

Board of Harbor Commissioners

Crescent City Harbor District

5 December 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, December 5, 2023**

Time: **Open Session 2:00 p.m., Closed Session follows**

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

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. Approval of CCHD Meeting Minutes.**
- b. Approval of Tri-Agency Meeting Minutes.**

2. Comptroller's Report, Review Balances.

3. New Business

- a. Adjudicate an Appeal from Tyrone Smith Seeking to Overturn a Revocation Order.**
- b. Review and Vote to Approve a Lease Agreement with Port O'Pints Brewing Company for the property located at 201 Citizens Dock Rd, Crescent City, CA.**
- c. Vote to Elect the President of the Board of Harbor Commissioners.**
- d. Vote to Elect the Secretary of the Board of Harbor Commissioners.**

4. Unfinished Business

- a. Grants Update**

5. Communications and Reports

- a. CEO/Harbormaster Report**
- b. Ad Hoc Committee Reports**
- c. Harbor Commissioner Reports**

6. MEETING ADJOURNMENT

Adjournment of the Board of Harbor Commissioners will be until the next meeting scheduled for Tuesday, January 2, 2024, 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. Approval of CCHD Meeting Minutes.**
- b. Approval of Tri-Agency Meeting Minutes.**

Public Comment?



2. Comptroller's Report, Review Balances

Public Comment?



Crescent City Harbor District

Income Statement

July - October, 2023

	TOTAL
Income	
2400 COMMERCIAL REVENUE	
2403 Commercial Leases	192,604.03
2405 Rec RV Park Leases	3,239.71
2407 Commercial Utilities	9,295.35
2409 Freezer Rental	2,886.00
2410 POUNDAGE FEES	4,734.13
Total 2400 COMMERCIAL REVENUE	212,759.22
2600 SERVICES & FEES	49,765.99
2700 MOORAGE - SLIP RENTALS	163,662.97
3000 SALES OF PRODUCT REVENUE	2,194.05
3099 UNCATERGORIZED REVENUE	0.00
Total Income	\$428,382.23
Cost of Goods Sold	
3100 COST OF GOODS SOLD	3,734.97
Total Cost of Goods Sold	\$3,734.97
GROSS PROFIT	\$424,647.26
Expenses	
3200 ADVERTISING	794.87
3300 AUTO EXPENSES	12,057.98
3400 BANK FEES / SURCHARGES	10,091.64
3500 DUES / CHARITABLE CONTRIBUTIONS	21,474.47
3600 CONTRACTORS OPERATIONS	28,577.94
3700 INSURANCE POLICIES	93,683.01
3800 INTEREST EXPENSE	170,698.62
3900 LEGAL & PROFESSIONAL FEES	
3903 Attorney Professional Services Legal	161,086.94
3906 Engineering	21,800.17
3907 Grant Management & Acquisition	50,000.00
3908 IT Services	9,393.37
3910 Professional Services PM and Planning	5,735.00
Total 3900 LEGAL & PROFESSIONAL FEES	248,015.48
4000 OFFICE / GENERAL OPERATIONS	27,600.93
5000 PAYROLL EXPENDITURES	526,726.88
5100 REPAIRS / MAINTENANCE	14,217.01
5200 SUPPLIES, MATERIALS & FUEL	7,911.29
5300 TRAVEL / TRAINING	5,659.08



Crescent City Harbor District

Income Statement

July - October, 2023

	TOTAL
5500 UTILITIES	94,574.87
Total Expenses	\$1,262,084.07
NET OPERATING INCOME	\$ -837,436.81
Other Income	
5700 GRANTS RECEIVED	
5701 Citizens Dock Planning Grant Reimbursements	75,000.00
Total 5700 GRANTS RECEIVED	75,000.00
5800 INTEREST INCOME	10,633.67
5900 NON-OPERATING INCOME	
5901 Harbor House Team Housing	12,400.00
Total 5900 NON-OPERATING INCOME	12,400.00
6000 TAX PROCEEDS	579,754.93
Total Other Income	\$677,788.60
Other Expenses	\$315,724.17
NET OTHER INCOME	\$362,064.43
NET INCOME	\$ -475,372.38



Crescent City Harbor District

Balance Sheet
As of October 31, 2023

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	\$506,266.62
Accounts Receivable	\$28,535.76
Other Current Assets	\$602,460.85
Total Current Assets	\$1,137,263.23
Fixed Assets	\$161,319.74
Other Assets	\$24,466,512.00
TOTAL ASSETS	\$25,765,094.97
LIABILITIES AND EQUITY	
	\$25,765,094.97



3. New Business

- a. Adjudicate an Appeal from Tyrone Smith Seeking to Overturn a Revocation Order.**

Public Comment?



