

Board Of Harbor Commissioners

Crescent City Harbor District

19 October 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, October 19, 2021

Time: Open Session 2:00 p.m.

Closed Session following Open Session

Place: Remote Meeting via Zoom Webinar

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 5, 2021 Regular Meeting.**
- b. Approval of Warrant List from September 30, 2021 through October 14, 2021.**

2. New Business

- a. Approve Resolution No. 2021-004 Authorizing CEO & Harbormaster To Execute A Lease with CC Azul Inc.**
- b. 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.**
- c. Public contact information for letters concerning District dredging permits.**

3. Unfinished Business

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

4. Communications and Reports

- a. Financial Reports: Account Balances, Profit & Loss Statements, Account Receivable Reports**
- b. CEO/Harbormaster Report**
- c. Harbor Commissioner Reports**

5. Adjourn to Closed Session

CLOSED SESSION

- 1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
(Gov. Code §54956.9(d)(2))
Significant Exposure to Litigation: One potential case**

- 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 2, 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 5, 2021 Regular Meeting.**
- b. Approval of the Warrant List from September 30, 2021 through October 14, 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 5, 2021 2:00 p.m.

Board of Harbor Commissioners of the Crescent City Harbor District

MINUTES

Regular Meeting, Tuesday October 5, 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>	RICK SHEPHERD
	<i>Commissioner</i>	HARRY ADAMS
	<i>Commissioner</i>	GERHARD WEBER

ABSENT: NONE

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:

Eric Neff, manager of Global Quality Foods (GQF), addressed the Board and brought attention to a work order that had been submitted to Harbor maintenance staff on 09/10/21 relating to loss of electrical power to GQF’s leased premises. According to Mr. Neff, 220-volt power was not functioning, which was preventing hoist operations and water pumping. GQF would incur severe financial losses if the outage was not repaired in time for the upcoming crab season. Mr. Neff requested that the matter be given priority attention from Harbor staff.

Annie Nehmer inquired concerning a contract between the Harbor and C. Renner Petroleum, Inc. (CRP), which granted exclusive petroleum distribution rights to CRP in the Harbor. Ms. Nehmer was concerned that gas prices in the Harbor had doubled over the recent past.

Commissioner Shepherd replied that the 5-year contract with CRP would be expiring soon, and the Board would give serious consideration to alternatives.

Christopher Johns brought attention to permanent RV park residents in the Harbor. Mr. Johns suggested that permanent residents provided the majority of the Harbor's RV park revenue in the winter months. He asked the Board to be mindful of residents' financial contribution when making any future redevelopment decisions.

1) CONSENT CALENDAR

(1A) Approval of the Meeting Minutes of the September 21, 2021 Regular Meeting.

(1B) Approval of the Warrant List from September 17, 2021 through September 29, 2021.

Commissioner White **moved** to approve the consent calendar. Commissioner Shepherd **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: SHEPHERD, WHITE, WEBER, ADAMS, STONE / *Nays:* NONE

Absent: NONE / *Abstain:* NONE

2) NEW BUSINESS

(2A) Discuss options for enhanced public safety measures on the North Jetty.

President Stone provided background and explained that an individual had recently drowned after walking out along the north jetty. It was presumed he was overtaken by a wave. The unique topography of the location makes it especially hazardous.

CEO/Harbormaster Tim Petrick further explained that the U.S. Army Corps of Engineers maintains signage at the entrance to the jetty walkway that reads: "Danger - Deadly Waves at Any Time - Jetty Unsafe for Walking." Mr. Petrick noted that the existing signage was showing its age and should be refurbished. Additional signage might also be useful. Mr. Petrick encouraged the Board to write a letter to the Army Corps to request such improvements.

Commissioner Adams suggested that a sign listing the number of deaths that had occurred along the jetty would likely make a strong impression and would discourage people from traversing the jetty.

Commissioner Shepherd endorsed the suggestion of Commissioner Adams and added that another measure might be the enactment of an ordinance that would hold individuals responsible for applicable search and rescue expenses. The text of the ordinance could be displayed prominently on signage as another deterrent. President Stone then noted that existing State law already held individuals responsible for search and rescue expenses under certain

conditions, but that a local ordinance might enhance the deterrent effect by adding further conditions beyond existing State law.

President Stone then opened up public comment on the agenda item. Christopher Johns complimented the efforts of search and rescue crews who provided a swift response and were able to locate the unfortunate victim in less than 10 minutes. Although resuscitation efforts ultimately failed, the rapid response gave the individual the best chance of survival possible.

Roger Gitlin recounted his experience serving on the Del Norte County Board of Supervisors. At one point, the Supervisors considered a similar tragic loss of life on the jetty and investigated potential deterrent options. The County deferred to the U.S. Army Corps of Engineers, which did erect new signage in response. Crescent City indicated a willingness to install additional signage, but evidently never followed through.

Annie Nehmer supported the proposal made by Commissioner Adams to install signage that notified the public of the actual number of deaths that had occurred along the jetty. Ms. Nehmer commented that the majority of victims were tourists who were probably unaware of the magnitude of the wave hazard.

The Board directed Harbor staff to research options for additional signage and a potential new ordinance, in coordination with the city of Crescent City and the U.S. Army Corps of Engineers. President Stone then moved the discussion to the next agenda item.

(2B) Discuss and Approve Memorial Picnic Table on north side of Harbor

CEO/Harbormaster Tim Petrick provided background on the proposed memorial picnic table, which would honor the life of Larry Elliott, who was a long-time marina renter and captain of the fishing vessel “Ali Lynn.” Commissioner White **moved** to approve both the installation of the picnic table and the dedication ceremony, with event fees to be waived as a gesture of condolences. Commissioner Adams **seconded** the motion. Commissioner Weber noted that the table would be very useful for visitors to the Harbor, and he approved the design aesthetics as being very complementary to existing Harbor aesthetics.

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, SHEPHERD, STONE / *Nays:* NONE

Absent: NONE / *Abstain:* NONE

(2C) Discuss and Approve Harbor District staff attending the Tsunami Work Group Meeting in Huntington Beach on January 25, 2022.

CEO/Harbormaster Tim Petrick provided background and explained that the California Governor’s Office of Emergency Services (Cal OES) would be hosting a meeting in January to discuss tsunamis and public safety. Cal OES would be providing funding to defray the travel expenses of meeting participants. Mr. Petrick proposed that Assistant Harbormaster Todd Garrett attend the Cal OES meeting. Mr. Petrick next described a second meeting to interface

with a Washington, D.C. based lobbying group that advocates for Harbors and Ports throughout California. Lobbying has been instrumental in helping Harbors obtain grant funding and favorable legislation.

Commissioner Shepherd requested that Harbor staff always prepare written briefing reports to the Board at the conclusion of any official travel, highlighting what was accomplished. Mr. Petrick agreed that it would be standard policy going forward. Commissioner White **moved** to approve a single Harbor staff person attending both meetings, with the Harbor contributing no more than \$1,500.00 towards travel expenses for both meetings. Commissioner Weber **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, SHEPHERD, ADAMS, WEBER, STONE / *Nays:* NONE

Absent: NONE / *Abstain:* NONE

(2D) Update on the Harbor District Travelift.

CEO/Harbormaster Tim Petrick discussed options to replace the Harbor's Travelift, which had recently become inoperable. One option was the "50 BFMII" model manufactured by Marine Travelift, with a 50 metric ton carrying capacity. The quoted price was \$406,340.00, which included delivery. Mr. Petrick expressed optimism that future grant funding would be available to cover the cost of the Travelift, and also the cost of reconditioning the piers that were required. Commissioner White asked for historical information on revenue earned from the Harbor's old Travelift. Mr. Petrick wasn't certain of the exact figures, but he was confident the Harbor had not earned a profit. He attributed this to the Harbor having charged less than market rates for use of the Travelift. Another problem was that the Harbor's Travelift had been limited by its 30-ton capacity. Mr. Petrick noted that a 50-ton Travelift in the Brookings harbor had generated a good financial return.

Commissioner Shepherd agreed that having a 50-ton lifting capacity would make a huge difference. That would be enough to lift nearly any recreational vessel, and some smaller commercial vessels. Larger commercial vessels would need to rely on Fashion Blacksmith's Syncrolift equipment. Commissioner Shepherd suggested this would be a good arrangement, because it would be problematic if the Harbor were to undermine the business of a commercial tenant like Fashion Blacksmith by entering into direct competition. Fashion Blacksmith would likely not object to the Harbor serving recreational vessels, and smaller commercial vessels, while leaving larger commercial vessels to be served by Fashion Blacksmith. This division of service had worked well historically. CEO/Harbormaster Petrick noted that going above a 50-ton lifting capacity would necessitate much more rehab work on the piers, which would drive up the overall cost dramatically. President Stone then moved the discussion to the next agenda item.

(2E) Update on Harbor District Financials from Harbor District Financial Consultant Stephen Denny.

Financial Analyst Stephen Denny provided an overview of Harbor revenue sources, and highlighted estimated financial losses due to the COVID-19 pandemic. Using methodology put forward by the California State Lands Commission (SLC), Mr. Denny estimated financial losses in excess of one million dollars attributed to the pandemic. The SLC was working to set up a grant application process for agencies to seek reimbursement. A separate grant program was being administered by the California Department of Finance, specifically designated for Special Districts. President Stone requested that Harbor staff make the grant application their highest priority, noting the application deadline of October 15th.

Mr. Denny next discussed Harbor revenue sources, and provided a breakdown that indicated 31% of revenue came from RV parks, 22% from commercial leases, 18% from marina services, 15% from County property taxes, 12% from legal settlements, and 2% from a County transient occupancy tax. President Stone and Commissioner White both emphasized that only a small portion of the Harbor's revenue came from taxation, at just 17%. Commissioner Weber emphasized that the largest source of revenue came from the Harbor's RV parks, at 31% of the Harbor's total revenue.

President Stone then opened up public comment on the agenda item. Christopher Johns brought attention to the importance of RV parks in the Harbor's revenue stream. President Stone then moved the 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 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 efforts to obtain regulatory approval for diver dredging. The Harbor was seeking approval from both the U.S. Army Corps of Engineers, and the North Coast Regional Water Quality Control Board. Regulatory review under the California Environmental Quality Act (CEQA) might also be required. Nonetheless, Mr. Petrick noted that the diver dredging option appeared to be the best short-term option to improve the situation for Fashion Blacksmith. This option would require emergency use permits. There would not be any displaced soil coming out of the water, only soil moved to another location underwater. The State Water Board would have to approve increased turbidity. It seemed unlikely that permits would be issued before spring. Testing would need to be completed as part of the permitting process.

With regard to the removal of dredge spoils from the Harbor's dredge ponds, Mr. Petrick reported on a proposal from the company GeoEngineers, based out of Portland, OR, to develop

a soil management plan and help coordinate permitting efforts. The full proposal would be presented at an upcoming Board meeting.

President Stone requested that Harbor staff prepare a written analysis of the permitting timeline for dredging, with each step broken down. Commissioner Weber had similar comments, requesting that Harbor staff produce a calendar showing past activities that had been completed, describing each step that had moved the process along. He mentioned that it was important for the public to appreciate the hard work that had already been accomplished.

Commissioner Shepherd echoed the concerns expressed by Commissioner Weber. Commissioner Shepherd requested a report of activities that could be shared with the public. He also requested that the public be provided with contact information of the regulatory officials responsible for approving the dredge permits. This would allow the public an avenue to express frustration with the slow regulatory review, and bring attention to the impact on the community.

Commissioner White endorsed the comments of the other Commissioners, and he emphasized the importance of including dates for activities in the report to demonstrate continual progress.

Commissioner Adams suggested that a diver could be hired to survey the Harbor and produce a report on sediment layers and other related matters. CEO/Harbormaster Petrick replied that soundings would be taken from a boat to map depths throughout the Harbor, as part of the permitting process.

President Stone then opened up public comment on the agenda item. Roger Gitlin described a recent meeting of the Crescent City Council during which a contract with Hambro WSG Inc. was approved to haul wastewater treatment sludge. Mr. Gitlin suggested that the Harbor might utilize a similar contract to deal with its dredge spoils. President Stone then moved the discussion to the next agenda item.

4) COMMUNICATIONS AND REPORTS

(4A) Financial Reports: Account Balances

President Stone noted that the Harbor's operating account balance had decreased because of a large annual USDA loan payment. Another factor was that property tax revenue had not yet been received. President Stone then opened up public comment on the agenda item. No members of the public commented. President Stone then moved the discussion to the next agenda item.

(4B) CEO/Harbormaster Report

CEO/Harbormaster Tim Petrick reviewed briefing materials provided to the Board. Mr. Petrick reported on an unfortunate loss of life that occurred on September 28th, when a young man was washed off the North Jetty and drowned. Mr. Petrick also reported that a new staff person, Ivonne, was hired to work the front desk of the Harbor office. Harbor staff had been proactively contacting boat owners whose vessels didn't seem prepared for the winter. Mr. Petrick had been researching options to replace the restrooms at both the B dock and also South Beach.

Drea from the local Food Council was moving through the approval process for a potential \$300,000 grant to help support small commercial fishermen. The Harbor would be coordinating with Drea to complete the next phase for submittal in November. The Harbor identified federal and state infrastructure grants that could be used for many of the high dollar projects that needed to be completed over the next 5 years. Financial Consultant Stephen Denny had been assisting with the transition from Scribble software over to Molo for reservation tracking, and from QuickBooks software over to Xero for financial accounting. Commissioner White then asked whether the Harbor had migrated completely off of QuickBooks. CEO/Harbormaster Petrick replied that the migration was nearly complete, but not 100% yet.

