

SETTLEMENT AGREEMENT

This AGREEMENT is entered by and between **TAYLOR RESOURCES, INC.**, a Washington corporation (also known as Taylor Shellfish Farms) (“Taylor”) and the **WASHINGTON STATE DEPARTMENT OF NATURAL RESOURCES**, an agency of the State of Washington (“DNR”). Taylor and DNR are collectively referred to herein as “the Parties.”

I. RECITALS

1. In 1972, Taylor acquired a tract of tidelands in Totten Inlet containing an established shellfish farming operation (“the Taylor Totten Tidelands.”) The Taylor Totten Tidelands are more fully described in Attachment A. Since its acquisition of the Taylor Totten Tidelands, Taylor has continued to operate a shellfish farm on those tidelands.

2. In 2007, DNR informed Taylor that it had received information indicating that Taylor’s shellfish farming operations, specifically the farming of oysters and geoduck clams, on the Taylor Totten Tidelands may actually be occurring in an area that a modern survey would indicate included state-owned tidelands adjacent to the Taylor Totten Tidelands.

3. In the spring of 2008, as soon as daylight low tides allowed intertidal survey work to be undertaken, Taylor retained a surveyor to survey the boundaries of the Totten Tidelands. That survey ultimately revealed that a portion of Taylor’s shellfish farming operation was located on state-owned tidelands adjacent to the Taylor Totten Tidelands. A copy of that survey is attached hereto as Attachment B. The portion of the state-owned tidelands on which Taylor’s shellfish farming operation was located is hereinafter referred to as “the DNR Totten Tidelands.”

4. On July 15, 2008, representatives of DNR contacted representatives of Taylor requesting that Taylor provide certain information to DNR regarding its use of the DNR Totten Tidelands for shellfish farming purposes.

5. On July 30, and 31, 2008, Taylor staff and contracted surveyors cooperated with DNR staff to locate and quantify the shellfish resources planted on DNR Totten Tidelands.

6. On September 9, 2008, Taylor provided a compilation of information to DNR relating to its use of the DNR Totten Tidelands. The information provided by Taylor included calculations related to the placement of shellfish seed on the DNR Totten Tidelands, production records from the DNR Totten Tidelands and pricing information related to shellfish that were produced from the DNR Totten Tidelands.

7. On October 27, 2008, DNR informed Taylor that it had reviewed the records provided by Taylor and that it calculated a back rent of \$443,849.77 owing for the geoduck clams located on the DNR Totten Tidelands. DNR’s October 27, 2008 correspondence also indicated that DNR intended to assess additional back rent for the use of the DNR Totten Tidelands for oyster cultivation. Finally, DNR’s October 27, 2008 correspondence indicated that the back rent would be trebled unless Taylor

provided evidence that it should not have known that it was using the DNR Totten Tidelands for its shellfish cultivation operations.

8. During negotiations and through legal counsel, Taylor provided a detailed package of information asserting that its use of the DNR Totten Tidelands was inadvertent and that Taylor had no reason to know that the tidelands in question belonged to DNR. Taylor detailed its legal claim that it owned equitable title to the DNR Totten Tidelands under the theories of mutual mistake, estoppel and other equitable principals. Taylor also argued that DNR should exchange the DNR Totten Tidelands for the Taylor Totten Tidelands pursuant to the exchange provisions in the deed from the State of Washington transferring the Taylor Totten Tidelands.

9. At the present time, the DNR Totten Tidelands contain approximately 6 to 7 acres of geoduck clams that Taylor planted on those Tidelands over the past six years as well as 23-25,000 dozen *Crassostrea virginica* (oysters), 1,500-2000 dozen Pacific oysters, and 200-300 dozen Olympia oysters.

10. Rather than litigate the issues of damages, title to the tidelands, substitution of tidelands and disposition of the shellfish on the DNR Totten Tidelands, Taylor and DNR wish to resolve their disagreement on these issues by agreement. This AGREEMENT is entered into without any admission of liability on the part of any of the Parties.

II. AGREEMENT

NOW, THEREFORE, BASED ON THE FOREGOING RECITALS, THE PARTIES AGREE AS FOLLOWS:

A. DNR's Obligations:

1. DNR agrees to commence the process to consider a use authorization/lease to Taylor that allows Taylor to harvest existing oysters and continue to use the DNR Totten Tidelands for cultivation and harvest of oysters through bottom culture only, but not by using oyster bags ("The Totten Lease"). The Totten Lease will also allow Taylor to harvest the approximately six acres of geoduck currently planted on the DNR Totten Tidelands. The Totten Lease will not allow any additional planting of geoduck on the DNR Totten Tidelands. After existing geoduck is harvested the harvested areas may be replanted with oysters provided that the oyster culture will not interfere with Washington Sea Grant research/monitoring. The Totten Lease will be for a term of five (5) years. Nothing in this Agreement is intended to constrain DNR's decision making discretion in processing Taylor's application for the Totten Lease. DNR does not warrant that Taylor's application for the Totten Lease will be approved, and Taylor acknowledges that DNR's decision on Taylor's application for the Totten Lease will be based on applicable statutory authorities.

