

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

DATE: April 24, 2014

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

PLACE: Woodley Island Marina Meeting Room

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

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

- a. Move to Executive Closed Session pursuant to the provisions of the California Government Code Sections 54957.6 (Negotiations with Represented Employees) and 54956.8 (Conference with Real Property Negotiator)
 1. Conference with Labor Negotiator
Agency Negotiators: Commissioner Richard Marks Board President, Commissioner Greg Dale, Jack Crider Chief Executive Officer, Paul Brisso District Counsel.
Employee Organization: International Longshore and Warehouse Union, Local 14A.
 2. Conference with Real Property Negotiator
Agency Negotiators: Commissioner Richard Marks Board President, Commissioner Mike Wilson, Jack Crider Chief Executive Officer; Paul Brisso District Counsel
Under Negotiation: Freshwater Tissue Company property acquisition.

2. Adjourn Executive Closed Session

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

4. Pledge of Allegiance

5. Report on Executive Session

6. Public Comment

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

7. Consent Calendar

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.

Agenda for April 24, 2014 Regular Board Meeting

8. Communications and Reports

- a. Chief Executive Officers Report
 - Redwood Terminal 2 Cleanup Update
- b. Staff Reports
- c. District Counsel and District Planner Reports
- d. Commissioner and Committee Reports
- e. Other
 - Presentation by Lowes Enterprises Real Estate Group- New Market Tax Credits.

9. Non Agenda

10. Unfinished Business

11. New Business

- a. Consideration of approval for the purchase of a dredge and associated equipment from Nehalem River Dredging Inc. for \$950,000.
- b. Consideration of approval to issue limited obligation notes to Coast Seafoods Company for \$1,250,000.
- c. Consideration of award of contract to MP Environmental for trucking services not to exceed \$1,250,000.
- d. Consideration of applying for US DOT TIGER grant funds for planning, permitting and environmental review of the roadway segments identified in the Samoa Waterfront Industrial Transportation Plan.
- e. Consideration of selection of Budget Committee members to service for FY 2014/15.
- f. Consideration of Administrative raises for FY 2013/14.
- g. Consideration of approval of contract with Scott Pesch, Coldwell Banker for Commercial Real Estate Broker Services.
- h. Consideration of approval for Tideland Lease Addendum with California Redwood Company.
- i. Consideration of Permit and Agreement to Operate a Charter Service with John W. Kramer, dba *Joli Time Sport Fishing*.
- j. Consideration of Permit and Agreement to Operate a Charter Service with Cliff Friedley, dba *Foreel Sportfishing*.
- k. Consideration of letter of support for the North Coast Railroad Authority TIGER grant application for the "Humboldt Bay Division Comprehensive Planning Study".

12. Administrative and Emergency Permits

13. Adjournment

MV DREDGE "NEHALEM" PURCHASE SALES AGREEMENT

THIS AGREEMENT (the "Agreement") is made and entered into as of April 24, 2014

BY AND BETWEEN:

NEHALEM RIVER DREDGING, INC., (the "Seller"), AND **HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**, a California public entity (the "Buyer") together referred as the ("Parties")

1. SALE AND PURCHASE

Subject to the provisions set forth in this Agreement, the Seller agrees to sell to the Buyer, and the Buyer agrees to purchase from the Seller the equipment (the "Equipment") specified in Schedule 1.

2. PURCHASE PRICE

2.1 The purchase price (the "Purchase Price") for the Equipment is: \$950,000.

2.2 PAYMENTS

Payments will be made as following:

- (a) \$5,000 as Earnest Money Deposit at Seller's signing of this Agreement.
- (b) \$500,000 after Buyer's official Board approval and signing of this Agreement. Checks (2) will be made out to: Nehalem River Dredging, Inc. \$250,000 and Sterling Bank \$250,000
- (c) \$400,000 after all Equipment has been delivered.
- (d) \$20,000 after 1 week of equipment assembly is completed.
- (e) \$25,000 balance after 1 week of dredge setup and dredge operation is completed.

3. DELIVERY

3.1 Unless otherwise stated, delivery of the Equipment shall be FOB Nehalem Oregon. Seller will be responsible for loading all equipment on trucks provided by the Buyer.

4. TRANSFER OF POSSESSION

4.1 The Seller and Buyer agree, subject to the fulfillment of the Buyer's obligations set forth in Section 2.1 above, that the risk of loss, possession and transfer of ownership of the Equipment will be effective when the Purchase Price has been paid in full.

4.2 Notwithstanding the above, the Seller shall be responsible for risk of loss, liability and costs for all activities in connection with the dismantling, loading of the Equipment and training performed by

its personnel both as regards any personnel injury and any damages caused by its personnel to the Equipment or to any other property.

5. REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer that the statements contained in Section 5 are true, correct and complete as of the Effective Date and will be true, correct and complete as of the Closing Date.

5.1 The Seller is Oregon Corporation, duly organized and in good standing with the State of Oregon. Seller has full power and authority, including full corporate power and authority, to execute and deliver this Agreement and to perform and consummate, its obligation hereunder, including but not limited to the transfer of clear title to the Equipment subject to this Agreement. This Agreement constitutes the valid and legally binding obligation of Seller, enforceable in accordance with its term and conditions. The Seller need not give any notice to, make any filing with, or obtain any authorization, consent, or approval of any person(s), or government or governmental agency in order to consummate the transactions contemplated by this Agreement.

5.2 Seller has good and marketable title to the Equipment, free and clear of all security interests, liens and encumbrances. Other than as expressly set forth herein, the Equipment is being sold as-is with no representations or warranties of any kind except any transferable manufacture warranties. To the extent any such security interests, liens, or encumbrances become known during the course of this transaction, it shall be Seller's obligation, at no cost to Buyer, to satisfy or otherwise resolve such security interests, liens, or encumbrances.

5.3 Neither Seller or the Equipment, in whole or part is subject to any outstanding injunctions, judgment, order, decree, ruling, or charge that would limit, restrict or prevent consummation of the transactions contemplated hereby.

5.4 Seller has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which the Buyer could become liable or obligated or for which a lien or encumbrance could be placed on the Equipment.

5.5 The representations and warranties contained in this Section 5 do not contain any untrue statement of a fact or omit to state any fact necessary in order to make the statements contained in this Section 5 not misleading.

6. WARRANTY

Seller and Buyer agree that all Used Equipment to be sold under this Agreement is sold on an AS IS, WITH NO REPRESENTATIONS OR WARRANTIES. SELLER MAKES NO REPRESENTATION OR WARRANTY, STATUTORY, EXPRESS OR IMPLIED WITH RESPECT TO THE USED EQUIPMENT INCLUDING MAKING NO WARRANTY THAT THE USED EQUIPMENT WILL BE MERCHANTABILITY OR FIT FOR ANY PARTICULAR PURPOSE. THE ONLY WARRANTY OR REPRESENTATION MADE BY SELLER IS A WARRANTY THAT SELLER IS THE OWNER OF THE USED EQUIPMENT. Buyer assumes all risks and

liability whatsoever resulting from the possession, used or disposition of the Used Equipment arising after the Transfer of Possession. Seller will have no liability with respect to the Used Equipment sold to Buyer, including having no liability for indirect, incidental or consequential damages arising after the Transfer of Possession.

