



Staff Report

To: Board of Harbor Commissioners

From: Mike Rademaker, CEO/Harbormaster

Date: June 24, 2026

Subject: Approval of Consent to Assignment and Assumption of Lease from Safe Coast Seafoods, LLC to Ocean Gold Seafoods, Inc.

Background

The Crescent City Harbor District is party to a lease dated August 1, 2021 with Safe Coast Seafoods, LLC for the District-owned facility located at 161 Starfish Way, Crescent City, California. The leased premises include the building, surrounding area, additional surrounding area, hoist areas, pier access, and overflow parking described in the lease. The lease authorizes warehouse use, including offloading and processing of food, including but not limited to fish.

Safe Coast Seafoods, LLC has advised the District that it has negotiated the sale of certain equipment associated with its operation to Ocean Gold Seafoods, Inc., and seeks the District's consent to assign its leasehold interest to Ocean Gold. The proposed Consent to Assignment and Assumption of Lease would allow Ocean Gold to assume the tenant's interest under the lease from and after the effective date of the assignment.

Discussion

The lease does not allow the tenant to assign the lease or sublet the premises without the District's prior written consent. However, the lease also provides that the District's consent shall not be unreasonably withheld. Accordingly, the District has only a limited ability to reject the assignment. The District may evaluate the proposed assignment in terms of whether the incoming tenant is prepared to assume and perform the lease

obligations, whether the District's financial and operational interests are protected, and whether the transaction preserves the District's rights.

The proposed consent agreement is structured to protect the District. Ocean Gold Seafoods, Inc. would accept the assignment and assume the obligations of tenant under the lease from and after the effective date. Ocean Gold also represents that it has reviewed the lease, has authority to enter into the agreement, and will comply with the lease going forward, including applicable insurance and permit requirements.

The agreement also makes the District whole for existing arrearages. As a condition to the effectiveness of the District's consent, Safe Coast must pay the District **\$19,202.46**, representing the unpaid balance under the lease and any additional rent or other charges determined to be due and owing. Unless that payment is made and the Board approves the agreement, the consent does not become effective.

The proposed agreement also preserves the District's rights. Safe Coast remains fully liable for all rent, additional rent, charges, defaults, claims, liabilities, losses, damages, indemnity obligations, and other obligations arising out of or relating to any period before the effective date. The release of Safe Coast is prospective only and applies only to obligations first arising after the effective date, once the conditions to effectiveness have been satisfied and Ocean Gold has assumed the lease. The agreement further provides that the lease remains unchanged and in full force and effect, except as expressly provided in the consent agreement, and that the District's consent is limited to this specific assignment and does not constitute consent to any future assignment, sublease, or transfer.

From an operational standpoint, the proposed assignment appears to support continuity of seafood-related use at the leased premises. The transaction may also avoid interruption or abandonment of the facility, preserve ongoing rent revenue, and allow the District to collect all current arrearages before the assignment becomes effective.

Because the lease requires that consent not be unreasonably withheld, and because the proposed agreement requires payment of all arrears, assumption of lease obligations by Ocean Gold, preservation of District rights, and continued applicability of all insurance, permitting, indemnity, maintenance, and compliance obligations, staff recommends approval.

Recommendation

Staff recommends that the Board approve the Consent to Assignment and Assumption of Lease and authorize the CEO/Harbor Master to execute the agreement in substantially the form presented, subject to receipt of the required \$19,202.46 payment, confirmation of Ocean Gold's required insurance and permit compliance, full execution by all parties, and final approval as to form by General Counsel.

Suggested Motion

I move that the Board approve the Consent to Assignment and Assumption of Lease among the Crescent City Harbor District, Safe Coast Seafoods, LLC, and Ocean Gold Seafoods, Inc., and authorize the CEO/Harbormaster to execute the agreement in substantially the form presented, subject to final approval as to form by General Counsel.