3. New Business

- b. Review and Vote to Approve a Lease Agreement with Port O’Pints Brewing Company for the property located at 201 Citizens Dock Rd, Crescent City, CA.**

Public Comment?

**LEASE BY AND BETWEEN THE
CRESCENT CITY HARBOR DISTRICT AND
PORT O’PINTS BREWING COMPANY, LLC**

This Lease ("**Lease**") is executed this ___ day of _____, 202__ by and between the Crescent City Harbor District ("**Landlord**"), a special district organized pursuant to the California Harbors and Navigation Code, and Port O’Pints Brewing Company, LLC, a California limited liability company ("**Tenant**"), whose address is 1215 Northcrest Dr, Crescent City, CA 95531, under the following terms and conditions:

1. Basic Terms

1.1 Leased Premises. The leased premises (“Premises”), located at 201 Citizens Dock Rd, Crescent City, California are shown on **Exhibit A** and consist of all of the following:

- (a) A building (“Building”) of approximately 4,900 square feet;
- (b) A surrounding area (“Surrounding Area”) of approximately 2400 square feet (60’x 40’) behind the building;
- (c) The exclusive use of a twenty (20) foot long metal storage container located at the back of the Premises building;
- (d) Parking Spaces – 12 parking spaces designated and reserved for the Tenant’s use for the duration of the Lease are

as shown in **Exhibit A**.

1.2 Rent.

- (a) The Base Rent due monthly is: \$2,700.00.
- (b) The Additional Percentage Rent due monthly is 6% of gross receipts.

1.3 Rent Commencement Date.

(a) Base Rent. Upon the first date that the Tenant opens for business or March 1, 2024 whichever is sooner, the payment of Base Rent shall commence.

(b) **Additional Percentage Rent.** Upon first date of the sixth (6th) month after Tenant opens for business or July 1, 2024, whichever is sooner, the payment of Additional Percentage Rent shall commence.

1.4 **Use.** Operation of a restaurant/bar and arcade.

1.5 **Term.** 5 years.

1.6 **Tenant's Insurance.** Tenant shall furnish commercial general liability insurance that includes public liability and property damage insurance, fire and casualty insurance, pollution legal liability insurance, and worker's compensation insurance pursuant to Section 6.2 with the following minimum limits: \$2,000,000 per person and \$2,000,000 per occurrence public liability and \$2,000,000 property damage.

2. Premises, Use, Compliance with Laws

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

2.2 **Term.** The Term of this Lease shall commence on December 1, 2023 and will continue for the duration as set forth in Section 1.5 until November 30, 2028, unless terminated earlier pursuant to terms and conditions of this Lease.

2.3 **Option to Renew.** Provided Tenant is not in default in any terms of this Lease, Tenant is hereby granted an option to renew this Lease, under the same terms and conditions as set forth in this Lease, for one 5-year term from and after the expiration of the original Term of this Lease (the "**First Renewal Term**").

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

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

regulations applicable to the Premises and the use or occupancy thereof, including, without limitation, health and safety standards related to operation of a restaurant, bar and arcade.

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

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

(c) Failure to comply with the Industrial General Permit may be a violation of federal and state law. Tenant hereby agrees to indemnify and hold harmless Landlord, its officials, officers, agents, employees, and authorized volunteers from and against any and all claims, demands, losses, or liabilities of any kind or nature which Landlord, its officials, officers, agents, employees, and authorized volunteers may sustain or incur for noncompliance with the laws, regulations, ordinances, Industrial General Permit, and other regulatory mechanisms referenced in this Section arising out of or in connection with Tenant's use of the Premises in accordance with Section 6.

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

2.6 Hazardous Materials. Tenant may operate its business so long as the use or presence of Hazardous Materials is strictly and properly monitored according to all applicable governmental requirements. As a material inducement to Landlord to allow Tenant to use Hazardous Materials, defined below, in connection with its business, Tenant agrees to deliver to Landlord prior to the Commencement Date a list identifying each type of Hazardous Materials to be present on the Premises and setting forth any and all governmental approvals or permits required in connection with the presence of Hazardous Materials on the Premises ("**Hazardous**

Materials List"). Tenant shall deliver to Landlord an updated Hazardous Materials List at least once a year and shall also deliver an updated list before any new Hazardous Materials are brought onto the Premises or on or before the date Tenant obtains any additional permits or approvals. In connection with any Hazardous Materials utilized by Tenant on the Premises, Tenant shall be responsible, at its sole cost and expense, for making any necessary modifications or Improvements either to Premises or Tenant's equipment as required by applicable laws, or any governmental agency, Landlord's insurance company, Landlord's lender(s), Landlord's consultant(s), or prospective purchaser(s). Tenant will, at its sole cost and expense, promptly upon receipt of written notice from Landlord complete such Improvements. If such work is not promptly undertaken and completed, Landlord shall have the right, but not the obligation, to complete such work and to charge such amounts to Tenant as additional Rent under this Lease.

