#### AGREEMENT REGARDING GRANT OF PERMANENT CROSSING EASEMENT

THIS AGREEMENT REGARDING GRANT OF PERMANENT CROSSING EASEMENT is made and entered into as of \_\_\_\_\_\_\_\_\_, 2018, by and between the **North Coast Railroad Authority**, a legislatively created state agency ("NCRA"), and **COMSTOCK HEALDSBURG**, LLC a Delaware Limited Liability Company ("Grantee').

#### Recitals

WHEREAS, NCRA owns that certain railroad right-of-way running between Healdsburg, California and Eureka, California; and

WHEREAS, by separate agreement with NCRA, Grantee or Grantee's predecessor in interest entered into a Permanent Crossing Agreement referenced in Exhibit "A"; and

WHEREAS, Grantee requires the use of a Permanent Emergency Vehicle Access Road Crossing over the NCRA railroad right-of-way to Grantee's property.

#### Agreement

NOW, THEREFORE, the parties agree as follows:

- 1. <u>Grant of Permanent Crossing Easement:</u>
  - a. Within ten (10) days after the date first above written, NCRA will execute (with signatures acknowledged by a notary public) and deliver to Grantee an Easement Agreement in the form attached as **Exhibit "B"**.
  - b. In consideration of NCRA's execution and delivery of the Easement Agreement, Grantee or its successor or assignee, will pay to NCRA the sum of Five Hundred Dollars (\$500.00) annually ("Annual Payment") as compensation for the property rights conveyed herein. The first Annual Payment shall be due and payable concurrently with the execution and delivery of the Easement Agreement. Future payments will be due and payable on the anniversary of the date first written above. Effective as of each anniversary date, the Annual Payment shall be increased to equal the sum of (i) the Annual Payment, plus (ii) the product obtained by multiplying such amount by the percentage increase in the Consumer Price Index measured from the measuring month which is two months preceding the execution of this Agreement to the measuring month two months preceding the anniversary date in question. As used herein, the term Consumer Price Index (Consumer Price Index) shall mean the United States Department of Labors Bureau of Labor Statistics Consumer Price Index,

All Urban Consumers, All Items, San Francisco-Oakland-San Jose, California (1982-84 equals 100), or the successor of such index.

- 2. <u>Payment for Cost Recovery Services</u>: NCRA has determined that its review of the plans and specifications for the Crossing Improvements, and inspections during construction, may require NCRA to incur costs which are chargeable to Grantee. Therefore:
  - a. Grantee will pay all reasonable costs relating to the review of the plans and specifications for the Crossing Improvements, including all related personnel, direct, indirect, overhead and inspection costs, as well as the cost of consultants retained by NCRA to assist in the foregoing.
  - b. Concurrently with any request to review plans and specifications for the Crossing Improvements, Grantee will deposit with NCRA the sum of \$3,000, to be held and applied by NCRA to the payment of all cost recovery expenses as they accrue. NCRA will keep a detailed account of all disbursements from deposited funds, and on a regular basis, will furnish a statement of said account to Grantee. Within ten (10) days after final inspection of the Crossing Improvements and acceptance thereof by the City, NCRA will return to Grantee, without interest, all funds remaining on deposit after payment of all cost recovery expenses. If at any time the balance on deposit is reduced to \$1,000, or less, Grantee will, within ten (10) business days after receipt of a written request from NCRA, make an additional deposit in the amount specified in said written request, provided that such amount will be less than the amount originally deposited and will represent NCRA's reasonable estimate of its ongoing or remaining costs.
  - c. If Grantee does not submit requested funds within the time period set forth above, NCRA may stop all work related to the Crossing Improvements until the payment is made. Grantee further acknowledges and agrees that Grantee's failure to provide the requested funds may result in NCRA stopping its review of the plans and specifications until all costs have been paid. Interest will accrue on all costs unpaid thirty days after a deposit or reimbursement request is made by NCRA at seven percent (7%) per annum and NCRA is entitled to recover its costs, including attorney's fees, in collecting unpaid accounts.
- 6. Notices: All notices and other communications under this Agreement will be in writing and will be deemed to have been duly given (i) on the date of delivery, if delivered personally to the party to whom notice is given, or if made by telecopy on a regular business day directed to the party to whom notice is to be given at the telecopy number listed below, or (ii) one business day following deposit with an overnight courier, or (iii) at the earlier of actual receipt or the third business day following deposit in the United States mail, postage prepaid. Notices and other communications will be directed to the parties at the addresses shown below. A party may change its person designated to receive notice, its telecopy number, or its address from time to time by giving notice to the other party in accordance with the procedures set forth in this Section.

