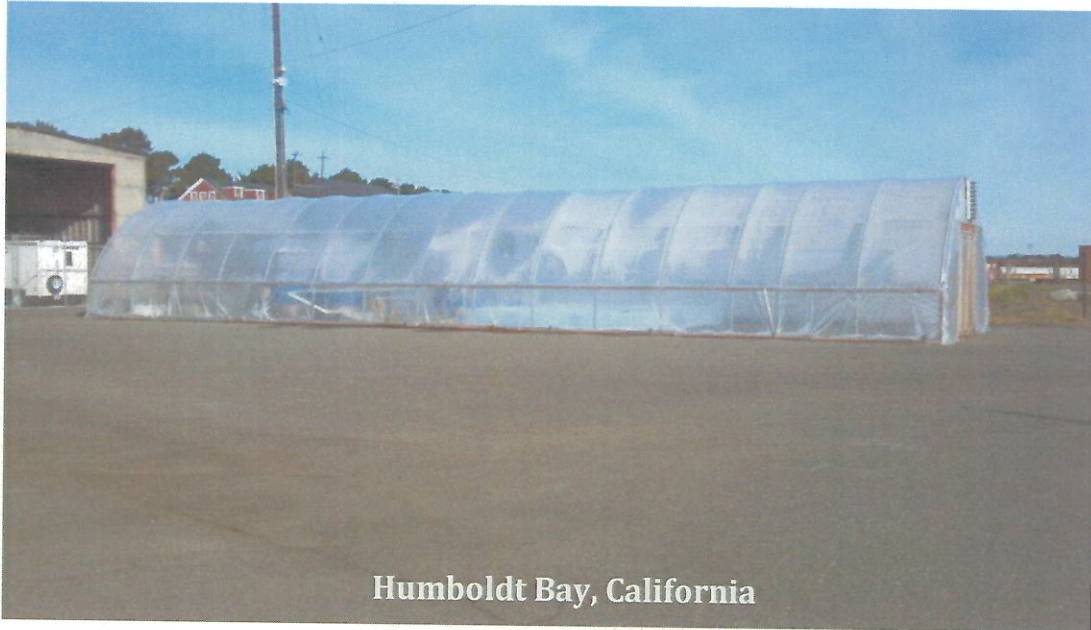
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# Humboldt Aquaponics Greenhouse

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Humboldt Bay, California

**AgriMarine Holdings Inc.**

**Lease Proposal Submitted to the Humboldt Bay Harbor  
Recreation & Conservation District (HBHRCD)**

**February 27, 2014**



# Introduction

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AgriMarine Holdings Inc. is a publicly traded, Canadian-based producer of sustainable fin fish with commercial operations in Powell River, BC, Canada, and Liaoning Province, China. The Company is a leading innovator of aquaculture systems. The Company utilizes proprietary, clean aquaculture technology to create optimal fish rearing environments with economic and environmental benefits to meet the growing demands for healthy and sustainable food sources.

The Company is developing land-based, re-circulating aquaculture systems (RAS) rearing tanks for applications where water access is restricted and has in-depth expertise in developing technology for aquaponics systems.

It is the intention of AgriMarine to establish land-based aquaponic farms in strategic growth areas in the United States and Canada, where it sees explosive growth in the future.

Fish farming and aquaponics are the fastest growing segments of agriculture worldwide today. Aquaculture now accounts for approximately 50% of the world's food fish and is growing more rapidly than all other animal food-producing sectors. In an aquaponics system, fish are reared in land-based tanks where the nutrient-rich water from the fish effluent (waste) provides nutrients to feed a variety of produce, such as vegetables, herbs, fruit and flowers. In turn, the plants recondition and clean the water for recirculation back to the fish. Recent growth in this sector has been directly attributed to concerns over water scarcity and food shortages. Aquaponics is integrated technology that delivers intensive organic food production in order to meet the growing demand for food products while using 90% less water than conventional farming.

The key to a successful aquaponics farm is directly associated with its fish rearing technology and fish husbandry, both areas where AgriMarine has proven expertise and know-how.

