INSTRUCTIONS TO THE COUNTY RECORDER OF HUMBOLDT COUNTY

This document, the CITY OF EUREKA TITLE SETTLEMENT AGREEMENT (AGREEMENT) entered into between the STATE OF CALIFORNIA, acting by and through the CALIFORNIA STATE LANDS COMMISSION, and the EUREKA REDEVELOPMENT AGENCY, a public body, corporate and politic, and the CITY OF EUREKA, acting as trustee of sovereign lands granted by the State of California, includes on page 6 Quitclaim Deeds to certain real property interests located in the County of Humboldt, California. The City of Eureka’s Acceptance and Consent to Recording is found on page 8 and in Exhibit C on page 14 of this AGREEMENT.

(Continued on next page.)
Therefore, please index this document as follows:

<table>
<thead>
<tr>
<th>GRANTOR</th>
<th>GRANTEE</th>
<th>Settlement Agreement Paragraphs Containing Real Property Conveyances</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Of Eureka as trustee of tide and submerged lands</td>
<td>EUREKA REDEVELOPMENT AGENCY, a public body, corporate and politic</td>
<td>Page 6, Paragraph II: Quitclaim of Property described in Exhibit A to the Agreement.</td>
</tr>
<tr>
<td>State of California</td>
<td>EUREKA REDEVELOPMENT AGENCY, a public body, corporate and politic</td>
<td>Page 6, Paragraph III: Quitclaim of Property described in Exhibit A to the Agreement.</td>
</tr>
</tbody>
</table>

Note: The conveyances listed above and as provided for hereafter, are made solely for the purposes of perfecting title to the land involved, and accordingly, for tax assessment purposes, do not involve a change of ownership pursuant to California Revenue & Taxation Code '62 (b).

Note: City of Eureka's Acceptance and Consent to Recording is attached hereto as Exhibit B and incorporated herein by this reference.
CITY OF EUREKA TITLE SETTLEMENT AGREEMENT

The parties to this Title Settlement Agreement ("AGREEMENT") are the State of California, acting by and through the California State Lands Commission, hereafter referred to as "STATE" and the EUREKA REDEVELOPMENT AGENCY, a public body, corporate and politic (hereinafter referred to as Redevelopment Agency) and the CITY OF EUREKA, acting as trustee of sovereign tide and submerged lands granted by the State of California, (hereinafter referred to as TRUSTEE). STATE, CITY and TRUSTEE are hereafter collectively referred to as the "PARTIES".

RECITALS

A. At issue here are three parcels of land comprising a portion of the right of way for the now defunct Northwestern Pacific Railroad. The portion of the right of way at issue is located between "D" and "F" Streets northerly of First Street along the Eureka Waterfront. The parcels are hereinafter collectively referred to as the SUBJECT PROPERTY and are more particularly described in Exhibit A hereto and incorporated herein by this reference.

B. The STATE, upon being admitted to the Union in 1850, by virtue of its sovereignty and the Equal Footing Doctrine, received fee title to all tide and submerged lands within the SUBJECT PROPERTY held subject to the commonlaw public trust for commerce, navigation and fisheries.

C. The SUBJECT PROPERTY is encompassed in tide and submerged lands granted to CITY by Chapter 82 of the Statutes of 1857 wherein CITY was authorized to divide the granted lands into lots and sell them.

D. The SUBJECT PROPERTY is within lands described in Tidelands Survey Number 8 made on March 17, 1859. The SUBJECT PROPERTY was first patented to Charles E. Collins on August 29, 1861. The patent is recorded in Book S & O 1 at page 403 of the Official Records of Humboldt County. REDEVELOPMENT AGENCY claims a fee simple ownership in the SUBJECT PROPERTY through mesne conveyances and as a successor in interest to Charles E. Collins.

E. Additionally, the SUBJECT PROPERTY lies within legislative grants to TRUSTEE by virtue of Chapter 438, Statutes of 1915; Chapter 187, Statutes of 1927; Chapter 225, Statutes of 1945; and Chapter 1086, Statutes of 1970, as amended.

F. TRUSTEE claims it holds title to any tide and submerged lands in the SUBJECT PROPERTY by virtue of the 1857 statute and other statutory grants recited above in Paragraph C and claims that the public trust exists...
over the SUBJECT PROPERTY.

G. The staff of the California State Lands Commission ("COMMISSION") has conducted an extensive study and investigation of the area within and adjacent to the SUBJECT PROPERTY and has examined historical maps, aerial photos, hydrological data, and other evidence concerning the area in an effort to determine the location and extent of public property rights.

H. On the basis of its study and examination, STATE contends that it is the owner of the reversionary interest in the tide and submerged lands granted in trust to TRUSTEE.

I. The State of California by virtue of an Act of Congress on September 28, 1850, commonly referred to as the Arkansas Swamp Lands Act, received title from the United States of America to swamp and overflowed lands located within the State's boundaries.

J. The SUBJECT PROPERTY is within lands returned to the State of California by the United States of America in Swamp Land List No. 105, dated May 29, 1902, as swamp and overflowed lands.

J. The SUBJECT PROPERTY has, since 1850, been affected by numerous natural and artificial influences, including erosion, accretion, bank stabilization, bulkhead construction, fill, reclamation and construction of the railroad line. As a result of these activities, evidence of change due to natural causes has been destroyed and there is uncertainty as to the:

1) The exact nature and extent of rights, titles and interests conveyed by the patent for TLS 8.

2) Whether the lands included within the above referenced patent were truly swamp and overflowed lands free of the public trust or whether they were in fact tide and submerged lands subject to the public trust.

3) The exact nature and extent of rights, titles and interests conveyed by the State to the City of Eureka by virtue of Chapter 225 of the Statutes of 1945 as amended by Chapter 1086 of the Statutes of 1970.