7. INDEMNITY

Seller indemnifies Buyer and holds Buyer harmless against all liability or loss of all persons for injury, sickness, and/or death and for property damage caused by the Used Equipment or by hazardous chemicals or other hazardous material on or in them, except for that solely attributable to Buyer's sole negligence, until Transfer of Possession. Buyer agrees to refrain from making any use of any trademarks, labels, distinctive markings, or designs that may appear on the Equipment.

9. INSPECTION

Buyer is invited, urged and cautioned to inspect the Equipment prior to Transfer of Possession. The Equipment will be available for inspection at the places and times mutually agreed between Seller and Buyer.

10. HAZARDOUS CHEMICALS AND OTHER HAZARDOUS MATERIALS

Buyer is warned and acknowledges that the Equipment purchased from Seller may bear or contain hazardous substances, hazardous materials or hazardous waste which may be, or may become by chemical reaction or otherwise, directly or indirectly, hazardous to life, to health, or to property. Buyer does hereby discharge and release Seller from any and all liability directly or indirectly resulting from the presence of the aforesaid hazardous substances, materials or waste including, but not limited to, any and all liability arising after Transfer of Possession directly or indirectly resulting from the failure of Seller to give more specific warning with respect to individual items of Equipment or from the inadequacy of any warning.

11. BUYER FAILURE TO PERFORM

In the event Buyer fails to make payments as required in Section 2.2 above. Buyer agrees that Buyer will (a) lose all right, title and interest which Buyer might otherwise have acquired in and to the Equipment; and (b) reimburse Seller for all costs, including attorney's fee, arising out of Buyer's failure to perform. Said remedies shall be the only damages to which Seller shall be entitled in the event of Buyer's failure to perform.

12. SELLER FAILURE TO PERFORM

In the event Seller fails to load all equipment and provide acceptable training for Buyer's staff, Seller agrees that it will be liable to Buyer for all costs and damages, including attorney's fee, arising out of Seller's failure to perform.

13. FORCE MAJEURE

Deliveries may be suspended by either party in case of act of God, war, riots, fire, explosion, flood, rough ocean conditions, lockout, injunction, inability to obtain fuel, power, raw materials, labor, containers or transportation facilities, accident, breakage of machinery or apparatus, national defense requirements, government laws, ordinances, rules and regulations, whether valid or invalid, or any cause beyond the control of such party preventing the manufacture, shipment, acceptance or consumption of a shipment of the Equipment. If, because of any such circumstance, Seller is unable to supply the total demand for the Equipment, such deliveries so suspended will be canceled without liability to Seller, the contract shall be rescinded; Seller shall return any payments received from Buyer and shall remove any equipment previously delivered to Buyer within a reasonable time.

14. TAXES AND ASSIGNMENT

Seller will pay the amount of any tax or other charges imposed by law, upon, with respect to, or measured by the sale, use, shipment, or price of any Equipment sold under this agreement. For the purposes of this Section, the transaction and sale shall be considered to occur in the City of Eureka in Humboldt County, California. Seller and Buyer agree that neither party may assign any interest in this Agreement without the written consent of the other party.

15. ATTORNEY FEES

In the event any litigation, mediation, arbitration, or controversy between the parties hereto arises out of or relates to this Agreement, the prevailing party in such litigation, mediation, arbitration or controversy shall be entitled to recover from the other party all reasonable attorneys' fees, expenses and suit costs, including those associated with any appellate proceedings or any post-judgment collection proceedings. This Agreement will be governed by and interpreted in accordance with the laws of the State of California and shall be brought in the Superior Court of the State of California in Humboldt County, without regard to choice of law or conflict of law provisions or residency of the parties.

16. ENTIRE AGREEMENT, WAIVER AND MODIFICATION.

This Agreement sets forth the entire understanding of the parties concerning the subject matter hereof and incorporates all prior negotiations and understandings. There are no covenants, promises, agreements, conditions or understandings, either oral or written, between them relating to the subject matter of this Agreement other than those set forth herein. No purported waiver by any party of any default by another party of any term or provision contained herein shall be deemed to be a waiver of such term or provision unless the waiver is in writing and signed by the waiving party. No such waiver shall in any event be deemed a waiver of any subsequent default under the same or any other term or provision contained herein. No alteration, amendment, change or

DRAFT

addition to the Agreement shall be binding upon any party unless in writing and signed by the party to be charged.

17. TERMINATION

Either party may terminate this agreement for reasonable cause prior to 2.2(b) and be reimbursed Earnest Money Deposit less any costs the other party may have incurred. Termination must be in writing and set forth the reasonable circumstance preventing the parties to complete the transaction.

BUYER:

Humboldt Bay Harbor, Recreation and
Conservation District

By: _____

Title: _____

Date: _____

SELLER:

Nehalem River Dredging, Inc.

By: *[Signature]*

Title: president

Date: 4-17-2014

11b
DRAFT

SECURED PROMISSORY NOTE
("Note")

\$1,250,000

Eureka, California
April __, 2014

FOR VALUE RECEIVED, Humboldt Bay Harbor, Recreation and Conservation District, a public entity ("Maker"), promises to pay to the order of Coast Seafoods Company, a Washington corporation ("Payee"), the principal sum of One Million Two Hundred and Fifty Thousand Dollars and no cents (\$1,250,000.00) or so much thereof as may be outstanding under this Note, the Credit Agreement, the LC or any other of the Loan Documents (including all Advances under the Credit Agreement and all draws against or under the LC), plus interest on the unpaid principal balance of all such amounts from and after the later of the date of this Note or the first disbursement date of all Advances under the Credit Agreement and all draws against or under the LC, at interest rates as provided for hereafter and on terms and conditions contained herein. (the "Loan") with interest from the date set forth above on unpaid principal at the interest rate or interest rates provided for in this Note.

1. Interest Rate. The outstanding principal balance of this Note shall bear interest (computed on the basis of a 360-day year, actual days elapsed) at three and one-half percent (3.5%) per annum, compounded annually or at the interest rate allowable under California Government Code section 53530 et. seq., whichever is lower.

2. Payments. All principal and accrued interest shall be payable on the Maturity Date.

3. Maturity Date. The entire outstanding unpaid principal and all accrued and unpaid interest shall be due and payable in full on April _____, 2016 (the "Maturity Date").

