



AGENDA
SPECIAL MEETING
OF THE BOARD OF HARBOR COMMISSIONERS
MOSS LANDING HARBOR DISTRICT
7881 Sandholdt Road, Moss Landing, CA 95039

March 30, 2022 – 7:00 P.M.

Moss Landing Harbor District is inviting you to a scheduled Zoom meeting.

Join Zoom Meeting

<https://us02web.zoom.us/j/84588794542>

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A. CLOSED SESSION

A Closed Session will be held immediately prior to the public open meeting, and will begin at **6:00 p.m.** to consider the following items. The public open meeting will begin at **7:00 p.m., or as soon thereafter as the Closed Session is concluded**, and any action taken during the Closed Session will be reported out at that time.

1. Confer with real property negotiators (District Counsel and GM) pursuant to Government Code Section 54956.8 - Moss Landing Commercial Park District proposal concerning Outfall Line, East Harbor Pumping Pier Property and Berthing Spaces.
2. Confer with real property negotiators (District Counsel and GM) pursuant to Government Code 54956.8 regarding the proposed lease of storage lot adjacent to the Santa Cruz Cannery Building located at 7532 Sandholdt Rd.
3. Confer with real property negotiators (District Counsel and GM) pursuant to Government Code §54956.8 regarding: Development proposal received regarding the District new 9500'sf building in North Harbor.

B. OPEN SESSION CALL TO ORDER - PLEDGE OF ALLEGIANCE

Roll Call

Russ Jeffries – President

Tony Leonardini – Vice President

Tommy Razzeca – General Manager

Mike Rodriguez – District Counsel

Vince Ferrante – Secretary
James Goulart - Commissioner
Liz Soto - Commissioner

Shay Shaw – Administrative Assistant

C. PRESIDENT’S REMARKS

The President will use this opportunity to inform the public of issues affecting the District and other items of a general nature not otherwise provided for on this agenda.

D. PUBLIC COMMENTS

Members of the general public may address the Board of Harbor Commissioners regarding any item that is not on the Agenda. The President may limit the total amount of time of testimony on particular issues and for each individual speaker.

E. CONSENT CALENDAR

1. Approval of February 23, 2022 Regular Meeting Minutes

H. FINANCIAL REPORT

2. Financial report month ending February 28, 2022

I. MANAGER’S REPORTS

The General Manager will make oral or written presentations on the below subjects. The Board may take such action as deemed necessary. The Manager may present additional reports; however, the Board may not take action on any such item not on this Agenda.

3. Projects Status/Update
4. Summary of Permits Issued
5. Meeting Announcements
6. Assigned Liveboard Report
7. Slip Income Report
8. Incident Report

J. COMMITTEE REPORTS

9. Finance Committee – Ferrante/Leonardini
10. Elkhorn Slough Advisory Committee – Leonardini
11. Special Districts – Jeffries/Ferrante
12. Liveboard Committee – Goulart/Soto
13. Harbor Improvement Committee – Goulart/Soto
14. Real Property Committee I – Jeffries/Leonardini
15. Real Property Committee II – Ferrante/Goulart
16. Personnel Committee- Ferrante/Jeffries
17. Ad Hoc Budget Committee – Goulart/Soto
18. Meetings attended by Commissioners at District expense since the last regular meeting of the Board (AB 1234 requirements). Such reports may be oral or written.

K. NEW BUSINESS

19. ITEM – Consider Approval of MBARI Special Activity Use Permit.
 - a. Staff report
 - b. Public comment
 - c. Board discussion

- d. Board action

20. ITEM – Consider LAFCO Election Ballot

- a. Staff report
- b. Public comment
- c. Board discussion
- d. Board action

21. ITEM – Consider Resolution No. 22-03 Amending the Lusamerica Foods Inc. Cannery Building Lease.

- a. Staff report
- b. Public comment
- c. Board discussion
- d. Board action

22. ITEM – Consider Resolution 22-04 Approval of Miller Marine Solutions Cannery Building Lease.

- a. Staff report
- b. Public comment
- c. Board discussion
- d. Board action

L. COMMISSIONERS COMMENTS AND CONCERNS

Commissioners may address items of concern at this time, and may request that items be placed on future agendas in accordance with the By-laws of the Board.

M. ADJOURNMENT

The next Meeting of the Board of Harbor Commissioners is scheduled for April 27, 2022 at 7:00 PM at the Moss Landing Harbor District, 7881 Sandholdt Road, Moss Landing, CA. Individuals requiring special accommodations should contact Administrative Assistant, Shay Shaw at Shaw@mosslandingharbor.dst.ca.us or at 831.633.2461 no less than 72 hours prior to the meeting or if a Special Meeting, as soon as possible after the Agenda is posted. Copies of the agenda will be available 72 hours prior to Regular Meetings and 24 hours prior to Special Meetings and/or by contacting the District at 831.633.5417 or Razzeca@mosslandingharbor.dst.ca.us or on the District's website at www.mosslandingharbor.dst.ca.us. All meetings are noticed and conducted in accordance with the Ralph M. Brown Act.



MINUTES
REGULAR MEETING
OF THE BOARD OF HARBOR COMMISSIONERS
MOSS LANDING HARBOR DISTRICT
7881 Sandholdt Road, Moss Landing, CA 95039

February 23, 2022

Moss Landing Harbor District is inviting you to a scheduled Zoom meeting.

