

**LEASE BY AND BETWEEN THE  
CRESCENT CITY HARBOR DISTRICT AND  
SAFE COAST SEAFOODS, LLC**

This lease ("**Lease**") is executed this 23 day of July, 2021 by and between the Crescent City Harbor District ("**Landlord**"), a special district organized pursuant to the California Harbors and Navigation Code, and Safe Coast Seafoods, LLC, a California limited liability company ("**Tenant**"), whose address is 25447 Industrial Blvd., Hayward, California 94545-2931, under the following terms and conditions:

**1. Basic Terms**

1.1 Leased Premises. The leased premises ("Premises"), located at 161 Starfish Way, Crescent City, California are shown on **Exhibit A** and consist of all of the following:

(a) A building ("Building") of approximately 17,523 of square feet of warehouse and commercial space and the footprint of the building;

(b) A surrounding area ("Surrounding Area") of approximately 29,530 square feet immediately outside the Building;

(c) The additional surrounding area ("Additional Surrounding Area #1") of approximately 3,700 square feet;

(d) The exclusive use of the two (2) hoist areas ("Hoists") on the pier and the exclusive use of the pier ("Pier");

(e) The exclusive use of the gravel parking lot area located to the south and southeast of the Building ("Overflow Parking"); and

(f) The square footage of the Surrounding Area and the Additional Surrounding Area are approximate and Exhibit A shall control to the extent there is discrepancy.

1.2 Rental. The monthly rental is: \$6,000.

1.3 Rent Commencement Date. August 1, 2021.

1.4 Use. Warehouse use, including offloading and processing of food, including but not limited to, fish.

1.5 Term. Five (5) years.

1.6 Tenant's Insurance. Tenant shall furnish public liability property damage insurance, fire and casualty insurance, pollution legal liability insurance, and worker's compensation insurance pursuant to Section 6 with the following limits: \$2,000,000 per person and \$2,000,000 per occurrence public liability and \$2,000,000 property damage.

## 2. Premises, Use, Compliance with Laws

2.1 Leased Premises. Landlord hereby leases to Tenant and Tenant hires from Landlord on the terms, conditions and covenants hereinafter set forth the premises of the Crescent City Harbor District listed in Section 1.1 and outlined or described on **Exhibit A** attached hereto and incorporated herein by reference (the "**Premises**"). Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the condition of the Premises or with respect to the suitability of either for the conduct of Tenant's business. The taking of possession of the Premises by Tenant shall establish that the Premises and the Building were at such time in satisfactory condition and that Tenant has accepted the condition of the Premises and the Building in their "as-is" condition.

2.2 Option re Additional Surrounding Area. Tenant shall have a one-time option, exercisable upon 30 days' written notice to Landlord, to modify the Premises by exchanging Tenant's leasehold interest in Additional Surrounding Area #1 for a leasehold interest in Additional Surrounding Area #2, on the same terms and conditions as set forth in this Lease.

2.3 Term. The Term of this Lease shall be as set forth in Section 1.6 unless terminated pursuant to Section 4.

2.4 Use. Tenant shall use the Premises only for the purpose specified in Section 1.4 and shall not use the premises for any other purpose without prior written consent of Landlord thereto.

2.5 Compliance with Law. Tenant shall, at its own cost and expense, conduct its business on the Premises in accordance with all applicable federal, state, county and municipal statutes, ordinances, rules and regulations.

(a) Tenant shall, at its sole cost and expense, comply with the State Water Resources Control Board Order NPDES No. CAS000001, *National Pollution Discharge Elimination System General Permit for Storm Water Discharges Associated with Industrial Activities*, as it currently exists or may hereafter be amended or reissued (the "Industrial General Permit"). Tenant shall keep itself and all subcontractors, staff, and employees fully informed of, adequately trained in, and in compliance with all local, state, and federal laws, rules and regulations that may impact, or be implicated by the Use the Premises authorized by Section 2.4, including, without limitation, all applicable provisions of the Federal Water Pollution Control Act (33 U.S.C. § 1251 *et seq.*); the California Porter-Cologne Water Quality Control Act (Water Code § 13000 *et seq.*); and any and all regulations, ordinances, policies, or permits issued pursuant to any such authority.

(b) Tenant shall procure coverage under the Industrial General Permit to the extent required by law, shall prepare, update, and implement a Storm Water Pollution Prevention Plan, implement all other provisions, and monitoring and reporting requirements set out in the Industrial General Permit.

(c) Failure to comply with the Industrial General Permit may be a violation of federal and state law. Tenant hereby agrees to indemnify and hold harmless Landlord, its officials, officers, agents, employees, and authorized volunteers from and against any and all claims,

demands, losses, or liabilities of any kind or nature which Landlord, its officials, officers, agents, employees, and authorized volunteers may sustain or incur for noncompliance with the laws, regulations, ordinances, Industrial General Permit, and other regulatory mechanisms referenced in this Section arising out of or in connection with Tenant's use of the Premises in accordance with Section 6.

(d) In addition to any other remedy provided herein for a default, Landlord reserves the right to terminate this Lease for a violation this Section and to defend any enforcement action or civil action brought against the Landlord for Tenant's failure to comply with any applicable water quality law, regulation, or policy. Tenant hereby agrees to be bound by, and to reimburse the Landlord for the costs associated with, any settlement reached between the Landlord and any relevant enforcement entity. This Section survives Termination of the Lease.