2. DNR agrees that, if it executes the Totten Lease, the rental payment for the Totten Lease will be set at 11.23% of the farm value of the geoduck harvested from the DNR Totten Tidelands and 15% of the farm value of the oysters harvested from the DNR Totten Tidelands. The rental payment shall also include an annual geoduck acreage rental fee of \$11,583.33 (\$1,158.33 per acre for 10 acres).

3. DNR agrees that the mutual obligations set forth herein fully satisfy any and all obligations, including without limitation, back rent, damages, staff costs and fees, Taylor has to DNR with regard to Taylor's past use of the DNR Totten Tidelands.

4. The Parties further agree that all of the obligations discussed in this Agreement terminate, and this Agreement shall be null and void, if any of the following events occur:

(a) DNR does not execute the Totten Lease by February 27, 2009. This deadline for execution of the Totten Lease may be extended by mutual agreement of DNR and Taylor.

(b) DNR executes the Totten Lease but the Totten Lease is successfully challenged and cancelled.

5. In the event this Agreement becomes null and void pursuant to Paragraph 4, above, the Parties will be free to renegotiate or litigate all aspects of the dispute. In the event that this Agreement terminates because the Totten Lease discussed herein is successfully challenged and cancelled, any payments made by Taylor pursuant to this Agreement shall be held by DNR and credited towards any obligation of Taylor as resolved through subsequent negotiations or litigation. If subsequent negotiations or litigation result in a determination that Taylor Shellfish owes less than the amount already paid, DNR shall, within thirty (30) days of said determination, refund Taylor Shellfish all amounts overpaid, without interest.

6. If DNR decides to grant the Totten Lease, such lease will provide that Taylor will not have any right of renewal notwithstanding RCW 79.135.150. If Taylor desires to continue its use of the DNR Totten Tidelands after expiration of the five (5) year Totten Lease, Taylor will be required to submit a new lease application to DNR and DNR will be free to consider whether to grant such application under DNR's statutory and regulatory authority.

B. Taylor's Obligations:

1. Taylor will pay DNR the following amount ("Taylor Settlement Payment"):

\$419,177.34 (back rent for geoduck harvested from the DNR Totten Tidelands)
\$32,776.91 (back rent for oysters harvested from the DNR Totten Tidelands)
\$28,883.92 (back rent for oysters temporarily stored on the DNR Totten Tidelands)
\$41,352.00 (8.6% leasehold excise tax)
\$54,330.31 (12% interest)
\$53,241.13 (reimbursement for staff time)
\$629,761.61 (total)

2. (a) Taylor shall pay the Taylor Settlement Payment by making an initial down payment of \$50,000 at the time of execution of the Totten Lease. Taylor shall pay the remaining balance of the Taylor Settlement Payment over a five (5) year period by making monthly payments in the amount of \$9,275.34 on the first day of every month. Unless Taylor pays the remaining unpaid balance within three (3) years of the date of execution of the Totten Lease, the monthly payments beginning in the first month after that the three year anniversary of signing of the Totten Lease shall include 12% annual

interest on the unpaid balance owing as of the three year anniversary date. The payments discussed in this Paragraph shall be in addition to the lease payments discussed in Paragraph A.2., above.

(b) If the State does not receive any monthly payment required under paragraph B.2(a) within ten (10) days of the date due, Taylor shall pay to DNR a late charge equal to four percent (4%) of the amount of the payment or fifty dollars (\$50), whichever is greater, to defray the overhead expenses of State incident to the delay.

(c) Taylor shall pay interest on the past due monthly settlement payments at the rate of one percent (1%) per month until paid, in addition to paying the late charges determined under paragraph B.2(b) above. This interest charge applies only to missed monthly payments due prior to the three year anniversary date of lease execution. Interest after the three year anniversary of lease execution shall be calculated pursuant to paragraph 2(a).

3. If the Totten Lease is executed in accordance with this Agreement, Taylor shall execute a release that releases Taylor's right, under the September 11, 1905 deed transferring the Taylor Totten Tidelands, to substitute productive tidelands for the Taylor Totten Tidelands. The release shall also release any equitable claim Taylor has for ownership of the DNR Totten Tidelands, including, without limitation, any claim for reformation or correction of the September 11, 1905 deed to include the DNR Totten Tidelands. The release discussed in this Paragraph shall be executed within thirty (30) days of the period for judicial challenge of the Totten Lease lapsing without a challenge to the Lease being filed or, if a challenge to the Totten Lease is filed, within thirty (30) days of the Totten Lease being affirmed by a final judicial order (including completion of any appellate review). If the Totten Lease is successfully challenged and cancelled, Taylor shall have no obligation to execute the release discussed in this Paragraph.

