

Board of Harbor Commissioners

Crescent City Harbor District

17 January 2023

Regular Harbor Commission Meeting



Regular Meeting

Board of Harbor Commissioners of the Crescent City Harbor District

Wes White, President Harry Adams, Secretary
Rick Shepherd, Commissioner; Brian Stone, Commissioner; Gerhard Weber, Commissioner

AGENDA

Date: **Tuesday, January 17, 2023**

Time: **Open Session 2:00 p.m.**

Place: **101 Citizens Dock, Crescent City, CA, and via Zoom Webinar,**

VIRTUAL MEETING OPTIONS

TO WATCH (via online)

<https://us02web.zoom.us/j/6127377734>

TO LISTEN (via telephone)

Dial (669) 900-6833, please enter 612 737 7734# (meeting ID)
or, one tap mobile: +16699006833,,6127377734#

Call to Order

Roll Call

Pledge of Allegiance

Public Comment

This portion of the Agenda allows the public to comment to the Board on any issue not itemized on this Agenda, however, the Board may not take action or engage in discussion on any item that does not appear on the Agenda. Periods when public comments are allowed, Harbor Commissioners will allow attendees to submit questions and/or comments using the Zoom in-meeting chat function. The Harbor Commission asks that members of the public keep questions and comments succinct and relevant.

Regular Session

1. Consent Calendar

- a. Review and vote to approve Resolution No. 2023-01 making findings and determinations under AB 361 for continued virtual meetings.**
- b. Review and vote to approve two-year hoist renewal lease with LCZ.**

2. Financial Reports

- a. Draft year-to-date review, account balances, and Comptroller's Report.**

3. New Business

- a. Klamath Dam Removal Ad Hoc Committee appointment.**
- b. Review and vote to approve 3-year contract for Financial Auditor services from Nicholson & Olson, LLP.**
- c. Review and vote to approve proposal from Cinquini & Passarino Inc for Bathymetric Survey of the Inner Boat Basin and Sub-Bottom survey of the Outer Boat Basin.**
- d. Review and vote to approve Resolution No. 2023-2 authorizing CCHD to submit an application to the California Department of Boating and Waterways Ramp Repair and Modification Grant program to address damage to the Whaler Island Groin.**

4. Unfinished Business

a. Grants Update

5. Communications and Reports

a. CEO/Harbormaster Report

b. Harbor Commissioner Reports

6. Adjournment

Adjournment of the Board of Harbor Commissioners will be until the next meeting scheduled for Tuesday, February 7, 2023, at 2 p.m. PST. The Crescent City Harbor District complies with the Americans with Disabilities Act. Upon request, this agenda will be made available in appropriate alternative formats to person with disabilities, as required by Section 12132 of the Americans with Disabilities Act of 1990 (42 U.S.C. §12132). Any person with a disability who requires modification in order to participate in a meeting should direct such request to (707) 464-6174 at least 48 hours before the meeting, if possible.



1. Consent Calendar

Consent Calendar items are considered routine and will be approved by one Motion, with no separate discussion prior to voting. The public, staff, or members of the Harbor Commission may request specific items be removed from the Consent Calendar for separate consideration or action

- a. **Review and vote to approve Resolution No. 2023-01 making findings and determinations under AB 361 for continued virtual meetings.**
- b. **Review and vote to approve two-year hoist renewal lease with LCZ.**

Public Comment?



1. Consent Calendar

- a. Review and vote to approve Resolution No. 2023-01 making findings and determinations under AB 361 for continued virtual meetings.**

Public Comment?

RESOLUTION NO. 2023-01

**A RESOLUTION OF THE BOARD OF HARBOR
COMMISSIONERS OF THE CRESCENT CITY HARBOR
DISTRICT MAKING FINDINGS AND DETERMINATIONS
UNDER AB 361 FOR CONTINUED VIRTUAL MEETINGS**

WHEREAS, the Crescent City Harbor District (“District”) is committed to preserving and nurturing public access and participation in meetings of the Board of Harbor Commissioners (“Board”); and

WHEREAS, all meetings of District’s legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963)(the “Brown Act”), so that any member of the public may attend, participate, and watch the District Board meetings or any meetings where District legislative bodies conduct their business; and

WHEREAS, starting in March 2020, in response to the spread of COVID-19 in the State of California, the Governor issued a number of executive orders aimed at containing the COVID-19 virus; and

WHEREAS, among other things, these orders waived certain requirements of the Brown Act to allow legislative bodies to meet virtually; and

WHEREAS, on September 16, 2021 the Governor signed Assembly Bill 361 (“AB361”)(in effect as of October 1, 2021), which allows legislative bodies to meet virtually provided there is a state of emergency, and either: (1) state or local officials have imposed or recommended measures to promote social distancing; or (2) the legislative body determines by majority vote that meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, the California Health Officer issued an order on December 22, 2021 that the recent emergency of the Omicron variant has further emphasized the importance of prevention efforts;

WHEREAS, social distancing is form of prevention that allows for the participation of the community, staff, presenters, and legislative body members in a safe environment, with no risk of contagion and it is recommended that legislative bodies continue to implement 100% of remote meetings; and

WHEREAS, on January 4, 2022, the Board adopted Resolution 2022-01 authorizing remote teleconference meetings of the Crescent City Harbor District; and

WHEREAS, the Board has continued to adopt successive Resolutions each month, authorizing the extension of remote teleconference meetings of the Crescent City Harbor District; and

WHEREAS, the Board has reconsidered the circumstances of the state of emergency and finds that state officials continue to recommend measures to promote social distancing; and

WHEREAS, the Board desires that the District shall continue to hold virtual meetings pursuant to AB 361 and Government Code section 54953(e).

NOW, THEREFORE, THE BOARD OF HARBOR COMMISSIONERS OF THE CRESCENT CITY HARBOR DISTRICT DOES HEREBY RESOLVE AND FIND AS FOLLOWS:

Section 1. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. The Board of Harbor Commissioners of the Crescent City Harbor District shall be authorized to continue to meet virtually in accordance with Government Code section 54953(e) and without compliance with section 54953(b)(3).

Section 3. This Resolution does not prevent or prohibit the Board from holding hybrid meetings (containing both virtual and in-person components) or from meeting in-person, provided such meetings comply with AB 361 and with all state and local health orders.

Section 4. The Board shall take action to renew this Resolution every 30 days for as long as any state or local officials continue to recommend any measures to promote social distancing, but the Board may terminate the Resolution at any time. In the event that more than 30 days pass between regular Board meetings, the Board shall take action to renew this Resolution prior to taking any action or engaging in any deliberation or discussion in a virtual meeting; renewal of this Resolution may occur either at the beginning of the next regular meeting or at a special meeting called for such purposes. In the event this Resolution has lapsed, and the Board has not terminated it, the Board shall be authorized to, and shall, make any required findings in order to meet virtually under AB 361.

Section 5. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Board declares that the Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 6. This Resolution shall take effect immediately upon its adoption.

APPROVED, ADOPTED AND SIGNED this 17th day of January 2023.

Wes White, President
Board of Harbor Commissioners
Crescent City Harbor District

ATTEST:

Mike Rademaker, Clerk
Board of Harbor Commissioners
Crescent City Harbor District

AYES:

NOES:

ABSENT:

ABSTAIN:



1. Consent Calendar

- b. Review and vote to approve two-year hoist renewal lease with LCZ.**

Public Comment?

Hoist Space Lease



This Lease is entered into the last day shown below between the Crescent City Harbor District, a public agency, "Landlord", and **Wes Taylor, an individual doing business as LCZ Unloaders**, "Tenant". Tenant's present statistics are as follows:

Tenant's Full Name: Wes Taylor, an individual doing business under the fictitious name and style of "LCZ Unloaders"

Residence Address: 130 Hillside Drive, Crescent City, CA 95531

Phone: 707-464-3307

Date of Birth: 10/13/1966

California Driver's License Number: C2827740

E-Mail: ninawing3@yahoo.com

LANDLORD AND TENANT AGREE:

1. Premises

(a) For and in consideration of the rent to be paid and the covenants to be performed by Tenant under this lease, Landlord agrees to lease the Premises to the Tenant, and the Tenant agrees to lease the Premises from Landlord, on the terms and conditions set forth in this lease. Except as expressly set forth in this Lease, "the Premises" is described as Space Number **Two (2) and Five (5)** on Citizens Dock ("the Dock") in the County of Del Norte, State of California, more particularly illustrated in Exhibit "A", attached hereto and incorporated by this reference **and two (2) freezer spaces**. Tenant shall have the right to **one hoist** within each space of the Premises. Tenant shall have the exclusive right to possession of the space taken up on the Dock by the base of Tenant's hoist, any office space located within the Premises, freezer space as allocated by this Lease, and for temporary storage containers so long as they do not unreasonably impede access through the Premises by vehicles and pedestrians for other harbor related activities. Placement of storage containers outside the boundary shown on Exhibit A is prohibited.

As to the remainder of the Premises, for the term of this Lease, Landlord grants Tenant

and its employees, agents, customers and invitees, the nonexclusive right, in common with Landlord and all others to whom Landlord has or may grant the right, to use the Common Areas, subject to Tenant's compliance with any rules and regulations enacted or modified by Landlord that govern the use of the Common Areas. "Common Areas" means the space within the Premises excepting those areas to which Tenant is granted the exclusive right of possession, above. "Common Areas" is more fully defined in Article 9, herein. Tenant shall also have the nonexclusive right to use in common with Landlord, other tenants in the harbor and their employees and invitees, Landlord's common entrances, restrooms, parking lot and similar areas and facilities in the vicinity of the Premises that are not leased to other tenants, subject to Landlord's regulation of those facilities. Tenant shall not store anything off the Premises on Landlord's property.

(b) All vehicles using the parking lots shall be operable and removed from the harbor's parking lots and other areas on a daily basis. Vehicles longer than twenty-three feet shall not be allowed in the harbor unless they are conducting transient loading and unloading. For such transient loading and unloading vehicles, any vehicle that exceeds thirty feet in length, including its semi-trailer, is hereafter referred to as a "Truck." All Trucks that are doing any business with Tenant shall be on the Dock only when they are actively loading or unloading. If the Truck is waiting, it shall be parked in the boat basin parking lot. Trailers shall never be disconnected from the motor truck or truck tractor. Trucks shall back out on Citizen's Dock. Trucks are prohibited from attempting to U-turn on the Dock. Trucks are prohibited from being left unattended. Additionally, Trucks doing business with the Tenant are prohibited from parking between the "Y" intersection of the Dock and the entrance of the Dock excepting the unloading area below the fuel dock.

(c) The rights of Tenant under this Lease are subject to and subordinate to any general obligation, bond, Certificate of Participation, loan or other indebtedness of the Landlord now in existence or hereafter created.

2. Term

The term of this Lease shall be for a period of twenty-four (24) months, commencing on the **1st day of January, 2023, and expiring at midnight on the 31st day of December, 2024**, unless terminated earlier as provided in this lease. Any holding over by Tenant after the expiration of said term shall not constitute a renewal hereof but the terms hereof shall continue in force and effect on a month-to-month basis, except that the agreed upon base rent shall increase to 150% of the monthly rent in effect on December 31st, 2024.

3. Rent

(a) For each hoist space, Tenant shall pay Landlord a **basic minimum** rent in the sum of **fifteen thousand dollars (\$15,000)** for the first 12 months of the Lease term, and **eighteen thousand dollars (\$18,000)** for the period commencing with month 13 and ending with month 24 of the Lease term. These sums may be apportioned into equal monthly payments, in which case Tenant shall pay Landlord the sum of **one thousand two hundred fifty dollars (\$1,250)** per month, for the first 12 months of the Lease term, and **one thousand five hundred dollars (\$1,500)** per month, for months 13

through 24 of the Lease term, payable on the first day of each calendar month. All such payments must be made in lawful money of the United States of America (“Minimum Rent”). The beginning of the 24-month Lease term shall commence on January 1, 2023. Each monthly installment of Minimum Rent shall be paid in advance, without prior demand by Landlord, and without any deduction, abatement, diminution, offset, or reduction or setoff. If the Minimum Rent payable under this lease is abated for any portion of any month pursuant to the terms of this Lease, the amount of the monthly installment of Minimum Rent for that month shall also be adjusted on a per diem basis calculated on a 30-day month. All rent payable under this Lease shall be paid (1) to Landlord at the address set forth in this Lease for giving notices to Landlord as may be changed by written notice from time to time, or (2) to Landlord's agent at the address designated in writing by Landlord.

(b) As **additional rent**, Tenant shall pay to Landlord the following amount per pound (poundage fees), for all seafood products unloaded or moved on or over the areas leased by Tenant, which areas include the Premises as well as the Fish Processing Plant:

Species Unloaded or Moved in Dollars per Pound

All species of Tuna.....	\$0.0099
All species of Crab	\$0.022
All species of Salmon.....	\$0.033
Pink Shrimp (<i>Pandalus jordani</i>).....	\$0.00275
Coonstripe Shrimp (<i>Pandalus danae</i>).	\$0.0275
All trawl caught groundfish.....	\$0.0044
Pacific Whiting/Hake (<i>Merluccius productus</i>)	\$0.000275
Nearshore groundfish caught by hook & line (<i>Cabezon & Kelp Greenling, Rockfish: Black, Blue, Brown, China, Copper, Quillback, Gopher, Yelloweye, Black & Yellow, Grass</i>).....	\$0.01375
Sablefish caught with fixed gear (<i>Anoplopoma fimbria</i>).....	\$0.0165
All other species	\$0.0055

The poundage fees indicated above will vary annually, as established by Landlord’s fee schedule published on Landlord’s public website (www.ccharbor.com and/or www.ccharbor.ca.gov). The aggregate poundage fees will not be less than **\$3,000 per year, per hoist**. This minimum fee is meant to incentivize tenant to make productive use of each hoist.