NCRA: Attention: Mitch Stogner

419 Talmadge Road Ukiah, CA 95480 Fax: (707) 463-3282

Quaker Hill: Nicholas Long

COMSTOCK HEALDSBURG, LLC 2301 Rosecrans Avenue, Suite 1150

El Segundo, CA 90245

- 7. <u>Suspension or Termination of Agreement</u>: Prior to commencement of the construction of the Crossing Improvements, Grantee may elect to suspend, or terminate this Agreement in its entirety, upon ten (10) days' written notice to NCRA.
- 8. <u>Entire Agreement: Modifications in Writing</u>: This Agreement contains the Parties' entire agreement. Any modifications or additions to this Agreement must be made in writing by the Parties.
- 9. <u>Assignment</u>. Grantee may assign this Agreement to another person or entity, subject to NCRA's prior written approval, which approval shall not unreasonably be withheld, conditioned or delayed.
- 10. <u>Exhibits and Schedules</u>: All Exhibits and Schedules attached to this Agreement are incorporated herein by this reference.
- 11. <u>Authorization</u>. This Agreement will only be executed by authorized representatives of the Parties. The persons executing this Agreement represent that they have the express authority to enter into agreements on behalf of their respective Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date first above written.

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NORTH COAST RAILROAD AUTHORITY

Ву:	By:
Name:	Name:
Title:	Title:
	Attest:
	Name:
	Title:

## Approved as to the rights and obligations of NWP Co.:

NORTHWESTERN PACIFIC RAILROAD COMPANY

By:	
Name:	
Title:	

## **EXHIBIT A**

## **Permanent Crossing Agreement**

#### EXHIBIT "A"

## Legal Description for Emergency Vehicle Access Easement

Lying within the State Of California, County of Sonoma, City of Healdsburg and being a portion of the lands of the North Coast Railroad Authority as described by Deed recorded under Document No. 1996-038424, Sonoma County Records, said portion being more particularly described as follows:

An easement for emergency vehicle access, the sidelines of which lie 16.00 feet on each side of the following described centerline:

Commencing at a 6" x 6" concrete monument marking the westerly Right of Way of Healdsburg Avenue as shown on that map entitled Saggio Hills, filed for record in Book 795 of Maps at Pages 31-40, Sonoma County Records; thence North 18°26′22" East, 455.28 to a point on the easterly line of said lands of North Coast Railroad Authority and the True Point of Beginning; thence leaving said easterly line, North 72°26′39" West, 80.00 feet to the westerly line of said lands of North Coast Railroad Authority and the terminus of said centerline.

The sidelines of said easement shall lengthen or shorten to intersect with the easterly and westerly lines of said lands of North Coast Railroad Authority.

Being a Portion of APN 091-060-033

Containing 2,560 Square Feet, more or less.

See Exhibit "B" for graphic depiction.

This description prepared by Carlile • Macy.

Jonathan R. Olin

PLS 7590

Exp. 3/31/20

L.S. 7590

APPEOF CALIFORNIA

Date

**END OF DESCRIPTION** 

#### **EXHIBIT B**

#### **Easement Agreement**

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:

Nicholas Long COMSTOCK HEALDSBURG, LLC 2301 Rosecrans Avenue, Suite 1150 El Segundo, CA 90245

(Space Above For Recorder's Use)

# **EASEMENT AGREEMENT**

Permanent Emergency Vehicle Access Road Crossing of Railroad Line

THIS GRANT OF EASEMENT is made and entered into as of June 13, 2018, by and between the **North Coast Railroad Authority**, a legislatively created state agency ("NCRA"), and **COMSTOCK HEALDSBURG**, **LLC** a Delaware Limited Liability Company ("Grantee").

#### Recitals

WHEREAS, NCRA owns that certain railroad right-of-way running between Healdsburg, California and Eureka, California; and

WHEREAS, by separate agreement with NCRA, Grantee or Grantee's predecessor in interest entered into a Permanent Crossing Agreement referenced in Exhibit "A"; and

WHEREAS, Grantee requires the use of a private crossing for emergency vehicle access over the NCRA railroad right-of-way to Grantee's property.