4. Taylor acknowledges that if DNR decides to issue the Totten Lease the Lease will require that Taylor's harvest activities be subject to environmental monitoring to further advance the scope of scientific knowledge about the potential impacts of geoduck aquaculture as directed in Laws of 2007, Chapter 216 (Second Substitute House Bill 2220). Taylor hereby consents to the following conditions being imposed in the event that DNR issues the Totten Lease:

(a) To the maximum extent practicable, Taylor agrees to coordinate its aquaculture activities on the Lease with DNR and with Washington Sea Grant to maximize the value of research data that Washington Sea Grant can obtain from the DNR Totten Tidelands. Taylor shall conform the time and manner of its aquaculture activities on the DNR Totten Tidelands as recommended by Washington Sea Grant to retrieve the highest quality and quantity of research data. Nothing in this Paragraph requires Taylor to undertake any activities inconsistent with the terms of the Totten Lease, including the plan of operations incorporated therein. In the event of a conflict between Sea Grant recommendations and the provisions of the Totten Lease, the provisions of the Totten Lease shall control.

(b) If requested by Sea Grant, Taylor agrees to provide any knowledge or data about the Totten Tidelands within Taylor's possession, including but not limited to, information characterizing the site history and current site conditions such as geoduck density, predator exclusion techniques, sediment characteristics, and debris management practices.

(c) If requested by Sea Grant, Taylor agrees to obtain and provide samples from the Totten Tidelands to Sea Grant. Nothing in this Paragraph requires Taylor to conduct any laboratory analysis of said samples.

(d) If requested by Sea Grant, Taylor will cooperate to identify potential control sites within Totten Inlet for purposes of comparing the effects of Taylor's geoduck aquaculture activity on the DNR Totten Tidelands. If any such identified control sites are within Taylor's control, Taylor will cooperate with Sea Grant to facilitate Sea Grant's use of such control site to obtain research data.

(e) Taylor agrees to provide Sea Grant with access to the DNR Totten Tidelands for purposes of conducting research.

5. In addition to rent and the Taylor Settlement Payment required under Paragraphs A.2. and B.2. respectively, Taylor shall donate \$200,000.00 to the Geoduck Aquaculture Research Account created under RCW 28B.20.476. These donated funds shall be for the use of Washington Sea Grant at the University of Washington ("Sea Grant") to conduct scientific research of geoduck aquaculture practices at the DNR Totten Tidelands conducted pursuant to the Totten Lease. The Sea Grant donation discussed in this Paragraph shall be made within one (1) year of execution of the Totten Lease unless Taylor and Sea Grant mutually agree to a different date of payment.

C. Miscellaneous Provisions.

1. Attorneys' Fees. Except as expressly set forth above, the Parties shall bear their own attorneys' fees and costs, including all attorneys' fees and costs incurred in connection with the preparation and execution of this Agreement.

2. Amendment. This Agreement may only be amended or modified by mutual agreement of the Parties expressed in writing.

3. Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of Washington.

4. Additional Documents. The Parties agree to cooperate fully and to timely execute any and all supplementary documents and to timely take all additional actions which may be necessary or appropriate to give full force and effect to the basic terms and intent of this Agreement

5. No Third-Party Beneficiaries. Except as expressly provided herein, this Agreement is for the benefit of the Parties only and is not intended to benefit any other person or entity, and no person or entity not a party to this Agreement shall have any third-party beneficiary or other rights whatsoever hereunder.

6. Effectiveness. The effectiveness of this Agreement is contingent upon execution by all Parties to this Agreement and DNR's execution of the Totten Lease described in Paragraph A.1, above, and the Totten Lease being affirmed after judicial challenge, or the period for judicial challenge lapsing

without a challenge being filed. In the event DNR declines to execute the Totten Lease, or in the event DNR executes the Totten Lease and the Totten Lease is challenged as discussed in Paragraph A.4, above, and the challenge is upheld and the Totten Lease is cancelled, this Agreement shall be a nullity and unenforceable, and the execution of this Agreement shall not be admissible in any proceeding involving claims now existing or hereafter arising between the Parties.

7. Authority. The Parties each represent and warrant that they have the respective power and authority, and are duly authorized to execute, deliver and perform the obligations under this Agreement.

8. Execution of Agreement. A Party may deliver executed signature pages to this Agreement by PDF or facsimile transmission to any other Party, which PDF or facsimile copy shall be deemed to be an original executed signature page. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which counterparts together shall constitute one agreement with the same effect as if the Parties had signed the same signature page.

9. Joint Drafting. The parties agree that they have all participated in the drafting of this Agreement, that it results from the efforts of each party and that it shall not be construed against any party based on the party having assisted in drafting this Agreement.

IN WITNESS WHEREOF, this Agreement has been entered into among the Parties and will be effective as of the last date of signature by the Parties below.

TAYLOR RESOURCES, INC.

By: _____
Its: _____
Date: _____

**WASHINGTON DEPARTMENT OF
NATURAL RESOURCES**




COMMISSIONER OF PUBLIC LANDS

Date: 1/12/19

GORDONDERR LLP

SAMUEL W. PLAUCHÉ, WSBA# 25476
Attorneys for Taylor Resources, Inc.