By the due date for payment of the poundage-based additional rent, Tenant shall prepare and provide to Landlord a summary of the previous month's landing receipts showing the cumulative total of the following information compiled from the landing receipts detailing all of the following: (1) The accurate weight of the species of fish received, as designated pursuant to California Fish and Game Code § 8045. Sablefish may be reported in dressed weight, and if so reported, shall have the round weights computed, for purposes of management quotas, by multiplying 1.6 times the reported dressed weight; (2) The price paid. When requested by Landlord, Tenant shall provide Landlord with a photocopy of each landing receipt completed by Tenant pursuant to California Fish and Game Code §8043. If Tenant generates an automated report that complies with this paragraph, a copy of the automated report provided to Landlord shall suffice rather than a separate report by Tenant. Notwithstanding the foregoing duty to disclose landing receipt information, Tenant hereby specifically waives any privilege or confidentiality that it may have with the California Department of Fish and Game, National Marine Fisheries Service and Pacific States Marine Fisheries Commission as Tenant's landing receipts submitted to such agency to assist Landlord in auditing Tenant's submissions to further assure the accuracy of the information received. Tenant agrees to execute any further documents necessary for the Department of Fish and Game, National Marine Fisheries Service and Pacific States Marine Fisheries Commission to release information relating to Tenant's landings. This additional rent shall be due for all landings that occurred. **The poundage-based additional rent that accrues in any month is not payable to Landlord on the date the next minimum rent is payable, but shall instead, be paid at the following minimum rent due date. For instance, when tenant pays rent due on September 1st, it shall also pay the additional rent due for landings that occurred during the month of July.**

(c) Any rent due under this Lease not paid to Landlord on the due date hereunder, shall bear interest at the rate shown on Landlord's annual schedule of fees, or the highest lawful rate, whichever is greater, from the due date and payable until the same shall have been fully paid, but the payment of such interest shall not excuse or cure any default by Tenant under this Lease. Tenant hereby acknowledges that the late payment by Tenant to Landlord will cause Landlord to incur costs not contemplated by this Agreement, the exact amount of which will be extremely difficult to ascertain. Such costs may include, but are not limited to, administrative processing, accounting charges, late charges that may be imposed on Landlord from third parties. Accordingly, if any installment of rent, or any other sum due from Tenant, shall not be received by the tenth day of the month Tenant shall pay to Landlord, in addition to interest provided above, a late charge of five percent (5%) of the amount unpaid.

The parties agree that such late charge represents a fair and reasonable estimate of the cost Landlord will incur due to late payment by Tenant. Acceptance of such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of its other rights or remedies hereunder. Any payment, of any kind, returned for insufficient funds will be subject to an additional handling charge in the sum shown on Landlord's annual schedule of fees, from time to time amended.

Landlord shall have the right to accept all rent and other payments, whether full or partial, and to negotiate checks and payments thereof without any waiver of rights, irrespective of any conditions to the contrary sought to be imposed by Tenant.

4. Use

(a) The Premises shall be utilized for the purpose of receiving and unloading seafood products and indicated uses, and use of any building on the premises for office space connected with such activities, and use of a designated freezer space. Tenant may not use the Premises or permit the Premises to be used for any other purpose.

(b) Tenant shall ensure that all activities being engaged in by Tenant and/or Tenant's employees, licensees, subtenants, visitors, patrons, guests or invitees shall be conducted free from negligence in a reasonably careful manner to prevent harm to oneself or to others.

(c) Tenant shall at all times keep the Premises (including the interior and exterior business front surfaces) and walking surfaces on the Dock in a clean, safe, sanitary, and orderly condition. Tenant shall have the duty to repair any defective or dangerous walking surfaces fronting on the Premises. At its sole expense, Tenant shall replace any cracked or broken glass on the Premises with glass equal in quality and similar in kind to that originally installed on the Premises. Whenever a Tenant is actively loading and/or unloading vessels Tenant shall have a two cubic yard dumpster to receive its waste. The dumpster shall be emptied at least once per week.

(d) Tenant shall comply with all statutes, ordinances, resolutions, policies, directives of the Harbor Commissioners, laws, regulations and general plans now in effect and hereafter promulgated by any agency having jurisdiction over the Harbor District and/or the Premises and the activities thereon. If any license (including, but not limited to, Commercial Fish Business License, Fish Receiving License, Fisherman's Retail License, Fish Processor's License, Fish Wholesaler's License or Fish Importer's License, Coast Guard Certificate of Adequacy for Reception Facilities), permit, or other governmental authorization is required for the lawful use or occupancy of the Premises or any portion of the Premises, Tenant shall procure and maintain it throughout the term of this lease. The judgment of any court of competent jurisdiction, or the admission by Tenant in a proceeding brought against Tenant by any government entity, that Tenant has violated any such statute, ordinance, regulation, or requirement shall be conclusive as between Landlord and Tenant and shall constitute grounds for termination of this lease by Landlord.

(e) Tenant and Tenant's guests and invitees shall use the premises and common areas of Citizens Dock so as not to block or interfere with access or use by the public and other tenants of the Dock. Tenant shall comply with the reasonable directives of Landlord regarding use of the common areas of Citizens Dock.

(f) Tenant and its employees shall park only in those areas that are designated by

Landlord as parking areas.

(g) Notwithstanding the foregoing, Tenant shall not use and shall not permit or suffer the Premises or any portion of the Premises or the hoist to be used, improved, developed, used, or occupied in any manner or for any purpose that which will in any way conflict with any law, statute, ordinance, resolution, policy or governmental rule or regulation (including but not limited to the Crescent City Harbor District and Coastal Commission regulations), now in force or which may hereafter be enacted or promulgated. Tenant agrees not to allow any fuel, toxic materials, or any fumes, waste, or matters that could damage Landlord's property, public waters or the environment to be released or spilled into the environment. Tenant shall not commit, or allow to be committed any waste upon the premises or any nuisance thereon.

(h) Landlord shall have the right from time to time to adopt, amend, or supplement rules and regulations relating to the Premises and the Common Areas. Landlord shall notify Tenant in writing of the adoption of, and any amendment or modification made to the rules and regulations. Rules and regulations shall apply uniformly to all tenants. Tenant agrees to comply with all such rules and regulations; a failure by Tenant to so comply shall constitute a breach under this Lease.

(i) Tenant shall not do or permit anything to be done in or about the Premises that will in any way obstruct or interfere with the rights of Landlord's other tenants or injure or annoy them or use or allow the Premises to be used for any improper, unlawful, or objectionable purpose.

(j) Tenant shall surrender the Premises in good order and condition (reasonable wear and tear excepted).

(k) In the event that Tenant's actions trigger the need for structural changes based upon the applicability or enforcement of governmental regulations (e.g. the Americans with Disabilities Act) Tenant shall either vacate the premises prior to the need for the structural changes or be solely responsible for the payment of all expenses related to the structural improvement.

(l) Tenant shall not do or permit anything to be done in or about the Premises or bring or keep anything in the Premises that will in any way increase the existing rate of or affect any fire or other insurance on the Premises, any of its contents, or other harbor businesses or cause a cancellation of any insurance policy. Tenant shall promptly, upon demand, reimburse Landlord for any additional premium charged for any such policy due to Tenant's failure to comply with the provisions of this section.

(m) Sleeping and all other residential type of use is prohibited upon the Premises or the common areas.

(n) Tenant may not use the Premises or permit the Premises to be used for any other purpose.

5. Utilities

(a) Tenant shall pay for all utility services supplied to the Premises or used by Tenant, including but not limited to water, propane, electricity, waste disposal, telephone service, electrical power lines, cable lines, fuel, and any other sustenance, energy and communication utility services that may hereafter come into use.

(b) Landlord reserves the right from time to time to provide any or all utilities to the Premises. In such case, Tenant shall pay such charges as Landlord may establish from time to time, which Landlord may determine based on the quantity of utilities used or consumed at the Premises on a monthly or other regular basis. At the time of executing this Lease, the initial monthly charge for utilities each month is: (1) Twenty-Two Dollars (\$22) for water per hoist; and (2) the Cost for Electricity plus an administrative charge of Ten Dollars (\$10) for each electric meter assigned to Tenant at any time during the billing period; and (3) One Hundred Eleven Dollars (\$111.00) for each freezer space reserved for Tenant's use, which amounts shall be due at the same time as the Minimum Rent monthly payments. On at least ten days' prior written notice to Tenant, Landlord may discontinue furnishing any utility service previously provided to Tenant. Whenever a utility service is not supplied by Landlord, Tenant shall apply to the appropriate local utility companies to begin service on the Premises and shall pay the cost of any required deposit, hook-up fee, metering charge, or other charge by the utility provider.

(c) The "Cost for Electricity" shall be determined as follows: The total kilowatts shown on the meter to have been used by Tenant, between each meter reading by Landlord on an approximately monthly basis, shall be multiplied by Landlord's cost per kilowatt hour. Landlord's cost per kilowatt-hour shall be determined by dividing the number of kilowatt-hours shown to be used by the meter, as specified in the Landlord's most recent invoice from its public utility supplier, into the total charges (including taxes) on said invoice. There shall be added an administrative fee for Landlord's cost of computing Tenant's electricity in the sum of ten dollars per month. Throughout the term of this Lease, Tenant shall pay, prior to delinquency, the cost of all utilities used on the Premises, whether supplied by a local utility company or by Landlord. When any service is separately metered and supplied by a local utility company, Tenant shall arrange for the utility company to bill Tenant directly.

(d) Under no circumstances shall Landlord be liable for any damages or liability for the lack of or inability to provide utility service to Tenant. Landlord shall have no responsibility for the curtailment or suspension of any utility services to the Premises or the freezer facilities provided by a local utility company or by Landlord or a default by Tenant under this Lease. Curtailment or suspension of utility services does not constitute a constructive eviction under this Lease. THERE SHALL BE NO WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE WARRANTY OF MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE, AND SIMILAR WARRANTIES. Landlord does not warrant that any utilities provided by Landlord will be free from shortages, failures, variations, or interruptions caused by repairs,

maintenance, replacements, improvements, alterations, changes of service, strikes, lockouts, labor controversies, accidents, inability to obtain services, fuel, steam, water or supplies, weather, tsunami, acts of god, war, riot, terrorist act, earthquake, governmental requirements or requests, or other causes beyond Landlord's reasonable control. None of the same shall be deemed an eviction or disturbance of Tenant's use and possession of the Premises or any part thereof, or render Landlord liable to Tenant for abatement of Rent, or relieve Tenant from performance of Tenant's obligations under this Lease. Landlord in no event shall be liable for damages by reason of such shortage, failure, variation, or interruption, including without limitation, loss of profits, spoilage of previously frozen items, business interruption or other incidental or consequential damages.

(e) In the event that Landlord directs tenant to obtain any service from an entity other than Landlord, Tenant shall: (i) make application in Tenant's own name for all utilities not provided by Landlord, (ii) comply with all utility company regulations for such utilities, including requirements for the installation of meters, and (iii) obtain such utilities directly from, and pay for the same when due directly to, the applicable utility company. The term "utilities" for purposes hereof shall include but not be limited to electricity, cold storage, gas, water, sewer, steam, fire protection, telephone and other communication and alarm services, heating air conditioning, and all taxes or other charges thereon. Tenant shall install and connect all equipment and lines required to supply such utilities to the extent not already available at or serving the Premises, or at Landlord's option shall repair, alter or replace any such existing items. Tenant shall maintain, repair and replace all such items located on the Premises, operate the same, and keep the same in good working order and condition. Tenant shall not install any equipment or fixtures, or use the same, so as to exceed the safe and lawful capacity of any utility equipment or lines serving the same. The installation, alteration, replacement or connection of any utility equipment and lines shall be subject to the requirements for alterations of the Premises set forth herein. Tenant shall ensure that all HVAC equipment is installed and operated at all times in a manner to prevent roof leaks, damage, or noise due to vibrations or improper installation, maintenance or operation.

6. Taxes

(a) Tenant shall be liable to pay on or before their due dates, all Taxes that may be levied or assessed against the land, personal property, buildings, or other improvements in the Premises and against Tenant's business and leasehold interest. "Taxes" means any sales taxes, use taxes, business property taxes, Landing Tax, personal property taxes, real property taxes and assessments, or other direct taxes or other levies or charges imposed by a governmental entity that are or may be levied, assessed, imposed, become a lien on, or arise in connection with this Lease or the use, occupancy, or possession of all or any portion of the Premises or the land, buildings, or other improvements in the Premises. Tenant shall send Landlord copies of any notices, reports, or inquires received by Tenant from taxing authorities concerning delinquent taxes or other assessments.

(b) Tenant shall be liable for any fees for licenses, registrations, permits and other certificates that may be required for the lawful operation of Tenant's business and the

hoist.

(c) If any taxing authority requires that Landlord pay a Tax directly to the taxing authority, Tenant shall upon notice by Landlord, pay to Landlord the amount of the Tax, at the time the next rent installment is due.

7. Additional Rent and Miscellaneous Duties

(a) Tenant shall conduct its business in a businesslike and efficient manner. Further, because the rent payable by Tenant under this Lease is structured to incentivize the amount of seafood product handled by Tenant on the Premises, Tenant shall, except as otherwise provided in this Lease, continuously, actively, and diligently operate its business on the Premises in a manner intended to maximize Tenant's Additional Rent generated by the Premises.

Landlord and Tenant acknowledge that (1) Landlord does not consider the Minimum Rent provided for under this Lease in itself to be fair and adequate compensation for the leasing of the Premises to Tenant, and (2) Landlord's consideration for entering into this Lease is based on the expectation that the Additional Rent to be paid by Tenant will supplement the Minimum Rent so as to provide Landlord with a fair and adequate rental return on the Premises. Therefore, if Tenant either fails to open for business on the date required under this Lease or, after opening, fails to continuously operate its business on the Premises as required under this Lease, then, at Landlord's option, (1) Tenant shall be in default under this Lease, and (2) Landlord shall have the right to collect, in addition to all other sums due from Tenant under this Lease, liquidated damages from Tenant equal to one-thirtieth of the monthly amount of Minimum Rent payable by Tenant under this Lease for each day Tenant fails to open after the required opening date or for each day Tenant fails to operate its business after it has opened.

