

Board Of Harbor Commissioners

Crescent City Harbor District

2 November 2021

Regular Harbor Commission Meeting



Regular Meeting

Board of Harbor Commissioners of the Crescent City Harbor District

Brian Stone, President Wes White, Secretary

Harry Adams, Commissioner; Rick Shepherd, Commissioner; Gerhard Weber , Commissioner

AGENDA

Date: Tuesday, November 2, 2021

Time: Open Session 2:00 p.m.

Closed Session following Open Session

Place: Remote Meeting via Zoom Webinar & In-Person at 101 Citizens Dock Road

Link for Zoom Webinar: <https://us02web.zoom.us/j/82717545424?pwd=aExZeTRuL0VreFVEZGwweUR2TEpldz09>

Please enter passcode: 182536

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 Agenda for separate consideration or action.

- a. Approval of the Meeting Minutes of the October 19, 2021 Regular Meeting.**
- b. Approval of Warrant List from September 15, 2021 through October 28, 2021.**

2. New Business

- a. Approve Resolution No. 2021-005 Authorizing CEO/Harbormaster To Execute A Ground Lease With South Beach RV Resort, LLC For Development of The Redwood Overflow Lot, and Finding the Project Categorically Exempt from CEQA.**
- b. Review and discuss Power Usage of Bait Freezers.**
- c. Review and discuss resumption of previously budgeted payments to the Tri-Agency.**
- d. Review and vote to approve proposal for Rural Human Services to hold a Winter Market in the Harbor District.**
- e. Discuss project, review and vote to approve Letter of Commitment for storage and operation of Del Norte Sea to Market Fish Landing Mobile Facility in the Crescent City Harbor District.**
- f. Presentation by Jim Ramsey on Friends of the Harbor Christmas Decoration Contest. Review and vote to approve.**

3. Unfinished Business

- a. Solar Project Update**
- b. Dredge Permit Update**

4. Communications and Reports

- a. Financial Reports: Account Balances**
- b. CEO/Harbor Master Report**
- c. Harbor Commissioner Reports**

5. Adjourn to Closed Session

CLOSED SESSION

- a. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
(Gov. Code §54956.9(d)(2))
Significant Exposure to Litigation: One case based on correspondence with Fashion Blacksmith regarding entry to lease area.

- b. CONFERENCE WITH LEGAL COUNSEL – INITIATION OF LITIGATION
(Government Code section 54956.9(d)(4)) Number of Cases: 1

6. Adjourn Closed Session

7. Report out of Closed Session

8. ADJOURNMENT

Adjournment of the Board of Harbor Commissioners will be until the next meeting scheduled for Tuesday, November 16, 2021, 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 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 Agenda for separate consideration or action.

- a. Approval of the Meeting Minutes of the October 19, 2021 Regular Meeting.**
- b. Approval of the Warrant List from September 15, 2021 through October 28, 2021.**

Public Comment?



**Regular Meeting Minutes of the
Board of Harbor Commissioners of the Crescent City Harbor District**

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

October 19, 2021
2:00 p.m.

Board of Harbor Commissioners of the Crescent City Harbor District

MINUTES

Regular Meeting, Tuesday October 19, 2021 at 2:00 P.M.

CALL TO ORDER: **2:00 PM**

ROLL CALL:

<i>PRESENT:</i>	<i>President</i>	BRIAN STONE
	<i>Secretary</i>	WES WHITE
	<i>Commissioner</i>	HARRY ADAMS
	<i>Commissioner</i>	GERHARD WEBER

ABSENT: *Commissioner* RICK SHEPHERD

QUORUM: YES

PLEDGE OF ALLEGIANCE: *led by Commissioner Shepherd*

PUBLIC COMMENT: The following individuals addressed the Board regarding subject matters not on the meeting agenda:

Roger Gitlin expressed concern about channel depth within the Harbor, drawing attention to the fishing vessel *Gladnik*, a larger vessel that he asserted might not be able to transit the Harbor if the channel depth was not increased.

Pat Franklin commented on the amount of revenue generated by the two RV parks operated by the Harbor (Redwood Harbor Village & Bayside RV Park). In a previous meeting, it was noted that the RV parks were responsible for a substantial amount of the Harbor’s revenue. Mr. Franklin suggested that if the Harbor decided to redevelop the RV parks for a different use, it might jeopardize a substantial revenue stream. He cited a hypothetical example of the developer going bankrupt and leaving the Harbor with liabilities.

Annie Nehmer brought attention to additional Harbor maintenance staff that had been hired. Given the additional staffing, she questioned whether it was still necessary to pay a contractor to provide landscaping services.

Christopher Johns recounted his interaction with the Harbor's landscaping contractor, R.A. Kirkland's Inc., and he praised the firm for doing an exceptional job beautifying the Harbor.

1) **CONSENT CALENDAR**

(1A) Approval of the Meeting Minutes of the October 5, 2021 Regular Meeting.

(1B) Approval of the Warrant List from September 29, 2021 through October 14, 2021.

Commissioner White **moved** to approve the consent calendar. Commissioner Adams **seconded** the motion. President Stone then opened up public comment on the agenda item. No members of the public commented on the agenda item. President Stone then moved the discussion back to the Board.

POLLED VOTE was called, **MOTION CARRIED.**

Ayes: WHITE, ADAMS, WEBER, STONE / *Nays:* NONE

Absent: SHEPHERD / *Abstain:* NONE

2) **NEW BUSINESS**

(2A) Approve Resolution No. 2021-004 Authorizing CEO & Harbormaster To Execute A Lease with CC Azul Inc.

CEO/Harbormaster Tim Petrick provided background and described the proposed lease area, which was shown to be south of the area occupied by Fashion Blacksmith. The proposed lessee, C.C. Azul Inc., was described as a business that would be receiving and shipping hagfish. The business owner was identified as IL Han Choi, who was described as having a stellar reputation from his business and personal references.

Commissioner Adams asked if the business would be operated year-round, to which Mr. Choi responded in the affirmative. Mr. Choi further explained that he was hoping to transit approximately 10,000 to 15,000 pounds of hagfish per week, weather permitting.

Commissioner White requested that the draft lease be revised to change the annual rent adjustment from a fixed rate of 3% to a rate that would track the Consumer Price Index (CPI) established each year by the U.S. Bureau of Labor Statistics. President Stone supported the request of Commissioner White, with President Stone reasoning that a trend towards higher inflation could put the Harbor at a disadvantage unless the lease was modified to follow the CPI. President Stone also noted that the lease contained a reference to a building, which was erroneous because there was not actually a building on the proposed lease premises.

Commissioner White **moved** to approve Resolution 2021-004, on the condition that the final lease would be modified to include an annual rent adjustment that tracked the CPI, and also

the reference to a building would be removed from the lease. Commissioner Adams **seconded** the motion. President Stone then opened up public comment on the agenda item. No members of the public commented on the agenda item. President Stone then moved the discussion back to the Board.

POLLED VOTE was called, **MOTION CARRIED.**

Ayes: ADAMS, WEBER, WHITE, STONE / *Nays:* NONE

Absent: SHEPHERD / *Abstain:* NONE

(2B) Review and approve proposal for engineering services from GeoEngineers, Inc. in amount not to exceed \$14,000 related to North Coast Regional Water Quality Control Board (NCRWQCB) permitting of beneficial use of dredge spoils in District dredge ponds.

CEO/Harbormaster Tim Petrick provided background and explained that before the Harbor could dispose of dredge spoils for “beneficial use” purposes, the Harbor would need to obtain approval from the North Coast Regional Water Quality Control Board (NCRWQCB). It was proposed that a contract with GeoEngineers be approved so that experienced water quality engineers could prepare a soil management plan that would garner approval from the NCRWQCB.

Commissioner Adams expressed concern that the cost for the contract appeared to be excessive. Commissioner White expressed similar concerns and asked if quotes from competing firms had been obtained. Mr. Petrick replied that he had received informal estimates from several other firms, and the numbers were all very close in amount. GeoEngineers was selected because they were highly recommended. Also, an examination of GeoEngineers proposal revealed that they were using industry standard rates for engineers and other expenses appeared reasonable.

President Stone asked for confirmation that the Harbor’s General Counsel had reviewed the matter and determined that it was not mandatory to go through a formal competitive bidding process. Mr. Petrick confirmed that the dollar amount of the proposed contract allowed for a more informal process in selecting the contractor.

President Stone then opened up public comment on the agenda item. Christopher Johns suggested that the capacity of the dredge ponds could be increased by raising the height of the levees, which he asserted was a cost-effective and common practice in the mining industry. Roger Gitlin brought attention to disposal procedures used by Crescent City for its wastewater sludge, and he asked whether similar procedures could be used by the Harbor for its dredge tailings. Mr. Petrick replied that the Harbor’s dredge tailings required different procedures. Mr. Gitlin then asked for clarification on who the Harbor had used as a dredge consultant, and Mr. Petrick clarified that the Harbor had consulted with Vanessa Blodgett, an environmental compliance associate with Planwest Partners Inc., a firm based out of Arcata, CA. Commissioner White then **moved** to approve the proposal. Commissioner **Adams** seconded the motion.

POLLED VOTE was called, **MOTION CARRIED.**

Ayes: WEBER, WHITE, ADAMS, STONE / *Nays:* NONE

Absent: SHEPHERD / Abstain: NONE

(2C) Public contact information for letters concerning District dredging permits.

CEO/Harbormaster Tim Petrick explained that there had been intense public interest to identify a point of contact who could receive public comments and provide feedback on the regulatory approval process for dredging in the Harbor. Mr. Petrick provided the contact information for Al Paniccia, the O&M Navigation Program Manager working for the U.S. Army Corps of Engineers, San Francisco office. President Stone then opened up public comment on the agenda item. No members of the public commented on the agenda item. President Stone then moved discussion to the next agenda item.

3) UNFINISHED BUSINESS

(3A) Solar Project Update.

CEO/Harbormaster Tim Petrick noted there was nothing new to report. President Stone asked Harbor staff to look into the matter of electricity being provided to refrigeration units in the Harbor. Given the many changes to electricity billing that occurred under the terms of the Harbor's solar power purchase agreement, President Stone wanted to be certain that the Harbor was still being compensated appropriately by the users of the refrigeration units. Specifically, President Stone requested a report showing the bills from Pacific Power and the corresponding payments received from users of the refrigeration units. President Stone then opened up public comment on the agenda item. No members of the public commented on the agenda item. President Stone then moved the discussion to the next agenda item.

(3B) Dredge Permit Update.

CEO/Harbormaster Tim Petrick reported on several approaches that were being pursued to obtain regulatory approval for dredging, all being conducted simultaneously to avoid any unnecessary delays. One approach sought approval for a long-term solution that included a permanent storage site for dredge tailings. A second approach attempted to secure an emergency permit for diver dredging. This second approach would allow for quick improvements to be made to channel depth while waiting for the slower regulatory approval process to be completed. President Stone requested that Harbor staff prepare a report detailing expected timelines and project milestones.

Commissioner White reported on inquiries he made with an acquaintance who formerly worked in upper management for the U.S. Army Corps of Engineers. The individual advised Commissioner White that it was exceedingly unlikely the Army Corps would be successful in obtaining funding to remove dredge spoils that the Army Corps had deposited in the Harbor's storage ponds.

Commissioner Adams asked for clarification on the cost to dispose of dredge tailings at a landfill. Mr. Petrick replied that if past soil testing results were used to categorize the tailings, the

cost would exceed 10 million dollars, not including the trucking fees (this was based on an estimated cost of \$112,000 per 1,000 cubic yards, and a total disposal of 90,000 cubic yards). However, if beneficial uses of the soil could be approved by regulators under a new soil management plan, the outcome might be completely different. In that case, the Harbor might be able to avoid disposal expenses altogether, and perhaps even generate a small profit by selling the soil to local consumers.

Ted Long addressed the Board and complimented Harbor staff for making significant progress on the dredging issue recently. However, he opposed the Harbor's plans for diver dredging, which he asserted would be ineffective. He also asserted that inadequate channel depth in the Harbor had prevented him from accepting lucrative business contracts, because larger vessels were unable to transit the Harbor.

Roger Gitlin commented that the Harbor should evaluate dredging solutions utilized by other harbor's, such as Santa Cruz, Fort Bragg, and Coos Bay, to see if any of their solutions might be useful for Crescent City.

President Stone then moved discussion to the next agenda item.

4) COMMUNICATIONS AND REPORTS

(4A) Financial Reports: Account Balances

President Stone noted that revenue from the countywide Transit Occupancy Tax (TOT) had been exceeding budget projections (\$236,304.88 had been received, compared to \$120,000.00 budgeted). Even after applying the TOT revenue towards a USDA loan payment, a surplus remained. President Stone noted this was occurring even during a time when the COVID pandemic was decreasing tourism.

Commissioner White questioned why the Harbor had spent nearly double the amount budgeted for "outside services" (\$60,641.54 spent, compared to \$27,500.01 budgeted). CEO/Harbormaster Tim Petrick replied that he would look into the matter. Commissioner White expressed similar concerns for expenses for garbage disposal (\$33,702.17 expended compared to \$20,000.01 budgeted) and water (\$23,434.83 expended compared to \$11,250.00 budgeted). Mr. Petrick noted that some of the increases could be attributed to residential tenants spending more time at home during the COVID pandemic. He also noted a perpetual problem with illegal dumping of household garbage into the Harbor's dumpsters from unknown individuals from outside the Harbor. Commissioner Adams suggested that locks be utilized to secure the dumpsters. Mr. Petrick replied that when this approach was tried in the past, individuals would simply deposit garbage adjacent to the dumpsters, which created a larger problem for maintenance staff to clean up. Commissioner White suggested that a camera be installed to help identify individuals illegally dumping. Commissioner Adams and President Stone both suggested that a cinder block enclosure with a gate might provide an effective barrier. Mr. Petrick suggested that it would be helpful to establish fines and authorize Harbor security staff to issue citations.

Turning attention to the accounts receivable aging report, Commissioner White requested that the Board be provided with additional details, including a breakdown of whether the debtors were marina tenants or RV park tenants, and also whether the debt was realistically

collectible or not. CEO/Harbormaster Petrick added that it would be useful to distinguish between vessels documented with the U.S. Coast Guard, as compared with vessels titled with the State of California, because debt collection procedures would be different for the two categories.

President Stone then opened up public comment on the agenda item. Annie Nehmer commented that storage revenue appeared to be surprisingly low, and she encouraged Harbor staff to investigate the matter further. Roger Gitlin suggested that Harbor security staffing could be increased to address illegal dumping. President Stone then moved discussion to the next agenda item.

(4B) CEO/Harbormaster Report

CEO/Harbormaster Tim Petrick reviewed briefing materials provided to the Board. He highlighted a report summarizing his experience attending the 49th Annual Marine Recreation Association and California Association of Harbormasters and Port Captains Conference and Trade show. There were approximately 50 vendors participating, and 250 conference attendees. Mr. Petrick was able to conference with several vendors who provide services to the Harbor, including representatives from Marinesync, Eaton Electrical, Marine Travelift, MOLO, and Simpson StrongTie. The topic of recreational boating was a major emphasis of the event. Interestingly, during the COVID-19 pandemic, there was a significant rise in recreational boating activity, with boat sales up over 20%. Mr. Petrick also attended presentations that explained a variety of topics, including new legislative developments, the topic of Clean Marine Certification, sea level rise, personnel management, and customer service excellence.

Commissioner White asked for an update on the Harbor's efforts to revise its ordinances. Mr. Petrick replied that the first major section, Article I, had been revised by the Harbor's attorneys, and was now going through the public disclosure process. This involved multiple publications in the local newspaper, the Triplicate, over a period of 20 days. After which time, the ordinances would be brought before the Board for its consideration before formal adoption. Revisions to Articles II and III were still being drafted, which would include revisions to the Harbor's fee schedule. Commissioner White next asked for an update on a financial audit of the Harbor being conducted by Harshwal & Company LLP. Mr. Petrick replied that additional documents had been requested, and were submitted to Harshwal promptly. President Stone suggested that Mr. Petrick write a formal letter to Harshwal emphasizing the importance of the company completing its work without any further delay. Commissioner Adams suggested it would be preferable for the Harbor to use a different auditor for the next fiscal year.

President Stone then opened up public comment on the agenda item. No members of the public commented on the agenda item. President Stone then moved the discussion to the next agenda item.

(4C) Commissioner Reports.

(a) Commissioner Shepherd: (absent)

(b) Commissioner Adams: discussed his dissatisfaction with media reports on dredging that contained inaccurate information about progress made by Harbor staff.

(c) Commissioner Weber: reported that he continued discussions with vendors and operators of the Farmers Market to identify areas for improvement. Commissioner Weber then discussed a pedestrian bridge recently installed by CalTrans that provided a pathway connecting US Highway 101 with Harbor premises. Commissioner Weber suggested that the pathway should be extended with a sidewalk that traversed a grassy area and connected to the inner boat basin parking area. President Stone noted that former Harbormaster Charlie Helms had drafted plans for a connecting walkway, and he encouraged Mr. Petrick to advance the project. Commissioner Weber next discussed revenue from the Harbor's RV parks. Commissioner White replied that it was important to closely examine profits, in addition to revenue. President Stone noted that Harbor redevelopment could be expected to double profit in some areas. Commissioner Weber mentioned the importance of having a specialist dedicated to analyzing the RV parks for operational improvements.

(d) Commissioner White: reported that he had received very positive feedback from vendors at the Farmers Market. Several vendors remarked that operations and revenue were very much improved since relocating to the Harbor. Commissioner White then reported on a meeting of the local Chamber and Visitors Bureau, which focused on preparations for ceremonies for the National Christmas Tree. The tree was being sourced from the local area. Events were planned for October 29th. Discussions were also focused on increasing film production in the area.

(e) President Stone: reported on a town hall he attended that had been hosted by State Senator Mike McGuire. The town hall focused on the issue of climate change. Particular concern was expressed about sea level rise and increased wildfires associated with climate change. The town hall included a wide variety of viewpoints, and was able for public viewing on Senator McGuire's official website.

MOVE TO CLOSED SESSION:

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
(Government Code section 54956.9(d)(2))
Significant Exposure to Litigation: One potential case

RECONVENE OPEN SESSION:

REPORT FROM CLOSED SESSION: Nothing to report.

