EXCHANGE AGREEMENT AND BOUNDARY SETTLEMENT

Instructions to the Humboldt County Recorder

This document includes conveyances between the parties to this agreement. Please index this document as follows:

<table>
<thead>
<tr>
<th>Grantor</th>
<th>Grantee</th>
<th>Agreement Exhibit in which Real Property is Described</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of California, acting by and through</td>
<td>H. Robert Halvorsen</td>
<td>A</td>
</tr>
<tr>
<td>State Lands Commission</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Humboldt Bay Harbor, Recreation and Conserva-</td>
<td>H. Robert Halvorsen</td>
<td>A</td>
</tr>
<tr>
<td>tion District</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Robert Halvorsen</td>
<td>State of California, by and through the</td>
<td>B</td>
</tr>
<tr>
<td></td>
<td>State Lands Commission</td>
<td></td>
</tr>
<tr>
<td>Robert Halvorsen</td>
<td>Humboldt Bay Harbor, Recreation and Conserva-</td>
<td>B</td>
</tr>
<tr>
<td></td>
<td>tion District</td>
<td></td>
</tr>
</tbody>
</table>
The parties to this Exchange Agreement and Boundary Settlement, dated March 22, 1982, are the State of California, acting by and through its State Lands Commission (STATE), the Humboldt Bay Harbor, Recreation and Conservation District, organized and existing under the laws of the State of California (DISTRICT) and Robert Halvorsen (HALVORSEN).

WITNESSETH:

(1) WHEREAS, this Agreement concerns a parcel of real property in the County of Humboldt, State of California, referred to throughout this agreement as PARCEL A and described in the attached Exhibit A which exhibit is incorporated as a part of this agreement by this reference; and

(2) WHEREAS, this Agreement also concerns another parcel of property in the County of Humboldt, State of California, referred to throughout this agreement as PARCEL B and described in the attached Exhibit B which exhibit is incorporated as a part of this agreement by their reference; and

(3) WHEREAS, upon its admission to the United States of America on September 9, 1850, the State of California, by virtue of its sovereignty, received in trust for the purposes of commerce, navigation and fisheries all right, title and interest in tide and submerged lands within the boundaries of the State of California; and

(4) WHEREAS, the State of California in the early years of statehood enacted various statutes authorizing the sale of tide-lands to private applicants; and

(5) WHEREAS, PARCELS A and B were included within the...
perimeter description of the Patent for Tideland Survey No. 90
dated June 24, 1876, and surveyed on October 10, 1871, issued by
the State of California to Waterford Field; and

(6) WHEREAS, the California Supreme Court held in the case of
People v. California Fish Company (1913) 166 Cal. 576, that sales
of land made pursuant to the tideland sales statutes passed base
legal title only to those lands between the lines of high and low
tides and that any title passed was encumbered by a public trust
easement for commerce, navigation and fisheries; and

(7) WHEREAS, the State of California in Chapter 1283 of the
Statutes of 1970, as amended, created the DISTRICT and granted to
it the tideland and submerged lands of Humboldt Bay, including the
reserved STATE interests in PARCELS A and B, subject to certain
terms and conditions; and

(8) WHEREAS, HALVORSEN claims present fee ownership in
PARCELS A and B as successor in interest to all the right, title
and interest which was granted by the Patent to Tideland Survey
No. 90; and

(9) WHEREAS, a dispute has existed between the STATE,
DISTRICT and HALVORSEN as to the nature and extent of the rights,
titles and interests conveyed by the Patent for Tideland Survey
No. 90, to wit:

A. HALVORSEN contends that the Patent for Tideland
survey No. 90 conveyed all of the State's right, title and
interest in and to all of the lands, whether submerged lands,
tidelands or swamp and overflowed lands, within PARCELS A and B,
free of the public trust for commerce navigation and fisheries or

3.
any other public right, title and interest; and

B. The DISTRICT and STATE contend that all of the lands located within PARCELS A and B are within the perimeter description of said tideland patent and are subject to the tideland easement for commerce, navigation and fisheries; and