Join Zoom Meeting

<https://us02web.zoom.us/j/81717694602?pwd=VXFid2YvY2huUHNvaE9WWlpaTEJ6dz09>

Meeting ID: 817 1769 4602

Passcode: 836131

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A. CLOSED SESSION

A closed session was held immediately prior to the public open meeting to consider the following items:

1. Confer with real property negotiators (District Counsel and GM) pursuant to Government Code Section 54956.8 - Moss Landing Commercial Park District proposal concerning Outfall Line, East Harbor Pumping Pier Property and Berthing Spaces.
2. Confer with real property negotiators (District Counsel and GM) pursuant to Government Code 54956.8 regarding the proposed lease of storage lot adjacent to the Santa Cruz Cannery Building located at 7532 Sandholdt Rd.
3. Confer with real property negotiators (District Counsel and GM) pursuant to Government Code §54956.8 regarding: Development proposal received regarding the District new 9500'sf building in North Harbor.
4. Confer with District Counsel pursuant to Government Code Section 54956.9 (a)(d)(4)- determination on recommendation to initiate litigation
5. Confer with designated representative, Tommy Razzeca, regarding labor relations matters pursuant to Government Code Section 54957.6. The employee organization is Northern California Carpenters Regional Council.

B. OPEN SESSION CALL TO ORDER - PLEDGE OF ALLEGIANCE

The open session was called to order at 7:00 pm, after the Pledge of Allegiance Roll was called:

SERVING COMMERCIAL FISHING AND RECREATIONAL BOATING SINCE 1947

Commissioners Present:

Russ Jeffries – President
 Tony Leonardini – Vice President
 Vince Ferrante – Secretary
 James Goulart – Commissioner
 Liz Soto – Commissioner

Staff Present:

Tommy Razzeca – General Manager
 Mike Rodriquez (via zoom) – District Counsel

Absent:

Shay Shaw

C. PRESIDENT’S REMARKS

The President announced that the Board met in Closed Session and no decisions were made; direction was given to the General Manager and District Counsel.

D. PUBLIC COMMENTS

None.

E. CONSENT CALENDAR

1. Approval of January 26, 2022 Regular Meeting Minutes. A motion was made by Commissioner Goulart, seconded by Commissioner Leonardini, to approve the January, 2022 Regular Meeting Minutes. The motion passed unanimously on a roll-call vote.

H. FINANCIAL REPORT

2. Financial report month ending January 31, 2022. GM Razzeca gave the report. A motion was made by Commissioner Ferrante, seconded by Commissioner Goulart to accept the financial report. The motion passed unanimously on a roll-call vote.

I. MANAGER’S REPORTS

The General Manager will make oral or written presentations on the below subjects. The Board may take such action as deemed necessary. The Manager may present additional reports; however, the Board may not take action on any such item not on this Agenda.

3. Projects Status/Update – written report/no questions
4. Summary of Permits Issued – written report/no questions
5. Meeting Announcements – written report/no questions
6. Assigned Liveboard Report – written report/no questions
7. Slip Income Report – written report/no questions
8. Incident Report – written report/no questions

J. COMMITTEE REPORTS

9. Finance Committee – Ferrante/Leonardini – – nothing to report
10. Elkhorn Slough Advisory Committee – Leonardini – nothing to report
11. Special Districts – Jeffries/Ferrante – nothing to report
12. Liveboard Committee – Goulart/Soto – nothing to report
13. Harbor Improvement Committee – Goulart/Soto – nothing to report
14. Real Property Committee I – Jeffries/Leonardini – nothing to report
15. Real Property Committee II – Ferrante/Goulart – nothing to report
16. Personnel Committee- Ferrante/Jeffries – nothing to report
17. Ad Hoc Budget Committee – Goulart/Soto – nothing to report
18. Meetings attended by Commissioners at District expense since the last regular meeting of the Board (AB 1234 requirements). Such reports may be oral or written- nothing to report

K. NEW BUSINESS

19. ITEM – CONSIDER RESOLUTION NO. 22-02 AMENDING THE LUSAMERICA CANNERY BUILDING LEASE TO ADD AN ADDITIONAL 1370 SQUARE FEET OF LEASE SPACE.

- a. Staff report – GM Razzeca gave the report

SERVING COMMERCIAL FISHING AND RECREATIONAL BOATING SINCE 1947

- b. Public comment – None
- c. Board discussion – Commissioner Leonardini asked how much Sq. Ft. does that give Lus America on the top floor. GM Razzeca replied currently he has 664 Sq. Ft but should be increasing to over 2,000 Sq. Ft.
- d. Board action – A motion was made by Commissioner Leonardini, seconded by Commissioner Goulart to approve Resolution No. 22-02 amending the Lusamerica Cannery Building Lease to add an additional 1,370 Sq. Ft of lease space. The motion passed unanimously on a roll-call vote.

20. ITEM – CONSIDER EVAN SCOTT CLAIMS FOR DAMAGE.

- a. Staff report – GM Razzeca gave the report
- b. Public comment – None
- c. Board discussion – Commissioner Goulart asked if any other tenants come forth with similar claims. GM Razzeca replied we have not received any other claims from tenants stating damages due to the Tsunami. The damage the sustained was in one particular area and due to the surge the tenant’s vessel rubbed up against the side of the dock. Staff does not believe the Harbor should be held responsible for the tenants paint job due to a natural disaster. Staff also provided the tenant with the Highway Patrol report with the insurance information regarding the car accident claim so he can contact the responsible party to file a claim if he chose to do so.
- d. Board action – A motion was made by Commissioner Soto, seconded by Commissioner Goulart to not approve the claims for damage for Evan Scott. The motion passed unanimously on a roll-call vote.