5) ADJOURNMENT

ADJOURNMENT TO THE BOARD OF HARBOR COMMISSIONERS NEXT REGULAR MEETING SCHEDULED FOR TUESDAY, OCTOBER 19, 2021 AT 2 P.M., VIA ZOOM WEB CONFERENCE AND IN-PERSON AT THE MAIN HARBOR OFFICE, LOCATED AT 101 CITIZENS DOCK ROAD.

Approved this ____ day of _____, 2021

Brian Stone, President

Wes White, Secretary

Crescent City Harbor District Check Detail

October 15 - 28, 2021

Type	Num	Date	Name	Account	Original Amount
Check	1353	10/19/2021	DEL NORTE COUNTY TAX COLLECTOR	1047 · BAYSIDE- RV PARK-1766	-237.86
Bill Pmt -Check	1355	10/19/2021	PACIFIC POWER	1047 · BAYSIDE- RV PARK-1766	-8,388.46
Bill Pmt -Check	1356	10/19/2021	SUBURBAN PROPANE	1047 · BAYSIDE- RV PARK-1766	-368.68
Bill Pmt -Check	1357	10/28/2021	ADVANCED SECURITY SYSTEMS CC	1047 · BAYSIDE- RV PARK-1766	-106.50
Bill Pmt -Check	1358	10/28/2021	CCWATER	1047 · BAYSIDE- RV PARK-1766	-1,978.41
Bill Pmt -Check	1359	10/28/2021	RECOLOGY DN	1047 · BAYSIDE- RV PARK-1766	-2,299.28
Bill Pmt -Check	1360	10/28/2021	CRESCENT ACE HARDWARE	1047 · BAYSIDE- RV PARK-1766	-57.60
Check	1362	10/28/2021	KENNETH BRUCE DWELLEY	1047 · BAYSIDE- RV PARK-1766	-4,190.50
Check	1363	10/28/2021	ROBERT J. FRAZIER	1047 · BAYSIDE- RV PARK-1766	-4,190.50
Check	2069	10/19/2021	DEL NORTE COUNTY TAX COLLECTOR	1045 · REDWOOD HARBOR VILLAGE 0707	-188.68
Bill Pmt -Check	2071	10/19/2021	PACIFIC POWER	1045 · REDWOOD HARBOR VILLAGE 0707	-4,347.10
Bill Pmt -Check	2072	10/28/2021	CCWATER	1045 · REDWOOD HARBOR VILLAGE 0707	-1,695.82
Bill Pmt -Check	2073	10/28/2021	CRESCENT ACE HARDWARE	1045 · REDWOOD HARBOR VILLAGE 0707	-41.18
Bill Pmt -Check	2074	10/28/2021	SUBURBAN PROPANE	1045 · REDWOOD HARBOR VILLAGE 0707	-218.61
Bill Pmt -Check	2075	10/28/2021	RECOLOGY DN	1045 · REDWOOD HARBOR VILLAGE 0707	-2,583.48
Check	6135	10/28/2021	HOME DEPOT CREDIT SERVICES	1040 · CCHD US BANK OPERATING 4766	-940.96
Check	6136	10/19/2021	CARPENTERS LOCAL 751	1040 · CCHD US BANK OPERATING 4766	-60.00

Crescent City Harbor District Check Detail

October 15 - 28, 2021

Type	Num	Date	Name	Account	Original Amount
Bill Pmt -Check	6137	10/19/2021	ENGLUND MARINE	1040 · CCHD US BANK OPERATING 4766	-846.28
Bill Pmt -Check	6138	10/19/2021	ALLEGIANCE-CIT DOCK, GL, EQUIP	1040 · CCHD US BANK OPERATING 4766	-7,135.76
Bill Pmt -Check	6139	10/19/2021	GEORGE'S AUTO INC	1040 · CCHD US BANK OPERATING 4766	-25.97
Check	6140	10/19/2021	JOSEY, ROBERT	1040 · CCHD US BANK OPERATING 4766	-52.78
Bill Pmt -Check	6141	10/28/2021	ACCONTEMPS	1040 · CCHD US BANK OPERATING 4766	-8,049.06
Bill Pmt -Check	6142	10/28/2021	ADVANCED SECURITY SYSTEMS CC	1040 · CCHD US BANK OPERATING 4766	-112.50
Bill Pmt -Check	6143	10/28/2021	C RENNER PETROLEUM INC	1040 · CCHD US BANK OPERATING 4766	-327.23
Bill Pmt -Check	6144	10/28/2021	CALIFORNIA SPECIAL DISTRICTS ASSOC	1040 · CCHD US BANK OPERATING 4766	-5,752.00
Bill Pmt -Check	6145	10/28/2021	CCWATER	1040 · CCHD US BANK OPERATING 4766	-1,541.41
Bill Pmt -Check	6146	10/28/2021	CRESCENT ACE HARDWARE	1040 · CCHD US BANK OPERATING 4766	-513.37
Bill Pmt -Check	6147	10/28/2021	MENDES SUPPLY CO	1040 · CCHD US BANK OPERATING 4766	-346.84
Bill Pmt -Check	6148	10/28/2021	NATIONAL PEN COMPANY	1040 · CCHD US BANK OPERATING 4766	-183.52
Bill Pmt -Check	6149	10/28/2021	O'REILLY AUTO PARTS	1040 · CCHD US BANK OPERATING 4766	-7.94
Bill Pmt -Check	6150	10/28/2021	PORTER SCOTT	1040 · CCHD US BANK OPERATING 4766	-4,378.14
Bill Pmt -Check	6151	10/28/2021	PROGRESSIVE INSURANCE	1040 · CCHD US BANK OPERATING 4766	-832.04
Bill Pmt -Check	6152	10/28/2021	RECOLOGY DN	1040 · CCHD US BANK OPERATING 4766	-3,771.54
Bill Pmt -Check	6153	10/28/2021	TECH-WILD	1040 · CCHD US BANK OPERATING 4766	-1,125.00

Crescent City Harbor District Check Detail

October 15 - 28, 2021

Type	Num	Date	Name	Account	Original Amount
Bill Pmt -Check	6154	10/28/2021	WOODS PLUMBING	1040 · CCHD US BANK OPERATING 4766	-285.00
Bill Pmt -Check	6155	10/28/2021	XEROX	1040 · CCHD US BANK OPERATING 4766	-356.74
				TOTAL	-67,536.74



2. New Business

- a. Approve Resolution No. 2021-005 Authorizing CEO & Harbormaster To Execute A Ground Lease With South Beach RV Resort, LLC For Development of The Redwood Overflow Lot, and Finding the Project Categorically Exempt from CEQA.**

Public Comment?



Board of Harbor Commissioners

MEETING AGENDA ITEM

APPROVE RESOLUTION NO. 2021-005 AUTHORIZING THE CEO & HARBORMASTER TO EXECUTE A GROUND LEASE WITH SOUTH BEACH RV RESORT, LLC FOR THE DEVELOPMENT OF THE REDWOOD OVERFLOW LOT, AND DETERMINATION THAT PROJECT IS CATEGORICALLY EXEMPT FROM CEQA

EXECUTIVE SUMMARY

On September 21, 2020, the Crescent City Harbor District (“District”) released a Request for Proposal (“RFP”) to redevelop designated areas within the District’s boundaries to both support the mission of the District and to provide for future growth of the District’s facilities and grounds. Renewable Energy Capital, LLC (“REC”), a Florida limited liability company, submitted a proposal for the RFP on November 2, 2020 (“REC Proposal”). On December 1, 2020, the REC Proposal was submitted to the Board of Harbor Commissioners (“Board”) for review and approval, which the Board did approve at the same meeting. This agenda item seeks the Board’s approval for the a ground lease (“Ground Lease”) with South Beach RV Resort, LLC, a California limited liability company with the same prin, consistent with the REC Proposal, for the development of the Redwood Overflow Lot (“Lot”) that has been vacant for more than five (5) years.

DISCUSSION

The broader purpose of the RFP was in support of the District’s four strategic goals, which were developed through workshop discussions with the Board of Harbor Commissioners (“Board”), District staff, and community input, and are as follows:

1. Financial Management Objective: To develop a financial system that is resistant to economic shocks, fulfills basic functions, manages risks, diversifies revenue streams, and allows for growth.
2. Planned Development Objective: To plan for major development opportunities available to the Harbor District.
3. Infrastructure Objective: To improve existing infrastructure deficiencies, accommodate desired future growth, and replace worn-out facilities.
4. Increase Tourism Objective: To increase awareness of the Harbor District as an excellent tourism destination, as well as improving the Harbor District’s aesthetics and enhancing visitor experiences.

In order to develop the Lot in a manner consistent with the four strategic objectives of the District provided above, the District will enter into a Ground Lease with South Beach RV Resort, LLC, whereby it will lease the Lot located southwesterly of the intersection of Anchor Way and Starfish Way, which is a portion of Assessor Parcel No. 117-020-016, consisting of approximately 39,139 square feet to South Beach RV Resort, LLC. The Ground Lease will have an initial term of twenty five

(25) years, and REC will have the option to extend for up to three (3) periods of five (5) years. REC will pay the District a monthly rent of Three Thousand Nine Hundred Thirteen Dollars (\$4,163.00) per month (\$49,956.00 annually), subject to an annual increase of two percent (2%) on each anniversary of the rent commencement date.

Pursuant to the Ground Lease, South Beach RV Resort, LLC will have the right to make and infrastructure upgrades necessary to the Lot, with the objective of developing a Recreational Vehicle (“RV”) Park. All improvement, changes or alternations to the Lot that exceed \$10,000, will be subject to approval from the District for site plan and plans, and other specifications for tenant improvements.

Developing the Lot into an RV Park will generate additional revenue for the District and will promote public recreation in the District by providing additional opportunities for the public to access the harbor.

FISCAL IMPACT

Approval of the attached Ground Lease will provide the District with additional revenue in the amount of \$46,956 annually in Rent, subject to an annual escalation rate of two (2) percent, for a period of 25 to 40 years.

ENVIRONMENTAL REVIEW

The approval of the Ground Lease and South Beach RV Resort, LLC’s operation of a RV Park on the Lot (collectively, the “Project”) is categorically exempt from the California Environmental Quality Act (“CEQA”). The Project includes various improvements and infrastructure upgrades to develop the Lot into an RV Park, including landscaping, trenching, grading, carports, patios, and fences. As further explained below, the Project is categorically exempt from CEQA under the Class 1, Class 3, and Class 4 exemptions set forth, respectively, in State CEQA Guidelines sections 15301, 15303, and 15304.

The Project falls within the Class 1 exemption, which applies to the operating, maintenance, permitting, leasing, and minor alteration of existing public or private structures, facilities, or topographical features involving negligible or no expansion of existing or former use. (State CEQA Guidelines, § 15301.) Here, the Lot’s former use was a RV Park facility, and the Project proposes only a negligible expansion of that former use. The leasing of the Lot, the operation of the RV Park, and the minor alterations that comprise the Project are thus all exempt from CEQA.

The Project further falls within the Class 3 exemption, which applies to the construction and location of limited numbers of new, small facilities or structures. (State CEQA Guidelines, § 15303.) The Class 3 exemption explicitly applies to accessory (appurtenant) structures including carports, patios, and fences—the very type of infrastructure upgrades at issue in the Project here.

Finally, the Project is additionally exempt from CEQA under the Class 4 exemption, which applies to minor public or private alterations in the condition of land that does not involve removal of healthy, mature, and scenic trees; the exemption explicitly applies to grading on land with a slope of less than ten percent (with exceptions not relevant here) and to “new gardening or landscaping,” which is a feature of the Project here. (State CEQA Guidelines, § 15303(a)-(b).) Here, any grading as part of the Project would not occur on land with a slope of over ten percent, and the Project would not result in the removal of any healthy, mature, and scenic trees. The Project is therefore exempt.

None of the exceptions to the categorical exemptions set forth in State CEQA Guidelines section 15300.2 have any applicability here. The Project will not impact any environmental resource of hazardous or critical concern, will not result in significant cumulative impacts, is not subject to any unusual circumstances that could result in a significant environmental impact, would not damage any scenic resources within a scenic highway, is not located on a hazardous waste site identified on any list compiled pursuant to Government Code section 65962.5, and would not impact any historical resource.

For all of the foregoing reasons, the entirety of the Project is categorically exempt from CEQA.

OPERATIVE DOCUMENTS

By approving the Resolution attached to this staff report, the Board will authorize the CEO & Harbormaster to take any and all necessary steps to review with the advice of counsel and consultants, comment on, negotiate, approve and execute on behalf of the District the Ground Lease.

RECOMMENDATION:

Approve Resolution No. 2021-05 Authorizing The CEO & Harbormaster To Execute A Ground Lease With South Beach RV Resort, LLC For Development Of The Redwood Overflow Lot, and Find the Project Categorically Exempt from CEQA

ATTACHMENT(S):

1. Resolution No. 2021-005
2. Ground Lease with South Beach RV Resort, LLC

RESOLUTION NO. 2021-005

A RESOLUTION OF THE BOARD OF HARBOR COMMISSIONERS OF THE CRESCENT CITY HARBOR DISTRICT AUTHORIZING THE CEO & HARBORMASTER TO EXECUTE A GROUND LEASE WITH SOUTH BEACH RV RESORT, LLC FOR THE DEVELOPMENT OF THE REDWOOD OVERFLOW LOT, AND FINDING THE PROJECT CATEGORICALLY EXEMPT FROM CEQA

WHEREAS, the State of California (“State”) granted Crescent City Harbor District (the “District”) right, title and interest in certain tidelands and submerged lands to be held in trust 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 develop facilities within the limits of the District’s established boundaries; and

WHEREAS, Harbors and Navigation Code section 6075(b) provides that no interest in lands owned and operated by the District, including a lease interest, may be acquired without the prior consent of the Board of Harbor Commissioners of the District (“Board) by resolution; and

WHEREAS, the California Coastal Act (Public Resources Code § 3000 *et seq.*) does not require a coastal development permit from the District for the any development on tidelands, submerged lands, or on public trust lands, whether filled on unfilled; and

WHEREAS, the California Surplus Land Act (Government Code § 54220 *et seq.*) defines “surplus lands” to mean land owned in fee simple by any local agency, and because the District does not own its tidelands and submerged lands in fee simple and instead holds the lands in trust for the State, the District’s tidelands and submerged lands are not surplus lands; and

WHEREAS, the District is the owner of record of certain real property located in an unincorporated portion of Del Norte County California, commonly known as the Redwood Overflow Lot, located southwesterly of the intersection of Anchor Way and Starfish Way, which is a portion of Assessor Parcel No. 117-020-016, consisting of approximately 39,139 square feet, and more particularly described in Exhibit “A” attached hereto (“Lot”); and

WHEREAS, the Lot is located in the District’s granted tidelands and submerged lands; and

WHEREAS, the District has embarked upon the development of facilities and properties within the District by issuing a Request for Proposals (“RFP”) for the Development of the Harbor on September 21, 2020, including the Redwood Overflow Lot Project (the “Redwood Overflow Lot Project”); and

WHEREAS, on December 1, 2020, the Board approved the acceptance of a proposal by Renewal Energy Capital, LLC for the development of various facilities within the District; and

WHEREAS, South Beach RV Resort, LLC has the same principal as Renewable Energy Capital, LLC; and

WHEREAS, in order to develop the Lot and in order to make mutually agreed upon improvements for the proposed development and operation of a Recreational Vehicle Park (“RV Park”), South Beach RV Resort, LLC will enter into a long-term ground lease (“Ground Lease) with the District; and

WHEREAS, pursuant to the California Environmental Quality Act (Public Resources Code, § 21000 et seq.), the State CEQA Guidelines (California Code of Regulations, Title 14, § 15000 et seq.), and the District’s local CEQA Guidelines (collectively, “CEQA”), the District is the lead agency for the Redwood Overflow Lot Project; and

WHEREAS, in accordance with State CEQA Guidelines section 15061, the District evaluated the Redwood Overflow Lot Project by reviewing the land use application and considering existing conditions at the Redwood Overflow Lot Project site and surrounding vicinity, to evaluate whether an exemption from CEQA applied; and

WHEREAS, in accordance with Del Norte County Code (“County Code”) Title 21, Chapter 50, Section 30(A)(2), the District determined that Redwood Overflow Lot Project does not require a coastal development permit because the proposed improvements do not (1) involve a risk of adverse environmental effect, (2) adversely affect public access, or (3) involve a change in use contrary to the County’s policy; and

WHEREAS, the Redwood Overflow Lot Project would support the four strategic goals, identified in the District’s ten (10) year strategic plan (2018-2028), including developing a new revenue stream, developing and improving harbor infrastructure, and increasing awareness of the District as a tourism destination; and

WHEREAS, the Board hereby finds that the Redwood Overflow Lot Project is in the best interests of the District because it promotes public recreation by providing additional opportunities for the public to access and enjoy the harbor.

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 Board finds that Redwood Overflow Lot Project, including the approval of the Ground Lease and improvements to the Lot (i.e., landscaping, trenching, grading, carports, patios, and fences), is categorically exempt from CEQA under the Class 1, Class 3, and Class 4 exemptions. An RV Park formerly operated at the Lot, and the leasing of the Lot and operation of the Project would involve only a negligible expansion of that former use. (State CEQA Guidelines, § 15301 [Class 1 exemption applies to the operating, repair, maintenance, permitting, leasing, or minor alteration of existing structures, facilities, or topographical features where the project involves negligible or no expansion of existing or former use].) Additionally, accessory structures including carports, patios, and fences—all of which are part of the Project here—are explicitly exempt from CEQA. (State CEQA Guidelines, § 15303, subd. (d).) Moreover, minor alterations in the condition of land is exempt from CEQA where, as here, such alterations would not involve removal of healthy, mature, and scenic trees. (State CEQA Guidelines, § 15304.) For all of the foregoing reasons, the Board finds that the Redwood Overflow Lot Project is categorically exempt from CEQA.

Section 3. The Board hereby approves the Ground Lease with South Beach RV Resort, LLC, in substantially the form attached to this Resolution as Exhibit “A.”

Section 4. The CEO & Harbormaster (“Authorized Officer”) is hereby authorized and directed to execute the Ground Lease to which the District is a party, with such changes, insertions and omissions as may be approved by the Authorized Officer and District Counsel.

Section 5. The Authorized Officer is hereby authorized and directed, to do any and all things necessary to execute the Ground Lease, and to execute and deliver any and all documents which the Authorized Officer or District Counsel deem necessary or advisable, in order to consummate the transactions contemplated by the Ground Lease and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution and the documents referred to herein.

Section 6. 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 7. This Resolution shall take effect immediately upon its adoption.