2.6 Hazardous Materials. Tenant may operate its business so long as the use or presence of Hazardous Materials is strictly and properly monitored according to all applicable governmental requirements. As a material inducement to Landlord to allow Tenant to use Hazardous Materials, defined below, in connection with its business, Tenant agrees to deliver to Landlord prior to the Commencement Date a list identifying each type of Hazardous Materials to be present on the Premises and setting forth any and all governmental approvals or permits required in connection with the presence of Hazardous Materials on the Premises ("**Hazardous Materials List**"). Tenant shall deliver to Landlord an updated Hazardous Materials List at least once a year and shall also deliver an updated list before any new Hazardous Materials are brought onto the Premises or on or before the date Tenant obtains any additional permits or approvals. In connection with any Hazardous Materials utilized by Tenant on the Premises, Tenant shall be responsible, at its sole cost and expense, for making any necessary modifications or Improvements either to Premises or Tenant's equipment as required by applicable laws, or any governmental agency, Landlord's insurance company, Landlord's lender(s), Landlord's consultant(s), or prospective purchaser(s). Tenant will, at its sole cost and expense, promptly upon receipt of written notice from Landlord complete such Improvements. If such work is not promptly undertaken and completed, Landlord shall have the right, but not the obligation, to complete such work and to charge such amounts to Tenant as additional Rent under this Lease.

(a) Hazardous Materials and Hazardous Materials Laws Defined. The term "**Hazardous Materials**" shall mean those substances (i) defined as "hazardous substances," "hazardous materials," "toxic substances," "hazardous wastes," "extremely hazardous wastes" or "restricted hazardous wastes;" (ii) stated to be known to cause cancer or reproductive toxicity; or (iii) defined in similar terms as matters which are hazardous to the environment under (a) the laws of the United States, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq., the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., the Federal Water Pollution Control Act, 33 U.S.C. Section 1317 et seq., and the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq., (b) the laws of the State of California including, without limitation, Sections 25117 and 25316 of the California Health and Safety Code, and (c) any of the regulations adopted and publications promulgated pursuant to said laws described in (a) and (b) above, all as they may be amended from time to time ("**Hazardous Materials Laws**").

(b) Compliance With Hazardous Materials Laws. Tenant at Tenant's sole cost and expense, shall comply (and cause sublessees to comply) with all Hazardous Materials Laws pertaining to any Hazardous Materials which are used, generated, stored or disposed on, under or about the Premises by Tenant, its sublessees and invitees, or other persons and entities that are under the control of or at the direction of Tenant.


(c) Tenant's Indemnity Obligations. Tenant shall indemnify, defend, and hold Landlord harmless from and against all claims, demands, actions, damages, liability, and expense including all foreseeable and unforeseeable consequential damages, directly or indirectly arising out of the use, generation, storage or disposal by Tenant, its sublessees, and invitees of any or all of them, of Hazardous Materials, including, without limitation, the cost of any required or necessary repair, clean up or detoxification and the preparation of any closure or other required plans, to the full extent that such action is attributable, directly or indirectly, to the use, generation, storage or disposal of Hazardous Materials.

2.7 Homeland Security. Tenant shall, at Tenant's sole cost and expense, comply with all laws and regulations, including, but not limited to, those of the United States Coast Guard and Landlord applicable to the Crescent City Harbor District insofar as they pertain to Tenant and Tenant's use of the Premises.

2.8 Harbor Regulations. This Lease is subject to the rules and regulations governing the operation of the Crescent City Harbor District. Such rules and regulations and such changes as may subsequently be made or added thereto are incorporated herein by reference.

2.9 Inspection. Landlord or its duly authorized representative shall have the right to enter the Premises at reasonable times with reasonable advance notice during business hours to inspect the condition or the operations of Tenant conduct thereon.

2.10 Inspection by Certified Access Specialist. Landlord discloses that the Premises have not undergone inspection by a Certified Access Specialist as referenced in California Civil Code Section 1938 subsection (e) which provides: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." Pursuant to the foregoing Section 1938(e), Tenant acknowledges and agrees that, if Tenant wishes to have the Premises inspected by a CASp: (i) Tenant must notify Landlord on or before the date when Tenant executes this Lease pursuant to the election below; (ii) the inspection will be at Tenant's sole cost and expense; (iii) the inspection must be scheduled through Landlord and in coordination with the Building's property manager; (iv) any repairs or modifications necessary to correct any violation of construction-related accessibility standards that is noted in the CASp report shall be Tenant's responsibility; and (v) Tenant must provide a copy of the CASp report to Landlord on completion. By initialing below, Tenant represents that:

Tenant wishes to have a CASp inspection of the Premises Initials: \_\_\_\_\_  
Tenant waives its right to have a CASp inspection of the Premises Initials: 

**3. Rent**

3.1 **Rent.** Tenant shall pay Landlord in advance without notice, demand, or setoff, a monthly rental during the Term hereof in the total amount determined at the rates specified in Section 1.2 for the area leased (the "Rent"). All Rent is payable in advance on the first day of each month. If the Term of this Lease commences on a day other than the first day of the month, Rent for the first month of the Term shall be pro-rated.

3.2 **Rent Adjustment.** Beginning one year after the Commencement Date, the Rent shall be increased by an adjustment equal to two percent (2.0%) (the "Rent Adjustment") per year which adjustment shall be effective on each annual anniversary of the Commence Date. Any delay or failure of Landlord in computing or billing Tenant for Rent Adjustment as provided herein shall not constitute a waiver of or in any way impair the continuing obligation of Tenant to pay the Rent Adjustment. Tenant's obligation to pay the Rent Adjustment pursuant hereto shall continue and cover all periods up to the date that this Lease is to expire and shall survive any expiration, termination or renewal of this Lease. The Rent, as specified in Section 1.2 together with the Rent Adjustment is sometimes referred to herein as (the "Rent").