K. In 1968 STATE and TRUSTEE became involved in extensive litigation with private landowners over title to properties along the Eureka Waterfront between Commercial Street and "J" Street. At issue was the last natural position of the mean high tide line and CITY's ownership of lands waterward of that line. The litigation culminated and ended in 1980 with a title settlement agreement that established an agreed boundary line along the waterfront. CITY quitclaimed any interest it had landward of that line and the
private landowners quitclaimed any interest they had waterward of the line. The public trust for commerce, navigation and fisheries was extinguished over the privately owned properties. The SUBJECT PROPERTY in this AGREEMENT lies landward of the privately owned properties and within the 1857 legislative grant.

L. The Legislature, in 1970, enacted Chapter 1085 in order to facilitate the settlement and compromise of various title disputes within the tidelands grant to the City of Eureka. Among other things, Chapter 1085 authorizes COMMISSION and TRUSTEE, upon receipt of adequate consideration, to convey, release or quitclaim lands and to lift the public trust over the same lands within the grant to the City of Eureka that have been improved in connection with the development of the Humboldt Bay area and in the process filled and reclaimed, are no longer submerged or below the line of mean high tide, and are no longer necessary or useful for commerce, fisheries, or navigation.

M. The PARTIES recognize that, unless the dispute regarding their respective claimed property interests within the SUBJECT PROPERTY are settled by negotiation and compromise, each of them will expend substantial sums of money in litigation of these conflicting claims, the results of which are uncertain, and that it is in their best interests and in the best interests of the general public that a compromise agreement be made by way of this title settlement agreement.

N. The PARTIES have reached an AGREEMENT for the resolution of their conflicting claims in the SUBJECT PROPERTY to the effect that it is in both their best interests and that of the general public. The AGREEMENT will provide for quitclaims to the REDEVELOPMENT AGENCY of TRUSTEE’s and COMMISSION’s title to the SUBJECT PROPERTY, the lifting of the public trust for commerce, navigation and fisheries over it, and the deposit by REDEVELOPMENT AGENCY of adequate compensation into the Humboldt Bay Fund held by TRUSTEE.

O. The value of the STATE’S and TRUSTEE’S claims or interests within the SUBJECT PROPERTY have been evaluated and appraised.

P. A settlement of a title and boundary, to which the State is a party, is exempt from the California Environmental Quality Act pursuant to Public Resources Code Section 21080.11, and the Subdivision Map Act pursuant to Government Code Section 66412 (e).
AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the covenants, conditions and terms contained in this AGREEMENT, the PARTIES mutually agree and convey as follows:

I. FINDINGS BY STATE AND TRUSTEE: STATE, by its adoption of Minute Item No. C 84 at its meeting held on August 19, 2003, and TRUSTEE by their approval and execution of this AGREEMENT find and declare as follows:

A. That it is in the best interests of the PARTIES and the public to resolve this dispute between them over title to the SUBJECT PROPERTY by way of a compromise settlement agreement and to avoid the anticipated costs, time requirements and uncertainties of litigation.

B. That the SUBJECT PROPERTY has been improved in connection with the development of the Humboldt Bay area and in the process filled and reclaimed.

C. That the SUBJECT PROPERTY is no longer submerged or below the line of mean high tide and is no longer useful for commerce, navigation or fisheries.

D. That the value of rights and interests paid to the Humboldt Bay Fund by REDEVELOPMENT AGENCY under this AGREEMENT are equal to or greater than the value of any sovereign rights and interests relinquished by the STATE and TRUSTEE pursuant to this AGREEMENT.

II. TRUSTEE'S CONVEYANCE TO CITY: TRUSTEE, pursuant to section 3(a) of Chapter 1085 of the Statutes of 1970, hereby remises, releases and forever quitclaims to REDEVELOPMENT AGENCY all of TRUSTEE's right, title and interest in the SUBJECT PROPERTY as described in Exhibit A held by TRUSTEE, as grantee of sovereign lands, including, but not limited to, any interest held by TRUSTEE as trustee of the public trust for commerce, navigation and fisheries, water-related recreation, preservation in its natural state, and other trust uses in the SUBJECT PROPERTY as described in Exhibit A; excepting and reserving to TRUSTEE all oil, gas, minerals and other hydrocarbons in the lands described in Exhibit A.

III. STATE'S CONVEYANCE to REDEVELOPMENT AGENCY. STATE, pursuant to section 2(b) of Chapter 1085 of the Statutes of 1970, hereby remises, releases, and forever quitclaims to REDEVELOPMENT AGENCY all of the State's right, title, and interest in the SUBJECT PROPERTY as described in Exhibit A existing by virtue of its sovereignty, including, but not
limited to, any interest held by the State as trustee of the public trust for commerce, navigation, fisheries, water-related recreation, preservation in its natural state, and other trust uses in the SUBJECT PROPERTY as described in Exhibit A; excepting and reserving to STATE all oil, gas, minerals and other hydrocarbons in the lands described in Exhibit A.

IV. PAYMENT TO TIDELANDS TRUST FUND: REDEVELOPMENT AGENCY agrees to pay the Humboldt Bay Fund, as established by Chapter 1095, Statutes of 1978, the sum of $80,960 upon the close of Escrow.

V. ESCROW:

A. An escrow has been opened with the Humboldt Land Title Company, 611 "I" St., Eureka, Humboldt County, California. The purposes of this escrow shall be for the depositing, processing and recording of all documents and transfers of moneys and the taking of all additional actions necessary to effect this AGREEMENT. This AGREEMENT shall constitute the escrow instructions to the Escrow Agent. Additional instructions may be provided as mutually agreed upon in writing by the PARTIES or as required by Escrow Agent.