L. COMMISSIONERS COMMENTS AND CONCERNS

President Jeffries thanked CSDA and Commissioner Ferrante for the funding that was provided to the Harbor District through their Covid-19 Relief fund for Special Districts. The Harbor was awarded \$329,207. General Manager Razzeca stated during the Pandemic the Harbor District loss revenues attributed to tourism, parking, and the closing of our launch ramps for salmon season. The funding received will be helpful in making up for the loss we incurred during that time. Thank you, CSDA and Commissioner Ferrante for helping Moss Landing Harbor and other Special Districts. Commissioner Ferrante said the Advocacy and Legislative staff worked hard in Sacramento to gather as much money as they could from the State Relief Fund for Special Districts. The Coalition is currently working in Washington D.C. to provide more Federal Funding for Special Districts.

M. ADJOURNMENT

The meeting adjourned at pm 7:36 pm

Respectfully submitted,

Vince Ferrante, Secretary
Board of Harbor Commissioners

ATTEST:

Tommy Razzeca, Deputy Secretary
Board of Harbor Commissioners

Moss Landing Harbor District
Balance Sheet
As of February 28, 2022

	<u>Feb 28, 22</u>	<u>Feb 28, 21</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings				
1022 · 1st Capital Trust Account	250,096		250,096	100%
1001 · 1st Capital Operating Account	3,286,114		3,286,114	100%
1002 · Petty Cash	500	500		
1009 · Union - Operating	263,349	2,867,856	-2,604,507	-91%
1015 · 1st Capital Bank	1,559,410	1,556,278	3,132	0%
1018 · Union Bank- Trust Account	2,807,900	1,700,103	1,107,797	65%
1020 · Umpqua - Restricted	1,017,102	1,016,864	238	
Total Checking/Savings	<u>9,184,471</u>	<u>7,141,601</u>	<u>2,042,870</u>	<u>29%</u>
Accounts Receivable				
11290 · Leases				
BioMineral Lease	1,193		1,193	100%
1262 · Running Stream	953		953	100%
1282 · NNN Receivable	100,392	56,708	43,684	77%
1284 · Local Bounty	2,985		2,985	100%
1291 · Monterey Bay Kayak	1,713		1,713	100%
1294 · Monterey Fish		-7,671	7,671	100%
11290 · Leases - Other	4,941		4,941	100%
Total 11290 · Leases	<u>112,177</u>	<u>49,037</u>	<u>63,140</u>	<u>129%</u>
1200 · Marina Receivables	142,743	137,662	5,081	4%
1201 · Marina - Allow for Bad Debt	-41,401	-32,505	-8,896	-27%
Total Accounts Receivable	<u>213,519</u>	<u>154,194</u>	<u>59,325</u>	<u>38%</u>
Other Current Assets				
1271 · Prepaid Expenses				
1270 · Insurance	65,774	54,501	11,273	21%
Total 1271 · Prepaid Expenses	<u>65,774</u>	<u>54,501</u>	<u>11,273</u>	<u>21%</u>
Total Other Current Assets	<u>65,774</u>	<u>54,501</u>	<u>11,273</u>	<u>21%</u>
Total Current Assets	<u>9,463,764</u>	<u>7,350,296</u>	<u>2,113,468</u>	<u>29%</u>
Fixed Assets				
1650 · Construction in Progress	4,880,492	4,879,062	1,430	
1670 · Equipment	481,946	466,635	15,311	3%
1700 · Improvements				
1710 · NH Buildings & Improvements	6,893,102	6,893,102		
1720 · NH Floating Docks	524,675	524,675		
1725 · NH Offsite Improvements	632,218	632,218		
1730 · SH Buildings & Improvements	8,172,908	8,167,215	5,693	0%
1740 · SH Floating Docks	9,583,746	9,583,746		
Total 1700 · Improvements	<u>25,806,649</u>	<u>25,800,956</u>	<u>5,693</u>	

Moss Landing Harbor District
Balance Sheet
As of February 28, 2022

	<u>Feb 28, 22</u>	<u>Feb 28, 21</u>	<u>\$ Change</u>	<u>% Change</u>
1800 · Less - Depreciation				
1805 · Equipment	-450,548	-435,541	-15,007	-3%
1810 · NH Buildings & Improvements	-3,823,249	-3,597,779	-225,470	-6%
1820 · NH Floating Docks	-532,699	-532,699	0	
1825 · NH Offsite Improvements	-526,873	-508,083	-18,790	-4%
1830 · SH Buildings & Improvements	-6,407,661	-6,293,231	-114,430	-2%
1840 · SH Floating Docks	-7,054,968	-6,671,607	-383,361	-6%
Total 1800 · Less - Depreciation	<u>-18,795,998</u>	<u>-18,038,940</u>	<u>-757,058</u>	<u>-4%</u>
1900 · Land	1,642,860	1,642,860		
Total Fixed Assets	<u>14,015,949</u>	<u>14,750,573</u>	<u>-734,624</u>	<u>-5%</u>
Other Assets				
1320 · Workers Comp Deposit	200	200		
1530 · Principal Financial CS	7,389	7,389		
Total Other Assets	<u>7,589</u>	<u>7,589</u>		
TOTAL ASSETS	<u>23,487,302</u>	<u>22,108,458</u>	<u>1,378,844</u>	<u>6%</u>