3.3 **Late Charge.** Tenant acknowledges that late payment by Tenant to Landlord of Rent or other charge will cause Landlord to incur costs not contemplated by this Lease. If any installment of Rent, or any other payment due to Landlord, due from Tenant is not received by Landlord within fifteen (15) days after such payment is due, it shall be considered late, and Tenant shall pay to Landlord an additional sum of the greater of \$100 or 6% of the overdue amount as a late charge. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of late payment by Tenant. Acceptance of any late charge shall not constitute a waiver of Tenant's default with respect to the overdue amount or prevent Landlord from exercising any of the other rights and remedies available to Landlord.

3.4 **Document Fee.** Tenant must pay to Landlord a clerical and legal fee for entering or modifying a lease with the Landlord. The current amount of that fee is Five Hundred Dollars (\$500) for each document submitted for approval by the Harbor Master or Board of Commissioners of the Harbor ("Board"), provided, however, that the amount of the fee specified in this section will be superseded by the amount of such fees specified in the Service Fee Schedule adopted by the Board. The fee for entering into or modifying a lease must be remitted for payment prior to the approval of such documents by the Board.

3.5 **Taxes.** Tenant shall pay, before the same become delinquent, all taxes assessed upon the Premises, appurtenances or improvements thereto or upon any interest of Tenant therein. Tenant hereby recognizes and understands that this Lease may create a possessory interest subject to property taxation under California Revenue and Tax Code Section 107.6, and that Tenant may be subject to the payment of property taxes levied on such interest. Any such imposition of a possessory interest tax shall be a tax liability of Tenant solely, and shall be paid for by Tenant; and any such tax payment shall not reduce any Rent due to Landlord. Tenant shall also pay all interest

and penalties any government entity assesses for late payment of any possessory interest taxes that this Lease requires Tenant to pay. Tenant shall within a reasonable time after written notice from Landlord give Landlord reasonable proof that Tenant has paid any possessory interest taxes that this Lease requires Tenant to pay. Nothing herein shall prohibit Tenant from the right to challenge any assessment of possessory interest tax in accordance with the procedures set forth by the taxing authority and where applicable withhold any overcharge by such taxing authority until the disputed matter is resolved. Landlord is a non-taxable entity and any taxes assessed against the Property as a result of Tenant's occupancy shall be Tenant's responsibility.

3.6 Utilities. Landlord is not obligated to furnish utilities or services to the Premises. Tenant shall pay for all utilities and services supplied to said Premises including all installation and connection charges. If utilities or services are furnished by Landlord for use of Tenant, Tenant shall on demand reimburse Landlord for the cost thereof attributable to Tenant. Landlord shall not be liable to Tenant for any failure or interruption of any utilities or other services being furnished to the Premises and no such failure or interruption shall entitle Tenant to abate payment of Rent or to terminate the Lease, unless such failure or interruption is the result of the negligence or willful misconduct of the Landlord.

3.7 Refuse Collection and Janitorial Service. Tenant shall provide, or obtain, a refuse collection service for the Premises at Tenant's sole cost and expense. Tenant shall provide janitorial service to the Premises at Tenant's cost and expense if Tenant desires such services.

3.8 Poundage Fees. The monthly Rent payable under this Lease does not include any poundage fees for product offloads that may be assessed against Tenant pursuant to the provisions of Landlord's Fee Schedule.

#### 4. **Termination**

4.1 Termination. This Lease shall terminate on the date said written notice of termination is served on Tenant in the manner provided by Section 11.1 of this Lease.

#### 5. **Remedies Upon Default**

5.1 Events of Default. The following shall constitute an "Event of Default":

(a) Monetary Default. Except as otherwise provided herein, should Tenant default in the performance of any covenant or provision herein with reference to the payment of Rent or other payment of money or the furnishing of the public liability and property damage insurance required by Section 6, and such default continues for five (5) business days after service on Tenant of a written notice from Landlord of such default, or

(b) Non-monetary Default. Should Tenant default in the performance of any other covenant or provision herein other than payment of money, other than those stated in subsections (c) below, and such default, if curable, is not cured within thirty (30) days after service upon Tenant of a written notice thereof from Landlord, or, if not curable within thirty (30) days, a cure is not commenced within thirty (30) days and diligently prosecuted to completion.

(c) Insolvency, Receivership or Bankruptcy. It shall constitute an Event of Default under this Lease and Landlord, at its option and upon giving written notice of termination to Tenant, may immediately terminate this Lease if any of the following events occur:

(i) The appointment of a receiver to take possession of all or substantially all of the assets of Tenant;

(ii) A general assignment for the benefit of creditors by Tenant;

(iii) The filing of a petition in bankruptcy by or against Tenant and the Lease is not assumed with approval of the Bankruptcy Court within the time prescribed by the Bankruptcy Code;

(iv) Any other action taken or suffered by Tenant because of insolvency.

## 5.2 Landlord's Remedies.

(a) Upon an Event of Default, Landlord may terminate Tenant's right of possession of the Premises and may recover all of the following from Tenant:

(i) The worth at the time of award of the unpaid Rent which had been earned at the time of termination;

(ii) The worth at the time of the award of the amount by which the unpaid Rent, which would have been earned after termination until the time of award, exceeds the amount of such rental loss that Tenant proves could have reasonably been avoided;

(iii) The worth at the time of the award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonable avoided;

(iv) Any other amount necessary to compensate the Landlord for all the detriment proximately caused by Tenant's failure to perform its obligation hereunder or which in the ordinary course of things would be likely to result therefrom, including any costs incurred by Landlord to cure any default by Tenant in the performance of any obligation hereunder.

