

**INDEMNIFICATION AGREEMENT
BY AND BETWEEN HUMBOLDT COUNTY AND
NORDIC AQUAFARMS CALIFORNIA, LLC**

THIS INDEMNIFICATION AGREEMENT ("Agreement") is entered into this _____ day of Dec 1, 2020, 2020, by and between the County of Humboldt ("County"), and Nordic Aquafarms California, LLC ("Applicant"), collectively the "parties." This Agreement is effective as of Dec 1, 2020, 2020.

RECITALS

WHEREAS, Applicant leases the real property referred to as the Assessor's Parcel Number (APN) 401-112-021 identified in Exhibit "A" to this Agreement (hereinafter the "Property"); and

WHEREAS, Applicant has submitted an application to the County for the following entitlement (hereinafter, the "Project"):

Application #: PLN-2020-16698

An application for a Coastal Development Permit to redevelop the site of the decommissioned Freshwater Tissue Samoa Pulp Mill facility (pulp mill) in order to construct a land-based finfish recirculating aquaculture system (RAS) facility (aquaculture facility) and install a three to five-megawatt (3-5 MW) photovoltaic solar panel array covering approximately 690,000 square feet of the facility roofs. A Special Permit is required pursuant to Section 313-109.1.5.2 for an exception to the loading space requirements. See Exhibit "B" attached hereto for the detailed Project Description.

TERMS

NOW, THEREFORE, in consideration of the promises, covenants and provisions set forth herein, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Applicant shall defend, indemnify, save and hold harmless the County of Humboldt, its elected and appointed officials, officers, employees, agents and volunteers (collectively, the "County Parties") from any and all third party claims, actions, proceedings or liability of any nature whatsoever (collectively, "Claims") (including, but not limited to: any approvals issued in connection with the above described Application by County; any action taken to provide related environmental clearance under the California Environmental Quality Act ("CEQA") by County's advisory agencies, boards or commissions, appeals boards, or commissions, Planning Commission, or Board of Supervisors; and attorneys' fees, costs and awards) arising out of, or in connection with, the County's review or approval of the Project or arising out of or in connection with the acts or omissions of Applicants and Owners, their agents, employees or contractors; provided, however, the foregoing obligation of Applicant shall not apply to the extent any Claims arising out of, or in connection with, the fraud or criminal misconduct by any of the County Parties.

With respect to review or approval of the Project, this obligation shall also extend to any effort by a third party to attack, set aside, void, or annul the approval of the Project, including any contention the Project or its review or approval is defective because a County ordinance, resolution, policy, standard or plan is not in compliance with local, state or federal law. The obligation of Applicant hereunder shall apply regardless of whether the County prepared, supplied or approved plans, specifications or both.

2. The County will promptly notify Applicant of any such Claim that is or may be subject to the indemnification set forth in Section 1 and will cooperate fully in the defense. The County may, within its unlimited discretion, participate in the defense of any such Claim if the County defends the Claim in good faith.
3. The Office of County Counsel shall have the absolute right to approve all counsel employed by Applicant to defend the County, which approval shall not be unreasonably delayed. To the extent the County uses any of its resources to respond to such Claim, or to assist the defense, Applicant will reimburse the County upon written demand for costs incurred in connection therewith. Such resources include, but are not limited to, staff time, court costs, County Counsel's time at its regular rate for non-County agencies, or any other direct or indirect cost associated with responding to, or assisting in defense of, the Claim. The County and Applicant shall coordinate defense efforts and shall minimize costs of defense to the extent possible.
4. The defense and indemnification of County set forth herein shall remain in full force and effect throughout all stages of litigation including appeals of any lower court judgments rendered in the proceeding.
5. Applicant shall pay all court ordered costs and attorney fees.
6. For any breach of the obligations contained herein, the County may decline to approve the Project or rescind its approval of the Project.
7. Applicant shall not be required to pay or perform any settlement unless the settlement is approved in writing by Applicant, which approval shall not be unreasonably withheld. The County must approve any settlement affecting the rights and obligations of the County.
8. The parties agree that this Agreement shall constitute a separate agreement from any Project approval, and that if the Project, in part or in whole, is invalidated, rendered null or set aside by a court of competent jurisdiction, the parties agree to be bound by the terms of this Agreement, which shall survive such invalidation, nullification or setting aside.
9. This Agreement shall bind and inure to the benefit of the respective heirs, personal representatives, successors, and assigns of the parties hereto.
10. This Agreement shall be construed and enforced in accordance with the laws of the State of California. In any legal action or other proceeding brought by either party to enforce or interpret this Agreement, the appropriate venue is the Humboldt County Superior Court, unless transferred by court order pursuant to California Code of Civil Procedure Section 394 or 395.