CONSENT TO ASSIGNMENT AND ASSUMPTION OF LEASE

THIS CONSENT TO ASSIGNMENT AND ASSUMPTION OF LEASE ("Agreement") is entered into as of June _____, 2026, by and among CRESCENT CITY HARBOR DISTRICT, a California harbor district ("District" or "Landlord"), SAFE COAST SEAFOODS, LLC, a California limited liability company ("Assignor"), and OCEAN GOLD SEAFOODS, INC., a Washington corporation ("Assignee").

RECITALS

- A. District and Assignor are parties to that certain Lease dated August 1, 2021 (the "Lease"), concerning the premises described in the Lease.
- B. Assignor has requested District's consent to assign the Lease to Assignee.
- C. Assignee desires to accept the assignment and assume the obligations of tenant under the Lease from and after the Effective Date.
- D. District is willing to consent to the assignment on the terms set forth herein.

AGREEMENT

1. Consent. Subject to the terms of this Agreement, District consents to the assignment by Assignor to Assignee of Assignor's interest as tenant under the Lease. This consent is limited to the assignment described in this Agreement and shall not constitute consent to any other assignment, sublease, or transfer.

2. Assignment and Assumption. Effective as of the Effective Date, Assignor assigns to Assignee all of Assignor's right, title, and interest in and to the Lease. Effective as of the Effective Date, Assignee accepts the assignment and assumes and agrees to perform all obligations of tenant under the Lease arising from and after the Effective Date. For purposes of this Agreement, the "Effective Date" shall be the date on which both of the conditions set forth in Section 3 have been satisfied.

3. Condition to Effectiveness. As conditions to District's consent and to the effectiveness of this Agreement: (a) Assignor shall pay District **Nineteen Thousand Two Hundred Two Dollars and Forty Six Cents (\$19,202.46), which amount represents the unpaid balance under the Lease and any additional rent or other charges which shall be the final amount due and owing;** and (b) the Board of Harbor Commissioners of the Crescent City Harbor District shall approve this Agreement and the assignment contemplated hereby. Unless and until both of those conditions have been satisfied, this Agreement shall not become effective, and District's consent shall be of no force or effect.

4. Assignor Liability; Limited Release. Assignor shall remain fully liable for all rent, additional rent, charges, defaults, claims, liabilities, losses, damages, indemnity obligations, and other obligations arising out of or relating to any period prior to the Effective Date. Upon satisfaction of the conditions set forth in Section 3 and Assignee's assumption of the Lease, District releases Assignor from obligations under the Lease first arising from and after the Effective Date only. This release is prospective only and does not release Assignor from any obligation, liability, or claim arising out of or relating to any period before the Effective Date, whether asserted before or after the Effective Date. Except for the limited prospective release expressly set forth herein, nothing in this Agreement shall constitute a novation or release of Assignor.

5. Assignee Representations and Warranties. Assignee represents and warrants to District that: (a) Assignee is a corporation duly organized, validly existing, and in good standing under the laws of the State of Washington; (b) Assignee has full power and authority to execute this Agreement and perform the Lease; (c) the person signing this Agreement on behalf of Assignee is duly authorized to do so; (d) Assignee has received and reviewed the Lease and agrees to be bound by its terms from and after the Effective Date; (e) Assignee shall comply with the Lease from and after the Effective Date, including insurance and permit requirements; and (f) Assignee has not relied on any representation of District not expressly set forth in this Agreement.

6. No Waiver; Lease Remains in Effect. Except as expressly set forth herein, nothing in this Agreement waives any right of District under the Lease or applicable law. Except as expressly provided in this Agreement, the Lease remains unchanged and in full force and effect.

7. Miscellaneous. This Agreement may be executed in counterparts and by electronic signature. This Agreement shall be governed by the laws of the State of California. This Agreement contains the entire agreement of the parties regarding the subject matter hereof and may be amended only by a writing signed by all parties.

SIGNATURE PAGES FOLLOWS THIS PAGE

LANDLORD:

CRESCENT CITY HARBOR DISTRICT

By: _____

Name: _____

Title: _____

ASSIGNOR:

SAFE COAST SEAFOODS, LLC

By: _____

Name: _____

Title: _____

ASSIGNEE:

OCEAN GOLD SEAFOODS, INC., a Washington corporation

By: _____

Name: _____

Title: _____