(b) None of the Landlord's rights herein specified upon an Event of Default by Tenant shall prejudice any other legal remedies available to Landlord other than those herein enumerated and the remedy described by Civil Code section 1951.4 is available to Landlord.

5.3 No Waiver. Efforts by Landlord to mitigate the damages caused by Tenant's breach of this Lease shall not waive Landlord's right to recover damages under this Section 5. For the purpose of Section 5.2 above, the following shall not constitute a termination of Tenant's right to possession:

(a) Acts of maintenance of preservation or efforts to relet the property.

(b) Appointment of a receiver upon initiative of Landlord to protect Landlord's interest under the Lease.

5.4 Re-entry. Upon an Event of Default of Tenant not cured within the time specified in Section 5.1 or if Tenant vacates or abandons the premises, Landlord shall have the right to re-enter the Premises, take corrective action as needed, and take possession thereof with or without terminating this Lease upon giving notice of re-entry required by law

5.5 Remedies Cumulative. All of Landlord's rights, privileges and elections or remedies are cumulative and not alternative, to the extent permitted by law and except as otherwise provided herein.

## 6. **Indemnification and Insurance**

6.1 Indemnification. Tenant agrees to indemnify, defend (with counsel selected by Landlord at Tenant's expense), protect and hold harmless Landlord, its employees, agents, officers, legal counsel, assigns, public officials, any successor or successors to Landlord's interest in the Premises and any future owners of the Premises to whom this Lease is assigned (hereinafter collectively referred to as the "Indemnitees") from and against all claims, actual damages (including but not limited to special and consequential damages), punitive damages, injuries, costs, response costs, remedial costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses arising out of any damage to any person or property occurring in, on, from, or about the Premises, except for any acts of gross negligence or willful misconduct by any Indemnitee. Landlord shall not be liable to Tenant for any damage by or resulting from any act or negligence of any other tenant of property adjoining the Premises or by the owner or occupant of any adjoining or contiguous property. The preceding provisions shall not be construed to relieve any Indemnitee from any liability any Indemnitee may have to Tenant, or third persons, by reason of the California Government Claims Act or resulting from any liability resulting from the gross negligence or willful misconduct of any Indemnitee.

### 6.2 Insurance.

(a) Tenant shall furnish to Landlord a certificate of insurance, duplicate policy, or other evidence satisfactory to Landlord that Tenant has obtained the insurance required by Section 1.6. Each policy shall also provide for at least thirty (30) days' written notice by the insurer to Landlord prior to the cancellation thereof. If such insurance is to be cancelled, Tenant shall promptly notify Landlord of such proposed cancellation. All insurance obtained by Tenant pursuant to this Section shall be with a company licensed by the Insurance Commissioner of the State of California to do business within the State of California. All insurance shall name Landlord, its Board of Harbor Commissioners, its officers, agents and employees as additional insured in such policies, and shall include a waiver of subrogation in favor of Landlord.

(b) Waiver of Subrogation. The parties release each other, and their respective authorized representatives, from any claims (for damage to any person or to the Premises and/or the building in which the Premises are located, and to the fixtures, personal property, Tenant's improvements, and alterations of either Landlord or Tenant in or on the Premises and/or the

building in which the Premises are located) that are caused by or result from risks which are insured against under any insurance policies carried by the parties and in force at the time of any such damage and to the full extent of any proceeds paid under said policies.

(c) Public Liability Insurance. Tenant shall carry and maintain in full force during the Term of this Lease an insurance policy for public liability and property damage in an amount not less than the amount set forth in Section 1.6 insuring any liability arising, or alleged to arise, on account of the death or injury to any person, or loss or damage to property occurring on the Premises, or as a result of the activities of Tenant on or off the Premises, or resulting from the use of the premises by Tenant under this Lease, or resulting from the negligence or intentional acts of Tenant, its employees, agents, or contractors. The public liability and property damage insurance policies obtained by Tenant pursuant to this paragraph shall be primary policies and any public liability and property damage insurance carried by Landlord shall be excess and noncontributing.

(d) Fire and Casualty Insurance. Except for fixtures, trade fixtures, or personal property installed or placed on the Premises by Tenant, fire and extended coverage casualty insurance on the Premises shall be the sole responsibility of Landlord. However, no use except that which is expressly provided in this Lease shall be made of the Premises nor acts done which will increase the existing rate of fire or extended coverage insurance on the Premises or any part thereof, nor shall Tenant sell or permit to be kept, used or sold in and about said premises any article that is prohibited by the standard form of fire insurance policy. Tenant shall, at Tenant's sole cost and expense, comply with any and all requirements pertaining to the Premises of the insurance company providing the fire insurance with a standard extended coverage casualty endorsement covering the Premises.

Fire and extended coverage casualty insurance on fixtures, trade fixtures or personal property installed or placed on the Premises by Tenant shall be the sole responsibility of Tenant at Tenant's sole cost and expense.

(e) Pollution Legal Liability. At all times during the Term of this Lease, the Tenant shall maintain Pollution Legal Liability insurance. Tenant's employees, agents, and contractors, who have a reasonable probability of coming into contact with hazardous materials, shall be adequately trained to comply with and shall comply with all laws and regulations relating to the care and protection of the environment for the duration of the term of this Lease.

(f) Worker's Compensation Insurance. At all times during the Term of this Lease, including, Tenant shall maintain or cause to be maintained with regard to its employees, Workers' Compensation Insurance as required by law.