(b) Tenant shall maintain full and accurate books of account, records, Fish and Game records and other pertinent data showing poundage of all seafood unloaded or moved over the premises, including such information that will show the poundage of each species by date. The records shall be available for inspection by Landlord or its representatives at a place to be designated by Landlord upon twenty-four (24) hours written notice. Tenant shall also keep all supporting documentation for Additional Rent and exclusions or deductions, including daily receipts, sealed cash register rolls, and serialized sales slips. Tenant shall keep and maintain the foregoing books, records, and supporting documentation pertaining to each lease year for at least three years after expiration of that lease year.

Notwithstanding the foregoing, if any books, records, or supporting documentation kept and maintained by Tenant are the subject of an audit requested by Landlord or an unresolved controversy involving Landlord, Tenant shall keep and maintain them until the audit or controversy is terminated.

Landlord's and/or its accountants or representatives may examine the books and records

of Tenant for the purpose of conducting an audit of Additional Rent, provided that (1) at least three days' advance written notice is given to Tenant, and (2) an audit is not performed more frequently than once each year. If an audit discloses that the actual poundage of seafood products for the period in question is greater than previously reported by Tenant to Landlord, Tenant shall pay the excess amount to Landlord. If the excess amount is greater than five percent, Tenant shall pay the full cost of the audit; otherwise, Landlord shall pay the full cost of the audit. If the excess amount is greater than ten percent, then Landlord shall have the right to terminate this Lease. Any information obtained by Landlord in conducting an audit of Tenant's books and records shall be treated as confidential except in any litigation or proceeding between Landlord and Tenant. Landlord may also disclose information from an audit performed by it pursuant to any judicial proceeding or subpoena or if within the spirit of the California Public Records Act.

Landlord may examine under oath the Chief Financial Officer, the accountant and/or the bookkeeper who was involved in the particular record keeping, and any other persons who may have been involved in the preparation of the Additional Rent reports and calculations related thereto under the Lease.

(c) Subject to the limits of liabilities and release provisions in this Agreement, and further subject to Tenant's duties under this Lease, Landlord shall, at Landlord's own cost and expense, keep the Common Areas and structural supports of the Dock in good repair; provided, however, Landlord shall not:

(i) Be required to make any repairs to the exterior roof, sidewalls, structural supports, and foundations of the building on the Premises that are rendered necessary by the negligence of or abuse of that property by Tenant or any employees, agents, subtenants, or permittees of Tenant; or

(ii) Be liable for any damages resulting from Landlord's failure to make any repairs required by this section to be made by Landlord, for any claims made that are not covered by Landlord's insurance as provided in Paragraph 10 hereof.

8. Maintenance and Alterations

(a) Landlord shall not be required or obligated to make any changes, alterations, dredging, additions, improvements, or repairs in, on, or about the Premises, nor to the depth between the surface and the floor of the ocean nor to the floor of the harbor, or any part thereof, during the term of this lease.

(b) Tenant has inspected the Premises and accepts them in "as is" condition. Landlord makes no representations or warranties regarding the condition of the Premises, and Tenant acknowledges that neither Landlord nor Landlord's officers, elected official, employees or agents have made any representations to Tenant regarding the present or future condition of the Premises.

(c) Tenant at its own expense, shall keep and maintain in safe order, condition, and repair as reasonably determined by Landlord, the Premises and every part thereof and any and all appurtenances thereto wherever located, any pilings damaged by boats being unloaded at the hoist, all hoists, cables, machinery, equipment, and other property situated in or upon the Premises, and further including all plumbing, water, gas and electric fixtures, pipes, wires and conduits, and every part thereof and any and all appurtenances thereto wherever located, and all improvements and installations made by or on behalf of Tenant whether such work, repair, replacement or restoration is foreseen or unforeseen, or is ordinary or extraordinary. Tenant, at its own expense, shall make all repairs to the Premises which are made necessary by any breach of this Lease of any misuse or neglect by: (1) Tenant or any of his partners, associates, employees or licensees; (2) Any visitors, patrons, guests or invitees of Tenant; (3) Any persons committing a crime to the Premises. If Tenant fails to make any necessary repairs within 10 days after written notice from Landlord, or after reasonable notice to Tenant in the event of an emergency, Landlord may make the repairs and Tenant shall pay the cost of the repair to Landlord as Additional Rent. This payment shall accompany the next due monthly payment of Minimum Rent and shall include interest at the then-maximum legal rate.

(d) Tenant may not make any alterations or improvements to the Premises during the term of this Lease without first obtaining the written consent of Landlord. Landlord's consent to any such alterations or improvements shall be made in its sole and absolute discretion.

(e) Tenant shall not attach any fixtures, equipment or other items to the Premises or make any additions, changes, alterations or improvements to the Premises or the systems and equipment serving the Premises (all such work referred to collectively herein as the "Work"), without the prior written consent of Landlord. Landlord reserves the right to impose requirements as a condition of such consent or otherwise in connection with the Work, including without limitation, requirements that Tenant: (1) submit for Landlord's prior written approval detailed plans and specifications prepared by licensed and competent architects and engineers, (2) submit for Landlord's prior written approval the names, addresses and background information concerning all contractors, subcontractors and suppliers, (3) obtain and post permits, and additional insurance.

(f) All Work shall be performed: (1) in a thoroughly first class, professional and workmanlike manner, (2) only with materials that are new, high quality, and free of material defects, (3) in accordance with plans and specifications approved by Landlord in advance in writing, (4) not to adversely affect the systems and equipment or the structure of the building, (5) diligently to completion and so as to cause the least possible interference with other harbor tenants, and (6) in compliance with all laws and other provisions of this Lease. If Tenant fails to perform the Work as required herein or the materials supplied fail to comply herewith or with the specifications approved by Landlord, and Tenant fails to cure such failure within 48 hours after notice by Landlord (except that notice shall not be required in emergencies), Landlord shall have the right to stop the Work until such failure is cured which shall not be in limitation of Landlord's

other remedies and shall not serve to abate the Rent or Tenant's other obligations under this Lease.

(g) All alterations, additions, fixtures and improvements, except for Tenant's stock in trade, trade fixtures, furniture, and furnishings, made or placed in or on the Premises by Tenant or any other person shall on expiration or earlier termination of this Lease, become the property of Landlord and remain on the Premises. Landlord shall have the option, however, on expiration or termination of this Lease, of requiring Tenant, at Tenant's sole cost and expense, to remove any or all such alterations, additions, and improvements from the Premises. Should the items be required to be removed by Landlord, Tenant shall repair any damage caused by such removal.

(h) Tenant shall keep the Premises and this Lease free from any mechanic's, materialman's or similar liens or encumbrances, and any claims therefore, in connection with any Work. Tenant shall post such performance and payment bonds as may be required by Landlord. Tenant shall give Landlord notice at least ten (10) days prior to the commencement of any Work or such additional time as may be necessary under applicable laws, to afford Landlord the opportunity of posting and recording appropriate notices of non-responsibility. Tenant shall not commence Work until any payment and performance bonds required by Landlord have been obtained by tenant and approved and filed by Landlord. Tenant shall remove any such claim, lien or encumbrance by bond or otherwise within twenty (20) days after notice by Landlord. If Tenant fails to do so, Landlord may pay the amount or take such other action as Landlord deems necessary to remove such claim, lien or encumbrance, without being responsible for investigating the validity thereof. The amount so paid and costs incurred by Landlord shall be deemed additional Rent under this Lease payable upon demand, without limitation as to other remedies available to Landlord. Nothing contained in this Lease shall authorize Tenant to do any act which shall subject Landlord's title to Premises to any such notices, liens or encumbrances whether claimed by operation of statute or other Law or express or implied contract. Any claim to a lien or encumbrance upon the Premises arising in connection with any Work shall be null and void, or at Landlord's option shall attach only against Tenant's interest in the Premises and shall in all respects be subordinate to Landlord's title to the Premises.

9. Common Areas.

(a) The term "Common Areas" herein means all areas of the Crescent City Harbor District's property or the property under its control which are now or hereafter made available by Landlord from time to time for the general use or benefit of Landlord, other tenants at the harbor, other parties to whom the right to use the Common Areas has been or is hereafter granted, and their employees and invitees, as such areas currently exist and as they may be changed from time to time. The Common Areas may, at Landlord's election, include areas in adjoining properties which are or become available to Landlord, tenants, employees and invitees of the harbor and Citizen's Dock and which are maintained with the Common Areas, operating agreement or other such agreement now or hereafter in effect. Without limiting the generality of the foregoing, the Common

Areas may include, as designated by Landlord from time to time, any parking areas, roofs covering buildings, entrances, sidewalks, streets or roadways, passageways, loading platforms, wharves, docks, delivery areas, ramps, stairs, landscaped and vacant areas, public bathrooms, information and telephone booths, directory signs and equipment, common lighting facilities, drainage areas, decorations, fixtures, improvements, systems and equipment, and other facilities, located in or serving any of the foregoing, except to the extent reserved for use by one or more designated tenants.

(b) Landlord shall administer and operate the Common Areas. Landlord reserves the right at all times to determine the nature and extent of all Common Areas, and shall have exclusive control and management thereof. Landlord shall have the right to close all or a portion of the Common Areas to discourage non-customer parking or prevent a dedication thereof to public use or otherwise prevent the acquisition of public rights in such areas, and shall have the right to take such other actions as are further described in this Lease. Landlord reserves the right to use, permit or deny the use of the Common Areas for any purpose which in Landlord's sole opinion may be in the best interests of the harbor, including without limitation promotions, events, exhibits, displays, shows and other activities.

(c) Tenant may use the Common Areas to which, and for the purposes for which, other tenants are given access during the Term, subject to the following conditions:

(i) The Common Areas shall be used by Tenant and Tenant's employees and invitees on a non-exclusive basis in common with employees and invitees of Landlord and other tenants and parties to whom the right to use the Common Areas has been or is hereafter granted.

(ii) Tenant shall not directly or indirectly conduct business in the Common Areas or make any use of the Common Areas that interferes in any way with the use of the Common Areas by other parties.

(iii) Tenant's use of the Common Areas shall be subject to the other provisions of this Lease, including without limitation, all rules, resolutions and ordinances adopted by Landlord's governing board or its designee.

(iv) Tenant's right to use the Common Areas shall terminate upon the expiration or earlier termination of this Lease or Tenant's right to possession of the Premises.

10. Nonliability of Landlord

(a) Notwithstanding anything herein to the contrary, to the extent allowed by law and to the extent the Landlord is uninsured, Landlord or his agents shall not be liable for, and Tenant specifically releases and discharges Landlord from any and all rights, claims, actions, liabilities, damages, or causes of action, of whatsoever kind or nature, whether known or unknown, presently in existence or occurring in the future, arising from, or in

connection with, any injury or damage to persons or property resulting from Tsunami, tidal action, weather, deterioration from biological action, fire, explosion, electricity, or any cause whatsoever, except to the extent caused by Landlord's negligence or willful misconduct. Landlord or his agents shall not be liable for any defect in the Premises, Citizen's Dock or the Common Areas whether such defect could have been observable through a reasonably diligent inspection or is latent. To the extent that Landlord is uninsured (including, without limitation, noncovered damages and/or occurrences and damages in excess of Landlord's insurer's policy limits) Tenant, on Tenant's behalf and on behalf of its insurers, expressly releases and holds Landlord harmless from all risks from any cause whatsoever that may accrue to Tenant. Tenant shall either obtain a waiver of subrogation from its insurer or name Landlord as an additional insured on its policies of insurance to effect the parties intent to hold Landlord harmless from noninsured liability. Tenant shall ensure that the equipment that it permits, invites or places upon Citizen's Dock shall not overload the ability of Citizen's Dock to bear in combination with all structures and other vehicles, equipment and other personalty that from time to time may be extant upon it.

Tenant expressly waives all rights under section 1542 of the California Civil Code, which section has been fully explained to Tenant by its legal counsel, and which Tenant fully understands. Section 1542 provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

11. Insurance and Indemnification

(a) Tenant shall, at its own cost and expense, procure and maintain during the entire term of this Lease the following insurance coverage:

(i) Workers' Compensation & Employer's Liability Insurance. The Workers' Compensation Insurance shall be in the form and amount required by State statute. If Tenant is required by law to maintain Workers' Compensation Insurance, the Employer's Liability minimum limits required are: (a) \$1,000,000 Each Accident; (b) \$1,000,000 Disease -Policy Limit; and (c) \$1,000,000 Disease -Each Employee. The Workers' Compensation policy shall contain endorsements providing (I) a waiver of subrogation in favor of Landlord; and (II) thirty (30) days' written notice to Contractor in the event of cancellation or material reduction in coverage.

(ii) General Liability Insurance. Occurrence basis with minimum limits of (a) \$1,000,000 Each Occurrence; (b) \$2,000,000 General Aggregate; and (c) \$1,000,000 Products/ Completed Operations Aggregate. General Liability Insurance shall be at least as broad as ISO "Occurrence" Form

CG 0001 and shall include coverages as follows: (I) Premises, operations and mobile equipment liability coverage for explosion, collapse and hoist operations; (II) independent contractor's coverage (liability a subcontractor may incur as a result of the operations, acts or omissions of subcontractors, suppliers and their agents or employees); (III) personal injury coverage; (IV) broad form property damage coverage; (V) Fire and extended coverage insurance, and vandalism and malicious mischief insurance, insuring Tenant's fixtures, goods, wares, and merchandise in or on the Premises for 100 percent of their full insurable and replacement cost, without deduction for depreciation. (VI) Business interruption insurance, payable in the event of a loss covered by the fire and extended coverage or vandalism and malicious mischief insurance Tenant is required to maintain, in an amount not less than the amount of Tenant's Minimum Rent and Additional Rent for a six month period following any damage or destruction. (VII) An endorsement naming Landlord and such additional parties as Landlord designates as additional insureds (the endorsement must be ISO Form CG2010 11/85 edition or its equivalent and must cover joint negligence, completed operations and the acts of subcontractors and suppliers); (VIII) an endorsement providing the insurance is primary as respects Landlord and that any insurance maintained by Landlord is excess and non-contributing; and (IX) an endorsement providing thirty (30) days' written notice to Landlord in the event of cancellation or material reduction in coverage. No endorsement limiting or excluding a standard coverage is permitted and claims-made coverage.