4. Prepayment. Prepayment may be made without penalty by Maker at any time prior to the Maturity Date.

5. Notwithstanding any other provision of this Promissory Note, this loan is a limited obligation note of the Maker within the meaning of California Harbors and Navigation Code section 6084.2. Any provision of this Promissory Note that is inconsistent with the Promissory Note's status as a limited obligation note shall not be enforceable against Maker. This Promissory Note is sold to Payee in consideration for the amounts to be advanced by Payee under the terms and

conditions of the Promissory Note. The purpose of this Promissory Note is to procure funds for the removal of pulp processing liquors from the Maker's property at Samoa, Humboldt County, California that was formerly the Freshwater Tissue pulp mill. The Maker's sources of revenue for repayment of the Promissory Note shall be limited to income of Maker generated by Payee's leases with Maker, grant funding received by Maker for removal and disposal of the pulp mill liquors, and revenue from Maker's sale of equipment, personal property or other assets currently located on the Samoa pulp mill site. However, should such revenue be insufficient for the payment of interest and principal, Maker may make payments from other revenue sources from any other funds or revenue pursuant to Harbors and Navigations Code section 60804.2(f).

6. Collateral. The repayment of this Note is secured by a security interest in all assets of Maker granted in that certain Line of Credit Instrument Trust Deed, Security Agreement, Assignment of Leases and Rents, and Fixture Filing by Maker in favor of Lender of even date herewith (the "Trust Deed"). This Note, the Trust Deed, the Credit Agreement between the parties of even date herewith (the "Credit Agreement"), the COBANK Letter of Credit No. _____ between the parties of even date herewith (the "LC"), the Loan Lease Security Agreement between the parties of even date herewith (the "LLSA") and any other instrument or documents given to evidence or further secure the payment of any obligations created hereunder are hereinafter sometimes collectively referred to as the "Loan Documents".

7. Representations and Warranties of Maker. Maker hereby represents and warrants to Payee that:

7.1 The execution, delivery and performance of this Note and all other agreements and instruments required by Payee in connection with the Loan are not in contravention of any of the terms of any indenture, agreement or undertaking to which Maker is a party or by which it or any of its property is bound or affected, including, without limitation, any shareholder agreement among the shareholders of Maker.

7.2 Maker has the power and authority to execute and deliver the Note and all of the other Loan Documents executed and delivered by Maker.

7.3 Maker is not in violation with respect to any applicable laws, rules, ordinances or regulations which materially affect the operations or financial condition of Maker.

7.4 Neither the execution, delivery or performance of this Note (i) is prohibited by or requires Maker to obtain or make any consent, authorization, approval, registration or filing under any statute, law, ordinance, regulation, rule, judgment, decree or order of any court or governmental agency, board, bureau, body, department or authority, or of any other person, (ii) will cause any acceleration of maturity of any note, instrument or other obligation to which Maker is a party or by which Maker is bound or with respect to which Maker is an obligor or guarantor or (iii) will result in the creation or imposition of any lien, claim, charge, restriction, equity or encumbrance of any kind whatsoever upon or give to any other person any interest or right (including any right of termination or cancellation) in or with respect to any of the properties, assets, business, agreements or contracts of Maker.

8. No Waiver. Upon any default, neither the failure of Payee to promptly exercise Payee's right to declare the outstanding principal balance to be immediately due and payable, nor the failure of Payee to demand strict performance of any obligation of Maker or of any person who may be liable hereunder, shall constitute a waiver of any such rights, nor a waiver of such rights in connection with any future default on the part of Maker.

9. Default. The following shall constitute default under this Note:

9.1 Maker fails to pay any amount due hereunder within ten (10) business days after delivery of a notice of default;

9.2 Maker files a bankruptcy petition, a bankruptcy petition is filed against the Maker which is not dismissed within 90 days of such filing, the Maker makes a general assignment for the benefit of creditors, or Maker fails to pay debts generally as they become due;

9.3 Maker defaults in the due performance or observance of any provision, term, covenant or condition under any of the Loan Documents, or any representation or warranty made by Maker as required by this Note proves to be false or misleading in any material respect.

10. Acceleration. If any default by Maker continues for more than ten (10) business days after notice to Maker at the address set forth below Maker's signature herein, the entire principal balance of this Note shall, at the election of Payee, become immediately due and payable. Maker agrees to pay all costs of collection, including reasonable attorneys' fees, court costs, and other costs incurred by the Payee enforcing this Note. Upon the occurrence of any default,

Payee, at its option, shall have the right to apply all payments made under this Note to principal, interest, and other charges, fees, costs and expenses payable by Maker under this Note in such order and amounts as Maker may determine in its sole and absolute discretion.

11. Late Payments.

11.1 If Payee has not received the full amount of any payment by the end of the five (5) business days after the date it is due, Maker will pay a late charge to Payee in the amount of the lesser of seven percent (7%) or twenty-five thousand dollars (\$25,000) of the overdue payment. Maker will pay this late charge only once on any late payment.

11.2 From and after the Maturity Date, or such earlier date as all sums owing on this Note become due and payable by acceleration or otherwise, all sums owing on this Note (including interest), at the option of Payee, shall bear interest from the date the payment becomes due until Maker pays in full, at five (5) percentage points above the rate at which interest would otherwise accrue under this Note.

12. Usury. All agreements herein are expressly limited so that in no contingency or event whatsoever, whether by reason of advancement of the proceeds hereof, acceleration of maturity of the unpaid principal balance hereof, or otherwise, shall the amount paid or agreed to be paid to the holders hereof for the use, forbearance or detention of the money to be advanced hereunder exceed the highest lawful rate permissible under applicable usury laws. If, from any circumstances whatsoever, the fulfillment of any provision hereof, at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable hereto, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity and if from any circumstance the holder hereof shall ever receive as interest an amount which would exceed the highest lawful rate, such amount which would be excessive interest shall be applied to the reduction of the unpaid principal balance due hereunder and not to the payment of interest.

13. Laws. This Note shall be construed according to the laws of the State of California and venue for any legal action involving the interpretation, performance or enforcement of this Note shall be within the County of Humboldt, State of California.

14. Payments. All amounts payable under this Note are payable in lawful money of the United States. Checks constitute payment only when collected, provided that checks constituting “collected funds” (such as cashiers checks, bank checks) shall be credited upon receipt so long as payment on same is ultimately honored. Each payment is to be applied when received first to accrued but unpaid interest and any balance shall be used to reduce the principal balance of this Note.

15. Attorneys’ Fees. In the event of any dispute relating to this Note which involves litigation or arbitration, then the prevailing party in such dispute shall be entitled to recover its reasonable attorneys fees and costs, including but not limited to fees and costs incurred in connection with appellate enforcement, from the non-prevailing party.