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

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

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

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

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

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

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

Tenant wishes to have a CASp inspection of the Premises Initials: _____

Tenant waives its right to have a CASp inspection of the Premises Initials: _____

3. **Rent**

3.1 Rent. Tenant shall pay Landlord in advance without notice, demand, or setoff, a monthly rent during the Term hereof in the total amount determined at the rates specified in Section 1.2 for the area leased (the "**Base Rent**") at the address of Landlord stated

in the Lease or at another location Landlord may designate. Tenant shall pay an additional monthly percentage rental amount during the Term in the total amount determined at the percentage rates specified in Section 1.2 for the area leased (the “**Additional Percentage Rent**”). All Rent is payable in advance on the first day of each month. If the Term of this Lease commences on a day other than the first day of the month, Rent for the first month of the Term shall be pro-rated.

3.2 Annual Rent Adjustment. Each of the base monthly rental rates, and the monthly Rent payable by application of these rates, as set forth in Section 1.2 shall be adjusted each year at the end of each 12-month period by any increase of changes in the Consumer Price Index during the preceding calendar year by application of the following formula:

$$\text{Adjusted Monthly Rental Rate} = \text{Rent specified in Section 1.2} \times \frac{\text{CPI for May of Year of Adjustment}}{\text{CPI for May next preceding the commencement of this Lease}}$$

The term "Consumer Price Index" means the Consumer Price Index, U.S. Department of Labor, Bureau of Labor Statistics, All Urban Consumers (1982, 1984 = 100) for the Redding Shasta Co. California area, all items. In the event the Consumer Price Index referred to above ceases to be published during the Term of this Lease or any revised or substituted index ceases to be comparable to the Consumer Price Index as defined above, then the most reasonably comparable figures available shall be substituted therefore in determining increases or decreases in Rent.

The May CPI figure shall be used since it will be the latest published CPI figure as of July 1 of any year.

3.3 Late Charge. Tenant acknowledges that late payment by Tenant to Landlord of Rent or other charge will cause Landlord to incur costs not contemplated by this Lease. If any installment of Rent, or any other payment due to Landlord, due from Tenant is not received by Landlord within five (5) days after such payment is due, it shall be considered late, and Tenant shall pay to Landlord an additional sum of the greater of \$100 or 6% of the overdue amount as a late charge. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of late payment by Tenant. Acceptance of any late charge shall not constitute a waiver of Tenant's default with respect to the overdue amount or prevent Landlord from exercising any of the other rights and remedies available to Landlord.

In the event that Tenant has a past due amount on its account at any given time, any payments received from Tenant shall be applied to the past due amounts first. Tenant is responsible for keeping its account current and making timely payments when due.

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

3.5 Taxes. Tenant shall pay, before the same become delinquent, all taxes assessed upon the Premises, appurtenances or improvements thereto or upon any interest of Tenant therein. Tenant hereby recognizes and understands that this Lease may create a possessory interest subject to property taxation under California Revenue and Tax Code Section 107.6, and that Tenant may be subject to the payment of property taxes levied on such interest. Any such imposition of a possessory interest tax shall be a tax liability of Tenant solely, and shall be paid for by Tenant; and any such tax payment shall not reduce any Rent due to Landlord. Tenant shall also pay all interest and penalties any government entity assesses for late payment of any possessory interest taxes that this Lease requires Tenant to pay. Tenant shall within a reasonable time after written notice from Landlord give Landlord reasonable proof that Tenant has paid any possessory interest taxes that this Lease requires Tenant to pay. Nothing herein shall prohibit Tenant from the right to challenge any assessment of possessory interest tax in accordance with the procedures set forth by the taxing authority and where applicable withhold any overcharge by such taxing authority until the disputed matter is resolved. Landlord is a non-taxable entity and any taxes assessed against the Property as a result of Tenant’s occupancy shall be Tenant’s responsibility.

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

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

4. Termination

4.1 Harbor Expansion or Improvements. Landlord, at its option, may terminate this Lease in the event Landlord, in its sole discretion, requires the Premises (or any portion thereof) to implement any harbor expansion or improvement program or project undertaken by Landlord. This Lease shall terminate on the date specified in a notice of termination served on Tenant by Landlord in the manner provide by Section 11.1 of this Lease. Said notice shall be served not less than thirty (30) days prior to the termination date.

