

LEASE OF STATE WATER BOTTOMS FOR AQUACULTURE, LEASE NO. M-430-15

This aquaculture lease made and entered into as of this 1st day of March, 1990, by and between the State of California, acting by and through its Department of Fish and Game, hereinafter referred to as "Lessor", and Shellfresh International, hereinafter referred to as "Lessee".

WITNESSETH:

WHEREAS, Lessee is presently the holder of a valid license to cultivate marine life for profit in the waters of the State of California as provided in Fish and Game Code Section 15101, and

WHEREAS, Lessee has heretofore filed with Lessor a bid application for the exclusive privilege of cultivating oysters, mussels and clams in the hereinafter described waters of the State of California, and has accompanied said application with the required filing fee of one hundred dollars (\$100.00), and

WHEREAS, Lessor has heretofore published notice of the hearing of said application, has been advised by the State Lands Commission of the State of California that the area applied for is available for leasing, and it has been determined by the Fish and Game Commission that it is in the best interest of the State of California that such lease be made, and

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That, in consideration of the payment of the monies hereinafter stated in accordance with the bid made by Lessee and accepted at a duly called and noticed hearing of the Fish and Game Commission of the State of California, pursuant to law and in consideration of the covenants contained herein on the part of the Lessee, the Lessor does hereby lease the California state water bottom hereinafter described and does hereby grant to Lessee the exclusive privilege to cultivate oysters, mussels and clams thereon, and in those certain waters of the State of California described as follows, to wit:

All that certain real property situated in the County of Marin, State of California as described as follows:

In Tomales Bay, Marin County, State of California, starting from Bench Mark 8, located at approximately 38°12'38.7" North latitude, and 122°55'22" West longitude, on the Tomales Bay Quadrangle, Marin County, California, U.S. Dept. of the Interior, Geological Survey 7.5 minute series topographic map; thence North 83°31' West for a distance of 2,749.3 feet to the top of Preston Point Rock lying off the northwest tip of Preston Point; thence North 59°41'20" West, 655.05 feet; thence North 6°56'04" West, 648.54 feet; thence North 36°02'6"51" West, 454.15 feet; thence North 35°32'16" West, 449.04 feet; thence North 51°34'55" West, 322.02 feet; thence North 44°01'44" West, 363.01 feet to the true point of beginning; thence North 45° West 221.47 feet; thence North

28°48'39" West, 397.16 feet; thence South 54°42'25" West, 127.91 feet; thence North 36°35'53" West, 189.70 feet; thence North 68°37'46" West, 214.87 feet; thence North 53°50'31" West, 280.16 feet; thence North 81°20'51" West, 404.81 feet; thence South 79°06'52" West, 230.34 feet; thence South 62°43'24" West, 626.46 feet; thence South 39°09'48" West, 1391.37 feet; thence South 33°41'24" East, 62.74 feet; thence South 59°22'34" West, 1127.21 feet; thence South 30°49'40" East, 628.15 feet; thence South 36°20'51" East, 572.48 feet; thence North 84°16'04" East, 131.16 feet; thence North 58°07'41", 3764.82 feet to the true point of beginning.

This area of water bottom, containing an area of 128.2+ acres more or less, comprises Aquaculture Lease No. M-430-15 (Appendix 1).

This lease, in accordance with provisions of Fish and Game Code Section 15400, as may from time to time be amended or changed by the State Legislature, is for the sole purpose of cultivating Pacific oyster (Crassostrea gigas), Manila clam (Tapes japonica), and bay mussel (Mytilus edulis) in the previously designated area.

The cultivation of additional species of aquatic plants and animals requires the approval of the Fish and Game Commission. Seed stocks must be certified before planting in compliance with Fish and Game Code Section 15201, and must be planted by Lessee in a manner and at a size approved by Lessor to assure that harvested animals are a product of the lease. A request for certification of planting stock will be submitted by Lessee to the Lessor at least ten (10) days prior to the proposed date of inspection.

All shellfish cultivation methods on the lease shall be confined to racks and bags and bottom trays within the area approved by the Commission. No other mode of operation or culture method is authorized, unless Lessee shall first obtain approval from the Fish and Game Commission.

Notice of intent to plant shellfish on the lease shall be given to the Department of Fish and Game, Marine Resources Division, 411 Burgess Drive, Menlo Park, CA 94025. In addition to the required ten (10) day notice, at least a 24-hour notice shall be given to the Marine Unit Manager, Mr. Paul Reilly, telephone (415) 688-6362, giving details on where the shellfish seed can be inspected.

