

## CHANGE ORDER NO. 3

### MODIFICATION OF YUBA COUNTY WATER AGENCY CONSTRUCTION AND OPERATING PERMIT AGREEMENT NEW BULLARDS BAR RESERVOIR

THIS MODIFICATION TO AGREEMENT is made May 8, 2007, by and between SUMMER SOUNDS, INC. ("Summer Sounds"), EMERALD COVE MARINA, INC ("Operator") and YUBA COUNTY WATER AGENCY ("Agency"), who agree as follows.

#### 1. Recitals

1.1 On March 9, 1988, Summer Sounds and Agency entered in the Yuba County Water Agency Construction and Operating Permit Agreement ("Agreement"), a copy of which is on file in the Agency office.

1.2 This Change Order No. 3 approves and implements a transfer and assignment of the Agreement from Summer Sounds to Operator pursuant to paragraph 3 of the General Transactional Terms and Conditions (on page 37) of the Agreement.

1.3 Summer Sounds desires to sell and assign the Agreement to Operator. Agency has reviewed the financial viability, verified professional references and interviewed the management team of Operator and concludes it would be in the best interests of Agency to allow the sale and assignment.

1.4 Operator has been managing the marina since entering into the "Marina Operating Agreement" between Permittee and Operator in July 2006. That agreement expired April 30, 2007. Operator desires to purchase the Agreement and to assume the rights and responsibilities of Permittee under the Agreement until a new agreement can be negotiated.

#### 2. Modification to Agreement. The Agreement is hereby modified as follows:

2.1 For valuable consideration, effective May 1, 2007 (the "Effective Date"), Summer Sounds hereby transfers and assigns the Agreement, the permit under the Agreement, and all rights and responsibilities under the Agreement to Operator. Operator accepts the transfer and assignment and acknowledges that upon the Effective Date, it shall be responsible and liable as Permittee under the Agreement. Upon the Effective Date, Summer Sounds shall have no responsibility or liability under the Agreement; however, Summer Sounds shall remain responsible and liable for acts and omissions that occur prior to the Effective Date. Operator shall be liable for debts and liabilities under the Agreement accruing on and after the Effective Date and Summer Sounds shall remain liable for debts and liabilities that accrue prior to the Effective Date.

2.2 In all sections of the Agreement, PERMITTEE shall no longer refer to Summer Sounds, Inc., but to Operator (Emerald Cove Marina, Inc.)

2.3 The Permittee address shall be 140 Litton Dr., Ste. 210, Grass Valley, CA, 95959 and the telephone shall be 530-692-3200.



3. **No Effect on Other Provisions.** Except for the modifications in section 2, the remaining provisions of the Agreement shall be unaffected and remain in full force and effect.

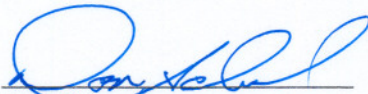
Agency:

Don Schrader  
Yuba County Water Agency  
1402 D Street  
Marysville, CA 95901

Retiring Permittee:

Chris Burton  
Summer Sounds, Inc.  
11214 Tahoe Drive  
Truckee, CA 96161

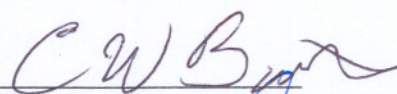
YUBA COUNTY WATER AGENCY

By:   
Don Schrader

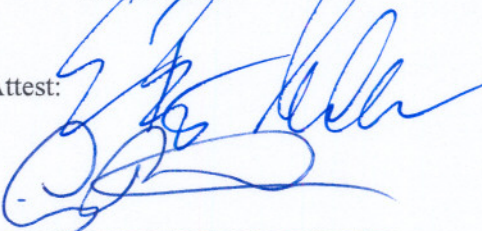
Attest:

  
Secretary

SUMMER SOUNDS, INC

By:   
Chris Burton

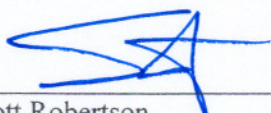
Attest:

  
Secretary


New Permittee:

Scott Robertson  
Emerald Cove Marina, Inc.  
140 Litton Dr., Ste 210  
Grass Valley, CA 95945

EMERALD COVE MARINA, INC

By:   
Scott Robertson

Attest:

  
Secretary