If Landlord terminates this Lease as to a portion only of the Premises and Tenant, in its commercially reasonable judgment, believes that an insufficient portion of the lease premises remains for use by Tenant for the purpose specified in this Lease, Tenant may terminate this Lease as to the remaining portion of the Premises by serving on Landlord, during the notice of termination period, a written notice of Tenant's election to terminate this Lease as to all the Premises.

If Landlord exercises its option to terminate granted by this Section 4.1, Landlord will in good faith endeavor to relocate Tenant on other premises of Landlord for the duration of the Term (including any Renewal Term, if exercised by Tenant) of this Lease.

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

5. Remedies Upon Default

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

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

(b) Non-monetary Default. Should Tenant default in the performance of any other covenant or provision herein other than payment of money, other than those stated in subsections (c) and (d) below, and such default, if curable, is not cured within thirty (30) days after service upon Tenant of a written notice thereof from Landlord, or, if not curable within thirty (30) days, a cure is not commenced within fifteen (15) days and diligently prosecuted to completion.

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

- (i) The appointment of a receiver to take possession of all or substantially all of the assets of Tenant;
- (ii) A general assignment for the benefit of creditors by Tenant;
- (iii) The filing of a petition in bankruptcy by or against Tenant and the Lease is not assumed with approval of the Bankruptcy Court within the time prescribed by the Bankruptcy Code;

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

5.2 Landlord's Remedies.

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

- (i) The worth at the time of award of the unpaid Rent which had been earned at the time of termination;
- (ii) The worth at the time of the award of the amount by which the unpaid Rent, which would have been earned after termination until the time of award, exceeds the amount of such rental loss that Tenant proves could have reasonably been avoided;
- (iii) The worth at the time of the award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonable avoided;
- (iv) Any other amount necessary to compensate the Landlord for all the detriment proximately caused by Tenant's failure to perform its obligation hereunder or which in the ordinary course of things would be likely to result therefrom.

As used in Subparagraphs (i) and (ii) above of this Section, the "worth at the time of award" is computed by allowing interest at the maximum rate an individual is permitted by law to charge. As used in subparagraph (iii) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

(b) In the event of the vacation or abandonment of the Premises by Tenant, or in the event that Landlord shall elect to reenter as provided herein or shall take possession of the Premises pursuant to legal proceeding or pursuant to any notice provided by law, then Landlord shall have the remedy specified by Civil Code Section 1951.4, in which Landlord may from time to time recover all rental as it becomes due or relet the Premises or any part thereof for the account of Tenant on such term or terms and at such rental or rentals and upon such other terms and conditions as Landlord in its sole discretion may deem advisable, with the right to make alterations and repairs to the Premises. In the event that Landlord shall elect so to relet, then rentals received by Landlord from such reletting shall be applied first, to the payment of any indebtedness, other than rent due hereunder, owed by Tenant to Landlord; second, to the payment of any cost (including commissions) of such reletting; third, to the payment of the cost of any alterations and repairs to the Premises; fourth, to the payment of rent due and unpaid hereunder; and the residue, if any, shall be held by Landlord and applied in payment of future rent as the same may become due and payable hereunder. Should that portion of such rentals received from such reletting during

any month, which is applied to the payment of rent hereunder, be less than the rent payable during that month by Tenant hereunder, then Tenant shall pay such deficiency to Landlord upon demand. Tenant shall also pay to Landlord, as soon as ascertained, any and all costs and expenses incurred by Landlord in such reletting or in making such alterations and repairs not covered by the rentals received from such reletting.

(c) No reentry or taking possession of the Premises by Landlord pursuant to this Section shall be construed as an election to terminate this Lease unless a written notice of such intention be given to Tenant or unless the termination thereof be decreed by a court of competent jurisdiction.

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

- (a) Acts of maintenance of preservation or efforts to relet the property.
- (b) Appointment of a receiver upon initiative of Landlord to protect Landlord's interest under the Lease.

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

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

6. Indemnification and Insurance

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

or occupant of any adjoining or contiguous property. The preceding provisions shall not be construed to relieve Landlord from any liability Landlord may have to Tenant, or third persons, by reason of the California Government Claims Act or resulting from any liability resulting from the gross negligence or willful misconduct of Landlord, its employees or agents.

6.2 Insurance.

(a) On or before the Effective Date of the Lease, Tenant shall furnish to Landlord a certificate of insurance including endorsements, duplicate policy, or other evidence satisfactory to Landlord that Tenant has obtained the insurance required by Section 1.6. Each policy shall also provide for at least thirty (30) days' written notice by the insurer to Landlord prior to the cancellation thereof. If such insurance is to be cancelled, Tenant shall promptly notify Landlord of such proposed cancellation. All insurance obtained by Tenant pursuant to this Section shall be with a company licensed by the Insurance Commissioner of the State of California to do business within the State of California and shall have financial and policy holder Best ratings of no less than A-VIII. All insurance shall name Landlord, its Board of Harbor Commissioners, its officers, agents and employees as additional insured in such policies, and shall include a waiver of subrogation in favor of Landlord.