## **7. Maintenance and Alterations**

7.1 Repair and Maintenance. Tenant shall keep the Premises in good condition and repair and free from dirt and accumulation of waste, normal wear and tear excepted. Tenant at its own cost and expense shall repair any damage to the interior of the Premises, including, but not limited to windows, doors, glass, floor coverings, HVAC system, electrical equipment and plumbing and sprinkler systems, if any; and any damage to the exterior of the Premises (including

parking area, roof and structural members) resulting from Tenant's use of the Premises under this Lease including any damage resulting from Tenant's (or tenant's agent's) negligence or willful misconduct to the piles, Pier from the use of the Hoists, or the Truck Pit.

7.2 Installations, Alterations and Improvements. Tenant shall not make any alterations, additions, improvements or changes to the Premises without the prior written approval of Landlord. All fixtures installed on the Premises (other than all trade fixtures) shall immediately become a part of the realty and belong to Landlord and shall not be removed therefrom by Tenant without the prior written consent of Landlord to such removal.

Tenant may, at Tenant's own cost and expense, install or place such furniture, equipment and machinery or other personal property in or upon the Premises as may be necessary for Tenant's use of the Premises for the purpose for which they are leased. Tenant shall have the right to remove any furniture, equipment and machinery, or other personal property (including without limitation, all trade fixtures) installed or placed in or upon the Premises at Tenant's own expense at any time prior to the expiration or termination of this Lease. In the event of termination of this Lease on less than thirty (30) days' notice as provided in this Lease, Tenant shall have a reasonable time not to exceed thirty (30) days from the date of service of the notice of termination to make such removal. All personal property not removed by Tenant following the expiration or termination of this Lease within the time allowed for removal shall be deemed abandoned by Tenant and may be used or disposed of by Landlord in the manner prescribed by law without any liability to Tenant therefor. Such abandonment shall in no way reduce the obligation of Tenant to make restoration under Section 8.2 of this Lease.

In the event that during the Term of this Lease any alteration, addition or change of any nature to the Premises or to any portion thereof is required by law, regulation or rule (other than a law, regulation or rule of Landlord), the same shall be made by Tenant at Tenant's own cost and expense.

Before making any alteration, addition, improvement or change to the Premises with the prior written consent of Landlord, Tenant shall obtain all approvals and permits as may be required by law, including but not limited to, those of the California Coastal Commission. All such permits and approvals shall be obtained by Tenant at Tenant's sole cost and expense. Tenant also agrees that if any construction projects on the Premises are paid for by Landlord's funds, including offsets, then such construction projects will comply with the same legal requirements applicable to the Landlord (including, but not limited to, competitive bidding requirements, prevailing wage requirements, and public works bonding requirements.)

7.3 Adjustment to Rent. The parties acknowledge and agree that Tenant may be required to undertake installations, repairs and improvements (collectively "Improvements"). As such, Landlord agrees to offset up to fifty percent (50%) of the Rent for Improvements made by the Tenant and in accordance with the requirements described in Section 7.2, specifically including the items set forth in Exhibit B.

## **8. Surrender, Restoration, Holdover**

8.1 Surrender. Upon expiration of this Lease or its prior termination, Tenant shall quietly and peacefully vacate the Premises and surrender possession thereof to Landlord.

8.2 Restoration. Prior to the expiration of this Lease (and only to the extent directed by Landlord) Tenant shall restore the Premises to the condition in which received, ordinary wear and tear and acts of God excepted, or to such improved condition as may have resulted from improvements made thereon by Landlord or Tenant. In the event this Lease is terminated on less than thirty (30) days' notice, Tenant shall be allowed a reasonable period of time not to exceed thirty (30) days from the date of service of the notice of termination within which to complete restoration.

8.3 Holding Over. Tenant may only hold over after the expiration or earlier termination of the term hereof with the express prior written consent of Landlord. Acceptance of Rent is not Landlord's consent to holdover. Without Landlord's express consent Tenant shall become a tenant at sufferance only at a rental rate equal to one hundred fifty percent (150%) of the Rent in effect upon the date of such expiration. Acceptance by Landlord of rent after such expiration or earlier termination shall not constitute a holdover hereunder or result in a renewal. The foregoing provisions of this Section 8.3 are in addition to and do not affect Landlord's right of re-entry or any rights of Landlord hereunder or as otherwise provided by law. If Tenant fails to surrender the Premises upon the expiration of this Lease, Tenant shall indemnify, protect, defend and hold Landlord harmless from all loss or liability, including without limitation, any claim made by any succeeding tenant founded on or resulting from such failure to surrender. Such indemnity shall survive the expiration of this Lease.

## **9. Assignment and Subletting**

9.1 Assignment and Subletting. Tenant shall not permit the Premises to be occupied or used by any person other than Tenant, its agents and employees without Landlord's prior written consent to such operation or use. This Lease may not be assigned nor the Premises sublet by Tenant without the prior written consent of Landlord, which shall not be unreasonably withheld. Tenant shall not be released from any obligations under this Lease due to any assignment or subletting.

## **10. Destruction of Premises, Condemnation**

### **10.1 Destruction.**

(a) Total Destruction. In the event the Premises or a substantial portion thereof are destroyed by any cause so as to render the premises unfit for purposes designated in Section 1.5, or if the Premises are so badly damaged that they cannot be repaired within ninety (90) days from the date of such damage, either party may terminate this Lease by giving to the other party a written notice of termination served in the manner provided by Section 11.1 of this Lease. After such notice of termination has been given, Rent shall be prorated to the date Tenant actually vacates the Premises.