# Project Proposal

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The Company is currently seeking approval to lease the existing aquaponics greenhouse, located at the Redwood Marine Terminal Berth 1 in Samoa. The greenhouse was originally established as a Pilot Aquaponics Project in order to assess the commercial viability of aquaponics on land zoned for coastal-dependent industrial use. The initial concept of the Pilot Aquaponics Project was for the development of an aquaculture business park at the former Freshwater Tissue Co. pulp mill. AgriMarine will facilitate the continuation of the original project by establishing an aquaponics demonstration project (“**AgriMarine Aquaponics**”) to test and demonstrate AgriMarine’s technology on the existing site. Phase 2 of this proposal entails the possible expansion of the project into 5-10 acres on the current location based on the successful feasibility of the operation.

## AgriMarine Aquaponics - Phase 1 Objectives

- i. Demonstrate AgriMarine’s technology for the production of bibb lettuce, by taking advantage of the California Department of Fish and Wildlife cooperation to supply 250 rainbow trout fingerlings on request;
- ii. Employ and train a locally sourced work force in order to ensure the smooth operation of the greenhouse and contribute to the creation of local jobs;
- iii. Create co-op opportunities for Humboldt State University Freshwater Fisheries students (in this regard, AgriMarine shares the Humboldt Aquaculture Innovation Center’s vision to provide educational and internship opportunities to local students);
- iv. Perform product quality and taste testing;
- v. Conduct routine water quality testing and report results to the HBHRCD;
- vi. Monitor greenhouse atmosphere and record data;
- vii. Carry out market testing of the product both locally (i.e. farmers markets and organic food stores), and at the laboratory level for quality comparison and chemical analysis in order to ensure superior market quality;
- viii. Prove suitability of Berth 1 site for aquaponics food production and its feasibility for future commercialization;



- ix. Upon the successful completion of Phase 1: Offer to enter into an Exclusive Right to Negotiate (ERTN) with the HBHRCD for the proposed Berth 1 5-10 acre expansion, pay any associated non-refundable negotiation fee; and obtain all necessary environmental permitting.

### Proposed Lease Terms:

- a) No fee other than assumption of agreed costs and other committed deliverables.
- b) Lease Period: Not less than two (2) years;
- c) Utilities: It is the intent of AgriMarine to promptly pay and discharge all charges, rates, assessments and levies to the HBHRCD regarding monthly electricity and water and all other utilities supplied to or consumed in the leased premises;
- d) Insurance: The tenant covenants to the HBHRCD to take out and maintain comprehensive liability and broad form property damage insurance with limits of not less than \$1,000,000 per occurrence and \$1,000,000 aggregate insurance as well as any other form of insurance that the HBHRCD may reasonably require;
- e) Proof of Workers' Compensation Insurance: AgriMarine will comply with insurance requirements as per the California Department of Insurance;
- f) Surety Bond: AgriMarine will purchase a Surety Bond in the amount of \$10,000 (unless paid in advance) as payment guarantee for electrical and water as well as the removal of any of private property at the end of the lease period.

## Phase 2

Upon the successful completion of Phase 1, it is AgriMarine's intention to begin negotiations for the expansion of the site to commercialization at the nearby 5-10 acres HBHRCDC property in the Berth 1 area.