(b) Waiver of Subrogation. The parties release each other, and their respective authorized representatives, from any claims (for damage to any person or to the Premises and/or the building in which the Premises are located, and to the fixtures, personal property, Tenant's improvements, and alterations of either Landlord or Tenant in or on the Premises and/or the building in which the Premises are located) that are caused by or result from risks which are insured against under any insurance policies carried by the parties and in force at the time of any such damage and to the full extent of any proceeds paid under said policies.

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

(d) Fire and Casualty Insurance. Except for fixtures, trade fixtures, or personal property installed or placed on the Premises by Tenant, fire and extended coverage casualty insurance on the Premises shall be the sole responsibility of Landlord. However, no use except that which is expressly provided in this Lease shall be made of the Premises nor acts done which will increase the existing rate of fire or extended coverage insurance on the Premises or any part thereof, nor shall Tenant sell or permit to be kept,

used or sold in and about said premises any article that is prohibited by the standard form of fire insurance policy. Tenant shall, at Tenant's sole cost and expense, comply with any and all requirements pertaining to the Premises of the insurance company providing the fire insurance with a standard extended coverage casualty endorsement covering the Premises.

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

(e) Pollution Legal Liability. At all times during the Term of this Lease, and for sixty (60) months following the termination of this Lease, the Tenant shall maintain Pollution Legal Liability insurance. Tenant's employees, agents, and contractors, who have a reasonable probability of coming into contact with hazardous materials, shall be adequately trained to comply with and shall comply with all laws and regulations relating to the care and protection of the environment for the duration of the term of this Lease.

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

7. Maintenance and Alterations

7.1 Repair and Maintenance. Landlord shall be responsible for maintaining and repairing the roof and exterior siding of the building on the Leased Premises. Tenant shall keep the Premises in good condition and repair and free from dirt and accumulation of waste. Tenant at its own cost and expense shall repair any damage to the interior of the Premises, including, but not limited to windows, doors, glass, floor coverings, HVAC system, electrical equipment and plumbing and sprinkler systems, if any; and any damage to the exterior of the Premises (including parking area, roof and structural members) resulting from Tenant's use of the Premises under this Lease.

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

Tenant may, at Tenant's own cost and expense, install or place such furniture, equipment and machinery or other personal property in or upon the Premises as may be necessary for Tenant's use of the Premises for the purpose for which they are leased. Tenant shall have the right to remove any furniture, equipment and machinery, or other personal property (including without limitation, all trade fixtures) installed or placed in or upon the Premises at Tenant's own expense at any time prior to the expiration or termination of this Lease. In the event of termination of this Lease on less than thirty (30) days' notice as provided in this Lease, Tenant shall have a

reasonable time not to exceed thirty (30) days from the date of service of the notice of termination to make such removal. All personal property not removed by Tenant following the expiration or termination of this Lease within the time allowed for removal shall be deemed abandoned by Tenant and may be used or disposed of by Landlord in the manner prescribed by law without any liability to Tenant therefor. Such abandonment shall in no way reduce the obligation of Tenant to make restoration under Section 8.2 of this Lease.

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

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

8. Surrender, Restoration, Holdover

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

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

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

any claim made by any succeeding tenant founded on or resulting from such failure to surrender. Such indemnity shall survive the expiration of this Lease.

9. Assignment and Subletting

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

10. Destruction of Premises, Condemnation

10.1 Destruction.

(a) Total Destruction. In the event the Premises or a substantial portion thereof are destroyed by any cause so as to render the premises unfit for purposes designated in Section 1.4, or if the Premises are so badly damaged that they cannot be repaired within ninety (90) days from the date of such damage, either party may terminate this Lease by giving to the other party a written notice of termination served in the manner provided by Section 11.1 of this Lease. After such notice of termination has been given, Rent shall be prorated to the date Tenant actually vacates the Premises.

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

(c) Non-insured Partial Destruction. If the Premises are partially destroyed by any cause not insurable by fire insurance with extended coverage casualty endorsement but can still be used for the purpose designated in Section 1.4 of this Lease, Tenant may, at its option, terminate this Lease unless Landlord rebuilds or repairs the destroyed portion of the Premises within 90 days from the date of destruction. Such termination by Tenant shall be accomplished by serving on Landlord a written notice of termination in the manner prescribed by Section 11.1 of this Lease. This Lease shall terminate on the date such notice of termination is served on Landlord which date shall not be less than 90 days after the date of destruction. If Landlord accomplishes such repair or if Tenant fails to exercise its option to terminate, this Lease shall remain in full force and effect, but until the destroyed premises are repaired, Rent

paid by Tenant to Landlord shall be reduced in the same proportion that Tenant's square footage is reduced by such destruction at the rates specified in Section 1.2 as adjusted from time to time for changes in the Consumer Price Index.