11. It is agreed and understood by the parties hereto, that this Agreement has been arrived at through negotiations and that neither party is to be deemed the party which prepared this Agreement within the meaning of California Civil Code section 1654.
12. Each party represents and warrants that the individual(s) executing this Agreement on behalf of such party is duly authorized and has legal authority to execute and delivery this Agreement. Each party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such party's obligations hereunder have been duly authorized.
13. If any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.

After review and consideration of all of the foregoing terms and conditions, each party, by its/their signature(s) below, hereby agree(s) to be bound by and to fully and timely comply with all of the foregoing terms and conditions.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the first date written above.

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT;
AND
- (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER
OR TREASURER

NORDIC AQUAFARMS CALIFORNIA, LLC

By:  Date: Dec 1, 2020
Erik Heim (Dec 1, 2020 17:19 EST)

Name: Erik Heim

Title: President

By:  Date: Dec 2, 2020
Brenda Chandler (Dec 2, 2020 09:03 EST)

Name: Brenda Chandler

Title: CFO

COUNTY OF HUMBOLDT

By:  Date: 2/2/2022

John Ford, Director
Humboldt County Planning and Building Dept.

Attachments

Exhibit A: Map of the Property

Exhibit B: Project Description

Legend

- - - Parcel Boundary (M. O'Hearn 2011 Survey)
- Parcel Boundary provided by CRC
- Proposed Structures
- ↔ HBMWD Water Main Line
- HBMWD Water Trunk Line
- - - Ocean Outfall Connection Path
- Area of Potential Effect

① Building Number



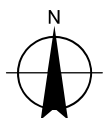
Paper Size ANSI A

0 100 200 300 400 500
Feet

Map Projection: Lambert Conformal Conic

Horizontal Datum: North American 1983

Grid: NAD 1983 StatePlane California I FIPS 0401 Feet



Nordic Aquafarms California, LLC
Samoa Peninsula Sustainable
Aquaculture Development Project
Samoa, Humboldt County, California

Project No. 11205607
Revision No. -
Date Jul 2021

Proposed Aquafarm Site Layout

FIGURE 2-4

Exhibit B

Name of Project: **Nordic Aquafarms Land-Based Aquaculture Project**

Project Description: The applicant (Nordic Aquafarms California, LLC. (NAFC)) is requesting a Coastal Development Permit and Special Permit for the construction of a land-based finfish recirculating aquaculture system (RAS) facility, which includes the development of five buildings totaling approximately 766,530 square feet and the installation of 4.8 megawatt (MW) solar panel array mounted on building rooftops, covering approximately 657,000 square feet. The height of the tallest proposed building is 60 feet. The facility would have an annual production capacity of approximately 25,000-27,000 metric tons of Head On Gutted (HOG) fish once complete. The aquaculture facility would produce fresh head on gutted fish and fillets for delivery to regional markets. The species to be produced at the facility is intended to be Atlantic Salmon.

The project will include ancillary support features such as paved parking, fire access roads, security fencing, and stormwater management features. The project would require approximately 2.5 million gallons per day (MGD) of freshwater sourced from the Mad River, supplied by the Humboldt Bay Municipal Water District via existing infrastructure. The project would require approximately 10 MGD of salt water provided via upgraded intake infrastructure located adjacent to the NAFC Project Site. Treated wastewater would be discharged utilizing the existing Redwood Marine Terminal II ocean outfall pipe, which extends one and a half miles offshore. A total volume of 12.5 MGD is anticipated to be released daily. Wastewater discharge is permitted by the North Coast Regional Water Quality Control Board.