(iii) Business Auto Liability Insurance. \$1,000,000 each occurrence combined single limit for bodily injury and/or property damage liability, including coverage for (I) owned automobiles; (II) hired or borrowed automobiles; and (III) non-owned automobiles. Tenant shall provide an endorsement naming Landlord and such additional parties as Landlord reasonably designates as additional insureds. Said endorsement shall provide thirty (30) days' written notice to Landlord in the event of cancellation or material reduction in coverage.

(b) General requirements. A certificate and endorsement in a form acceptable to Landlord demonstrating compliance with the above insurance requirements (or, at Landlord's request, certified copies of Tenant's actual policies) shall be delivered to Landlord before Tenant occupies the Premises or performs any work at Premises. Tenant shall maintain all of the above insurance coverage in force until the expiration or earlier termination of the Lease.

If Tenant fails to purchase or maintain the insurance specified in this Section, Landlord shall have the right, but not the obligation, to purchase such insurance on Tenant's behalf and at Tenant's cost. Tenant shall deliver all information required in connection with such purchase. If Tenant insurance is considered inadequate by Landlord, Landlord shall

have the right to charge Tenant any additional premium charged by Landlord's insurer. The use of self-insured retention or deductibles in excess of \$10,000 shall not be allowed unless specifically approved by Landlord in advance and in writing. Tenant is fully responsible for payment of any self-insured retentions or deductibles, regardless of their amount.

(c) Any insurance policy Tenant is required to procure and maintain under this Lease shall be issued by a responsible insurance company or companies licensed to do business in the State of California.

(d) Tenant may not do, omit to do, permit to be done, or keep anything in or on the Premises that will violate the provisions of Landlord's fire and extended coverage insurance policy or otherwise adversely affect the premiums paid by Landlord or Landlord's ability to maintain the insurance in effect. If any such act or omission by Tenant results in an increase in Landlord's premiums for any policies on the Premises, Tenant shall pay the amount of the increase. Landlord may also, at Landlord's option, rectify the condition causing the increase if Tenant fails to do so. In that case, on demand of Landlord, the amount expended by Landlord shall be immediately due and payable by Tenant as Additional Rent.

(e) If during the term of this Lease Tenant fails to secure or maintain the insurance required under this Lease, Landlord may obtain the insurance for the Premises in Tenant's name or as the agent of Tenant, and Tenant shall compensate Landlord for the cost of the insurance premiums. Tenant shall reimburse Landlord the full amount paid no later than the date the next installment of rent is due. A failure by Tenant to make reimbursement within the time required shall be considered a default under this Lease.

(f) Tenant agrees that in the event of loss due to any of the perils for which Tenant has agreed in this lease to provide insurance, Tenant shall look solely to its insurance for recovery. Tenant hereby grants to Landlord, on behalf of any insurer providing insurance to Tenant with respect to the Premises, a waiver of any right of subrogation that any such insurer of one party may acquire against the other by virtue of payment of any loss under that insurance.

(g) Except as otherwise provided in this Lease, proceeds from any policy or policies shall be payable to both either or Landlord and Tenant as their respective interests may appear.

(h) To the fullest extent permitted by law, Tenant shall indemnify, defend (at Tenant's sole cost and expense and with legal counsel approved by Landlord, which approval shall not be unreasonably withheld), protect and hold harmless Landlord and Landlord's Related Parties (collectively, the "Indemnified Parties"), from and against any and all Liabilities which may arise from or in any manner relate to (directly or indirectly), arise out of, or in connection with, as the result of entering into this Lease and/or the construction, business operation, use, condition, occupation or possession of the Premises and any portion thereof, and the hoist including: 1) any accident in connection with the operation, use, condition or possession of the Premises, Dock and/or Common Areas

resulting in damage to property or injury to or death to any person; 2) strict liability in tort as a consequence of the operation of the Premises and/or the seafood products processed; 3) any claim based upon environmental law or regulation relating to the Premises or the waters surrounding the Premises; 4) any claim of any nature directly arising from or related to the Tenant's business operation including that of the hoist, which claim is based upon the operation of the Premises from and after the commencement date of this Lease; 6) the existence, placement, delivery, storage or release of hazardous materials on the Premises or contamination of property, arising therefrom; 7) claims relating to the dangerous condition of the Premises; 8) access to Citizen's Dock; 9) Tenant's Activities or Tenant's presence or activities conducted on the Premises (including, without limitation, the negligent and/or willful acts, errors and/or omissions of Tenant, its principals, officers, agents, employees, vendors, suppliers, consultants, invitees, licensees, subtenants, anyone employed directly or indirectly by any of them or for whose acts they may be liable or any or all of them) regardless of any passive negligence or strict liability of an Indemnified Party. Tenant understands and acknowledges that the indemnification obligation hereunder is intended to constitute a "Type II" indemnity under California law and extends to and includes Claims arising from the passive negligence of Indemnified Parties. Notwithstanding the foregoing, nothing herein shall be construed to require Tenant to indemnify the Indemnified Parties from any Claim arising from the sole negligence or willful misconduct of the Indemnified Parties.

Without limiting Tenant's obligation to indemnify Landlord upon Landlord's request, Tenant shall indemnify, hold harmless, protect and defend with legal counsel acceptable to the Landlord at Tenant's sole cost, Landlord from and against all Liabilities, paid, incurred or suffered by, or asserted against Landlord in a judicial, administrative or regulatory forum or otherwise, whether well founded or not, arising or resulting in whole or in part, directly or indirectly, from actions or inactions of Tenant or Tenant's Related Parties, for any of Tenant's Activities, including, without limitation, any condition of the Premises relating to hazardous or toxic substances, including any one or more release or threatened release of any materials (including hazardous waste) and relating to closure/post closure costs of the Tenant ("Hazardous Materials Conditions"). This indemnity of Landlord by Tenant is intended to operate as an agreement pursuant to 42 U.S.C. §9607(e) and California Health and Safety Code §25364, to insure, protect, hold harmless and indemnify Landlord from liabilities in accordance with this paragraph. Landlord does not hereby waive or surrender any other indemnity or remedy available to it under applicable law, and Tenant shall be strictly liable to Landlord for Hazardous Materials Conditions arising out of, related to or resulting from Tenant's or Tenant's Related Parties, agents, invitees or Activities, including any repair, cleanup or detoxification thereof or preparation and implementation of any removal, remedial, response, closure or other plan with respect thereto as required by law.

For purposes of defense and indemnification relating to this Lease:

- (i) "Liabilities" means liabilities, lawsuits, claims, judgments, demands, cleanup orders, damages (whether in contract or tort, including personal injury, death at any time, or property damage), costs and expenses,

(including, without limitation, attorneys' fees, disbursements and court costs, and all other professional, expert or consultants' fees and costs and Landlord's general and administrative expenses) obligations, damages, actions, causes of action, suits, losses, judgments, fines, penalties and other detriments of every nature and description whatsoever, including all costs and expenses of litigation or arbitration, attorneys fees (whether Landlord's or Tenant's staff attorneys or outside attorneys) and court costs, whether under state or federal law except for liabilities caused by the sole negligence or willful misconduct of the indemnified party.

(ii) "Landlord's Activities" means: Any supervision by Landlord of activities emanating outside the Premises.

(iii) "Landlord and Landlord's Related Parties" means Landlord and its elected officials, officers, volunteers, representatives, partners, designees, commissioners, employees, consultants, agents, successors and assigns, and any lender of Landlord with an interest in the Premises.

(iv) "Tenant Activities" means any actions or omissions of Tenant or Tenant's Related Parties in the performance of this Lease including, but not limited to, receiving, loading, unloading, storage and/or transportation of seafood products in accordance with the use of the Premises under this Lease, operation and supervision of Tenant's equipment activities, operation and supervision of transportation activities on site, operation and supervision of container storage and movement on site, environmental impacts of business operation and transportation and, all other activities of Tenant or Tenant's related parties in connection with this Lease, except those listed in this section as Landlord's Activities as well as any breach of any representation or warranty of Tenant set forth in this Lease.

(v) "Tenant and Tenant's Related Parties" includes Tenant and its respective officers, directors, shareholders, members, partners, agents, employees, subcontractors, consultants, licensees, invitees, guarantors or affiliates. "Affiliates" means a person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Tenant, where construction or interpretation of "control" shall be governed by Rule 144 of the Securities Act of 1993. Tenant shall use best efforts, or cause such persons to use best efforts, to provide Landlord's legal counsel all reasonably necessary information relevant to such persons, including proper and legal corporate names and relationship (or lack thereof) to Tenant's articles of incorporation, certificates of good standing, and other documentation related directly or indirectly to alleged liabilities.

(i) The provisions of this section shall survive termination of this Lease.

12. Destruction of Premises

(a) Notice of Damage. Within 24 hours of its occurrence, Tenant shall notify Landlord of any damage or accident occurring on the Premises.

(b) Damage or destruction from insured casualty. Subject to the limitations set forth in this Paragraph, if at any time during the term of this Lease, the Premises are damaged or destroyed by fire or any other casualty Landlord shall have the right to terminate this Lease and shall have no obligation to repair, restore, or rebuild the Premises.

If Landlord elects to terminate this Lease under any of the above circumstances, Landlord shall give written notice to Tenant not later than 30 days after occurrence of the casualty. This notice shall set forth the date on which the termination is to be effective. That date shall be not less than 10 days nor more than 60 days after the date of the termination notice. If the type of partial or total destruction described in this Paragraph occurs, Tenant shall have the same right as Landlord to terminate this Lease, subject to the same notice requirements, provided that Tenant gives its notice of termination prior to the time Landlord commences repairs to or restoration of the Premises.

(c) Abatement of Rent. If damage or destruction to the Premises renders the operation of Tenant's business wholly impossible and Tenant in fact ceases to operate its business, the Minimum Rent payable under this Lease shall abate either during the period beginning on the date of the casualty and ending on the date the repairs, restoration, or rebuilding is complete; or, if the damage or destruction results in the termination of this Lease, on the date of termination. If Tenant is able to continue partial operation of its business, the Minimum Rent shall be abated proportionately based on the percentage of area of the Premises Tenant is able to occupy. Notwithstanding any abatement or partial abatement of Minimum Rent provided for under this Paragraph, Tenant shall not be excused from continuing to pay Additional Rent required under this Lease.

(d) All insurance proceeds payable with respect to the Premises shall belong to and be payable to Landlord. If Landlord does not elect to terminate this Lease, the portion of the insurance proceeds that are attributable to the Premises, subject to any prior rights of Landlord's lender, shall be disbursed in the following order: first, to Landlord's cost of rebuilding or restoration; second, to Tenant's cost of rebuilding or restoration, excluding costs covered by Tenant's insurance and also excluding the cost of any Tenant trade fixtures or stock in trade; and third, to Landlord, as Landlord's sole property. No amount shall be paid to Tenant until after the completion of Tenant's work and the expiration of the period during which a mechanic's lien arising from Tenant's Work could be filed.

13. Assignment and Sublease

(a) Tenant shall not do any of the following without first obtaining the written consent of Landlord: assign, sell, mortgage, or in any other manner transfer this Lease or any interest of Tenant in the lease; sublet the whole or any part of the Premises; or permit all or any part of the Premises to be used or occupied by others (whether through the grant of

a concession, license, or otherwise). Any consent requested from Landlord may be withheld by Landlord as Landlord in its sole discretion determines. The prohibitions against transfer described in this Paragraph include any transfer transaction described above that occurs by operation of law, legal process, receivership, bankruptcy, or otherwise, whether voluntary or involuntary.

(b) Without in any way waiving its right to approve or disapprove any transfer transaction described in this Paragraph, Landlord may (1) collect rent from an assignee, subtenant, user, or occupant of the Premises following any transfer described in this Paragraph, whether or not Landlord gave its prior written consent for the transfer, and (2) apply the collected amount to the rent due from Tenant under this Lease.

(c) Any sublease, assignment, or other transfer agreement described in this Paragraph must recite the following: that it is subject and subordinate to this Lease; and that the termination by Landlord of this Lease will, at Landlord's sole option, terminate the sublease, assignment, or other transfer agreement.

(d) The transfer of corporate shares of Tenant by assignment, sale, bequest, inheritance, operation of law, or other disposition shall not be considered a prohibited transfer transaction under this Lease if it results in Tenant holding at least 51 percent of the voting power of the corporation.

(e) Whether or not Landlord grants consent, Tenant shall pay \$ 750.00 towards Landlord's review and processing expenses, plus any legal fees incurred by Landlord in connection therewith. Tenant shall pay the \$750.00 before Landlord begins to process any request for assignment, sublease, or other transfer transaction. Any balance remaining shall be paid to Landlord within ten days of written demand therefore.

(f) If Tenant shall desire Landlord's consent to any Transfer, Tenant shall notify Landlord, which notice shall include: (1) a reference to the Premises and this Lease, (2) the name and address of the proposed Transferee and a detailed description of the business operation proposed to be conducted in the Premises, (3) the proposed effective date which shall not be less than 45 nor more than 180 days after Tenant's notice, (4) the terms of the proposed Transfer, a copy of all documentation pertaining thereto, and a detailed description of any alterations to the Premises required in connection with the Transfer, and (5) such other information as Landlord may reasonably require.