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: no report.

(b) Commissioner Adams: requested that Harbor staff focus on dredging as its highest priority.

(c) Commissioner Weber: reported on discussions with vendors at the Farmers Market. Based on feedback, it was definitely a successful Farmers Market season, with some of the vendors so pleased that they requested to continue the Farmers Market during winter months. The building formerly used by Englund Marine might be a suitable location. Commissioner Weber requested that Harbor staff contact RHS to discuss possible options for extending the Farmers Market. Commissioner Weber then commented on a pedestrian bridge being installed by CalTrans to traverse a drainage channel separating US Highway 101 from Harbor premises. For the time being, it appeared to be a “bridge to nowhere,” because the Harbor did not have a corresponding paved walkway. Such a walkway would be needed to traverse a grassy section that tended to become waterlogged during rainy periods. President Stone commented that the Harbor had already developed some plans for a walkway, but Harbor staff would need to continue the work. Commissioner Weber then requested an opportunity to consult with the Harbor’s attorney on some legal matters involving the Harbor. At that point, Commissioner White mentioned that the Harbor’s Bylaws expressly allowed for Commissioners to consult with the Harbor’s attorney as needed, without any prior approval required.

(d) Commissioner White: reported on a meeting of the local Chamber and Visitors Bureau. Del Norte County had agreed to provide an additional \$30,000 in funding to the Bureau. The County had been very pleased with the Bureau’s marketing campaign, which significantly outperformed other markets.

(e) President Stone: reported on his activities on behalf of the Tri-Agency Economic Development Authority, which had been seeking funding sources.

MOVE TO CLOSED SESSION:

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

(Government Code section 54956.9(d)(1))

Crescent City Harbor District v. Crescent Fire Protection District

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
September 30 through October 14, 2021

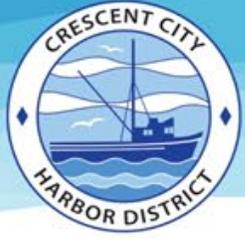
<u>Type</u>	<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Account</u>	<u>Original Amount</u>
Check	ACH PAYMENT	10/04/2021	DISH NETWORK	1045 · REDWOOD HARBOR VILLAGE 0707	-994.56
Check	ACH PAYMENT	10/14/2021	CALPERS RETIREMENT	1040 · CCHD US BANK OPERATING 4766	-1,942.56
Check	2068	10/06/2021	MISTY FONTES	1045 · REDWOOD HARBOR VILLAGE 0707	-225.00
Check	6121	10/05/2021	UMPQUA BANK	1040 · CCHD US BANK OPERATING 4766	-3,318.18
Bill Pmt -Check	6122	10/14/2021	ACCONTEMPS	1040 · CCHD US BANK OPERATING 4766	-7,835.84
Bill Pmt -Check	6123	10/14/2021	BEST BEST & KRIEGER, LLP	1040 · CCHD US BANK OPERATING 4766	-23,612.58
Bill Pmt -Check	6124	10/14/2021	C RENNER PETROLEUM INC	1040 · CCHD US BANK OPERATING 4766	-1,175.69
Bill Pmt -Check	6125	10/14/2021	COUNTRY MEDIA INC	1040 · CCHD US BANK OPERATING 4766	-32.00
Bill Pmt -Check	6126	10/14/2021	GEORGE'S AUTO INC	1040 · CCHD US BANK OPERATING 4766	-183.37
Bill Pmt -Check	6127	10/14/2021	LES SCHWAB TIRES	1040 · CCHD US BANK OPERATING 4766	-195.20
Bill Pmt -Check	6128	10/14/2021	MAIL ROOM	1040 · CCHD US BANK OPERATING 4766	-49.78
Bill Pmt -Check	6129	10/14/2021	NORTHCOAST HEALTH SCREENING	1040 · CCHD US BANK OPERATING 4766	-135.00
Bill Pmt -Check	6130	10/14/2021	O'REILLY AUTO PARTS	1040 · CCHD US BANK OPERATING 4766	-77.54
Bill Pmt -Check	6131	10/14/2021	PROGRESSIVE INSURANCE	1040 · CCHD US BANK OPERATING 4766	-801.72
Bill Pmt -Check	6132	10/14/2021	R.A. KIRKLAND INC.	1040 · CCHD US BANK OPERATING 4766	-5,833.33
Bill Pmt -Check	6133	10/14/2021	ROTO ROOTER INC	1040 · CCHD US BANK OPERATING 4766	-346.65

12:48 PM
10/14/21

Crescent City Harbor District Check Detail

September 30 through October 14, 2021

Bill Pmt -Check	6134	10/14/2021	STATE COMPENSATION INSURANCE FUND	1040 · CCHD US BANK OPERATING 4766	-1,123.54
Bill Pmt -Check	6135	10/14/2021	US CELLULAR	1040 · CCHD US BANK OPERATING 4766	-436.30
				TOTAL	-48,318.84



2. New Business

- a. Approve Resolution No. 2021-004 Authorizing CEO & Harbormaster To Execute A Lease with CC Azul Inc.**

Public Comment?

RESOLUTION NO. 2021-04

A RESOLUTION OF THE BOARD OF HARBOR COMMISSIONERS OF THE CRESCENT CITY HARBOR DISTRICT AUTHORIZING THE CEO & HARBORMASTER TO EXECUTE A LEASE WITH CC AZUL INC.

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(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 District is the owner of record of certain real property located in the City of Crescent City, Del Norte County California, located at 100B Neptune Way, Crescent City, California 95531, consisting of approximately 4,000 square feet (“District Property”); and

WHEREAS, the District desires to enter into a Lease for the District Property with CC Azul Inc. in substantially the form attached to this Resolution as Exhibit A (“Lease”); and

WHEREAS, the Board hereby finds that the Lease is in the best interests of the District because it promotes fisheries within 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 Lease is exempt from the environmental review requirements of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines sections 15301 and 15378 because there is no potential direct physical change in the environment, no reasonably foreseeable indirect physical change in the environment and consists only of interior alterations to existing facilities with negligible or no expansion of an existing commercial use.

Section 3. The Board hereby approves the Lease, in substantially the form attached to this Resolution as Exhibit “A.”

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

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

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

APPROVED, ADOPTED AND SIGNED this 19th day of October, 2021, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

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

ATTEST:

Clerk
Board of Harbor Commissioners
Crescent City Harbor District

EXHIBIT "A"

LEASE

[Attached behind this cover page]

**LEASE BY AND BETWEEN THE
CRESCENT CITY HARBOR DISTRICT AND
CC AZUL INC**

This lease ("**Lease**") is executed this ____ day of ____, 2021 by and between the Crescent City Harbor District ("**Landlord**"), a special district organized pursuant to the California Harbors and Navigation Code, and CC AZUL INC, a California corporation ("**Tenant**"), whose address is 1800 Fairgreen Drive, Fullerton, California 92833, under the following terms and conditions:

1. Basic Terms

1.1 Leased Premises. The leased premises ("Premises"), located at a portion of 100B Neptune Way, Crescent City, California are shown on **Exhibit A** and consist of all of the following:

(a) One lease area of approximately 4,000 square feet;

1.2 Rental. The monthly rental is: \$1,000.

1.3 Rent Commencement Date. 1 November, 2021.

1.4 Use. Fish offloading and processing and storage.

1.5 Term. Five (5) years.

1.6 Tenant's Insurance. Tenant shall furnish public liability property damage insurance, fire and casualty insurance, pollution legal liability insurance, and worker's compensation insurance pursuant to Section 6 with the following limits: \$1,000,000 per person and \$1,000,000 per occurrence public liability and \$1,000,000 property damage.

2. Premises, Use, Compliance with Laws

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

the Building were at such time in satisfactory condition and that Tenant has accepted the condition of the Premises and the Building in their "as-is" condition.

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

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

(a) Tenant shall not permit any odors, smoke, dust, gas, substances, noise or vibrations to emanate from the Premises as a result of Tenant's use thereof, nor take any action which would constitute a nuisance or would disturb, obstruct or endanger any other tenants. No waste, materials or refuse shall be dumped upon or permitted to remain outside the Premises other than appropriate and lawful disposal of waste associated with commercial fishing operations.

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

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

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

(c) Failure to comply with the Industrial General Permit may be a violation of federal and state law. Tenant hereby agrees to indemnify and hold harmless Landlord, its officials, officers, agents, employees, and authorized volunteers from and against any and all claims, demands, losses, or liabilities of any kind or nature which Landlord, its officials, officers, agents, employees, and authorized volunteers may sustain or incur for noncompliance with the laws, regulations,

ordinances, Industrial General Permit, and other regulatory mechanisms referenced in this Section arising out of or in connection with Tenant's use of the Premises in accordance with Section 6.

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

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

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

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

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

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

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

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

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

property manager; (iv) any repairs or modifications necessary to correct any violation of construction-related accessibility standards that is noted in the CASp report shall be Tenant's responsibility; and (v) Tenant must provide a copy of the CASp report to Landlord on completion. By initialing below, Tenant represents that:

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

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

3. Rent

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

3.2 Rent Adjustment. Rent Adjustment. Beginning one year after the Commencement Date, the Rent shall be increased by an adjustment equal to three percent (3.0%) (the "Rent Adjustment") per year which adjustment shall be effective on each annual anniversary of the Commence Date. Any delay or failure of Landlord in computing or billing Tenant for Rent Adjustment as provided herein shall not constitute a waiver of or in any way impair the continuing obligation of Tenant to pay the Rent Adjustment. Tenant's obligation to pay the Rent Adjustment pursuant hereto shall continue and cover all periods up to the date that this Lease is to expire and shall survive any expiration, termination or renewal of this Lease. The Rent, as specified in Section 1.2 together with the Rent Adjustment is sometimes referred to herein as (the "Rent").

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

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

by the amount of such fees specified in the Service Fee Schedule adopted by the Board. The fee for entering into or modifying a lease must be remitted for payment prior to the approval of such documents by the Board.

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

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

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

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

4. Termination

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

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

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

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

5. Remedies Upon Default

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

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

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

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

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

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

5.2 Landlord's Remedies.

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

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

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

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

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

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

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

6. **Indemnification and Insurance**

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

6.2 Insurance.

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

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

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

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

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

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

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

7. Maintenance and Alterations

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

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

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

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

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

8. Surrender, Restoration, Holdover

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

8.2 Restoration. Prior to the expiration of this Lease (and only to the extent directed by Landlord) Tenant shall restore the Premises to the condition in which received, ordinary wear and tear excepted, or to such improved condition as may have resulted from improvements made thereon by Landlord or Tenant. In the event this Lease is terminated on less than thirty (30) days' notice, Tenant

shall be allowed a reasonable period of time not to exceed thirty (30) days from the date of service of the notice of termination within which to complete restoration.

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

9. Assignment and Subletting

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

10. Destruction of Premises, Condemnation

10.1 Destruction.

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

(b) Insured Partial Destruction. If the Premises are partially destroyed by any cause covered by insurance, and the destroyed portion can be rebuilt or repaired within ninety (90) days from the date of destruction, Landlord shall repair the same with reasonable diligence to the extent permitted by the insurance proceeds. In such event, this Lease shall remain in full force and effect, but until the destroyed premises are repaired, Rent paid by Tenant to Landlord shall be reduced in the same proportion that Tenant's

square footage leased is reduced by such destruction at the rates specified in Section 1.2 as adjusted from time to time for changes in the Consumer Price Index.

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

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

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

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

10.2 Condemnation.

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

(b) Condemnation Not Resulting in Termination. If a portion of the property of which the Premises are a part should be taken or condemned for any public use under any regulation, or by right of eminent domain, or by private purchase in lieu thereof, and the taking prevents or materially interferes with the Tenant's use of the Premises, and this Lease is not terminated as provided in

Section 10.2 above, the Rent payable hereunder during the unexpired portion of this Lease shall be reduced, beginning on the date when the physical taking shall have occurred, to such amount as may be fair and reasonable under all of the circumstances, but only after giving Landlord credit for all sums received or to be received by Tenant by the condemning authority. Notwithstanding anything to the contrary contained in this Paragraph, if the temporary use or occupancy of any part of the Premises shall be taken or appropriated under power of eminent domain during the Term, this Lease shall be and remain unaffected by such taking or appropriation and Tenant shall continue to pay in full all Rent payable hereunder by Tenant during the Term; in the event of any such temporary appropriation or taking, Tenant shall be entitled to receive that portion of any award which represents compensation for the use of or occupancy of the Premises during the unexpired Term.