ROBERT M. MCKENNA
Attorney General



JOSEPH V. PANESKO, WSBA #25289
Assistant Attorney General
Attorneys for Washington State Department of
Natural Resources

without a challenge being filed. In the event DNR declines to execute the Totten Lease, or in the event DNR executes the Totten Lease and the Totten Lease is challenged as discussed in Paragraph A.4, above, and the challenge is upheld and the Totten Lease is cancelled, this Agreement shall be a nullity and unenforceable, and the execution of this Agreement shall not be admissible in any proceeding involving claims now existing or hereafter arising between the Parties.

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TAYLOR RESOURCES, INC.

WASHINGTON DEPARTMENT OF
NATURAL RESOURCES

By: Will J. Taylor

COMMISSIONER OF PUBLIC LANDS

Its:
Date: 1-12-2009

Date: _____

GORDONDERR LLP

ROBERT M. MCKENNA
Attorney General

SAMUEL W. PLAUCHE, WSBA# 25476
Attorneys for Taylor Resources, Inc.

JOSEPH V. PANESKO, WSBA #25289
Assistant Attorney General
Attorneys for Washington State Department of
Natural Resources

without a challenge being filed. In the event DNR declines to execute the Totten Lease, or in the event DNR executes the Totten Lease and the Totten Lease is challenged as discussed in Paragraph A.4, above, and the challenge is upheld and the Totten Lease is cancelled, this Agreement shall be a nullity and unenforceable, and the execution of this Agreement shall not be admissible in any proceeding involving claims now existing or hereafter arising between the Parties.

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TAYLOR RESOURCES, INC.

**WASHINGTON DEPARTMENT OF
NATURAL RESOURCES**

By: _____

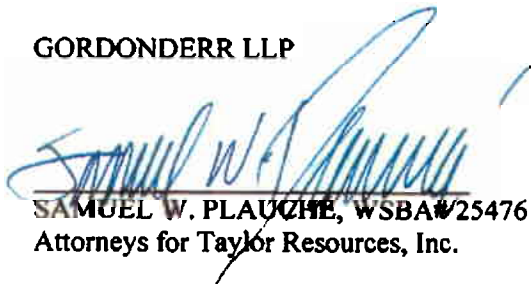
COMMISSIONER OF PUBLIC LANDS

Its:
Date: _____

Date: _____

GORDONDERR LLP

ROBERT M. MCKENNA
Attorney General



SAMUEL W. PLAUCHE, WSBA #25476
Attorneys for Taylor Resources, Inc.

JOSEPH V. PANESKO, WSBA #25289
Assistant Attorney General
Attorneys for Washington State Department of
Natural Resources

ATTACHMENT 1

7 pages

Taylor United
Rt 1 Box 575
Shelton, WA 98584

1097435

THURSTON COUNTY
WASHINGTON, WASH.

Nov 21 12 10 PM '79

Taylor United
ATTORNEY

REAL ESTATE CONTRACT

1097435

THIS CONTRACT, made this 21 day of November, 1979,
between MABEL H. OKADA, a widow, hereinafter called "Seller", and
TAYLOR UNITED, INC., a Washington Corporation, hereinafter called
the "Purchaser".

WITNESSETH: The Seller agrees to sell to the Purchaser and the
Purchaser agrees to purchase of the Seller all of the Seller's right,
title and interest in and to the following described real estate
situated in Thurston County, Washington, to-wit:

PARCEL 1

Tidelands suitable for the cultivation of oysters as con-
veyed by State of Washington lying in front of Section 5,
Township 19 North, Range 2 West W.M., described as follows:
Beginning at a point on the government meander line of
Totten Inlet, N 53°49'08" E 175 feet from the government
meander corner on the south line of said Section 5; running
thence along said meander line N 53°49'08" E 620.44 feet,
N 32°49'08" E 806.71 feet, N 56°49'08" E 729.15 feet, N
28°49'08" E 1505.37 feet and N 48°49'08" E 372.44 feet;
thence N 41°11'52" W 142 feet more or less to the westerly
line of tract conveyed to H. R. Weatherall by deed dated
September 11, 1905 and recorded in Volume 61 of Deeds, page
291; thence along said westerly line of Weatherall tract
S 44°31'51" W 532 feet more or less, S 36°31'51" W 1978.71 feet
and S 47°31'51" W 1443.82 feet; thence S 42°28'09" E 226.05
feet to the point of beginning; EXCEPTING therefrom that
portion lying in tract described as beginning at said point
on the government meander line, N 53°49'08" E 175 feet from
the government meander corner on the south line of Section
5 and running thence N 53°49'08" E along said meander line
620.44 feet, and thence N 36°10'52" W 150 feet, S 53°49'08"
W 190 feet, N 36°10'52" W 50 feet, S 53°49'08" W 100 feet,
S 36°10'52" E 50 feet, S 53°49'08" W 348. feet more or less
and S 42°28'09" E 151 feet more or less to the point of be-
ginning of this exception.