APPROVED, ADOPTED AND SIGNED this 2nd day of November, 2021, by the following vote,
to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

Brian Stone, President
Board of Harbor Commissioners
Crescent City Harbor District

ATTEST:

Clerk of the Board of Harbor Commissioners
Crescent City Harbor District

EXHIBIT “A”

GROUND LEASE

[Attached behind this cover page]

GROUND LEASE

THIS GROUND LEASE (“**Lease**”) is dated for reference purposes as of this _____ day of _____, 2021 (the “**Effective Date**”), by and between CRESCENT CITY HARBOR DISTRICT, a _____ (“**Landlord**”) and SOUTH BEACH RV RESORT, LLC, a California limited liability company (“**Tenant**”), who, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, agree as follows:

1. Background. Landlord is the owner of record of that certain real property (“**Property**”) located in the City of Crescent City, Del Norte County California, commonly known as the Redwood Overflow Lot located on Anchor Way consisting of approximately 39,139 square feet, and more particularly described in Exhibit “A” attached hereto. Tenant wishes to lease the Property from Landlord, together with all rights, privileges and easements appurtenant thereto. Landlord is willing to lease the Property to Tenant. The Property and such appurtenant rights, privileges and easements are collectively referred to as the “**Premises**.”

2. Lease of Premises. Landlord hereby leases, to Tenant, and Tenant hereby leases and takes from Landlord, the Premises for the purpose of the Approved Use, on the terms and conditions set forth herein.

3. Term; Options to Extend.

(a). Initial Term. The initial term (“**Initial Term**”) of this Lease commences at the end of the Due Diligence Period, unless Tenant terminates the Lease during such period in accordance with Section 5 below (“**Commencement Date**”), and shall continue for a period of twenty five (25) Lease Years. Should the Initial Term commence on a date other than the first day of a calendar month, the Term shall be extended by this fractional month. Each period of twelve (12) consecutive calendar months during the term (following any adjustment for a fractional month as described in the preceding sentence) is referred to hereafter as a “**Lease Year**.” Tenant shall record the Memorandum of Lease described in Section 38 below, in the form attached hereto as Exhibit “B” (“**Memorandum**”).

(b). Options to Extend. Upon the terms and conditions described in the Addendum attached hereto, Tenant will have the right to extend the term of this Lease for up to three (3) periods of five (5) Lease Years each (each an “**Extension Period**”). Unless otherwise specifically stated herein, all provisions of this Lease will be applicable during the Initial Term and any Extension Periods. The date upon which the Initial Term or an Extension Period expires is referred to hereafter as the “**Termination Date**.”

4. Monthly Rent and Rent Adjustments. Tenant shall pay to Landlord as rent for the use and occupancy of the Premises, at the times and in the manner described herein, the following sums of money:

(a) Monthly Rent. Beginning at the expiration of the Construction Period (defined below) (“**Rent Commencement Date**”), on the first day of each calendar month, Tenant shall pay to Landlord a monthly rent payment (“**Rent**”) in the amount of \$4,163.00 (“**Monthly Rent**”) (\$49,956.00 annually). The Monthly Rent will be prorated with respect to any partial

month at the commencement of the Initial Term. Tenant may elect to prepay Rent on an annual, semi-annual, quarterly or such other basis as Tenant deems appropriate. In the event of any sale or other conveyance of the Premises by Landlord, Landlord covenants and agrees that it will disclose any prepaid rents to the transferee and appropriately prorate such prepaid rents.

(b) Adjustments to Monthly Rent During the Lease. At each anniversary from the Rent Commencement Date (each an “**Adjustment Date**”), Monthly Rent will be increased by two percent (2%). The adjustments to Monthly Rent shall continue through any Extension Period exercised by Tenant.

(c) Location for Payment. All Monthly Rent and all other moneys and charges payable by Tenant to Landlord hereunder shall be paid by Tenant to Landlord in lawful money of the United States of America at Landlord’s address for notices hereunder, or to such other person or at such other place as Landlord may from time to time designate by notice in writing to Tenant.

5. Conditions To Commencement.

(a) No Representations or Warranties. It is expressly understood by the parties hereto that the physical condition of the Premises as of the Effective Date is such that it is leased to Tenant as-is without any representation or warranty. Landlord makes no express or implied representations or warranties concerning the Premises or its fitness for any particular purpose. Tenant shall bear the costs of any action necessary to place the Premises in a condition that meets the requirements of law or that is otherwise suitable for any of its contemplated uses. Landlord shall not be held liable to Tenant for any losses incurred or damages sustained as a direct or indirect result of the condition of the Premises or any use or failure thereof

(b) Tenant’s Feasibility and Due Diligence. Tenant shall have a period of two hundred seventy (270) days from the Effective Date (“**Due Diligence Period**”) to conduct due diligence activities, to examine the physical condition of the Premises and to perform other non-invasive investigations, including, without limitation review of title, obtaining a survey, and a Phase I environmental assessment. Landlord shall provide Tenant with copies of any existing leases, as well as any surveys, environmental studies, and notifications relating to environmental conditions, and other documents requested by Tenant that are in Landlord’s possession and that relate to the Premises, in their full, unedited form (“**Landlord Deliveries**”). Landlord makes no representation whatsoever about the content, accuracy, or value of any of Landlord's Deliveries. All Landlord's Deliveries will be provided to Tenant without warranty from Landlord regarding the accuracy of the information contained therein, and such documents may or may not be assignable to Tenant. The delivery of such reports and studies shall be subject to the proprietary rights of any engineer or other consultant preparing the same and any limitations on use imposed by them. Tenant assumes all risk of reviewing and understanding any and all information contained in Landlord's Deliveries. Tenant may terminate this Lease for any reason at any time during the Due Diligence Period, at which point Landlord’s obligations under this Lease shall terminate with no liability to Tenant whatsoever. Tenant will give notice to Landlord of its approval of the physical condition of the Premises by 5:00 pm PST on the expiration of Due Diligence Period.

(c) Tenant's Due Diligence Extension. Tenant shall have the unilateral right, no later than fifteen (15) days prior to the expiration of the Due Diligence Period, to extend the Due Diligence Period by an additional ninety (90) days ("**Due Diligence Extension**").

(d) Landlord's Approval of Tenant's Finances. Landlord shall have one hundred eighty (180) days from the Effective Date to review and approve Tenant's financials and credit enhancements. The Lease is contingent upon Landlord's approval and determination, in its reasonable discretion, that Tenant's financial condition is sufficient to meet its obligations under this Lease. If Landlord determines that Tenant's financial condition is not sufficient to meet its obligations under this Lease, Landlord shall have the right to terminate this Lease, and the parties shall have no obligations or responsibilities pursuant to this lease, except for those obligations which expressly survive.

6. Taxes and Assessments.

(a) Tenant Responsibility. Tenant covenants and agrees to pay and discharge, during the entire Term, before delinquency, all taxes, assessments, water charges, sewer charges, utility rates and fees, levies or other charges, general, special, ordinary, extraordinary and otherwise, of every kind and character which are or may during the Term be levied, charged, assessed or imposed upon or against the Premises or any buildings or improvements located thereon, or against any of Tenant's personal property located thereon, or which may be levied, charged, assessed or imposed upon or against the leasehold estate created hereby. In addition, Tenant shall pay any tax assessed exclusively on rental income of Landlord to the extent such income is allocable to this Lease, if and only if such tax is assessed by State or local authorities upon the elimination of and in lieu of taxation based on the ownership of real property. At the commencement and at the end of the Term, such taxes, assessments and other charges to be paid by Tenant shall be prorated on the basis of the fiscal year of the taxing authority in question so that, at the commencement and at the end of the Term, as to any such taxes, assessments and other charges levied or assessed for a fiscal year preceding the commencement or extending beyond the end of the Term, Tenant will pay only such proportion of such taxes, assessments and other charges as the portion of such fiscal year following the commencement and preceding the end of the Term bears to the entire fiscal year.

(b) Revenue & Taxation Code Section 107.6. Possessory Interest Tax. Tenant recognizes and understands that this Lease may create a possessory interest subject to property taxes and that, if a possessory interest is created, Tenant shall, in accordance with this Paragraph 6 hereof, be responsible for payment of property taxes levied against such possessory interest

(c) Improvement or Special Assessment District. If at any time during the Term of this Lease any governmental subdivision shall undertake to create a new improvement or special assessment district (including lighting and landscape districts and community facilities districts) the proposed boundaries of which shall include any portion of the Land, Tenant shall be entitled to appear in any proceeding relating thereto and to present its position as to whether the Property should be included or excluded from the proposed improvement or assessment district and as to the degree of benefit to the Property resulting therefrom. Landlord shall promptly advise Tenant in writing of the receipt of any notice or other information relating to the proposed

creation of any such improvement or special assessment district, the boundaries of which include any portion of the Land.

(d) Personal Property. Tenant covenants and agrees to pay (or to cause other responsible parties to pay) before delinquency all personal property taxes, assessments and liens upon all personalty situated within the Premises.

(e) Payment by Landlord. In the event Tenant fails to pay any real estate taxes or taxes or assessments on personal property, Landlord may, at its option, after giving ten (10) days' notice to Tenant, pay any such taxes or assessments together with all penalties and interest which may have been added thereto by reason of any such delinquency or failure to pay, and may likewise redeem the Premises or any part thereof, or the buildings or improvements located thereon, from any tax sale or sales. Any such amounts so paid by Landlord shall become immediately due and payable as additional rent by Tenant to Landlord, together with interest thereon at the maximum lawful rate from the date of payment by Landlord until paid by Tenant. Any such payment shall not be deemed to be a waiver of any other rights of Landlord hereunder.

7. Utilities/Expenses. Landlord represents and warrants to Tenant that water, sewage, gas, electricity, and telephone service are either on the Premises or that they are located within five (5) feet of the boundary of the Premises. Tenant shall pay for any Tenant Improvements, alterations, or other costs to occupy the land in any way, at its sole cost and expense. Tenant shall determine the availability of and shall cause to be installed in, on, and about the Premises all additional facilities necessary to supply thereto all water, sewage, gas, electricity, telephone and other services required in connection with the construction and operation of the Premises, and, during the Term hereof, Tenant shall pay all charges and expenses associated with the use of said facilities and shall protect and hold harmless Landlord and the Premises therefrom. Tenant shall pay all connection, service and other charges pertaining to the Premises levied by public utilities or municipalities with respect to utilities during the Term. Tenant shall pay all expenses associated with operating and occupying the Premises. This is a triple net lease and Tenant is responsible for the operation and expenses of its occupancy in every way, and Landlord shall have no expense.

8. Quiet Enjoyment. Landlord covenants that upon payment by Tenant of the rent herein reserved and upon performance and observance by Tenant of all of the agreements, covenants and conditions herein contained on the part of Tenant to be performed and observed, and subject to all covenants, conditions, restrictions and encumbrances of record, Tenant shall peaceably hold and quietly enjoy the Premises during the entire Term without hindrance, molestation or interruption by Landlord or by anyone lawfully or equitably claiming by, through or under Landlord.

9. Use.

(a) Tenant shall have the right to use the Premises as an operating recreational vehicle park and for no other purpose ("**Permitted Use**"). Subject to Tenant's compliance with all then applicable codes, ordinances, regulations, requirements for permits and approvals, and Landlord's written approval, which shall not be unreasonably withheld, Tenant may, at Tenant's

sole cost and expense, install temporary and/or permanent structures, including, without limitation, paving and improvements necessary for the Permitted Use.

(b) Without limiting the foregoing, Tenant agrees that in connection with the use and operation of the Premises it will not: (i) cause or permit substantial and obnoxious odors to emanate or be dispelled from the improvements; (ii) permit undue accumulations of garbage, trash, rubbish or any other refuse; (iii) create, cause, maintain or permit any nuisance (as defined under applicable law) in, on or about the Premises; (iv) commit or suffer to be committed any waste (as defined under applicable law) in, on or about the Premises; (v) knowingly use or allow the Premises to be used for any unlawful purpose, or for any purpose which violates the terms of any recorded instrument which affects the Premises and which is senior in priority to this Lease; (vi) Cause or permit any insurance coverage on the Premises or the improvements thereon to become void or voidable (unless Tenant has previously obtained replacement coverage in the same amounts) or make it impossible to obtain any required insurance at commercially feasible rates; or violate any law, ordinance or regulation applicable to the Premises and the improvements thereon.

(c) Tenant shall at all times comply with, and shall pay all costs and expenses which may be incurred or required to be paid in order to comply with, any and all laws, statutes, ordinances, rules and regulations (“**Laws**”) which apply to the operation and use of the Premises on a nondiscriminatory basis, including those requiring alterations or additions to be made to, or safety appliances and devices to be maintained or installed in, on or about the Premises on a nondiscriminatory basis under any Laws now or hereafter adopted, enacted or made and applicable to the Premises, and payment of any fees, charges or assessments arising out of or in any way related to the Premises on a nondiscriminatory basis as a source of adverse environmental impacts or effects.

(d) There shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, age, handicaps, sex, marital status, sexual orientation, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Premises or the improvements thereon, or any part thereof, and Tenant itself, or any person claiming under or through it, shall not establish or permit any such practice of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, subtenants or vendees of the Premises or the improvements thereon, or any part thereof.

10. Construction and Covenant to Open and Operate.

(a) Construction Period. If Tenant does not terminate this Lease on or before the expiration of the Due Diligence Period, Tenant shall pay the first installment of Monthly Rent, and shall have ninety (90) days (“**Construction Period**”) to obtain all necessary permits and approvals, and, once permits have been received, begin construction.

(b) Covenant to Open and Operate. Tenant covenants to open for business to the public within five (5) business days of the expiration of the Construction Period, as such period may be extended, and thereafter, subject to temporary closures for casualty, condemnation, remodel (to the extent approved by Landlord), or Force Majeure (as defined

below), which prevent Tenant from conducting its normal business operations in the Premises, to operate continuously and uninterrupted in the entirety of the Premises throughout the Term the business described in Section 3.

11. Title to Buildings and Improvements.

(c) Title to all buildings, structures and improvements that now, or may from time to time constitute a part of the Premises shall be and remain in Tenant until the termination of this Lease. Upon termination of this Lease, Tenant may remove from the Premises all machinery, equipment and fixtures. Landlord may, by written notice to Tenant given not less than one (1) year prior to the expiration of the Term of this Lease, elect (i) to require that Tenant remove all improvements from the Premises; or (ii) leave building improvements (but not machinery, equipment and fixtures) in place, in which case title will pass to and vest in Landlord without cost or charge to it.

(d) Tenant, on termination of this Lease, shall execute and deliver any and all deeds, bills of sale, assignments, and other documents which in Landlord's sole judgment may be necessary or appropriate to transfer, to evidence or to vest in Landlord clear title to any of the property described in the foregoing subsection (a) located on the Premises at the time of such termination.

12. Permits, Licenses, Etc. Landlord will from time to time during the Term execute, acknowledge and deliver any and all instruments required to grant rights-of-way and easements in favor of municipal and other governmental authorities or public utility companies incident to the installation of water lines, fire hydrants, sewers, electricity, telephone, gas, steam, and other facilities and utilities reasonably required for the use and occupancy of the Premises. Tenant shall reimburse Landlord for any sum paid by Landlord in respect of the matters specified in this Section 12, including reasonable attorney fees.

13. Maintenance, Repair and Condition of Premises.

(a) Tenant acknowledges that prior to the Commencement Date, Tenant shall have completed its due diligence investigation and otherwise satisfied itself regarding the physical condition of the Property and its suitability for Tenant's intended use and construction of improvements thereon. Tenant's execution of this Lease constitutes Tenant's acceptance of the Property in its "AS-IS" condition, with all faults. Tenant releases Landlord and any of its subsidiaries and affiliates and their respective officers, directors, shareholders, employees and attorneys from any and all liabilities and claims of any type concerning the condition of the Property. Tenant further agrees that, if Tenant wishes to construct any improvement in the Premises, Tenant shall comply with all requirements in Section 14 (Improvements) of this Lease. Landlord makes no representations regarding the condition, status, compliance with laws or suitability for a particular purpose for Tenant's use. Tenant agrees to comply with all laws in demolition and destruction of the building with regard to any Hazardous Materials and the possible presence of same on the Premises.

(b) Tenant shall, during the Term, at its own cost and expense and without any cost or expense to Landlord:

(1) Keep and maintain all buildings and improvements (including, but not limited to, all landscaping located on the Property and all appurtenances thereto) in good and neat order and repair and shall allow no nuisances to exist or be maintained therein. Landlord shall not be obligated to make any repairs, replacements or renewals of any kind, nature or description whatsoever to the Premises or any buildings or improvements located thereon, and Tenant hereby expressly waives all right to make repairs at Landlord's expense under sections 1941 and 1942 of the California Civil Code, or any amendments thereof; and

(2) Comply with and abide by all federal, state, county, municipal and other governmental statutes, ordinances, laws and regulations affecting the Premises, all buildings and improvements located thereon, or any activity or condition on or in the Premises.

(c) Tenant agrees that it will not commit or permit waste upon the Premises.

(d) Tenant will not cause or permit any Hazardous Materials to be released in, on, under or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Tenant's expense, comply with all statutory requirements with respect to any contamination of the Premises that was caused or materially contributed to by Tenant or pertaining to or involving any Hazardous Materials brought onto the Premises during the term of this Lease by or for Tenant or any third party who enters on the Premises at Tenant's request or direction. Tenant will defend, indemnify and hold Landlord free and harmless from and against any and all claims, damages and liabilities with respect to any such contamination of the Premises occurring following the Commencement Date and before the Termination Date or such earlier or later date on which Tenant actually surrenders possession of the Premises to Landlord. Tenant will immediately notify Landlord if Tenant becomes aware that any release of Hazardous Materials has come to be located in, on, under or about the Premises at any time during the Term. "**Hazardous Materials**" shall mean any toxic or hazardous substance, material or waste or any pollutant or contaminant or infectious or radioactive material, including but not limited to those substances, materials or wastes regulated now or in the future under any of the following statutes or regulations promulgated thereto: (1) any "hazardous substance" within the meaning of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA") 42 U.S.C. § 9601, et seq. or the California Hazardous Substance Account Act, Cal. Health and Safety Code § 25300 et seq. or the Porter-Cologne Water Quality Act, Cal. Water Code § 13000 et seq. or the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq.; (2) any "hazardous waste" within the meaning of the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; or (3) any other substance, chemical, waste, toxicant, pollutant or contaminate regulated by any federal, state or local law, statute, rule, regulation or ordinance for the protection of health or the environment, including, without limitation, any petroleum products or fractions thereof.