The Humboldt Bay Harbor, Recreation and Conservation District (District) proposes to upgrade/improve and operate two formerly used bay-water intake systems (sea chests) in Humboldt Bay. The water intakes are located approximately one-half mile apart along the Samoa Channel at the Redwood Marine Terminal II (RMT II) Dock and Red Tank Dock. The intake systems were operated by a pulp mill from around 1966 until the mill was closed in 2008. Salt water from the intakes would be used by District tenants and other entities for aquaculture and other allowable uses. A new water line would be installed from the RMT II Dock and Red Tank Dock water intakes to manifolds at RMT I, RMT II and NAFC. The project also includes installation of a fire suppression water line and fire hydrant replacement. The fire suppression line would share a trench with the bay water intake line. The bay water line and fire suppression water line would involve trenching except where it crosses an existing stormwater feature and where the bay water line would run on the edges of Red Tank Dock and RMT II Dock. This water line would be attached to an existing walkway or to a replacement structure of the same size or smaller. The fire suppression water line would terminate near the RMT I manifold, RMT II manifold and at Red Tank Dock. The fire suppression water line would have a maximum outside diameter of 12 inches. The bay water line would range from 18-36 inch maximum outside diameter. The maximum width of ground impacts would be 19 feet in sections where both pipes occur and 17 feet where only one pipe occurs.

The proposed aquaculture facility will include life cycle development, from egg to harvestable fish, contained indoors in separate buildings connected by swim pipes for fish transfer. The facility would include the following design elements:

1. A hatchery operation where eggs are hatched, and fish fry grow to juvenile size (Building 3)
2. A grow-out operation with large tanks where fish are grown to market size (Buildings 1 & 2)
3. A fish processing facility from which fish is processed and fresh product is shipped out 4 days a week, coproducts are chilled and stored for sale (Building 4)
4. Backup systems that will enable critical functions to operate for many days in the event of a power outage
5. Oxygen generation plant and liquid oxygen storage
6. Water intake treatment that ensures consistently clean water for the fish (Buildings 1 & 2)
7. An advanced wastewater treatment plant to treat the discharge water, including a Moving Bed Biofilm Reactor, a membrane bioreactor, and Ultraviolet (UV-C) dosing (Building 5)
8. Administrative building and associated operations/maintenance facilities (Building 4)

Project phasing: The aquaculture facility is anticipated to be built out in two primary phases, with preliminary site preparation (Phase 0):

1. Phase 0 - Brownfield Redevelopment (2022): asbestos abatement; structure demolition; soil remediation; waste stream characterization, transportation, and disposal.
2. Phase 1 – Brownfield Redevelopment and Aquaculture Facility Stage 1 (2022 - 2023): Intake and outfall connections; ground densification to prepare construction of building foundations; construction of Phase 1 grow-out module (Building 1), Central Utility Plant (Building 3), Fish Processing Plant/Administrative (Building 4), Wastewater Treatment and Backup Power (Building 5); Oxygen generation storage; stormwater systems; onsite and offsite biological mitigation.
3. Phase 2 – Aquaculture Facility Stage 2 (2026 or 2027): Ground densification; Phase 2 grow-out module (Building 2); soil remediation; expansion of utilities; existing leach field decommissioning.

The proposed fire suppression systems and sea chests improvements are anticipated to begin prior to construction of Phase 1 of the aquaculture facility. Timing is dependent on obtaining all agency approvals and permits.

Project Location: The land-based aquaculture facility is located in the Samoa area, east of Vance Avenue, approximately 2,000 feet north from the intersection of Vance Avenue and Bay Street, on the property known as 364 Vance Avenue (Assessor Parcel Number 401-112-021). Water intakes are located approximately one-half mile apart along the Samoa Channel in Humboldt Bay at the Redwood Marine Terminal II (RMT II) Dock and Red Tank Dock (Assessor Parcel Number 401-112-014 and 401-031-040).