Handwritten signature/initials

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PARCEL 2

Tidelands suitable for the cultivation of oysters as conveyed
by State of Washington lying in front of Section 8, Township
19 North, Range 2 West W.M., described as follows: Beginning

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SHELTON WASHINGTON 98584

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at an angle point on the westerly line of tract conveyed to H. R. Weatherall by deed dated September 11, 1905, and recorded in Volume 61 of Deeds, page 291, described as S 56°40'42.5" W 1300.89 feet from the government meander corner on the north line of said Section 8; running thence along said, westerly line of Weatherall tract S 1° 31'51" W 1451.05 feet and S 46°31'51" W 1128.47 feet; thence N 43°28'09" W 75 feet to a point N 38°03'44.3" E 715.24 feet from the government meander corner on the west line of said Section 8; thence N 49°34'52" E 511.27 feet, N 25°32'15" E 498.72 feet, N 1°19'56" W 430.12 feet, N 10°10'32" E 396.23 feet and N 23°13'42" E 621.51 feet to the point of beginning; EXCEPTING therefrom the portion lying in the south 100 feet of the north 1340.14 feet of the northwest quarter of said Section 8.

ALSO

Parcel 1

An undivided one-half interest in Tract 150 of Boston Harbor Water Front Acres Tracts, Division 2 as recorded in Volume 8 of Plats, page 46; EXCEPT that part conveyed to Ward H. Trager and wife by deed dated September 28, 1962 and recorded under File No. 667097.

Parcel 2

That part of Tidelands suitable for the cultivation of oysters lying in front of Section 8, Township 19 North, Range 2 West, W.M., described as follows: Beginning at the meander corner common to Sections 5 and 8, said township and range; thence along the government meander line S 43° 51' 10" W 587.59 feet, and S 49° 51' 10" W 100.75 feet to the initial point of this description; thence along said meander line S 49° 51' 10" W 529.43 feet, S 6° 21' 10" W 525.04, S 29° 53' 50" E 409.25 feet, S 20° 21' 10" W 369.99 feet, S 5° 21' 10" W 453.17 feet, S 42° 21' 10" W 183.66 feet, N 88° 38' 50" W 229.58 feet, S 33° 51' 10" W 604.89 feet, and S 49° 51' 10" W 112.84 feet; thence N 43° 28' 09" W 369.89 feet; thence N 46° 31' 51" E 1128.47 feet; thence N 1° 31' 51" E 1451.04 feet; thence N 47° 31' 51" E 597.28 feet; thence S 42° 28' 09" E 240.81 feet to said initial point.

Parcel 3

That part of tidelands suitable for cultivation of oysters lying in front of Sections 5 and 8, Township 19 North, Range 2 West, W.M., described as follows: Beginning at the meander corner common to said Sections 5 and 8; running thence along the government meander line S 43° 51' 10" W 587.59 feet, and S 49° 51' 10" W 100.75 feet; thence N 42° 28' 09" W 240.81 feet; thence N 47° 31' 51" E 861.01 feet; thence S 42° 28' 09" E 226.05 feet; thence S 53° 49' 08" W 175 feet to the point of beginning.

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SHELTON WASHINGTON 98384

Parcel 4

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That part of tidelands suitable for the cultivation of oysters lying in front of Sections 7 and 8, Township 19 North, Range 2 West, W.M., described as follows: Beginning at the meander corner common to Sections 7 and 18, said township and range, on the easterly side of Totten Inlet; running thence along the government meander line N 16° 24' 12" E 719.67 feet, N 40° 24' 12" E 845.88 feet, N 59° 39' 12" E 359.83 feet, N 63° 24' 12" E 591.45 feet; N 66° 36' 10" E 419.23 feet, S 75° 23' 50" E 216.94 feet, and N 49° 51' 10" E 199.26 feet to the south corner of tract conveyed to H. E. Howard and wife by deed dated February 7, 1938 and recorded in Volume 156 of Deeds, page 553; thence N 43° 28' 09" W along the southerly line of said Howard tract 369.89 feet; thence S 46° 31' 51" W 190.67 feet; thence S 61° 31' 51" W 1517.01 feet; thence S 31° 31' 51" W 989.35 feet; thence S 9° 01' 51" W 599.55 feet to the point of beginning.

ALSO

PARCEL A

Beginning at the meander corner to fractional Sections 1 and 12, Township 18 North, Range 3 West W.M., and running thence S 37° 55' W 6.82 chains to the true point of beginning of this description; thence running West 13.89 chains; thence S 25° 20' E 0.69 chains; thence S 87° 21' W 5.41 chains; thence S 33° 40' E 5.45 chains; thence S 57° 13' E 1.33 chains; thence N 07° 21' E 14.94 chains; thence N 0° 30' W 5.44 chains to said true point of beginning.

PARCEL B

Beginning at a point from which the meander corner to fractional Sections 1 and 12, Township 18 North, Range 3 West W.M., bears N 37° 55' E 6.02 chains distant; said point being the Northeast corner of a tract of oyster lands on which the reversionary interest of the State of Washington was conveyed to J. J. Brenner Oyster Company by deed dated September 11, 1916, under application No. 7479, and running thence along the north line of said Brenner tract west 13.89 chains and S 25° 20' E 0.69 chains to an angle point in said north line, the true point of beginning of this description; thence S 07° 21' W 5.41 chains to the northwest corner of said Brenner tract; thence N 63° 08' W 0.42 chains and N 09° 40' E 5.74 chains to a point on the boundary line of said Brenner tract; thence S 25° 20' E 0.07 chains to said true point of beginning, according to the plat thereof on file in the office of the Commissioner of Public Lands at Olympia, Washington.