14. Improvements, Changes, Alterations, Demolition and Replacement.

(a) Tenant shall have the right at any time and from time to time during the Term to make such improvements to the Premises and such changes and alterations, structural or otherwise, to any buildings, improvements, fixtures and equipment located on the Property, as Tenant shall deem necessary or desirable.

(b) Following the Effective Date, if Tenant so elects, Tenant shall proceed with due diligence and dispatch to complete the construction on the Premises of the Tenant Improvements.

(c) All improvements, changes and alterations (other than changes or alterations of moveable trade fixtures and equipment) shall be undertaken in all cases subject to the following conditions which Tenant covenants to observe and perform:

(1) No improvement, change or alteration (“**Tenant Improvements**”), shall be undertaken until:

(2) Landlord shall have reasonably approved the site plan and plans and specifications for such Tenant Improvements (other than Tenant Improvements with a cost of Ten Thousand Dollars (\$10,000) or less) .

(3) Tenant shall have procured and paid for, so far as the same may be required from time to time, all municipal and other governmental permits and authorizations of the various municipal departments and governmental subdivisions having jurisdiction, and Landlord agrees to join in the application for such permits or authorizations whenever such action is necessary.

(d) In the event that any future Tenant Improvement qualifies as a “project” under CEQA requiring discretionary approval from Landlord, any such project shall be subject to CEQA, and Landlord shall make a determination of whether such project is exempt from CEQA or whether additional environmental review is necessary.

(e) All work done in connection with any Tenant Improvement, change or alteration shall be done promptly and in a good and workmanlike manner and in compliance with all laws, ordinances, orders, rules, regulations and requirements of all Federal, state and municipal governments and the appropriate departments, commissions, boards and officers thereof. All such work shall be at the sole cost and expense of Tenant.

(f) Tenant has been alerted to the requirements of Labor Code Sections 1720 et seq. and 1770 et seq. (“**Prevailing Wage Laws**”), which require the payment of prevailing wage rates and the performance of other requirements on certain “public works” and “maintenance” projects. If any of the work to be performed under this Lease by Tenant is being performed as part of an applicable “public works” or “maintenance” project, as defined by the Prevailing Wage Laws, Tenant agrees to fully comply with such Prevailing Wage Laws. Tenant shall defend, indemnify and hold the Landlord, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. If any of the work to be performed under this Lease by Tenant is being performed as part of an applicable “public works” or “maintenance” project, as defined by the Prevailing Wage Laws, it shall be mandatory upon the Tenant and its contractors to comply with all applicable California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815), public works

contractor registration (Labor Code Sections 1725.5 and 1771.1) and debarment of contractors and subcontractors (Labor Code Sections 1777.1). It shall be the sole responsibility of Tenant to determine whether to comply with Prevailing Wage Laws for any or all work required by this Lease. As a material part of this Lease, Tenant agrees to assume all risk of liability arising from any decision not to comply with Prevailing Wage Laws.

(g) In addition to the insurance coverage referred to in Section 19 below, Workers' Compensation Insurance covering all persons employed in connection with the work and with respect to whom death or injury claims could be asserted against Landlord, Tenant or the Premises, and a general liability policy coverage, naming Landlord with limits of not less than One Million Dollars (\$1,000,000), shall be maintained by Tenant, at Tenant's sole cost and expense, at all times when any work is in process in connection with any improvement, change or alteration. Tenant may provide such coverage by means of a blanket policy, covering other locations in addition to the Premises, provided that such blanket policy provides aggregate coverage of not less than Three Million Dollars (\$3,000,000). All such insurance shall be obtained and kept in force as otherwise provided in Section 19 below.

15. Damage or Destruction. No loss or damage by fire or other cause required to be insured against hereunder resulting in either partial or total destruction of any building, structure, or other improvement on the Property, shall operate to terminate this Lease, or to relieve or discharge Tenant from the payment of rents or amounts payable as rent as they become due and payable, or from the performance and observance of any of the agreements, covenants and conditions herein contained on the part of Tenant to be performed and observed. Tenant hereby waives the provisions of subsection 2 of section 1932 and subsection 4 of section 1933 of the California Civil Code, as amended from time to time.

16. Assignment and Subletting. Tenant shall have no right to assign all or any part of its interest in this Lease without Landlord's prior consent, not to be unreasonably withheld. Without limiting the foregoing, Tenant shall not have the right or power to request or effect a Transfer at any time an Event of Default shall exist, and no right to Transfer prior to the Commencement Date or the first forty-eight (48) months after the Commencement Date without Landlord's prior consent, which may be withheld in its sole and absolute discretion. By way of example and without limitation, the parties agree that it shall be reasonable for Landlord to withhold its consent to a Transfer if any of the following situations exist or may exist: (a) in Landlord's reasonable business judgment, the transferee lacks sufficient experience to manage a successful development and project of the type and quality being conducted at the Premises; or (b) in Landlord's reasonable business judgment, the then net worth of the transferee is inadequate (after taking into account the net worth of the guarantor of Tenant's obligations under this Lease, if any) to manage a successful development and project of the type and quality being conducted at the Premises. Tenant shall be free to sublet retail shop space constructed by Tenant on the Premises at all times and without Landlord's prior consent so long as Tenant provides Landlord a copy of any such sublease within ten (10) days of sublease execution and the sublessee agrees to be bound by the terms of this Ground Lease.

(a) Procedures. Should Tenant desire to assign, transfer, sublet, mortgage, pledge, hypothecate or encumber this Lease or any interest therein (a "**Transfer**"), Tenant shall give notice thereof to Landlord by requesting in writing Landlord's consent to such Transfer at

least thirty (30) days before the effective date of the Transfer and shall provide Landlord with the following: (a) The full particulars of the proposed transaction, including its nature, effective date, and material terms and conditions, including the purchase price and payment terms of the purchase price. Such documentation shall include, without limitation, an executed copy of the agreement(s) effecting the Transfer. (b) A description of the identity, net worth, and previous business experience of the transferee, including, without limitation, copies of such transferee's latest income statement, balance sheet, and statement of cash flows (with accompanying notes and disclosures of all material changes thereto) in audited form only if available at the time, and certified as accurate by the transferee along with a written statement authorizing Landlord or its designated representative(s) to investigate such transferee's business experience, credit, and financial responsibility; (c) A statement that Tenant intends to consummate the transaction if Landlord consents to the Transfer; and (d) Any further information relevant to the transaction that Landlord reasonably requests within ten (10) days after receipt of Tenant's written request for consent.

(b) Void Without Consent. A proposed Transfer without such consent shall be void, and shall, at the option of the Landlord, constitute a default under the terms of this Lease. No sublease or assignment shall release Tenant from continuing liability hereunder. Within forty-five (45) days after receipt of Tenant's written request for consent in accordance with this section, Landlord shall respond in writing to the proposed Transfer. If Landlord refuses to consent to a proposed Transfer, it shall state in writing the specific reason(s) for its refusal to consent. If Landlord fails to respond in writing to a request for consent within the forty-five (45)-day period, or if Landlord refuses to consent in writing within the forty-five (45)-day period but does not state in writing the specific reason(s) for its refusal, Landlord shall conclusively be deemed to have consented to the proposed Transfer.

(c) Documentation and Expenses. Each Transfer that requires Landlord's consent that Tenant effects shall be evidenced by an instrument reasonably acceptable to Landlord, which shall be executed by Landlord, Tenant, and the transferee. By such instrument, the transferee shall assume and promise to perform the terms, covenants, and conditions of this Lease, which are obligations of Tenant. Tenant shall, on demand of Landlord, reimburse Landlord for Landlord's reasonable costs, including legal fees, incurred in obtaining advice and reviewing or preparing documentation for each Transfer that requires Landlord's consent, not to exceed \$2,500; however, this fee may be reasonably adjusted by Landlord from time to time based on increases in costs.

17. Mortgage of Leasehold. Tenant shall have the right to encumber the leasehold estate created by this Lease by a mortgage, deed of trust or other security instrument, including, without limitation, an assignment of the rents, issues and profits from the Premises, (the "**Leasehold Mortgage**") to secure repayment of any loan to Tenant, and associated obligations, from any lender (a "**Lender**"). Notwithstanding the foregoing, Tenant shall not, and shall have no right to, encumber Landlord's fee or reversionary interest in the Premises. Tenant covenants to keep Landlord's fee and reversionary interest in the Premises and every part thereof at all times free and clear of any and all liens and encumbrances of any kind whatsoever arising out of the acts or omissions of Tenant, including those liens and encumbrances created by the performance of Tenant of any construction, labor, or furnishing of any material, supplies or equipment to Tenant.

18. Protection of Lender. During the continuance of any Leasehold Mortgage and until such time as the lien of any Leasehold Mortgage has been extinguished:

(a) Landlord shall not accept any surrender of this Lease, nor shall Landlord consent to any amendment or modification of this Lease, without the prior written consent of any Lender.

(b) Notwithstanding any default by Tenant in the performance or observance of any agreement, covenant or condition of this Lease on the part of Tenant to be performed or observed, Landlord shall have no right to terminate this Lease or interfere with the occupancy, use, and enjoyment of the Premises unless (i) an event of default shall have occurred and is continuing, (ii) Landlord shall have given any Lender written notice of such event of default, and (iii) the Lender(s) shall have failed to remedy such default, acquire Tenant's leasehold estate created hereby, or commence foreclosure or other appropriate proceedings, all as set forth in, and within the time specified by, this Section 18.

(c) Any Lender shall have the right, but not the obligation, at any time prior to termination of this Lease and without payment of any penalty, to pay all of the rents due hereunder, to effect any insurance, to pay any taxes and assessments, to make any repairs and improvements, to do any other act or thing required of Tenant hereunder, and to do any act or thing which may be necessary and proper to be done in the performance and observance of the agreements, covenants and conditions hereof to prevent termination of this Lease. All payments so made and all things so done and performed by a Lender shall be as effective to prevent a termination of this Lease as the same would have been if made, done and performed by Tenant instead of by a Lender.

(d) Should any event of default under this Lease occur, any Lender shall have thirty (30) days after receipt of written notice from Landlord setting forth the nature of such event of default, or ten (10) in the event of non-payment of rent, within which to remedy the default; provided that in the case of a default which cannot with due diligence be cured within such thirty (30) day period, the Lender(s) shall have the additional time reasonably necessary to accomplish the cure, provided that (i) such Lender has commenced the curing within such thirty (30) days and (ii) thereafter diligently prosecutes the cure to completion. If the default is such that possession of the Premises may be reasonably necessary to remedy the default, the Lender(s) shall have a reasonable additional time after the expiration of such thirty-day period, within which to remedy such default, provided that (i) the Lender(s) shall have fully cured any default in the payment of any monetary obligations of Tenant under this Lease within such thirty day period and shall continue to pay currently such monetary obligations as and when the same are due and (ii) the Lender(s) shall have acquired Tenant's leasehold estate or commenced foreclosure or other appropriate proceedings seeking such acquisition within such period, or prior thereto, and is diligently prosecuting any such proceedings.

(e) Any event of default under this Lease which is not susceptible to remedy by a Lender shall be deemed to be remedied if (i) within thirty (30) days after receiving written notice from Landlord setting forth the nature of such event of default, or prior thereto, a Lender shall have acquired Tenant's leasehold estate created hereby or shall have commenced foreclosure or other appropriate proceedings seeking such acquisition, (ii) a Lender shall

diligently prosecute any such proceedings to completion, and (iii) a Lender shall have fully cured any default in the payment and performance of any monetary or other obligations of Tenant hereunder which do not require possession of the Premises within such sixty day period and shall thereafter continue faithfully to perform all such monetary obligations which do not require possession of the Premises, and (iv) after gaining possession of the Premises, a Lender shall perform all other obligations of Tenant hereunder as and when the same are due.

(f) If a Lender is prohibited by any process or injunction issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving Tenant from commencing or prosecuting foreclosure or other appropriate proceedings the times specified in subsections (d) and (e) above for commencing or prosecuting such foreclosure or other proceedings shall be extended for the period of such prohibition; provided that Lender shall have fully cured any default in the payment of any monetary obligations of Tenant under this Lease and shall continue to pay currently such monetary obligations as and when the same fall due.

(g) Landlord shall mail by certified or registered post, return receipt requested, or personally deliver to any Lender a duplicate copy of any and all notices in writing which Landlord may from time to time give to or serve upon Tenant pursuant to the provisions of this Lease, and such copy shall be mailed or delivered to any Lender at, or as near as possible to, the same time such notices are given or served by Landlord. No notice by Landlord to Tenant hereunder shall be deemed to have been given unless and until a copy thereof shall have been so mailed or delivered to any Lender. Upon the execution of any Leasehold Mortgage, Landlord shall be informed in writing of the vesting of the security interest evidenced by the Leasehold Mortgage and of the address to which all notices to the Lender are to be sent. Notwithstanding any other provision of this Section 18, any Lender shall be deemed to have waived any right to receive notice pursuant to this Section unless and until Landlord has received such information.

(h) Foreclosure of the Leasehold Mortgage, or any sale thereunder, whether by judicial proceedings or by virtue of any power contained in the leasehold mortgage, or any assignment or conveyance of the leasehold estate created by this Lease from Tenant to a Lender or other purchaser through, or in lieu of, foreclosure or other appropriate proceedings of a similar nature shall not constitute a breach of any provision of or a default under this Lease. Upon such foreclosure, sale or conveyance Landlord shall recognize the Lender, or any other foreclosure sale purchaser, as Tenant hereunder. In the event a Lender becomes Tenant under this Lease, such Lender shall be liable for the obligations of Tenant under this Lease only for the period of time that such Lender remains Tenant. Such Lender shall have the right to assign this Lease at any time after becoming Tenant without any restriction otherwise imposed on Tenant hereunder and shall be fully released from liability under the Lease from and after the date of such assignment.

(i) Should Landlord terminate this Lease by reason of any default by Tenant hereunder, Landlord shall, upon written request by a Lender given within thirty (30) days after such termination, immediately execute and deliver a new lease of the Premises to such Lender, or its nominee, purchaser, assignee or transferee, for the remainder of the Term with the same agreements, covenants and conditions (except for any requirements which have been fulfilled by Tenant prior to termination) as are contained herein and with priority equal to that hereof;

provided, however, that such Lender shall promptly cure any defaults of Tenant susceptible to cure by such Lender and that such Lender's right to possession of the Premises under the new lease shall commence only upon Tenant's vacating of the Premises. Upon execution and delivery of such new lease Landlord, at the expense of the new lessee, which expenses shall be paid by the new Tenant as they are incurred, shall take such action as shall be necessary to cancel and discharge this Lease and to remove Tenant named herein from the Premises.

19. Fire and Extended Coverage and Liability Insurance

(a) During the period of the construction of any improvements upon the Property, Tenant shall at its sole expense obtain and keep in force builder's risk insurance, insuring Tenant, Landlord, Lender, and such other parties as Tenant may designate as an additional insured hereunder, against all risks of physical loss and/or damage from any cause (exclusive of earthquake and subject to usual policy exclusions) to all buildings, structures, materials and real property to be improved located on or forming a part of the Premises under improvement.

(b) Tenant shall, at its sole expense, obtain and keep in force during the Term, after substantial completion of any improvements upon the Premises fire and extended coverage insurance (excluding earthquake insurance) naming Landlord, Lender, and such other parties as Tenant may designate, as additional insureds thereunder.

(c) Tenant shall, at its sole expense, obtain and keep in force during the Term general liability insurance with limits of not less than Two Million Dollars (\$2,000,000) for injury to or death of any number of persons in one occurrence, and not less than One Million Dollars (\$1,000,000) for damage to property, insuring against any and all liability of Landlord and Tenant including, without limitation, coverage for contractual liability, broad form property damage, personal injury, and non-owned automobile liability, with respect to the Premises or arising out of the maintenance, use or occupancy thereof, and insurance on all boilers and other pressure vessels, whether fired or unfired, located in, on, or about the Premises, without exclusion for explosion, collapse and underground damage, in an amount not less than One Million Dollars (\$1,000,000). Tenant may provide coverage for general liability insurance under a blanket policy, provided that such blanket policy provides aggregate coverage of not less than Four Million Dollars (\$4,000,000) as specified in Section 14(c)(3). All of such insurance shall insure the performance by Tenant of the indemnity agreement as to liability for injury to or death of persons and damage to property set forth in Section 21(b) hereof. All of such insurance shall be noncontributing with any insurance which may be carried by Landlord and shall contain a provision that Landlord, although named as an insured, shall nevertheless be entitled to recover under the policy for any loss, injury or damage to Landlord, its agents and employees, or the property of such persons.

(d) The limits and coverage of all such insurance shall be adjusted by agreement of Landlord and Tenant on every fifth anniversary of the Commencement Date during the Term in conformity with the then prevailing custom of insuring property similar to the Premises and any disagreement regarding such adjustment shall be settled by arbitration in the manner provided in Section 32 hereof. Upon the issuance thereof, each insurance policy or a duplicate or certificate thereof shall be delivered to Landlord and Lender. Nothing herein shall

be construed to limit the right of Lender to cause Tenant to carry or procure other insurance covering the same or other risks in addition to the insurance specified in this Lease.

(e) All amounts that shall be received under any insurance policy specified in subsections (a) and (b) above shall be first applied to the payment of the cost of repair, reconstruction or replacement of any buildings or improvements, or furniture, fixtures, equipment and machinery, that is damaged or destroyed.

20. Mechanics' and Other Liens. Tenant shall promptly discharge or remove by bond or otherwise prior to foreclosure thereof any and all mechanics', materialmen's and other liens for work or labor done, services performed, materials, appliances, teams or power contributed, used or furnished to be used in or about the Premises for or in connection with any operations of Tenant, any construction of Tenant Improvements, alterations, improvements, repairs or additions which Tenant may make or permit or cause to be made, or any work or construction by, for or permitted by Tenant on or about the Premises, and to indemnify, save and hold Landlord and all of the Premises and all buildings and improvements thereon free and harmless of and from any and all such liens and claims of liens and suits or other proceedings pertaining thereto. Tenant covenants and agrees to give Landlord written notice not less than twenty (20) days in advance of the commencement of any construction, alteration, addition, improvement or repair costing in excess of Twenty Five Thousand Dollars (\$25,000) in order that Landlord may post appropriate notices of Landlord's non-responsibility.