B. Title Insurance: Prior to CLOSE OF ESCROW, REDEVELOPMENT AGENCY, at its own discretion, shall have issued to it a standard form of CLTA title insurance insuring its respective interests in an amount and according to terms expressly acceptable to and approved by the respective PARTIES. The policy issued to REDEVELOPMENT AGENCY will cover the property interests quitclaimed to it by the STATE and TRUSTEE. The costs of escrow and title insurance shall be paid by REDEVELOPMENT AGENCY.

VI. CLOSING:

A. The CLOSE OF ESCROW for this AGREEMENT shall occur upon accomplishment, in the Escrow, of all of the following in the order stated:

1. Execution of this AGREEMENT by the PARTIES.

2. The deposit of executed AGREEMENT in escrow.

3. Approval by the PARTIES of the provisions and form of their respective title insurance policies.

4. Fulfillment of all other conditions precedent to closing and passage of title contained within this AGREEMENT and
compliance with any additional escrow instructions duly submitted by the Parties.

B. If the CLOSE OF ESCROW has not occurred by August 1, 2004, then escrow may be terminated at the discretion of either of the PARTIES upon 30 days written notice, and the provisions of this AGREEMENT shall be null and void.

VII. RECORDATION: When all conditions necessary for the CLOSE OF ESCROW have occurred, the Escrow Agent shall notify the PARTIES of its intention to record this AGREEMENT and shall specify a date for such recordation. On such recordation date, the Escrow Agent shall cause this AGREEMENT to be recorded in the Official Records of Humboldt County, California.

VIII. REDEVELOPMENT AGENCY’S CONSENT TO RECORDING: REDEVELOPMENT AGENCY hereby accepts each and every conveyance made to it in this AGREEMENT and consents to the recordation of its acceptance. See Exhibit B.

IX. EXHIBITS:

A. The exhibits to this AGREEMENT are as follows:

1. Exhibit A: Land Description of the SUBJECT PROPERTY.

2. Exhibit B: REDEVELOPMENT AGENCY’S Acceptance and Consent to Recording

B. All preliminary recitals of and exhibits to this AGREEMENT (Exhibits A, and B) are hereby incorporated by reference within it.

X. OTHER PROVISIONS

A. Judicial Confirmation: At its own discretion, any PARTY may elect to obtain a judicial confirmation of this AGREEMENT and its title pursuant to Code of Civil Procedure Sections 760.010 through 764.080.

1. If a PARTY chooses to do so, the electing PARTY shall file a complaint within 30 days of recordation by the Escrow Agent, acting pursuant to Paragraph VI, supra, or the right to such confirmation shall be waived. Each PARTY shall cooperate with the other in obtaining such a confirmatory judgment.

2. If a court of competent jurisdiction enters a judgment that becomes final, finding and declaring that this AGREEMENT or any of the
conveyances pursuant to it is invalid, and should that determination be upheld on final appeal (if one is filed), the PARTIES agree that the AGREEMENT shall no longer be effective for any purpose, and that the PARTIES shall re-convey to their respective grantors under this AGREEMENT each and every interest conveyed as a result of this AGREEMENT so as to return the PARTIES to the positions they were in prior to the execution of this AGREEMENT.

3. Upon entry of any judgment confirming the validity of the settlement embodied in this AGREEMENT as provided in this Paragraph VIII, each PARTY shall be deemed to have waived any right to appeal from the judgment. A judgment declaring this AGREEMENT invalid may be appealed by either PARTY.

B. Mutual Release. This AGREEMENT constitutes a settlement and is intended to settle all claims, known or unknown that STATE, TRUSTEE or REDEVELOPMENT AGENCY may have regarding the SUBJECT PROPERTY, including any right or claim founded upon a claim or right arising out of an implied dedication to a public use or that any PARTY may have under California Civil Code Section 1542 which reads as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

C. Compromise Agreement. The provisions of this AGREEMENT have been agreed upon solely for the purpose of compromising and settling the PARTIES' respective title interests or claims regarding the SUBJECT PROPERTY. This AGREEMENT shall not constitute any expression by any PARTY as to the extent or location of any other real property interest or boundary. In the event that this AGREEMENT fails to become effective or is determined to be null and void or invalid, the PARTIES reserve the right to assert positions different from or contrary to those set forth in this AGREEMENT, and nothing contained in this AGREEMENT shall constitute an admission by any PARTY in any proceeding, judicial or otherwise regarding the location, character, condition or legal status of any of the lands covered under this AGREEMENT or any interest in such lands or to evidence the belief, knowledge or intent of any PARTY to this AGREEMENT regarding such lands or interests.

D. Exemption From CEQA. That this AGREEMENT is exempt from the requirements of the California Environmental Quality Act (CEQA) and the
California Subdivision Map Act (CSMA) as this AGREEMENT has for its purpose the settlement of a title dispute. Provided, however, the subsequent development of the SUBJECT PROPERTY by REDEVELOPMENT AGENCY or its successors in interest, shall be accomplished in accordance with the requirements of the CSMA and CEQA, where, and if, applicable.

E. **Counterparts.** This AGREEMENT may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as if it were an original signed by any of the PARTIES. Any signature page of this AGREEMENT may be detached from any counterpart of this AGREEMENT without impairing any signature on such page, and such page may be attached to another counterpart of this AGREEMENT identical in form but having attached to it one or more additional signature page.

F. **Severability and Survival.** All provisions of this AGREEMENT shall be severable, separate and distinct from its other provisions and in the event any provision or provisions of this AGREEMENT are found to be void or invalid for any reason, all other provisions shall remain in full force and effect. Should any PARTY fail to comply with any or all provisions of this AGREEMENT, such failure shall in no way affect its validity or binding nature. Nothing in this AGREEMENT shall affect or diminish the rights of any of its PARTIES at law or in equity, to enforce the provisions of this AGREEMENT against another PARTY.