PARCEL C

Beginning at a point from which the meander corner to fractional Sections 1 and 12, Township 18 North, Range 3 West W.M., bears N 37° 55' E 6.02 chains distant; said point being the southeast corner of a tract of oyster lands conveyed by the State of Washington to Carl Emanuel Wibert by correction deed, dated August 12, 1916, and the northeast corner of a tract on which the reversionary interest of the State was conveyed to the J. J. Brenner Oyster Company, by deed dated September 11, 1916, under application No. 7479, and running thence S 0° 38' E along the east line of said Brenner tract, 5.44 chains to the southeast corner of said tract; thence N 87° 21' E along the south line of said Brenner tract produced 1.91 chains to a point on the east line of said reserve;

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thence N 13°07' E 2.09 chains to an angle point in said reserve line; thence continuing along said reserve line N 13°42' W 2.70 chains and N 21°27' E 0.75 chains to a point which is east of the point of beginning; thence west 2.07 chains to the point of beginning, according to the plat thereof on file in the office of the Commissioner of Public Lands at Olympia, Washington.

PARCEL D

Beginning at a point which is 3445.24 feet north and 31.03 feet east of the corner common to Sections 11, 12, 13 and 14, Township 10 North, Range 3 West W.M., said point being the southwest corner of the tract of oyster lands deeded by the State of Washington to Mud Bay Louie March 10, 1897, and running thence N 59°39' E 575.5 feet to the southeast corner of said Mud Bay Louie tract, the true point of beginning of this description; thence N 52°30' E 130 feet; thence N 29°46' 40" W 284.88 feet; thence N 52°20' 29" W 293.23 feet; thence S 36°25' 50" W 200.06 feet to the easterly line of said Mud Bay Louie tract; thence S 58°03' E 504.12 feet to said true point of beginning.

PARCEL E

Beginning at a point which is 52.20 chains north and 0.482 chains east of the corner common to Sections 11, 12, 13 and 14, Township 10 North, Range 3 West W.M., said point being the initial point of the tract of oyster lands deeded by the State of Washington to Little Charlie, March 8, 1899, under application No. 933, and running thence N 59°39' E 9.29 chains to the northeast corner of said Little Charlie tract, the true point of beginning of this description; thence S 30°15' E along the east line of said tract, 11.753 chains; thence N 59°39' E 2.873 chains; thence N 46°39' W 7.130 chains; thence N 23°35' W 5.03 chains; thence S 59°39' W 1.43 chains to said true point of beginning.

PARCEL F

Tidelands of the second class described as follows: Beginning at a point where the north and south lines between Lots 2 and 3, Section 12, Township 10 North, Range 3 West W.M., intersect the meander line on North Shore of Eld's Inlet; thence running south 10.12 chains, N 68°09' W 7.22 chains, S 75°23' W 5.960 chains, S 43°57' W 2.90 chains, S 64°27' W 3.107 chains to the southeast corner of C. Brenner's Tract Number two; thence N 20° E 21.003 chains, S 64°5' E 1.01 chains, S 89° E 4.60 chains, N 70° E 4.60 chains to place of beginning; EXCEPTING therefrom any portion of said premises lying above the line of ordinary high tide of Eld Inlet.

ALSO

The following easements:

- a. From Lighthouse Oyster Company to Justin Taylor and Masaco Okado dated 1 October 1971 and recorded in the office of the Auditor of Thurston County on 22 November 1971 in Vol. 559, page 725, under receiving No. 855242.
- b. From J. J. Brenner Company to Taylor United, Inc., Justin E. Taylor and Masaco Okado, dated 3 December 1974 and recorded in

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the office of the Auditor of Thurston County on 20 December 1974 in Vol. 672, page 174, under receiving No. 926994.

ALSO

All right, title and interest that the grantor may have in tidelands of the second class or oysterlands in Thurston County, Washington, not hereinabove described, that adjoins the above described property.

THE TERMS AND CONDITIONS of this contract are as follows:

1. The purchase price is \$194,250.00 -- \$53,000.00 whereof has been paid (\$15,000.00 by grantee's assumption of a Promissory Note executed on 20 October 1975 running from Grantor to Justin Taylor) receipt of which is hereby acknowledged.
2. The balance of the purchase price, namely the sum of \$141,250.00, shall be paid in monthly installments of not less than \$1,900.00, including interest accrued on the unpaid balance at the rate of 8% per annum from the date hereof, commencing 20 December 1979.
3. All payments due hereunder shall be made to the account of the Seller at the Bank of Olympia, Olympia, Washington.
4. The Purchaser shall have the option of paying the entire balance of said purchase price at any time with interest accrued to date of such payment and receive the deed hereinafter provided for.
5. The Purchaser may enter into possession as of the date hereof.
6. The Purchaser has inspected the property and agrees to accept the same in its present condition and have satisfied themselves as to the location of the boundary lines thereof.
7. The Seller agrees to execute a Quit Claim Deed in favor of the Purchaser to the premises above described, the same to be delivered to the Purchaser upon full compliance by the Purchaser with his agreement herein provided, however, Seller does not warrant against liens or defects of title occurring subsequent to the date hereof.
8. The Purchaser agrees to pay before delinquent all taxes and/or

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assessments upon said property, which accrue during the term hereof.