14. Default and Termination

(a) "Default" Defined. The occurrence of any of the following constitutes a default and breach of this Lease by Tenant:

(i) Any failure by Tenant to pay the rent or to make any other payment required to be made by Tenant under this Lease, when the failure continues after the statutory period following service of a Notice to Pay Rent or Quit has expired.

(ii) The abandonment of the Premises by Tenant. For these purposes, the absence of Tenant from or the failure by Tenant to conduct business on the Premises for a period in excess of 60 consecutive days may constitute abandonment, at Landlord's sole discretion.

(iii) A failure by Tenant to observe or perform any other provision of this Lease to be observed or performed by Tenant, when the failure continues for 30 days or more after written notice of Tenant's failure is given by Landlord to Tenant; provided, however, that if the default cannot reasonably be cured within the 30-day cure period, Tenant shall not be deemed to be in default if Tenant commences the cure within the 30-day cure period and thereafter completes the curative action within a reasonable time.

(iv) The making by Tenant of any general assignment for the benefit of creditors; the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or of a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, it is dismissed within 60 days); the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, when possession is not restored to Tenant within 30 days; or the attachment, execution, or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, when that seizure is not discharged within 30 days.

(b) Termination of Lease and Recovery of Damages. In the event of any default by Tenant under this Lease, in addition to any other remedies available to Landlord at law or in equity, Landlord shall have the right to terminate this Lease and all rights of Tenant under this Lease by giving written notice of the termination. No act of Landlord shall be construed as terminating this Lease except written notice given by Landlord to Tenant advising Tenant that Landlord elects to terminate the lease. In the event of such termination, the Tenant agrees to surrender immediately possession of the Premises, without let or hindrance, and to pay the Landlord or its assignee all damages recoverable at law that the Landlord or its assignee may incur by reason of default by the Tenant, including, without limitation, any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such retaking possession of the Premises. In the event Landlord elects to terminate this Lease, Landlord may recover the following from Tenant:

(i) The worth at the time of award of any unpaid rent that had been earned at the time of termination of the lease;

(ii) The worth at the time of award of the amount by which the unpaid rent that would have been earned after termination of the lease until the time of

award exceeds the amount of rental loss that Tenant proves could have been reasonably avoided;

(iii) The worth at the time of award of the amount by which the unpaid rent for the balance of the term of this Lease after the time of award exceeds the amount of rental loss that Tenant proves could be reasonably avoided; and

(iv) Any other amount necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to perform its obligations under this Lease.

The term "rent" as used in this Paragraph shall mean the Minimum Rent, the Additional Rent, and all other sums required to be paid by Tenant pursuant to the terms of this Lease.

(d) Landlord's Right to Relet. In the event Tenant breaches this Lease, Landlord may enter on and relet the Premises or any part of the Premises to a third party for any term, at any rental, and on any other terms and conditions that Landlord in its sole discretion may deem advisable, and shall have the right to make alterations and repairs to the Premises. Tenant shall be liable for all of Landlord's costs in reletting.

(e) Cumulative Remedies. The remedies granted to Landlord in this Article shall not be exclusive but shall be cumulative and in addition to all remedies now or hereafter allowed by law or provided in this Lease.

(f) Waiver of Breach and Estoppel. No waiver of any provision of this Lease shall be implied by any failure of Landlord to enforce any remedy for the violation of that provision, even if that violation continues or is repeated. Any waiver by Landlord of any provision of this Lease must be in writing. Such written waiver shall affect only the provision specified and only for the time and in the manner stated in writing. The acceptance of rent hereunder by Landlord shall not be a waiver of any preceding breach of Tenant of any provision hereof other than the failure of Tenant to pay the particular rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent.

The Landlord's neglect or omission to provide notice to the Tenant as to why the Landlord is not enforcing any provision of this Lease, or the Landlord's neglect or failure to enforce any provision of this Lease, whether known to Landlord or not, and any statement made by the Landlord or conduct by the Landlord herein that the Landlord is not enforcing any provision of this Lease, shall not act as an estoppel on the Landlord to enforce any provision of this Lease.

(g) Surrender on Termination. On expiration of the term of this Lease or the earlier termination of this Lease, Tenant agrees to surrender the Premises in good order and condition (reasonable wear and tear excepted). Further, Tenant shall, at Tenant's expense,

remove all of its merchandise, inventory, and trade fixtures, and repair any damage caused by the removal. Landlord shall also have the right to require Tenant, at Tenant's expense, to remove any improvements made to the Premises by Tenant and to repair any damage caused by the removal.

(h) Holdover Tenancy. If Tenant remains in possession of the Premises after expiration of the term of this Lease without renewing or extending this Lease or entering into a new lease with Landlord, Tenant's continued occupancy of the Premises, at Landlord's option, shall be considered a month-to-month tenancy that may be terminated by either party on 30 days' prior notice to the other. All terms of this Lease shall be fully applicable to the month-to-month tenancy.

15. General Provisions

(a) Landlord has entered into various agreements with the owners of or occupants of other premises located in the Harbor District relating to the operation and use of the tenants of Landlord (hereafter collectively referred to in this Paragraph as "Operating Agreements"). These Operating Agreements include reciprocal common use agreements and leases. This Lease shall be subject at all times to these Operating Agreements. Landlord shall not be liable to Tenant for the breach of any Operating Agreement by any owner or occupant of other premises located in the harbor, and shall not be required for Tenant's benefit to institute efforts to enforce any party's obligations under an Operating Agreement or to terminate any Operating Agreement because of a party's default.

(b) Tenant shall not transport, use, store, maintain, generate, manufacture, handle, dispose, release or discharge any "Hazardous Material" (as defined below) upon or about the Premises, or permit Tenant's employees, agents, contractors, invitees and other occupants of the Premises to engage in such activities except for those substances customarily used in the business or activity expressly permitted to be undertaken in the Premises. If any hazardous materials or substances prohibited by law are found to exist on the Premises and the presence of the materials or substances has not been caused by Tenant or by Tenant's use of the Premises, Landlord shall, at Landlord's sole cost and expense, perform necessary removal and cleanup as required by law. If any hazardous materials or substances prohibited by law are found to exist on the Premises and the presence of the materials or substances has been caused by Tenant or by Tenant's use of the Premises, Tenant shall be responsible for any required cleanup or removal and for the cost of the foregoing.

(c) This Lease establishes a Landlord-Tenant relationship between the parties. It shall not be construed or deemed to create any other type of relationship between them, including one of agency, partnership, or joint venture.

(d) Landlord, at its discretion during tenant's regular business hours and with two hours' notice to Tenant will have the right to enter, for the purpose of inspection of the Premises or perform any repairs Landlord is permitted or required to make under this Lease, whether to the Premises, adjoining premises, or the building containing the Premises. If,

in the sole opinion of Landlord, the hoist or any portion of the Premises is not being properly maintained, Landlord shall have the right, but not the obligation, to have it repaired or maintained at the expense of Tenant. Tenant expressly agrees that Landlord shall have no duty to inspect or correct any defective condition of the hoist or other improvement within the Premises or the common area. For any entry made while Tenant is open for business, Landlord shall use its best efforts to minimize interference with the conduct of Tenant's business. Repairs required or permitted to be made by Landlord may, at Landlord's option, be scheduled for times when Tenant's business is not open, provided prior written notice is given to Tenant. In the case of an emergency, Landlord may enter the Premises at any time without prior notice to Tenant, but shall notify Tenant promptly afterwards of its emergency entry.

(e) Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this Lease or by law to be served on or given to either party to this Lease by the other party to this Lease shall be in writing and shall be deemed duly served and given when personally delivered to the party to whom they are directed or any managing employee of that party, or in lieu of personal service, when deposited in the United States mail, first-class postage prepaid, addressed to Landlord at 101 Citizen's Dock Road, Crescent City, CA 95531 or to Tenant at #1 Commercial Street, Eureka, CA 95501. Either party may change its address for purposes of this Paragraph by giving written notice of that change to the other party in the manner provided in this Paragraph.

(f) This lease shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors, and assigns of Tenant, but nothing in this Paragraph shall be construed as a consent by Landlord to any assignment of this Lease or any interest in this Lease by Tenant except as provided in this Lease.

(g) Time is expressly declared to be of the essence in this Lease.

(h) This Lease contains all the terms and provisions between Landlord and Tenant relating to the matters set forth herein and no prior or contemporaneous agreement or understanding pertaining to the same shall be of any force or effect. Without limiting the generality of the foregoing, Tenant hereby acknowledges and agrees that Landlord's leasing and field personnel are only authorized to show the Premises and negotiate terms and conditions for leases subject to Landlord's final approval, and are not authorized to make any agreements, representations, understandings or obligations binding upon Landlord, respecting the present or future condition of the Premises or Building, suitability of the same for Tenant's business, or any other matter, and no such agreements, representations, understandings or obligations not expressly contained herein shall be of any force or effect. **TENANT HAS RELIED ON TENANT'S INSPECTIONS AND DUE DILIGENCE IN ENTERING THIS LEASE AND NOT ON ANY REPRESENTATIONS OR WARRANTIES MADE BY LANDLORD CONCERNING THE CONDITION OR SUITABILITY OF THE PREMISES OR BUILDING FOR ANY PARTICULAR PURPOSE.** Neither this Lease, nor any Riders or Exhibits referred to above may be modified, except in writing signed by both parties.

- (i) Exhibit A, the Site Plan for the Premises is incorporated by reference in and constitutes a part of this Lease.
- (j) If any provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this Lease shall remain in full force and effect.
- (k) No waiver of any term, condition, or covenant of this Lease shall be presumed or implied. Any such waiver must be expressly made in writing by the party waiving the term, condition, or covenant. The acceptance by Landlord from Tenant of any amount paid for any reason under this Lease in a sum less than what is actually owing shall not be deemed a compromise, settlement, accord and satisfaction, or other final disposition of the amount owing unless Landlord agrees otherwise in writing.
- (l) The captions and numbers of the Articles and Paragraphs of this Lease are for convenience only and are not intended to reflect in any way on the substance or interpretation of the provisions of this Lease.
- (m) Tenant agrees that in the use and occupancy of the Premises and in the conduct and operation of Tenant's business, Tenant shall not in any way restrict the use of said premises on the basis of race, sex, religion, color, creed, national origin, or ancestry.
- (n) This Lease and the obligations of the Tenant hereunder shall not be affected or impaired because the Landlord is unable to fulfill any of its obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of strike, labor troubles, acts of God, inclement weather, government agencies, inability by Landlord to lease this trust land or any other cause beyond the reasonable control of Landlord.
- (o) This Lease shall be construed in accordance with the laws of the State of California.
- (p) Nothing in this agreement shall be construed to limit Landlord's legislative discretion as a governmental entity. Nothing in this agreement is intended to require Landlord to use a different standard than is applicable to legislative determinations of a government entity. This agreement shall not be deemed to waive any immunities or defenses available to a public entity and its employees. Landlord shall have no duty to take actions to ensure the profitability of Tenant's business enterprise. It is agreed that nothing in this agreement shall be construed to imply that Landlord has any duty to dredge the Crescent City Harbor. It is agreed that nothing in this agreement shall be construed to imply that Landlord has any duty to take action to ensure that other harbor tenants are restricted in their competition with Tenant. This agreement may not be unilaterally amended and shall be strictly construed as set forth herein to accomplish the provisions expressly set forth herein
- (q) This Lease, and any Riders and Exhibits hereto, have been mutually negotiated by Landlord and Tenant, and any ambiguities shall not be interpreted in favor of either party.

Any printed provisions that have been deleted shall not be used to interpret the remaining provisions.

(r) The parties fully understand all the terms used in this agreement and their significance. The parties are each satisfied with the provisions of this agreement and have signed this Agreement with sound mind and memory, freely and voluntarily without duress, menace, fraud or undue influence.

(s) This agreement is not intended to, and shall not be construed to, create any right on the part of a third party to bring an action to enforce any of its terms. It is not to be construed as precedent binding Landlord to take the same action with other Tenants.

(t) The parties shall perform all acts and execute further documents necessary to effectuate the intent of this agreement.

(u) Tenant shall furnish Landlord with accurate information with regard to all matters under this agreement.

(v) The Tenant is duly organized and existing under the laws of the State of **Oregon** and has all necessary power and authority to enter into and perform its duties under this Lease.

(w) The execution and delivery by the Tenant of this Lease and compliance with the provisions hereof will not conflict with or constitute a breach of or default under any law, administrative regulation, court decree, resolution, charter, by-law or any agreement to which the Tenant is subject or by which it is bound or by which its properties may be affected.

(x) There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or threatened against the Tenant to restrain or enjoin the execution or delivery of this Lease, or in any way contesting or affecting the validity of this Lease, or contesting the powers of the Tenant to enter into or perform its obligations under this Lease.

(y) The Tenant is not in breach of or in default under any applicable law or administrative regulation of the State or the United States, the Constitution of the State (including article XVI, section 18 thereof), any applicable judgment or decree, any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Tenant is a party or is otherwise subject which would have a material adverse impact on the Tenant's ability to perform its obligations under this Lease and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument.

(z) No consent or approval of any trustee or holder of any indebtedness of the Tenant, and no consent, permission, authorization, order or licenses of, or filing or registration with, any governmental authority is necessary in connection with the execution and

delivery of this Lease or the consummation of any transaction contemplated herein, except as have been obtained or made and as are in full force and effect.

(aa) The information relating to the Tenant and the Premises submitted by the Tenant to the Landlord, was true at the time submitted to the Landlord and as of the date of this Lease, remains true and correct in all material respects.

(bb) In the event that Tenant furnished or furnishes financial statements to the Landlord, they shall have been or will be prepared in conformity with generally accepted accounting principles and fairly present in all material respects the financial condition of the Tenant as of the date thereof and the results of its operations for the period covered thereby. There has been no material adverse change in the business, condition (financial or otherwise) or operations of the Tenant since the date of such financial statements.