(b) Insured Partial Destruction. If the Premises are partially destroyed by any cause covered by insurance, and the destroyed portion can be rebuilt or repaired within ninety (90) days from the date of destruction, Landlord shall repair the same with reasonable diligence to the extent permitted by the insurance proceeds. In such event, this Lease shall remain in full force and effect, but until the destroyed premises are repaired, Rent paid by Tenant to Landlord shall be reduced in the same proportion that Tenant's square footage leased is reduced by such destruction at the rates specified in Section 1.2 as adjusted from time to time for changes in the Consumer Price Index.

(c) Non-insured Partial Destruction. If the Premises are partially destroyed by any cause not insurable by fire insurance with extended coverage casualty endorsement but can still be used for the purpose designated in Section 1.5 of this Lease, Tenant may, at its option, terminate this Lease unless Landlord rebuilds or repairs the destroyed portion of the Premises within 90 days from the date of destruction. Such termination by Tenant shall be accomplished by serving on Landlord a written notice of termination in the manner prescribed by Section 11.1 of this Lease. This Lease shall terminate on the date such notice of termination is served on Landlord which date shall not be less than 90 days after the date of destruction. If Landlord accomplishes such repair or if Tenant fails to exercise its option to terminate, this Lease shall remain in full force and effect, but until the destroyed premises are repaired, Rent paid by Tenant to Landlord shall be reduced in the same proportion that Tenant's square footage is reduced by such destruction at the rates specified in Section 1.2 as adjusted from time to time for changes in the Consumer Price Index.

(d) Glass Breakage. Glass breakage shall not be deemed a partial destruction within the meaning of Subsections (b) and (c) above.

(e) Waiver of Civil Code Sections. Tenant waives the provisions of California Civil Code Section 1932(2) and California Civil Code Section 1933(4) with respect to any destruction of the Premises.

(f) Tenant's Fault. Notwithstanding anything herein to the contrary, if the Premises or any other portion of the property in which the Premises are located is damaged by casualty resulting from the fault, negligence, or breach of this Lease by Tenant, Rent shall not be diminished during the repair of such damage and Tenant shall be liable to Landlord for the cost and expense of the repair and restoration of the property caused thereby to the extent such cost and expense is not covered by insurance proceeds.

## 10.2 Condemnation.

(a) Condemnation Resulting in Termination. If the whole or any substantial part of the Premises should be taken or condemned for any public use under any regulation, or by right of eminent domain, or by private purchase in lieu thereof, and the taking would prevent or materially interfere with Tenant's Use of the Premises, either party shall have the right to terminate this Lease at its option.

(b) Condemnation Not Resulting in Termination. If a portion of the property of which the Premises are a part should be taken or condemned for any public use under any

regulation, or by right of eminent domain, or by private purchase in lieu thereof, and the taking prevents or materially interferes with the Tenant's use of the Premises, and this Lease is not terminated as provided in Section 10.2 above, the Rent payable hereunder during the unexpired portion of this Lease shall be reduced, beginning on the date when the physical taking shall have occurred, to such amount as may be fair and reasonable under all of the circumstances, but only after giving Landlord credit for all sums received or to be received by Tenant by the condemning authority. Notwithstanding anything to the contrary contained in this Paragraph, if the temporary use or occupancy of any part of the Premises shall be taken or appropriated under power of eminent domain during the Term, this Lease shall be and remain unaffected by such taking or appropriation and Tenant shall continue to pay in full all Rent payable hereunder by Tenant during the Term; in the event of any such temporary appropriation or taking, Tenant shall be entitled to receive that portion of any award which represents compensation for the use of or occupancy of the Premises during the unexpired Term.

(c) Award. Landlord shall be entitled to (and Tenant shall assign to Landlord) any and all payment, income, rent, award or any interest therein attributable to the value of any unexpired portion of this Lease which may be paid or made in connection with such taking or conveyance and Tenant shall have no claim against Landlord or otherwise for any sums paid by virtue of such proceedings. Any other compensation specifically and separately awarded Tenant shall be and remain the property of Tenant.

## **11. Miscellaneous**

11.1 Notice. All notices required herein shall be served by personal service or by registered or certified mail, or by nationally recognized overnight delivery services. Notices shall be addressed as follows:

(a) Notice to be served on Landlord shall be sent to Landlord addressed to Crescent City Harbor District, Attn: CEO/Harbor Master, 100 Citizens Dock Road, Crescent City, California 95531.

(b) Notice to be served on Tenant shall be sent to Tenant addressed to Tenant at the address shown in the introductory paragraph to this Lease, with a copy sent to Tenant's counsel, Michael J. Low, Doyle Low LLP, 3640 Mt. Diablo Blvd, #202, Lafayette, CA 94549.

(c) The date of service of any notice shall be deemed to be 24 hours after the date such notice is deposited in the United States mail or with such overnight delivery service.

11.2 Liens. Tenant shall promptly discharge or cause to be discharged any valid lien, right *in rem*, claim or demand of any kind (except one in favor of Landlord) arising or existing with respect to the Premises. If the same is not promptly discharged by Tenant, Landlord may discharge the same and Tenant shall immediately reimburse Landlord the cost thereof.

11.3 Failure to Insist on Compliance. Landlord's or Tenant's failure to take advantage of any default or breach of covenants on the part of the other party or to insist upon the performance of any terms, covenants and conditions of this Lease shall not be a waiver or relinquishment of such party's right to the future performance of such terms, covenants or conditions. Tenant's or Landlord's obligations with respect to such future performance shall continue in full force and

effect. No custom or practice which may develop between the parties in the course of administering this Lease shall be construed to waive or lessen the right of either party to insist upon the performance by either of any term, covenant or condition hereof.

11.4 Successors in Interest. The terms, covenants and conditions contained herein shall apply to and bind the successors and assignees of all the parties hereto.