C. The DISTRICT and STATE also contend that a sizable portion of PARCELS A and B was below the line of mean low water at the time of the survey and patent for Tidelands Survey No. 90 and thus never passed into private ownership by said patent but remains in the fee ownership of DISTRICT and STATE; and

(10) WHEREAS, the parties hereto are in agreement that PARCELS A and B are within the area described as DISTRICT tidelands in Chapter 1040 of the Statutes of 1976; and

(11) WHEREAS, the total area of PARCEL A and a portion of the area of PARCEL B have been filled and reclaimed and are no longer, in fact, tidelands or submerged lands; and

(12) WHEREAS, the result of the above filling has been to obliterate evidence of the natural position of the District tidelands or submerged lands as well as evidence indicating the extent to which changes in PARCELS A and B may be attributed to natural as opposed to artificial processes thereby making resolution of the disputes above stated substantially more difficult; and

(13) WHEREAS, the public interest requires that said outstanding title problems be resolved and forever laid to rest either through lengthy, complex, and burdensome litigation, or through an agreement between the affected parties; and

/////
(14) WHEREAS, the Legislature of the State of California, to facilitate and to aid in the compromise, settlement and adjustment of said disputes enacted Chapter 1040 of the Statutes of 1976, which, among other things, authorized the exchange of quitclaims and conveyances of lands within the District Tidelands, as they are defined in said statute and the settlement by the DISTRICT, with approval of the STATE, of boundary and title disputes within the District Tidelands; and

(15) WHEREAS, in order to avoid lengthy, complex and expensive litigation of uncertain result, the parties have, after negotiation, decided that it is in the best interests of all concerned to resolve this dispute by the DISTRICT and STATE conveying to HALVORSEN all of the DISTRICT'S and STATE'S right, title and interest in and to PARCEL A, free of the tidelands easement, and that the DISTRICT receive from HALVORSEN, in consideration for such conveyance, all of HALVORSEN'S right, title and interest held subject to the public trust for commerce, navigation and fisheries and subject to the terms and conditions of Chapter 1283 of the statutes of 1970, as amended, in PARCEL B.

(16) WHEREAS, the conveyance of land by HALVORSEN to the DISTRICT has been determined by the DISTRICT to be equal to or exceeding the value of the interests of the STATE and DISTRICT to be conveyed pursuant to this Agreement; and

(17) WHEREAS, the settlement of the title disputes as described above and the effecting of the exchange of lands, rights, and interest in connection therewith will, among other things, result in the beneficial consolidation of the DISTRICT'S...
claims of rights, titles and interests in and to lands adjacent
to Humboldt Bay which will permit the more effective and effi-
cient utilization of said lands for purposes of the tideland
easement in that, among other things, it will result in addi-
tional public access to the waters of Humboldt Bay; and

(18) WHEREAS, the settlement herein provided for will enable
the DISTRICT and HALVORSEN to respectively develop, for respective
public and private purposes, the lands to be confirmed to HALVORSEN
and the lands to be conveyed to the DISTRICT.

NOW, THEREFORE, for and in consideration of the
foregoing premises and the mutual convenants and agreements
herein contained or provided for, the parties hereto agree as
follows:

1. DISTRICT'S quitclaim to HALVORSEN. The DISTRICT
hereby quitclaims to HALVORSEN all of its rights, title and
interest as trustee by virtue of chapter 1283 of the Statutes of
1970 as amended in and to PARCEL A as described in Exhibit A, and
as herein approved by the State Lands Commission, all the rights,
title and interest of the State of California in such lands by
virtue of the statutory and common law public trusts.