(cc) Tenant agrees to notify the Landlord promptly in writing, if there is a stop notice, litigation or any other legal proceeding which may impact the operation of Tenant's business.

(dd) The Tenant will adopt, make, execute and deliver any and all such further resolutions, deed, conveyances, instruments, assurances and such other documents as may be reasonably required to carry out the intention or to facilitate the performance of this Lease and for the better assuring and confirming unto the Landlord of the rights and benefits provided in this Lease.

(ee) Landlord shall have the right (but not the obligation) to limit or prevent access to all or any portion of the Premises, Common Areas and Dock, activate emergency controls or procedures, or otherwise take such action or preventive measures deemed necessary by Landlord for the safety of tenants or other occupants of the harbor district or the protection of the Premises, Dock, Common Area or other property located thereon or therein, in case of fire or other casualty, riot or other civil disorder, strike or labor unrest, public excitement or other dangerous condition, or threat thereof.

IN WITNESS WHEREOF, the parties have caused this Lease to be executed on the day and year last below written.

LANDLORD

Date:

By:

Timothy Petrick, CEO/
Harbormaster, CRESCENT
CITY HARBOR DISTRICT, a
public agency

ATTEST:

APPROVED AS TO FORM:

Witness

Ruben Duran,
District General Counsel

TENANT

Date:

Wes Taylor,
LCZ Unloaders

ATTEST:

Witness



2. Financial Reports

- a. Draft year-to-date review, account balances, and Comptroller's Report.**

Public Comment?

CRESCENT CITY HARBOR DISTRICT
 FINANCIAL OVERVIEW WORKSHEET AS OF 01-12-2023

ITEM	AMOUNT
CCHD OPERATING ACCOUNT	\$ 142,026
CCHD SAVINGS ACCOUNT	\$ 5,021
RV - REDWWOD	\$ 4,749
RV - BAYSIDE	\$ 21,174
RESERVE LAIF	\$ 1,014,945
VENDOR PAYMENTS - UNCLEARED CHECKS	\$ (61,039)
TOTAL CASH ON-HAND	\$ 1,126,876
CURRENT AP / PAYMENTS TO AUTHORIZE	\$ (51,045)
PAYROLL 01-19-2023 ESTIMATE	\$ (38,000)
JANUARY RV LEASE BUYOUT PAYMENTS	\$ (8,381)
SALES TAX AND RV TAX	\$ (800)
RESERVE: GRANT RESTRICTED /MATCH	\$ (331,196)
RESERVE: REC SOLAR	\$ (44,086)
RESERVE: SCHEDULED IMPROVEMENTS	\$ (20,000)
RESERVE: TAX PROCEEDS USDA	\$ (260,303)
RESERVE: FASHION BLACKSMITH	\$ (350,000)
ESTIMATED AP AND LIABILITY PAYMENTS	\$ (1,103,811)
ADJUSTED LIQUIDITY ESTIMATED	\$ 23,065
AR CURRENT	\$ 129,004
TAX PROCEEDS BY 4/1/23	\$ 200,000
ESTIMATED RECEIVABLES	\$ 329,004
ESTIMATED CURRENT WORKING CAPITAL	\$ 352,069
RESTRICTED FUNDS	
GRANT RECEIVABLE: SEA WALL	\$ 7,200,000

**CRESCENT CITY HARBOR DISTRICT
AR SUMMARY AS OF 01-10-2023**

	AMOUNT
COMMERCIAL: CURRENT	\$ 11,627.81
COMMERCIAL: ESCALATED	\$ 90,670.17
COMMERCIAL: PREPAY	\$ (22,139.08)
COMMERCIAL: CREDIT APPLY	\$ (100.00)
COMMERCIAL AR TOTAL	\$ 80,058.90
MARINA: CURRENT	\$ 18,547.41
MARINA: ESCALATED	\$ 8,617.26
MARINA: PAYMENT PLAN	\$ 10,863.38
MARINA: PREPAID	\$ (1,836.69)
MARINA: CREDIT APPLY	\$ (271.37)
MARINA AR TOTAL	\$ 35,919.99
RV: BAYSIDE PAYMENT PLAN	\$ 3,560.00
RV: BAYSIDE PREPAID	\$ (835.00)
RV: BAYSIDE CREDIT APPLY	\$ (1,240.00)
BAYSIDE AR TOTAL	\$ 1,485.00
RV: RHV PAYMENT PLAN	\$ 12,040.00
RV: RHV CREDIT APPLY	\$ (500.00)
RHV TOTAL AR	\$ 11,540.00
AR TOTAL AS OF 01-10-2023	\$ 129,003.89
MARINA: SMALL CLAIMS	\$ 36,621.07
RV: BAYSIDE EVICTION	\$ 3,465.00
RV: BAYSIDE UD	\$ 6,545.00
RV: RHV EVICTION	\$ 2,680.00
RV: RHV UD	\$ 1,030.00
POSSIBLE BAD DEBT	\$ 50,341.07

	OPEN CASES
RHV EVICTIONS FOR CAUSE	7
BAYSIDE EVICTIONS FOR CAUSE	8
MARINA ESCALATED	9
MARINA PAY PLAN	4
MARINA SMALL CLAIMS	8

**CRESCENT CITY HARBOR DISTRICT KEY BUDGET PERFORMANCE
AS OF 12-31-2023**

	BUDGET	AS OF 12/31/2022	DIFFERENCE	% OF BUDGET
Lease Income	\$ 1,444,956	\$ 692,139	\$ (752,817)	47.90%
Moorge & Marina Income	\$ 612,975	\$ 352,705	\$ (260,270)	57.54%
OPERATING REVENUE	\$ 2,057,931	\$ 1,044,844	\$ (1,013,087)	50.77%
Tax Proceeds	\$ 810,000	\$ 276,326	\$ (533,674)	34.11%
Interest Income	\$ 1,800	\$ 4,800	\$ 3,000	266.67%
ADDITIONAL REVENUE	\$ 811,800	\$ 281,126	\$ (530,674)	34.63%
Grants for Planning / PM	\$ 300,000	\$ 321,196	\$ 21,196	107.07%
Grants for Capital Improvements	\$ 2,700,000	\$ 7,200,000	\$ 4,500,000	266.67%
GRANT PROCEEDS	\$ 3,000,000	\$ 7,521,196	\$ 4,521,196	250.71%
Operating Expenses	\$ 623,965	\$ 348,656	\$ (275,309)	55.88%
Payroll	\$ 1,189,000	\$ 712,782	\$ (476,218)	59.95%
Professional Service	\$ 379,000	\$ 239,158	\$ (139,842)	63.10%
Utilities	\$ 416,100	\$ 257,052	\$ (159,048)	61.78%
OPERATING EXPENSES	\$ 2,608,065	\$ 1,557,649	\$ (1,050,416)	59.72%

	BUDGET	AS OF 12/31/2022	DIFFERENCE
Tri-Agency Contribution	\$ -	\$ 40,000.00	\$ 40,000
Whaler's Island Lease Buy-Out	\$ -	\$ 85,000.00	\$ 85,000
ADDITIONAL EXPENSES	\$ -	\$ 125,000.00	\$ 125,000.00
Improvements (Demolition)	\$ -	\$ 18,180	\$ 18,180
Marina Improvements (Gates)	\$ -	\$ 90,550	\$ 90,550
Improvements (Paving)	\$ -	\$ 28,650	\$ 28,650
Improvements (Electrical)	\$ -	\$ 19,884	\$ 19,884
IMPROVEMENTS	\$ -	\$ 157,264	\$ 157,264

**CRESCENT CITY HARBOR DISTRICT
Income Statement as of 12-31-2022**

	AMOUNT
Leases Commercial	\$ 342,031.31
Commercial Concessions	\$ 60,586.98
Commercial Utilities	\$ 14,233.69
Freezer Commercial	\$ 5,994.00
Hoist Commercial	\$ 12,120.00
Poundage Fees	\$ 16,795.14
TOTAL COMMERCIAL INCOME	\$ 434,965.98
Leases Bayside	\$ 140,739.37
Bayside Dump Station	\$ 450.00
Bayside Freezer	\$ 135.00
Bayside Laundry	\$ 8,262.00
TOTAL BAYSIDE INCOME	\$ 149,586.37
Leases RHV-RV	\$ 105,152.90
RHV Laundry	\$ 2,434.00
TOTAL RHV INCOME	\$ 107,586.90
Moorage Income	\$ 258,162.83
Equipment Rental and Service	\$ 3,850.00
Events	\$ 3,007.00
Fish Sales	\$ 450.00
Freezer Commercial	\$ 5,994.00
Gift Shop Sales	\$ 2,581.57
Harbor Services	\$ 250.50
Hoist Commercial	\$ 12,120.00
Inventory Sold	\$ 499.00
Late Fees	\$ 4,275.00
Launch Ramp Fees	\$ 11,492.06
Live-a-board fees	\$ 6,300.00
No Insurance Fee Revenue	\$ 12,500.00
Storage Revenue	\$ 8,705.00
Travel Expenses	\$ 5,294.48
Utility Reimbursements	\$ 16,323.38
Work Dock	\$ 900.00
TOTAL MOORAGE & MARINA INCOME	\$ 352,704.82
TOTAL NET OPERATING REVENUE	\$ 1,044,844.07
Less COGS Gift Shop Inventory Sold	\$ 2,338.18
Less Laundry Expenses	\$ 5,043.00
TOTAL ADJUSTED OPERATING REVENUE	\$ 1,037,462.89
Bank Fees and Surcharges	\$ 17,514.12
Contributions / Dues Membership	\$ 18,316.50
Fuel Expenses	\$ 13,653.17
Insurance Expense Payments	\$ 86,712.26
Office Equipment Leases	\$ 2,983.94
Office Expenses	\$ 17,416.33
Outside Services	\$ 96,320.67
Permits and Licenses	\$ 19,262.00
Recruitment	\$ 3,032.17

**CRESCENT CITY HARBOR DISTRICT
Income Statement as of 12-31-2022**

	AMOUNT
Repairs and Maintenance	\$ 17,764.35
Supplies and Small Tools	\$ 18,650.63
Travel Expenses	\$ 5,362.94
Truck Leases and Auto Expenses	\$ 28,316.17
Uniform Expenses	\$ 2,116.37
Wifi Subscriptions & Expenses	\$ 1,233.98
TOTAL OPERATING EXPENSES	\$ 348,655.60
Accounting Services	\$ 61,623.12
Auditing Services	\$ 13,475.00
Engineering Services	\$ 25,919.53
Grant Writing Services	\$ 15,000.00
IT Reimbursements	\$ 6,060.95
IT Support Services	\$ 21,280.93
Legal - Attorneys	\$ 69,996.29
Legal - Non Attorneys	\$ 23,405.00
Legal - Reimbursements	\$ 2,397.33
TOTAL PROFESSIONAL SERVICES	\$ 239,158.15
Admin Payroll BBSI	\$ 51,130.51
Commissioners Payroll BBSI	\$ 20,746.66
Leadership Payroll BBSI	\$ 147,870.71
Maintenance Payroll BBSI	\$ 142,966.44
RV Payroll BBSI	\$ 36,219.76
Security Payroll BBSI	\$ 69,375.13
PAYROLL TOTAL BBSI NET	\$ 468,309.21
Dental Benefits	\$ 4,550.68
Life Insurance	\$ 1,248.21
Medical Calpers	\$ 103,302.50
Medical Calpers Retirees	\$ 21,136.51
Recruitment	\$ 3,032.17
Retirement Calpers	\$ 92,516.09
Union Dues	\$ 740.00
Vision Insurance	\$ 2,156.63
Worker's Comp	\$ 15,790.32
PAYROLL BENEFITS TOTAL	\$ 244,473.11
Electric & Gas	\$ 49,811.36
Solar REC	\$ 103,985.54
Propane	\$ 6,064.52
Telephone	\$ 7,217.39
Water & Sewer	\$ 73,401.61
Waste Removal and Recycling	\$ 868.28
Wifi Services	\$ 15,703.76
TOTAL UTILITIES	\$ 257,052.46
TOTAL EXPENSES	\$ 1,557,648.53
PROFIT / LOSS FROM OPERATIONS	\$ (520,185.64)

**CRESCENT CITY HARBOR DISTRICT
Income Statement as of 12-31-2022**

	AMOUNT
LAIF Interest Earned	\$ 4,800.00
Molo Rebate	\$ 22,990.11
Grant Proceeds	\$ 321,196.00
Del Norte Tax Proceeds	\$ 276,325.78
TOTAL NON-OPERATING INCOME	\$ 620,511.89
USDA Interest	\$ 94,788.00
Tri-Agency Contribution	\$ 40,000.00
Whaler's Island Lease Buy-Out	\$ 85,000.00
TOTAL ADDITIONAL EXPENSES	\$ 125,000.00
PROFIT / LOSS BEFORE DEPRECIATION	\$ (24,673.75)
Estimated Depreciation	\$ (1,836,000.00)
ESTIMATED LOSS AFTER DEPRECIATION	\$ (1,860,673.75)



3. New Business

- a. **Klamath Dam Removal Ad Hoc Committee appointment.**

Public Comment?



3. New Business

- b. Review and vote to approve 3-year contract for Financial Auditor services from Nicholson & Olson, LLP.**

Public Comment?