16. Notices. Any notice, demand or request required under this Note shall be given in writing (at the addresses set forth in this instrument) by any of the following means: (a) personal service; (b) electronic communication, whether by telex, telegram or telecopying; (c) overnight courier; or (d) registered or certified, first class U.S. mail, return receipt requested, or to such other addresses as Payee and Maker may specify from time to time in writing. Any notice, demand or request sent pursuant to either subsection (a) or (b), above, shall be deemed received upon such personal service or upon dispatch by electronic means. Any notice, demand or request sent pursuant to subsection (c), above, shall be deemed received on the business day immediately following deposit with the overnight courier, and, if sent pursuant to subsection (d), above, shall be deemed received forty-eight (48) hours following deposit into the U.S. mail.

17. Waiver of Maker. Maker waives demand, notice, diligence, protest, presentment for payment, and notice of extension, dishonor, protest, demand and non-payment of this Note.

18. Time Is Of The Essence. Maker acknowledges and agrees that time is of the essence with respect to compliance with each and every term and provision of this Note.

MAKER:

Humboldt Bay Harbor, Recreation and Conservation District

By: _____
Print Name: _____

116
DRAFT

LOAN LEASE SECURITY AGREEMENT

This Loan Lease Security Agreement (“Agreement”) is entered into this _____ day of April, 2014, by and between the Humboldt Bay Harbor, Recreation and Conservation District, a California public entity (the “District”), and Coast Seafoods Company, a Washington corporation (“CSC”). The District and CSC hereby agree as follows:

RECITALS

- A. District has acquired what is known as the Freshwater Tissue Site—Parcel A, in the Samoa-Fairhaven waterfront area on Humboldt Bay in Eureka, Humboldt County, California (the Site”) for purposes including removal of toxic materials and clean up of the site for the public interest.
- B. The Site includes an estimated 3 million gallons of various caustic pulp liquors from the former pulp mill operation that are stored in tanks showing signs of failure and pose a danger to the Humboldt Bay environment and the public.
- C. CSC’s operations include shellfish production in Humboldt Bay; and
- D. The parties believe that it is in their mutual interest, and the interest of the public generally, that the pulp mill liquors be removed and disposed of as soon as practical.
- E. To help the District facilitate the removal and disposal of the liquors, the parties have entered into a Credit Agreement, Limited Obligation Secured Promissory Note pursuant to California Harbors and Navigations Code section 6084.2, and related Loan Documents (as defined in the Secured Promissory Note) of even date herewith, whereby CSC agrees to purchase the limited obligation note of the District, and the District agrees to borrow from CSC pursuant to the limited obligation note, up to One Million Two Hundred and Fifty Thousand Dollars (\$1,250,000.00), all on the terms and conditions set forth in this Agreement and the other Loans Documents.

NOW THEREFORE, the parties agree as follows:

AGREEMENT

- 1. CSC currently leases 1,602 tidelands acres from District that come up for renewal on September 7, 2015 (the “Lease”). The parties shall, not later than five (5) business days of the date of this Agreement, enter into an amendment to the Lease extending the ending date of the term of the Lease from September 7, 2015 to September 7, 2055. Upon the later of the date (the “Date) when all of the District’s obligations and performances due or required under the Loan Documents have been paid or satisfied in full by the District and the District no longer has any right to borrow or receive any additional funds under the Loan Documents, the parties shall enter into another amendment of the Lease (1) reducing the

DRAFT

end of the term of the Lease to five (5) years following the Date, and (2) providing, at CSC's option, for an additional five (5) year renewal term following the end such five (5) year term. CSC, in its discretion, may, in lieu of making such lease payments to the District, apply any lease payments under the Lease to any amounts then owed by District to CSC under the Loan Documents as a credit against any such amounts owed by the District.

2. In the event that the District receives money, financial consideration or other financial proceeds (individually and collectively, "Proceeds") with respect to the transfer of all or any interest in the Site or any improvements on the Site or personal property located on or associated with the Site, the District shall immediately pay to CSC at least _____ percent (___%) of such Proceeds so received by the District (but not to exceed the amount of the outstanding obligations due under the Loan Document) in repayment of the District's obligations and performances due or required under the Loan Documents. Should the District receive grant funds from any source for the removal or disposal of pulp processing liquors present on the Site, the District shall, to the extent permitted by such grant, immediately pay to CSC at least _____ percent (___%) of such Proceeds so received by the District (but not to exceed the amount of the outstanding obligations due under the Loan Document) in repayment of the District's obligations and performances due or required under the Loan Documents.

4. Any legal action or proceedings between the parties arising out of the terms and conditions of this Agreement shall be governed by California law and shall be brought and maintained in Humboldt County, California.

5. This Agreement, together with the remaining Loan Documents, constitutes the full and complete Agreement by the parties.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT:

COAST SEAFOODS COMPANY:

By: _____
Richard Marks
President

By: _____
A. John Petrie
President

ATTEST:

Secretary



MP Environmental Services, Inc.
 3400 Manor Street, Bakersfield, CA 93308
 Phone (800) 458-3036 Fax (661) 393-3834
 Calif. Contractors Lic. 613706

11c
 DRAFT

SERVICE AGREEMENT

Date: April 14, 2014	P.O Number:	Job Number:
Also used herein "Customer" shall refer to:		Work to be performed at:
Name Humboldt Bay Harbor District		Name Former Paper Pulp Mill/EPA
Address P.O. Box 130		Address 1 TCF Drive
City Eureka, CA	State 95502-1030	Zip
City Eureka, CA	State 95502-1030	Zip
Contact Name Jack Crider	Phone 707-443-0801	Contact Name Phone
Scope of Work		
Provide bulk corrosive liquid transportation services from Samoa, CA to KapStone Paper, 300 Fibre Way, Longview, WA 98362 in accordance with "Request For Proposal For Tanker Truck Services" issued March 12, 2014 incorporated herein by reference.		
Charges		
The above services will be provided according to the attached Terms and Conditions for:		
<input type="checkbox"/> A lump sum of _____ OR <input checked="" type="checkbox"/> On a Time & Materials Basis per Attachment A		
Acknowledgement		
The undersigned hereby contracts with and authorizes MP Environmental Services, Inc. to perform the above-described work, pursuant to the attached Terms and Conditions. By signing below, Customer acknowledges that they have read and received a copy of this Agreement.		
Customer: Signature: Date:	MP Environmental Services, Inc. Signature: Date:	

By signing this Service Agreement or ACCEPTING SERVICES, without written objection to MP Environmental Services, Inc. prior to commencement of work, providing of supplies, equipment or services, Customer hereby agrees to the following:

Payment Terms. For services provided under this Agreement Customer shall pay to MP Environmental Services, Inc. the sums outlined in this Agreement. Payment terms are Net Thirty (30) days from the date of invoice, upon approval of credit, unless otherwise agreed upon in writing.