Moss Landing Harbor District
Balance Sheet
As of February 28, 2022

	<u>Feb 28, 22</u>	<u>Feb 28, 21</u>	<u>\$ Change</u>	<u>% Change</u>
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
2010 · Accounts Payable	24,574	-11,432	36,006	315%
Total Accounts Payable	<u>24,574</u>	<u>-11,432</u>	<u>36,006</u>	<u>315%</u>
Other Current Liabilities				
2020 · Accrued Salaries Payable	30,303	31,613	-1,310	-4%
2021 · Accrued Vacation	39,621	22,412	17,209	77%
2023 · Accrued Payroll Taxes	6,414	6,639	-225	-3%
2030 · Customer Deposits	356,008	343,164	12,844	4%
2051 · Note Interest Payable				
2062 · Umpqua Accrued Interest	7,596	8,806	-1,210	-14%
Total 2051 · Note Interest Payable	<u>7,596</u>	<u>8,806</u>	<u>-1,210</u>	<u>-14%</u>
2080 · Prepaid Berth Fees	205,434	180,952	24,482	14%
2011 · Lusamerica Reimb. Acct.	15,000		15,000	100%
2082 · MLCP Cost Reimb. Deposit	73,761	79,447	-5,686	-7%
2086 · Prepaid Leases				
20861 · Vistra	4,161	5,577	-1,416	-25%
20862 · MBARI	4,761	4,510	251	6%
Total 2086 · Prepaid Leases	<u>8,922</u>	<u>10,087</u>	<u>-1,165</u>	<u>-12%</u>
2087 · Lease Deposits	19,501	19,501		
Total Other Current Liabilities	<u>762,560</u>	<u>702,621</u>	<u>59,939</u>	<u>9%</u>
Total Current Liabilities	<u>787,134</u>	<u>691,189</u>	<u>95,945</u>	<u>14%</u>
Long Term Liabilities				
2605 · Umpqua Loan	2,163,830	2,508,701	-344,871	-14%
Total Long Term Liabilities	<u>2,163,830</u>	<u>2,508,701</u>	<u>-344,871</u>	<u>-14%</u>
Total Liabilities	<u>2,950,964</u>	<u>3,199,890</u>	<u>-248,926</u>	<u>-8%</u>
Equity				
3020 · Retained Net Assets	6,456,231	6,456,231		
3050 · Prior Year Earnings	13,142,922	11,796,804	1,346,118	11%
Net Income	937,185	655,533	281,652	43%
Total Equity	<u>20,536,338</u>	<u>18,908,568</u>	<u>1,627,770</u>	<u>9%</u>
TOTAL LIABILITIES & EQUITY	<u><u>23,487,302</u></u>	<u><u>22,108,458</u></u>	<u><u>1,378,844</u></u>	<u><u>6%</u></u>

Moss Landing Harbor District
Statement of Cash Flows
July 2021 through February 2022

Jul '21 - Feb 22

OPERATING ACTIVITIES	
Net Income	937,185
Adjustments to reconcile Net Income	
to net cash provided by operations:	
11290 · Leases	-4,941
11290 · Leases:1291 · Monterey Bay Kayak	17,178
1200 · Marina Receivables	-21,787
1201 · Marina - Allow for Bad Debt	17,000
11290 · Leases:BioMineral Lease	-1,193
11290 · Leases:1262 · Running Stream	-953
11290 · Leases:1282 · NNN Receivable	-26,500
11290 · Leases:1284 · Local Bounty	-2,985
1271 · Prepaid Expenses:1270 · Insurance	-65,773
1800 · Less - Depreciation:1805 · Equipment	13,601
1800 · Less - Depreciation:1810 · NH Buildings & Improvements	210,030
1800 · Less - Depreciation:1820 · NH Floating Docks	8,025
1800 · Less - Depreciation:1825 · NH Offsite Improvements	19,589
1800 · Less - Depreciation:1830 · SH Buildings & Improvements	139,185
1800 · Less - Depreciation:1840 · SH Floating Docks	276,267
2010 · Accounts Payable	223,594
2020 · Accrued Salaries Payable	15,306
2023 · Accrued Payroll Taxes	5,266
2030 · Customer Deposits	7,653
2080 · Prepaid Berth Fees	-18,169
2086 · Prepaid Leases	-7,551
2086 · Prepaid Leases:20861 · Vistra	-48,986
2086 · Prepaid Leases:20862 · MBARI	-19,856
2051 · Note Interest Payable:2062 · Umpqua Accrued Interest	-22,195
Net cash provided by Operating Activities	<u>1,648,990</u>
FINANCING ACTIVITIES	
2605 · Umpqua Loan	-344,871
Net cash provided by Financing Activities	<u>-344,871</u>
Net cash increase for period	<u>1,304,119</u>
Cash at beginning of period	<u>7,880,357</u>
Cash at end of period	<u><u>9,184,476</u></u>

Moss Landing Harbor District
Profit & Loss Budget vs. Actual
 July 2021 through February 2022

Ordinary Income/Expense	Jul '21 - Feb 22	Budget	\$ Over Budget	% of Budget
Income				
4000 · MARINA REVENUES				
4100 · Berthing Income				
4110 · Assigned Berthing	1,192,128	1,207,671	-15,543	99%
4112 · Qtrly/Annual Discount	-2,275	-1,933	-342	118%
4113 · Commercial Vessel Dscnt	-8,059	-8,000	-59	101%
4114 · Away (1 mnth) Dscnt	-142	-400	258	36%
4115 · Temporary Berthing	171,891	184,765	-12,874	93%
4120 · Liveaboard Fees	91,360	88,667	2,693	103%
4130 · Transient Berthing	5,330	22,317	-16,987	24%
4220 · Wait List	7,350	4,333	3,017	170%
4260 · Towing - Intra Harbor	650	400	250	163%
4270 · Pumpouts	400	600	-200	67%
4280 · Late Fees	20,686	23,333	-2,647	89%
4282 · Recovered Lien Costs		1,000	-1,000	
Total 4100 · Berthing Income	<u>1,479,319</u>	<u>1,522,753</u>	<u>-43,434</u>	<u>97%</u>
4200 · Other Income - Operations				
4225 · Merchandise		160	-160	
4230 · SH Parking	79,153	69,302	9,851	114%
4285 · Dog Fee	765	400	365	191%
4290 · Misc	641	1,250	-609	51%
Total 4200 · Other Income - Operations	<u>80,559</u>	<u>71,112</u>	<u>9,447</u>	<u>113%</u>
4300 · Operating Grant Revenues	<u>329,207</u>			
Total 4000 · MARINA REVENUES	<u><u>1,889,085</u></u>	<u><u>1,593,865</u></u>	<u><u>295,220</u></u>	<u><u>119%</u></u>