### Berth 1 - 5 Acre Sections for Future Expansion





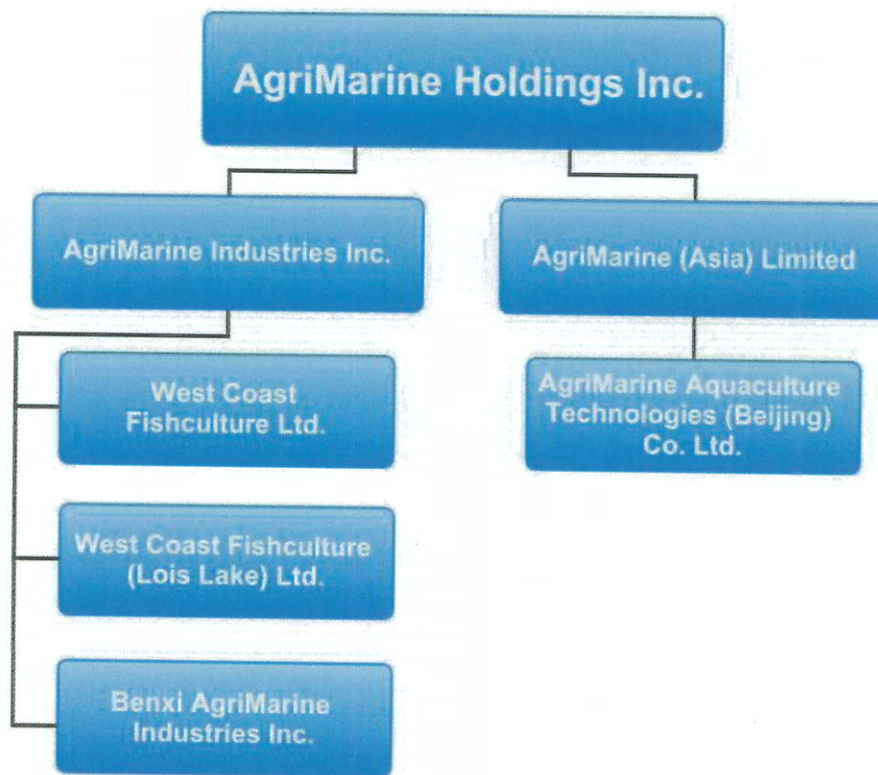
# Appendix

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## About AgriMarine

AgriMarine Holdings Inc. is a publicly traded, Canadian-based producer of sustainable fin fish with commercial operations in Powell River, BC, Canada, and Liaoning Province, China. The Company is a leading innovator of aquaculture systems. From designing advanced land-based rearing environments and hatcheries to pioneering the design and engineering of floating closed containment tanks, AgriMarine has been leading the industry in sustainability for over a decade.

## Organization Structure



## **AgriMarine Board of Directors**

### **Horst Hueniken - Chairman of the Board, Member of the Audit Committee**

Mr. Hueniken is a Board Director of AgriMarine Holdings Inc. He also is a Vice President and Portfolio Manager at Goodman Investment Counsel Inc., a subsidiary of Dundee Corporation. In this latter role, Mr. Hueniken is responsible for investing in private and public firms around the world and across the entire agriculture and aquaculture value chain. With 25 years of experience in the investment business, his mandate includes taking steps to add value to companies for the benefit of all shareholders, where possible. Notably, this responsibility extends to the investments made in AgriMarine Holdings Inc. and AgriMarine Industries Inc. Mr. Hueniken's prior experience on the buy-side is from working at TMI-FW, Inc. (a joint venture with the Ontario Teachers' Pension Plan Board), while his experience on the sell-side is from working at Stifel, Nicolaus & Company Incorporated, TD Securities Inc., Gordon Capital Corporation, and Burns Fry Limited (a predecessor of BMO Nesbitt Burns Inc.). Mr. Hueniken serves on the Board of Directors of Liberty Resources Limited, a publicly-traded company in Australia engaged in the development of a process that converts coal into urea fertilizer. He obtained a Masters of Business Administration (MBA) degree from the Ivey School of Business at the University of Western Ontario, and a Bachelors of Science in Engineering (Mechanical) degree from the University of Waterloo. Mr. Hueniken has been a Chartered Financial Analyst® since 1992.

### **Sean Wilton - President, CEO and Secretary**

Mr. Wilton was named President and CEO of AgriMarine in 2012. He has worked with AgriMarine since 2004, designing hatchery and closed containment rearing environments. Mr. Wilton has been involved in many aspects of the environmental engineering, construction and aquaculture industries for over 17 years. His engineering experience encompasses a multitude of designs, from complex municipal water systems to the most advanced fish hatchery systems in the world and the largest cold-water fish hatchery in North America. Mr. Wilton is an aerospace engineering graduate from the Canadian Forces School and holds a Bachelor of Mechanical Engineering from the Royal Military College of Kingston.