9. In the event the Purchaser shall fail to make the payments as herein provided for, or any of them, promptly, upon the terms and at the times specified, the times of payment being hereby declared to be of the essence of this agreement, then the Seller shall have the right to declare this contract forfeited and at an end, and the Seller shall retain all sums paid up to the time of such default as agreed compensation for the breach of this contract, and the use and occupation of said premises, and in such event, all of the rights and interests of the Purchaser hereby created or then existing, shall cease and determine and the premises shall revert to and revert in the Seller without any act of re-entry, provided, however, any accelerated or advance payments made by Purchaser shall be credited against any subsequent default.

10. It is agreed that it shall be sufficient notice of the Seller's right hereunder to cancel this agreement because of any violation of any of its terms by the Purchaser, to mail such notice, by registered mail, to the Purchaser at its present address, or to any other address of the Purchaser which may be made known to the Seller, and such notice shall become effective as a complete cancellation of this contract thirty days after the date of mailing the same in the manner aforesaid.

11. It is agreed by the parties hereto that this contract contains all of the agreements with reference to the sale and purchase of the property above described, and that there are no verbal agreements, representations or promises on the part of either party not herein contained.

12. This contract shall be binding upon and of benefit to the heirs, executors, administrators or assigns of the parties hereto.

IN WITNESS WHEREOF, the parties have signed and sealed this contract the day and year first above written.

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Mabel H. Okada (SEAL)
SELLER

TAYLOR UNITED, INC.

BY Florence Taylor (SEAL);
President

Justin O. Taylor (SEAL)
Secretary

STATE OF WASHINGTON)
) ss
COUNTY OF MASON)

I, the undersigned, a notary public in and for the State of Washington, hereby certify that on this 21st day of November, 1979, personally appeared before me Mabel H. Okada, to me known to be the individual described in and who executed the foregoing instrument and acknowledged that she signed and sealed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal the day and year last above written.

Ann C. Nease
NOTARY PUBLIC IN AND FOR THE STATE
of Washington, residing at Shelton.

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ATTACHMENT 2

5 pages

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DESCRIPTION

SECTION 5

NOTE

THE C.L. PERCE TRACT WAS CONVEYED BY THE DEED OF WASHINGTON TO THE DEEDS OF WASHINGTON HAS SENIOR RIGHTS IN THE TRACT AND THE WEATHERALL TRACT NORTH OF AND ADJACENT TO THE C.L. PERCE TRACT FOR TOM NELSON. HELD THE FIRST TWO CORNERS OF THE C.L. PERCE TRACT NORTH OF THE WEATHERALL TRACT BETWEEN SECTIONS 1 AND 8 AT THE CORNER ANGLE AND DISTANCE AS SHOWN ON UNRECORDED SURVEY BY STILLMAN

NOTE

GOVERNMENT BEANER LINES IN SECTIONS 4, 5, 7 AND 8 WERE BALANCED BY THE COMPASS RULE WESTERLY BOUNDARIES OF THE CROSBIE TRACT AND THE WEATHERALL TRACT NORTH OF THE C.L. PERCE TRACT WERE ALSO BALANCED BY THE COMPASS RULE.