21. Indemnity.

(a) Tenant shall have the right to contest the amount or validity of any lien of the nature set forth in Section 20 hereof or the amount or validity of any tax, assessment, charge, or other item to be paid by Tenant under Section 6 hereof by giving Landlord written notice of Tenant's intention to do so within twenty (20) days after the recording of such lien or at least ten days prior to the delinquency of such tax, assessment, charge, or other item, as the case may be. In any such case, Tenant shall not be in default hereunder, and Landlord shall not satisfy and discharge such lien nor pay such tax, assessment, charge or other item, as the case may be, until ten (10) days after the final determination of the amount or validity thereof, within which time Tenant shall satisfy and discharge such lien or pay such tax, assessment, charge or other item to the extent held valid and all penalties, interest, and costs in connection therewith; provided, however, that the satisfaction and discharge of any such lien shall not, in any case, be delayed until execution is had upon any judgment rendered thereon, nor shall the payment of any such tax, assessment, charge or other item, together with penalties interest, and costs, in any case be delayed until sale is made or threatened to be made of the whole or any part of the Premises on account thereof, and any such delay shall be a default of Tenant hereunder. In the event of any such contest, Tenant shall protect and indemnify Landlord against all loss, cost, expense, and damage resulting therefrom, and upon notice from Landlord so to do, shall furnish Landlord a corporate surety bond payable to Landlord, in one hundred and twenty percent (120%) of the amount of the lien, tax, assessment, charge, or item contested, as the case may be, conditioned upon the satisfaction and discharge of such lien or the payment of such tax, assessment, charge, or other item, and all penalties, interest, and costs in connection therewith.

(b) To the fullest extent allowed by law, Tenant covenants and agrees that Landlord shall not at any time or to any extent whatsoever be liable, responsible or in anywise accountable for any loss, injury, death, or damage to persons or property which, at any time may be suffered or sustained by Tenant or by any person who may at any time be using, occupying, or visiting the Premises or be in, on or about the Premises, from any cause whatsoever, except when whether such loss, injury, death, or damage shall be caused by or in anywise result from or arise out of the negligent or intentional acts or omissions of Landlord. Furthermore, Tenant shall forever indemnify, defend, hold, and save Landlord free and harmless of, from and against any and all claims, liability, loss, or damage whatsoever, including, without limitation, attorneys' fees, on account of any such loss, injury, death or damage occasioned by any cause other than Landlord's intentional or grossly negligent acts or omissions. Tenant hereby waives all claims against Landlord for damages to the buildings and improvements now or hereafter located on the Property and to the property of Tenant in, upon or about the Premises, and for injuries to persons or property in, on or about the Premises, from any cause arising at any time, except for any such claims arising from negligent or intentional acts or omissions committed by Landlord. Tenant's indemnity obligation set forth in this Section shall survive the termination or expiration of this Lease with respect to any claims or liabilities arising out of injury or damage to person or property which occurs during the Term.

(c) Tenant shall indemnify, protect, defend, and hold Landlord, and/or any of Landlord's officials, officers, employees, agents, departments, and instrumentalities (collectively, the "Indemnified Parties") harmless from any and all claims, demands, lawsuits, petitions for writ of mandamus, alternative dispute resolution procedures (including, but not limited to arbitrations, mediations, and other such procedures), judgments, orders, decisions, and other actions and proceedings (whether legal, equitable, declaratory, administrative or adjudicatory in nature) (collectively "Actions") brought against the Indemnified Parties that challenge, attack, or seek to modify, set aside, void, or annul any action of, or any permit or approval issued by, Landlord and/or any of its officials, officers, employees, agents, departments, and instrumentalities, for or concerning this Lease, the operation of a recreational vehicle park on the Premises (collectively, the "Project"), or any other permits, entitlements, or approvals related to the Project; Tenant's obligation to indemnify against the Actions shall apply whether such Actions are brought under the Ralph M. Brown Act, California Environmental Quality Act, the California Coastal Act, the Planning and Zoning Law, the Subdivision Map Act, Community Redevelopment Law, Code of Civil Procedure Sections 1085 or 1094.5, or any other federal, state, or local constitution, statute, law, ordinance, charter, rule, regulation, or any decision of a court of competent jurisdiction. Applicant's obligation under this condition of approval shall extend to indemnifying and holding harmless the Indemnified Parties against any damages, fees, or costs awarded in connection with any Action challenging the Project. Landlord and Tenant expressly agree that Landlord shall have the right to choose the legal counsel providing Landlord's defense, and that Tenant shall reimburse, on a monthly basis, Landlord for any costs, fees, and expenses incurred by Landlord in the course of the defense. Landlord shall promptly notify Tenant of any Action brought, and Tenant shall cooperate with Landlord in the defense of the Action. Tenant's obligation to fully indemnify Landlord shall survive the suspension, revocation, expiration or termination of any permit, entitlement, or approval issued by Landlord for or relating to the Project.

22. Eminent Domain.

(a) If the whole of the Premises should be taken by any public or quasi- public authority under the power or threat of eminent domain during the Term, or if a substantial portion of the Premises should be taken so as to materially impair the use of the Premises contemplated by Tenant, and thereby frustrate Tenant's purpose in entering into this Lease, then, in either of such events, this Lease shall terminate at the time of such taking. In such event, of the compensation and damages payable for or on account of the Property, exclusive of the buildings and improvements thereon, Tenant and Lender, as their interests may appear, shall receive a sum equal to the worth at the time of the compensation award of the amount by which: the fair rental value of the Premises for the balance of the Term (including unexercised Extension Periods) *exceeds* the rental payable pursuant to the terms of this Lease for the balance of the Term (including unexercised Extension Periods); the balance of such compensation and damages shall be payable to and be the sole property of Landlord. All compensation and damages payable for or on account of the buildings and improvements located on the Property and constituting a part of the Premises shall be divided among Landlord, Tenant, and Lender as follows:

(1) All compensation and damages payable for or on account of buildings and improvements having a remaining useful life less than the remaining Term as of the date of such taking shall be payable to and be the sole property of Tenant and Lender, as their interests may appear; and

(2) A proportionate share of all compensation and damages payable for or on account of buildings and improvements having a remaining useful life greater than the remaining Term as of the date of such taking, determined by the ratio that the then remaining Term bears to the then remaining useful life of such buildings and improvements, shall be payable to and be the sole property of Tenant and Lender, as their interests may appear, and the remaining share thereof shall be payable to and be the sole property of Landlord.

(b) If less than the whole of the Premises should be taken by any public or quasi-public authority under the power or threat of eminent domain during the Term and this Lease is not terminated as provided in subsection (a) above, Tenant shall promptly reconstruct and restore the Premises, with respect to the portion of the Premises not so taken, as an integral unit of the same quality and character as existed prior to such taking. The Monthly Rent payable by Tenant following such taking shall be equitably reduced by agreement of Landlord and Tenant in accordance with the reduced economic return to Tenant, if any, which will occur by reason of such taking. The compensation and damages payable for, or on account of, such taking shall be applied to the reconstruction and restoration of the Premises by Tenant pursuant to this subsection (b) by application, first, of any sums payable for or on account of the buildings and improvements situated on the Property, and second, of any sums payable for or on account of the Property exclusive of such buildings and improvements. The remainder, if any, after reconstruction and restoration shall be divided among Landlord, Tenant and Lender in the manner provided in subsection (a) above.

(c) No taking of any portion (but not all) of the remaining Term (including unexercised Extension Periods) of the leasehold interest in the Premises shall terminate this Lease or give Tenant the right to surrender this Lease, nor excuse Tenant from full performance of its covenants for the payment of rent and other charges or any other obligations hereunder

capable of performance by Tenant after any such taking, but in such case all compensation and damages payable for or on account of such taking shall be payable to and be the sole property of Tenant and Lender.

(d) Should Landlord and Tenant for any reason disagree (i) as to whether any portion of the Premises taken is so substantial as materially to impair the use of the Premises contemplated by Tenant, (ii) on the division of any compensation or damages paid for or on account of any taking of all or any portion of the Premises, or (iii) on the amount by which the rent payable by Tenant hereunder is to be equitably reduced in the event of a partial taking, then, and in any of such events, the matter shall be determined by arbitration in the manner provided in Section 33 hereof.

(e) The foregoing provisions shall apply to the Premises and the improvements located thereon; notwithstanding the foregoing, as between Landlord and Tenant, Tenant shall be solely entitled to all compensation for the relocation of businesses conducted from the Premises.

23. Landlord's Right of Inspection. Landlord shall have the right to inspect the Property upon not less than two (2) days prior written notice to Tenant.

24. Tenant's Defaults and Landlord's Remedies. It shall be an event of default hereunder (each an "Event of Default") if (i) default shall be made by Tenant in the punctual payment of any rent or other moneys due hereunder and shall continue for a period of five (5) days after written notice thereof to Tenant; (ii) default shall be made by Tenant in the performance or observance of any of the other agreements, covenants or conditions of this Lease on the part of Tenant to be performed and observed and such default shall continue for a period of thirty (30) days after written notice thereof to Tenant, or, in the case of a default which cannot be cured by the payment of money and cannot be cured within thirty (30) days, shall continue for an unreasonable period after such written notice; (iii) Tenant shall abandon the Premises; (iv) Tenant shall admit in writing its inability to pay its debts generally as they become due, file a petition in bankruptcy, insolvency, reorganization, readjustment of debt, dissolution or liquidation under any law or statute of the federal government or any state government or any subdivision of either now or hereafter in effect, make an assignment for the benefit of its creditors, consent to, or acquiesce in the appointment of a receiver of itself or of the whole or any substantial part of the Premises; (v) a court of competent jurisdiction shall enter an order, judgment or decree appointing a receiver of Tenant or of the whole or any substantial part of the Premises, and such order, judgment or decree shall not be vacated, set aside or stayed within sixty (60) days from the date of entry of such order, judgment or decree, or a stay thereof be thereafter set aside; (vi) a court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against Tenant under any bankruptcy, insolvency, reorganization, readjustment of debt, dissolution or liquidation law or statute of the Federal government or any state government or any subdivision of either now or hereafter in effect, and such order judgment or decree shall not be vacated, set aside or stayed within sixty (60) days from the date of entry of such order, judgment or decree, or a stay thereof be thereafter set aside; or (vii) under the provisions of any other law for the relief or aid of debtors, a court of competent jurisdiction shall assume custody or control of Tenant or of the whole or any substantial part of the Premises, and such custody or control shall not be terminated within sixty (60) days from the date of

assumption of such custody or control. Upon the occurrence of any Event of Default by Tenant hereunder, Landlord shall have the following rights and remedies, in addition to all other rights and remedies of Landlord provided hereunder or by law:

(1) The right to terminate this Lease, in which event Tenant shall immediately surrender possession of the Premises, and pay to Landlord all rent and all other amounts payable by Tenant hereunder to the date of such termination;

(2) The remedies described in California Civil Code Section 1951.2, including, without limitation, the right to recover the worth at the time of 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 for the same period that Tenant proves could be reasonably avoided, as computed pursuant to subdivision (b) of section 1951.2 of the California Civil Code;

(3) The remedies described in California Civil Code section 1951.4, including, without limitation, the right to collect, by suit or otherwise, each installment of rent or other sums that become due hereunder, or to enforce, by suit or otherwise, performance or observance of any agreement, covenant or condition hereof on the part of Tenant to be performed or observed; or

(4) The right to cause a receiver to be appointed in any action against Tenant to take possession of the Premises or to collect the rents or profits therefrom. Neither appointment of such receiver nor any other action taken by Landlord shall constitute an election on the part of Landlord to terminate this Lease unless written notice of termination is given to Tenant.

25. Nonwaiver. If any action or proceeding is instituted or if any other steps are taken by Landlord or Tenant, and a compromise part payment or settlement thereof shall be made, either before or after judgment, the same shall not constitute or operate as a waiver by Landlord or Tenant of any agreement, covenant or condition of this Lease or of any subsequent breach thereof. No waiver of any default under this Lease shall constitute or operate as a waiver of any subsequent default hereunder, and no delay, failure or omission in exercising or enforcing any right, privilege, or option under this Lease shall constitute a waiver, abandonment or relinquishment thereof or prohibit or prevent any election under or enforcement or exercise of any right, privilege, or option hereunder. No waiver of any provision hereof by Landlord or Tenant shall be deemed to have been made unless and until such waiver shall have been reduced to writing and signed by Landlord or Tenant, as the case may be. The receipt by Landlord of rent with knowledge of any default under this Lease shall not constitute or operate as a waiver of such default. Payment by Tenant or receipt by Landlord of a lesser amount than the stipulated rent or other sums due Landlord shall operate only as a payment on account of such rent or other sums. No endorsement or statement on any check or other remittance or in any communication accompanying or relating to such payment shall operate as a compromise or accord and satisfaction unless the same is approved in writing by Landlord, and Landlord may accept such check, remittance or payment without prejudice to its right to recover the balance of any rent or other sums due by Tenant and pursue any remedy provided under this Lease or by law.

26. No Merger.

(a) There shall be no merger of the leasehold estate created by this Lease with any other estate in the Premises, including the fee estate, by reason of the fact that the same person may own or hold the leasehold estate created by this Lease, or an interest in such leasehold estate, and such other estate in the Premises, including the fee estate, or any interest in such other estate; and no merger shall occur unless and until Landlord, Tenant and any Lender shall join in a written instrument effecting such merger and shall duly record the same.

(b) No termination of this Lease shall cause a merger of the estates of Landlord and Tenant, unless Landlord so elects and any such termination shall, at the option of Landlord, either work a termination of any sublease in effect or act as an assignment to Landlord of Tenant's interest in any such sublease. Notwithstanding the foregoing, in the event of the termination of this Lease and the execution of a new lease with Lender or its nominee pursuant to Section 18(i) above, the termination of this Lease shall neither work a merger of estates nor a termination of any subleases in effect unless Lender so elects.

27. No Partnership. It is expressly understood and agreed that Landlord does not, in any way or for any purpose by executing this Lease, become a partner of Tenant in the conduct of Tenant's business, or otherwise, or a joint venturer or a member of a joint enterprise with Tenant.

28. Covenants Run With Land.

(a) The agreements, covenants and conditions in this Lease contained are and shall be deemed to be covenants running with the land and the reversion and shall be binding upon and shall inure to the benefit of Landlord and Tenant and their respective successors and assigns and all subsequent Landlords and Tenants respectively hereunder.

(b) All references in this Lease to "**Tenant**" or "**Landlord**" shall be deemed to refer to and include successors and assigns of Tenant or Landlord, respectively, without specific mention of such successors or assigns.

29. Notices. Except as otherwise provided hereunder; any notice or communication to Landlord, Tenant or Lender shall be in writing and be mailed by certified mail, postage prepaid. Notices or communications shall be addressed to Landlord at:

Attn: _____

Phone: _____
Fax: _____
Email: _____

or such other address or addresses as Landlord shall from time to time designate, or to such agent of Landlord as it may from time to time designate, by notice in writing to Tenant. Notices or communications shall be addressed to Tenant at:

Attn: _____

Phone: _____

Fax: _____

Email: _____

or such other address or addresses as Tenant shall from time to time designate, or to such agent of Tenant as it may from time to time designate, by notice in writing to Landlord. Notices or communications to Lender shall be addressed to Lender at such address as Lender shall from time to time designate by notice in writing to Landlord. Any notice mailed in the manner above set forth shall be deemed to have been received unless returned to the sender by the post office.

30. Limitation of Landlord's Liability. In the event of any transfer of Landlord's interest in this Lease, the Landlord herein named (and in case of any subsequent transfer, the then transferor) shall be automatically freed and relieved from and after the date of such transfer of all personal liability for the performance of any covenants or obligations on the part of Landlord contained in this Lease thereafter to be performed; provided, however, that any funds in the hands of Landlord or the then transferor at the time of such transfer, in which Tenant has an interest shall be turned over to the transferee and any amount then due and payable to Tenant by Landlord or the then transferor under any provision of this Lease shall be paid to Tenant; and provided, further, that upon any such transfer, the transferee shall expressly assume, subject to the limitations of this Section 30, all of the agreements, covenants and conditions in this Lease to be performed on the part of Landlord, it being intended hereby that the covenants and obligations contained in this Lease on the part of Landlord shall, subject as aforesaid, be binding on each Landlord, its successors and assigns, only during its period of ownership.

31. Estoppel Certificates. Tenant or Landlord, as the case may be, will execute, acknowledge and deliver to the other and/or to Lender, promptly upon request, its certificate certifying (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect, as modified, and stating the modifications), (b) the dates, if any, to which the Monthly Rent, and other monetary obligations have been paid, (c) whether there are then existing any charges, offsets or defenses against the enforcement by Landlord of any agreement, covenant or condition hereof on the part of Tenant to be performed or observed (and, if so, specifying the same), and (d) whether there are then existing any defaults by Tenant in the performance or observance by Tenant of any agreement, covenant or condition hereof on the part of Tenant to be performed or observed and whether any notice has been given to Tenant of any default which has not been cured (and, if so, specifying the same). Any such certificate may be relied upon by a prospective purchaser, mortgagee or trustee under a deed of trust of the Premises or any part thereof.

32. Holding Over. This Lease shall terminate without further notice upon the expiration of the Term, and any holding over by Tenant after the expiration of the Term shall not constitute a renewal hereof or give Tenant any rights hereunder or in or to the Premises, except as otherwise herein provided, it being understood and agreed that this Lease cannot be renewed, extended or in any manner modified except in writing signed by Landlord and Tenant.

33. Late Charge. Tenant acknowledges that Tenant's failure to pay any installment of Monthly Rent or any other amounts due under this Lease as and when due may cause Landlord to incur costs not contemplated by Landlord when entering into this Lease, the exact nature and amount of which would be extremely difficult and impracticable to ascertain. Accordingly, if any installment of Monthly Rent or any other amount due under the Lease is not received by Landlord within ten (10) days after it is due, then, without any notice to Tenant, Tenant shall pay to Landlord an amount equal to five percent (5%) of the past due amount, which the parties agree represents a fair and reasonable estimate of the costs incurred by Landlord as a result of the late payment by Tenant.

34. Default Interest. In the event that Tenant shall fail to pay any amount of Monthly Rent, or any other monetary obligations owed to Landlord hereunder within thirty (30) days of the date that such amounts are due and payable, Tenant shall pay to Landlord, in addition to such amounts, interest thereon at the maximum interest rate permitted by law from the first day of the month in which such monetary obligation was payable to the date of actual payment thereof by Tenant to Landlord.