G. **Further Assurances.** Each of the PARTIES will expeditiously do such further acts and execute, acknowledge and deliver all documents and instruments necessary to effect this AGREEMENT.

H. **Succession.** This AGREEMENT shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the PARTIES.

I. **Execution.** All signatures on this AGREEMENT shall be acknowledged before a notary public, and a certificate of acknowledgment shall be attached to the executed AGREEMENT to allow it to be recorded in the office of the Humboldt County Recorder. The Governor's signature shall be attested to by the Secretary of State.
J. Amendment. No amendment, modification or alteration of this AGREEMENT shall be valid unless it be in writing and signed by both PARTIES.

IN WITNESS WHEREOF, the PARTIES to this AGREEMENT have caused it to be executed.

CITY OF EUREKA acting as Trustee of Tide and Submerged Lands Granted to the City of Eureka

Date: 4-17-04

By: PETER LAGALLE
Mayor, City of Eureka

EUREKA REDEVELOPMENT AGENCY, a public body, corporate and politic

Date: 4-26-04

By: DAVID W. TYSON
City Manager

CALIFORNIA STATE LANDS COMMISSION

Date: May 19, 2004

By: PAUL D. THAYE
Executive Officer

Approved as to form:

BILL LOCKYER
Attorney General

City of Eureka
Title Settlement Agreement

September 18, 2003 (2:55PM)
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Humboldt ss.

On 4/26/07 before me, PAMELA JO POWELL, Notary Public, personally appeared DAVID W. TISON, Name(s) of Signer(s)

Personally known to me

□ proved to me on the basis of satisfactory evidence

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

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: __________________________

Document Date: __________________________ Number of Pages: __________

Signer(s) Other Than Named Above: __________________________

Capacity(ies) Claimed by Signer

Signer's Name: __________________________

□ Individual

□ Corporate Officer — Title(s): __________________________

□ Partner — □ Limited □ General

□ Attorney-in-Fact

□ Trustee

□ Guardian or Conservator

□ Other: __________________________

Signer Is Representing: __________________________
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Humboldt

On April 27, 2004 before me, Kathleen Franco Simmons, Notary Public,

personally appeared Peter La Valle.

WITNESS my hand and official seal.

Kathleen Franco Simmons, Notary Public

Name(s) of Signer(s)

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

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document
Title or Type of Document: City of Eureka Title Settlement Agreement

Document Date: April 5, 2004 Number of Pages: 

Signer(s) Other Than Named Above: 

Capacity(ies) Claimed by Signer
Signer's Name: Peter La Valle

☐ Individual
☐ Corporate Officer — Title(s): 
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: Mayor of the City of Eureka and Chair of the Eureka Redevelopment Agency

Signer Is Representing: City of Eureka
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of ___________ ss.

On May 19, 2004 before me, ___________, Notary Public
personally appeared ___________.

Name of Officer (e.g., "Jane Doe, Notary Public")

Namas(s) of Signer(s)

Personally known to me

Personally known to me

proved to me on the basis of satisfactory evidence

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

WITNESS my hand and official seal.

Kimberly L. Korhonen
Commission # 1283249
Notary Public - California
Sacramento County
My Comm. Expires Nov 5, 2004

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: City of Eureka Title Statement

Document Date: September 18, 2003 Number of Pages: 1508

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer

Signer's Name: Paul D. Thayer

Individual

Corporate Officer — Title(s):

Partner — Limited General

Attorney-in-Fact

Trustee

Guardian or Conservator

Other: Executive Officer

Signer Is Representing:

© 1999 National Notary Association • 9350 De Soto Ave., P.O. Box 2402 • Chatsworth, CA 91311-2402 • www.nationalnotary.org Prod. No. 5907 Reorder: Call Toll-Free 1-800-876-6827

2005-20363-18
IN APPROVAL WHEREOF, I, ARNOLD SCHWARZENEGGER, Governor of the State of California, have set my hand and cause the Seal of the State of California to be hereunto affixed pursuant to Section 6107 of the Public Resources Code of the State of California. Given under my hand at the City of Sacramento, this 23rd day of June, in the year of our Lord Two Thousand and Four.

[Signature]
ARNOLD SCHWARZENEGGER, Governor
STATE OF CALIFORNIA

Attest:
SECRETARY OF STATE
KEVIN SHELLEY

By: [Signature]

City of Eureka
Title Settlement Agreement

September 18, 2003 (2:55PM)
EXHIBIT "A"

Land Description of the SUBJECT PROPERTY

That real property situated in the City of Eureka, County of Humboldt, State of California, described as follows:

Parcel 1

Being all the land described in that certain indenture dated March 11, 1899 between Thomas Baird and the Eel River and Eureka Railroad Company, recorded March 17, 1899 in Book 65 of Deeds, Page 411, Records of said County.

Parcel 2

Being all the land described in that certain indenture dated March 27, 1899 between Elizabeth P. Kingston and the Eel River and Eureka Railroad Company, recorded March 27, 1899 in Book 65 of Deeds, Page 451, Records of said County.

END OF DESCRIPTION

Prepared by the California State Lands Boundary Unit August 12, 2003
CERTIFICATE OF ACCEPTANCE

THIS IS TO CERTIFY that the interest in real property conveyed by the attached Title Settlement Agreement from CALIFORNIA STATE LANDS COMMISSION to the CITY OF EUREKA, a Municipal Corporation, County of Humboldt, State of California, is hereby accepted by Grantee, and Grantee consents to the recordation thereof.