This lease is for a term of twenty-five (25) years commencing on the 1st day of March, 1990, and ending on February 28, 2015, for a total rental of four thousand nine hundred and ninety-nine dollars and eighty cents (\$4,999.80) per year, and a privilege tax on all products harvested as provided by Fish and Game Code Section 8045. Said annual rental will be payable to Lessor on a fiscal year basis, July 1 - June 30, and within thirty (30) days of the commencement of the lease, or after receipt of the consummated lease agreement. If said annual rental

is not paid within sixty (60) days after the close of the month in which it is due an additional 10 percent penalty shall be paid. Lessor, at its option, may declare the lease abandoned for failure to pay such rental fees within 90 days from the beginning of the rental period; although such abandonment shall not relieve Lessee of his obligation to pay such rental and penalty which are due and owing. Lessee agrees to pay Lessor reasonable attorney fees and costs incurred in collecting any amounts and/or penalties due and owing from Lessee under the provisions of this lease. Lessee agrees to pay said rent to Lessor at its office in the City of Sacramento, State of California, or at such other place as Lessor may, from time to time, designate.

Lessee expressly recognizes and acknowledges that any payments by Lessee as provided for herein, are subject to the provisions of Fish and Game Code Section 15410, which provides that all leases shall be subject to the power of the Legislature to increase or decrease the rents, fees, taxes, and other charges relating to the lease, but no increase in rent shall be applicable to an existing lease until it is renewed.

This lease is made upon the following terms, conditions and covenants, to wit:

A. This lease may, at the option of the Lessee, be renewed for additional periods not to exceed 25 years each. If Lessee desires to enter into a new lease for a period commencing after expiration of the initial 25-year term, Lessee shall give notice to Lessor one (1) year prior to termination of the lease. The lease may be renewed if, during the notification period, terms for a new lease are agreed upon by Lessee and the Commission.

B. Lessee shall keep records as required in accordance with Fish and Game Code Section 15414, on forms to be supplied by Lessor, and shall maintain adequate accounting records sufficient to determine monies due to Lessor by the 10th day of each month, for all shellfish harvested during the preceding calendar month. Lessor reserves the right to inspect Lessee's premises, equipment, and all books at any time and records of Lessee pertaining to Lessee's cultivation on the leased premises.

C. In order to provide assurance to lessor that this aquaculture lease is utilized for the purpose stated in the lease application, the lease shall be improved at no less than the minimum rate established by Commission regulations (Appendix 2). This annual rate of planting for shellfish shall be:

Off-bottom culture: 641,000 single seed less than 1 year old (@ 5,000/acre)
or 128 cases (@ 80 lbs shellstock/case) of seed-bearing
shell.

The term of improvement for this lease shall be three years, with the minimum rate of planting for the entire acreage being reached by July 1, 1992. The minimum annual rate of planting for the entire acreage will be maintained thereafter until the end of the lease.

The minimum annual harvest requirement for the lease will be an average of 2,000 oysters, clams or other shellfish per acre, effective July 1, 1992.

A minimum rate of planting shall be negotiated for option periods. Lessor may declare this lease terminated if Lessee fails to meet these cultivation and harvesting requirements and if Lessee, at any time, is proven to be failing in good faith, to pursue the purpose of this lease.

D. If, at any time subsequent to the beginning date of this lease, the use of cultural devices authorized herein shall fall into a state of disrepair or otherwise become an environmental or aesthetic degradation, as determined by Lessor, then upon written notice by Lessor, Lessee shall have sixty (60) days to repair and correct conditions cited by Lessor. Failure to comply with written notice shall be grounds for termination of this lease and Lessee shall, at the option of Lessor, remove all improvements located on lands covered by this lease.