Past Due Amounts. The parties agree that damages for breach of Customer's obligations would be difficult or impracticable to determine as a result of the difficulty of precisely measuring the additional administrative costs that MP Environmental Service, Inc. incurs for delinquent accounts. Because of the difficulty in determining the damages resulting from Customer's breach of its obligation to make payment when due, an amount equivalent to 1.5% per month will be added to all amounts outstanding for more than thirty (30) days. This amount, which represents agreed upon liquidated damages, will be calculated on the number of days in excess of thirty (30) days past the invoice date to the date payment is received by MP Environmental Services, Inc.. Customer is responsible for promptly notifying MP Environmental Services, Inc. of any question concerning an invoice. In the event of litigation, arbitration or other proceeding, by which either party seeks to enforce its rights under the terms of this Agreement, (whether in contract, tort, or otherwise) or seeks a declaration of any right or obligation under this Agreement, the prevailing party shall be awarded its actual attorneys' fees incurred, together with all other associated costs and/or expenses, including without limitation fees, costs and expenses associated with collection agencies and/or expert witnesses.

Extra Work. Should Customer, any public agency or inspector having jurisdiction over the work direct any modification or addition to the work covered by this Agreement, the cost shall be added to the Agreement price. Requests for extra work should be made in writing, however MP Environmental Services, Inc. is entitled to be paid for extra work whether reduced to writing or not

Compliance with Laws and Regulations. MP Environmental Services, Inc. warrants that it has all permits or approvals which are required to complete the work covered by this Agreement. MP Environmental Services, Inc. shall furnish to Customer, upon request, copies of all such permits and approvals.

Access to Premises. The Customer grants to MP Environmental Services, Inc., its agents and employees reasonable access to its premises for the purposes of fulfilling their obligations under this Agreement. MP Environmental Services, Inc. shall comply with Customer's safety procedures while on its premises, provided such procedures have been provided in writing to MP Environmental Services, Inc. prior to commencement of services. The Customer warrants that any right-of-way provided by it to/from the most convenient public way is sufficient to bear the weight of all MP Environmental Services, Inc. equipment and vehicles reasonably required to perform the services hereunder. MP Environmental Services, Inc. shall not be responsible for damages caused to any private pavement or accompanying subsurface of any route reasonably necessary to perform the services.

Indemnification. Customer hereby releases and shall indemnify, defend and hold harmless MP Environmental Services, Inc. and its subsidiaries, affiliates, directors, officers, agents, employees, successors and assigns and authorized representatives from and against any and all suits, actions, legal or administrative proceedings, claims, demands, damages, liabilities, interest, attorney's fees, costs and expenses of whatsoever kind or nature, including those arising out of injury or death of Customer's employees, whether arising before or after completion of the work hereunder and in any manner directly or indirectly caused, occasioned, or contributed to, in whole or in part, or claimed to be caused, occasioned or contributed to, in whole or in part, by reason of any act omission, fault, or negligence, whether active or passive of Customer, Customer's subcontractors, or of anyone acting under Customer's direction or control or on Customer's behalf in connection with or incidental to the performance of this Agreement. Customer's aforesaid release, indemnity and hold harmless obligations, or portions of applications thereof, shall apply even in the event of the fault or negligence, whether active or passive, or strict liability of the parties released, indemnified or held harmless to the fullest extent permitted, but in no event shall they apply to liability caused by the willful misconduct or sole negligence of the party released, indemnified or held harmless. Furthermore, the foregoing release, indemnity and hold harmless obligations shall apply to, without limitation, (a) any and all work done pursuant to this Agreement by or on behalf of Customer, or any actions or failure to act on the part of Customer, (b) acts or omissions to act by Customer resulting in the presence, release, use, transportation, generation, discharge, storage or disposal of any hazardous substance or waste; or (c) any breach of the terms of this Agreement or failure of any warranty of the Customer to be true

Termination. Either party may terminate this Agreement upon thirty (30) days prior written notice to the other. Said termination shall be without prejudice to any other remedy the terminating party may have and shall not affect the covenants of the parties set forth herein with respect to services which were rendered or waste which has been delivered prior to the effective date of the termination.

Independent Contractor. MP Environmental Services, Inc. is, and shall perform this Agreement as, an independent contractor and as such, shall have and maintain complete control over all of its employees and operations. Neither MP Environmental Services, Inc. nor anyone employed by MP Environmental Services, Inc. shall be, represent, act, purport to act, or be deemed to the agent representative, employee or servant of the Customer.

Force Majeure. Delays or failure of either party in the performance of its required obligations under this Agreement, except for payment of monies due for previously rendered services, shall be excused if caused by circumstance beyond the reasonable control of the party affected, including but not limited to, acts of God, war, riot, fire, explosion, accident, flood, sabotage, lack of adequate fuel, power, raw material, labor, containers, or disposal facilities; compliance with government requests, laws, regulations, orders or actions; revocation or modification of governmental permits or other require licenses or approvals; breakage or failure of machinery or apparatus; national defense requirements; labor trouble, strike, lockout, or injunction (provided neither party shall be required to settle a labor dispute against its own best judgement); which event prevents the delivery, transportation, acceptance, treatment, incineration or disposal of the waste.

Damages and Liabilities. MP Environmental Services, Inc.'s aggregate liability in damages or otherwise shall not exceed the payment, if any, received by MP Environmental Services, Inc. for the service furnished or to be furnished, as the case may be, which is the subject of claim or dispute. In no event shall MP Environmental Services, Inc. be liable for incidental consequential, or other special loss or damages of any kind howsoever caused. Liability to third parties for bodily injury, including death, relating to MP Environmental Services, Inc.'s performance of service delivered hereunder shall be determined in accordance with applicable law and shall not be affected by the foregoing. No action, regardless of form arising out of, or in any way connected with the service furnished by MP Environmental Services, Inc. may be brought by Customer more than one (1) year after the cause of action has occurred.

Choice of Forum. Any dispute, litigation, arbitration or other proceeding that arises under or relates to this Agreement (whether in contract, tort, or otherwise), shall be resolved solely in Kern County California, in either Kern County Superior Court for the State of California, Bakersfield Municipal Court or such other forum as may be appropriate, but only within Kern County, California.

Contractors Notice. In many states, contractors are required by law to be licensed and regulated. Any questions regarding a contractor should be referred to the appropriate State agency where the services are performed.

Entire Agreement. This terms and conditions issued hereunder constitute the entire Agreement between the Customer and MP Environmental Services, Inc. relating to the services outlined herein. No modification of this Agreement shall be binding on MP Environmental Services, Inc. unless executed in writing and signed by both parties.