Such acceptance and consent to recordation are pursuant to Resolution No. 91-17 granting authority by the City Council of the City of Eureka, a Municipal Corporation, County of Humboldt, State of California, adopted on May 9, 1991.

THE CITY of EUREKA

PETER LAVALLEE
Mayor of the City of Eureka

DAVID W. TYSON
City Manager of the City of Eureka

APPROVED AS TO FORM:

DAVID E. TRANBERG
City Attorney of the City of Eureka

ATTEST:

KATHLEEN L. FRANCO SIMMONS
City Clerk of the City of Eureka

City of Eureka
Title Settlement Agreement

September 18, 2003 (2:55PM)
CITY OF EUREKA TITLE SETTLEMENT

INSTRUCTIONS TO THE COUNTY RECORDER OF HUMBOLDT COUNTY

This document, the CITY OF EUREKA TITLE SETTLEMENT AGREEMENT (AGREEMENT) entered into between the STATE OF CALIFORNIA, acting by and through the CALIFORNIA STATE LANDS COMMISSION, and the CITY OF EUREKA, acting as a municipal corporation, and the CITY OF EUREKA, acting as trustee of sovereign lands granted by the State of California, includes on page 6 Quitclaim Deeds to certain real property interests located in the County of Humboldt, California. The City of Eureka’s Acceptance and Consent to Recording is found on page 8 and in Exhibit C on page 14 of this AGREEMENT.

(Continued on next page.)
Therefore, please index this document as follows:

<table>
<thead>
<tr>
<th>GRANTOR</th>
<th>GRANTEE</th>
<th>Settlement Agreement Paragraphs Containing Real Property Conveyances</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Of Eureka as trustee of tide and submerged lands</td>
<td>City of Eureka, a municipal corporation</td>
<td>Page 6, Paragraph II: Quitclaim of Property described in Exhibit A to the Agreement.</td>
</tr>
<tr>
<td>State of California</td>
<td>City of Eureka, a municipal corporation</td>
<td>Page 6, Paragraph III: Quitclaim of Property described in Exhibit A to the Agreement.</td>
</tr>
</tbody>
</table>

Note: The conveyances listed above and as provided for hereafter, are made solely for the purposes of perfecting title to the land involved, and accordingly, for tax assessment purposes, do not involve a change of ownership pursuant to California Revenue & Taxation Code '62 (b).

Note: City of Eureka's Acceptance and Consent to Recording is attached hereto as Exhibit B and incorporated herein by this reference.
CITY OF EUREKA TITLE SETTLEMENT AGREEMENT

The parties to this Title Settlement Agreement ("AGREEMENT") are the State of California, acting by and through the California State Lands Commission, hereafter referred to as "STATE" and the CITY OF EUREKA, acting as a municipal corporation, (hereinafter referred to as CITY) and the CITY OF EUREKA, acting as trustee of sovereign tide and submerged lands granted by the State of California, (hereinafter referred to as TRUSTEE). STATE, CITY and TRUSTEE are hereafter collectively referred to as the "PARTIES".

RECITALS

A. At issue here are three parcels of land comprising a portion of the right of way for the now defunct Northwestern Pacific Railroad. The portion of the right of way at issue is located between "D" and "F" Streets northerly of First Street along the Eureka Waterfront. The parcels are hereinafter collectively referred to as the SUBJECT PROPERTY and are more particularly described in Exhibit A hereto and incorporated herein by this reference.

B. The STATE, upon being admitted to the Union in 1850, by virtue of its sovereignty and the Equal Footing Doctrine, received fee title to all tide and submerged lands within the SUBJECT PROPERTY.

C. The SUBJECT PROPERTY is encompassed in tide and submerged lands granted to CITY by Chapter 82 of the Statutes of 1857 wherein CITY was authorized to divide the granted lands into lots and sell them.

D. The SUBJECT PROPERTY is within lands described in Tidelands Survey Number 8 made on March 17, 1859. The SUBJECT PROPERTY was first patented to Charles E. Collins on August 29, 1861. The patent is recorded in Book S & O 1 at page 403 of the Official Records of Humboldt County. CITY claims a fee simple ownership in the SUBJECT PROPERTY through mesne conveyances and as a successor in interest to Charles E. Collins.

E. Additionally, the SUBJECT PROPERTY lies within legislative grants to TRUSTEE by virtue of Chapter 438, Statutes of 1915; Chapter 187, Statutes of 1927; Chapter 225, Statutes of 1945; and Chapter 1086, Statutes of 1970, as amended.

F. TRUSTEE claims it holds title to any tide and submerged lands in the SUBJECT PROPERTY by virtue of the 1857 statute and other statutory grants recited above in Paragraph C and claims that the public trust exists over the SUBJECT PROPERTY.

G. The staff of the California State Lands Commission ("COMMISSION") has
conducted an extensive study and investigation of the area within and adjacent to the SUBJECT PROPERTY and has examined historical maps, aerial photos, hydrological data, and other evidence concerning the area in an effort to determine the location and extent of public property rights.

H. On the basis of its study and examination, STATE contends that it is the owner of the reversionary interest in the tide and submerged lands granted in trust to TRUSTEE.

I. The State of California by virtue of an Act of Congress on September 28, 1850, commonly referred to as the Arkansas Swamp Lands Act, received title from the United States of America to swamp and overflowed lands located within the State's boundaries.

J. The SUBJECT PROPERTY is within lands returned to the State of California by the United States of America in Swamp Land List No. 105, dated May 29, 1902, as swamp and overflowed lands.