35. Severability. In case any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Lease, but this Lease shall be construed as if such invalid, illegal, or unenforceable provisions had not been contained herein.

36. Time of the Essence. Time is of the essence of each and all of the agreements, covenants, and conditions of this Lease.

37. Consents. Whenever in this Lease the consent or approval of either Landlord or Tenant is required or permitted, the party requested to give such consent or approval will act promptly and will not unreasonably withhold its consent or approval.

38. Memorandum of Lease. Contemporaneously with the execution of this Lease, Landlord and Tenant will execute and acknowledge for recordation in the Official Records of the County of Orange a Memorandum of Lease in the form of Exhibit "B" hereto.

39. Attorney Fees. In the event of any action or proceeding at law or in equity between Landlord and Tenant to enforce any provision of this Lease or to protect or establish any right or remedy of either party hereunder, the unsuccessful party to such litigation shall pay to the prevailing party all costs and expenses, including reasonable attorney fees, incurred therein by such prevailing party, and if such prevailing party shall recover judgment in any such action or proceeding, such costs, expenses and attorney fees shall be included in and as a part of such judgment.

40. Integration. This instrument constitutes the entire agreement between Landlord and Tenant with respect to the subject matter hereof and supersedes all prior offers and negotiations, oral or written. This Lease may not be amended or modified in any respect whatsoever except by an instrument in writing signed by Landlord, Tenant and, if required by any Lender, by Lender.

41. Amendments. This Lease may be modified only in writing and only if signed by the parties at the time of the modification.

42. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of California.

43. Commissions, Indemnity, Disclosure. Each party represents to the other party that, aside from _____, there is no broker representing such party in the current transaction, and that the representing party has incurred no liability for any brokerage commission or finder's fee arising from or relating to the transactions contemplated by this Lease. Each party hereby indemnifies and agrees to protect, defend and hold harmless the other party from and against all liability, cost, damage or expense (including without limitation attorneys' fees and costs incurred in connection therewith) on account of any brokerage commission or finder's fee which the indemnifying party has agreed to pay or which is claimed to be due as a result of the actions of the indemnifying party. This Section 44 is intended to be solely for the benefit of the parties hereto and is not intended to benefit, nor may it be relied upon by, any person or entity not a party to this Agreement.

44. General Provisions Regarding Option to Extend. The following provisions will apply to the option to extend the Term (the "**Option**").

(a) Tenant shall have no right to exercise an Option (i) during the period commencing with the giving of any notice of default and continuing until such default is cured; (ii) during any period during which rent is unpaid (without regard to whether notice thereof has been given to Tenant); (iii) during any time Tenant is materially in default under this Lease; (iv) in the event that Tenant has been given three (3) or more notices of separate defaults, whether or not such defaults have been cured, during the twelve (12) month period immediately preceding the attempt to extend the Term.

(b) An Option shall terminate and be of no further force or effect (notwithstanding Tenant's due and timely exercise of such Option) if, after such exercise and prior to the commencement of an extended term or completion of the purchase, (i) Tenant fails to pay rent for a period of thirty (30) days after such rent becomes due; or (ii) if Tenant commits a material breach of this Lease.

45. Option to Extend Termination Date. Tenant will have the option to extend the Termination Date for up to three (3) periods of five (5) years each (each an "**Extension Period**"), upon the following terms and conditions:

(1) The Termination Date may not be extended for a later period unless the prior extension option has been validly exercised.

(2) Tenant shall give written notice to Landlord of its election to extend the Termination Date of this Lease not later than one hundred eighty (180) days prior to the Termination Date or the most recent Extension Period.

(3) Rent during any Extension Period will be established and adjusted in accordance with the provisions of Section 4 of the Lease.

46. Leasehold Policy of Title Insurance. Upon the recording of the Memorandum of Lease, Tenant may elect to obtain a leasehold policy of title insurance, insuring Tenant's leasehold interest in the Property. Tenant will pay the premium for any such title policy.

47. Force Majeure. In the event that either party hereto shall be delayed or prevented from the performance of any of its obligations required hereunder due to circumstances beyond the reasonable control of the non-performing party, including but not limited to, strikes, lockouts or other differences with workers or unions, pandemic or epidemic, fire, flood, acts of God, hostilities, civil commotion, governmental acts, orders or regulations, failure of power, or other reason of a like or similar nature, not the fault of the party delayed in performing its services or doing acts required under the terms of this Lease, then performance of such acts shall be excused for the period of the delay. Notwithstanding the foregoing, this provision shall not apply to Tenant's obligation to pay rent or other sums due hereunder, and Tenant shall continue to timely perform its payment obligations hereunder as and when due.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

LANDLORD:

CRESCENT CITY HARBOR DISTRICT

By: _____
Its: _____

TENANT:

RENEWABLE ENERGY CAPITAL, LLC, a
California limited liability company

By: _____
Its: _____

EXHIBIT "A"

DESCRIPTION OF PROPERTY

That certain real property located in the City of Crescent City, Del Norte County, California, described as follows:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN SECTION 28, TOWNSHIP 16 NORTH, RANGE 1 WEST, HUMBOLDT BASELINE AND MERIDIAN, THE COUNTY OF DEL NORTE, STATE OF CALIFORNIA, BEING A PORTION OF THOSE CERTAIN LANDS LAYING WITHIN THE BOUNDS OF THE "GRANT BOUNDARY" AS DESIGNATED AND SHOWN ON THAT CERTAIN RECORD OF SURVEY ENTITLED "MAP OF THE GRANT TO THE CRESCENT CITY HARBOR DISTRICT, CHAPTER 1510 STATUTES OF 1963, VICINITY OF CRESCENT CITY, DEL NORTE COUNTY, CALIFORNIA", APPROVED BY THE EXECUTIVE DIRECTOR OF THE STATE LANDS COMMISSION ON JUNE 24, 1964, AND FILED IN THE OFFICE OF THE DEL NORTE COUNTY RECORDER IN BOOK 4 OF MAPS, AT PAGES 219 THROUGH 225, INCLUSIVE, A PORTION OF SAID LANDS BEING ALSO DESIGNATED AND SHOWN AS "LANDS OF CRESCENT CITY HARBOR DISTRICT" ON THAT CERTAIN RECORD OF SURVEY FILED IN THE OFFICE OF THE DEL NORTE COUNTY RECORDER ON SEPTEMBER 1, 2011 IN BOOK 16 OF MAPS, AT PAGES 21 THROUGH 23, INCLUSIVE, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FROM WHICH A CORP OF ENGINEERS BRASS DISK DESIGNATED AND SHOWN AS POINT NUMBER 3040 ON SAID RECORD OF SURVEY FILED IN BOOK 16 OF MAPS, AT PAGES 21 THROUGH 23 AND STAMPED "SB3-1986" BEARS NORTH 75°37'39" WEST 45.25 FEET DISTANT; THENCE SOUTH 37°25'35" WEST 204.97 FEET; THENCE NORTH 45°59'01" WEST 196.05 FEET; THENCE NORTH 34°59'22" EAST 205.33 FEET; THENCE SOUTH 46°18'48" EAST 204.75 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

BEARINGS BASED ON AND IDENTICAL WITH SAID RECORD OF SURVEY FILED IN BOOK 16 OF MAPS, AT PAGES 21 THROUGH 23, D.C.R.

EXHIBIT "B"

MEMORANDUM OF LEASE

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO

MEMORANDUM OF LEASE

This memorandum of lease ("**Memorandum of Lease**") is made as of _____, 2020 between _____ ("**Landlord**") and _____ ("**Tenant**"), who agree as follows:

1. The Lease. Landlord leases to Tenant, and Tenant leases from Landlord, the Premises (described below) on the terms and conditions of that certain unrecorded Ground Lease ("Lease") dated as of _____, 2021, between the parties. (Unless expressly provided otherwise, all capitalized terms and phrases used in this Memorandum shall have the same meanings as set forth in the Lease.)

2. The Premises. The Premises which are the subject of the Lease are that certain real property situated in the City of Crescent City, Del Norte County, California,, commonly known as Assessor Parcel No. 117-020-016 and more particularly described in Exhibit "1" attached hereto and made a part hereof by this reference.

3. Term. The initial term ("**Initial Term**") of the Lease shall commence on _____, and expire twenty-five (25) years thereafter; provided, however, if the Term commence on a date other than the first day of a calendar month, the Term shall be extended by this fractional month.

4. Option to Extend Termination Date. Tenant has three (3) consecutive options to extend the Termination Date of the Lease of five (5) years each on all the terms and conditions of the Lease.

5. Purpose of Memorandum. This Memorandum of Lease is prepared for the purpose of notice and recordation. This Memorandum of Lease does not and is not intended to modify the provisions of the Lease.

LANDLORD:

CRESCENT CITY HARBOR DISTRICT

By: _____
Its: _____

TENANT:

RENEWABLE ENERGY CAPITAL, LLC, a
California limited liability company

By: _____
Its: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF ORANGE

On _____ before me, (here insert name and title of the officer), personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF ORANGE

On _____ before me, (here insert name and title of the officer), personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT "1" TO MEMORANDUM OF LEASE

LEGAL DESCRIPTION OF PREMISES

That certain real property located in the City of Crescent City, Del Norte County, California, described as follows:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN SECTION 28, TOWNSHIP 16 NORTH, RANGE 1 WEST, HUMBOLDT BASELINE AND MERIDIAN, THE COUNTY OF DEL NORTE, STATE OF CALIFORNIA, BEING A PORTION OF THOSE CERTAIN LANDS LAYING WITHIN THE BOUNDS OF THE "GRANT BOUNDARY" AS DESIGNATED AND SHOWN ON THAT CERTAIN RECORD OF SURVEY ENTITLED "MAP OF THE GRANT TO THE CRESCENT CITY HARBOR DISTRICT, CHAPTER 1510 STATUTES OF 1963, VICINITY OF CRESCENT CITY, DEL NORTE COUNTY, CALIFORNIA", APPROVED BY THE EXECUTIVE DIRECTOR OF THE STATE LANDS COMMISSION ON JUNE 24, 1964, AND FILED IN THE OFFICE OF THE DEL NORTE COUNTY RECORDER IN BOOK 4 OF MAPS, AT PAGES 219 THROUGH 225, INCLUSIVE, A PORTION OF SAID LANDS BEING ALSO DESIGNATED AND SHOWN AS "LANDS OF CRESCENT CITY HARBOR DISTRICT" ON THAT CERTAIN RECORD OF SURVEY FILED IN THE OFFICE OF THE DEL NORTE COUNTY RECORDER ON SEPTEMBER 1, 2011 IN BOOK 16 OF MAPS, AT PAGES 21 THROUGH 23, INCLUSIVE, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FROM WHICH A CORP OF ENGINEERS BRASS DISK DESIGNATED AND SHOWN AS POINT NUMBER 3040 ON SAID RECORD OF SURVEY FILED IN BOOK 16 OF MAPS, AT PAGES 21 THROUGH 23 AND STAMPED "SB3-1986" BEARS NORTH 75°37'39" WEST 45.25 FEET DISTANT; THENCE SOUTH 37°25'35" WEST 204.97 FEET; THENCE NORTH 45°59'01" WEST 196.05 FEET; THENCE NORTH 34°59'22" EAST 205.33 FEET; THENCE SOUTH 46°18'48" EAST 204.75 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

BEARINGS BASED ON AND IDENTICAL WITH SAID RECORD OF SURVEY FILED IN BOOK 16 OF MAPS, AT PAGES 21 THROUGH 23, D.C.R.



2. New Business

- b. Review and discuss Power Usage of Bait Freezers.**

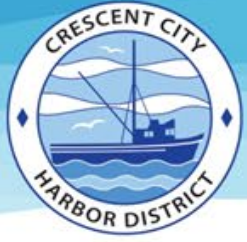
Public Comment?

Invoice By Customer
10/15/2021 to 10/15/2021
Created: 10/27/2021 11:03 AM
Crescent City Harbor

Customer	Type	Invoice Date	Invoice	Memo	Invoice Amount
CAITO FISHERIES HOIST #1 & #9 C (CAITO FISHERIES HOIST #1 & #9)	Standalone Invoice	10/15/2021 12:03 PM	1356633	Standalone Invoice for CAITO FISHERIES HOIST #1 & #9 C	\$6.84
GLOBAL HOIST #3& #4 HOIST (GLOBAL HOIST #3& #4)	Standalone Invoice	10/15/2021 11:55 AM	1356594	Standalone Invoice for GLOBAL HOIST #3& #4 HOIST	\$365.75
NOR-CAL SEAFOOD HOIST #6 #6 (NOR-CAL SEAFOOD HOIST #6)	Standalone Invoice	10/15/2021 11:59 AM	1356610	Standalone Invoice for NOR-CAL SEAFOOD HOIST #6 #6	\$197.60
PACIFIC CHOICE HOIST #7 HOIST (PACIFIC CHOICE HOIST #7)	Standalone Invoice	10/15/2021 11:58 AM	1356608	Standalone Invoice for PACIFIC CHOICE HOIST #7 HOIST	\$71.63
LCZ UNLOADERS HOIST #2 WES TAYLOR (LCZ UNLOADERS HOIST #2)	Standalone Invoice	10/15/2021 12:05 PM	1356643	Standalone Invoice for LCZ UNLOADERS HOIST #2 WES TAYLOR	\$37.43
LCZ UNLOADERS HOIST #5 WES TAYLOR (LCZ UNLOADERS HOIST #5)	Standalone Invoice	10/15/2021 12:02 PM	1356629	Standalone Invoice for LCZ UNLOADERS HOIST #5 WES TAYLOR	\$541.12

Billing for September 2021

CAITO FISHERIES HOIST #1 & #9 C (CAITO FISHERIES HOIST #1 & #9)	Standalone Invoice	9/21/2021	1321432	Standalone Invoice for CAITO FISHERIES HOIST #1 & #9 C	\$8.74
GLOBAL HOIST #3& #4 HOIST (GLOBAL HOIST #3& #4)	Standalone Invoice	9/21/2021	1321324	Standalone Invoice for GLOBAL HOIST #3& #4 HOIST	\$438.14
NOR-CAL SEAFOOD HOIST #6 #6 (NOR-CAL SEAFOOD HOIST #6)	Standalone Invoice	9/21/2021	1321435	Standalone Invoice for NOR-CAL SEAFOOD HOIST #6 #6	\$212.42
PACIFIC CHOICE HOIST #7 HOIST (PACIFIC CHOICE HOIST #7)	Standalone Invoice	9/21/2021	1321437	Standalone Invoice for PACIFIC CHOICE HOIST #7 HOIST	\$174.42
LCZ UNLOADERS HOIST #2 WES TAYLOR (LCZ UNLOADERS HOIST #2)	Standalone Invoice	9/21/2021	1321427	Standalone Invoice for LCZ UNLOADERS HOIST #2 WES TAYLOR	\$16.34
LCZ UNLOADERS HOIST #5 WES TAYLOR (LCZ UNLOADERS HOIST #5)	Standalone Invoice	9/21/2021	1321425	Standalone Invoice for LCZ UNLOADERS HOIST #5 WES TAYLOR	\$582.16



2. New Business

- c. Review and discuss resumption of previously budgeted payments to the Tri-Agency Economic Development Authority.**

Public Comment?

JOINT POWERS AGREEMENT FOR IMPLEMENTATION OF ECONOMIC DEVELOPMENT ACTION PROGRAM

THIS JOINT POWERS AGREEMENT, originally made and entered on the 9th day of December, 1975 , by and between the COUNTY OF DEL NORTE, a political subdivision of the State of California, hereinafter referred to as "COUNTY", the CITY OF CRESCENT CITY, California, a municipal corporation, hereinafter referred to as "CITY", and the CRESCENT CITY HARBOR DISTRICT, a public agency duly formed and operating in Del Norte County, California, under the Harbors and Navigation Code of the State of California, hereinafter referred to as "DISTRICT" is hereby amended by said parties this day of October 28th, 1997 .

RECITALS:

This Agreement is made with reference to the following facts:

- (a) Whereas, successful achievement in the implementation of an Economic Development Action Plan and Strategy as more particularly described in this area's Project Independence Plan and Report dated December 1975, as well as the successful achievement in the implementation of the Del Norte County Strategic Plan as more particularly described in the Plan and Report by such name dated 1996, and economic development in general, requires a united, coordinated, orderly and positive approach to overcome the effects of scarcity of population, limited land areas available for economic growth and development, severely limited local public funds, limited tax base, and inadequacies of resources, facilities and services; and
- (b) Whereas, Congress has enacted a number of laws establishing new and more effective domestic aid programs including the Special Economic Development And Adjustment Assistance Program enacted as Title IX of the Public Works and Economic Development Act of 1965, as amended, but these federal domestic aid programs are legally and administratively complex and impose substantial demands on local leadership and staff resources; and a more areawide coordinated and united organizational structure is needed to make the most effective use of such federal domestic aid programs, to implement and carry out this area's Title IX PROJECT INDEPENDENCE program, and

to implement and carry out the DEL NORTE COUNTY STRATEGIC PLAN and other economic development programs; and

(c) Whereas, the necessity for additional and improved public facilities and services, stimulation of public and private economic development activities, initiating new and more effective financial assistance procedures and mechanisms as required for further public and private economic development programs and projects, presents problems which cannot be adequately met by individual public agencies in this area; and

(d) Whereas, the COUNTY, CITY and DISTRICT, have heretofore informally created the TRI-AGENCY ECONOMIC DEVELOPMENT ORGANIZATION and have appointed two representatives from each such public agency to serve as the GOVERNING BOARD of said TRI-AGENCY ORGANIZATION; and

(e) Whereas, the parties hereto have the common power to perform the kind of functions and services as hereinafter described within their respective jurisdictions; and

(f) Whereas, the parties hereto recognize that the exigencies of the economic problems in this area and within their respective jurisdictions require that the COUNTY, CITY and DISTRICT unify and coordinate their efforts in solving said economic problems by entering into this Agreement to provide for the joint exercise of their said powers in implementing this area's Title IX PROJECT INDEPENDENCE program, to formally establish a joint powers organization for the implementation and execution of Del Norte County's Economic Development Action Plan and Strategy pursuant to the aforesaid Special Economic Development And Adjustment Assistance Program enacted by Congress in 1974 , as well as for the implementation and execution of the DEL NORTE COUNTY STRATEGIC PLAN and other economic development programs and to officially establish the structure of the GOVERNING BOARD of said joint powers agency; and

(g) Whereas, such a Joint Powers Agreement is authorized by the provisions of Title I, Division 7, Chapter 5 (commencing with Section 6500) of the Government Code of the State of California which authorizes the joint exercise by agreement of two or more public agencies of any power common to them;

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

ARTICLE I - DEFINITIONS

SECTION 1.01. GENERAL. Unless the context otherwise requires, the words and terms defined in this ARTICLE shall, for the purposes hereof, have the meanings herein specified.