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

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

11. Miscellaneous

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

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

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

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

11.2 Liens. Tenant shall promptly discharge or cause to be discharged any valid lien, right *in rem*, claim or demand of any kind (except one in favor of Landlord) arising or existing with respect to the Premises or for materials or equipment furnished therefor

or for any part thereof. If the same is not promptly discharged by Tenant, Landlord may discharge the same and Tenant shall immediately reimburse Landlord the cost thereof.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[signatures on following page]

**SIGNATURE PAGE TO
LEASE
BY AND BETWEEN THE CRESCENT CITY HARBOR DISTRICT AND
CC AZUL INC**

TENANT:

LANDLORD:

CC AZUL INC

Crescent City Harbor District:

By: _____
Il Han Choi

By: _____
Tim Petrick, Harbor Master

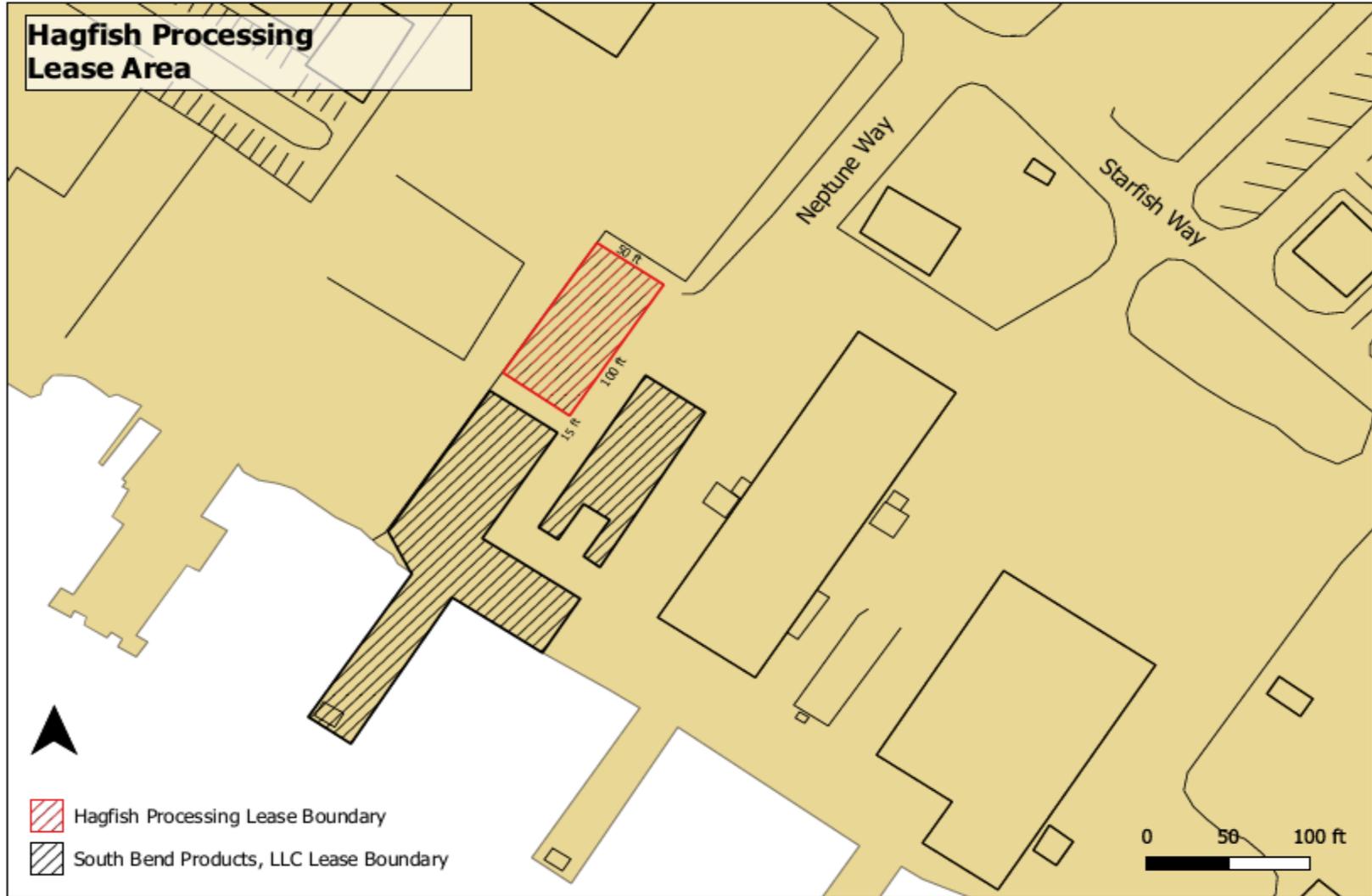
Approved as to form:

Approved as to form:

By: _____
[Authorized Signatory]

By: _____
Ruben Duran, General Counsel

Exhibit 'A'





2. New Business

- b. 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.**

Public Comment?



5820 S Kelly Ave, Suite B
Portland, Oregon 97239
503.906.6577

September 22, 2021

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

Attention: Tim Petrick

Subject: Proposal
Dredge Spoils Management Services
Crescent City, California
File No. 25422-001-00

INTRODUCTION

GeoEngineers is pleased to present this proposal to provide dredge spoils management services for the Crescent City Harbor District. Our proposed scope of services is based on conversations with you and input from the North Coast Regional Water Control Board (Water Board).

PROJECT UNDERSTANDING

We understand that that approximately 60,000 cubic yards of sediment dredged from the Crescent City Harbor have been placed in an upland dredged material disposal site owned and operated the Crescent City Harbor District. Sediment analytical data collected at the time of dredging indicated that some sediment contained concentrations of polycyclic aromatic hydrocarbons (PAHs) that exceeded Water Board residential and industrial screening levels. Other hazardous substances were also detected in sediment. In 2013, the Water Board informed the Crescent City Harbor District that the dredge spoils constituted solid waste and those materials could not be re-used without a permit issued by the Water Board.

The Crescent City Harbor District needs additional storage capacity at the upland dredged material disposal site. Consequently, the Crescent City Harbor District would like to remove dredge spoils from the upland dredged material disposal site and re-use the material elsewhere. Removal and disposal of the dredge spoils at a licensed disposal facility is not considered feasible due to the projected costs for transporting and disposing of soil at an appropriate facility.

The Water Board regulates the re-use and disposal of solid waste in the region. The Water Board has indicated that re-use of the soil from the upland dredged material disposal site would require a permit issued under the Water Board's waste discharge requirements (WDRs). The WDRs provide for a permit option or a permit waiver option. The Water Board determines which option is appropriate. Under the WDRs,



the dredge spoils may be moved from the current storage area to another location or locations, provided that the soil that is moved provides a “beneficial use” at the new location. Numerous beneficial uses have been defined, but beneficial uses that may be most applicable in the project area include use of the soil as fill to raise a target area elevation above a flood level or to address projected future sea level rise.

The Water Board will not determine specifically what permit or permit waiver is required for soil management prior to reviewing a preliminary proposal for soil re-use. As the initial step in the permitting process, the Water Board will consider the proposed re-use of the soil, proposed re-use location(s), existing soil and groundwater analytical data, and other information provided. They will use this initial information to identify data gaps and determine what additional information and data are needed to evaluate the proposal. Following their review, the Water Board may request additional data, information and evaluation, including but not limited to:

- Description of other potential beneficial uses.
- Chemical analytical data for soil/sediment proposed for re-use.
- Maps showing proposed re-use locations and surrounding features (e.g., water courses, wetland, roads, surrounding land uses, etc.).
- Soil chemistry data at the proposed re-use location(s).
- Groundwater data (depth to groundwater and groundwater chemistry) at the proposed re-use location.

SCOPE OF SERVICES

The purpose of our services is to initiate the WDR process with the Water Board, with the goal of ultimately obtaining a permit or permit waiver that will authorize the Crescent City Harbor District to transfer soil from the upland dredged material disposal site to off-site location(s). Our specific scope of services is as follows:

1. Coordinate with the Crescent City Harbor District to develop a preliminary soil management plan. Coordination topics will include:
 - a. The volume of soil targeted for removal;
 - b. Soil analytical data;
 - c. Proposed re-use locations and the associated beneficial uses; and
 - d. Project phasing and timeframe(s).
2. Review historical Water Board correspondence, laboratory analytical data, and sediment sampling reports that characterize the soil targeted for removal.
3. Prepare a Soil Re-Use Proposal on behalf of the Crescent City Harbor District. The Soil Re-Use Proposal will:
 - a. Generally identify the location(s) that the Crescent City Harbor District proposes to re-use the soil.
 - b. Explain how the proposed re-use meets the Water Board’s beneficial re-use criteria.



- c. Estimate the lateral extent of the re-use area, the depth of soil at the re-use location, and total estimated soil volume that will be moved.
- d. Include a tabulation of existing laboratory analytical data that are representative of the soil proposed for re-use. The tabulation will include current Water Board screening criteria. The proposal will include a discussion of the comparison of laboratory data to screening criteria. The tabulation and screening will be based on previously collected data. The Water Board may require collection of new data.
- e. Request the Water Board's preliminary opinion about the proposed re-use and a detailed description of the process that the Water Board will use to determine whether they will issue a permit or permit waiver. The proposal also will request that the Water Board identify the additional analytical data and information that the Water Board will need to make a permit or permit waiver decision.

TERMS, FEE ESTIMATE AND SCHEDULE

We are prepared to begin work immediately after receiving your authorization to proceed. Our services will be completed in accordance with the terms described in our General Conditions, which are attached and form a part of this proposal. Please review our General Conditions carefully and advise us if you have any questions or desire to modify the terms of our agreement.

The estimated fee for our services is \$14,000. While we will endeavor to stay within this estimated fee, there are uncertainties about the project and site that make it difficult to estimate the level of effort with a reasonable degree of certainty. As such, unless otherwise agreed to in writing, we will invoice for the time charged and expenses incurred in completing our scope of services. Please be assured, however, that we will keep you apprised of project status and conditions that may significantly affect our scope and estimate. The estimated fee for our services will be determined using the rates contained in our standard Schedule of Charges, which also is attached as part of this proposal.

There are no intended third-party beneficiaries arising from the services described in this proposal and no party other than the party executing this proposal shall have the right to legally rely on the product of our services without prior written permission of GeoEngineers.

This proposal is valid for a period of 60 days commencing from the first date listed above and subject to renegotiation by GeoEngineers, Inc., after the expiration date.



Client’s authorization to initiate services shall be considered by both parties as formal acceptance of the scope of services and all the terms and conditions of this Agreement unless otherwise agreed to in writing by Client and GeoEngineers.

Sincerely,
GeoEngineers, Inc.



Chris W. Breemer, PG
Principal



Kirsten K. White, PE
Associate Engineer

CWB:KKW:tjh

Attachments:
General Conditions – Standard 2021
Schedule of Charges – Portland 2021

One copy submitted electronically.



The parties hereto have made, executed and agreed to this Agreement as of the day and year first above written. By signature below, Client accepts the scope of services and all terms described herein. In addition, Client’s signature shall constitute as authorization to proceed on the date listed below Client’s printed/typed name unless such authorization has been separately provided verbally or in writing.

Crescent City Harbor District
ORGANIZATION
DATE

* SIGNATURE
TYPED OR PRINTED NAME
*Individual with contracting authority.

Proprietary Notice: The contents of this document are proprietary to GeoEngineers, Inc. and are intended solely for use by our clients and their design teams to evaluate GeoEngineers' capabilities and understanding of project requirements as they relate to performing the services proposed for a specific project. Copies of this document or its contents may not be disclosed to any other parties without the written consent of GeoEngineers.

Disclaimer: Any electronic form, facsimile or hard copy of the original document (email, text, table, and/or figure), if provided, and any attachments are only a copy of the original document. The original document is stored by GeoEngineers, Inc. and will serve as the official document of record.

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GENERAL CONDITIONS

Definitions

The words and phrases listed below have the following meanings when used in this Agreement:

“Agreement” means the complete agreement between Client and GeoEngineers, and consists of all of the following: 1) The Services Agreement or Proposal, including the Scope of Services contained within it; 2) These General Conditions and its attached Schedule of Charges, as applicable; 3) Any documents expressly incorporated by reference into the Services Agreement, Proposal or General Conditions; 4) Any modifications to this Agreement, if mutually agreed to by the parties in writing.

“Client” means the individual(s) or entity that has entered into this Agreement with GeoEngineers.

“GeoEngineers” means GeoEngineers, Inc., a Washington corporation, and any of its employees, officers and directors. GeoEngineers is sometimes referred to as “us,” “we” or “our” throughout this Agreement.

“Hazardous Materials” means any toxic substances, chemicals, radioactivity, pollutants or other materials, in whatever form or state, known or suspected to impair the environment in any way whatsoever. Hazardous Materials include, but are not limited to, those substances defined, designated or listed in any federal, state or local law, regulation or ordinance concerning hazardous wastes, toxic substances or pollution.

“Scope of Services” means the sum total of all of our activities and all of the Instruments of Service undertaken or provided pursuant to this Agreement.

“Excluded Services” means those services that we are not providing under this Agreement, which includes any services recommended to Client and which Client chooses not to include in our Scope of Services.

Integrated Written Agreement

This Agreement represents the entire and integrated agreement between Client and GeoEngineers and supersedes all prior communications, negotiations, representations or agreements, either written or oral between the parties. No agreement or understanding varying or extending this Agreement shall bind either party, other than by a subsequent written agreement, signed by Client and GeoEngineers.

GeoEngineers has made no promise or inducements to Client to enter into this agreement other than what is explicitly provided in the agreement. Client is not relying on any representations made by GeoEngineers outside of those embodied in this Agreement.

Conflicts

Any alteration to these General Conditions or appended terms and conditions by Client shall be void and not included as part of this Agreement unless mutually agreed to in writing by both parties. In the event of conflict between these General Conditions and any terms appended by the Client that are agreed to by the parties, the terms of these General Conditions shall prevail.

Standard of Care and Warranty Disclaimer

GeoEngineers will endeavor to perform its professional services with that degree of care and skill ordinarily exercised under similar conditions by professional consultants practicing in the same discipline at the same time and location. No warranty or guarantee, either express or implied, is made or intended by this Agreement or by any report, opinion, or other Instrument of Service provided pursuant to this Agreement.