DRAFT

ATTACHMENT A

Schedule of Pricing Assumptions/Conditions

DRAFT

Schedule of Pricing

Tank Truck Transport for Samoa Pulp Mill

As full consideration for satisfactory performance by contractor of the Work described herein, District agrees to pay contractor at the time(s) provided in this contract the following consideration:

Company Name MTP ENVIRONMENTAL SERVICES, LLC

LINE ITEM	ITEM	QTY	UNIT	RATE	TOTAL
1	Tank Truck Mobilization / Demobilization to Samoa, CA, all inclusive	25	Each	\$2275.00	\$56,875.00
2	Tank Truck Transport from Samoa, CA to Longview, WA, all inclusive	0-50	Trip	\$2,675.00	\$
3	Tank Truck Transport from Samoa, CA to Longview, WA, all inclusive	50-100	Trip	\$2,1675.00	\$
4	Tank Truck Transport from Samoa, CA to Longview, WA, all inclusive	100-150	Trip	\$2,1675.00	\$
5	Tank Truck Transport from Samoa, CA to Longview, WA, all inclusive	150-200	Trip	\$2,1675.00	\$
6	Tank Truck Transport from Samoa, CA to Longview, WA, all inclusive	200-300	Trip	\$2,450.00	\$
7	Tank Truck Transport from Samoa, CA to Longview, WA, all inclusive	300-400	Trip	\$2,450.00	\$
8	Tank Truck Transport from Samoa, CA to Longview, WA, all inclusive	400-500	Trip	\$2,480.00	\$
9	Tank Truck Transport from Samoa, CA to Longview, WA, all inclusive	500-600	Trip	\$2,300.00	\$
10	Certified Tank Truck Wash-Out Fee (20-30)	25	Each	\$1,090.00	\$27,250.00
11	Demurrage, <u>1 HR</u> free load time, <u>1 HR</u> free unload time	200	Hours	\$80.00	\$16,000.00
12	Total				\$
13	Tank Truck (type) <u>SS VAC</u> capacity in pounds <u>40,000</u>				
14	Tank Truck (type) _____ capacity in pounds _____				
15	Tank Truck (type) _____ capacity in pounds _____				
16	Estimated Working Days to Load 6 Trucks <u>1 TO 2 DAYS</u>				

DRAFT

Company Name MP ENVIRONMENTAL SERVICES, INC.

Phone 6061-393-1151 Fax 6061-393-3834

Authorized Representative (print) GINA BLANKENSHIP

Signature *Gina Blankenship* Date 3/31/14

Contract POC Name GINA BLANKENSHIP Phone 6061-393-1151

It is contractor's responsibility to verify actual quantities and price accordingly as the figures provided herein are estimates only. Any changes for adds or deducts will be based upon the Schedule of Pricing backup sheets. Each amount set forth above shall include all applicable federal, state, and local taxes, as well as any required shift differential, overtime pay, and/or holiday pay.

Contractor shall commence work upon receipt of a Notice of Award and/or a Notice to Proceed. Time is of the essence of the performance of services described herein. Failure to fulfill the time schedule specified shall constitute a material breach of this contract, unless District approves in writing, in advance, of any changes in the time schedule.

By April 3, 2014 contractor shall provide the following:

- Schedule of Pricing
- Representations and Certifications
- Proof of License Endorsements for Hazardous Materials and Tankers
- Proof of Insurance
- Proposed Transportation Routes



MP ENVIRONMENTAL SERVICES, INC.
(661) 393-1151

Assumptions/Conditions
Humboldt Bay Harbor District
RFP Tanker Truck Transport
Submitted 03/31/14

Please note the following assumptions/conditions which apply to our proposal:

- Services would be provided through a combination of MP owned equipment and qualified sub-haulers
- Pricing is based upon use of DOT specification stainless steel tank trailers
- Pricing includes wages in accordance with WD 96-0224 (Rev. -27). In the event a different wage order applies to this project, additional charges may apply
- Pricing assumes use of standard stainless steel cam-lock fittings and up to 50' of chemical hose per truck
- MP will strive to provide the requested 25 trucks but does not guarantee that 25 trucks will be available throughout execution of the project
- Once trucks are certified clean and mobilized to the project site, they will be used on a daily basis (or as allowed by hours of service regulations). In the event loads are not available to ship, or the receiving facility cannot accept loads additional charges for stand by and/or demobilization/remobilization will apply for any trucks already on the project or en-route to the project site
- Pricing does not include wash out of tankers upon delivery of loads to KapStone Paper. Additional charges will apply for wash out of each tanker upon completion of hauling activities by that tanker
- Demurrage will be billed in ¼ hour increments for any loading/unloading delays in excess of one hour
- Trip rates are based upon current fuel pricing. In the event the 4 week average of the West Coast retail cost of diesel fuel as published by the EIA rises above \$4.00 per gallon, a fuel surcharge based on the following would apply:

FUEL PRICE PER GALLON	SURCHARGE PERCENTAGE
\$4.01 to \$4.10	1%
\$4.11 to \$4.20	2%
\$4.21 to \$4.30	3%
\$4.31 to \$4.40	4%
\$4.41 to \$4.50	5%
\$4.51 to \$4.60	6%

AGENDA REPORT

For Agenda of: April 24, 2014

Title: Consideration of Administrative Raises for FY 2013/14

Place on the Agenda: New Business (f)

Summary of the Issue:

At the Board of Commissioners Meeting of March 27, 2014, it was reported out of Closed Session the Board authorized raises for the District's Administrative Staff. The Board approved the following:

CEO Jack Crider (\$5,000.00/yr.)	\$115,000.00 effective May 1, 2013
Director of Administrative Services Patricia Tyson (3% merit plus 1.8% CPI (4.8%))	\$64,063.25 effective July 1, 2013
Director of Facility Maintenance Alan Bobillot (3% merit plus 1.8% CPI (4.8%))	\$61,150.28 effective July 1, 2013
Bar Pilot Tim Petrusha (1.8% CPI)	\$75,494.88 effective July 1, 2013
Bar Pilot John Powell (1.8% CPI)	\$75,494.88 effective July 1, 2013

Staff Recommendation: Board of Commissioners approve Administrative Raises for FY 2013/14.

11h

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

**CALIFORNIA REDWOOD COMPANY TIDELAND LEASE
APRIL 2014 ADDENDUM**

This Addendum to the 2007 Lease Agreement is made this 24th day of April 2014 by and between the Humboldt Bay Harbor, Recreation and Conservation District, a California public entity, PO Box 1030, Eureka, CA 95502-1030, hereinafter called the "**LESSOR**" and the California Redwood Company, 1301 Fifth Avenue, Suite 2700, Seattle, WA 98101, hereinafter called the "**LESSEE**".

The Parties agree as follows:

4. Commencing May 1, 2014 through January 31, 2018, Lessee shall pay to the District monthly rent in the sum of \$5,100.00 with payment beginning May 1, 2014. Said amount shall be deemed late if not actually received by the District on or before the tenth day of each month, or on the next business day following the tenth day if the tenth day falls on a weekend or legal holiday. Any late payment shall be subject to a late fee of \$300. The late fee shall be in addition to interest charges on late rent at the rate of seven percent (7%) per annum. All other terms of the existing lease agreement documents remain in full force and effect.