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

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

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

10.2 Condemnation.

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

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

(c) Award. Landlord shall be entitled to (and Tenant shall assign to Landlord) any and all payment, income, rent, award or any interest therein whatsoever which may be paid or made in connection with such taking or conveyance and Tenant shall have no claim against Landlord or otherwise for any sums paid by virtue of such proceedings, whether or not attributable to the value of any unexpired portion of this Lease, except as expressly provided in this Lease. Notwithstanding the foregoing, any compensation specifically and separately awarded Tenant for Tenant's personal property and moving costs, shall be and remain the property of Tenant.

(d) Waiver of Code of Civil Procedure § 1265.130. Each party waives the provisions of California Code of Civil Procedure Section 1265.130 allowing either party to petition the superior court to terminate this Lease as a result of a partial taking.

11. Miscellaneous

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

(a) Notice to be served on Landlord shall be sent to Landlord addressed to Crescent City Harbor District, Attn: CEO/Harbormaster, 101 Citizens Dock Road, Crescent City, California 95531.

(b) Notice to be served on Tenant shall be sent to Tenant addressed to Tenant at the address shown in the introductory paragraph to this Lease.

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

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

11.3 Failure to Insist on Compliance. Landlord's or Tenant's failure to take advantage of any default or breach of covenants on the part of the other party or to insist upon the performance of any terms, covenants and conditions of this Lease shall not be a waiver or relinquishment of such party's right to the future performance of such terms, covenants or conditions. Tenant's or Landlord's obligations with respect to such future performance shall continue in full force and effect. No custom or practice which may develop between the parties in the course of administering this Lease shall be construed to waive or lessen the right of either party to insist upon the performance by either of any term, covenant or condition hereof.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11.16 Dispute Resolution; Mediation. Except with regard to any claim, counterclaim, dispute, and other matter relating to the payment of rent or any other sum owing from Tenant to Landlord under this Lease, Landlord and Tenant agree to attempt in good faith to resolve any Non-monetary Dispute arising out of or relating to this Lease through negotiation between representatives who have authority to resolve the matter. If and to the extent that any claim, counterclaim, dispute, and other matter in question between them arising out of or relating to this Lease or the breach thereof (collectively, "Non-monetary Disputes") cannot be resolved by such good faith negotiation after thirty (30) days, the Parties hereby agree that, prior to commencing any litigation, they will first engage the services of a professional mediator agreed upon by the parties and attempt in good faith to resolve the Non-monetary Disputes through confidential non-binding mediation. All expenses of the mediation shall be borne by the parties equally; however, each party shall bear the expense of its own counsel, experts, witnesses, and preparation and presentation of proofs. If either party commences litigation

without first attempting to settle the Non-monetary Disputes through good faith mediation, such party shall not be entitled to reasonable attorneys' fees and costs in connection with this Lease, even where it may be so entitled by law or contract as the prevailing party.

11.17 Subordination. Without the necessity of any additional document being executed by Tenant for the purpose of effecting a subordination, this Lease shall be and is hereby declared to be subject and subordinate at all times to: (a) all ground leases or underlying leases which may now exist or hereafter be executed affecting the Premises and/or the land upon which the Premises are located; and (b) any mortgage or deed of trust which may now exist or be placed upon the land upon which the Premises is situated, or said ground leases or underlying leases, or Landlord's interest or estate in any of said items which is specified as security. Notwithstanding the foregoing, Landlord shall have the right to subordinate or cause to be subordinated any such ground leases or underlying leases or any such liens to this Lease. If any ground lease or underlying lease terminates for any reason or any mortgage or deed of trust is foreclosed or a conveyance in lieu of foreclosure is made for any reason, Tenant shall, notwithstanding any subordination, attorn to and become the Tenant of the successor in interest to Landlord provided that Tenant shall not be disturbed in its possession under this Lease by such successor in interest so long as Tenant is not in default under this Lease. Within ten (10) days after request by Landlord, Tenant shall execute and deliver any additional documents evidencing Tenant's attornment or the subordination of this Lease with respect to any such ground leases or underlying leases or any such mortgage or deed of trust, in the form requested by Landlord or by any ground landlord, mortgagee, or beneficiary under a deed of trust, subject to such non-disturbance requirement.