Moss Landing Harbor District
Profit & Loss Budget vs. Actual
July 2021 through February 2022

Expense	Jul '21 - Feb 22	Budget	\$ Over Budget	% of Budget
5200 · General & Administrative				
5100 · Advertising	3,975	4,333	-358	92%
5210 · Dues & Subscriptions	4,956	7,609	-2,653	65%
5220 · Office Supplies				
5223 · Administration	4,045	5,793	-1,748	70%
5225 · Operations	8,023	8,945	-922	90%
Total 5220 · Office Supplies	12,068	14,738	-2,670	82%
5230 · Postage & Equip Lease				
5232 · Meter Lease	562	460	102	122%
5235 · Postage	801	744	57	108%
Total 5230 · Postage & Equip Lease	1,363	1,204	159	113%
5240 · Copier Lease & Supplies				
5242 · Copier Lease	2,291	1,960	331	117%
Total 5240 · Copier Lease & Supplies	2,291	1,960	331	117%
5250 · Telephone & Communications				
5253 · Administration	9,760	8,684	1,076	112%
5255 · Operations	451	323	128	140%
Total 5250 · Telephone & Communications	10,211	9,007	1,204	113%
5260 · Professional Services				
5262 · Accounting	26,064	32,000	-5,936	81%
5263 · Audit fees	17,000	18,000	-1,000	94%
5265 · Legal	23,850	66,667	-42,817	36%
5268 · Computer Consulting	1,478	1,248	230	118%
5269 · Payroll Processing	2,716	2,411	305	113%
Total 5260 · Professional Services	71,108	120,326	-49,218	59%
5290 · Credit Card Fees	3,933	7,531	-3,598	52%
5921 · Internet Billing Service	1,095	959	136	114%
Total 5200 · General & Administrative	111,000	167,667	-56,667	66%
5300 · Personnel				
5310 · Salaries				
5313 · Administration	165,099	181,409	-16,310	91%
5315 · Operations	107,198	136,607	-29,409	78%
5318 · Maintenance	86,099	103,209	-17,110	83%
Total 5310 · Salaries	358,396	421,225	-62,829	85%
5330 · Payroll Taxes				
5333 · Administration	12,624	13,878	-1,254	91%
5335 · Operations	10,451	10,451	0	100%
5338 · Maintenance	6,590	7,895	-1,305	83%
Total 5330 · Payroll Taxes	29,665	32,224	-2,559	92%

Moss Landing Harbor District
Profit & Loss Budget vs. Actual
July 2021 through February 2022

	<u>Jul '21 - Feb 22</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
5340 · Employee Benefits				
5342 · Vehicle Allowance				
5343 · Administration	36,200	29,795	6,405	121%
5345 · Operations	487			
5348 · Maintenance	39,311	39,481	-170	100%
Total 5340 · Employee Benefits	<u>75,998</u>	<u>69,276</u>	<u>6,722</u>	<u>110%</u>
5350 · Workers Compensation				
5353 · Administration	2,400	709	1,691	339%
5355 · Operations	4,135	8,137	-4,002	51%
5358 · Maintenance	4,353	4,419	-66	99%
Total 5350 · Workers Compensation	<u>10,888</u>	<u>13,265</u>	<u>-2,377</u>	<u>82%</u>
5360 · Education & Training				
5363 · Administration	3,224	1,333	1,891	242%
5365 · Operations	304	1,333	-1,029	23%
Total 5360 · Education & Training	<u>3,528</u>	<u>2,666</u>	<u>862</u>	<u>132%</u>
Total 5300 · Personnel	<u>478,475</u>	<u>538,656</u>	<u>-60,181</u>	<u>89%</u>
5400 · Insurance				
5410 · Liability Insurance	110,600	110,533	67	100%
Total 5400 · Insurance	<u>110,600</u>	<u>110,533</u>	<u>67</u>	<u>100%</u>
5500 · Utilities				
5510 · Garbage	78,385	76,667	1,718	102%
5520 · Gas and Electric	198,335	200,000	-1,665	99%
5530 · Water	26,010	26,667	-657	98%
5540 · Sewer	31,701	28,667	3,034	111%
Total 5500 · Utilities	<u>334,431</u>	<u>332,001</u>	<u>2,430</u>	<u>101%</u>
5600 · Operating Supplies				
5610 · Vehicles	5,503	10,053	-4,550	55%
5620 · Vessels	476	1,067	-591	45%
5625 · Operations	10,344	13,013	-2,669	79%
Total 5600 · Operating Supplies	<u>16,323</u>	<u>24,133</u>	<u>-7,810</u>	<u>68%</u>
5700 · Depreciation	333,348	333,334	15	100%
5800 · Repairs & Maintenance				
5810 · Vehicles	328	637	-309	51%
5830 · Equip Rental	2,219	3,801	-1,582	58%
5850 · Repair Materials	15,349	45,562	-30,213	34%
5860 · Outside Service Contracts	44,710	50,000	-5,290	89%
5870 · Derelict Disposal	33,804	25,000	8,804	135%
Total 5800 · Repairs & Maintenance	<u>96,410</u>	<u>125,000</u>	<u>-28,590</u>	<u>77%</u>
5900 · Financial Expenses				
5920 · Bank Service Charges	4,622	3,333	1,289	139%
5990 · Bad Debt	17,000	16,667	333	102%
Total 5900 · Financial Expenses	<u>21,622</u>	<u>20,000</u>	<u>1,622</u>	<u>108%</u>
Total · MARINA EXPENSES	<u>1,502,209</u>	<u>1,651,324</u>	<u>-149,115</u>	<u>91%</u>
Net Ordinary Income - Marina Expenses	<u>386,876</u>	<u>-57,459</u>	<u>444,335</u>	<u>-673%</u>