2. HALVORSEN'S Quitclaim to DISTRICT. HALVORSEN hereby
quitclaims to the DISTRICT and the STATE all of its right, title
and interest in and to PARCEL B as described in Exhibit B, to be
held by the DISTRICT subject to the terms and conditions of
chapter 1283 of the Statutes of 1970, the public trust for com-
merce, navigation and fisheries and the residuary interests of
STATE.
3. **Approvals.** The State Lands Commission and the DISTRICT by indicating their approval of and execution of this Settlement Agreement, hereby:

   A. Determines and declares, pursuant to and in accordance with section 2 of chapter 1040 of the Statutes of 1976, that PARCEL A described in Exhibit A to the extent said parcel was sovereign tidelands and submerged lands and not uplands, has heretofore been improved in connection with the development of the Humboldt Bay area, and in the process of such development has been filled and reclaimed, is no longer submerged or below the present line of mean high tide, and is no longer necessary or useful for commerce, navigation or fisheries, or for such uses or trusts as are or have been imposed by the statutory grants of tide and submerged lands from the STATE to the DISTRICT, and is hereby freed from such statutory and common law trusts.

   B. In accordance with section 3(a) of chapter 1040 of the Statutes of 1976, approves this Settlement Agreement and the conveyances provided for herein and approves the DISTRICT, as trustee of the statutory and common law public trust, conveying to HALVORSEN all of the right, title and interest of the State of California and all of the right, title and interest of the DISTRICT held by virtue of chapter 1283 of the Statutes of 1970, as amended, in and to PARCEL A.

   C. Further finds and declares that pursuant to section 4 of chapter 1040 of the Statutes of 1976, the consideration being paid to the DISTRICT pursuant to this agreement has a value equivalent to or exceeding the value of the interest of the
STATE and DISTRICT being conveyed to HALVORSEN hereunder, and approves of the adequacy of the consideration as determined by the DISTRICT with respect to the settlement provided for herein.

D. In accordance with section 3(b) of chapter 1040 of the Statutes of 1976, approves the upland boundary of PARCEL B as the compromise boundary line between the interests of HALVORSEN to the private uplands and the interests of the DISTRICT and STATE to those sovereign lands conveyed pursuant to chapter 1283 of the Statutes of 1970.

E. Determines and declares that it is receiving the mineral rights in and to PARCEL B so it may relinquish the mineral rights in PARCEL A pursuant to section 5 of chapter 1040 of the Statutes of 1976.

4. Creation of Escrow. The parties hereby designate Western Title Insurance Company to act as escrow agent pursuant to the provisions of this agreement. The parties hereby authorize, respectively, counsel to DISTRICT, the staff of the State Lands Commission, the Attorney General or their counsel, to enter into any additional escrow instructions to effectuate the provisions of this agreement including, but not limited to, the following:

A. Escrow Costs. The costs of the escrow shall be borne entirely by HALVORSEN.

B. Acceptance by Escrow Agent. By executing this agreement as provided below, escrow agent accepts the rights, duties and responsibilities set forth herein.

C. Conflicting Demands. In the event conflicting
demands are made or notices served upon escrow agent with respect to this escrow, the parties hereto expressly agree that it shall have the absolute right at its election to do either or both of the following:

1) Withhold and stop all further proceedings in and performance of this escrow; and

2) File a suit in interpleader and obtain an order from the court requiring the parties to interplead and litigate in such court their several claims and rights among themselves. In the event such interpleader suit is brought, the escrow agent shall ipso facto be fully released and discharged from all obligations imposed upon it by this agreement. The remedies expressly granted to escrow agent herein shall be in addition to any other remedies granted by law to escrow agent.

D. Withdrawal of instruments. Prior to the close of escrow or termination thereof in accordance with the terms of this agreement, no party shall have the right to withdraw instruments or funds deposited by it with escrow agent.

E. Further Instructions. The escrow agent is hereby authorized to accept such further instructions and provisions relating to its duties and responsibilities which are consistent with the terms and conditions of this agreement as particular parties to this agreement may desire to provide the escrow agent. This agreement may be modified or amended only by a written instrument executed by all parties to be charged therewith and deposited with escrow agent. Nothing herein, however, shall affect or diminish the rights of any party to this paragraph at
law or in equity, or both.