[signatures on following page]

**SIGNATURE PAGE TO
LEASE
BY AND BETWEEN THE CRESCENT CITY HARBOR DISTRICT AND
PORT O’PINTS BREWING COMPANY, LLC**

TENANT:

LANDLORD:

Port O’Pints Brewing Company, LLC

Crescent City Harbor District:

By: _____
[Authorized Signatory]

By: _____
Tim Petrick, CEO/Harbormaster

Approved as to form:

Approved as to form:

By: _____
[Authorized Signatory]

By: _____
Ruben Duran, General Counsel



3. New Business

- c. Vote to Elect the President of the Board of Harbor Commissioners.**

Public Comment?



3. New Business

- d. Vote to Elect the Secretary of the Board of Harbor Commissioners.**

Public Comment?



4. Unfinished Business

a. Grants Update

Public Comment?

Crescent City Harbor District Grant Tracking Chart 12_5_23

GRANT AWARDED								
Grant Name	Grant Funder	Funded Projects	Project Amount	Grant Amount Requested	Match Requirement	Grant Start Date	Project Timeline	Next Steps
Port Infrastructure Development Grants (PIDP)	ODOT - Maritime Administration	1) Construction of a new seawall 2) repair and renovate the seafood packing and trucking area 3) replace the aged cargo handling equipment atop the seawall	\$9,208,207.00	\$7,366,565.60	\$1,841,641.40 (20% required)	Jan-23	1-Jan-28	Combined Environmental Study and Design with Citizens Dock ES. Moffatt & Nichol in contact with MARAD.
CA Coastal Conservancy Grant Citizen's Dock Planning	CA Coastal Conservancy	Funds Design, Environmental Impact Studies and Permitting for a new Citizen's Dock.	\$927,000.00	\$927,000.00	\$237,000 (In-Kind)	Jun-23	36 months	Combined Environmental Study and Design with Citizens Dock ES. M&N at CCHD Dec. 12/13 to begin Community Outreach.
Port Economic Recovery Grant	California State Lands Commission	Create Technical Reports required for Seawall Construction Grant	\$437,001.65	\$321,195.65	\$115,806.00	Nov-22	Dec-23	Funds being used as match for PIDP grant.
CA Coastal Conservancy Grant South Beach Bathroom	CA Coastal Conservancy	Funds Design, Permitting and Construction of Bathrooms and Showers on Anchor Way, near Starfish Way.	\$450,000.00	\$450,000.00	\$117,000 (In-Kind)	Jun-23	36 months	RFP to be re-released in January.
Harbor Mitigation Grant Program (HMGP)	Cal OES and FEMA	Climate Resiliency -Design & Engineering; NEPA/CEQA; of Harbor water area	\$1,450,000.00	\$1,350,000.00	\$100,000.00	January 2024	Must be completed within 5 years of obligation	Awaiting necessary documents from Cal-OES.
STPG Climate Adaptation Transportation Planning (partnering with Del Norte Local Transportation Commission)	Caltrans and OPR	Planning study to identify climate mitigation projects along U.S. Hwy 101 and Anchor Way along South Beach.	\$250,000.00	\$120,000.00	\$4,000.00	Summer 2023	30 months	Awarded, Managed by Del Norte Local Transportation Commission.
CA Coastal Conservancy Grant Fish Filet Bathroom (partnering with DNATL Community Food Council)	Coastal Conservancy	Construction for bathroom and pop-up store for fish filet station	\$500,000.00	\$500,000.00	20% -in-kind	Dec-23	36 months	Awarded 11/30.

Crescent City Harbor District Grant Tracking Chart 12_5_23

GRANTS APPLIED FOR UNDER REVIEW								
Grant Name	Grant Funder	Project Applied For	Project Amount	Grant Amount Requested	Match Requirement	Announcement Date	Project Timeline	Next Steps
Storm Damage Disaster Response 4683	FEMA	Repair of Anchor Way Breakwater, Anchor Way road and Whaler Island Groin Breakwater	\$7,695,828.00	\$7,695,828.00	6% - 20%	Q1 2024	18 months	Dimensions signed and submitted 11/30. Awaiting FEMA response.
CA Coastal Conservancy	CA Coastal Conservancy	Crescent City Harbor District Strategic Project Implementation	\$1,000,000.00	\$1,000,000.00	TBD	TBD	TBD	Submitting in January 2024
GRANTS WORKING ON								
Grant Name	Grant Funder	Project Applying For	Project Amount	Grant Amount To Request	Cost Sharing/Match Requirement	Grant Submittal Date	Grant Announcement	Next Steps
Storm Damage Mitigation, Section 406	FEMA	Construct new Anchor Way Breakwater, Anchor Way road and Whaler Island Groin Breakwater.	TBD	TBD	TBD	Spring 2024	Q2 2024	FEMA requested we submit Hazard Mitigation proposal. Submitted 11/17. Awaiting FEMA response.
Boating Infrastructure Grant	DBW	Boat Ramps	\$1,500,000	\$1,500,000	TBD	TBD	Apr-24	Working on Application
Grants Opportunities Being Reviewed								
Grant Name	Grant Funder	Project Applying For	Project Amount	Grant Amount To Request	Cost Sharing/Match Requirement	Grant Submittal Date	Grant Announcement	Next Steps
EDA Public Works Program	U.S. EDA	Infrastructure Construction Projects and new equipment	\$3,450,000.00	\$3,000,000.00	\$450,000.00	Rolling Application	Funding available in 2024	Reviewing project eligibility criteria.
Boat Launching Facility Grant Program	DBW	Replace boarding floats	TBD	TBD	TBD	Winter 2024	Funding available in 2024	Budget being prepared.