Moss Landing Harbor District
Profit & Loss Budget vs. Actual
July 2021 through February 2022

	<u>Jul '21 - Feb 22</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
4400 · LEASE AND OTHER INCOME				
4050 · Trust Lands Lease Revenue				
4051 · Vistra	48,986	48,987	-1	100%
4053 · MBARI	19,856	20,088	-232	99%
Total 4050 · Trust Lands Lease Revenue	<u>68,842</u>	<u>69,075</u>	<u>-233</u>	<u>100%</u>
4500 · Leases				
4501 · K-Pier Lease	20,941	9,055	11,886	231%
4502 · Cannery Building				
4517 · Suite 2	23,407	23,466	-59	100%
4504 · Suite 3	64,727	64,889	-162	100%
4511 · Suite 1 & 10	13,202	13,233	-31	100%
4515 · Suite 4	62,776	62,757	19	100%
4518 · Suite 5	18,300	18,342	-42	100%
4510 · Suite 6	9,547	9,568	-21	100%
4512 · Suite 7	10,009	10,033	-24	100%
4503 · Suite 8	6,556	6,384	172	103%
4520 · Suite 9	6,000	6,007	-7	100%
4523 · Canery NNN	25,756	26,667	-911	97%
Total 4502 · Cannery Building	<u>240,280</u>	<u>241,346</u>	<u>-1,066</u>	<u>100%</u>
4530 · RV Lot	23,527	24,120	-593	98%
4540 · Martin & Mason	26,911	28,481	-1,570	94%
4560 · North Harbor				
4562 · Sea Harvest	24,679	24,803	-124	100%
4568 · Monterey Bay Kayaks	33,544	30,000	3,544	112%
Total 4560 · North Harbor	<u>58,223</u>	<u>54,803</u>	<u>3,420</u>	<u>106%</u>
Total 4500 · Leases	<u>369,882</u>	<u>357,805</u>	<u>12,077</u>	<u>103%</u>
4600 · District Property Taxes	203,898	150,000	53,898	136%
4700 · Other Revenues & Concessions				
4125 · Amenity Fee	235,689	236,667	-978	100%
4126 · Passenger Vessel Fees	4,516	20,000	-15,484	23%
4710 · Vending Activities				
4711 · Washer/Dryer	6,444	5,440	1,004	118%
4712 · Soda	115	227	-112	51%
Total 4710 · Vending Activities	<u>6,559</u>	<u>5,667</u>	<u>892</u>	<u>116%</u>
4720 · Dry Storage	40,676	42,000	-1,324	97%
4725 · North Harbor Use Fee	130,941	68,000	62,941	193%
4727 · Key Sales	3,351	3,293	58	102%
4730 · NH Washdown	480	1,200	-720	40%
4735 · Camp/RV	1,666	1,667	-1	100%
4740 · Equipment Rental	271	100	171	271%
4745 · Citations & Fines	2,266		2,266	
4751 · Permits	6,152	3,000	3,152	205%
4765 · Faxes, Copies & Postage		40	-40	
Total 4700 · Other Revenues & Concessions	<u>432,567</u>	<u>381,634</u>	<u>50,933</u>	<u>113%</u>

Moss Landing Harbor District
Profit & Loss Budget vs. Actual
July 2021 through February 2022

	<u>Jul '21 - Feb 22</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
4800 · Interest				
4841 · Union Bank Interest	215	200	15	108%
4843 · First Capital Bank	2,171	2,067	104	105%
4846 · Umpqua Interest	68	367	-299	19%
Total 4800 · Interest	<u>2,454</u>	<u>2,634</u>	<u>-180</u>	<u>93%</u>
Total 4400 · LEASE AND OTHER INCOME	<u>1,077,643</u>	<u>961,148</u>	<u>116,495</u>	<u>112%</u>
7000 · LEASE AND OTHER EXPENSES				
7100 · Interest Expense				
7134 · Umpqua NP Interest	44,390	44,390		100%
Total 7100 · Interest Expense	<u>44,390</u>	<u>44,390</u>		<u>100%</u>
7200 · Other Financial Expenses				
7221 · CSDA Dues	7,615	7,500	115	102%
7230 · LAFO Administrative Charges	5,393	7,000	-1,607	77%
Total 7200 · Other Financial Expenses	<u>13,008</u>	<u>14,500</u>	<u>-1,492</u>	<u>90%</u>
5700 · Depreciation	333,348	333,334	15	100%
7300 · Commissioner Expenses				
7320 · Monthly Stipend	9,875	14,667	-4,792	67%
7321 · Employer Payroll Taxes	755	1,200	-445	63%
7330 · Incurred Expenses	1,352	800	552	169%
Total 7300 · Commissioner Expenses	<u>11,982</u>	<u>16,667</u>	<u>-4,685</u>	<u>72%</u>
Total 7000 · LEASE AND OTHER EXPENSES	<u>402,728</u>	<u>408,891</u>	<u>-6,163</u>	<u>98%</u>
Net Ordinary Income - Lease & Other Operations	<u>674,915</u>	<u>552,258</u>	<u>122,658</u>	<u>122%</u>
Net Ordinary Income - Combined Operations	<u>1,061,791</u>	<u>494,799</u>	<u>566,992</u>	<u>215%</u>