Crescent City Harbor District

**Proposal to Perform Auditing
And
State Controller Report Preparation Services**

Nicholson & Olson
Certified Public Accountants

November 30, 2022

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Nicholson & Olson, LLP

Certified Public Accountants

November 30, 2022

To The Board of Directors
Crescent City Harbor District
Attn: Thomas Zickgraf, Comptroller
101 Citizens Dock Rd
Crescent City, California 95531

Ladies and Gentlemen:

Thank you for inviting Nicholson & Olson, CPAs to submit a proposal. We have an extensive amount of experience in performing audits and reviews of non-profit, governmental and for-profit organizations along with related tax preparation services. We believe our proposal will demonstrate that we are well qualified to serve the Crescent City Harbor District. The following is an outline of our proposal:

- Firm Profile
- Experience
- Audit Team Members
- Audit Approach
- Scope of Services
- Service Fees
- References

Time is a valuable resource that each organization uses in daily workflow management. Two of Nicholson & Olson, CPAs highest priorities are to provide audit services with a minimum amount of disruptions and the development of long-standing relationships with our clients.

We are excited about the possible opportunity to serve the Crescent City Harbor District. Please feel free to contact me if you have any questions about the enclosed materials at (916) 786-7997 ext. 201 or by e-mail at Chuck@NicholsonOlson.com. Also, see our website at NicholsonOlson.com. You can also contact Steven Nicholson at Steven@nicholsonolson.com, or (916) 786-7997 ext. 219.

We thank you for the opportunity and your time in considering Nicholson & Olson, CPAs. We look forward to speaking with you soon.

Sincerely,

Chuck Nicholson

Charles A. Nicholson
Managing Partner

FIRM PROFILE

Background

Nicholson & Olson, CPAs is a certified public accounting firm located in Roseville, California. Charles Nicholson and Kenneth Olson formed the firm in 1981 after working with the international CPA firm, Ernst & Young. We provide attest services such as audit, review, and compilation, as well as accounting, consulting, and tax services to not-for-profit organizations, homeowner's associations, employee benefit plans, local governments, corporations, cooperatives, and partnerships throughout California. The firm employs eleven professionals of which five make up the core of the audit team. Two professional staff members will be assigned to this engagement. In addition, the Managing Partner will be available to you and is involved for the duration of the audit.

Mission Statement

The mission statement of Nicholson & Olson, CPAs is to provide the highest level of professional service to our clients.

License to Practice in California

Our firm and all assigned key professional staff are properly licensed by the State of California to practice as Certified Public Accountants. Nicholson & Olson, CPAs meets all requirements imposed by State and Local laws, rules, and regulations.

Insurance

Nicholson & Olson will maintain insurance requirements during the entire term of the audit contract.

Record of Substandard Work

Nicholson & Olson does not have a record of substandard audit work and is not under suspension from any Federal, State or Local Government Organization or Regulatory Commission.

Quality Control Review Required by AICPA

During our last quality control review, we received a pass with a deficiency. A copy of the peer review report is available upon request. Also, our report and comments can be viewed at the AICPA website, https://peerreview.aicpa.org/public_file_search.html and search Roseville, California.

Independence

The firm meets the independence and quality control requirements of the Generally Accepted Government Auditing Standards, the American Institute of Certified Public Accountants, and the Securities and Exchange Commission. No partner or staff member may own securities of any client or be related to any client's employee who is in a position to influence the financial statements.

Firm Profile (continued)

Memberships

Nicholson & Olson, CPAs is a member of the American Institute of Certified Public Accountants (AICPA), California Society of CPAs (CalCPA), AICPA Private Companies Practice Section, AICPA ERISA Audit Quality Center Sub Section, and AICPA Government Audit Quality Sub Section.

Training and Continued Professional Education

Nicholson & Olson, CPAs employees attend annual national and regional training in several specialties. This training allows the firm to gain knowledge on the latest trends to prepare our clients for the changing financial environment.

Nicholson & Olson, CPAs is in compliance with the continued professional education (CPE) requirements of the AICPA and CalCPA. Nicholson & Olson employees maintain at least 40 hours of CPE each year and at least 80 hours every two years, including the required fraud and ethics courses. In addition, Nicholson & Olson employees are in compliance with the requirements of Governmental Auditing Standards.

EXPERIENCE

Nicholson & Olson, CPAs has experience in performing various professional services for not-for profit organizations in California and Nevada. We are educated on Generally Accepted Government Auditing Standards and the requirements under Uniform Guidance. We have extensive experience preparing tax returns for tax-exempt organizations and prepare tax returns for all of our audit clients with a (c)4, (c)3, and (c)6 tax status. We monitor various external sources and subscribe to auditing and tax literature to assure Nicholson & Olson, CPAs is up to date with the latest standards and guidelines. A partial listing of similar current and past engagements includes the following:

- B Street Theater
- Boys & Girls Clubs of Greater Sacramento
- Breathe California Sacramento Region
- Calaveras Consolidated Fire District
- California Association for Health, Physical Education, Recreation and Dance (CAHPERD)
- California Forestry Association
- California Municipal Utilities Association (CMUA)
- California Parks & Recreation Society (CPRS)
- California Women Lead
- Ebbett's Pass Fire District
- Eskaton Senior Housing and Assisted Living
- Friends of the River
- Folsom Cordova Community Partnership (FCCP)
- Forestry Foundation
- Gramercy Court
- Greek Orthodox Church of the Annunciation
- Humboldt Domestic Violence Services
- KidsFirst (previously Child Abuse Prevention Council of Placer County)
- Northern California Center for the Arts
- Pacific Coast Quarter Horse Association
- Pacific Crest Trail Association
- Saint Anna Greek Orthodox Church
- Saint John Kronstadt
- Shores of Hope
- State Water Contractors
- The Community College Foundation
- The Arc of Amador and Calaveras
- Twin Lakes Food Bank
- Women's Civic Improvement Club of Sacramento

AUDIT TEAM MEMBERS

Charles A. Nicholson

Chuck Nicholson is the firm's Managing Partner with over forty years of auditing and tax experience including not-for-profit, HUD, CIRA's, SEC, for-profit, and governmental. Also, Chuck provides consulting services to various entities from small businesses to government agencies. Chuck is a graduate of California State University, Humboldt, with a bachelor's degree in accounting and has been a California licensed Certified Public Accountant since 1977. Chuck will serve as the audit partner for this engagement.

Teresa L. Tedford

Terri is a CPA and Audit Manager with thirty years of professional experience performing audits of entities with revenues ranging from \$100,000 to \$150 million, including for-profit, not-for-profit, SEC, employee benefit plans, and CIRA's, and personal financial management consulting for professional athletes. Terri is a graduate of California State University, Sacramento, with a bachelor's degree in accounting, Summa Cum Laude, in 1990.

Tatyana Teenova

Tatyana is a CPA and Tax Manager who joined the firm in 2002 after practicing tax and accounting services for a Minnesota public accounting firm. Tatyana has extensive experience in preparing tax returns for both for-profit and tax-exempt organizations as well as individuals. Tatyana also performs other attest services for Nicholson & Olson clients such as financial statement preparation, compilation, and review services. She works directly with the audit team and will prepare the tax returns for this engagement.

Marvin Pescador

Marvin Pescador joined the firm as a staff auditor in 2007. His responsibilities include performing various audit services, consulting services, and agreed upon procedures. Marvin is a graduate of California State University, Humboldt, earning a bachelor's degree in accounting. Marvin's experience includes audits of Local Governments, Special Districts, HUD, and not-for-profit organizations.

Sarah Tedford

Sarah Tedford joined the firm in 2016 as a staff auditor. Her technical experience includes tax preparation for individuals and corporations, extensive and detailed research for the firm, as well as audit and review services for non-profit organizations, HUD, and CIRA's. Sarah is a graduate of California State University, Berkeley earning a bachelor's degree.

Steven Nicholson

Steven Nicholson joined the firm as a staff auditor in 2020. His technical experience includes tax preparation for individual and corporations, extensive and detailed research for the firm, as well as audit and review services for non-profits, HUDs, and governmental organizations. Steven is in charge of understanding and preparing all client related pension information. Steven is a graduate of Portland State University, earning a bachelor's degree in accounting.

Other Audit Team Members

Other employees provide technical and administrative support and will serve as needed for this engagement.

AUDIT APPROACH

Every Organization and thus every audit have certain common characteristics, yet each has its own unique qualities as well. Nicholson & Olson considers not only the specific characteristics of the Organization, but also the operating environment and other external factors that impact the Organization on a daily basis. We want to understand your concerns, needs, expectations, and plans for the future. We obtain this understanding by frequently communicating with your Organization's management and through detailed analysis of the internal and external environment in which you operate. With this knowledge, we are in a position to design and tailor an audit approach that includes the most effective and efficient combination of tests responsive to your circumstances.

In determining the appropriate nature, timing and extent of audit procedures in a given area or account, we perform an analysis of risk – that is, we evaluate the probability that a material error could occur within a specific account or transaction. By considering both materiality and risk, we audit what is important and avoid both over auditing and under auditing, which enables us to be both efficient and cost-effective.

Nicholson & Olson, CPAs implements a streamline approach to every engagement we undertake to ensure maximum effectiveness and efficiency within professional and regulatory guidelines. This systematic approach provides our clients with limited staff interruptions.

Our audit approach is broken into four phases, which are outlined below:

Planning Phase

- Contact the Organization's prior auditor as required by auditing standards
- Provide the accounting department with a schedule of requested documents
- Use preliminary financial data to aid with audit risk assessment
- Perform preliminary analytical review procedures

Preliminary Phase

- Investigate and test the internal control process
- Gather supporting documents and information for the financial phase
- Prepare correspondence with third parties, if necessary

Financial Phase

- Test financial statement disclosures and account balances
- Conduct an analytical review of account balances
- Document audit procedures as required by Auditing Standards

Final Phase

- Obtain a management representation letter
- Provide draft financial statements for management's review and approval
- Deliver the final financial statements and auditor's report

AUDIT APPROACH (continued)

Communication

- We communicate directly with management by phone, e-mail, and in person regarding any issues or questions that come to our attention during our audit.
- We are required by auditing standards to communicate directly with the board of directors regarding (1) oversight of the financial reporting process and (2) compliance and internal control related deficiencies, if any. We document this communication with a written letter to the board.
- If requested, Chuck Nicholson will present and discuss with the audit committee and/or the board of directors the audited financial statements and any written correspondence to the board.

The first year of any audit engagement **requires additional time** to collect all the background information and to gain an understanding the accounting processes followed by the Organization. The efficiency of our audit is dependent on the cooperation of client personnel. At this point in time, we do not know the accuracy of the records, what adjustments may be required, the responsiveness of management to our inquiries and requests for documents. Because of this unknown information, any time estimates discussed may be extended.

Please be assured, our audit will be completed in a timely and efficient manner. We will comply with the deadlines stipulated by you.

SCOPE OF SERVICES

We understand the scope of services are as follows:

- Perform an audit for year-end June 30, 2021, 2022 and 2023 of the basic financial statements and supplementary schedules in accordance with Generally Accepted Auditing Standards issued by the American Institute of Certified Public Accountants and Government Auditing Standards issued by the Comptroller General of The United States of America.
- For the June 30, 2021, 2022, and 2023 audits, we will prepare and issue the following independent auditor's reports:
 - a. An audit report to express our opinion on the fair presentation of the Organization's basic financial statements in conformity with generally accepted accounting principles.
 - b. An audit report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government auditing standards.
- We will also prepare all required pension calculations and disclosures in the financial statements. The information needed to prepare this information will come from CalPERS and from the district staff.
- The following documents will be included as a part of the financial statements:
 - a. Statement of Net Position
 - b. Statement of Revenues, Expenses, and Changes in Net Position
 - c. Statement of Cash Flows
 - d. Notes to Financial Statements
 - e. Supplementary Information
- Provide a letter to the Board of Directors which communicates relevant audit matters regarding the Board's oversight of the financial reporting process.
- Provide a letter to the Board of Directors summarizing any compliance and internal control related deficiencies we become aware of during our audit procedures.
- Discuss and explain all proposed adjusting journal entries with the designated personnel prior to recording.

State Controller Report

- Preparation of the state controller report. We will use information located in the financial statements and provided by the district.
- Submission of the state controller reports. For each of the three years Nicholson and Olson will submit the state controller report on behalf of the District, after the District has approved a draft version.
- Communication with the state controller on any follow-up questions.

Single Audit Services

- For any fiscal years that the District expends in excess of \$750,000 in federal funds, we will perform an audit on compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards (Uniform Guidance).
- We will prepare an audit report on compliance for each major program and on internal control over compliance required by the uniform guidance.
- The following documents will be included as a part of the compliance audit:
 - a. Schedule of Expenditures of Federal Awards
 - b. Notes to the Schedule of Expenditures of Federal Awards
 - c. Schedule of Findings and Questioned Costs
- At the conclusion of the engagement, we will complete the appropriate sections of and sign the Data Collection Form that summarizes our audit findings.

Workpaper Retention

Nicholson & Olson, CPAs will retain all workpapers for a minimum of seven years in accordance with Generally Accepted Auditing Standards. Should the Crescent City Harbor District need to extend the retention period, please notify us in writing. Workpapers will be available, upon request.

SERVICE FEES

Our proposed fees are as follows:

Financial Audit service fee per year for each year ending June 30	\$ 18,000
State Controller Report fee per year for each year ending June 30	\$ 1,000
Single Audit fee (if applicable) per year for each year ending June 30	\$ 3,000

We will be happy to entertain additional services outside of these services should you require them.

CONCLUSION

We sincerely appreciate the opportunity to submit this proposal to the Crescent City Harbor District. If additional information is needed, please let us know as we are always happy to help. All of us at Nicholson & Olson appreciate your time, effort, and consideration. Thank you!

REFERENCES

Boys & Girls Clubs of Greater Sacramento

Contact: Kim Key, Executive Director

Phone #: (916)-392-1350

E-mail: kkey@bgcsac.org

Contact: Debi Kemp, HR Manager

Phone #: 916-392-1350

E-mail: dkemp@bgcsac.org

Folsom Cordova Community Partnership

Contact: Robert Sanger, Executive Director

Phone #: (916)-361-8684 x290

E-mail: rsanger@thefccp.org

Humboldt Domestic Violence Services

Contact: Amber Campbell, Fiscal Bookkeeper

Phone #: (707) 444-9255 x305

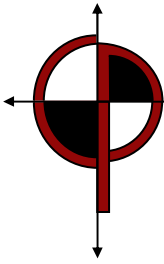
E-mail: finance@hdvs.org



3. New Business

- c. Review and vote to approve proposal from Cinquini & Passarino Inc for Bathymetric Survey of the Inner Boat Basin and Sub-Bottom survey of the Outer Boat Basin.**

Public Comment?