Client Furnished Information and Obligations

Client will provide GeoEngineers with the following: a description of the property; the locations of any underground utilities, facilities or structures on or adjacent to the property which could impact our work; and the nature and location of any known or suspected hazardous materials that may exist on the property. Client understands that GeoEngineers is not responsible for damages to underground utilities, facilities or structures known by Client to exist and not specifically or correctly identified to us, and Client agrees to indemnify GeoEngineers for these damages to the extent provided in the INDEMNIFICATION section of these

GENERAL CONDITIONS. GeoEngineers is neither responsible nor liable for the creation, existence, or presence of any hazardous materials, including asbestos, present at the work site prior to or during the performance of this Agreement, except any hazardous materials generated solely by us, our agents or subcontractors.

Additionally, the Client shall furnish, at the Client's expense, all information, requirements, reports, data, surveys, and instructions required by this Agreement. GeoEngineers may use such information, requirements, reports, data, surveys and instructions in performing the services and is entitled to rely upon their accuracy and completeness.

Permits and Agency Arrangement

If included in the Scope of Services, GeoEngineers will assist Client in applying for necessary permits and licenses. Client may, upon written acceptance by GeoEngineers, designate GeoEngineers as its agent for the purposes of drafting permit and/or license applications. GeoEngineers' agency authority under this arrangement shall be limited solely to the completion and submission of the permit and/or license applications. GeoEngineers will rely upon data collected by and information provided by Client in preparing the applications. GeoEngineers shall not be responsible for errors or inaccuracies contained in data and information supplied by Client. Client shall assume full responsibility for reviewing, understanding and signing all permit and license applications drafted by GeoEngineers.

GeoEngineers cannot and does not guarantee that permits or approvals will be issued by the governing authorities, and will not be subject to any claims, losses or damages allegedly incurred as a result of Client's failure to obtain the necessary permits and approvals.

Client waives any claim against GeoEngineers relating to errors or inaccuracies in data and information provided by Client and permit-related project delays caused by other parties, including, but not limited to Client, project opponents, and permitting or licensing agencies.

Rights of Entry

Unless otherwise agreed to in writing, Client will provide for right of entry and any authorizations needed for us to enter upon property to perform our Services under this Agreement.

Surface and Subsurface Disturbance

GeoEngineers will take reasonable precautions to minimize surface and subsurface disturbance. However, in the normal course of exploratory work some surface disturbance may occur, the restoration of which is not part of this Agreement unless specifically included in our Scope of Services.

Discovery of Hazardous Materials

“Unanticipated hazardous materials” are any hazardous materials that may exist at the project site, but which this Agreement does not identify as present and whose existence is not reasonably anticipated. The discovery of unanticipated hazardous materials will constitute a changed condition that will require renegotiation of the Scope of Services or termination of this Agreement.

The discovery of unanticipated hazardous materials may necessitate that we take immediate protective measures. If we discover unanticipated hazardous materials, we will notify Client as soon as practicable. Based on our professional judgment, we may also implement protective measures in the field. Client will pay the cost of any such additional protective measures.

Client is responsible for reporting releases of hazardous substances to appropriate government agencies as required by law.

Client waives any claim against GeoEngineers relating to the discovery of unanticipated hazardous materials and will indemnify GeoEngineers to the extent provided in the INDEMNIFICATION section of these GENERAL CONDITIONS.

Off-site Disposal of Hazardous Materials

Client acknowledges that GeoEngineers is not and shall not be required to be in any way an ‘arranger’, ‘operator’, or ‘transporter’ of hazardous materials present or near the project site, as these terms are defined in applicable Federal or State

Statutes. In addition, Client shall sign all manifests for the disposal of substances affected by regulated contaminants.

However, if the parties mutually agree that GeoEngineers sign such manifests and/or to hire for Client a contractor to transport, treat, or dispose of the hazardous materials, GeoEngineers shall do so only as Client's agent. Client agrees to defend, indemnify, and hold harmless GeoEngineers, its officers, directors, employees and agents from any claim, suit, arbitration, or administrative proceeding, damages, penalties or liability that arise from the executing of such manifests on Client's behalf.

Further, GeoEngineers will, at Client's request, help Client identify appropriate alternatives for off-site treatment, storage, or disposal of such substances, but GeoEngineers shall not make any independent determination about the selection of a treatment, storage, or disposal facility.

Unanticipated and Changed Conditions

Actual subsurface conditions may vary from those encountered at the specific locations where GeoEngineers conducts its surveys or explorations. We can only base our site data, interpretations and recommendations on information reasonably available to us. Practical and reasonable limitations on available data will result in some level of uncertainty, and therefore risk, with respect to the interpretation of environmental, geological and geotechnical conditions even when we have followed the standard of care.

The discovery of unanticipated or changed conditions may require renegotiation of the Scope of Services or termination of services. GeoEngineers reserves the right to solely determine the continued adequacy of this Agreement in light of any discovery of conditions that were not reasonably anticipated or known at the time of this Agreement. If we determine that renegotiation is necessary, GeoEngineers and Client will in good faith enter into renegotiation of this Agreement to permit us to continue to meet Client's needs. If Client and GeoEngineers cannot agree on new terms, we reserve the right to terminate this Agreement and receive payment from Client for all services performed and expenses incurred up to and including the date of termination. Underground utilities that are not properly indicated on plans and specifications provided to GeoEngineers by others or not reasonably located by the utility owner will be considered a changed condition under this clause.

Site Safety

GeoEngineers will maintain a safety program for our employees. GeoEngineers specifically disclaims any authority or responsibility for general job site safety and for the safety of persons who are not employed by us. GeoEngineers is not responsible for the job safety or site safety of the general project and is not responsible for compliance with safety programs and related OSHA and state regulations that apply to other entities or persons. Client is independently responsible for requiring that its construction or remediation contractors take responsibility for general job site safety.

Construction and Remediation Observation

The conclusions and recommendations for construction or remediation in our reports are based on limited sampling and the interpretations of variable subsurface conditions. Therefore, our conclusions and recommendations shall be deemed preliminary unless or until we are requested by Client to validate our assumptions and finalize our conclusions and recommendations by reviewing preconstruction design documents and observing actual construction or remediation activities on site. If our Scope of Services does not include preconstruction plan review and construction/remediation observation, then any reliance by Client or any other party on our preliminary assumptions, conclusions or recommendations is at the risk of that party and without liability to GeoEngineers.

Our job site activities do not change any agreement between Client and any other party. Only Client has the right to reject or stop work of its contractors or agents. Our presence on site does not in any way guarantee the completion, quality or performance of the work by any other party retained by Client to provide field or construction/remediation services. We are not responsible for, and do not have control or charge of, the specific means, methods, techniques, sequences or procedures selected by any contractor or agent of Client or any third party to this Agreement.

Further, a duty to provide contract administration or contract management services may not be imputed from GeoEngineers' professional actions or affirmative conduct when on the job site.

Sample Retention and Disposal

We will discard nonhazardous samples 60 days after they are obtained, unless Client makes prior arrangements to store or deliver the samples. Samples containing hazardous materials regulated under federal, state or local environmental laws are the property and responsibility of Client. Client will arrange for lawful disposal, treatment and transportation of contaminated samples at Client's expense, unless Client makes other written agreements regarding their disposal.

Identification of Other Contaminants

Sampling and Analysis Plans (SAPs) typically specify the contaminants of interest (COIs) on a site and the standard EPA/state agency analytical methods (Standard Methods) to be used by laboratories for determining the estimated concentration of such COIs in soil and water samples. GeoEngineers' instructions notwithstanding, application of Standard Methods by an analytical laboratory may occasionally result in the inadvertent identification of contaminants that are not COIs. If in the course of GeoEngineers' laboratory data validation review non-COI contaminants are identified with COI-equivalent data quality and analytical values at or above regulatory action levels, GeoEngineers will disclose such results to Client with appropriate recommendations, which may include recommendations for reporting to regulatory agencies. Client actions subsequent to any such disclosure shall be at Client's sole risk, and Client shall indemnify and hold harmless GeoEngineers from any claims, liabilities, damages or costs arising from the discovery of regulated non-COIs to the extent provided in the INDEMNIFICATION SECTION in these GENERAL CONDITIONS.

Confidential Information

Unless otherwise agreed to in writing by the parties, each party expressly undertakes to retain in confidence, and to require its employees and consultants to retain in confidence, all data and/or information of the other party that is not generally known to the public, whether of a technical, business or other nature, that has been identified as being proprietary and/or confidential or that by the nature of the circumstances surrounding the disclosure reasonably ought to be treated as proprietary and confidential ("Confidential Information"). Each party agrees not to use the Confidential Information of the other party except pursuant to this Agreement. The receiving party will not disclose any item of Confidential Information to any person other than its employees, agents or contractors who need to know the same in the performance of their duties except as may be required by law or judicial order. The receiving party will protect and maintain the confidentiality of all Confidential Information of the disclosing party with reasonable care, including but not limited to informing all employees, agents or contractors to whom Confidential Information is disclosed of the confidentiality obligations imposed by this Agreement. Confidential Information does not include any data or information which the receiving party can prove (a) was in the receiving party's lawful possession prior to its disclosure by the disclosing party; (b) is later lawfully obtained by the receiving party from a third party without notice to the receiving party of any obligation of confidentiality or other restrictions with respect to use thereof; (c) is independently developed by the receiving party; (d) is, or later becomes, available to the public through no breach of an obligation of confidentiality by the receiving party; or (e) is approved for disclosure in writing by the disclosing party. Notwithstanding the foregoing, GeoEngineers may use the Client's name and logo in connection with identifying its prior customers and projects. Data and/or information that is disclosed due to a party's computer systems being hacked or through other such improper or illegal cyber conduct, including but not limited to phishing and viruses, shall not be considered a disclosure under this paragraph.

Instruments of Service and Proprietary Methodologies

Reports, field data, laboratory data, analyses, calculations, estimates, designs and other documents prepared by GeoEngineers are Instruments of Service and remain our property. We will retain final project records for a period of 20 years from completion of our services.

Neither Client nor any other party may modify or use the Instruments of Service for additions or alterations to this project, or for other projects, or otherwise outside the scope of this Agreement, without our prior written permission. GeoEngineers is not responsible for such modification or reuse (unless such modification or reuse is expressly authorized by GeoEngineers in writing). Client will defend, indemnify, and hold GeoEngineers harmless against any claims, damages, or losses relating to such modification or reuse to the extent of the INDEMNIFICATION section in these GENERAL CONDITIONS.

GeoEngineers grants Client a limited license to utilize its Instruments of Service for the purposes described in the scope of services, and for maintenance of the Project thereafter, subject to any limitations expressed in the Instruments of Service. GeoEngineers may withdraw or terminate that limited license at any time if Client fails to comply with this Agreement, including but not limited to the circumstance in which Client fails to timely pay outstanding invoices. In the event that GeoEngineers withdraws the limited license, Client herein acknowledges that Client is prohibited from using the Instruments of Service for any purpose from that date forward. GeoEngineers will not be responsible nor liable, and Client will hold GeoEngineers harmless for any damages or injury flowing, or allegedly flowing, from Client's inability to utilize the Instruments of Service as a result of the circumstances described herein. Client herein agrees that injunctive or other relief is appropriate if GeoEngineers believes that Client is utilizing the Instruments of Service in a manner contrary to this paragraph or as otherwise described in the preceding paragraphs under this Article titled "Instruments of Service and Proprietary Methodologies." This paragraph shall survive the termination of this Agreement.

GeoEngineers may provide Client with Instruments of Service that include pre-existing content or data which are generated at least in part by or derived from proprietary and or patented methodologies and systems. GeoEngineers may also apply proprietary and or patented methodologies and systems in fulfilling the terms of this agreement, and may also make temporarily available to Client a working knowledge of such proprietary and or patented methodologies and systems during the term of this agreement.

Notwithstanding anything to the contrary, GeoEngineers shall retain ownership over all intellectual property rights including, but not limited to, inventions, patents, copyrights, know how, trade secrets, and trademarks in such Instruments of Service and their associated data and in the proprietary and or patented methodologies and systems. Subject to full payment by Client to GeoEngineers of all amounts owed hereunder and the terms of any licensing agreement between the parties, GeoEngineers grants to Client a nonexclusive, nontransferable license to use the Instruments of Service. Client shall not distribute, rent, lease, service bureau, sell, sublicense, or otherwise transfer the Instruments of Service or their data or content, unless previously agreed to in writing by GeoEngineers, and shall not decompile, reverse engineer, disassemble, reverse translate, or in any way derive any trade secrets or source code from the Instruments of Service. Unless otherwise specified in writing between the parties, no such Client use of Instruments of Service shall give rise to any right in the Client to use the proprietary and or patented methodologies and systems referred to herein. During and only during the term of this agreement, GeoEngineers grants to Client a nonexclusive, nontransferable license to employ such proprietary and or patented methodologies and systems as have been disclosed to Client by GeoEngineers pursuant to fulfilling the terms of this agreement.

Data stored in electronic media format can deteriorate or be modified inadvertently or otherwise. When transferring documents in electronic media format, we make no representations as to long-term compatibility, usability, or readability of documents resulting from the use of software application packages, operating systems, or computer hardware differing from those used by us.

We shall not be responsible for any alterations, modifications or additions made in the electronic data by the Client or any reuse of the electronic data by the Client or any other party for this project or any other project without our consent. Client shall defend, indemnify and hold us harmless against any claims, damages or losses arising out of the reuse of the electronic data without our written consent and arising out of alterations, modifications, or additions to the electronic data made by anyone other than GeoEngineers to the extent of the INDEMNIFICATION section in these GENERAL CONDITIONS.