## **Orest Zajcew –CFO and Chairman of the Audit Committee**

Mr. Zajcew has extensive experience in corporate structuring and compliance, as well as financial management and controls. Mr. Zajcew is the Chief Financial Officer and Corporate Secretary for two junior exploration companies, Corona Gold Corporation and Ryan Gold Corp. Corona Gold is listed on the TSX, while Ryan Gold is listed on the TSX Venture Exchange. Mr. Zajcew began his career as an assistant financial advisor at the Pearl Financial Group in 1997. He subsequently joined C.A. Delaney Capital Management in 1998 and worked as an assistant research analyst until 2002. From 2002 to 2004, Mr. Zajcew worked as a consultant providing due diligence and research services to a variety of clients including Health Canada. In 2004, he joined Cogitore Resources as CFO and in 2005 joined Corona Gold and Ryan Gold. Mr. Zajcew earned a Ph.D. in Political Science in 1998 from the University of Toronto and attained his Chartered Financial Analyst designation in 2001.

## **Robert P. Leckie - Member of the Audit Committee**

Mr. Leckie graduated from Dalhousie University in 2004, after which he joined the pension team at an international consultancy. Subsequently, Mr. Leckie became a member of the corporate finance team at a boutique Bay Street capital markets firm with a focus on mineral resources. After participating in a number of early stage and seed financings Mr. Leckie co-founded Bellotti Goodman Inc. As a partner in the firm Mr. Leckie continues to structure and finance resource deals. Mr. Leckie joined the Board of Directors of AgriMarine in February 2013.

## **Production Technology**

The Aquaponics Project will be designed and built by AgriMarine. Systems can be built to any scale and fitted to any space. The nutrient-rich waste water from the fish culture tank is hydrolyzed and treated for use in the hydroponic co-culture of short cycle leafy plants without the need for traditional inorganic fertilizers and other chemicals.

## Competitive Advantages of Aquaponics Farming

**Sustainability:** Aquaponics is a sustainable food production system that produces high-quality hormone-free fish and vegetables without the use of artificial fertilizers, pesticides, or herbicides.

**Resource Management:** Aquaponics uses approximately 90% less water than conventional farming irrigation for an equivalent production of vegetables. The system's low energy requirements and savings in water resources are sustained while dramatically increasing production levels.

**Growth Cycles:** Within the aquaponics system, fish and vegetables can have growth rates up to ten times higher than traditional farming methods. Land-based aquaponics tank technology provides an optimal rearing environment which can be easily controlled, monitored and maintained.

**Input Costs:** Aquaponic systems produce two crops from the one input source; the fish feed. In addition, the vast majority of the nutrients added to the system via the fish feed stay in the system and only leave as profitable fish and plant products. This makes aquaponics far more efficient in terms of nutrient utilization than other farming systems.

**Variety of Fish Species:** AgriMarine brings vast experience as a producer of trout which are also an excellent fish species for an aquaponics system in cooler climates. Trout have fast growth cycles with excellent food conversion ratios. Salmonids require pristine-water-quality parameters which are achieved by cold water temperature rearing and/or injection of pure oxygen.

**Urban Farming:** Aquaponic systems can produce fish and vegetables intensively throughout the year either outdoors in suitable climates or in environmentally controlled greenhouses, therefore minimizing land requirements. As such, aquaponics systems can be located near urban markets, thereby reducing transportation costs and lowering 'food miles'.

**Targeted Marketing:** Aquaponically grown fish and vegetables are sold through high-end consumer markets that cater to discerning customers. As a chemical



herbicide and pesticide-free product, crops will command a premium in the marketplace.

### **Business References**

John Holder - JLH Consulting

Janicki Industries- Jim Payant

Target Marine – Justin Henry

Brian Saxton  
1745 Roberts way  
Arcata, CA 95521

February 14, 2014


Attn: Suzie Howser, Dockmaster  
Humboldt Bay Harbor, Recreation, and Conservation District  
601 Startare Drive  
Eureka, CA 95501

Dear Suzie:

This is to confirm my intention to purchase Humboats Kayak Adventures from Roxanne Metz and John Martin. I anticipate transfer of ownership to take place by March 1, 2014. When ownership is transferred, I intend to take over the lease space at Dock A as well as the storage space.