- ▲ BOUNDARY
- ▲ TOPOGRAPHIC
- ▲ CONSTRUCTION
- ▲ RAILROAD
- ▲ INFRASTRUCTURE
- ▲ HYDROGRAPHIC

P12769

January 12, 2023

Tim Petrick
CEO / Harbormaster

Crescent City Harbor District
101 Citizens Dock Road
Crescent City, CA 95531

Via email: tpetrick@ccharbor.com

Re: Crescent City Harbor – Inner Boat Basin Bathymetric Survey (Rev 2)

Dear Tim,

Cinquini & Passarino, Inc. (C&P) is very pleased to present to you this scope of work and fee proposal for a high-resolution bathymetric survey of the Inner Boat Basin within Crescent City Harbor. This fee estimate also includes a sub-bottom profile survey that will document the depth of sediment to the underlying bedrock.

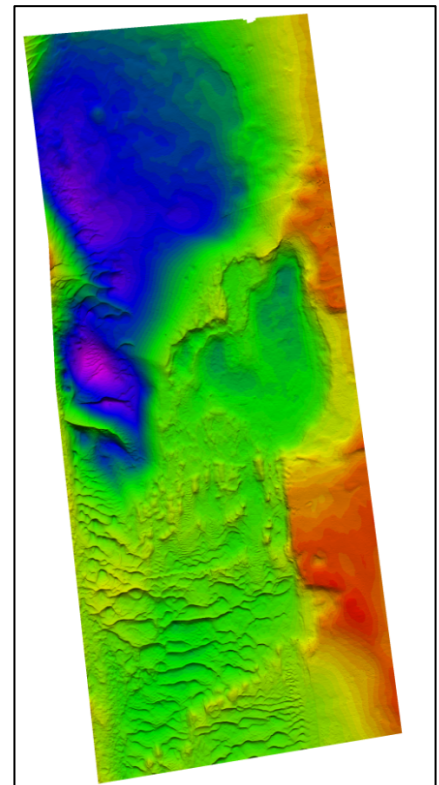
SCOPE OF WORK

We understand that your project will require a high-resolution multibeam sonar-based condition survey of the Inner Boat basin. The survey procedures and equipment will follow the Class 1 survey methods and accuracies, per the United States Army Corps of Engineers’ (USACE) Hydrographic Survey Manual. The resultant dataset will meet Special Order standards as outlined by the Federal Geographic Data Committee (FGDC). C&P will employ an industry-leading multibeam sonar and position / orientation system. And, all equipment used on this project will be C&P in-house equipment.

All survey activities will be supervised by a California Professional Land Surveyor and executed by an ACSM-Certified Hydrographer.

APPROACH TO MULTIBEAM SURVEYS

Licensing, Certification and Permitting. The bathymetric survey will be conducted under the direct supervision of the Project Manager and Technical Lead, James Kulpa, who is a THSOA Certified Hydrographer (#288). Jim Dickey (LS) will oversee all geodetic parameters of the survey.



Project Planning, Mobilization and Calibrations. Cinquini and Passarino understands that the mobilization stage is vital to acquiring high quality data. It is not possible to fix bad data in the processing stage; instead, it is important to diligently perform all calibrations and quality control checks prior to

acquiring survey data. Cinquini and Passarino intends to use its survey vessel, *R/V Olivia*, which will save time during the mobilization stage while mitigating the risk of error. The following calibrations and checks will be performed during mobilization: vessel offset survey, static and dynamic draft, heading (GAMS calibration), bar check calibration, patch test calibration, positioning checks, velocity checks, and performance tests.

Equipment and Accuracy during Bathymetry Acquisition. The survey procedures and equipment will follow the survey methods and accuracies outlined in the United States Army Corps of Engineers' (USACE) Hydrographic Survey Manual.

C&P proposes to use our 24' survey vessel, *R/V Olivia*, a U.S. Coast Guard certified vessel designed to work in reservoir and lake environments. It is maintained in Santa Rosa, California and can mobilize immediately to the survey area. The multibeam suite to be mobilized includes:

- *Reson Seabat T50* multibeam, 190 – 420 kHz
- *Applanix POS MV* (version 5) GNSS navigation system and motion sensor
- *AML Oceanographic* sound velocity probes
- *Hypack/ Hysweep* integrated data acquisition computer

The Reson Seabat T50 is the highest quality sonar available in the industry today for water depths in the range of this proposed project. It provides unprecedented data of ultrahigh quality for faster operational surveys. The system provides 1024 beams per ping with beam widths as narrow as 0.5 degrees by 0.5 degrees in the across-track and along-track direction. Thus, extremely high data densities are achieved with extremely small beam footprints on the seafloor to ensure the best possible bathymetric resolution.

The SeaBat T50 is fully frequency-agile from 190 to 420 kHz. It can be operated in Continuous Wave (CW) mode or a Frequency Modulated (FM) pulse mode to reduce the effects of noise in the water column during acquisition. Likewise, the system uses industry leading technology for adaptive gates and automated ranging to ensure noise in the water column is rejected in real time and data quality is optimized during acquisition. And, with a 6 mm depth resolution, the Reson T50 will be more than adequate to meet USACE survey specifications. Given the width of the sonar swath, we will most likely be able to collect data under occupied vessel slips.

Per allowances in the technical specifications, Cinquini and Passarino intends to utilize Real-Time Kinematic (RTK) GPS tides in lieu of observed tides from traditional tide gauges during acquisition. The use of RTK tides is the preferred option for this survey site to remove any inaccuracies from observed tide zoning and dynamic draft modeling. Thus, RTK tides will provide more accurate data reduction for this survey. Raw satellite data will be collected during the survey, enabling the use of PPK in order to further tighten baselines and motion data, resulting in a more accurate dataset. All survey data will be based on a GPS tie-in to NOAA Tidal Benchmark 941-9750.

COVERAGE

We intend to deliver near 200% bottom coverage of the survey footprint.

APPROACH TO SUB-BOTTOM PROFILE SURVEYS

We propose to collect sub-bottom profile data along transects spaced at 100 Ft. intervals within the requested survey footprint (Figure 1). Sub-bottom profiling systems identify and measure various sediment

layers and hard objects that exist below the sediment/water interface. These acoustic systems use a technique that is similar to simple echosounders. A sound source emits a signal vertically downwards into the water and a receiver monitors the return signal that has been reflected off the seafloor and sub-bottom layers. Some of the acoustic signal will penetrate the seabed and be reflected when it encounters a boundary between two layers that have different acoustic properties (acoustic impedance). The system uses this reflected energy to provide information on sediment layers beneath the sediment-water interface.

The resultant data will be displayed on an isopach chart; isopach charts show sediment thickness as contours.

SCOPE OF WORK

We have outlined the following tasks for this survey:

Task 1 - Mobilization and Calibration

This task involves coordination with Project Managers, field plan and HASP generation and the programming of the sonar acquisition computers and getting the vessel and crew to the site.

Task 2 - Condition Multibeam Bathymetric Survey

Task 3 – Sub-bottom Profile Survey

Task 4 - Raw Data Reduction, Charting and Reporting

Raw sonar data will be reduced to bathymetric elevations (Ft. MLLW) and the following deliverables will be submitted:

- Plan view drawing (in PDF and AutoCAD format) showing contours at 1 Ft. intervals.
- Sediment thickness isopach chart.
- Survey Report: detailed report of survey outlining equipment, calibration procedures and results amongst other important metadata.

PROJECT FEE

Task 1 – Mobilization and Calibration:	\$1,718
Task 2 – Condition Bathymetric Survey – 1 Day @ \$4,750 / Day:	\$4,750
Task 3 – Sub-bottom profile Survey – 1 Day @ \$3,750 / Day (survey day 2):	\$3,750
Task 4 – Raw Data Reduction, Charting and Reporting:	\$4,000
Total	\$14,218

Tim, thank you for reaching out to Cinquini & Passarino. Please feel free to contact me at (415) 516-8452 if you have any questions or require additional information.

Very truly yours,
CINQUINI & PASSARINO, INC.

James Kulpa, CH
Hydrographic Division Manager



Figure 1 – Proposed Sub-bottom Profile Survey Transects



3. New Business

- d. Review and vote to approve Resolution No. 2023-2 authorizing CCHD to submit an application to the California Department of Boating and Waterways Ramp Repair and Modification Grant program to address damage to the Whaler Island Groin.**

Public Comment?

RESOLUTION NO. 2023-02

A RESOLUTION OF THE BOARD OF HARBOR COMMISSIONERS OF THE CRESCENT CITY HARBOR DISTRICT AUTHORIZING AN APPLICATION FOR GRANT FUNDING TO SUPPORT THE REPAIR AND RESTORATION OF WHALERS GROIN, ANCHOR WAY, AND RELATED INFRASTRUCTURE TO SUPPORT BOATING ACCESS, PROTECT HEALTH AND SAFETY, AND RESTORE FUNCTIONALITY OF THE HARBOR.

WHEREAS, the Crescent City Harbor District (the “District”) holds right, title and interest in certain territory to promote and accommodate commerce, navigation, and fisheries, and for public recreation purposes; and

WHEREAS, Harbors and Navigation Code section 6075(a), authorizes the District to acquire, construct, own, operate, control, or develop land and facilities within the limits of the District’s established boundaries; and

WHEREAS, the District provides the public access to a boat ramp on Anchor Way; and

WHEREAS, the Statewide Ramp Repair and Modification (“RR&M”) Grant Program is administered by the California Division of Boating and Waterways (“DBW”) to provide grant funding to public agencies; and

WHEREAS, the purpose of the RR&M program is to restore safe and convenient public boating access by correcting impaired functionality and by addressing public health and safety issues that resulted from unexpected damage due to flood, accidents, wildfires, and other incidents; and

WHEREAS, the winter storms of January 2023 have damaged Whalers Groin and Anchor Way and access to the boat ramp is now limited; and

WHEREAS, the District wishes to apply for funding from DBW in the amount of \$750,000 to restore boating access; and

WHEREAS, DBW requires a resolution from the District’s governing body authorizing the District to apply for funding as part of the RR&M grant application.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF HARBOR COMMISSIONERS OF THE CRESCENT CITY HARBOR DISTRICT THAT:

Section 1. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. The District is authorized to submit an application to the California Division of Boating and Waterways Ramp Repair and Modification Grant program.

Section 3. The CEO/Harbor Master and/or his designee (“Authorized Person”), is hereby authorized and directed to do any and all things necessary to apply for and administer said grant program, and to execute and deliver any and all documents which are deemed necessary or advisable by the Authorized Person and/or the District’s General Counsel, in order to consummate the transactions contemplated by this Resolution, and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

Section 4. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application and, to this end, the provisions of this Resolution are severable. The Board declares that the Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 5. This Resolution shall take effect immediately upon its adoption.

APPROVED, ADOPTED AND SIGNED this 17th day of January, 2023, by the following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

Wes White, President
Board of Harbor Commissioners
Crescent City Harbor District

ATTEST:

Mike Rademaker, Clerk of the Board of Harbor Commissioners
Crescent City Harbor District



4. Unfinished Business

a. Grants update.

Public Comment?



5. Communications and Reports

a. CEO/Harbormaster Report

Heavy weather continues to beat down on the West Coast. Comparatively Del Norte has survived quite well but that doesn't mean we've escaped unscathed. The Whaler Island Groin has begun to fail completely. CCHD is working with Cal OES to get Del Norte added to the state of emergency declaration for potential FEMA funding for repairs and improvements.

CCHD has also spoken with the California Department of Boating and Waterways the USACE and we will be pursuing multiple funding avenues to work on raising the Anchor way break water and repair the failed section of the Whaler Island Groin.

Thank you to our Maintenance staff for your hard work keeping ahead of downed trees and boulders in the roads. The clean up was completed in the midst of the storm and it is greatly appreciated.

Please make sure to check your boats regularly and ensure the proper operation of your bilge pump and batteries. **CLEAN ANY OIL PRODUCTS FROM YOUR BILGE.** The maintenance department has some soakers available if needed and can take reasonable amounts of contaminated bilge water.



5. Communications and Reports

a. CEO/Harbormaster Report *(continued)*

Vessel owners or crew found to have vandalized the locks, gates, or doors to the docks or bathrooms will have their berthing permit revoked and will be trespassed from District property.

Assistant Harbormaster Mike Rademaker has begun the quoting and funding process to acquire security cameras which will cover gates, doors, dumpsters, and launch ramps.

Once again, harbor dumpsters are for boat trash only. Please help us police outside home garbage entering the harbor. We will be ticketing violators when they are caught in person or on camera.

Crab season is still on hold pending weather and pricing. Best of luck to all of our fishermen that we find a weather window and you're able to come to an agreement on a reasonable price.

Public Comment?



5. Communications and Reports

b. Harbor Commissioner Reports

- (1) Commissioner Brian Stone**
- (2) Commissioner Rick Shepherd**
- (3) Commissioner Gerhard Weber**
- (4) Secretary Harry Adams**
- (5) President Wes White**

Public Comment?

6. Adjournment

Adjournment of the Board of Harbor Commissioners will be until the next meeting scheduled for Tuesday, February 7, 2023, at 2 p.m. PDT. The Crescent City Harbor District complies with the Americans with Disabilities Act. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 12132 of the Americans with Disabilities Act of 1990 (42 U.S.C. §12132). Any person with a disability who requires modification in order to participate in a meeting should direct such request to (707) 464-6174 at least 48 hours before the meeting, if possible.