SECTION 1.02. ACT. ACT means Title I, Division 7, Chapter 5 (commencing with Section 6500) of the Government Code of the State of California.

SECTION 1.03. ADMINISTRATIVE EXPENSE. Administrative expense means those sums of money required to be expended by the AUTHORITY from an administrative expense fund to be established and maintained by the AUTHORITY to finance those costs of administering this Agreement and for carrying out the powers and functions authorized in this Agreement.

SECTION 1.04. AUTHORITY. AUTHORITY means the TRI-AGENCY ECONOMIC DEVELOPMENT AUTHORITY created pursuant to this Agreement.

SECTION 1.05. FISCAL YEAR. Fiscal year means the period from July 1 to and including the following June 30.

SECTION 1.06. GOVERNING BOARD. GOVERNING BOARD means the GOVERNING BOARD of the AUTHORITY established pursuant to this Agreement.

SECTION 1.07. STATE. State means the State of California.

SECTION 1.08. PROJECT INDEPENDENCE. PROJECT INDEPENDENCE means the Economic Development Action Plan and Strategy for Del Norte County, California, as described in the Plan and Report by such name dated December 1975 and which was prepared by means of a Development Grant from the Economic Development Administration, and including the further detailed planning, designing, engineering, construction, leasing, selling, operation and maintenance of the specific facilities and projects described in said Plan and Report, or that portion of such functions, services and activities as are within the legal power and authority of one or all of the parties hereto, and further including all legal, administrative, financial and technical services and activities connected therewith.

SECTION 1.09. DEL NORTE COUNTY STRATEGIC PLAN. DEL NORTE COUNTY STRATEGIC PLAN (hereinafter "STRATEGIC PLAN") means the economic development program as described in the Plan and Report by such name dated 1996 and which was prepared by means of a strategic planning grant from the United States Department of Agriculture, United States Forest Service, and including the further detailed planning, designing, engineering, construction, leasing, selling, operation and maintenance of the specific facilities and projects described in said Plan and Report or those specific facilities and projects that are added from time to time by the governing bodies of the parties to this Agreement, or that portion of such functions, services and activities as are within the legal power and authority of one or all of the parties hereto, and further including all legal, administrative, financial and technical services and activities connected therewith.

ARTICLE II – PURPOSE

SECTION 2.01. PURPOSE. It is the purpose of this Agreement to provide a united, coordinated, orderly, positive and more effective means for implementing and carrying into execution an Economic Development Action Plan And Strategy for the general benefit of all of the people of Del Norte County, California, as such Plan and Strategy is

more particularly described in this area's PROJECT INDEPENDENCE program outlined in said Economic Development Action Plan and Strategy dated December 1975 and prepared with federal financial assistance provided by the Economic Development Administration under Title IX of the Public Works and Economic Development Act of 1965, as amended, and as such Plan and Strategy is outlined in the STRATEGIC PLAN, by establishing and maintaining a multipurpose and separate TRI-AGENCY ECONOMIC DEVELOPMENT AUTHORITY in the area and by vesting this AUTHORITY with power (1) to effectively implement, coordinate and administer the Economic Development Action Plan And Strategy and the STRATEGIC PLAN for Del Norte County, California, in accordance with the purpose and intent of the Special Economic Development and Adjustment Assistance Program enacted by Congress in 1974 as Title IX of the Public Works and Economic Development Act of 1965, as amended.

SECTION 2.02. ECONOMIC DEVELOPMENT. In addition to the specific activities described in PROJECT INDEPENDENCE, the AUTHORITY is vested with the power to effectively implement, coordinate and administer general economic development programs for the County of Del Norte, State of California, including the City of Crescent City and the Crescent City Harbor District, in accordance with local, state and federal laws. General economic development programs shall include, but are not limited to, public works projects, projects which raise the economic and educational levels of the residents of Del Norte County, projects which provide jobs, and projects which assist industrial development. Further, the AUTHORITY shall be vested with the power to implement, coordinate and administer the DEL NORTE COUNTY STRATEGIC PLAN when adopted and as thereafter modified by the governing bodies of the COUNTY, CITY and DISTRICT.

ARTICLE III - FORMATION AND ORGANIZATION

SECTION 3.01. CREATION OF AUTHORITY. Pursuant to the ACT, there is hereby created a public entity to be known as the "TRIAGENCY ECONOMIC DEVELOPMENT AUTHORITY", herein called "AUTHORITY". The AUTHORITY is a public entity separate and apart from COUNTY, CITY and DISTRICT and shall administer this Agreement, subject only to the restrictions that the City of Crescent City would have if it were administering and executing this Agreement.

SECTION 3.02. GOVERNING BOARD. The AUTHORITY shall be administered by a GOVERNING BOARD of six (6) members and three (3) alternates. Two (2) members and one (1) alternate member shall be appointed by the City Council of CITY from its Council two (2) members and one (1) alternate member shall be appointed by the Board of Supervisors of COUNTY from its Board; and two (2) members and one (1) alternate member shall be appointed by the Board of Harbor Commissioners of DISTRICT from its Board. Alternates shall have voting powers only if one or

more of its members from the same jurisdiction are absent. The GOVERNING BOARD shall be called the "GOVERNING BOARD OF THE TRI-AGENCY ECONOMIC DEVELOPMENT AUTHORITY". All voting power of the AUTHORITY shall reside in the GOVERNING BOARD.

Each member of the GOVERNING BOARD shall serve at the pleasure of the authority that appointed that member. Each member shall cease to be a member of the GOVERNING BOARD when such member ceases to hold office on the governing body of the authority that appointed that member. Vacancies on the GOVERNING BOARD shall be filled by the respective appointing parties. Any member of the GOVERNING BOARD of the AUTHORITY may be removed at any time in the same manner as that member was appointed.

A. The members of the GOVERNING BOARD that took office immediately upon the execution of the original Agreement in December 1975 by COUNTY, CITY and DISTRICT and whose selection and appointment was made and confirmed by the respective governing bodies of the COUNTY, CITY and DISTRICT by execution of this Agreement are as follows:

1. COUNTY APPOINTEES: (a) BERNARD McCLENDON, (b) JOHN E. FRASER
2. CITY APPOINTEES: (a) RICHARD L. BROWN, (b) DALE F. LONG
3. DISTRICT APPOINTEES: (a) JAMES J. YARBROUGH, (b) CARL A. BROWER

B. No person while serving as a member of the GOVERNING BOARD of the AUTHORITY shall be eligible to be appointed to any other salaried office or employment in the service of the AUTHORITY nor shall that member become eligible for such appointment within one year after that member has ceased to be a member of the GOVERNING BOARD of the AUTHORITY.

C. The members of the GOVERNING BOARD of the AUTHORITY shall be compensated for time spent and reimbursed for reasonable and necessary expenses incurred in the performance of their duties as provided in the bylaws.

SECTION 3.03. REGULAR MEETINGS. The GOVERNING BOARD shall provide for its regular meetings; provided, however, that at least one regular meeting shall be held once each month. The date, hour and place of the holding of regular meetings shall be fixed by resolution of the GOVERNING BOARD, and a copy of such resolution shall be filed with each party hereto.

SECTION 3.04. RALPH M. BROWN ACT. All meetings of the GOVERNING BOARD, including, without limitation, regular, adjourned regular and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the RALPH M. BROWN ACT (commencing with Section 54950 of the Government Code of the State of California).

SECTION 3.05. MINUTES. The Secretary of the AUTHORITY shall cause to be kept minutes of the meetings of the GOVERNING BOARD and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each member of the GOVERNING BOARD.

SECTION 3.06. QUORUM. Four (4) members of the GOVERNING BOARD shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn, from time to time; provided that both of the following shall occur for the approval of any action of the GOVERNING BOARD: (a) the affirmative vote of at least four (4) members of the GOVERNING BOARD and (b) that there is at least one (1) vote on the prevailing side from each of CITY, COUNTY, and DISTRICT.

SECTION 3.07. RULES. The GOVERNING BOARD of the AUTHORITY may adopt, from time to time, such rules and regulations for the conduct of its meetings and affairs as are necessary for the purposes hereof.

SECTION 3.08. OFFICE. The GOVERNING BOARD of the AUTHORITY may establish and maintain an office within the area as it deems will best facilitate the accomplishment of the objectives and purposes of the AUTHORITY.

SECTION 3.09. BOUNDARIES. The TRI-AGENCY ECONOMIC DEVELOPMENT AUTHORITY shall encompass all of the territory within the geographical boundaries of DEL NORTE COUNTY, California.

SECTION 3.10. AUTHORITY OF PARTIES TO AGREEMENT. The delegation of certain powers to the AUTHORITY shall not affect or diminish the authority of any of the parties to this agreement. Each party to this agreement shall have and retain the authority, within a reasonable time after notice, to determine if the proposed project is in compliance with all rules, regulations, permits and standards within its jurisdiction as would apply to any other project.

ARTICLE IV - OFFICERS AND EMPLOYEES

SECTION 4.01. CHAIRMAN, VICE-CHAIRMAN AND SECRETARY. The GOVERNING BOARD shall elect a Chairman and Vice-Chairman and shall appoint a Secretary who may, but need not, be a member of the GOVERNING BOARD. The officers shall perform the duties normal to said offices; and

A. The Chairperson shall sign all contracts on behalf of the AUTHORITY and perform such other duties as may be imposed by the GOVERNING BOARD;

B. The Vice-Chairperson shall act, sign contracts, and perform all of the Chairperson's duties in the absence of the Chairperson; and

C. The Secretary shall countersign all contracts on behalf of the AUTHORITY, perform such other duties as may be imposed by the GOVERNING BOARD, and keep minutes of all meetings and cause a copy of the minutes to be forwarded to each of the members of the GOVERNING BOARD and to COUNTY, CITY and DISTRICT.

SECTION 4.02. DESIGNATION OF TREASURER. The Secretary of the Tri-Agency shall be appointed to serve as the Treasurer of the authority. The Treasurer shall have the duties and obligations set forth in Sections 6505 and 6505.5 of the ACT and shall assure that there shall be strict accountability of all funds and report of all receipts and disbursements of the AUTHORITY.

SECTION 4.03. BONDING PERSONS HAVING ACCESS TO PROPERTY. From time to time, the parties hereto shall designate the public officers or persons, in addition to the ECONOMIC DEVELOPMENT CORPORATION, having charge of handling or having access to any property of the AUTHORITY, and the respective amounts of the official bonds of the ECONOMIC DEVELOPMENT CORPORATION and such other persons pursuant to Section 6505.1 of the ACT.

SECTION 4.04. LEGAL ADVISOR. The GOVERNING BOARD shall select, appoint, employ and retain the legal advisor of the AUTHORITY, who shall perform such duties as may be prescribed by the GOVERNING BOARD.

SECTION 4.05. OTHER EMPLOYEES. The GOVERNING BOARD shall have the power to appoint and employ such other officers, employees, consultants, advisors and independent contractors as may be necessary for the purposes hereof.

SECTION 4.06. COMPENSATION. The GOVERNING BODY shall determine the compensation of, and pay from AUTHORITY funds (including payment from funds which the AUTHORITY may receive from time to time in the form of federal and state grants) the salaries, wages, fees and other compensation of such planning, engineering, legal, financial, or other technical and professional personnel, consultants, and other employees of the AUTHORITY.

SECTION 4.07. NON-CIVIL SERVICE. Nothing herein contained shall be construed as making the AUTHORITY a department of the COUNTY, CITY or DISTRICT or as placing any of the officers, counsel, personnel, or employees of the AUTHORITY under any form of Civil Service or merit system or under any other form of specially protected employment right or status.

ARTICLE V - POWERS

SECTION 5.01. GENERAL POWERS. The AUTHORITY created by this Agreement shall exercise its general powers relating to economic development, subject only to the restrictions that the City of Crescent City would have if it were administering and executing this Agreement.

As provided in the ACT, the AUTHORITY shall be a public entity separate from the parties hereto. The AUTHORITY shall have the power to administer, carry out and implement an Economic Development Action Plan and Strategy for Del Norte County, California, as such plan and strategy is more particularly described in this area's PROJECT INDEPENDENCE program outlined in said Economic Development Action Plan and Strategy dated December 1975, and as outlined in the STRATEGIC PLAN and programs of economic development as set forth in SECTION 2.02 of ARTICLE II hereof, and to further administer, coordinate, promote, carry out and implement the purposes of this Agreement as referred to in Section 2.01 of ARTICLE II hereof, and, in connection therewith, the AUTHORITY shall have the power to finance, acquire, construct, lease, operate and maintain project structures, buildings and facilities; all subject to the provisions of this Agreement.

SECTION 5.02. REVENUE BONDS. The AUTHORITY, as a separate public entity, shall have the power to issue revenue bonds pursuant to the laws of the State of California as the same now reads or may be hereafter amended, and to provide for the repayment thereof. The AUTHORITY shall also have all the powers provided for in Article 2 of the ACT (commencing with Government Code Section 6540), as said ACT now reads or may be hereafter amended.

SECTION 5.03. SPECIFIC POWERS. The AUTHORITY is hereby authorized, in its own name, to do all acts necessary for the exercise of the foregoing powers for the purposes of this Agreement including, but not limited to, any or all of the following:

- A. To make and enter into contracts;
- B. To employ agents, employees, consultants, and independent contractors;
- C. To acquire, construct, manage, maintain or operate any buildings, works, or improvements;
- D. To acquire, hold or dispose of real and personal property, or any interest therein, by deed, purchase, lease, contract, gift, devise, or otherwise;
- E. To sue and be sued in its own name, except as otherwise provided by law. The exercise by the AUTHORITY of the power to sue or be sued in its own name shall be subject to the restrictions on the exercise of such power applicable to CITY.

An action to determine the validity of any Contract may be brought pursuant to Chapter 9 (commencing with Section 860), Title 10, Part 2 of the Code of Civil Procedure of the State of California.

- F. To incur debts, liabilities or obligations, provided that no debt, liability or obligation shall constitute a debt, liability or obligation of COUNTY, CITY or DISTRICT;
- G. To apply for, accept, receive and disburse grants, loans and other financial assistance from any agency of the United States of America or of the State of California, or from any other public agency or from other sources, public or private, and expend such funds for the purposes set forth in this Agreement;

- H. To delegate portions of its functions to an advisory body or administrative entity for the purposes of program development or program implementation; provided, however, that any annual budget of the agency to which the delegation is made must be approved by the GOVERNING BOARD of the AUTHORITY.
- I. To invest any money in the treasury, pursuant to Section 6505.5 of the ACT, that is not required for the immediate necessities of the AUTHORITY, as the AUTHORITY determines is advisable, in the same manner and upon the same conditions as local agencies, pursuant to California Government Code Section 53600, et seq., as hereafter modified and supplanted;
- J. To carry out and enforce all the provisions of this Agreement;
- K. To contract for and obtain insurance against any insurable risk reasonably anticipated to result from the exercise of any powers or functions of the AUTHORITY or the performance of any duties by the officers and employees of the AUTHORITY;
- L. To make, adopt, amend, and repeal its bylaws, rules, resolutions, and procedural regulations not inconsistent with, and to carry into effect, the powers granted in and purposes of this Agreement;
- M. To perform such duties and functions as may be necessary or appropriate for the administration and coordination of federal or state assisted economic planning and development programs and projects within the geographical boundaries of Del Norte County, California;
- N. To do any perform any and all acts necessary to participate in federal or state assisted economic development projects within the jurisdictional boundaries of the AUTHORITY, including, without limitation, applying for, accepting and administering grants or other financial assistance from the federal government, the state, or other public agencies, or from any other sources, public or private, for such economic development projects; to use and expend such funds for any of the purposes as described or referred to in this Agreement; and to enter into and carry out contracts or agreements in connection therewith which are not inconsistent with the purposes and powers of the AUTHORITY as set forth in this Agreement; and
- O. To adopt a seal and alter it at its pleasure.
- P. To establish appropriate operating committees and special advisory commissions to assist the AUTHORITY in carrying out the purposes of this Agreement as set forth in ARTICLE II and to assist the AUTHORITY in implementing economic development projects and programs to improve the quality of life in the area.
- SECTION 5.04. RESTRICTIONS ON POWERS. The following specific restrictions on the powers and functions of the AUTHORITY shall apply and be observed by the AUTHORITY:
- A. The AUTHORITY shall have no taxing powers.
- B. The AUTHORITY shall not interfere in the internal affairs of a member entity.

C. The AUTHORITY shall have no veto power over grant applications submitted to State or federal agencies by a member entity.

SECTION 5.05. CLAIMS. All claims and actions for money or damages against the AUTHORITY and its officers and employees are governed by Division 3.6 (commencing with Section 810) of Title I of the Government Code of the State of California. The AUTHORITY shall be deemed a "public entity" within the meaning of Section 811.2 of Division 3.6 of Title I of said Government Code.

SECTION 5.06. INTERESTS IN CONTRACTS. The provisions of Article 4 (commencing with Section 1090), and Article 4.5 (commencing with Section 1100), Chapter 1, Division 4, Title 1 of the Government Code of the State of California prohibiting certain financial interests in public contracts shall apply to the officers, directors and employees of the AUTHORITY.

SECTION 5.07. ENFORCEMENT BY AUTHORITY. The AUTHORITY is hereby authorized to take any or all legal actions necessary and permitted by law to enforce this Agreement.

ARTICLE VI - METHOD OF PROCEDURE

SECTION 6.01. ASSUMPTION OF RESPONSIBILITIES. Upon completion of the initial organization of the GOVERNING BOARD and the appointment of the Secretary and Legal Advisor, the AUTHORITY shall proceed to carry out its duties and responsibilities as set forth in this Agreement, including the implementation of the Economic Development Action Plan and Strategy for Del Norte County, California, dated December 1975 and the STRATEGIC PLAN and other economic development programs.

SECTION 6.02. PRIOR APPROVAL OF GOVERNING BODY FOR CONSTRUCTION OF IMPROVEMENTS. Prior to the commencement of any action, including action to secure funding, associated with an economic development project which would involve the construction of improvements, the AUTHORITY shall first obtain approval from the governing body of the jurisdiction in which the improvement is proposed to be located.