As a financial guarantee of growing structure removal and/or clean-up expense in the event a lease is abandoned or otherwise terminated, Lessee shall place on deposit, pursuant to the "Escrow Agreement For Cleanup of Aquaculture Leases, Tomales Bay, California", a sum in a proportion that the Lessee's individual acreage bears to the total acreage of specified leased parcels of State water bottoms in Tomales Bay, Marin County, California, until the sum of five thousand dollars (\$5,000.00) is reached. This escrow deposit is established in compliance with Section 7 of the Fish and Game Commission Policy, Awarding of Tomales Bay Aquaculture Leases, adopted January 7, 1989 (Appendix 3). Such money shall be deposited over a two-year period payable one-half upon entering upon the lease and one-half upon the first anniversary of such inception date. The escrow deposit shall be increased if the Fish and Game Commission determines that, if abandoned, any particular culture operation is likely to be more expensive to remove. The escrow deposit may be reduced by the Commission upon demonstration that the probable cost of removal of all improvements would be less than the deposit previously required. In its annual proof of use report, the Lessor shall advise the Commission of its best estimate of the probable cost of removal of each lease operation. The escrow agreement, escrow holder, and escrow depository shall be agreed upon by the Executive Secretary of the Fish and Game Commission, the Lessor and Tomales Bay Shellfish Growers Association.

It shall be the responsibility of the Lessee to maintain the specified security balance at the level established by the Commission, regardless of the number of lessees who continue in aquaculture operations within the bay.

If Lessee abandons this lease without removing growing structures therefrom, the escrow deposit shall be expended to remove growing structures, or otherwise clean up the lease, or in the alternative, the remaining lessees in Tomales Bay and the Tomales Bay Shellfish Growers Association may undertake the clean-up leaving the secured amount whole.

In order to assure compliance with the escrow provisions of this lease, Lessee shall place in the agreed upon escrow account specified in the "Escrow Agreement For Cleanup of Aquaculture Leases, Tomales Bay, California (Addendum 1)", hereby attached to and made part of this agreement, a total of nine hundred thirty dollars (\$930.00), a sum (rounded to the nearest dollar amount) proportional to Lessee's total lease acreage of one hundred twenty-eight and two-tenths (128.2) acres, which bears to the total acreage of 688.9 acres of State water bottoms leased in Tomales Bay for aquaculture purposes. Certification that the first half of the specified deposit has been made, a total of four hundred sixty-five dollars (\$465.00), must be received by Lessor prior to final approval of this lease agreement. Proof that the second half of the required security deposit (\$465.00) has been made must be furnished to Lessor on or before February 28, 1991, or this lease shall be subject to termination.

E. Lessee shall observe and comply with all rules and regulations now or hereinafter promulgated by any governmental agency having authority by law, including but not limited to, State Water Resources Control Board, State Coastal Commission, State Lands Commission, U.S. Coast Guard, and U.S. Army Corps of Engineers. Any other permits or licenses required by such agencies will be obtained by Lessee at his own sole cost and expense.

F. Lessee recognizes and understands in accepting this lease, that his interest therein may be subject to a possible possessory interest tax that the county may impose on such interest, and that such tax payment shall not reduce any rent or royalty due to the Lessor hereunder, and any such tax shall be the liability of, and be paid by, Lessee.

G. Any modification of natural or existing features of the real property described in this lease, which is not consistent with the authorized uses under this lease, is expressly prohibited without prior written consent of the Lessor.

H. As evidence of progress in aquaculture, Lessee shall submit each year to the State at the Marine Resources Division office, 411 Burgess Drive, Menlo Park, CA 94025, a written declaration under penalty of perjury, showing the date and amount of each type of aquaculture development and date and amount of designated species comprising each planting, including a diagram showing area, amounts, and dates planted. Such declaration shall be submitted on or before July 15, of each year for the previous year, July 1 - June 30, inclusive.

I. This lease shall be canceled at any time Lessee fails to possess a valid aquaculture registration issued pursuant to Fish and Game Code Section 15101. Lessee agrees not to commit, suffer or permit any waste on said premises, or any act to be done thereon in violation of any laws or ordinances. This lease shall be subject to termination by Lessee at any time during the term thereof, by giving Lessor notice in writing at least ninety (90) days prior to the date when such termination shall become effective. In the event of such termination by Lessee, any unearned rental shall be forfeited to the Lessor.

J. This lease of state water bottom only grants Lessee the exclusive right to cultivate and harvest the specified species of oysters, mussels and clams as described in Lessee's lease bid.

K. The lease shall be clearly marked with buoys or stakes to prevent interference with boating or fishing activities that may take place in the area. Minimum marking of the lease shall include: One (1) buoy or stake on each of the four corners of the lease. All buoys or stakes used to define the boundaries of the lease shall be marked in conformance with the International Association of Lighthouse Authorities Maritime Buoyage System regulations (33 CFR Section 62.33 and 66.01-10). Lessee shall make application to the U.S. Coast Guard, Aids to Navigation Branch, 400 Ocean Gate, Long Beach, CA 90822, for approval of the buoys and stakes to be established on this lease. Each buoy or stake shall be set and maintained to extend at least three (3) feet above the surface of the water at mean higher high water. All buoys or stakes shall bear the Aquaculture Lease No. M-430-15.