All documents, including the electronic files that are transferred by us to Client are Instruments of Service of GeoEngineers and created for this project only, and no representation or warranty is made, either express or implied, concerning the files and data.

Billing and Payment

We will bill for our services monthly. Payment is due on receipt of the invoice unless otherwise agreed to in writing. Client will notify GeoEngineers within 20 days of receipt of invoice of amounts in dispute. A service charge of 1-1/2% per month shall apply to any undisputed amounts that are more than 30 calendar days past due and amounts in dispute where Client has not notified GeoEngineers within the 20-day period. In addition to any past due amount, Client will pay all of our reasonable expenses necessary for collection of any past due amounts including, but not limited to, attorneys' fees and expenses, filing fees, lien costs

and our staff time. Collection efforts for past due amounts by GeoEngineers shall not be subject to the DISPUTES clause of these GENERAL CONDITIONS.

Payment of invoices shall not be subject to any discounts or set-offs by the Client, unless agreed to in writing by GeoEngineers. Payment to GeoEngineers for services rendered and expenses incurred shall be due and payable regardless of any subsequent suspension or termination of this Agreement by either party. Payment to GeoEngineers shall not be withheld, postponed or made contingent on the construction, completion or success of the project or upon receipt by the Client of offsetting reimbursement or credit from other parties.

Adjustment for Increased Costs

GeoEngineers reserves the right to invoice Client for additional charges incurred in the event of an unanticipated increase in project-related taxes, fees or similar levies; or if GeoEngineers must modify project-related services, facilities or equipment to comply with new laws or regulations or changes to existing laws or regulations that become effective after execution of this Agreement.

GeoEngineers revises its Schedule of Charges annually. Therefore, we reserve the right to modify our Schedule of Charges applicable to our services if performance of this Agreement extends beyond 12 months, or if changes in the project schedule result in our services extending into the next calendar year.

Scope of Services and Additional Services

Our engagement under this Agreement includes only those services specified in the Scope of Services. GeoEngineers has no duty to provide services beyond those explicitly described in the scope of services or as may be changed (provided that such changes do not materially change the original scope), or added via a signed directive by the Client, as described more fully in the next paragraph. Client understands and agrees that GeoEngineers' scope will not be expanded by, and no duties or responsibilities may be imputed from GeoEngineers' actions or affirmative conduct when on site.

If agreed to in writing by the Client and GeoEngineers, GeoEngineers shall provide the additional services which shall become part of the Scope of Services and subject to the terms of this agreement. Such services shall be paid for by the Client in accordance with GeoEngineers' then prevailing Schedule of Charges unless otherwise agreed to in writing by the parties.

Client agrees it will not hold us liable and expressly waives any claim against GeoEngineers for 1) not performing additional services that Client instructed us not to perform, 2) not performing additional services that were not specifically requested in writing by Client and agreed to by both parties, 3) not performing recommended additional services that Client has not authorized us to perform.

Termination of Services

Termination for Cause

Either party may terminate this Agreement upon at least seven (7) days written notice, in the event of substantial failure by the other party to perform in accordance with this Agreement through no fault of the terminating party. Such termination is not effective if the failure is cured before expiration of the period specified in the written notice. Upon termination for cause by either party, all invoices for services performed up to the date of termination are immediately due and payable.

Termination for Convenience

Either party may terminate this Agreement for convenience upon seven (7) days written notice to the other. In the event that Client requests early termination of our services for convenience, we reserve the right to complete such analyses and records as are necessary to place our files in order and to complete a report on the services performed to date. Charges for these termination activities are in addition to all charges incurred up to the date of termination. Upon termination for convenience by either party, all invoices for services performed up to the date of termination and termination fees defined herein are immediately due and payable.

Suspension of Services

If the project or GeoEngineers' services are suspended by the Client for more than thirty (30) calendar days, consecutive or in the aggregate, over the term of this Agreement, GeoEngineers shall be compensated for all services performed and reimbursable expenses incurred prior to the receipt of notice of suspension. In addition, upon resumption of services, the Client shall compensate GeoEngineers

for expenses incurred as a result of the suspension and resumption of its services, and GeoEngineers' schedule and fees for the remainder of the project shall be equitably adjusted.

If GeoEngineers' services are suspended for more than ninety (90) days, consecutive or in the aggregate, GeoEngineers may terminate this Agreement subject to the terms in the "Termination for Convenience" clause.

If Client is in breach of the payment terms, states their intention not to pay forthcoming invoices, or otherwise is in material breach of this Agreement, GeoEngineers may suspend performance of services upon five (5) calendar days' notice to Client or terminate this Agreement according to the "Termination for Cause" clause. In the event of suspension, GeoEngineers shall have no liability to the Client, and the Client agrees to make no claim for any delay or damage as a result of such suspension caused by Client's breach of this Agreement. In addition, we may withhold submittal of any work product if Client is in arrears at any time during the performance of services under this Agreement. Upon receipt of payment in full of all outstanding sums due from Client, or curing of such other breach which caused GeoEngineers to suspend services, GeoEngineers shall resume services and submit any withheld work product, and there shall be an equitable adjustment to the remaining project schedule and fees as a result of such suspension. Any suspension by GeoEngineers exceeding 30 calendar days shall, at GeoEngineers' option, make this Agreement subject to renegotiation or termination according to the "Termination for Cause" clause in this Agreement.

In the event Client has paid a retainer to GeoEngineers, GeoEngineers shall be entitled to apply the retainer to cover any sums due from Client up to the date of suspension. Prior to resuming services after such suspension, Client shall remit to GeoEngineers sufficient funds to replenish the retainer to its full prior amount.

Delays

The Client agrees that GeoEngineers is not responsible for damages arising directly or indirectly from any delays for causes beyond GeoEngineers' control. Such causes include, but are not limited to, strikes or other labor disputes, epidemics, quarantine restrictions, severe weather disruptions, fires, floods, earthquakes, tidal waves, riots, terrorist acts, freight embargoes, insurrections, wars, or other natural disasters, emergencies, or acts of God; failure of any government agency to act in a timely manner, failure of performance by the Client or the Client's Contractors or other Consultants; or unanticipated discovery of any hazardous materials or differing site conditions. In addition, if the delays resulting from any such causes increase the cost or time required by GeoEngineers to perform its services in an orderly and efficient manner, GeoEngineers shall be entitled to an equitable adjustment in schedule and/or compensation.

Indemnification

GeoEngineers will indemnify and hold the Client harmless from and against any claims, liabilities, damages and costs (including reasonable attorney fees and costs of defense) arising out of death or bodily injury to persons or damage to property to the extent proven to be caused by or resulting from the sole negligence of GeoEngineers, its agents or its employees. For any such claims, liabilities, damages or costs caused by or resulting from the concurrent negligence of GeoEngineers and other parties, including the Client, the duty to indemnify shall apply only to the extent of GeoEngineers' proven negligence.

The Client will defend, indemnify and hold GeoEngineers, including its subsidiaries and affiliates, harmless from and against any and all claims (including without limitation, claims by third parties and claims for economic loss), liabilities, damages, fines, penalties and costs (including without limitation reasonable attorney fees and costs of defense) arising out of or in any way related to this project or this Agreement, provided that Client's indemnification obligations shall not apply to the extent of the proven negligence of GeoEngineers, its officers, agents and employees.

Client's indemnification obligation shall include, but is not limited to, all claims against GeoEngineers by an employee or former employee of Client, and Client expressly waives all immunity and limitation of liability under any industrial insurance act, worker's compensation act, disability benefit act, or employee benefit act of any jurisdiction which would otherwise be applicable in the case of such claim. Client's waiver of immunity by the provisions of this paragraph extends only to claims against GeoEngineers by Client's current or former employees and does not include or extend to any claims by Client's employees or former employees directly against Client.

Client's duty to defend in this paragraph means that Client shall assume the defense of such claim using legal counsel selected or approved by GeoEngineers

and GeoEngineers shall be entitled to participate in the strategy and direction of the defense. In the course of defending a claim under this paragraph, Client shall not compromise or settle the claim without GeoEngineers' consent unless: (i) such settlement or compromise only involves monetary relief that is paid in full by Client, (ii) GeoEngineers is not liable for any such settlement or compromise, and (iii) there is no finding or admission that GeoEngineers is or was liable under any legal theory for damages relating to the claim.

By entering into this Agreement, Client acknowledges that this Indemnification provision has been reviewed, understood and is a material part of the Agreement, and that Client has had an opportunity to seek legal advice regarding this provision.

Limitation of Remedies

GeoEngineers' aggregate liability responsibility to Client, including that of our subsidiaries and affiliates, officers, directors, employees, agents and subconsultants, is limited to \$50,000 or the amount of GeoEngineers' fee under this Agreement, whichever is greater. This limitation of remedy applies to all lawsuits, claims or actions, whether identified as arising in tort, contract or other legal theory, (including without limitation, GeoEngineers' indemnity obligations in the previous paragraph) related to our services under this Agreement and any continuation or extension of our services.

If Client desires a higher limitation, GeoEngineers may agree, at Client's request, to increase the limitation of remedy amount to a greater sum in exchange for a negotiated increase in our fee. Any additional charge for a higher limit is consideration for the greater risk assumed by us and is not a charge for additional professional liability insurance. Any agreement to increase the limitation of remedy amount must be made in writing and signed by both parties in advance of the provision of services under this Agreement.

By entering into this Agreement, Client acknowledges that this Limitation of Remedies Clause has been reviewed, understood and is a material part of this Agreement, and that Client has had an opportunity to seek legal advice regarding this provision.

No Personal Liability

The Client agrees that, to the fullest extent permitted by law, no shareholder, officer, director, or employee of GeoEngineers shall have personal liability under this Agreement, or for any matter in connection with the professional services provided in connection with the Project.

Insurance

GeoEngineers maintains Workers' Compensation and Employer's Liability Insurance as required by state law. We also maintain comprehensive general, auto, professional and environmental impairment liability insurance. We will provide copies of certificates evidencing these policies at the request of the Client.

Mutual Waiver of Consequential Damages

In no event will either party be liable to the other for any special, indirect, incidental or consequential damages of any nature arising out of or related to the performance of this Agreement, whether founded in negligence, strict liability, warranty or breach of contract. In addition, Client expressly waives any and all claims against GeoEngineers for any liquidated damages liability that may be incurred by or assessed against Client.

Disputes

Any dispute, controversy or claim arising out of our related to this Agreement or its breach that is not resolved through negotiation between the parties, must be referred to mediation before pursuing any other dispute remedy. Each party shall bear its own costs and attorneys' fees arising out of the mediation and the costs of the mediation shall be divided equally between the attending parties.

If the matter has not been resolved through the mediation process, either or both parties may elect to pursue resolution through litigation. The parties submit to the jurisdiction of the State of Washington and agree that any legal action or proceeding arising out of or relating to this Agreement must be brought in the Superior Court in King County, Washington.

Client expressly agrees that before Client can bring a claim or cause of action against GeoEngineers as provided above, based on professional negligence or breach of the professional standard of care, Client will obtain the written opinion

of a licensed or registered professional practicing in the same licensing jurisdiction as the project in dispute. The professional who prepares the written opinion must be licensed or registered in the discipline or technical specialty that is the basis for the dispute. The written opinion of the licensed or registered professional must indicate that, in the professional opinion of the writer, GeoEngineers violated the prevailing standard of care in delivery of its services. Further, the written opinion must describe the basis for that opinion and a conclusion that the alleged failure to comply with the standard of care was the cause of all or part of the alleged damages. The written opinion must be made available to GeoEngineers for review and comment at least 10 days before the claim or cause of action can be submitted to litigation. The parties agree that this clause was mutually negotiated and is an integral part of the consideration for this Agreement.

Choice of Law

This Agreement is governed by and subject to interpretation pursuant to the laws of the State of Washington.

Biological Pollutants

Our Scope of Services specifically excludes the investigation, detection, prevention or assessment of the presence of Biological Pollutants. The term “Biological Pollutants” includes, but is not limited to, molds, fungi, spores, bacteria, and viruses, and/or any of their byproducts.

Our Instruments of Service will not include any interpretations, recommendations, findings or conclusions pertaining to Biological Pollutants. Accordingly, Client agrees that GeoEngineers will have no liability for any claims alleging a failure to investigate, detect, prevent, assess, or make recommendations for preventing, controlling, or abating Biological Pollutants. Furthermore, Client agrees to defend, indemnify, and hold harmless GeoEngineers from all claims by any third party concerning Biological Pollutants to the extent of the INDEMNIFICATION section in these GENERAL CONDITIONS.

Claims Assistance for Client

If a construction contractor or other party files a claim against Client, relating to services performed by GeoEngineers and Client requires additional information or assistance to evaluate or defend against such claims, we will make our personnel available for consultation with Client’s staff and for testimony, if necessary. We will make such essential personnel available upon reasonable notice from Client and Client will reimburse GeoEngineers for such consultation or testimony, including travel costs, at the rates that apply for other services under this Agreement. We will provide services in connection with any such claims pursuant to a written supplement, if necessary, extending this Agreement.

Time Bar to Legal Action

The parties agree that all legal actions by either party against the other concerning our services pursuant to this Agreement or for failure to perform in accordance with the applicable standard of care, however denominated, including but not limited to claims sounding in tort or in contract, and arising out of any alleged loss or any alleged error, will become barred two (2) years from the completion of GeoEngineers’ services.