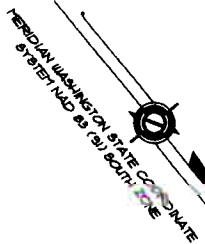
TOTTEN INLET

FOUND IRON PIPE AS SHOWN ON UNRECORDED SURVEY BY ALFRED K. STILLMAN DATED JANUARY 1953

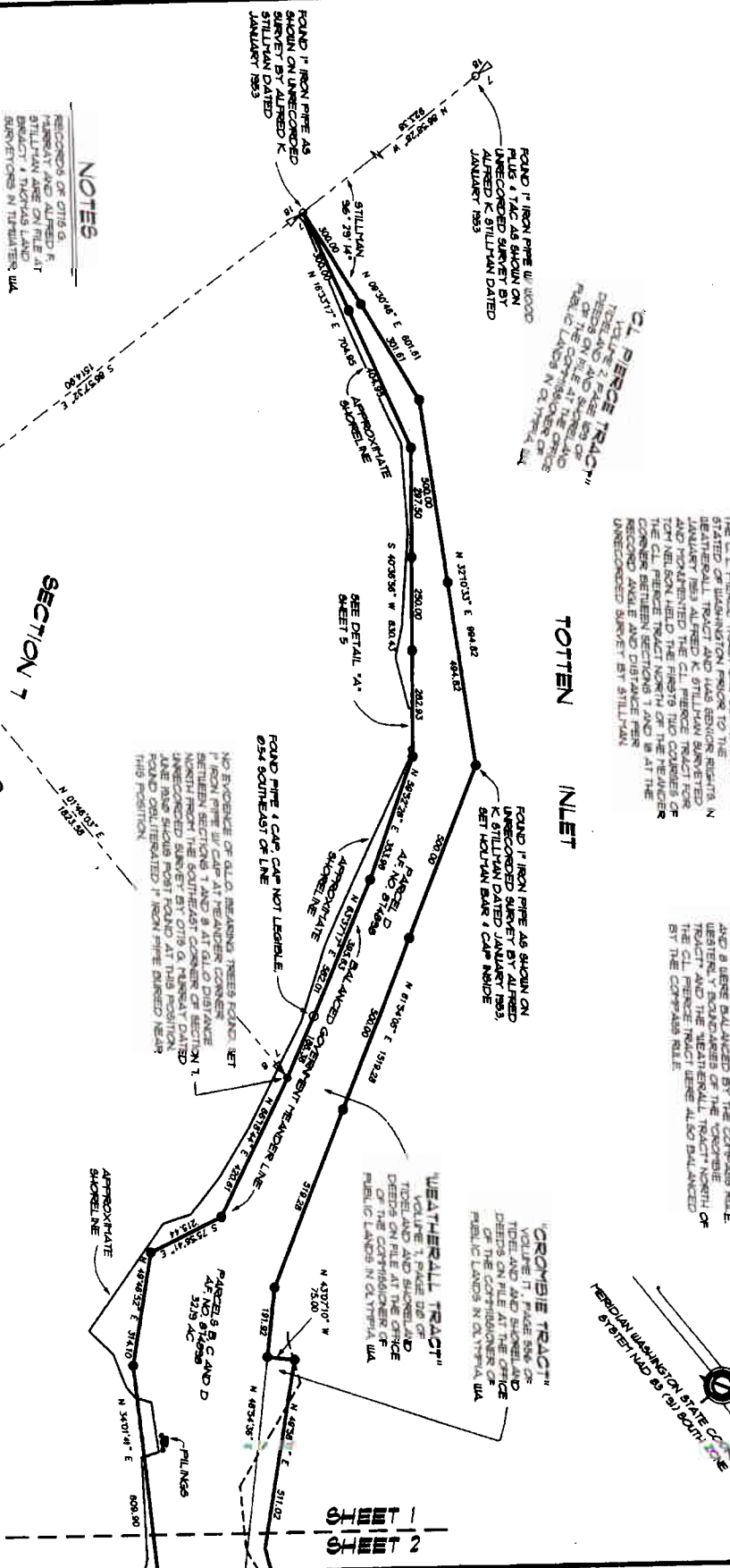
FOUND IRON PIPE AS SHOWN ON UNRECORDED SURVEY BY ALFRED K. STILLMAN DATED JANUARY 1953, SET HOLTMAN BAR & CAP INSIDE

"CROSBIE TRACT"
 VOLUME 17, PAGE 586 OF THE DEEDS OF WASHINGTON PUBLIC LANDS IN OLYMPIA, WA

"WEATHERALL TRACT"
 VOLUME 17, PAGE 586 OF THE DEEDS OF WASHINGTON PUBLIC LANDS IN OLYMPIA, WA



1 INCH = 200 FEET



NOTES
 RECORDS OF OTHER SURVEYS BY STILLMAN ARE ON FILE AT BUREAU OF LAND SURVEYERS IN TULLY, WA



EQUIPMENT AND PROCEDURES EMPLOYED: LETZ & RECORD RECORDING WITH ERM 2000 CALIBRATED CAN PROCEEDING FIELD INSTRUMENTS

AUDITORS CERTIFICATE

ALSO FOR RECORD THAT 5TH DAY, 2008, AT 9TH MTH IN BOOK _____ OF _____ AT THE REQUEST OF DANIEL J. HOLTMAN

Daniel J. Holman

AUDITORS CERTIFICATE

THIS MAP CORRECTLY REPRESENTS A SURVEY MADE BY ME OR UNDER MY SUPERVISION AND THE REQUIREMENTS OF THE RELEVANT RECORDS ACT AT THE REQUEST OF TAYLOR SHELLFISH

Daniel J. Holman



- LEGEND**
- IRON BAR W/ PLASTIC
 - TOLLON CAP SET
 - FOUND AS NOTED
 - FILINGS



TAYLOR SHELLFISH SURVEY

HOLTMAN & ASSOCIATES
 PROFESSIONAL LAND SURVEYORS
 P.O. BOX 2574
 OLYMPIA, WA 98513
 (360) 486-7359 PHONE (360) 471-2865 FAX
 01-039-5911

DATE	DATE	DATE
01/19/08	01/19/08	01/19/08
SCALE 1" = 200'	SCALE 1" = 200'	SCALE 1" = 200'
SHEET 1 OF 5	SHEET 1 OF 5	SHEET 1 OF 5

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