Crescent City Harbor District Grant Tracking Chart 12_5_23

CA Coastal Conservancy Grant Recreational Area Planning	Coastal Conservancy	Planning and Permitting for harbor recreational area including proposed food/beer garden	\$200,000.00	\$200,000.00	20% - can be in-kind	TBD	Rolling grant applications	Working on application.
Program to Support Offshore Wind Infrastructure Improvement	CA Department of Energy	Planning Studies and Commercial Area Development/Construction to support offshore wind efforts	\$2,000,000.00	\$2,000,000.00	\$200,000.00	2Q 2024	4Q 2024	Working on list of projects to include once the application is released.
Boating Safety & Enforcement Equipment Grant Program (BSEE)	DBW	Purchase of new Patrol Boat	\$1,250,000.00	\$1,250,000.00	\$250,000.00	Spring 2024	Funding available in 2024	Grant application not released yet, due March-April 2024.
Clean Ports Program	U.S. EPA	Electric Infrastructure Construction Projects and new electric equipment	\$2,000,000.00	\$2,000,000.00	20% - can be in-kind	May 2024	3Q 2024	Grant application not released yet, due May 2024.



5. Communications and Reports

a. CEO/Harbormaster Report (page 1)

Upcoming Lighted Boat Contest: The much-anticipated Lighted Boat Contest scheduled for December 16th is quickly approaching. We are hopeful that the delayed crab season will not impact participation. The date had to be chosen well in advance. In any case, we encourage participation from both the commercial fleet and recreational boats. Your involvement will help make the event a success.

Crescent Seafood Operations: We are encouraged that Crescent Seafood intends to continue its operations in the Harbor as progress is made on negotiating a new lease. We consider Crescent Seafood an essential part of our vibrant Harbor economy.

Seawall Project Meeting: The first meeting with the engineering firm Moffatt and Nichol and MARAD laid the groundwork for environmental assessments and design documents required for the new seawall. This is an important milestone in our infrastructure development journey.



5. Communications and Reports

a. CEO/Harbormaster Report (page 2)

FEMA Approval Progress: Updated budgets and design documents for the repair of Anchor Way and Whaler Island Groin have been submitted to FEMA. We eagerly anticipate formal approval of federal funding for this project.

Coastal Conservancy Funding Update: Progress continues for the Filet Station and bathroom project, funded by the Coastal Conservancy. We are focused on the operational phase, targeting a Spring launch, assuming smooth progress through permitting requirements.

Offers to Bayside Residents: This week, we extended offers to all current Bayside RV Park residents to renew their rental agreements. This will ensure continuity in their residency at Bayside following the withdrawal of the firm Renewable Energy Capital from its involvement in the park. We will continue to share updates as we make progress on a seamless transition for our valued residents.



5. Communications and Reports

a. CEO/Harbormaster Report (pg. 3)

Fishermen's Input Group Meeting: Our dedication to community involvement continues with an upcoming meeting of the Fishermen's Input Group. Your valuable insights and ideas will be pivotal in shaping the Seawall and Citizens dock design, joining the collective vision of the Del Norte community.

Advocacy for Offshore Wind Energy Grant Funding: In order to ensure that the interests of commercial fishermen and other stakeholders remain at the forefront, CCHD continues to engage with policymakers, such as the California Energy Commission, to protect fishing interests relative to offshore wind energy projects. CCHD is currently focused on obtaining grant funds from CEC and other state agencies which can be used to meet federal match requirements for construction of the new seawall. This aligns with our mission of securing resources for crucial infrastructure improvements.



5. Communications and Reports

b. Ad Hoc Committee Reports

Public Comment?



5. Communications and Reports

c. Harbor Commissioner Reports

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

Public Comment?

6. MEETING ADJOURNMENT

Adjournment of the Board of Harbor Commissioners will be until the next meeting scheduled for Tuesday, January 2, 2024, 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.