J. The SUBJECT PROPERTY has, since 1850, been affected by numerous natural and artificial influences, including erosion, accretion, bank stabilization, bulkhead construction, fill, reclamation and construction of the railroad line. As a result of these activities, evidence of change due to natural causes has been destroyed and there is uncertainty as to the:

1) The exact nature and extent of rights, titles and interests conveyed by the patent for TLS 8.

2) Whether the lands included within the above referenced patent were truly swamp and overflowed lands free of the public trust or whether they were in fact tide and submerged lands subject to the public trust.

3) The exact nature and extent of rights, titles and interests conveyed by the State to the City of Eureka by virtue of Chapter 225 of the Statutes of 1945 as amended by Chapter 1086 of the Statutes of 1970.

K. In 1968 STATE and TRUSTEE became involved in extensive litigation with private landowners over title to properties along the Eureka Waterfront between Commercial Street and "J" Street. At issue was the last natural position of the mean high tide line and CITY's ownership of lands waterward of that line. The litigation culminated and ended in 1980 with a title settlement agreement that established an agreed boundary line along the waterfront. CITY quitclaimed any interest it had landward of that line and the private landowners quitclaimed any interest they had waterward of the line. The public trust for commerce, navigation and fisheries was extinguished over the privately owned properties. The SUBJECT PROPERTY in this
AGREEMENT lies landward of the privately owned properties and within the 1857 legislative grant.

L. The Legislature, in 1970, enacted Chapter 1085 in order to facilitate the settlement and compromise of various title disputes within the tidelands grant to the City of Eureka. Among other things, Chapter 1085 authorizes COMMISSION and TRUSTEE, upon receipt of adequate consideration, to convey, release or quitclaim lands and to lift the public trust over the same lands within the grant to the City of Eureka that have been improved in connection with the development of the Humboldt Bay area and in the process filled and reclaimed, are no longer submerged or below the line of mean high tide, and are no longer necessary or useful for commerce, fisheries, or navigation.

M. The PARTIES recognize that, unless the dispute regarding their respective claimed property interests within the SUBJECT PROPERTY are settled by negotiation and compromise, each of them will expend substantial sums of money in litigation of these conflicting claims, the results of which are uncertain, and that it is in their best interests and in the best interests of the general public that a compromise agreement be made by way of this title settlement agreement.

N. The PARTIES have reached an AGREEMENT for the resolution of their conflicting claims in the SUBJECT PROPERTY to the effect that it is in both their best interests and that of the general public. The AGREEMENT will provide for the confirmation of CITY's title to the SUBJECT PROPERTY, the lifting of the public trust for commerce, navigation and fisheries over it, and the deposit by CITY of adequate compensation into the Humboldt Bay Fund held by TRUSTEE.

O. The value of the STATE'S and TRUSTEE'S claims or interests within the SUBJECT PROPERTY have been evaluated and appraised.

P. A settlement of a title and boundary, to which the State is a party, is exempt from the California Environmental Quality Act pursuant to Public Resources Code Section 21080.11, and the Subdivision Map Act pursuant to Government Code Section 66412 (e).

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the covenants, conditions and terms contained in this AGREEMENT, the PARTIES mutually agree and convey as follows:
I. FINDINGS BY STATE AND TRUSTEE: STATE and TRUSTEE by their approval and execution of this AGREEMENT find and declare as follows:

A. That it is in the best interests of the PARTIES and the public to resolve this dispute between the STATE and CITY over title to the SUBJECT PROPERTY by way of a compromise settlement agreement and to avoid the anticipated costs, time requirements and uncertainties of litigation.

B. That the SUBJECT PROPERTY has been improved in connection with the development of the Humboldt Bay area and in the process filled and reclaimed.

C. That the SUBJECT PROPERTY is no longer submerged or below the line of mean high tide and is no longer useful for commerce, navigation or fisheries.

D. That the value of rights and interests conveyed to the STATE by CITY under this AGREEMENT are equal to or greater than the value of any sovereign rights and interests relinquished by the STATE pursuant to this AGREEMENT.

II. TRUSTEE'S CONVEYANCE TO CITY: TRUSTEE hereby remises, releases and forever quitclaims to CITY all of TRUSTEE's right, title and interest in the SUBJECT PROPERTY as described in Exhibit A held by TRUSTEE, as grantee of sovereign lands, including, but not limited to, any interest held by TRUSTEE as trustee of the public trust for commerce, navigation and fisheries, water-related recreation, preservation in its natural state, and other trust uses in the SUBJECT PROPERTY as described in Exhibit A.

III. STATE'S CONVEYANCE to CITY. STATE hereby remises, releases, and forever quitclaims to CITY all of the State's right, title, and interest in the SUBJECT PROPERTY as described in Exhibit A existing by virtue of its sovereignty, including, but not limited to, any interest held by the State as trustee of the public trust for commerce, navigation, fisheries, water-related recreation, preservation in its natural state, and other trust uses in the SUBJECT PROPERTY as described in Exhibit A.

IV. PAYMENT TO TIDELANDS TRUST FUND: CITY agrees to pay the Humboldt Bay Fund, as established by Chapter 1095, Statutes of 1978, the sum of $80,960 upon the close of Escrow.

V. ESCROW:

A. An escrow has been opened with the Humboldt Land Title Company, 611 "I" St., Eureka, Humboldt County, California. The purposes of this escrow
shall be for the depositing, processing and recording of all documents and transfers of moneys and the taking of all additional actions necessary to effect this AGREEMENT. This AGREEMENT shall constitute the escrow instructions to the Escrow Agent. Additional instructions may be provided as mutually agreed upon in writing by the PARTIES or as required by Escrow Agent.

B. **Title Insurance:** Prior to CLOSE OF ESCROW, CITY, at its own discretion, shall have issued to it a standard form of CLTA title insurance insuring its respective interests in an amount and according to terms expressly acceptable to and approved by the respective PARTIES. The policy issued to CITY will cover the property interests quitclaimed to it by the STATE. The costs of escrow and title insurance shall be paid by CITY.