Please contact me at (415) 606-7702 should you have any questions about this.

Sincerely,



Brian Saxton



Humboats Kayak Adventures  
1290 Leslie Road  
Eureka, CA 95503

and

90 Hawaii Drive  
Aliso Viejo, CA 92656

February 14, 2014

Attn: Suzie Howser, Dockmaster  
Humboldt Bay Harbor, Recreation, and Conservation District  
601 Startare Drive  
Eureka, CA 95501

Dear Suzie:

This is to confirm our intent to transfer ownership of Humboats Kayak Adventures to Brian Sax. We anticipate transfer of ownership to take place by March 1, 2014. When ownership is transferred, we intend to transfer the lease space at Dock A as well as the storage space to Brian.

Please contact us at 707-845-3413 should you have any questions about this.

Sincerely,

  
Roxanne Metz, partner

  
John Martin, Partner

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

**PERMIT AND AGREEMENT TO  
OPERATE KAYAK RENTAL SERVICES**

This Permit and Agreement is executed in triplicate at Woodley Island Marina, Eureka, California, between HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, hereinafter referred to as "District", and BRIAN SAXTON, individually, DBA, HUMBOATS KAYAK ADVENTURES hereinafter referred to as "Humboats".

**WHEREAS**, Humboats desires to operate the Humboats Kayak Adventures as a kayak rental, tour and lesson business from the Woodley Island Marina; and

**WHEREAS**, Ordinance Number 9, Section 6.78, of the District prohibits any commercial endeavor or charter service for hire, subparagraph (a), without a special permit from the District.

**AFTER REVIEW AND CONSIDERATION** thereof by the Board of Commissioners of the District of the application of Humboats hereinabove referred to:

**THE PARTIES, THEREFORE, AGREE AS FOLLOWS:**

1. District shall permit Humboats, an independent contractor, to operate the business Humboats Kayak Adventures for the purpose of rentals, tours and lessons from Woodley Island Marina. For the purpose of this Permit and Agreement, Humboats commercial endeavor shall be referred to as "Kayak Rental Service". Diving or diving instruction from or on said vessels shall not be allowed and shall be prohibited at all times.
2. As described in Exhibit A, Berthing Permit and Rental Agreement for Woodley Island Marina, a copy of which is attached hereto and incorporated by reference as Exhibit "A" hereto; Humboats is permitted to use Slip Number 02, Float A, at the Woodley Island Marina for their vessels and barge.
3. As described in Exhibit B, Woodley Island Marina Storage Application, Humboats is permitted to use two (2) storage spaces in the Woodley Island Marina Storage Yard.
4. The term of this Permit and Agreement shall be for one (1) year commencing March 01, 2014, and terminating on February 28, 2015. District or Humboats may terminate this Permit and Agreement by giving sixty (60) days written notice of termination to the other party. District may terminate this Permit and Agreement with Humboats with or without cause or reason by giving Humboats sixty (60) days written notice of termination and Humboats shall



terminate their Kayak Rental Service sixty (60) days from the date of personal service of said written notice of termination or sixty (60) days from the date of deposit or the written notice of termination deposited, enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail, and addressed to Brian Saxton, 1745 Roberts Way, Arcata, CA 95521.

In the event Humboats is in default of any of the provisions of the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", and Humboats' Berthing Permit is terminated pursuant to said Agreement, this Kayak Rental Service Permit and Agreement shall terminate forthwith on the date of termination of Humboats' Berthing Permit and Rental Agreement without the requirement of the hereinabove set forth sixty (60) day notice of termination provisions.

