

ASSIGNMENT AND ASSUMPTION AGREEMENT,
with LEASE AMENDMENT

This Assignment and Assumption Agreement, with Lease Amendment ("Agreement") is entered into as of the date of the last signature below, by and among the Petersburg Borough, successor-in-interest to the City of Petersburg, of PO Box 329, Petersburg, AK, 99833 ("Lessor"), Trident Seafoods Corporation, of 5303 Shilshole Ave NW, Seattle, WA, 98107 ("Assignor"), and E.C. Phillips and Son, Inc., of PO Box 7095, Ketchikan, AK, 99901 ("Assignee"). Lessor, Assignor, and Assignee are collectively referred to herein as "the parties".

Recitals

A. The Assignor is the current Lessee under a Lease Agreement with a term commencing September 1, 1990, recorded in the Petersburg Recording District at Book 35, Pages 960-969 ("Lease"). The Petersburg Borough, as the successor-in-interest to the former City of Petersburg, is the Lessor under the Lease. Terms defined in the Lease shall have the same meaning herein.

B. The property subject to the Lease is described as follows:

Lot 1C, Block E, a Tidelands Subdivision located within an unsubdivided portion of Alaska Tidelands Survey No. 9, according to Plat 90-31, recorded on November 23, 1990 in the Petersburg Recording District, First Judicial District, State of Alaska

C. Assignor desires to assign and delegate to Assignee, and Assignee desires to assume from Assignor, all of Assignor's rights, duties, interests and liabilities under the Lease.

D. Lessor is willing to consent to said assignment under certain terms and conditions, and those terms and conditions, as set out below, are agreeable to the Assignor and Assignee.

Agreement

In consideration of the mutual covenants set forth in this Agreement, the parties hereby agree as follows:

A. Assignment of Lease.

Assignor hereby assigns and transfers to Assignee all of Assignor's right, title and interest in and to the Lease. This assignment is subject to all terms and conditions set forth in the Lease, as amended. Notwithstanding the assignment of the Lease, Assignor agrees that it shall remain fully liable for all obligations of the Lessee under the Lease coming due or to be performed after the date of the assignment, as set forth in Section 9.1 of the Lease.

B. Assumption of Obligations.

Pursuant to the terms and conditions of the Lease, as amended, Assignee hereby assumes all obligations of Assignor under the Lease, including but not limited to, the obligations to pay rent and obtain insurance.

C. Lessor's Consent.

Lessor hereby consents to the assignment of the Assignor's interest in the Lease to Assignee. This Consent is a consent only to such direct assignment from Assignor to Assignee and is not a consent to, nor a waiver of, any requirement to obtain Lessor's consent to any other or further assignment of the Lessee's interest in the Lease. It is expressly agreed that this Consent shall not affect any duty, obligation or liability imposed on Lessee under the Lease.

D. Lease Amendment.

The parties agree that Section 12.1 of the Lease, entitled Insurance, is hereby amended as follows:

1. Paragraph (a) is amended by adding the following sentence:

Any workers' compensation or employer's liability insurance policies shall waive all rights of subrogation against the Lessor.

2. A new paragraph (c) is added, to read as follows:

(c) Automobile liability insurance, with a combined single limit of \$2,000,000.

E. Other Provisions.

1. The persons executing this Agreement represent and warrant that each is authorized to execute and enter into this Agreement on behalf of the party for whom s/he has signed and that this Agreement is binding on such party without further action or approval.

2. Any notices, requests, demands and other communications provided for hereunder shall be in writing and sent by U.S. Mail, hand-delivered, or sent by electronic mail to the addresses indicated below:

If to the Lessor:

Petersburg Borough
PO Box 329
Petersburg, AK 99833
dthompson@petersburgak.gov

If to the Assignor:

Trident Seafoods Corporation
5303 Shilshole Ave NW
Seattle, WA, 98107
legalnotice@tridentseafoods.com

If to the Assignee:

E.C. Phillips and Son, Inc.
PO Box 7095
Ketchikan, AK, 99901
xp@arcticpearl.ca

Any party may change its address for notice purposes by giving each of the other parties notice of such change in the manner aforesaid. The above addresses shall amend those set out in paragraph 15.2 of the Lease.

3. The parties agree that this Agreement may be recorded and shall constitute a notice or memorandum of lease for purposes of notifying the public as to the terms of the Agreement.

4. This Agreement may be executed by the parties hereto by electronic signature and in counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

5. This Agreement shall be immediately effective.

[Signatures on following pages]

ASSIGNEE:

**E.C. Phillips and Son, Inc.
PO Box 7095
Ketchikan, AK, 99901**

By: Stephen Liu
Its: Chief Executive Officer

Dated : _____

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that before me, the undersigned Notary Public for the State of Alaska, duly commissioned and sworn as such, personally appeared Stephen Liu, to me known to be the individual named in and who executed the foregoing instrument as the Chief Executive Officer of E.C. Phillips and Son, Inc., and acknowledged to me that he signed the same in the name of and for and on behalf of E.C. Phillips and Son, Inc. as his free and voluntary act and deed, under proper authority, for the uses and purposes therein mentioned.

DATED: _____

[Notary Signature]

[Type or Print Name of Notary]

NOTARY PUBLIC for the State of Alaska

My appointment expires: _____