## Agreement

NOW, THEREFORE, the parties agree as follows:

- NCRA hereby grants to Grantee the right to construct, reconstruct, maintain
  and use a street or roadway and underground utilities, hereafter termed
  "roadway", upon and across the real property described and depicted in
  Schedule 1, attached hereto and made a part hereof by this reference,
  subject to the following terms and conditions.
- 2. This grant is subject and subordinate to the prior right of NCRA, its successors and assigns, to use all of the property described in the performance of its duty as a common carrier, and there is reserved unto NCRA, its successors and assigns, the right to construct, reconstruct, maintain, use and remove existing and future transportation, communication, power and pipeline facilities in, upon, over, under, across or along said property. In the event NCRA's trackage facilities are removed from said property, NCRA shall not be obligated to make any change in the grade of said roadway, nor shall such removal affect NCRA's title to the underlying property.

This grant is subject to all licenses, leases, easements, restrictions, conditions, covenants, encumbrances, liens, and claims of title which may affect said property, and the word "grant" shall not be construed as a covenant against the existence thereof.

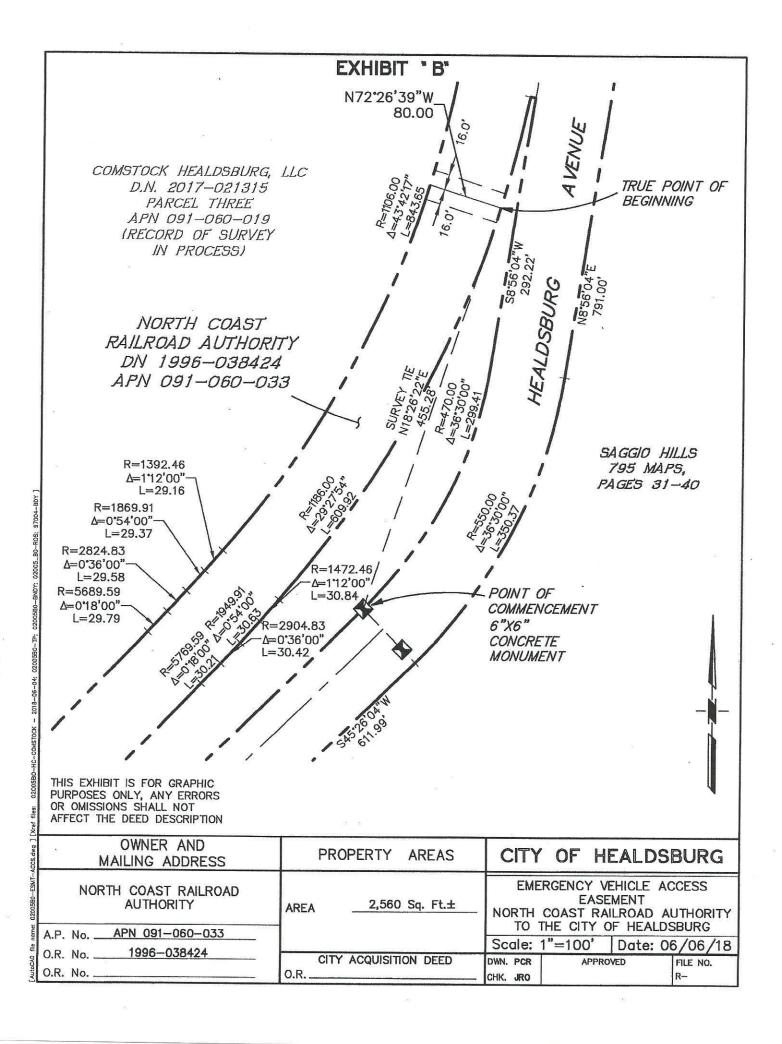
- 3. This grant shall not be construed as conveying or otherwise vesting in Grantee the right to install or authorize the installation of any above ground utility facilities, except as necessary for maintenance of said roadway.
- 4. Grantee shall obtain any necessary governmental authority to construct, reconstruct, maintain and use said roadway. Any contractor performing work on the property herein described shall comply with NCRA's Contractor General Safety Requirements attached hereto as **Schedule 2**.
- 5. Except as herein provided, Grantee shall bear the entire expense of constructing, reconstructing and maintaining said roadway. The crossing of said roadway over any tracks of NCRA shall be constructed and maintained at the grade of said tracks now or hereafter existing. After the construction or reconstruction of said roadway has been completed, Grantee shall maintain (i) the surface of that portion of said roadway outside of the rails of each track located thereon, and (ii) the locked-gated access to the roadway.