**VI. CLOSING:**

A. The CLOSE OF ESCROW for this AGREEMENT shall occur upon accomplishment, in the Escrow, of all of the following in the order stated:

1. Execution of this AGREEMENT by the PARTIES.
2. The deposit of executed AGREEMENT in escrow.
3. Approval by the PARTIES of the provisions and form of their respective title insurance policies.
4. Fulfillment of all other conditions precedent to closing and passage of title contained within this AGREEMENT and compliance with any additional escrow instructions duly submitted by the Parties.

B. If the CLOSE OF ESCROW has not occurred by March 30, 2004, then escrow may be terminated at the discretion of either of the PARTIES upon 30 days written notice, and the provisions of this AGREEMENT shall be null and void.

**VII. RECORDATION:** When all conditions necessary for the CLOSE OF ESCROW have occurred, the Escrow Agent shall notify the PARTIES of its intention to record this AGREEMENT and shall specify a date for such recordation. On such recordation date, the Escrow Agent shall cause this AGREEMENT to be recorded in the Official Records of Humboldt County, California.
VIII. CITY’S CONSENT TO RECORDING: CITY in its municipal capacity hereby accepts each and every conveyance made to it in this AGREEMENT and consents to the recordation of its acceptance. See Exhibit B.

IX. EXHIBITS:

A. The exhibits to this AGREEMENT are as follows:

1. Exhibit A: Description of the SUBJECT PROPERTY.

2. Exhibit B: City of Eureka's Acceptance and Consent to Recording

B. All preliminary recitals of and exhibits to this AGREEMENT (Exhibits A, and B) are hereby incorporated by reference within it.

X. OTHER PROVISIONS

A. Judicial Confirmation: At its own discretion, any PARTY may elect to obtain a judicial confirmation of this AGREEMENT and its title pursuant to Code of Civil Procedure Sections 760.010 through 764.080.

1. If a PARTY chooses to do so, the electing PARTY shall file a complaint within 30 days of recordation by the Escrow Agent, acting pursuant to Paragraph VI, supra, or the right to such confirmation shall be waived. Each PARTY shall cooperate with the other in obtaining such a confirmatory judgment.

2. If a court of competent jurisdiction enters a judgment that becomes final, finding and declaring that this AGREEMENT or any of the conveyances pursuant to it is invalid, and should that determination be upheld on final appeal (if one is filed), the PARTIES agree that the AGREEMENT shall no longer be effective for any purpose, and that the PARTIES shall re-convey to their respective grantors under this AGREEMENT each and every interest conveyed as a result of this AGREEMENT so as to return the PARTIES to the positions they were in prior to the execution of this AGREEMENT.

3. Upon entry of any judgment confirming the validity of the settlement embodied in this AGREEMENT as provided in this Paragraph VIII, each PARTY shall be deemed to have waived any right to appeal from the judgment. A judgment declaring this AGREEMENT invalid may be appealed by either PARTY.
B. **Mutual Release.** This AGREEMENT constitutes a settlement and is intended to settle all claims, known or unknown that STATE, TRUSTEE or CITY may have regarding the SUBJECT PROPERTY, including any right or claim founded upon a claim or right arising out of an implied dedication to a public use or that any PARTY may have under California Civil Code Section 1542 which reads as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

C. **Compromise Agreement.** The provisions of this AGREEMENT have been agreed upon solely for the purpose of compromising and settling the PARTIES' respective title interests or claims regarding the SUBJECT PROPERTY. This AGREEMENT shall not constitute any expression by any PARTY as to the extent or location of any other real property interest or boundary. In the event that this AGREEMENT fails to become effective or is determined to be null and void or invalid, the PARTIES reserve the right to assert positions different from or contrary to those set forth in this AGREEMENT, and nothing contained in this AGREEMENT shall constitute an admission by any PARTY in any proceeding, judicial or otherwise regarding the location, character, condition or legal status of any of the lands covered under this AGREEMENT or any interest in such lands or to evidence the belief, knowledge or intent of any PARTY to this AGREEMENT regarding such lands or interests.

D. **Exemption From CEQA.** That this AGREEMENT is exempt from the requirements of the California Environmental Quality Act (CEQA) and the California Subdivision Map Act (CSMA) as this AGREEMENT has for its purpose the settlement of a title dispute. Provided, however, the subsequent development of the SUBJECT PROPERTY by CITY or its successors in interest, shall be accomplished in accordance with the requirements of the CSMA and CEQA, where, and if, applicable.

E. **Counterparts.** This AGREEMENT may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as if it were an original signed by any of the PARTIES. Any signature page of this AGREEMENT may be detached from any counterpart of this AGREEMENT without impairing any signature on such page, and such page may be attached to another counterpart of this AGREEMENT identical in form but having attached to it one or more additional signature page.
F. **Severability and Survival.** All provisions of this AGREEMENT shall be severable, separate and distinct from its other provisions and in the event any provision or provisions of this AGREEMENT are found to be void or invalid for any reason, all other provisions shall remain in full force and effect. Should any PARTY fail to comply with any or all provisions of this AGREEMENT, such failure shall in no way affect its validity or binding nature. Nothing in this AGREEMENT shall affect or diminish the rights of any of its PARTIES at law or in equity, to enforce the provisions of this AGREEMENT against another PARTY.

G. **Further Assurances.** Each of the PARTIES will expeditiously do such further acts and execute, acknowledge and deliver all documents and instruments necessary to effect this AGREEMENT.