No Third Party Rights

Nothing in this Agreement or as a consequence of any of the services provided gives any rights or benefits to anyone other than Client and GeoEngineers. All duties and responsibilities undertaken pursuant to this Agreement are for the sole and exclusive benefit of Client and GeoEngineers and not for the benefit of any other party. No third party shall have the right to rely on the product of GeoEngineers’ services without GeoEngineers’ prior written consent and the third party’s agreement to be bound to the same terms and conditions as the Client.

In the event Client provides its report to a third party or requests that GeoEngineers provide the report to a third party (such as a lender, other financial institution, or other person or entity), Client agrees to defend and indemnify GeoEngineers for any claims/damages arising out of the provision of the report and asserted by such third party, including any other parties who may obtain the report from the party granted reliance rights. Notwithstanding the foregoing, Client shall not be required to indemnify GeoEngineers for claims/damages to the extent caused by GeoEngineers’ proven negligence.

Assignment of Contract or Claims

Neither the Client nor GeoEngineers may delegate, assign, sublet, or transfer the duties, interests or responsibilities set forth in this Agreement, or any cause of action or claim relating to the services provided under this Agreement, to other entities without the written consent of the other party.

Survival

These terms and conditions survive the completion of the services under this Agreement and the termination of this Agreement, whether for cause or for convenience.

Severability

If any provision of this Agreement is ever held to be unenforceable, all remaining provisions will continue in full force and effect. Client and GeoEngineers agree that they will attempt in good faith to replace any unenforceable provision with one that is valid and enforceable, and which conforms as closely as possible with the original intent of any unenforceable provision.

Equal Opportunity Employment

GeoEngineers is an Equal Opportunity and Affirmative Action Employer. GeoEngineers shall abide by, and shall require that any subcontractors or vendors hired by GeoEngineers abide by, the requirements of 41 CFR 60-1.4(a), 60-300.5(a) and 60-741.5(a) which are incorporated as part of this Agreement. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, disability or veteran status.

Schedule of Charges – 2021

COMPENSATION

Our compensation will be determined on the basis of time and expenses in accordance with the following schedule unless a lump sum amount is so indicated in the proposal or services agreement. Current rates are:

Professional Staff

Staff 1 Scientist	\$ 110/hour
Staff 1 Engineer	\$ 117/hour
Staff 2 Scientist	\$ 125/hour
Staff 2 Engineer	\$ 132/hour
Staff 3 Scientist	\$ 141/hour
Staff 3 Engineer	\$ 148/hour
Scientist 1	\$ 166/hour
Engineer 1	\$ 171/hour
Scientist 2	\$ 171/hour
Engineer 2	\$ 176/hour
Senior Engineer/Scientist 1	\$ 185/hour
Senior Engineer/Scientist 2	\$ 204/hour
Associate	\$ 222/hour
Principal	\$ 240/hour
Senior Principal	\$ 250/hour

Technical Support Staff

Administrator 1	\$ 75/hour
Administrator 2	\$ 85/hour
Administrator 3	\$ 95/hour
CAD Technician	\$ 97/hour
CAD Designer	\$ 112/hour
CAD Design Coordinator	\$ 130/hour
GIS Analyst	\$ 132/hour
Senior GIS Analyst	\$ 146/hour
GIS Coordinator	\$ 164/hour
*Technician	\$ 92/hour
*Senior Technician	\$ 97/hour
*Lead Technician	\$ 102/hour

*Hours in excess of 8 hours in a day or 40 hours in a week will be charged at one and one-half times the hourly rates listed above.

Contracted professional and technical services will be charged at the applicable hourly rates listed above. Staff time spent in depositions, trial preparation and court or hearing testimony will be billed at one and one-half times the above rates. Time spent in either local or inter-city travel, when travel is in the interest of this contract, will be charged in accordance with the foregoing schedule. A surcharge may be applied to night and weekend work. See proposal for details.

Rates for data storage and web-based access will be provided on a project-specific basis.

Equipment

Air Quality Equipment, per day	\$	150.00
Air Sparging Field Test, per day	\$	500.00
Asbestos Sample Kit, per day	\$	25.00
Blastmate, per week	\$	300.00
Crack Gauges, per gauge	\$	25.00
D&M Sampler, per day (1 day min.)	\$	80.00
Dive Boat (plus fuel), per day	\$	750.00
Electrical Tape, per day	\$	25.00
Environmental Exploration Equipment, per day	\$	150.00
Field Data Acquisition Equipment, per day	\$	50.00
Flow Meter, per day	\$	40.00
Gas Detection and Oxygen Meters, per day (1 day min.)	\$	100.00
Generator, per day (1 day min.)	\$	100.00
Geotechnical Exploration Equipment, per day	\$	125.00
Groundwater Development and Sampling Pump, per day (1 day min.)	\$	100.00
Groundwater Monitoring Equipment, per day	\$	220.00
Hydrolab Multi Probe, per day	\$	125.00
Inclinometer, per day (1 day min.)	\$	200.00
Interface Probe, per day	\$	50.00
Nuclear Density Gauge, per hour (4 hour daily min.)	\$	10.00
Peristaltic Pump, per day	\$	50.00
pH Meter, per day	\$	15.00
PID, FID or OVA, per day	\$	100.00
Saximeter, per day	\$	25.00
Scuba Diving, per day/per diver	\$	250.00
Single Channel Data Logger w/Transducer, per day	\$	100.00
Strain Gauge Readout, per day	\$	40.00
Tedlar Bags & Air Sampling Equipment, per sample	\$	15.00
Turbidity Testing Equipment, per day	\$	30.00
Vapor Extraction Field Test, per day	\$	500.00
Vehicle usage, per mile, or \$30/half-day, whichever is greater	\$	0.65
Water Quality Equipment, per day	\$	125.00

Specialized and miscellaneous field equipment, at current rates, list available upon request.

OTHER SERVICES, SUPPLIES AND SPECIAL TAXES

Charges for services, equipment, supplies and facilities not furnished in accordance with the above schedule, and any unusual items of expense not customarily incurred in our normal operations, are charged at cost plus 15 percent. This includes shipping charges, subsistence, transportation, printing and reproduction, miscellaneous supplies and rentals, surveying services, drilling equipment, construction equipment, watercraft, aircraft, and special insurance which may be required. Taxes required by local jurisdictions for projects in specific geographic areas will be charged to projects at direct cost.

Per diem may be charged in lieu of subsistence and lodging.

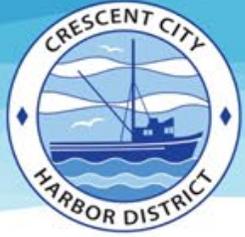
Routinely used field supplies stocked in-house by GeoEngineers, at current rates, list available upon request.

In-house testing for geotechnical soil characteristics at current rates, list available upon request.

Associated Project Costs (APC)

Computer hardware and software, telephone and fax communications, printing and photocopying and routine postage via USPS will be charged at a flat rate of 6 percent of labor charges. These charges are labeled as Associated Project Costs (APC).

All rates are subject to change upon notification.



2. New Business

c. Public contact information for letters concerning District dredging permits.

Al Paniccia
O&M Navigation Program Manager
450 Golden Gate, CESP-N-PM-B
San Francisco, CA 94102

Public Comment?



3. Unfinished Business

a. Solar Project Update

Public Comment?



3. Unfinished Business

b. Dredge Permit Update

Public Comment?



4. Communication and Reports

- a. Financial Reports: Account Balances, Profit & Loss Statements, Account Receivable Reports**

Public Comment?

BANK BALANCES AS OF 9.29.21**BANK BALANCES AS OF 10.14.21****DIFFERENCE**

CCHD OPERATING \$58,446.37

CCHD OPERATING \$266,867.61

\$208,421.24

CCHD SAVINGS \$30,021.29

CCHD SAVINGS \$30,021.29

\$0.00

REDWOOD HARBOR \$80,402.66

REDWOOD HARBOR \$66,981.19

-\$13,421.47

BAYSIDE RV PARK \$48,033.43

BAYSIDE RV PARK \$32,310.60

-\$15,722.83

LAIF ACCOUNT \$1,394,957.09

LAIF ACCOUNT \$1,394,957.09

\$0.00

TOTALS \$1,611,860.84**TOTALS \$1,791,137.78****\$179,276.94**

Crescent City Harbor District
Profit & Loss Budget Performance
 September 2021

Ordinary Income/Expense	Sep 21	Budget	Jul - Sep 21	YTD Budget	Annual Budget
Income					
4000 · MARINA / ADMISTRATION					
4025 · GIFT SHOP INCOME	84.50	416.67	1,123.28	1,250.01	5,000.00
4045 · FEE - NO INSURANCE	700.00	500.00	2,600.00	1,500.00	6,000.00
4054 · ELECTRONIC FOB SALES	0.00	83.34	0.00	250.02	1,000.00
4065 · FISH SALES PERMIT	50.00	33.34	200.00	100.02	400.00
4070 · LATE FEES AND INTEREST	729.68	833.34	2,221.76	2,500.02	10,000.00
4076 · CRAB POT STORAGE FEE	0.00	500.00	150.00	1,500.00	6,000.00
4078 · SCRAP METAL SALES	0.00	0.00	0.00	0.00	0.00
4080 · CLERICAL FEE	0.00	0.00	0.00	0.00	0.00
4091 · PURCHASE DISCOUNTS	0.00	0.00	0.00	0.00	0.00
4092 · LAUNDRY NORTH	0.00	50.00	0.00	150.00	600.00
4094 · LAUNDRY SOUTH	0.00	25.00	0.00	75.00	300.00
4095 · SOAP	0.00	0.00	0.00	0.00	0.00
4096 · MISCELLANEOUS INCOME	0.00	41.67	0.00	125.01	500.00
4099 · UNCATEGORIZED INCOME	0.00	0.00	0.00	0.00	0.00
4195 · USED OIL PAYMENTS	0.00	0.00	0.00	0.00	0.00
4960 · RETURNED CHECK CHARGES	0.00	0.00	0.00	0.00	0.00
4000 · MARINA / ADMISTRATION - Other	0.00	0.00	0.00	0.00	0.00
Total 4000 · MARINA / ADMISTRATION	1,564.18	2,483.36	6,295.04	7,450.08	29,800.00
4027 · MINI STORAGE UNITS	0.00	0.00	0.00	0.00	0.00
4100 · HARBOR SERVICES					
4150 · BILLABLE SUPPLIES	0.00	41.67	0.00	125.01	500.00
4153 · OTHER SERVICES	400.00	0.00	1,300.00	0.00	0.00
4157 · OTHER LABOR	0.00	158.34	0.00	475.02	1,900.00
4171 · MOBILE CRANE	0.00	583.34	150.00	1,750.02	7,000.00
4174 · LAYOVER - SELF HELP AREA	0.00	41.67	44.00	125.01	500.00
4176 · HARBOR VESSELS	0.00	23.34	0.00	70.02	280.00
4178 · FORKLIFT	0.00	23.75	70.00	71.25	285.00
Total 4100 · HARBOR SERVICES	400.00	872.11	1,564.00	2,616.33	10,465.00
4200 · MARINA- INNER / OUTER					

Crescent City Harbor District
Profit & Loss Budget Performance
September 2021

	<u>Sep 21</u>	<u>Budget</u>	<u>Jul - Sep 21</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
4210 · INNER BOAT BASIN	34,472.95	33,333.34	75,976.73	100,000.02	400,000.00
4242 · POUNDAGE FEE FROM HOISTS	211.73	5,000.00	1,207.07	15,000.00	60,000.00
4245 · LAUNCHING RAMP FEES	1,726.62	1,666.67	5,474.37	5,000.01	20,000.00
4260 · LIVEABOARD FEES	1,200.00	333.34	1,800.00	1,000.02	4,000.00
4295 · WORKDOCK	150.00	41.67	244.00	125.01	500.00
Total 4200 · MARINA- INNER / OUTER	37,761.30	40,375.02	84,702.17	121,125.06	484,500.00
4300 · COMMERCIAL LEASES					
4301 · RENTS & CONCESSIONS - LAND	30,358.33	41,666.67	115,172.82	125,000.01	500,000.00
4320 · UTILITIES ELECTRIC USE INCOME	140.00	1,666.67	3,475.68	5,000.01	20,000.00
4325 · UTILITIES WATER USE INCOME	176.00	166.67	528.00	500.01	2,000.00
4375 · STORAGE YARD & DRY DOCK	640.50	916.67	2,031.50	2,750.01	11,000.00
Total 4300 · COMMERCIAL LEASES	31,314.83	44,416.68	121,208.00	133,250.04	533,000.00
4400 · RHV-RV PARK					
4410 · RHV-RENTALS	31,554.71	33,333.34	96,623.36	100,000.02	400,000.00
4425 · RHV- GIFT SHOP RV PARK	3.09	0.00	47.79	0.00	0.00
4430 · RHV-LAUNDRY FACILITY RV PARK	425.00	541.67	1,085.00	1,625.01	6,500.00
Total 4400 · RHV-RV PARK	31,982.80	33,875.01	97,756.15	101,625.03	406,500.00
4600 · BAYSIDE - RV					
4610 · BAYSIDE- RENTALS	24,960.33	30,000.00	95,341.38	90,000.00	360,000.00
4630 · BAYSIDE LAUNDRY	645.00	541.67	2,232.00	1,625.01	6,500.00
4635 · BAYSIDE- LATE FEE	0.00	33.34	0.00	100.02	400.00
6470 · DUMP STATION BAYSIDE	40.00	166.67	535.00	500.01	2,000.00
6490 · FREEZER- BAYSIDE	40.00	0.00	125.00	0.00	0.00
Total 4600 · BAYSIDE - RV	25,685.33	30,741.68	98,233.38	92,225.04	368,900.00
Total Income	128,708.44	152,763.86	409,758.74	458,291.58	1,833,165.00
Cost of Goods Sold					
5001 · COST OF GOODS SOLD - CCHD	52.45	333.34	735.82	1,000.02	4,000.00
Total COGS	52.45	333.34	735.82	1,000.02	4,000.00
Gross Profit	128,655.99	152,430.52	409,022.92	457,291.56	1,829,165.00
Expense					
6000 · OFFICE / MARINA					
6005 · DRUG SCREEN & BACKGROUND CHECK	0.00	58.34	45.00	175.02	700.00