- 6. Should Grantee as anytime abandon the use of said property or any part thereof, the rights granted shall cease to extend the use so abandoned, and NCRA shall at once have the right, in addition to but not in qualification of the rights herein above reserved, to resume the exclusive possession of said property or part thereof the use of which us so abandoned.
- 7. Grantee may assign the Indenture to any person or entity, including the City of Healdsburg.
- 8. This Indenture shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.
- 9. This Indenture may be executed simultaneously in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Indenture, effective as of the date first above written.

COMSTOCK HEALDSBURG, LLC	NORTH COAST RAILROAD AUTHORITY
Ву:	Ву:
Name:	Name:
Title:	Title:
	Attest:
	Name:
	Title:

# Schedules 1 of Exhibit B Legal Description of Crossing Property



## Schedule 2 of Exhibit B Contractor General Safety Requirements

Presented to protect the employers and employees of all outside contractors or other entities that will be working in or about the right of way of the Northwestern Pacific

Safety is of prime importance in performing any of the service under contract with the Northwestern Pacific Railway Co., LLC (the Carrier"), the North Coast Railroad Authority, and/or the Northwestern Pacific Railroad Authority (the "Owner(s), and collectively refereed to as the "Railroad"). The Railroad does not in any manner assume the control or responsibility of the Contractor, or other outside entity, to provide safe working conditions for the Contractor's employees or subcontractors in requiring the Contractor, or other outside entity, to the Railroad's general safety requirements. The Contractor, or other outside entity, is responsible for compliance with Federal and State laws and any government regulations, including those related to Track Worker Protection when work is conducted around tracks. Additionally, the Contractor, or other outside entity, is responsible for ensuring all State and Federal Safety Regulations are followed for all construction operations. These governing agencies will include, but are not limited to, the FRA (Federal Railroad Authority) and OSEIA (Occupational Safety & Health Administration). If the Contractor is to be working within 25 feet of live track, his employees must be trained and certified in FRA Track Worker Safety.

Work in the proximity of a Railroad track is potentially dangerous. The Contractor, or other outside entity, and its employees, subcontractors and invitees are governed by the following Safety Rules and General Safety Requirements while on Railroad property. The Contractor, or other outside entity, is responsible for enforcement of these rules and requirements. The Carrier has the right to bar the Contractor, or other outside entity, its employees, subcontractors and invitees from working on Railroad property if the Railroad deems such persons are acting in an unsafe manner.

Safety rules cannot be all-inclusive. Workers must refrain from unsafe and improper practices, including both the violation of written rules and regulations, and rules of common sense.

- The use of alcoholic beverages, intoxicants, narcotics, marijuana or other controlled substances by employees subject to duty or their possession or use while on duty or on Railroad property is prohibited. Workers must not report for duty under the influence of any alcoholic beverage, intoxicant, narcotic, marijuana or other controlled substance, or medication, including those prescribed by a doctor, that may in any way adversely affect their alertness, coordination, reaction, response or safety.
- 2. Scuffling, horseplay, practical jokes and all conduct of a similar nature is prohibited,
- All vehicle accidents resulting in damage to Railroad property will be reported immediately to the General Manager of the Northwestern Pacific.

Revised 6-June-2003

- 4. All persons are prohibited from having firearms or other deadly weapons, including knives with a blade in excess of three inches, in their possession while on duty or on Railroad property, except those authorized to have them in the performance of their duties or those given special permission.
- 5. Good housekeeping is of the utmost importance in the prevention of accidents, injuries and fires. Clean-up will be conducted on a daily basis.
- 6. Tools or work materials must not be left in close proximity (less than 25 feet) to tracks.
- 7. Throwing waste, garbage, bottles, refuse, or other such materials on Railroad property or disposing of such at other than designated locations is prohibited. Each Contractor, or outside entity, will provide refuse containers at the work site and empty them on a daily basis.
- 8. Objects which constitute a slipping or tripping hazard must not be left in walking areas.
- Open fires or fires in barrels are not allowed on Railroad property unless appropriate permits are acquired.
- 10. In all cases, established route of travel in and about the property must be used.
- Railroad vehicles have an unquestioned right-of-way in all circumstances relating to work on or about the track area.
- 12. Workers must not wear or use anything which impairs vision or hearing. Listening to personal radios or tape players is prohibited while on duty.
- All contractor employees working on the Company's property will be required to wear OSHA approved safety glasses with permanently attached side shields, hard hats and above-the-ankle, lace-up, hard toed safety boots with a defined heel and high visibility retro-reflective orange vests. During inclement weather, proper clothing to protect against frostbite, etc., will be worn. Particular attention to footing and the use of proper footwear is essential. Hearing protection, fall protection and respirators will be worn as required by State and Federal regulations. Office employees restricted to office work will not be required to comply.
- 14. All workers will become familiar with and be capable of recognizing Railroad equipment adjacent to the tracks.