Moss Landing Harbor District
Profit & Loss Budget vs. Actual
 July 2021 through February 2022

	<u>Jul '21 - Feb 22</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Other Income/Expense				
Other Income				
8001 · Cost Reimbursements				
8101 · Revenue from reimbursements		-133,333	133,333	
8201 · Reimbursable expenses		133,333	-133,333	
Total 8001 · Cost Reimbursements				
Total Other Income				
Other Expense				
9000 · CAPITAL PROJECT EXPENSES				
5880 · Dredging	295	250,000	-249,705	0%
9051 · Sewer Lift Station		50,000	-50,000	
9053 · Dock Maintenance		100,000	-100,000	
9054 · Sea Lion Deterrent Fencing	1,882	25,000	-23,118	8%
9060 · NH Berthers Parking/Paving		100,000	-100,000	
9125 · North Harbor Parking Lot LTG		40,000	-40,000	
9150 · Cannery		375,000	-375,000	
9250 · Security Camera	19,507	40,000	-20,493	49%
9307 · Piling Replacement Proj.		100,000	-100,000	
9309 · New NH Building		1,000,000	-1,000,000	
9310 · NH Hotel	1,214	75,000	-73,786	2%
9470 · NH Visitor Dock		400,000	-400,000	
9565 · Miscellaneous Capital Projects	101,708	70,000	31,708	145%
9750 · Office Computers		25,000	-25,000	
9800 · Dock Replacement		200,000	-200,000	
Total 9000 · CAPITAL PROJECT EXPENSES	<u>124,606</u>	<u>2,850,000</u>	<u>-2,725,394</u>	<u>4%</u>
Total Other Expense	<u>124,606</u>	<u>2,850,000</u>	<u>-2,725,394</u>	<u>4%</u>
Net Other Income	<u>-124,606</u>	<u>-2,850,000</u>	<u>2,725,394</u>	<u>4%</u>
Net Income	<u>937,185</u>	<u>-2,355,201</u>	<u>3,292,386</u>	<u>-40%</u>

Moss Landing Harbor District
Profit & Loss YTD Comparison
July 2021 through February 2022

	<u>Jul '21 - Feb 22</u>	<u>Jul '20 - Feb 21</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
4000 - MARINA REVENUES				
4100 - Berthing Income				
4110 - Assigned Berthing	1,192,128	1,153,065	39,063	3%
4112 - Qtrly/Annual Discount	-2,275	-2,358	83	4%
4113 - Commercial Vessel Dscnt	-8,059	-8,480	421	5%
4114 - Away (1 mnth) Dscnt	-142	-476	334	70%
4115 - Temporary Berthing	171,891	184,231	-12,340	-7%
4120 - Liveaboard Fees	91,360	84,570	6,790	8%
4130 - Transient Berthing	5,330	17,742	-12,412	-70%
4220 - Wait List	7,350	6,803	547	8%
4260 - Towing - Intra Harbor	650	450	200	44%
4270 - Pumpouts	400	1,000	-600	-60%
4280 - Late Fees	20,686	23,370	-2,684	-11%
4282 - Recovered Lien Costs		200	-200	-100%
Total 4100 - Berthing Income	<u>1,479,319</u>	<u>1,460,117</u>	<u>19,202</u>	<u>1%</u>
4200 - Other Income - Operations				
4225 - Merchandise		42	-42	-100%
4230 - SH Parking	79,153	45,924	33,229	72%
4285 - Dog Fee	765	775	-10	-1%
4290 - Misc	641	2,116	-1,475	-70%
Total 4200 - Other Income - Operations	<u>80,559</u>	<u>48,857</u>	<u>31,702</u>	<u>65%</u>
4300 - Operating Grant Revenues	<u>329,207</u>		<u>329,207</u>	<u>100%</u>
Total 4000 - MARINA REVENUES	<u>1,889,085</u>	<u>1,508,974</u>	<u>380,111</u>	<u>25%</u>

Moss Landing Harbor District
Profit & Loss YTD Comparison
July 2021 through February 2022