Crescent City Harbor District
Profit & Loss Budget Performance
September 2021

	<u>Sep 21</u>	<u>Budget</u>	<u>Jul - Sep 21</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
6010 · ADVERTISING/PROMOTION	32.00	250.00	140.00	750.00	3,000.00
6015 · DUES, MEMBERSHIPS & SUBS	200.00	1,250.00	603.50	3,750.00	15,000.00
6020 · PRE-EMPLOYMENT PHYSICALS	120.00	33.34	120.00	100.02	400.00
6023 · MISC EXPENSE	0.00	0.00	504.00	0.00	0.00
6035 · MERCHANT SERVICES CHARGE	8.37	83.34	22.04	250.02	1,000.00
6054 · LEGAL NOTICES	0.00	41.67	0.00	125.01	500.00
6057 · SUPPLIES OFFICE/ADMIN	0.00	0.00	447.80	0.00	0.00
6066 · ADMIN SERVICES - MINUTES	0.00	0.00	0.00	0.00	0.00
6071 · OFFICE EXPENSE	0.00	500.00	0.00	1,500.00	6,000.00
6072 · POSTAGE	49.78	66.67	49.78	200.01	800.00
6073 · OFFICE EQUIPMENT - COPIER RENT	389.62	583.34	1,476.39	1,750.02	7,000.00
6079 · INSURANCE - LIABILITY	30,289.96	11,666.67	52,453.70	35,000.01	140,000.00
6080 · BAD DEBT EXPENSE	0.00	208.34	0.00	625.02	2,500.00
6090 · TELEPHONE	436.30	666.67	1,752.25	2,000.01	8,000.00
Total 6000 · OFFICE / MARINA	31,526.03	15,408.38	57,614.46	46,225.14	184,900.00
6100 · FUEL					
6101 · PROPANE	1,231.44	1,166.67	3,355.61	3,500.01	14,000.00
6103 · FUEL - SECURITY	383.48	458.34	2,241.64	1,375.02	5,500.00
6104 · MACH/EQUIPMENT	663.16	1,000.00	878.43	3,000.00	12,000.00
Total 6100 · FUEL	2,278.08	2,625.01	6,475.68	7,875.03	31,500.00
6200 · PAYROLL EXPENSES					
6210 · PAYROLL	42,172.92	49,166.67	121,594.85	147,500.01	590,000.00
6211 · EMPLOYEE HEALTH BENEFITS	10,283.85	12,166.67	31,154.66	36,500.01	146,000.00
6280 · PAYROLL TAXES	6,451.64	5,000.00	16,059.16	15,000.00	60,000.00
6295 · RETIREMENT					
6295 · RETIREMENT - Other	3,885.12	15,000.00	21,447.79	45,000.00	180,000.00
Total 6295 · RETIREMENT	3,885.12	15,000.00	21,447.79	45,000.00	180,000.00
Total 6200 · PAYROLL EXPENSES	62,793.53	81,333.34	190,256.46	244,000.02	976,000.00
6212 · BAYSIDE PAYROLL					
6215 · BAYSIDE PAYROLL TAXES	392.94	708.34	1,496.79	2,125.02	8,500.00
6212 · BAYSIDE PAYROLL - Other	3,308.20	4,166.67	9,230.61	12,500.01	50,000.00
Total 6212 · BAYSIDE PAYROLL	3,701.14	4,875.01	10,727.40	14,625.03	58,500.00

Crescent City Harbor District
Profit & Loss Budget Performance
 September 2021

	<u>Sep 21</u>	<u>Budget</u>	<u>Jul - Sep 21</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
6213 · REDWOOD HARBOR PAYROLL					
6214 · REDWOOD HARBOR PAYROLL TAXES	78.29	583.34	693.31	1,750.02	7,000.00
6213 · REDWOOD HARBOR PAYROLL - Other	1,386.16	3,333.34	5,248.57	10,000.02	40,000.00
Total 6213 · REDWOOD HARBOR PAYROLL	<u>1,464.45</u>	<u>3,916.68</u>	<u>5,941.88</u>	<u>11,750.04</u>	<u>47,000.00</u>
6300 · COMMISSIONERS / RETIREES					
Total 6300 · COMMISSIONERS / RETIREES	0.00	0.00	0.00	0.00	0.00
6400 · PROFESSIONAL FEES					
6405 · ACCOUNTING - AUDITOR/TREASURER	0.00	916.67	0.00	2,750.01	11,000.00
6406 · FINANCIAL SERVICES ADVISOR	8,530.40	6,666.67	19,492.16	20,000.01	80,000.00
6410 · OTHER LEGAL	0.00	8,333.34	3,491.34	25,000.02	100,000.00
6415 · LEGAL ATTORNEY FEES	23,612.58	3,333.34	45,553.18	10,000.02	40,000.00
6450 · ENGINEERING	0.00	1,666.67	6,279.77	5,000.01	20,000.00
Total 6400 · PROFESSIONAL FEES	<u>32,142.98</u>	<u>20,916.69</u>	<u>74,816.45</u>	<u>62,750.07</u>	<u>251,000.00</u>
6420 · IT SUPPORT	1,125.00		2,250.00		
6500 · REPAIR AND MAINT					
6518 · ELECTRICITY REPAIR	19,819.05	833.34	27,599.05	2,500.02	10,000.00
6520 · AUTOS	267.66	416.67	381.88	1,250.01	5,000.00
6525 · EQUIPMENT	0.00	1,666.67	0.00	5,000.01	20,000.00
6526 · SERV-EQUIPMENT	0.00	0.00	0.00	0.00	0.00
6530 · BUILDINGS	0.00	1,250.00	0.00	3,750.00	15,000.00
6531 · DOCKS	0.00	416.67	0.00	1,250.01	5,000.00
6532 · INNER BOAT BASIN	0.00	416.67	0.00	1,250.01	5,000.00
6534 · ROADS & PARKING LOTS	0.00	1,250.00	0.00	3,750.00	15,000.00
6535 · UTILITIES	0.00	541.67	0.00	1,625.01	6,500.00
6541 · SERVICES-CITIZENS DOCK	0.00	0.00	0.00	0.00	0.00
6543 · SERVICES-OUTER BOAT BASIN	0.00	0.00	0.00	0.00	0.00
6544 · SERVICES ROAD, PARK LOT SIGN	0.00	125.00	0.00	375.00	1,500.00
6546 · SERVICES-UTILITES	0.00	0.00	0.00	0.00	0.00
6558 · BUILDING & IMPROVEMENT UTILITIE	0.00	1,666.67	0.00	5,000.01	20,000.00
6585 · EQUIPMENT-RENTAL	0.00	250.00	255.14	750.00	3,000.00
6500 · REPAIR AND MAINT - Other	203.09	0.00	203.09	0.00	0.00
Total 6500 · REPAIR AND MAINT	<u>20,289.80</u>	<u>8,833.36</u>	<u>28,439.16</u>	<u>26,500.08</u>	<u>106,000.00</u>

Crescent City Harbor District
Profit & Loss Budget Performance
September 2021

	<u>Sep 21</u>	<u>Budget</u>	<u>Jul - Sep 21</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
6581 · DN EDC TRI AGENCY	0.00	1,666.67	0.00	5,000.01	20,000.00
6600 · OPERATING SUPPLIES					
6620 · UNIFORM CLEANING SERVICE	116.92	291.67	335.02	875.01	3,500.00
6630 · PERMITS & TESTING	0.00	2,500.00	0.00	7,500.00	30,000.00
6640 · OUTSIDE SERVICES	14,438.42	9,166.67	60,641.54	27,500.01	110,000.00
6657 · PARTS & MISC	754.04	1,250.00	2,064.11	3,750.00	15,000.00
6659 · WELDING SUPPLIES	148.54	208.34	219.26	625.02	2,500.00
6660 · EXPENDABLE TOOLS	127.80	250.00	139.93	750.00	3,000.00
6661 · JANITORIAL	1,246.95	750.00	3,921.03	2,250.00	9,000.00
6662 · SHOP MAINTENANCE	41.18	0.00	41.18	0.00	0.00
6663 · RAIN GEAR/GLOVES	0.00	83.34	0.00	250.02	1,000.00
6664 · SAFETY/MEDICAL	0.00	208.34	1,763.00	625.02	2,500.00
6670 · SECURITY SUPPLIES	0.00	12.50	0.00	37.50	150.00
Total 6600 · OPERATING SUPPLIES	16,873.85	14,720.86	69,125.07	44,162.58	176,650.00
6700 · CAPITAL EXPENDITURE					
6702 · INNER BOAT BASIN	0.00	0.00	0.00	0.00	0.00
6707 · BLDG & IMPROVEMENTS	0.00	7,500.00	0.00	22,500.00	90,000.00
6710 · EQUIPMENT	3,308.18	4,166.67	5,561.30	12,500.01	50,000.00
6715 · STREETS & ROAD SIGNAGE	0.00	6,666.67	0.00	20,000.01	80,000.00
6716 · UTILITIES	0.00	833.34	0.00	2,500.02	10,000.00
6717 · PLUMBING	0.00	416.67	1,907.00	1,250.01	5,000.00
Total 6700 · CAPITAL EXPENDITURE	3,308.18	19,583.35	7,468.30	58,750.05	235,000.00
6711 · FASHION BLACKSMITH	0.00	4,166.67	0.00	12,500.01	50,000.00
6800 · UTILITIES					
6830 · ELECTRICITY	8,094.57	16,666.67	26,021.45	50,000.01	200,000.00
6831 · WATER	5,355.75	3,750.00	23,434.83	11,250.00	45,000.00
6832 · GARBAGE	8,654.30	6,666.67	33,702.17	20,000.01	80,000.00
6833 · WASTE OIL DISPOSAL	1,169.96	333.34	1,169.96	1,000.02	4,000.00
6890 · INTERNET SERVICE/TV	687.30	1,500.00	2,629.62	4,500.00	18,000.00
Total 6800 · UTILITIES	23,961.88	28,916.68	86,958.03	86,750.04	347,000.00
6942 · CONSULTING					
6975 · PROJECT-MASTER PLAN	0.00	0.00	805.00	0.00	0.00

Crescent City Harbor District
Profit & Loss Budget Performance
 September 2021

	Sep 21	Budget	Jul - Sep 21	YTD Budget	Annual Budget
6942 · CONSULTING - Other	0.00	833.34	0.00	2,500.02	10,000.00
Total 6942 · CONSULTING	0.00	833.34	805.00	2,500.02	10,000.00
6950 · TRAVEL-TRAINING MEETING & LOCAL	0.00	833.34	0.00	2,500.02	10,000.00
Total Expense	199,464.92	208,629.38	540,877.89	625,888.14	2,503,550.00
Net Ordinary Income	-70,808.93	-56,198.86	-131,854.97	-168,596.58	-674,385.00
Other Income/Expense					
Other Income					
4010 · DEL NORTE COUNTY TAXES	0.00	31,666.67	143,117.77	95,000.01	380,000.00
4012 · TOT Tax Income	236,304.88	10,000.00	0.00	30,000.00	120,000.00
4014 · INTEREST LAIF	0.00	666.67	0.00	2,000.01	8,000.00
4015 · SOLAR LICENSING	0.00	22,666.67	0.00	68,000.01	272,000.00
4016 · LEGAL SETTLEMENT	0.00	0.00	0.00	0.00	0.00
4700 · INTEREST INCOME	0.00	0.00	0.00	0.00	0.00
Total Other Income	236,304.88	65,000.01	143,117.77	195,000.03	780,000.00
Other Expense					
6075 · DEPRECIATION	310,500.00	310,500.00	931,650.00	931,500.00	3,726,000.00
6584 · VISTOR BUREAU	0.00	500.00	6,000.00	1,500.00	6,000.00
6588 · ATP-SUNSET CIRCLE					
6588.44 · OUTSIDE SERVICES	0.00	0.00	0.00	0.00	0.00
6588 · ATP-SUNSET CIRCLE - Other	0.00	0.00	0.00	0.00	0.00
Total 6588 · ATP-SUNSET CIRCLE	0.00	0.00	0.00	0.00	0.00
6602 · DNLTC RSTP-STARFISH WAY	0.00	0.00	0.00	0.00	0.00
7100 · REPORTABLE HEALTH COVERAGE	0.00	0.00	0.00	0.00	0.00
Total Other Expense	310,500.00	311,000.00	937,650.00	933,000.00	3,732,000.00
Net Other Income	-74,195.12	-245,999.99	-794,532.23	-737,999.97	-2,952,000.00
Net Income	-145,004.05	-302,198.85	-926,387.20	-906,596.55	-3,626,385.00