Revised 4/2/99

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- Walking, stepping or standing on rails or ties, or sitting on any part of track structure except in performance of duty is prohibited. NOTE: The term "track structure" means the space between the rails and within eight feet outside the rails, unless otherwise specified.
- Workers are prohibited from tampering with switches or any other Railroad equipment unless it is necessary for work operation and only in the presence of an authorized Railroad worker.
- 17. Workers must not go underneath rail cars. They must not occupy rail cars except in performance of their duty.
- 18. Workers must not cross tracks by crossing over or between cars that are coupled together.
- 19. Workers must not attempt to catch onto or ride any moving Railroad equipment, even though it may be moving slowly.
- 20. Workers must not take refuge from rain, heat, etc., under or in cars or other rail equipment.
- Workers are warned that trains, locomotives or cars may be expected at any time, on any track, in either direction, and that they must watch for and keep clear of such movements. Workers must take extra precaution to be on the lookout for approaching trains, especially when working in multiple track territory, when field of vision is limited, or when noisy equipment is in use. A portable air körn may be used by a designated person to warn workers of approaching trains or equipment. Under certain conditions, trains and equipment can approach without being heard. Proper attention and protection are essential to personal safety when working near Railroad tracks.
- Workers shall not work on the track, between tracks in multiple track territory, or nearer than 25 feet to the track without proper flag protection provided by the Railroad, unless the track is protected by track bulletin and work has been authorized by the Railroad. The Railroad must be given 72 hours notice to allow time to arrange for a flagman once the contractor has identified the need to be within 25 feet of the center line of track.
- 23. Any work within 25 feet of the rail, without consideration to height, must be stopped in the clear to acknowledge approaching and passing trains and be under the direction of the Railroad flagman.
- Work in tunnels, on bridges and overpasses must be done in accordance with a safety plan agreed upon by the Chief Engineer or his representative prior to beginning work in these areas. When work is being done in tunnels, specific requirements must be met and work done under the Railroad's supervision.

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- 25. Do not wave arms or objects violently except in an emergency; this is a STOP signal.
- 26. Workers must not make any movement toward an approaching train or operate machinery in a manner that would cause the engineer to believe that the track is going to be fouled.
- 27. Crossing tracks immediately in front of moving equipment is prohibited.
- 28. When necessary to cross any track, look both ways and keep at least 25 feet from the nearest end of stationary rail cars.
- 29. Machines may be operated across tracks only at established grade crossings. If it is necessary to do so at any other location, it may be done only with permission of and under the supervision of the Chief Engineer or his representative on site. All heavy equipment provided or leased by the Contractor shall be equipped with audible backup warning devices.
- 30. Some rails are conductors of electrical current and are integral parts of the Railroad's operating system. Devices that could shunt this electrical current must not be laid across rails. No hand or portable tools will be left on the rails at any time. Use a wooden lath to provide separation when making measurements adjacent to the tracks.
- 31. Machines or vehicles must not be left unattended with the engine running. If a machine is left unattended, it must be in gear with brakes set. If it is equipped with blade, pan or bucket, that must be lowered to the ground.
- All machinery and equipment left unattended on the right-of-way must be left inoperable and secured against movement.
- 33. When leaving work site areas at night and over weekends, the areas must be left in a condition that will ensure that Railroad employees who might be working in the area are protected from all hazards. Any open pits or holes shall be covered securely and a physical barrier such as a fence placed around the opening.
- Machinery or equipment shall not be stored or left temporarily near a highway grade crossing in such a manner as to interfere with the sight distances of persons approaching that crossing. Prior to beginning work, the Contractor, or other outside entity, with concurrence of the Chief Engineer or his representative on site, will establish a storage area.
- 35. Cutting or knocking down trees or moving rocks and other materials that might fall on the track structure or on communications or power lines is prohibited, unless done with the approval and supervision of the Chief Engineer or his representative.