SECTION 6.03. FINANCING ACTIVITIES PRECEDING CONSTRUCTION. The AUTHORITY shall secure funds or a firm commitment of funds adequate to finance the activities necessary to be carried out prior to the award of a contract for the construction of any public project portion of PROJECT INDEPENDENCE, the STRATEGIC PLAN or other economic development project, which includes, but is not limited to, the preparation of construction plans and specifications, and the acquisition of permits, rights-of-way and land necessary for the construction. The AUTHORITY shall secure such funds through federal and state grants, the issuance of bonds, advances from the parties hereto, or by any combination thereof.

SECTION 6.04. ACTIVITIES PRECEDING CONSTRUCTION. Upon securing funds (or a firm commitment of funds) deemed adequate by the GOVERNING BOARD to finance the cost of the activities necessary to be carried out prior to the award of a contract for the construction of any public project portion of PROJECT INDEPENDENCE, the STRATEGIC PLAN or other economic development project, the AUTHORITY shall proceed to contract with one or more engineering and/or architectural firms for the preparation of construction plans and specifications, to acquire said necessary permits, rights-of-way and land, and to carry out all other activities which are necessary to be performed prior to the award of a contract for the construction of any public works portion of PROJECT INDEPENDENCE or the STRATEGIC PLAN or other economic development project.

Nothing contained in this Agreement shall be construed as limiting or restricting the timing or procedure to be followed by the AUTHORITY in obtaining financing required for implementation of PROJECT INDEPENDENCE, the STRATEGIC PLAN or other economic development project, if some other or different procedure or timing is required by any federal or state agency providing financial assistance to the AUTHORITY.

SECTION 6.05. PROJECT FINANCING. Prior to, or upon completion of the preparation of construction plans and specifications, the AUTHORITY shall secure funds (or a firm commitment of funds) adequate to finance the cost of constructing any public portion of PROJECT INDEPENDENCE, the STRATEGIC PLAN or other economic development project. The AUTHORITY shall secure such funds or firm commitment of such funds through federal and state grants and from the issuance of revenue bonds and from other available sources. Said funds shall be adequate, with the proceeds of prior bond issues, if any, to finance the entire cost of that portion of the public project for which said plans and specifications have been completed, including, but not limited to, the costs of repaying advances made to the AUTHORITY by the parties hereto and for which repayment was a condition of such advance, the cost of all activities necessarily carried out by the AUTHORITY prior to the award of a contract for the construction, interest expenses estimated to accrue prior to the completion of construction, and the estimated cost of the construction and all costs incidental thereto.

SECTION 6.06. CONSTRUCTION. Upon securing funds (or a firm commitment of funds) deemed adequate by the GOVERNING BOARD to finance the entire cost of constructing any public portion of PROJECT INDEPENDENCE, the STRATEGIC PLAN or other economic development project, the AUTHORITY shall proceed to contract with one or more firms for the construction of each such public portion of said PROJECT INDEPENDENCE, the STRATEGIC PLAN or other economic development project.

SECTION 6.07. OPERATION AND MAINTENANCE. Upon completion of construction of each public portion of PROJECT INDEPENDENCE, the STRATEGIC PLAN or other economic development project and final acceptance thereof by the GOVERNING BOARD, the AUTHORITY may operate and maintain said public project, with its own personnel, by contract with one or more of the parties hereto, or by contract with a third party, as determined by the

GOVERNING BOARD, or transfer the ownership, operation and maintenance to one of the parties hereto as may be most consistent with the powers and jurisdiction of such party. Provided, however, that no such transfer shall be made by the AUTHORITY in violation of any grant condition or regulation imposed by any federal or state agency that provided financial assistance for said project. However, AUTHORITY agrees to request approval and consent to make such transfer in those instances where it is deemed to be consistent with the long range purpose and intent of this Agreement and where such transfer would be in the best public interest.

Notwithstanding the above, it is understood by all parties that the disposition of any and all completed projects is subject to approval by each party in whose jurisdiction the project is or was located.

ARTICLE VII - FINANCIAL PROVISIONS

SECTION 7.01. FISCAL YEAR. The fiscal year of the AUTHORITY shall be from July 1 of each year to and including June 30 of the following year.

SECTION 7.02. CONTRIBUTIONS. The COUNTY, CITY and DISTRICT, shall each contribute to the AUTHORITY the sum of Two Thousand Five Hundred Dollars (\$2,500.00) on or before August 1, 1976. Any financial contributions other than set forth above shall be made only upon official action by the governing board of such party hereto as may desire to make any further or additional contribution to the AUTHORITY.

The expenditure of funds contributed to the AUTHORITY by the parties hereto shall be used only for ordinary administrative and operating expenses of the AUTHORITY and for payment of fees and costs incurred or to be incurred by the AUTHORITY in connection with the preparation, filing and processing of one or more applications for federal financial assistance required for the implementation of the Economic Development Action Plan and Strategy as referred to hereinabove in this Agreement.

SECTION 7.03. ADVANCES. In addition to the financial contributions required to be made by each party hereto as set forth in SECTION 7.02 above, each of the parties to this Agreement may advance to the AUTHORITY money in such sums as may be mutually agreed upon by such party and the GOVERNING BOARD of the AUTHORITY. An amount equal to all advances so made by each party, plus interest thereon at a rate to be mutually agreed upon by the AUTHORITY and the party making such advance, shall be repaid by the AUTHORITY in cash. Repayment shall be made by the AUTHORITY at such time or times as the AUTHORITY and the party making such advance shall mutually agree at the time such advance is made.

SECTION 7.04. ANNUAL BUDGET.

A. The GOVERNING BOARD of the AUTHORITY shall, on or before March 1 of each year, prepare and submit to each party hereto a budget estimate of the expense of conducting the AUTHORITY for the ensuing year.

B. The budget estimate shall be in such form as the GOVERNING BOARD may prescribe using the guidelines of the California State Controller. The budget estimate shall contain a summary of the fiscal policy of the AUTHORITY for the budget year and shall include data showing the relation between the total proposed expenditures and the total anticipated income or other means of financing the budget for the ensuing year, contrasted with the corresponding data for the current year. The budget may be published with the County budget. The budget estimates may include unappropriated balance item to be available for appropriation in the ensuing fiscal year to meet contingencies other than contingencies resulting from temporary insufficiencies in the revenues of the AUTHORITY.

C. After submission of the budget estimate, the GOVERNING BOARD shall fix a time and a place for hearing by the GOVERNING BOARD thereon. The GOVERNING BOARD shall cause notice of such hearing to be published at least ten (10) days prior to the date set for hearing in a newspaper of general circulation in the area pursuant to Sections 6060 and 6061 of the Government Code of the State of California, and shall give mailed notice of such hearing to each party to this Agreement.

At the budget hearing the GOVERNING BOARD may increase or decrease any item in the budget estimate and may delete any item therefrom or add any new item thereto.

Upon the conclusion of the budget hearing and not later than May 1 of each year the GOVERNING BOARD shall approve the budget estimate as submitted to the parties hereto or as revised by the GOVERNING BOARD, and thereupon the same shall constitute the final budget for the ensuing fiscal year.

The several items of the final budget shall be deemed appropriated for the ensuing fiscal year in the amounts and for the purposes specified in the final budget.

SECTION 7.05. RECORDS AND ACCOUNTS. The AUTHORITY shall cause to be kept accurate and correct books of account, showing in detail the costs of administration, bond interest, bond redemption, operation and maintenance, and all financial transactions of the AUTHORITY. Said books of account shall be open to inspection at all times by any representative of any of the parties hereto, or by any accountant or other person authorized by any party hereto to inspect said books of account. The Treasurer shall, in accordance with Section 6505 of the ACT, cause the books of account and other financial records of the AUTHORITY to be audited annually.

ARTICLE VIII – TERMINATION

SECTION 8.01. TERM. This Agreement shall be dated and effective the date of its last execution by the governing boards of the parties and shall continue until rescinded or terminated as provided herein.

SECTION 8.02. UNILATERAL WITHDRAWAL. The Agreement between the parties shall remain in effect as to any party, unless and until it is terminated as to such party by notice in writing to all other parties given by withdrawing party at least one hundred eighty (180) days in advance of the effective date of such termination; provided that such termination by and as to any party shall not terminate this Agreement as to the remaining parties or the existence of the AUTHORITY herein created. The jurisdiction of AUTHORITY over the territorial area of the withdrawing party shall be extinguished upon the effective date of said withdrawal. The debts, liabilities and assets of AUTHORITY shall remain the property and obligation of AUTHORITY and the withdrawing party shall have no interest in, nor obligation relating to, AUTHORITY assets and liabilities. No withdrawal shall be effective until the withdrawing party has paid all contributions to AUTHORITY that said withdrawing party has legally and nonrevocably committed.

SECTION 8.03. MUTUAL TERMINATION. Should all the governing boards of the parties agree to dissolution of the AUTHORITY as a legal entity, all debts of and advances of AUTHORITY shall be paid, and then the property of AUTHORITY, whether real or personal, shall be divided among and distributed to all of the parties who at any time during the existence of AUTHORITY were parties to this Agreement in proportion to the costs borne by each such party to the AUTHORITY during its legal existence by unreimbursed contributions made pursuant to this Agreement.

ARTICLE IX - MISCELLANEOUS PROVISIONS

SECTION 9.01. NOTICES. Notices hereunder shall be sufficient if delivered to:

COUNTY: COUNTY ADMINISTRATIVE OFFICER, COUNTY OF DEL NORTE 583 G Street, Suite #2,
Crescent City, California 95531

CITY: OFFICE OF THE CITY MANAGER, CITY OF CRESCENT CITY 377 J Street, Crescent City,
California 95531

DISTRICT: OFFICE OF THE HARBOR MASTER, CRESCENT CITY
HARBOR DISTRICT 101 Citizens Dock Road Crescent City, California
95531

SECTION 9.02. AMENDMENT OF AGREEMENT. This Agreement may be amended by an agreement approved by all of the entities hereto. Approval of the GOVERNING BOARD of the AUTHORITY shall not be required for amendment of this Agreement.

SECTION 9.03. PARTIAL INVALIDITY. If any one or more of the terms, provisions, sections, promises, covenants or conditions of this Agreement shall to any extent be adjudged invalid, unenforceable, void or voidable for any

reason whatsoever, by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this Agreement shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.

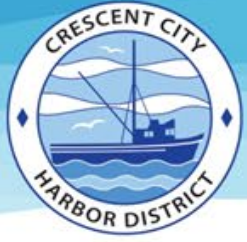
SECTION 9.04. HEADINGS. The section headings in this Agreement are for convenience only and are not to be construed as modifying or governing the language in the section referred to.

SECTION 9.05. CONSENT. Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

SECTION 9.06. LAW GOVERNING. This Agreement is made in the State of California under the constitution and laws of such State and is to be so construed.

SECTION 9.07. SUCCESSORS. This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized, and their official seals to be hereto affixed, as of the day and year written above.



2. New Business

- d. Review and vote to approve proposal for Rural Human Services to hold a Winter Market in the Harbor District.**

Public Comment?



RURAL HUMAN SERVICES

286 M Street
Crescent City, CA 95531
Ph: (707) 464-7441
Fax: (707) 464-9496
www.ruralhumanservices.org

Date: October 26, 2021
To: Harbor Master, Commissioner, and Board members
From: Angel Hanson
Subject: Saturday Farmers Market

Greeting's,

First off, I would like to give you all a **BIG THANK YOU** for hosting the 2021 Farmers Market. The turn out has been amazing and all the vendors have been so happy here.

I have noticed the old Englund marine building up for lease.

I propose: Rent the building starting November 13th. - December 31. This would give us the opportunity to continue with an artisan market with the possibility of a few microgreen producers. This will also get you some additional revenue for a building not being utilized at this time. We propose to pay a weekly rental fee of \$50.00 with the power. The hours of operation would be 9-3. After December if it goes well, We would ask to continue the contract until the farmers market opens in the middle of 2022. I would also comply with all CDC rules and regulations as an indoor event. All vendors would continue to have insurance and applications on file for your records. I know this is a last-minute decision but would appreciate help with making this happen.

Thank you
Angel Hanson



2. New Business

- e. Discuss project, review and vote to approve Letter of Commitment for storage and operation of Del Norte Sea to Market Fish Landing Mobile Facility in the Crescent City Harbor District.**

Public Comment?



Board of Harbor Commissioners

of the

Crescent City Harbor District

Phone (707) 464-6174 Fax (707) 465-3535

101 Citizens' Dock Road

Crescent City, California 95531

www.ccharbor.com

BRIAN L. STONE
President

WES WHITE
Secretary

RICK SHEPHERD
Commissioner

HARRY ADAMS
Commissioner

GERHARD WEBER
Commissioner

Amira Long: Executive Director

Family Resource Center of the Redwoods: Del Norte and Tribal Lands Community Food Council
Crescent City, CA

Dear Amanda Hixson:

The Crescent City Harbor District manages the myriad operations of the harbor while planning for inspiring and practical new projects to increase the effectiveness and long-term viability of the space for a diversity of user-types.

One of the most important groups that utilize the Crescent City Harbor is the small-scale commercial fishing fleet. It is with the objective of supporting their success in marketing and selling their catch to consumers in the local region that we commit to participating in and supporting the FY2022 Del Norte Sea to Market Project, for the duration of the grant period—estimated to be from September 2022-August 2024—and on-going until such time as the Harbor provides a feasible alternative for commercial processing for the small-scale fleet to continue direct marketing their catch. The Crescent City Harbor District commits to support this project in the following ways:

- Provide a location for the mobile fish processing unit (MPU) to be located at the Harbor which meets the following criteria:
 - Water, power, and sewer hook-up
 - Stable, well-drained surface such as well-draining concrete or gravel pad
 - Maintenance of the grounds surrounding the MPU so as to prevent insanitary conditions that could lead to adulteration of product
 - Access to a restroom within a reasonable distance

Harbor staff and Commission members agree to abide by the statement of work contained in the application.

Sincerely,

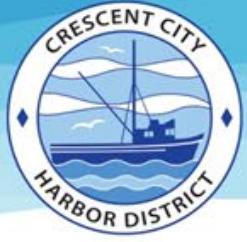
Tim Petrick
CEO/Harbormaster
Crescent City Harbor District



2. New Business

- f. Presentation by Jim Ramsey on Friends of the Harbor Christmas Decoration Contest. Review and vote to approve.**

Public Comment?



3. Unfinished Business

a. Solar Project Update

Public Comment?



3. Unfinished Business

b. Dredge Permit Update

Public Comment?

Dredging Project Timeline

Permanent Dredge Disposal Site

- Approved by USACE
- Timeline: **2 to 3 Years**

10-Year Dredge Permit

- Approved by USACE & RWB
- Timeline: **6 months, (AFTER disposal site approval)**

Beneficial Use of Dredge Material

- Approved by RWB
- Timeline: **1 Year** (depending on testing)

Diver Dredging

- Approved by USACE & RWB
- **6 months to 1 Year** (depending on testing)

* Not to scale



4. Communication and Reports

a. Financial Reports: Account Balances

Public Comment?

BANK BALANCES AS OF 10.14.21**BANK BALANCES AS OF 10.28.21****DIFFERENCE**

CCHD OPERATING	\$266,867.61	CCHD OPERATING	\$219,822.83	-\$47,044.78
CCHD SAVINGS	\$30,021.29	CCHD SAVINGS	\$30,021.29	\$0.00
REDWOOD HARBOR	\$66,981.19	REDWOOD HARBOR	\$68,034.89	\$1,053.70
BAYSIDE RV PARK	\$32,310.60	BAYSIDE RV PARK	\$23,564.04	-\$8,746.56
LAIF ACCOUNT	\$1,394,957.09	LAIF ACCOUNT	\$1,395,806.52	\$849.43
TOTALS	\$1,791,137.78	TOTALS	\$1,737,249.57	-\$53,888.21



4. Communications and Reports

b. CEO/Harbormaster Report

The first large storms of the year came through and we made it through without any incidents. A couple port-a-potties blew away and were picked up by roto roter and some branches came down. Any swell and tide that breached onto anchor way didn't carry any extra debris onto the road. On Citizens Dock we broke attachments on 2 camels and maintenance was able to secure them in challenging conditions and repair them once the weather settled.

Maintenance has had an unfortunate loss in the last 10 days. Maintenance Foreman Rich Salvaressa was in a bad car accident during the storms and will be out for at least 2 months with multiple broken bones and a punctured lung. As of last week he was still in the hospital. Please keep him in your thoughts as he recuperates. In the meantime, we have Billy, Chris, Nate, and Drew holding down the fort.

We've started surveying previously unsurveyed lease areas around the harbor. This will help us with legal descriptions as part of the updates to our lease procedures and will allow us to better plan future projects.



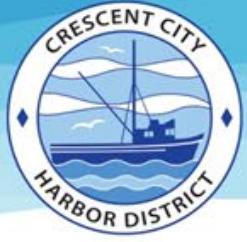
4. Communications and Reports

b. CEO/Harbormaster Report

For the last two weeks I have been trading test results from the Army Corps 2019 dredge sampling with consultants and the water board. We've been setting up meetings to develop work plans and BMPs to move along the emergency dredging permitting.

2 "for cause" evictions were served in the RV parks, 1 vessel lien was filed, and another vessel was given an eviction notice. Our Counsel has been writing the notices with the assistance of Bobbi and Mike providing the necessary documents and Security serving the notices.

We have begun reviewing the rules and fees in Articles 2 and 3 of the ordinance and hope to have them ready for posting soon. Article 1 has been posted and will remain posted for 20 days before coming to the commission for approval.



4. Communications and Reports

c. Harbor Commissioner Reports

Pursuant to the Brown Act, this item allows the Commissioners to briefly discuss activities engaged in since the previous public meeting.

Commissioner Rick Shepherd

Commissioner Harry Adams

Commissioner Gerhard Weber

Commissioner Wes White, Secretary

Commissioner Brian Stone, President

5. Adjourn to Closed Session

CLOSED SESSION

- a. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
(Gov. Code §54956.9(d)(2))
Significant Exposure to Litigation: One case based on correspondence with Fashion Blacksmith regarding entry to lease area.

- b. CONFERENCE WITH LEGAL COUNSEL – INITIATION OF LITIGATION
(Government Code section 54956.9(d)(4)) Number of Cases: 1

6. Adjourn Closed Session

7. Report out of Closed Session



8. ADJOURNMENT

Adjournment of the Board of Harbor Commissioners will be until the next meeting scheduled for Tuesday, November 16, 2021, 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 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.