5. **Termination of Escrow.**

   A. In the event the escrow is terminated for any reason as provided herein prior to recording of this agreement, the escrow agent shall forthwith return all documents and monies then held in escrow to the party depositing the same and this agreement shall be of no further force or effect. This agreement shall become irrevocable, either by or against the parties from and after the time of its recording.

   B. If the escrow is terminated, and if either party has failed to perform his respective duties hereunder, each party shall have such rights and remedies, as provided by law and in equity, for the failure of such other party to perform.

6. **Compromise Agreement.** It is expressly understood that the agreement of the parties set forth herein is in compromise and settlement of their dispute with regard to various title and boundary disputes described in the recitals herein. Nothing contained herein shall be an admission of any party hereto with respect to such disputes and shall not be used by any person in any proceeding, whether judicial or otherwise, to evidence the location, character, condition, ownership or legal status of any right, title or interest in or to the Settlement Area or any similar property or interest therein or the belief, statement, knowledge or intent of any party hereto with respect to the Settlement Area or any similar property or interest therein.

7. **Notarization.** All signatures on this agreement by the STATE, DISTRICT or HALVORSEN shall be duly acknowledged before /////
a notary public and a certificate of acknowledgment with respect
to such acknowledgments shall be attached to the respective docu-
ment to which it pertains so as to allow the recordation thereof
in the official records of the County of Humboldt, California.

8. **Prohibition on Sale or Encumbrance.** HALVORSEN and
the DISTRICT shall not sell, transfer, assign, mortgage, pledge
or hypothecate, whether by operation of law or otherwise, any of
their respective rights, titles or interests in or to said PARCELS
prior to the recording of this agreement. HALVORSEN shall provide
DISTRICT, with the costs thereof paid one-half by HALVORSEN and
one-half by DISTRICT, with a policy of title insurance on PARCEL
B free of all liens and encumbrances except those acceptable to
DISTRICT.

9. **Effective Date.** This Settlement Agreement shall
become effective upon the occurrence of all of the following acts:

A. Execution of this Settlement Agreement by
DISTRICT, STATE and HALVORSEN.

B. Approval of this Settlement Agreement by the
State Lands Commission.

C. Approval of this Settlement Agreement by DISTRICT

D. Deposit of one copy of this Settlement Agreement
executed and approved as provided above with the escrow agent.

E. Recording this Settlement Agreement in the Office
of the County Recorder of Humboldt County by the escrow agent when
all conditions specified in subparagraphs (A) through (D) inclusive
above have been complied with. Recording of this agreement at the
request of escrow agent shall conclusively establish that all of
the conditions of this paragraph 9 have been fully performed and
that this agreement, including those provisions contained in paragraphs 1 and 3 hereof, are fully effective and the rights of owners hereunder fully vested.

10. Termination of Agreement. If this agreement shall not be recorded on or before July 31, 1982, it shall terminate and be of no force and effect whatsoever.

11. Agreement Binding on Heirs, Assigns, Etc. All the terms, provisions and conditions hereon shall be binding upon and inure to the benefit of the respective heirs, administrators, executors, successors, and assigns of the parties hereto.

12. Modification. No modification, amendment or alteration of this agreement shall be valid unless in writing and signed by the parties hereto.

13. Notices

A. All notices required or permitted to be given to a party hereto by the provisions of this agreement shall be deemed to have been given forty-eight (48) hours after such notice is deposited in the United States Mail as registered or certified mail, with postage thereon fully prepaid, addressed to such party at the following respective addresses, or when such notice is filed
as a telegram with Western Union Telegraph Company, or any successor
in interest of said telegraph company, addressed as above provided,
with all charges fully prepaid.

HALVORSEN

H. ROBERT HALVORSEN

P.O. Box 3940

Eureka, California 95501

HUMBOLDT BAY HARBOUR RECREATION AND CONSERVATION DISTRICT
P.O. Box 134
Eureka, California 95501
Attention: Jack Alderson

STATE

State Lands Commission
1807 - 13th Street
Sacramento, California 95814
B. Any notice given in any other fashion shall be deemed to have been given when actually received by the addressee.