If buoys or stakes used to mark this lease are lost, displaced or otherwise removed from the lease area, they must be replaced within a two-week period, weather conditions permitting, or the lease may be subject to abandonment proceedings.

L. In compliance with Sections 1, 2, and 3 of the Policy, Awarding of Tomales Bay Aquaculture Leases, adopted by the Fish and Game Commission at its meeting on January 12, 1989 (Appendix 3), Lessee agrees to cooperate with the Lessor in the monitoring of the health of eel grass beds located on the lease and in conducting a study to gather baseline sedimentation data on eel grass beds lying within the lease boundary. Lessee further agrees to participate with the Lessor in the design, implementation, and operation of a study to collect baseline information on sedimentation occurring within the leasehold during the period March 1, 1990 and June 30, 1994, and the monitoring of wintering shorebirds during the period November 1 to February 28 each year, adequate to measure any population or use changes due to lease operations.

If any of the environmental monitoring programs discussed above indicate, or any other reliable information leads the Lessor to conclude that Lessee's aquaculture operation is directly associated with a significant adverse change in the Tomales Bay ecosystem, Lessor shall notify the Executive Secretary of the Fish and Game Commission and the Lessee of such findings. Upon receipt of notice, Lessee shall take all necessary steps to modify, relocate or discontinue the operation in accordance with the Lessor's advice, unless Lessee demonstrates that its aquaculture operations are not a substantial factor, directly or cumulatively, causing the adverse environmental change. Failure to promptly respond shall be grounds for termination of the lease.

M. In addition to the conditions and restrictions herein provided for in this lease, and any right or privilege granted, conveyed or leased hereunder shall be subject to, and Lessee agrees to comply with all applicable provisions of the California Fish and Game Code, and regulations of the Fish and Game Commission, in particular Fish and Game Code Sections 15400-15415, inclusive, and expressly recognizes the right of the Legislature and the Fish and Game Commission to enact new laws and regulations. In the event of any conflict between the provisions of this lease and any law or regulation enacted in the future, the latter will control.

N. This lease is personal to the Lessee and shall not be transferred, assigned, hypothecated, or subleased, either voluntarily or by operation of law, without prior approval of the Fish and Game Commission.

O. In the event of any breach by Lessee of any of the provisions hereof, other than the payment of any sum due from Lessee to Lessor hereunder, which breach is not remedied, abated and cured by Lessee within 60 days after notice in writing, shall cause this lease to thereupon cease and terminate.

P. The attached Nondiscrimination Clause (OCP-1) is hereby made a part of this agreement.

Q. All notices herein provided to be given or which may be given by either party to the other, shall be deemed to have been fully given when made in writing and deposited in the United State Mail, certified and postage prepaid and addressed as follows:

To the Lessor

DEPARTMENT OF FISH AND GAME
1416 Ninth Street
Sacramento, CA 95814

To the Lessee

Jim K. Wilson
Shellfresh International
5850 Fredricks Road
Sebastopol, CA 95472

Nothing herein contained shall preclude the giving of any such written notice by personal service. The address to which notices shall be mailed as aforesaid to either party may be changed by written notice given by such party to the other, as hereinbefore provided.

R. Lessee hereby indemnifies and holds harmless the Lessor, its officers, agents, and employees against any and all claims and demands of every kind and nature whatsoever, arising out of, or in anyway connected with the use by Lessee of said lease, or the exercise of the privilege herein granted.

IN WITNESS WHEREOF, the parties have caused this amendment to said aquacultur lease to be executed as of the day and year first above written.

APPROVED:

FISH AND GAME COMMISSION

By: Robert R Treaner

STATE OF CALIFORNIA
DEPARTMENT OF FISH AND GAME

By: Karyn A. Mayules

Lessor

SHELLFRESH INTERNATIONAL

By: Jim K. Wilson

Lessee

By: Shellfresh International, Inc.