11.5 Attorney's Fees. If either party employs an attorney or attorneys to enforce the provisions hereof, the prevailing party (whether by negotiation, settlement or suit) shall be paid his reasonable attorney's fees by the non-prevailing party.

11.6 Amendments, Changes or Additions to Statutes. Whenever reference is made in this Lease to any provision of law such reference applies to all amendments, changes and additions now or hereafter made to such provisions.

11.7 Time. Time is of the essence of this Lease.

11.8 Non-discrimination. In conducting Tenant's activities on the Premises, Tenant must not unlawfully discriminate against employees or applicants for employment or for services or segregate any person or group of any member of the public on account of sex, sexual orientation, marital status, age, race, color, creed, national origin, ancestry, medical condition or physical handicap in the leasing, subleasing, renting, transferring, use, occupancy, or enjoyment of the premises. Tenant must abide by the Federal Civil Rights Act of 1964 and all amendments thereto, and all administrative rules and regulations issued pursuant to the Act

The foregoing provision includes, but is not limited to, the following: employment upgrading, demotion, transfer, recruiting, recruitment advertising, layoff or termination, rates of pay or other forms of compensation, selection for training, including apprenticeship. Tenant shall post notices provided by the State of California or the United States of America or its local government representative setting forth the provisions of this non-discrimination clause in conspicuous places available for employees and applicants for employment.

Tenant shall insert the foregoing provision in all contracts entered into by Tenant in the performance of any work permitted under this Lease except contracts for standard commercial supplies or raw materials.

11.9 Tenant's Representations and Warranties. Tenant hereby represents and warrants as follows:

(a) Tenant has full right, power and authority to execute, deliver, and carry out the terms of this Lease and all documents and agreements necessary to give effect to the provisions contained in this Lease.

(b) Neither Landlord nor any agent or employee of Landlord has made any representation, promise, or warranty except as expressly set forth in this Lease.

11.10 Captions. The captions of this Lease are not a portion of the substantive terms hereof.

11.11 Signs. Tenant shall not erect, install, or make any signs on the Premises without the prior written consent of Landlord thereto. Landlord will not unreasonably withhold its consent to the erection or installation of signs stating the name of Tenant's business of reasonable dimensions and decor.

11.12 Estoppel Certificate. Tenant shall execute and deliver to Landlord within ten (10) days of request a commercially reasonable estoppel statement. Landlord and Tenant intend that any estoppel statement delivered pursuant to this Section may be relied upon by any mortgagee, beneficiary, purchaser or prospective purchaser of the building or any interest therein and failure to execute and return such estoppel shall be a material breach of the Lease.

11.13 Integration. This lease is the final agreement between Landlord and Tenant with regard to the Premises and supersedes all prior agreements (oral/or written), negotiations or representations. This lease may only be modified in writing, approved by Landlord's Board of Harbor Commissioners or CEO/Harbor Master, as applicable, and signed by both Landlord and Tenant.

11.14 Authorized Representatives. Each of the persons whose signature is subscribed hereto warrants that he or she has the proper authority to execute this Lease on behalf of Landlord or Tenant as appropriate.

11.15 Force Majeure. If performance by a party of any portion of this Lease is made impossible by any prevention, delay, or stoppage caused by strikes, lockouts, labor disputes, acts of God, inability to obtain services, labor, or materials or reasonable substitutes for those items, government actions, civil commotions, tsunami, pandemic, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform, performance by that party for a period equal to the period of that prevention, delay, or stoppage is excused. Either party shall have the right to terminate this Lease in the event of Force Majeure for a consecutive six (6)-month period.

11.16 Choice of Law. This Lease shall in all respects be governed by the laws of the State of California.

11.17 Counterparts. This Lease may be executed in several counterparts and all documents so executed shall constitute one Lease, binding on all of the parties hereto, notwithstanding that all of the parties did not sign the original or the same counterparts.

11.18 Subordination. Without the necessity of any additional document being executed by Tenant for the purpose of effecting a subordination, this Lease shall be and is hereby declared to be subject and subordinate at all times to: (a) all ground leases or underlying leases which may now exist or hereafter be executed affecting the Premises and/or the land upon which the Premises are located; and (b) any mortgage or deed of trust which may now exist or be placed upon the land upon which the Premises is situated, or said ground leases or underlying leases, or Landlord's interest or estate in any of said items which is specified as security. Notwithstanding the foregoing, Landlord shall have the right to subordinate or cause to be subordinated any such ground leases or underlying leases or any such liens to this Lease. If any ground lease or underlying lease terminates for any reason or any mortgage or deed of trust is foreclosed or a conveyance in lieu of foreclosure

is made for any reason, Tenant shall, notwithstanding any subordination, attorn to and become the Tenant of the successor in interest to Landlord provided that Tenant shall not be disturbed in its possession under this Lease by such successor in interest so long as Tenant is not in default under this Lease. Within ten (10) days after request by Landlord, Tenant shall execute and deliver any additional documents evidencing Tenant's attornment or the subordination of this Lease with respect to any such ground leases or underlying leases or any such mortgage or deed of trust, in the form requested by Landlord or by any ground landlord, mortgagee, or beneficiary under a deed of trust, subject to such nondisturbance requirement.