Crescent City Harbor District

A/R Aging Summary

As of September 30, 2021

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
AARON YOSHIKAWA	323.76	380.00	526.14	38.36	1,883.36	3,151.62
ANDREA PARKER	0.00	385.00	385.00	0.00	4,300.00	5,070.00
ANDREW EATON	0.00	385.00	385.00	0.00	1,110.00	1,880.00
ANDREW EVANOW (ORACLE)	150.00	0.00	0.00	0.00	0.00	150.00
ANDREW GRIFFIN, II	0.00	272.14	100.00	100.00	470.56	942.70
ANTHONY SISK	0.00	100.00	0.00	0.00	0.00	100.00
ART KOON	0.00	240.47	38.39	37.83	855.05	1,171.74
BLAINE CURVEN	0.00	430.00	430.00	430.00	0.00	1,290.00
CHARLES MCKINNEY (WIND DANCER)	0.00	302.33	1,542.90	26.50	100.00	1,971.73
CHART ROOM STORE	0.00	250.00	0.00	0.00	0.00	250.00
CHERYL MULL / JOHN ARKET	0.00	-385.00	0.00	0.00	0.00	-385.00
CHRIS GUBLER	0.00	385.00	0.00	0.00	0.00	385.00
CHRISTOPHER M. JOHNS	0.00	-390.00	0.00	0.00	0.00	-390.00
DARRYL DONOVAN	0.00	-29.30	0.00	0.00	0.00	-29.30
DON ST. DENIS	0.00	-770.00	0.00	0.00	0.00	-770.00
DONNA STEGMAN	0.00	430.00	0.00	0.00	0.00	430.00
ERIC HOOPER	0.00	30.00	30.00	30.00	90.00	180.00
FAWN STRYKER	0.00	400.00	400.00	400.00	0.00	1,200.00
FONDA & JIM THALANDER	0.00	400.00	400.00	0.00	0.00	800.00
FRANK DOWD	0.00	149.98	73.33	72.25	3,150.00	3,445.56
GLENN NESBIT	0.00	-450.00	0.00	0.00	0.00	-450.00
GLOBAL HOIST #3& #4	0.00	2,296.00	0.00	0.00	0.00	2,296.00
HEIDI REICHLIN	0.00	400.00	0.00	0.00	0.00	400.00
HILLARY MALMBERG	0.00	385.00	0.00	0.00	0.00	385.00
IDABELLE SISK	0.00	400.00	0.00	0.00	0.00	400.00
JACQUELINE KELLOGG	0.00	0.00	0.00	0.00	342.74	342.74
JAMES SWAIN	0.00	400.00	400.00	400.00	400.00	1,600.00
JAY BANTA	0.00	-450.00	0.00	0.00	0.00	-450.00
JESSICA LANUM	0.00	385.00	0.00	0.00	0.00	385.00
JON JACKSON	0.00	0.00	0.00	0.00	6,958.33	6,958.33
JONATHON BEARDON (BREAKERS)	0.00	255.70	100.00	26.50	0.00	382.20
JONATHON BEARDON (SHADOW)	0.00	53.87	62.00	0.00	0.00	115.87
JOSH LEWIS	373.50	380.00	652.74	544.57	9,304.87	11,255.68
JOSHUA FURLONG	115.18	860.00	154.84	54.03	1,935.42	3,119.47

**Crescent City Harbor District
A/R Aging Summary
As of September 30, 2021**

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>> 90</u>	<u>TOTAL</u>
KARLA DIAZ	0.00	400.00	0.00	0.00	0.00	400.00
KELLY GIORDANO	0.00	385.00	0.00	0.00	0.00	385.00
KEN SMITH- BAYSIDE	0.00	450.00	0.00	0.00	0.00	450.00
KILEY ORTMAN	0.00	500.00	500.00	500.00	2,500.00	4,000.00
KRISTEN WILSON	0.00	400.00	400.00	400.00	800.00	2,000.00
KURT IVISON	266.63	0.00	130.37	29.92	328.00	754.92
LCZ UNLOADERS HOIST #2	0.00	0.00	0.00	0.00	-11,097.87	-11,097.87
LCZ UNLOADERS HOIST #5	0.00	0.00	0.00	0.00	-8,343.25	-8,343.25
LISA BEACH	0.00	450.00	0.00	0.00	0.00	450.00
MARIE WELCH	0.00	450.00	450.00	0.00	0.00	900.00
MARTY LOPEZ	0.00	0.00	101.83	100.33	3,021.69	3,223.85
MAXINE SENIVONGS	0.00	300.00	0.00	0.00	0.00	300.00
MICHAEL KOZAK	0.00	430.00	430.00	430.00	5,210.00	6,500.00
MICHAEL RICKNER	0.00	129.50	100.00	300.00	0.00	529.50
MICKEY DOSIER	0.00	450.00	0.00	0.00	0.00	450.00
PACIFIC CHOICE HOIST #7	1,572.00	0.00	0.00	0.00	0.00	1,572.00
PACIFIC CHOICE SEAFOOD	0.00	4,200.83	4,200.83	0.00	0.00	8,401.66
PATRICK GRUELL	0.00	460.00	460.00	460.00	1,990.00	3,370.00
RENEE GAINEY	0.00	385.00	385.00	380.00	4,685.00	5,835.00
RICHARD BOLEN	0.00	190.00	0.00	0.00	0.00	190.00
ROBERT AND MARY HACKLAND	0.00	385.00	0.00	0.00	0.00	385.00
ROBIN LAWSON	0.00	-385.00	0.00	0.00	0.00	-385.00
SAFE COAST SEAFOODS, LLC	0.00	1,000.00	0.00	0.00	0.00	1,000.00
SEAN CAREY	0.00	-385.00	0.00	0.00	0.00	-385.00
SEAN SNOWDER	0.00	385.00	0.00	0.00	0.00	385.00
SHELLY COOK	0.00	530.00	530.00	530.00	3,180.00	4,770.00
SPIRIT OF '76 INC.	0.00	0.00	0.00	0.00	-300.00	-300.00
STANCO ENTERPRISES	0.00	0.00	0.00	0.00	-1,782.50	-1,782.50
THOMAS D. SHANNON	0.00	400.00	400.00	400.00	3,200.00	4,400.00
TIM JOHNSON	0.00	285.00	0.00	0.00	0.00	285.00
TOM WOOLF	0.00	132.77	1,335.85	1,390.00	0.00	2,858.62
TROY BARRETT	0.00	450.00	30.00	0.00	0.00	480.00
WILLIAM SCOTT	0.00	0.00	0.00	0.00	2,567.74	2,567.74
TOTAL	<u>2,801.07</u>	<u>20,259.29</u>	<u>15,134.22</u>	<u>7,080.29</u>	<u>36,859.14</u>	<u>82,134.01</u>



4. Communications and Reports

b. CEO/Harbormaster Report

Public Comment?



CEO/Harbor master Report

Last week I attended the 49th Annual Marine Recreation Association and California Association of Harbormasters and Port Captains Conference and Trade show.

The conference was attended by over 250 industry professionals from all aspects of the industry and 45 vendors exhibiting. I was able to discuss pressing issues facing CCHD directly with the vendors we will be working with. Specifically I had beneficial discussion with Marinesync about our power metering options and I discovered specific ways to both cut and recoup costs on a new metering system. I discussed options with the marine Travelift rep and was able to develop some new and potentially more affordable options for the future of the harbor. I discussed replacement floats to be fit into the rebuilt launch ramp docks with multiple manufacturers. I met Rocko, the founder of MOLO, our new marina management system, and discussed our current struggles with integration into our billing processes. And Simpson StrongTie representatives who were extremely helpful. As we move forward with repairs on the docks around the harbor we will most likely utilize their system to repair damaged pilings, making them stronger than the original without having to remove or replace them.

These relationships will help immensely as we begin to improve the infrastructure around the harbor.

Outside of the vendors I was able to attend many seminars, speeches, and discussions.

2020 was a booming year for recreational boating with record increases in both new and used boats across the country with an especially significant peak in yacht sales in CA. Industry professionals are predicting this trend to carry through 2021 and 2022 despite supply chain challenges. We are not alone is struggling to find qualified and motivated personnel. The marine industry nationwide has experienced rising wages and what economists are calling "The Great Reassessment". Workers from all categories have been looking at what they find important in life and changing paths. We've also experienced a spike in retirements taking a lot of knowledge and experience out of the job pool. We anticipated 1.6 million Americans to retire in 2020 and then saw 3.6 million retire, more than double. In all there are currently more than 700k jobs in recreational boating in the US. During the discussion I heard some new and interesting ways that others had found talented personnel to fill vacant positions.

In a legislative update we discussed with the lobbyist employed by CAHMPC and MRA a couple of bills which could impact our boating public. The most positive of which is AB 817 which provides for 365 day fishing licenses for recreational fishermen. It will also allow for digital displays and automatic renewals of fishing licenses.

The lobbyists were able to get more legislation shot down regarding the 30x30 executive order by Gavin Newsome. 30x30 calls for conservation or preservation of 30% of CA waters and land by 2030. There are too many unanswered questions regarding details so the National Marine Manufacturers Association in conjunction with CAHMPC and MRA has vehemently opposed the legislation. Currently they have acknowledged that 18% of CA waters are already protected. NMMA contends that as much as 35% may

already be protected depending on the definition of it. This will be watched as it has extensive impacts on both recreational boating and commercial fishing.

I attended a seminar on Clean Marine Certification. I believe we are not far from achieving the necessary requirements and the Clean Marine Certification can lower insurance deductibles. We will strive in 2022 to prepare for certification.

The next seminar was a discussion of sea level rise related to climate change. Most of the discussion was specifically related to the Southern CA area but we are having similar challenges. I also received resources for our area and will be looking into how we can help through becoming a monitoring station for the Central and Northern California Ocean Observing Station.

The final seminar of the second day was an update on the changes in the industry over the past decade. Much of the discussion centered around personnel changes and rising wages. We discussed work arounds and ways to train new people. A major focus for the conference was not only bringing new people to boating but keeping them in boating. A growing trend in the recreational fishing industry is collaborative use. Many people can't afford a boat or don't use one enough to justify the expense. Through a club system a membership is trained and then is able to use a small fleet of well-maintained boats for their recreational boating needs. This is a model that could fit the Crescent City area, if done properly, for both locals and visitors.

Day 3 began with a Keynote Speaker, Bill Yeargin, the CEO of Correct Craft. His speech will be especially helpful for myself, the Commission, and our Harbor Staff as he helped me identify weaknesses in our culture and operations which I feel we can correct to increase productivity and improve quality of work and morale. Some main tenants of his process were creating a culture, setting a vision, and investing in your staff.

Bill was followed by Freya Olsen of the NMMA. She discussed more of the industry numbers. 95% of boats in the US are less than 26' and trailered. CA has a higher percentage of larger yachts than the rest of the nation but it is still over 90% of personal recreational boating is 26' and under. There is an industry push to provide training options for newer boaters. The CA Boaters Card requirements don't have a hands-on portion now but the Division of Boating and Waterways is currently piloting a few programs to develop a hands-on requirement. Studies show that boaters who receive hands on training are more likely to stay in boating beyond 5 years.

After a short break I attended a seminar on Customer Service Excellence. As we move forward with development in the harbor area we should see more recreational boating return and with that we will need to adopt a higher level of service. Recreational boaters are there to have fun and because of that require more assistance, cleanliness, and amenity.

Customer Service Excellence led to the seminar on what we need to require for insurance from our boaters. This seminar reaffirmed that we need to update our wharfage contracts, specifically the liveaboard and commercial agreements. We will also need to address with our attorneys and insurance

broker some of our insurance requirements to confirm our coverage and ensure that we are protecting the harbor against future issues and claims.

The last seminar I attended was How to take care of entry level boaters. In the past we had an entire second marina full half of the year. Many of those boaters are no longer in boating but, that doesn't mean that we have to write off those additional slips completely. Over the last year and a half there has been sharp increases in the numbers of younger and female boaters. In fact both demographics went up by 28% in 2020 with similar increases seen so far in 2021. To keep them in boating we will need to develop accessible ways to make boating easier and more fun. We are lucky to have Englund Marine to service the boaters equipment needs but possibly bringing some more charters and rentals would be helpful seasonally. Many newer boaters have been accessing collaborative boating. Much like the car share systems or the scooters you see in the cities even more rural boating communities have seen a rise in shared boating among younger boaters and people interested in easing into boat ownership. Improved facilities are also important.

The final event of the conference was the California Marine Issues Stakeholders Discussion. During this information dense meeting myself as the representative for CAHMPC, the MRA, the NMMA, BoatUS and Recreational Boaters of CA, and the California Yacht Brokers Association met with the lobbyists we employ as a group to review this year's legislations updates, discuss changes in the state budget relating to boating, proposed CARB changes for the boating industry, and future legislation. The biggest current impact to relay here is that CARB is closing in on regulations for recreational boaters. They've already set tight standards for the commercial vessels as Rick can attest to, and it seems that despite public outcry and lobbying from the largest trade and employment groups, they are determined to move forward with some extreme restrictions on recreation motors as well. As early as 2026 we could see tight restriction on emissions to the point of regulating out internal combustion engines. Our organizations and lobbyist plan to continue to fight this especially because the technology for high performance boat engines isn't affordable yet, but the sense I got was that it is inevitable. NMMA has been working with some biofuel companies and they think there is an alternative fuel which gets emissions to nearly zero and can be burnt in regular engines without degrading the engine. The fuel isn't ready yet though and will require minor adaptations to be developed for the engines as well as increased farming of specific crops. According to the lobbyists the adjusted schedules due to covid-19 challenges during the last legislative schedule have made the future legislation picture cloudy but they anticipate the two largest struggles next session to continue to be the 30x30 and CARB restrictions.



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

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

(Gov. Code §54956.9(d)(2))

Significant Exposure to Litigation: One potential case

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 2, 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.