5. In addition to the monthly/yearly rental payable by Humboats to the District pursuant to the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", Humboats shall pay District the sum of Two hundred fifty dollars (\$250.00) per year for this Permit to carry on a Kayak Rental Service pursuant to this Agreement. All rates may be changed pursuant to paragraph 3 of the Berthing Permit and Rental Agreement for Woodley Island Marina which provides that the District may change or increase the rates by giving thirty (30) days notice.
6. Humboats shall pay District all fees described in the agreement and as detailed in Exhibit A and Exhibit B of the agreement on an annual basis.
7. On or prior to the date of the Agreement, to wit: March 01, 2014 Humboats shall purchase and maintain throughout the term of the Permit and Agreement, Commercial General Liability insurance covering Humboats' operation of their Kayak Rental Service operation pursuant to the terms of the Permit and Agreement. Said insurance policy of "protection and indemnity insurance" insuring Humboats from liability for bodily injury, death, or property damage as a result of their Kayak Rental Service operation and shall name District as an additional insured and provide District with a Certificate of Insurance stating the amount of the insurance and proof that the District is an additional named insured, and the agreement of said insurance company that District shall be notified forthwith of the event of non-payment of the premium or termination of said insurance policy. The amount of insurance shall be One Million dollars (\$1,000,000.00) per occurrence. In the event said liability insurance policy is cancelled or terminated, Humboats shall forthwith cease and stop their Kayak Rental Service for hire operation at District's premises at the Woodley Island Marina and shall not resume operations until said liability insurance policy is fully reinstated and in full force and effect.



8. Humboats shall prior to commencing operation of their Kayak Rental Service obtain any and all necessary permits and licenses applicable to Humboats operation.
9. Humboats agrees that neither the Humboldt Bay Harbor, Recreation and Conservation District, nor its Board of Commissioners, nor any Officer of the District shall be liable to any extent for the injury or damages to any person or property or for the death of any person arising out of or connected with Humboats' Kayak Rental Service operation and Humboats shall indemnify and hold harmless District, its Commissioners, and Officers free and harmless from any liability for any such injury, death or damages. In addition, Humboats agrees to hold harmless, indemnify, and hold District non-responsible for any of Humboats' Kayak Rental Service operations according to the provisions of paragraphs 11, 13, and 19 of the Berthing Permit and Rental Agreement for Woodley Island Marina, a copy of which is attached hereto as Exhibit "A" and incorporated by reference as though set forth in full.
10. Humboats at all times shall comply and shall obtain compliance of Lessee's family, agents, employees, business visitors, and invitees of all laws, ordinances, rules and regulations, including Ordinance No.9, the Woodley Island Marina Rules and Regulations, California Boating Law and those of federal and state government.
11. Humboats at all times shall ensure that walkways and finger piers are not obstructed in any manner. No tires, ropes, canvas, or other material shall be nailed or attached to finger piers, docks, and piles without the written approval of the District. Vessels underway within the marina limits shall be for the purpose of mooring, entering or leaving a berth. Cruising between piers and under gangways is strictly prohibited. Humboats may place a sign on the vessels the size of which must be approved by the District's Chief Executive Officer. Humboats may place a directional sign for incoming traffic onto the Marina at a location and the type and size sign which is approved by the Chief Executive Officer of the District, which shall reasonably conform in size, shape, and colors of the signs heretofore existing on the Woodley Island Marina.
12. This Permit and Agreement is not transferable or assignable by Humboats without approval in writing by the District. Any transfer of assignment or attempted transfer or assignment of this Permit by Humboats shall be null and void.



13. This Permit and Agreement is non-exclusive and District retains the right to enter into agreements with and grant permits to other persons or business for the same purposes as set forth in this Permit and Agreement.
14. The covenants and conditions herein contained shall apply to and bind the heirs, legal representatives, successors, and assigns of all of the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.
15. Time is of the essence of this Permit and Agreement and of each and every covenant, term, and condition, and provision hereof.
16. Humboats is hereby notified by the District that this Permit and Agreement to Operate Kayak Rental Services in conjunction with the Berthing Permit and Rental Agreement for the vessels for the Woodley Island Marina or property interests created herein, if any, may be subject to a possessory interest tax or property taxation if created pursuant to Sections 107 to 108 of the California Revenue and Taxation Code and that Humboats and/or the party in whom the possessory interest is vested may be subject to the payment of property taxes levied upon such interests. Humboats agrees and acknowledges that they have actual notice pursuant to Section 107.6 of the California Revenue and Taxation Code that Humboats may be required to pay a possessory interest tax as a result of this Permit and Agreement to operate Kayak Rental Services in conjunction with the Berthing Permit and Rental Agreement for the vessels for Woodley Island Marina. Humboats hereby acknowledges that they have actual knowledge of the existence of a possessory interest tax and has read the provision of Section 107 to 108 of the California Revenue and Taxation Code. Humboats agrees to and shall pay all possessory interest taxes levied any governmental agencies by reason of this Permit and Agreement to Operate Kayak Rental Services and their Berthing Permit and Rental Agreement for their vessels, for Woodley Island Marina.