[signatures on following page]

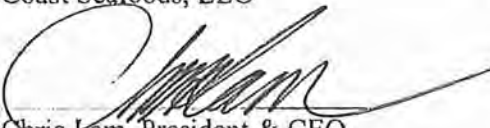
**SIGNATURE PAGE TO  
LEASE  
BY AND BETWEEN THE CRESCENT CITY HARBOR DISTRICT AND  
SAFE COAST SEAFOODS, LLC**

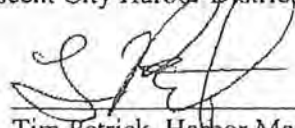
TENANT:

LANDLORD:

Safe Coast Seafoods, LLC

Crescent City Harbor District:

By:   
Chris Lam, President & CEO

By:   
Tim Petrick, Harbor Master

Approved as to form:

Approved as to form:

By:   
Mike Low, attorney for Tenant

By: \_\_\_\_\_  
Ruben Duran, General Counsel

# EXHIBIT B

## Crescent City Facility Work:

	Amount
<b>G&amp;C General Building Contractor &amp; Roofing:</b>	
1 Changing all not properly connected and non-working lights	\$ 35,000.00
2 Roof Leaks from puncture on top of the roof	\$ 2,000.00
3 Water penetrating from right underneath the roof and the sidings	\$ 3,000.00
4 Water proofing and replacing leaked windows for the office	\$ 5,000.00
5 Replace and rewired the computer lines which dangerously ran and left on the floor of the office	\$ 3,000.00
6 Re-enforced the rusted beams	\$ 2,000.00
7 Fixed the floor and the Refrigeration panels	\$ 15,000.00
8 Re-placed non-working toilets, sinks, a	\$ 5,000.00
9 Fixed and painted the broken bathroom partitions for men and women bathrooms	\$ 3,000.00
10 Repainted & Basic maintenance	<u>\$ 1,000.00</u>
Subtotal	\$ 74,000.00
11 Sewer Line reconnection (Woods Plumbing)	\$ 5,500.00
12 Electrical	<u>\$ 25,000.00</u>
Total	<u>\$ 105,500.00</u>

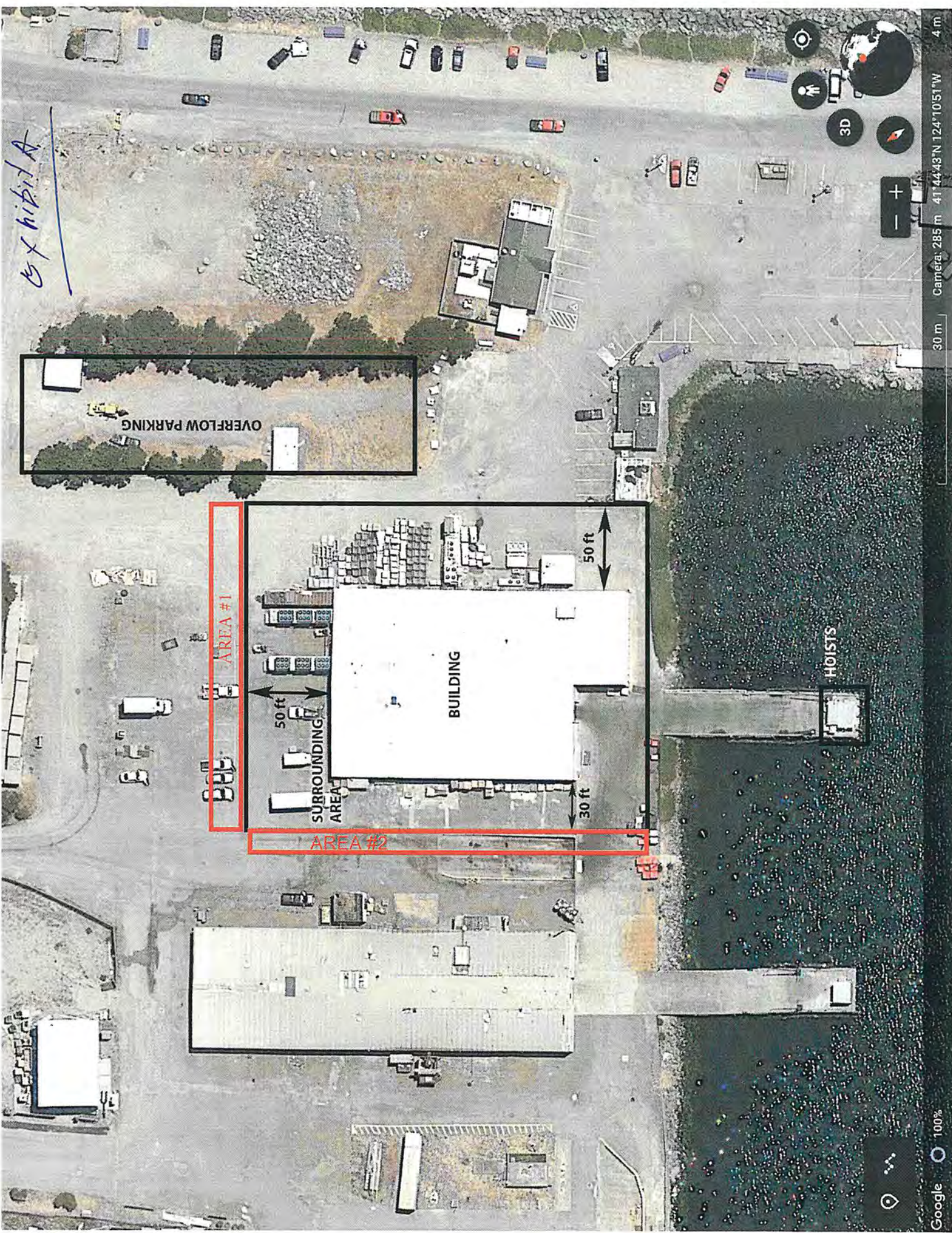


EXhibit A

OVERFLOW PARKING

BUILDING

AREA #1

SUBROUNDING AREA

AREA #2

HOISTS

50 ft

50 ft

30 ft