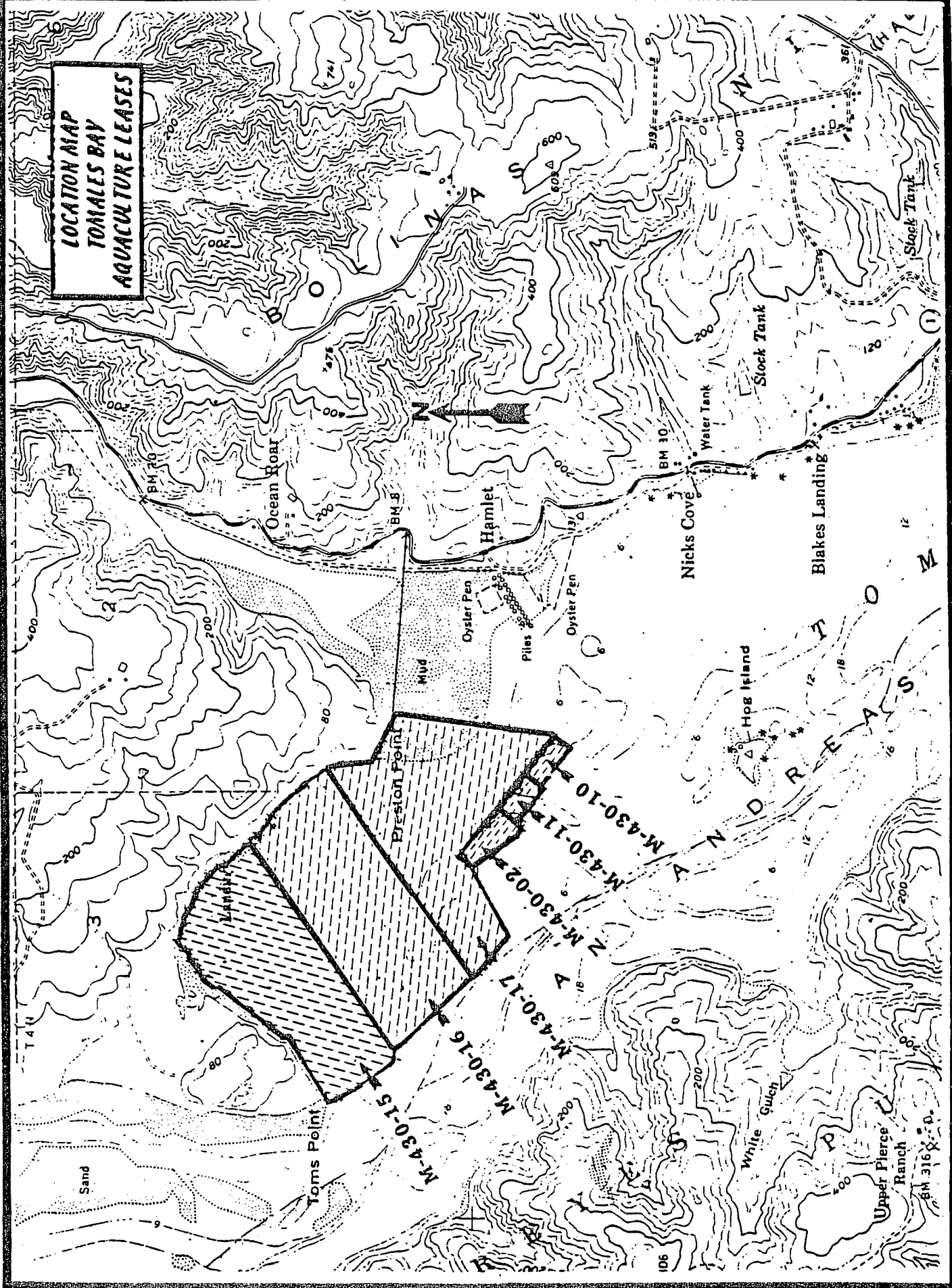
ADDENDUM TO
AQUACULTURE LEASE
BETWEEN
DEPARTMENT OF FISH AND GAME, LESSOR
AND

SHELLFRESH INTERNATIONAL
NONDISCRIMINATION CLAUSE

(OCP - 1)*

1. During the performance of this contract, contractor* and its subcontractors shall not unlawfully discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, age (over 40) or sex. Contractors and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination. Contractors and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.) and the applicable regulations promulgated thereunder (California Administrative Code, Title 2, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12990, set forth in Chapter 5 of Division 4 of Title 2 of the California Administrative Code are incorporated into this contract by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
2. This contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the contract.