Any party hereto may change its address by giving written notice to all parties hereto and to the escrow agent. A copy of all notices given by a party to another party hereto also shall be given to the escrow agent and said notice shall not be effective until deemed given to both the party to receive it and the escrow agent pursuant to the provisions of this paragraph.

14. Counterparts. This agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument and as if all of the parties to the aggregate counterparts had signed the same instrument.

15. Gender. As used herein, whenever the context so requires, the neuter gender includes the masculine and the feminine, and the singular includes the plural and vice versa. Defined terms are to have their defined meanings regardless of the grammatical form, number or tense of such terms.

16. It is agreed among the parties that for a period of (3) three years from the effective date of this agreement, DISTRICT and STATE shall accept an application from HALVORSEN to enter into subsequent exchanges which may affect the property subject to this agreement. This paragraph in no way diminishes the discretion vested by law in the DISTRICT and STATE to enter into any subsequent exchanges.
IN WITNESS WHEREOF, each party hereto has caused this agreement to be executed by its officers thereunto duly authorized as of the date set forth opposite their signatures.

DATED: _12-16-61_  

HALVORSEN  

BY: [Signature]  

H. ROBERT HALVORSEN

STATE OF CALIFORNIA  
COUNTY OF Humboldt

On this _16th_ day of _December_ in the year one thousand nine hundred and _81_, before me, MARGARET D. ROSENBERG, a Notary Public, State of California, duly commissioned and sworn, personally appeared __________  

H. Robert Halvorsen  

known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in the __________ County of Humboldt the day and year in this certificate first above written.  

Margaret D. Rosenberg  
Notary Public, State of California

My commission expires _10-6-85_.

Cuwdery's Form No. 32 — Acknowledgement — General (C. C. Sec. 1190a)
DATED: MAR 22 1982

HUMBOLDT BAY HARBOUR, RECREATION & CONSERVATION DISTRICT

By

James A. Gast
Its President

STATE OF CALIFORNIA, )
COUNTY OF HUMBOLDT. ) ss.

On March 22, 1982, before me, the undersigned, a Notary Public in and for said State, personally appeared JAMES A. GAST, known to me to be the President of HUMBOLDT BAY HARBOUR, RECREATION AND CONSERVATION DISTRICT and known to me to be the person who executed the within Instrument on behalf of HUMBOLDT BAY HARBOUR, RECREATION AND CONSERVATION DISTRICT, and acknowledged to me that HUMBOLDT BAY HARBOUR, RECREATION AND CONSERVATION DISTRICT executed the within instrument pursuant to its bylaws or a resolution of its Board of Commissioners.

WITNESS my hand and official seal.

JOYCE A. COOPER
NOTARY PUBLIC
HUMBOLDT COUNTY, CALIFORNIA
DATED: 3-30-82

STATE OF CALIFORNIA
STATE LANDS COMMISSION

By

Approved by

GEORGE DEUKMEJIAN
Attorney General

DATED: March 27, 1982

By

JOSPEH C. RUSCONI
Deputy Attorney General
STATE OF CALIFORNIA  )  
) ss.  
COUNTY OF SACRAMENTO ) 

On March 30, 1982, before me, the undersigned, a notary public in and for said state, with principal office in Sacramento County, personally appeared Leslie H. Thomas known to me to be the Land Agent Commissioner of the STATE LANDS COMMISSION, STATE OF CALIFORNIA, the Commission that executed the within instrument, known to me to be the person who executed the within instrument on behalf of the Commission therein named, and acknowledged to me that such Commission executed the within instrument pursuant to a resolution of its Commissioners unanimously adopted on February 9, 1982, at a regular meeting thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the date and year in this certificate first above written.

[Signature]
Notary Public in and for the County of \ Sacrament o\ State of California.

[Stamp]
IN APPROVAL WHEREOF, I, EDMUND G. BROWN, JR., Governor of the State of California, have set my hand and caused 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 15th day of APRIL, in the year of our Lord one thousand nine hundred and eighty-two.

