

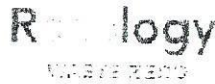
Background Information

For 8/31/2017 NCRA Property Committee Meeting

- E-1** • PG&E After Discovery Encroachments:
- PG&E currently has an active Blanket easement agreement for occupancies in NCRA's Right of Way (ROW) – The agreement identifies the specific PG&E occupancies & has a provision for PG&E apply to add occupancies after the agreement was executed. NCRA has the right to disapprove.
  - Parallel Infrastructure identified several PG&E encroachments during the physical Right of Way Audit & has since engaged PG&E to legitimize the encroachments.
  - After validating the 32 encroachments (after discovery occupancies) & much negotiation with PG&E, a tentative agreement has been reached for PG&E to pay a one-time payment of \$96,000 in order to add them to the current blanket agreement enforce. NCRA has the option to approve or disapprove of the additional installed crossings.
    - The \$96,000 is broken down into \$32,000 in Application/Administrative Fees (\$1,000 per crossing) & \$64,000 in crossing fees (\$2,000 per crossing).
    - The fee structure would be applied as additional crossings are discovered & validated.

- E-2** • Recology Inc. Grade Crossing Easement (Milepost 300.9 – Vance Ave, Samoa, CA)
- Recology is purchasing the property adjacent to the NCRA ROW & Grade Crossing on Vance Ave (APN: 401-031-067) & would like to secure the right to cross NCRA's 30' wide ROW.
  - It is an existing paved crossing. An annual crossing license was proposed at \$2,000/annually with an escalation of 3% per annum. Recology replied with a counter of a \$25,000 one-time payment for the 30' x 30' grade crossing (see associated counter offer).
  - The Present Value of the \$2000 annual fee annualized over the next 20 years with a 3% growth rate & a discount rate of 8% would generate about \$24,500.
  - Recology has submitted an application for the easement.

  
Mike Dannelly  
FEC Real Estate Services  
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August 22, 2017

Mike Dannelly  
Corridor Management  
FED Real Estate Services (as asset manager for NCRA)  
[Mike.dannelly@fecrwy.com](mailto:Mike.dannelly@fecrwy.com)

Dear Mike,

As we've previously discussed, Recology Humboldt County has entered a purchase and sale agreement to purchase the real property located at 555 Vance Avenue. Outlined below are the terms we discussed verbally on Friday, August 18, 2017 regarding Recology Humboldt County's request that the North Coast Railroad Authority ("NCRA") grant a permanent non-exclusive easement to Recology Humboldt County.

**PROPOSAL:**

**Agreement:** Easement Grant Deed

**Purpose:** Permanent non-exclusive easement for at grade commercial crossing, including vehicular and pedestrian ingress and egress from the Dominant Estate to Vance Avenue

**Dominant Estate:** 555 Vance Avenue (APN 401-031-067)


**Servient Estate:** Arcata-Samoa Branch Line at NCRA ROW Milepost 300.9+/- (Arcata-Samoa Branch Line), approximately 30'x30' in dimension.

**Consideration:** \$25,000, payable upon recordation of the easement. \$1,000 application fee; completed application enclosed herewith.

**Subordination:** NCRA will obtain subordinations of all deeds of trusts to the Easement Grant Deed

We understand that acceptance of the proposal is subject to final approval by NCRA.

Sincerely,

By:   
Eric Potashner  
Vice President and Sr. Director Strategic Affairs  
Recology Inc.

Enclosure