* All references to "contractor" shall be deemed to be Lessee.



**AMENDMENT NO. 1
TO LEASE OF STATE WATER BOTTOMS
FOR AQUACULTURE LEASE NO. M-430-15**

This amendment of aquaculture lease made and entered into as of the 1st day of March 1991, by and between the State of California, acting by and through its Department of Fish and Game, hereinafter referred to as "Lessor", and Shellfresh International, hereinafter referred to as "Lessee".

W I T N E S S E T H:

WHEREAS, the parties hereto did on March 1, 1990, enter into Lease Agreement No. M-430-15, for the purpose of cultivating oysters, mussels and clams, and

WHEREAS, Lessee has applied to Lessor to amend the beginning date of said lease from March 1, 1990 to March 1, 1991, because the initial lease agreement was not consummated until that latter date.

NOW, THEREFORE, it is mutually agreed by and between the parties hereto that the Twenty-Five (25) year term of this lease is hereby amended to commence on the 1st day of March 1991, and end on February 28, 2016.

Except as herein amended, all other terms of said aquaculture lease remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Amendment to Indenture of Lease to be executed as of the day and year first above written.

APPROVED:

STATE OF CALIFORNIA
FISH AND GAME COMMISSION

By: _____

STATE OF CALIFORNIA
DEPARTMENT OF FISH AND GAME

By: _____

SHELLFRESH INTERNATIONAL

By: _____

By: _____

**AMENDMENT NO. 2
TO LEASE OF STATE WATER BOTTOMS
FOR AQUACULTURE LEASE NO. M-430-15**

This amendment to aquaculture lease made and entered into as of the first day of September, 1992, by and between the State of California, acting by and through its Department of Fish and Game, hereinafter referred to as "Lessor", and Shellfresh International Inc., and Hog Island Oyster Co., Inc., hereinafter jointly referred to as "Lessee".

W I T N E S S E T H:

WHEREAS, Shellfresh International, Inc., and Lessor did on March 1, 1991, enter into amended Lease Agreement No. M-430-15, for the purpose of cultivating oysters, mussels and clams, and

WHEREAS, Shellfresh International, Inc., has applied to Lessor to amend said lease to authorize the operation of the leasehold as a joint venture, known as "Tom's Point Shellfish", with Hog Island Oyster Co., Inc., and

WHEREAS, the Fish and Game Commission has considered the request of Shellfresh International Inc., to amend said lease and has found that such an amendment is in the best interest of the State of California.

NOW, THEREFORE, it is mutually agreed by and between the parties hereto that this lease is hereby amended to provide that the Lessee shall henceforth be known as Shellfresh International, Inc., and Hog Island Oyster Co., Inc., joint tenants as to an undivided one-half interest.

This lease is for a term of twenty-five (25) years commencing on the 1st day of March 1991, and ending on February 28, 2016.

All notices provided to be given in said lease or which may be given by either party to the other, shall be deemed to have been fully given when made in writing and deposited in the United States Mail, certified and postage-prepaid and addressed as follows:

To the Lessor

Department of Fish and Game
1416 Ninth Street
Sacramento, CA 95814

To the Lessee

John Finger, President
Hog Island Oyster Co., Inc.
P.O. Box 829
Marshall, CA 94940

Except as herein amended, all other terms of said aquaculture lease remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Amendment to Indenture of Lease to be executed as of the day and year first written above.

APPROVED:

STATE OF CALIFORNIA
FISH AND GAME COMMISSION

By: Robert R. Treman

STATE OF CALIFORNIA
DEPARTMENT OF FISH AND GAME

By: David C. Ford
Asst. Deputy Director, Admin.
SHELLFRESH INTERNATIONAL, INC.

By: Jim K. Wilson
Lessee
Pres.
Title

HOG ISLAND OYSTER CO., INC.

By: John Figue
Lessee
By: PRESIDENT
Title

**AMENDMENT NO. 3
TO
INDENTURE OF LEASE**

This amendment of Aquaculture Lease made and entered into as of the 1st day of April 1996, by and between the State of California, acting by and through its Department of Fish and Game, hereinafter referred to as "Lessor", and Hog Island Oyster Company, Inc., hereinafter referred to as "Lessee."