EXECUTED on April 24, 2014 by authority of the Board of Commissioners of the HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT.

LESSOR

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

LESSEE

DOUGLAS REED, President
CALIFORNIA REDWOOD COMPANY

11i

HUMBOLDT BAY HARBOR, RECREATION
AND CONSERVATION DISTRICT

PERMIT AND AGREEMENT TO
OPERATE A CHARTER SERVICE

Startare Drive
Woodley Island Marina
P.O. Box 1030
Eureka, CA 95501

PERMITTEE:

John W. Kramer
dba *Joli Time Sport Fishing*
1830 McKinleyville Avenue
McKinleyville, CA 95519

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 **John W. Kramer**, dba ***Joli Time Sport Fishing*** hereinafter referred to as "**John W. Kramer.**"

WHEREAS, **John W. Kramer** will be the Lessee of Slip Number 11, Float D, at the Woodley Island Marina for a vessel, pursuant to a Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto and incorporated by reference as Exhibit "A" hereto; and

WHEREAS, on or about March 22, 2013, **John W. Kramer** made a written application to the District for a Permit from the District to operate the business ***Joli Time Sport Fishing*** on a vessel moored at Slip Number 11, Float D at the Woodley Island Marina; and

WHEREAS, on or about April 17, 2014, **Ian Kramer on behalf of John W. Kramer** made written application to the District to renew his Permit to operate the business ***Joli Time Sport Fishing***; and

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

AFTER REVIEW AND CONSIDERATION thereof by the Board of Commissioners of the District of the application of **John W. Kramer**:

THE PARTIES, THEREFORE, AGREE AS FOLLOWS:

1. District shall permit **John W. Kramer**, to operate the business ***Joli Time Sport Fishing*** for the purpose of charter service at the Woodley Island Marina. The charter services shall consist primarily of sport fishing. Diving or diving instruction from or on said vessel shall not be allowed and shall be prohibited at all times at any locations within or without the boundaries of Woodley Island Marina while **John W. Kramer** operates the business of charter services from the Woodley Island Marina.
2. The term of this Permit and Agreement shall be for the period May 01, 2014 through April 30, 2016. District or **John W. Kramer** 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 **John W. Kramer** with or without cause or reason by giving **John W. Kramer** sixty 60 days written notice of termination and **John W. Kramer** shall terminate their business, as defined in Paragraph 1, 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 **John W. Kramer**, at 1830 McKinleyville Avenue, McKinleyville, CA 95519. In the event **John W. Kramer** 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 **John W. Kramer's** Berthing Permit is terminated pursuant to said Agreement, this Permit and Agreement to operate a Charter Service shall terminate forthwith on the date of termination of **John W. Kramer's** Berthing Permit and Rental Agreement for the Woodley Island Marina

without the requirement of the hereinabove set forth sixty 60 day notice of termination provisions.

3. In addition to the monthly rental payable by **John W. Kramer** 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", **John W. Kramer** shall pay District the sum of Two hundred fifty dollars and no cents (\$250.00) per year, however 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.
4. On or prior to the date of the Agreement, to wit: May 01, 2014, **John W. Kramer** shall purchase and maintain throughout the term of the Permit and Agreement Commercial General Liability insurance covering **John W. Kramer** pursuant to the terms of this Permit and Agreement. Said insurance policy of "protection and indemnity insurance" insuring **John W. Kramer** from liability for bodily injury, death, or property damage as a result of their operation and shall name District as an additional insured and provide District, prior to May 01 each year, 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 and no cents (\$1,000,000.00) per occurrence. In the event said liability insurance policy referred to in Paragraph 4 is cancelled or terminated, **John W. Kramer** shall forthwith cease and stop their ***Joli Time Sport Fishing*** business 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.
5. **John W. Kramer** shall, prior to commencing operation of ***Joli Time Sport Fishing***, obtain any and all necessary permits, if applicable, including but not

limited to City of Eureka business license and California Department of Fish and Wildlife licenses.

6. **John W. Kramer** 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 **John W. Kramer**, and **John W. Kramer** 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, **John W. Kramer** agrees to hold harmless, indemnify, and hold District non-responsible for any of **John W. Kramer's** 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.
7. **John W. Kramer** at all times shall comply and shall obtain compliance of Lessees' 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, and those of local, state, and federal government.
8. **John W. Kramer** 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. No person shall throw, discharge, or deposit from any vessel or from the shore or float or in any other manner, any fish or shellfish parts into or upon the waters of the Woodley Island Marina or upon the banks, walls, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. No person shall place or leave dead animals, fish, shellfish, bait, or other putrefying matter on or along seawalls, harbor structures, floats, piers, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. Vessel must be kept free of trash and waste product so as not to

attract seagulls, sea lions, harbor seals, and other animals. All trash and waste product shall be properly disposed of each day.

9. **John W. Kramer** may place a sign on the vessel the size of which must be approved by the District's Chief Executive Officer. **John W. Kramer** may place a directional sign for incoming traffic onto Woodley Island Marina in an area approved by the Chief Executive Officer. Type and size of all signs are to be approved by the Chief Executive Officer of the District and, shall reasonably conform in size, shape, and colors of the signs heretofore existing on Woodley Island and the Woodley Island Marina.
10. This Permit and Agreement is not transferable or assignable by **John W. Kramer** without approval in writing by the District. Any transfer of assignment or attempted transfer or assignment of this Permit by **John W. Kramer** shall be null and void.
11. 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.
12. 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.
13. Time is of the essence of this Permit and Agreement and of each and every covenant, term, and condition, and provision hereof.
14. **John W. Kramer** is hereby notified by the District that this Permit and Agreement to Operate ***Joli Time Sport Fishing*** in conjunction with the Berthing Permit and Rental Agreement for a vessel at 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 **John W. Kramer** and/or the party in whom the possessory interest is vested may be subject to the payment of property taxes levied upon such interests. **John W. Kramer** agrees and acknowledges that they have actual notice pursuant to Section

107.6 of the California Revenue and Taxation Code and that **John W. Kramer** may be required to pay a possessory interest tax as a result of this Permit and Agreement to operate a charter service in conjunction with the Berthing Permit and Rental Agreement for the vessel for Woodley Island Marina. **John W. Kramer** hereby acknowledge that he has actual knowledge of the existence of a possessory interest tax and have read the provision of Section 107 to 108 of the California Revenue and Taxation Code. **John W. Kramer** agrees to and shall pay all possessory interest taxes levied by any governmental agency by reason of this Permit and Agreement and their Berthing Permit and Rental Agreement for their vessel, for Woodley Island Marina.

EXECUTED on, _____, 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**

John W. Kramer, dba, *Joli Time Sport Fishing*, as Permittee in this Permit and Agreement hereby accepts and agrees to all terms and conditions herein above set forth.