H. **Succession.** This AGREEMENT shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the PARTIES.

I. **Execution.** All signatures on this AGREEMENT shall be acknowledged before a notary public, and a certificate of acknowledgment shall be attached to the executed AGREEMENT to allow it to be recorded in the office of the Humboldt County Recorder. The Governor's signature shall be attested to by the Secretary of State.

J. **Amendment.** No amendment, modification or alteration of this AGREEMENT shall be valid unless it be in writing and signed by both PARTIES.

IN WITNESS WHEREOF, the PARTIES to this AGREEMENT have caused it to be executed.

CITY OF EUREKA acting as Trustee of Tide and Submerged Lands Granted to the City of Eureka

Date: 9-25-03

By: [Signature]

[Signature]

David W. Tyson, City Manager
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Humboldt ss.

On January 14, 2004 before me, Pamela Jo Powell
personally appeared David W. Tyson

Name(s) of Signer(s)

Personally known to me

proved to me on the basis of satisfactory evidence

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

WITNESS my hand and official seal.

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document
Title or Type of Document: City of Eureka Title Settlement
Document Date: Sept 18, 2003 Number of Pages: 14

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer

Signer's Name: David W. Tyson

Individual
City Manager

Corporate Officer — Title(s):
Partner — Limited General
Attorney-In-Fact
Trustee
Guardian or Conservator
Other:

Signer Is Representing: City of Eureka
CITY OF EUREKA, a Municipal Corporation

Date: 9/26/03
By: Peter La Vallee
Mayor, City of Eureka

CALIFORNIA STATE LANDS COMMISSION

Date: By: PAUL D. THAYER
Executive Officer

Approved as to form:
BILL LOCKYER
Attorney General

JOSEPH RUSCONI
Deputy Attorney General

DATED: 2-15-04

City of Eureka
Title Settlement Agreement

September 18, 2003 (2:55PM)
State of California
County of Humboldt

On 1-14-2004, before me, Kathleen L. Franca Simmons, Name and Title of Officer (e.g., "Jane Doe, Notary Public")
personally appeared Peter Le Valle

Name(s) of Signer(s)

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

WITNESS my hand and official seal.

Place Notary Seal Above

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: City of Eureka Title Settlement

Document Date: Sept. 18, 2003 Number of Pages: 14

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer
Signer’s Name: Peter Le Valle

☐ Individual
☐ Corporate Officer — Title(s): Mayor
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: Mayor

Signer is Representing: City of Eureka
IN APPROVAL WHEREOF, I, ARNOLD SCHWARZENEGGER, Governor of the State of California, have set my hand and cause the Seal of the State of California to be hereunto affixed pursuant to Section 6107 of the Public Resources Code of the State of California. Given under my hand at the City of Sacramento, this _______ day of ____________, in the year of our Lord Two Thousand and Four.

______________________________
ARNOLD SCHWARZENEGGER, Governor
STATE OF CALIFORNIA

Attest:

SECRETARY OF STATE

BILL JONES

By: ________________________________
EXHIBIT "A"

Description of the SUBJECT PROPERTY

LAND DESCRIPTION
of SUBJECT PROPERTY

That real property situated in the City of Eureka, County of Humboldt, State of California, described as follows:

Parcel 1

Being all the land described in that certain indenture dated March 11, 1899 between Thomas Baird and the Eel River and Eureka Railroad Company, recorded March 17, 1899 in Book 65 of Deeds, Page 411, Records of said County.

Parcel 2

Being all the land described in that certain indenture dated March 27, 1899 between Elizabeth P. Kingston and the Eel River and Eureka Railroad Company, recorded March 27, 1899 in Book 65 of Deeds, Page 451, Records of said County.

END OF DESCRIPTION

Prepared by the California State Lands Boundary Unit August 12, 2003
EXHIBIT "B"

City of Eureka's Acceptance and Consent to Recording

CERTIFICATE OF ACCEPTANCE

THIS IS TO CERTIFY that the interest in real property conveyed by the attached Title Settlement Agreement from CALIFORNIA STATE LANDS COMMISSION to the CITY OF EUREKA, a Municipal Corporation, in the County of Humboldt, State of California, is hereby accepted by Grantee, and Grantee consents to the recordation thereof.

Such acceptance and consent to recordation are pursuant to Resolution No. 91-17 granting authority by the City Council of the City of Eureka, a Municipal Corporation, County of Humboldt, State of California, adopted on May 9, 1991.

THE CITY OF EUREKA

PETER LA VALLEE
Mayor of the City of Eureka

DAVID W. TYSON
City Manager of the City of Eureka

APPROVED AS TO FORM:

DAVID E. TRANBERG
City Attorney of the City of Eureka

ATTEST:

KATHLEEN L. FRANCO SIMMONS
City Clerk of the City of Eureka

City of Eureka
Title Settlement Agreement

September 18, 2003 (2:55PM)
CERTIFICATE OF ACCEPTANCE

THIS IS TO CERTIFY that the interest in real property conveyed by the attached Title Settlement Agreement from CALIFORNIA STATE LANDS COMMISSION to the CITY OF EUREKA, a Municipal Corporation, in the County of Humboldt, State of California, is hereby accepted by Grantee, and Grantee consents to the recordation thereof.

Such acceptance and consent to recordation are pursuant to Resolution No. 91-17 granting authority by the City Council of the City of Eureka, a Municipal Corporation, County of Humboldt, State of California, adopted on May 9, 1991.

THE CITY OF EUREKA

PETER LA VALLE
Mayor of the City of Eureka

DAVID W. TYSON
City Manager of the City of Eureka

APPROVED AS TO FORM:

DAVID E. TRANBERG
City Attorney of the City of Eureka

ATTEST:

KATHLEEN L. FRANCO SIMMONS
City Clerk of the City of Eureka