WITNESSETH:

WHEREAS, on March 1, 1989, Lessor did enter into Lease Agreement No. M-430-15 with Shellfresh International for the purpose of cultivating oysters, mussels and clams, and

WHEREAS, on March 1, 1991 said lease was amended to change the beginning date from March 1, 1989 to March 1, 1991, and the ending date was extended to February 28, 2016, and

WHEREAS, on September 1, 1992 said lease was amended to provide that the lessee shall henceforth be known as Shellfresh International, Inc. and Hog Island Oyster Company, Inc., joint tenants as to an undivided one-half interest, and

WHEREAS, the Fish and Game Commission at its meeting on October 7, 1994 adopted new administrative procedures to standardize annual proof-of-use reporting and the rental period for aquaculture leaseholds, and approved revision of the Escrow Agreement for Cleanup of Aquaculture Leases in Tomales Bay (Addendum 1), and

WHEREAS, on June 26, 1995 the Fish and Game Commission was notified that Hog Island Oyster Company had assumed the full rights and responsibilities of the lease, as per stipulations in the joint venture agreement between Shellfresh International, Inc. and Hog Island Oyster Company, Inc., and determined that the amendment of this aquaculture agreement would be in the best interest of the State.

NOW THEREFORE, THIS AMENDMENT WITNESSETH:

That, in accordance with actions taken by the Fish and Game Commission of the State of California, pursuant to Fish and Game Code Section 15400, Lessor does hereby amend said lease for such consideration, specific purposes and subject to covenants, terms, conditions, reservations, restrictions and limitations as are set forth herein.

This amended lease falls within the authorized term of the initial lease, twenty-five (25) years, which commenced on the 1st day of March 1989, and ends on February 29, 2016, for a total rental of four thousand nine hundred and ninety-nine dollars and eighty cents (\$4,999.80) per year, and a privilege tax on all products harvested as provided by Fish and Game Code sections 8051, 18406.5, and 15406.7. Beginning January 1, 1997, said annual rental fee will be payable to Lessor on a calendar year basis, January 1 -- December 31. The next annual rental

fee will be due July 1, 1996, and will cover the period July 1, 1996 to December 31, 1996 in the amount of two thousand four hundred ninety-nine dollars and ninety cents (\$2,499.90). If said annual rental fee is not paid within sixty (60) days after the close of the month in which it is due, an additional 10 percent penalty shall be paid. Lessor, at its option, may declare the lease abandoned for failure to pay such rental fees within 90 days from the beginning of the rental period; although such abandonment shall not relieve Lessee of its obligation to pay such rental and penalty which are due and owing. Lessee agrees to pay Lessor reasonable attorney fees and costs incurred in collecting any amounts and/or penalties due and owing from Lessee under the provisions of this lease. Lessee agrees to pay said fee(s) to Lessor at its office in the City of Sacramento, State of California, or at such other place as Lessor may, from time to time, designate.

This lease is made upon the following additional terms, conditions, and covenants, to wit:

H. As evidence of progress in aquaculture, Lessee shall submit each year to the State at the Marine Resources Division office, P. O. Box 1560, Bodega Bay, California 94923, a written declaration under penalty of perjury, showing the date and amount of each type of aquaculture development and date and amount of designated species comprising each planting, including a diagram (map) showing area, amounts, and dates planted. Such annual proof-of-use shall be submitted on or before February 1 of each year for the previous year, January 1 -- December 31, inclusive.

Q. All notices herein provided to be given or which may be given by either party to the other, shall be deemed to have been fully given when made in writing and deposited in the United States Mail, certified and postage prepaid and addressed as follows:

To the Lessor

DEPARTMENT OF FISH AND GAME
1416 Ninth Street
Sacramento, CA 95814

To the Lessee

MR. JOHN FINGER
HOG ISLAND OYSTER CO., INC.
P. O. Box 829
Marshall, CA 93940

Nothing herein contained shall preclude the giving of any such written notice by personal service. The address to which notices shall be mailed as aforesaid to either party may be changed by written notice given by such party to the other, as hereinbefore provided.

Except as herein amended, all other terms of said lease agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties have caused this amendment to said aquaculture lease to be executed as of the day and year first above written.

APPROVED:

FISH AND GAME COMMISSION

By: _____

STATE OF CALIFORNIA
DEPARTMENT OF FISH AND GAME

By: _____

HOG ISLAND OYSTER COMPANY, INC.

By: _____

LOCATION MAP
TOMALES BAY
AQUACULTURE LEASES