Dated: _____, 2014

By _____

**JOHN W. KRAMER, Owner
*dba Joli Time Sport Fishing***

11j

HUMBOLDT BAY HARBOR, RECREATION
AND CONSERVATION DISTRICT

PERMIT AND AGREEMENT TO
OPERATE A CHARTER SERVICE

Startare Drive
Woodley Island Marina
P.O. Box 1030
Eureka, CA 95501

PERMITTEE:
Cliff Friedley
dba *Foreel Sportfishing*
1666 Bella Vista Road
McKinleyville, CA 95519

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 **Cliff Friedley**, dba ***Foreel Sportfishing*** hereinafter referred to as "**Cliff Friedley**."

WHEREAS, **Cliff Friedley** will be the Lessee of Slip Number 20, Float E, at the Woodley Island Marina for a vessel, pursuant to a Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto and incorporated by reference as Exhibit "A" hereto; and

WHEREAS, on or about May 16, 2013, **Cliff Friedley** made a written application to the District for a Permit from the District to operate the business ***Foreel Sportfishing*** on a vessel moored at Slip Number 20, Float E at the Woodley Island Marina; and

WHEREAS, on or about April 17, 2014, **Cliff Friedley** made a written application to renew his Permit and Agreement to operate the business ***Foreel Sportfishing***; and

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

AFTER REVIEW AND CONSIDERATION thereof by the Board of Commissioners of the District of the application of **Cliff Friedley**:

THE PARTIES, THEREFORE, AGREE AS FOLLOWS:

1. District shall permit **Cliff Friedley**, to operate the business *Foreel Sportfishing* for the purpose of charter service at the Woodley Island Marina. The charter services shall consist primarily of sport fishing. Diving or diving instruction from or on said vessel shall not be allowed and shall be prohibited at all times at any locations within or without the boundaries of Woodley Island Marina while **Cliff Friedley** operates the business of charter services from the Woodley Island Marina.
2. The term of this Permit and Agreement shall be for the period May 01, 2014 through April 30, 2016. District or **Cliff Friedley** 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 **Cliff Friedley** with or without cause or reason by giving **Cliff Friedley** sixty 60 days written notice of termination and **Cliff Friedley** shall terminate their business, as defined in Paragraph 1, 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 **Cliff Friedley**, at 1666 Bella Vista Road, McKinleyville, CA 95519. In the event **Cliff Friedley** 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 **Cliff Friedley's** Berthing Permit is terminated pursuant to said Agreement, this Permit and Agreement to operate a Charter Service shall terminate forthwith on the date of termination of **Cliff Friedley's** Berthing Permit and Rental Agreement for the Woodley Island Marina without the requirement of the hereinabove set forth sixty 60 day notice of termination provisions.
3. In addition to the monthly rental payable by **Cliff Friedley** 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", **Cliff**

Friedley shall pay District the sum of Two hundred fifty dollars and no cents (\$250.00) per year, however 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.

4. On or prior to the date of the Agreement, to wit: May 01, 2014, **Cliff Friedley** shall purchase and maintain throughout the term of the Permit and Agreement Commercial General Liability insurance covering **Cliff Friedley** pursuant to the terms of this Permit and Agreement. Said insurance policy of "protection and indemnity insurance" insuring **Cliff Friedley** from liability for bodily injury, death, or property damage as a result of their operation and shall name District as an additional insured and provide District, prior to May 01 each year, 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 and no cents (\$1,000,000.00) per occurrence. In the event said liability insurance policy referred to in Paragraph 4 is cancelled or terminated, **Cliff Friedley** shall forthwith cease and stop their *Foreel Sportfishing* business 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.
5. **Cliff Friedley** shall, prior to commencing operation of *Foreel Sportfishing*, obtain any and all necessary permits, if applicable, including but not limited to City of Eureka business license and California Department of Fish and Wildlife licenses.
6. **Cliff Friedley** 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

Cliff Friedley, and **Cliff Friedley** 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, **Cliff Friedley** agrees to hold harmless, indemnify, and hold District non-responsible for any of **Cliff Friedley's** 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.

7. **Cliff Friedley** at all times shall comply and shall obtain compliance of Lessees' 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, and those of local, state, and federal government.
8. **Cliff Friedley** 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. No person shall throw, discharge, or deposit from any vessel or from the shore or float or in any other manner, any fish or shellfish parts into or upon the waters of the Woodley Island Marina or upon the banks, walls, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. No person shall place or leave dead animals, fish, shellfish, bait, or other putrefying matter on or along seawalls, harbor structures, floats, piers, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. Vessel must be kept free of trash and waste product so as not to attract seagulls, sea lions, harbor seals, and other animals. All trash and waste product shall be properly disposed of each day.
9. **Cliff Friedley** may place a sign on the vessel the size of which must be approved by the District's Chief Executive Officer. **Cliff Friedley** may place a directional sign for incoming traffic onto Woodley Island Marina in an area approved by the Chief Executive Officer. Type and size of all signs are to be

approved by the Chief Executive Officer of the District and, shall reasonably conform in size, shape, and colors of the signs heretofore existing on Woodley Island and the Woodley Island Marina.

10. This Permit and Agreement is not transferable or assignable by **Cliff Friedley** without approval in writing by the District. Any transfer of assignment or attempted transfer or assignment of this Permit by **Cliff Friedley** shall be null and void.
11. 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.
12. 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.
13. Time is of the essence of this Permit and Agreement and of each and every covenant, term, and condition, and provision hereof.
14. **Cliff Friedley** is hereby notified by the District that this Permit and Agreement to Operate *Foreel Sportfishing* in conjunction with the Berthing Permit and Rental Agreement for a vessel at 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 **Cliff Friedley** and/or the party in whom the possessory interest is vested may be subject to the payment of property taxes levied upon such interests. **Cliff Friedley** agrees and acknowledges that they have actual notice pursuant to Section 107.6 of the California Revenue and Taxation Code and that **Cliff Friedley** may be required to pay a possessory interest tax as a result of this Permit and Agreement to operate a charter service in conjunction with the Berthing Permit and Rental Agreement for the vessel for Woodley Island Marina. **Cliff Friedley** hereby acknowledge that they have actual knowledge of the

existence of a possessory interest tax and have read the provision of Section 107 to 108 of the California Revenue and Taxation Code. **Cliff Friedley** agrees to and shall pay all possessory interest taxes levied by any governmental agency by reason of this Permit and Agreement and their Berthing Permit and Rental Agreement for their vessel, for Woodley Island Marina.

EXECUTED on, _____, 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**

Cliff Friedley, dba, *Foreel Sportfishing*, as Permittee in this Permit and Agreement hereby accepts and agrees to all terms and conditions herein above set forth.

Dated: _____, 2014

By _____
**CLIFF FRIEDLEY, Owner
*dba Foreel Sportfishing***