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- 36. Workers must not create and leave any condition at the work site that would interfere with water drainage.
- 37. Safeguards and safety signs must be kept in place and in good condition. It is the responsibility of the Contractor, or other outside entity, to provide same.
- 38. Each person in charge of a work party must be familiar with the Mile Post location of the area in which work is being performed so that in cases of emergencies the exact location may be given to Railroad personnel.
- 39 In cases of emergency, it may be necessary for the Contractor's employees or agents to flag and stop approaching trains. Flagging equipment should consist of red fusees and/or red flags.
- 40. When emergency flagging is necessary, Workers should protect against trains moving in both directions.
- 41. If required to perform emergency flagging, Workers must understand that a great distance is required in which to stop a moving train. The Railroad flagger must be at least 1.5 miles from the point being protected in order to provide minimum distance for the locomotive engineer to stop the train. A stop signal is given by swinging the lighted fusee or red flag at right angle to the track, but the engineer will recognize the stop signal if given violently in any manner from a point near the track, Workers, when giving a stop signal, must not stand on or within fouling distance of the track, as normally the engineer will not have the required stopping distance to stop short of the point where the signal is being given.
- 42. When an emergency exists or if any hazard is noticed on passing trains, the Engineer or his representative on site must be notified immediately.
- 43. High frequency radios (not CBs) shall be used by all crews for emergency communications between crews.
- 44. Radio transmitters must not be operated when located less than 250 feet from blasting operations.
- When it is necessary to create a hazardous condition in performing work on or in the vicinity of a track, proper protection must be afforded in accordance with a safety plan submitted to and approved by the Chief Engineer or his representative prior to creating the hazardous condition, as well as taking any other precautions that may be necessary to protect the condition.

- 46. Before excavating, it must be ascertained by the Contractor, or other outside entity, if there are underground electric wires, cables, or pipe lines in the vicinity. Excavating on the right of way could result in damage to buried cables resulting in delay to Railroad traffic. Before any excavation commences, contact the Northwestern Pacific signal and track representative in charge of the area. All underground and overhead wires are to be considered HIGH VOLTAGE and dangerous until verified with the company having ownership of the line. It is the Contractor's responsibility to notify any other companies that have underground utilities in the area before excavating.
- 47. If obstructions are encountered that do not appear on drawings, the Chief Engineer must be notified immediately before continuing excavation in the area. If the obstruction is a utility, and the owner of the utility can be identified, then the owner should also be notified immediately. If there is any doubt about the location of underground cables or lines of any kind, no work will be performed until the exact location has been determined. There will be no exceptions to these instructions.
- 48. All excavations regardless of depth will be shored where there is any danger to track structure or personnel.
- 49. No excavation will be left uncovered or unprotected overnight,
- 50. Holes or trenches in the vicinity of the track must be covered, guarded and protected when not being worked on.
- 51. Excavations, trenches or pits on or adjacent to public roads will be physically protected and denoted by highway barriers with flashing lights when not in use.
- All excavations will be backfilled as soon as possible.
- 53. All power line wires must be considered dangerous and of high voltage unless informed to the contrary by proper authority. For lines rated 50KV or below, minimum clearance between the lines and any part of the equipment or load shall be 10 feet. For lines rated over 5 0KV, minimum clearance between the line and any part of equipment or load shall be 10 feet plus 0.4 inches for each 1KV over 50KV. If the capacity of the line is not known, minimum clearance of 20 feet must be maintained. A person shall be designated to observe clearance of the equipment and give a timely warning for all operations where it is difficult for an operator to maintain the desired clearance by visual means.
- 54. All work over or within water will meet State and Federal regulations.
- 55. When Contractor, or other outside entity, employees are required to work on Railroad property after normal working hours or on weekends, the Railroad representative in charge

of the project must be notified. No one will be allowed to work alone during the times specified above. When it is necessary to work during these times, a minimum of two employees are required to be present. This could be a Railroad employee with a Contractor employee or two Contractor employees.

- 56. Equipment and vehicles must operate at a safe speed, being aware of operating conditions as well as other equipment and persons working in close proximity. Extreme caution must be exercised at all grade crossings.
- 57 IN ALL CASES OF UNCERTAINTY, THE SAFEST COURSE MUST BE TAKEN!
- 58. Contractor General Safety Requirement: IMPORTANT: Disregard of any of these safety requirements may result in Contractor, or other outside entity, being shut down for a minimum of 48 hours on Railroad right-of-way while infraction is investigated. Based on findings of the investigation, it will be determined if the Contractor, or other outside entity, will be allowed to work on Northwestern Pacific right-of-way in the future.

Revised 4/2/99