**EXECUTED on, March \_\_\_\_, 2014 by authority of the Board of Commissioners  
of the HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT.**

\_\_\_\_\_  
RICHARD MARKS, President  
Board of Commissioners  
HUMBOLDT BAY HARBOR, RECREATION,  
AND CONSERVATION DISTRICT

**Brian Saxton, individually, DBA HUMBOATS KAYAK ADVENTURE, as  
Permittee in this Permit and Agreement hereby accepts and agrees to all terms and  
conditions herein above set forth.**

Dated: \_\_\_\_\_, 2014

\_\_\_\_\_  
By BRIAN SAXTON  
**PERMITTEE:**  
Humboats Kayak Adventure  
Brian Saxton  
1745 Roberts Way  
Arcata, CA 95521



COMMISSIONERS

1st Division  
Aaron Newman  
2nd Division  
Greg Dale  
3rd Division  
Mike Wilson  
4th Division  
Richard Marks  
5th Division  
Patrick Higgins

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

(707) 443-0801  
P.O. Box 1030  
Eureka, California 95502-1030



**DRAFT**

February 25, 2014

Rex Bohn  
Chairman  
Humboldt County Board of Supervisors  
825- Fifth Street  
Eureka, CA 95501

Dear Chairman Bohn and Supervisors,

On behalf of the Humboldt Bay Harbor Recreation & Conservation District (HBHRCD), I am writing to thank you for your support the HBHRCD's efforts to plan for the re-use of the closed pulp mill site on the Samoa Peninsula. Your staff has been helpful in supporting public engagement in the site and in identifying potential funding sources. The Community Development Block Grant (CDBG) Planning & Technical Assistance (PTA) grant that you are considering on March 18, 2014 will be essential to identifying the highest and best re-uses of the pulp mill site. It will provide valuable decision-making tools for both the HBHRCD and your Board.

As you know, the Evergreen Pulp Mill on the Samoa Peninsula closed in 2008, and sold the site to the Freshwater Tissue Company, which tried to re-start the mill but abandoned their efforts for lack of financing in 2011 and started demolition. In 2013 the Freshwater Tissue Company transferred the 72 acre-site to the HBHRCD. Significant contaminants were left on the site, and the US Environmental Protection Agency (EPA) was called to assess the site contamination risks. EPA identified four million gallons of caustic pulping liquors being stored in fragile tanks. EPA determined that the pulping liquors on site posed a serious danger to public and environmental health, making it SuperFund eligible. The EPA has secured and begun removal of the pulping liquors, and is defining the other clean up actions necessary.

DRAFT

While the site includes substantial valuable assets, the buildings, equipment, configuration of the site, and additional contaminants are not conducive to immediate siting of businesses. The HBHRCD requests that your Board designate one parcel, the pulp mill site, as blighted (see attached map), under CDBG's "spot blight" designation.

The HBHRCD appreciates that the County may be willing to apply for \$100,000 in CDBG PTA grant funds for a feasibility study for re-use of the Samoa pulp mill site. With this letter, HBHRCD commits to supply the \$5,000 in cash match required for the CDBG PTA grant. Should you have any questions, please contact me at 707-443-0801, [jcrider@portofhumboldt.org](mailto:jcrider@portofhumboldt.org).

Sincerely,

Jack Crider