[Signature]
GOVERNOR
STATE OF CALIFORNIA

Attest:

[Signature]
SECRETARY OF STATE
STATE OF CALIFORNIA

By [Signature]
Deputy Secretary
I, L.J. Suchanek, as a duly authorized representative of Western Title Insurance Company accept on behalf of Western Title Insurance Company as escrow agent, the duties and responsibilities set forth in this agreement.

DATED: April 26, 1962

By [Signature]
Vice President
PARCEL "A"

Parcel One:

That portion of Section 18, Township 4 North, Range 1 West, Humboldt Meridian, Humboldt County, California, described as follows:

BEGINNING at a point on the North line of the South half of the Southeast quarter of said Section 18, located West 36.49 feet from the centerline of the Northwestern Pacific Railroad as shown in Book 36 of Surveys, page 75;

thence South 25 degrees 16 minutes 30 seconds West parallel with and 33 feet distant from said centerline 418.81 feet;

thence North 70 degrees 59 minutes 30 seconds West 437.38 feet to a point located South 70 degrees 59 minutes 30 seconds East 151.01 from the West line of Tidelands Survey 90 recorded December 19, 1871;

thence North 25 degrees 38 minutes 13 seconds East parallel with said West line 262.07 feet to the North line of the South half of the Southeast Quarter of Section 18;

thence East along the subdivision line 478.95 feet to the point of beginning.

The basis of bearings for this description is the North line of the South half of the Southeast Quarter of said Section 18 as shown in Book 36 of Surveys at page 75.

Parcel Two:

BEGINNING at the intersection of the North line of the South half of the Southeast Quarter of Section 18, Township 4 North, Range 1 West, Humboldt Meridian, with the East line of the Northwestern Pacific Railroad, as shown in Book 36 of Surveys at page 75, Humboldt County Records;

thence North 25 degrees 16 minutes 16 seconds East along said line 110 feet, more or less, to the Westerly extension of Fields Landing as shown in Book 1 of Maps at page 59;

thence South 70 degrees 59 minutes 30 seconds East along "C" Street to the Southerly prolongation of the Westerly line of Block 9 of Fields Landing;

thence North 19 degrees 00 minutes 30 seconds East along said Westerly line and the Northerly prolongation thereof to the Easterly line of Tidelands Survey 101 patented May 26, 1883;

thence Southerly along the Easterly line of Tidelands Survey 101 to the North line of the South half of the Southeast Quarter of said Section 18;

thence East along said North line to the point of beginning.

EXCEPTING THEREFROM a right of way 66 feet in width to Eel River and Eureka Railroad Company by deed recorded December 1, 1882, in Book 7 of Deeds at page 47.
That portion of Section 18, Township 4 North, Range 1 West, Humboldt Meridian, Humboldt County, California, described as follows:

Beginning at a point on the North line of the South Half of the Southeast Quarter of said Section 18, located West 36.49 feet from the centerline of the Northwestern Pacific Railroad as shown in Book 36 of Surveys, page 75;

Thence South 25 degrees 16 minutes 30 seconds West parallel with and 33 feet distant from said centerline 418.81 feet;

Thence North 70 degrees 59 minutes 30 seconds West 437.38 feet to the True Point of Beginning which is located South 70 degrees 59 minutes 30 seconds East 151.01 feet from the West line of Tidelands Survey 90, recorded December 19, 1871.

Thence North 70 degrees 59 minutes 30 seconds West 151.01 feet to said West line;

Thence North 25 degrees 38 minutes 13 seconds East along said West line 207.51 feet to the said North line of the South Half of the Southeast Quarter of Section 18;

Thence East along the subdivision line 166.38 feet;

Thence South 25 degrees 38 minutes 13 seconds West parallel with the West line of Tidelands Survey 90, 262.07 feet to the True Point of Beginning.

The basis of bearings for this description is the North line of the South Half of the Southeast Quarter of said Section 18 as shown in Book 36 of Surveys at page 75.