

EXHIBIT "B"
Plan of Operations
Jamestown S'Klallam Tribe
Oyster and Geoduck Aquaculture Lease No. 20-A013012
Dungeness Bay
July 14, 2007

Site Description: The lease area is located on second class tidelands owned by the State of Washington, in front of and adjacent to, or abutting upon the southeasterly side of Government Lots 1, 2 and 3, Section 23, Township 31 North, range 4 West, WM. Clallam County, Washington comprising +/- 52 acres. The area is in the northern part of the bay and encompasses a rather narrow band of land that lies parallel and near the south side of the spit. The lease area is located within the boundaries of the Dungeness National Wildlife Refuge.

Condition of Site at Present:

Flora and Fauna:

The Dungeness NWR provides habitat for many wildlife species. More than 250 species of birds, 41 species of land mammals, and eight species of marine mammals have been recorded in the refuge. It provides critical habitat for a number of these species, some of them threatened or endangered, and is an important stop for many migratory birds.

The Black Brant, which depends on the refuge's eelgrass for its survival, is one of the refuge's most important inhabitants. The black brant is a true sea goose and is able to drink salt water and eat saltwater plants. Approximately 1,500 of these birds spend the winter in the area. In March, as a result of migrations, the number of brant increases to a peak of up to 8,000 birds in late April. Most of the brant can be found on the tideflats to the west and east of Graveyard spit.

At risk birds using Dungeness Bay include the bald eagle, western snowy plover, peregrine falcon, harlequin duck, and marbled murrelet. Other more common species that can be seen are pigeon guillemots, common murre, buffleheads, black oystercatchers, surf scoters, and northern shovelers.

Harbor seals are common in the bay, and can often be found hauled out on the beaches.

Dungeness Harbor is an important nursery habitat for a variety of types of fish, including anadromous salmonids such as pink, Chinook, coho, and chum salmon. It is especially important for the dwindling wild population of Dungeness River pink salmon. The eelgrass beds and shoreline provide escape cover for juvenile salmon. Other fish that use the harbor as a rearing area include: steelhead, cutthroat, lingcod, and Dolly Varden.

Littleneck and manila clams occur along the inside of Dungeness Spit. Other species occur in the upper portions of Dungeness Harbor. Dungeness Crab are found throughout the harbor area, east of Graveyard Spit and along the outside of Dungeness Spit.

Eel grass plants in loose clumps inhabit the lease area. There are no dense, continuous eelgrass beds in the lease area. During the summer months, sea lettuce becomes thick in some areas reducing visibility to the sand/mud bottom and has hampered commercial oyster harvest in past years.

Brief Description on Area and Sediments: Most of the refuge acreage is on the spits which are characterized by sand and cobble beaches surrounded by tidal mudflats and eelgrass beds. There are also two tidal ponds, a large one at the junction of the two spits and a smaller one about 1/2 mile east of Graveyard Spit on the Bay side of Dungeness Spit. Graveyard Spit is closed to the public and set aside as a Research Natural Area because of its unique vegetation. The tideflats within the lease area are composed of mud and fine sand sediments that are 1-2 feet in depth.

Upland, Uses, and Ownership: The leased tidelands are within the boundaries of the USFW Dungeness Wildlife Refuge, which provides critical habitat for wildlife and allows seasonal and limited recreational activities. The U. S. Fish and Wildlife (USFW) retains a use deed with DNR for tidelands in the bay and has consultation rights for any activity that occurs on tidelands included in the use deed.

Survey:

An updated survey will be provided to DNR from the Lessee by September 1, 2007.

Access to Site: Foot access to the tideland lease is possible via the Dungeness spit, however, because the distance to between the lease and parking is several miles, motorized boats will be used to access the lease.

Past Uses: In 1990, the Jamestown Tribe assumed the Dungeness Bay tideland leases previously held by commercial shellfish growers who maintained a lease with the Department of Natural Resources. The Jamestown Tribe has paid commercial lease rates, farmed and sold pacific oysters, and experimented with other types of oysters, clam and geoducks. The Tribe's commercial shellfish business was recently closed by economic infeasibility, health closures that affected the timing of harvest, increased costs associated with processing oysters that were marred by Denman's Island disease. Additionally, increases seasonal growth of sea lettuce during the summer complicated harvest operations and shortened harvest seasons. Subsequently, some 60, 000 stakes and related netting and lines used in the commercial cultivation were removed from the leased tidelands.

Description of Uses Adjacent to the Site: None

Permits Required by the County: None required

Licenses/Certification: DOH Shellfish License WA-0588-HA

Overview of Operations

The goal of the continued cultivation of shellfish for the near future on this lease will be to assist in assessment and monitoring of the health and productivity of Dungeness Bay. The existence and productivity of shellfish are considered an indicator of clean water and a healthy ecosystem in the Straits of Juan de Fuca and adjacent waters. It is expected that the Washington State Dept of Health (DOH) will continue to test water quality in the bay for shellfish cultivation. The Tribe plans to implement an off-bottom oyster operation on the lease with the use of Aquapurses (See attached map). A two year grow out period is required for off-bottom culture. We will plant diploid oysters, which will reach harvestable size in two years, and triploid oysters which will be harvested at the end of one year. Although triploids can be harvested sooner, diploid oysters are more resilient than triploids in warm conditions. The culture area will encompass approximately 100x100 foot plot, roughly equivalent to one quarter acre within the lease area. It will entail using no more than three dozen metal fence posts, rope, and 60 aqua-purses. The size, location, and culture methods used to grow oysters will be discussed and approved by DNR and USFW prior to establishment. The Tribe will strive to recognize and plan work in the Bay from May 15 through July 30 when cultivation activities will be least disruptive to use of the Bay by Brant and other waterfowl. The Tribe will confer with USFW before conducting activities on the lease outside this window.

A small test plot of geoducks was planted in 1997 (about 50 x 100 feet) (see map). Since planting, the predator protection tubes have been removed. A small sample of geoducks will be harvested on a periodically to observe the quality and size of the animals. Any plan to increase or change the number and cultivation of geoduck will be discussed and approved by the DNR and USFW prior to proceeding.

PAYMENT SCHEDULE
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Base Rate:

Due to the experimental /operational nature of this lease, a base rate of \$10.00/ acre will be charged annually. \$10/acre times the number of acres (currently estimated to be 50 acres). Total \$500.00. The annual rent may be adjusted when a survey is completed and may increase or decrease dependent upon the number of acres reflected in the survey.

Remaining Cultivated Oysters:

Any remaining oysters harvested from previous off ground cultivation will continue to be charged \$2.00/bushel until harvest is completed (expected in the next 1-2 seasons).

- 137 oysters/gal/bushel
- 11.5 dozen oysters in a bushel
- A billing will accompany the contract when it goes out for signature.