Expense	Jul '21 - Feb 22	Jul '20 - Feb 21	\$ Change	% Change
5200 · General & Administrative				
5100 · Advertising	3,975	3,359	616	18%
5210 · Dues & Subscriptions	4,956	20,176	-15,220	-75%
5220 · Office Supplies				
5223 · Administration	4,045	6,549	-2,504	-38%
5225 · Operations	8,023	7,243	780	11%
Total 5220 · Office Supplies	12,068	13,792	-1,724	-13%
5230 · Postage & Equip Lease				
5232 · Meter Lease	562	334	228	68%
5235 · Postage	801	679	122	18%
Total 5230 · Postage & Equip Lease	1,363	1,013	350	35%
5240 · Copier Lease & Supplies				
5242 · Copier Lease	2,291	2,519	-228	-9%
Total 5240 · Copier Lease & Supplies	2,291	2,519	-228	-9%
5250 · Telephone & Communications				
5253 · Administration	9,760	10,334	-574	-6%
5255 · Operations	451	454	-3	-1%
Total 5250 · Telephone & Communications	10,211	10,788	-577	-5%
5260 · Professional Services				
5262 · Accounting	26,064	25,100	964	4%
5263 · Audit fees	17,000	16,500	500	3%
5265 · Legal	23,850	22,669	1,181	5%
5268 · Computer Consulting	1,478	1,721	-243	-14%
5269 · Payroll Processing	2,716	2,870	-154	-5%
Total 5260 · Professional Services	71,108	68,860	2,248	3%
5270 · Licenses & Permits		10	-10	-100%
5290 · Credit Card Fees	3,933	11,000	-7,067	-64%
5921 · Internet Billing Service	1,095	1,232	-137	-11%
Total 5200 · General & Administrative	111,000	132,749	-21,749	-16%
5300 · Personnel				
5310 · Salaries				
5313 · Administration	165,099	103,780	61,319	59%
5315 · Operations	107,198	132,243	-25,045	-19%
5318 · Maintenance	86,099	112,648	-26,549	-24%
Total 5310 · Salaries	358,396	348,671	9,725	3%
5330 · Payroll Taxes				
5333 · Administration	12,624	6,782	5,842	86%
5335 · Operations	10,451	9,174	1,277	14%
5338 · Maintenance	6,590	7,520	-930	-12%
Total 5330 · Payroll Taxes	29,665	23,476	6,189	26%
5340 · Employee Benefits				
5343 · Administration	36,200	31,333	4,867	16%
5345 · Operations	487	1,951	-1,464	-75%
5348 · Maintenance	39,311	37,736	1,575	4%

Moss Landing Harbor District
Profit & Loss YTD Comparison
July 2021 through February 2022

	<u>Jul '21 - Feb 22</u>	<u>Jul '20 - Feb 21</u>	<u>\$ Change</u>	<u>% Change</u>
Total 5340 · Employee Benefits	75,998	71,020	4,978	7%
5350 · Workers Compensation				
5353 · Administration	2,400	2,400		
5355 · Operations	4,135	4,696	-561	-12%
5358 · Maintenance	4,353	5,336	-983	-18%
Total 5350 · Workers Compensation	10,888	12,432	-1,544	-12%
5360 · Education & Training				
5363 · Administration	3,224	1,164	2,060	177%
5365 · Operations	304	1,357	-1,053	-78%
5368 · Maintenance		1,100	-1,100	-100%
Total 5360 · Education & Training	3,528	3,621	-93	-3%
Total 5300 · Personnel	478,475	459,220	19,255	4%
5400 · Insurance				
5410 · Liability Insurance	110,600	99,331	11,269	11%
Total 5400 · Insurance	110,600	99,331	11,269	11%
5500 · Utilities				
5510 · Garbage	78,385	77,856	529	1%
5520 · Gas and Electric	198,335	168,296	30,039	18%
5530 · Water	26,010	23,721	2,289	10%
5540 · Sewer	31,701	28,688	3,013	11%
Total 5500 · Utilities	334,431	298,561	35,870	12%
5600 · Operating Supplies				
5610 · Vehicles	5,503	6,078	-575	-9%
5620 · Vessels	476		476	100%
5625 · Operations	10,344	13,357	-3,013	-23%
Total 5600 · Operating Supplies	16,323	19,435	-3,112	-16%
5700 · Depreciation	333,348	333,348		
5800 · Repairs & Maintenance				
5810 · Vehicles	328	148	180	122%
5830 · Equip Rental	2,219	1,902	317	17%
5850 · Repair Materials	15,349	31,863	-16,514	-52%
5860 · Outside Service Contracts	44,710	45,050	-340	-1%
5870 · Derelict Disposal	33,804	33,966	-162	-0%
Total 5800 · Repairs & Maintenance	96,410	112,929	-16,519	-15%
5900 · Financial Expenses				
5920 · Bank Service Charges	4,622	6,638	-2,016	-30%
5990 · Bad Debt	17,000	17,000		
Total 5900 · Financial Expenses	21,622	23,638	-2,016	-9%
Total · MARINA EXPENSES	1,502,209	1,479,211	22,998	2%
Net Ordinary Income - Marina Operations	386,876	29,763	357,113	1200%

Moss Landing Harbor District
Profit & Loss YTD Comparison
July 2021 through February 2022

	<u>Jul '21 - Feb 22</u>	<u>Jul '20 - Feb 21</u>	<u>\$ Change</u>	<u>% Change</u>
4400 · LEASE AND OTHER INCOME				
4050 · Trust Lands Lease Revenue				
4051 · Vistra	48,986	46,528	2,458	5%
4053 · MBARI	19,856	19,624	232	1%
Total 4050 · Trust Lands Lease Revenue	<u>68,842</u>	<u>66,152</u>	2,690	4%
4500 · Leases				
4501 · K-Pier Lease	20,941	12,458	8,483	68%
4502 · Cannery Building				
4517 · Suite 2	23,407	22,948	459	2%
4504 · Suite 3	64,727	62,747	1,980	3%
4511 · Suite 1 & 10	13,202	12,891	311	2%
4515 · Suite 4	62,776	62,137	639	1%
4518 · Suite 5	18,300	17,811	489	3%
4510 · Suite 6	9,547	17,110	-7,563	-44%
4512 · Suite 7	10,009	11,107	-1,098	-10%
4503 · Suite 8	6,556	6,365	191	3%
4520 · Suite 9	6,000	4,984	1,016	20%
4523 · Canary NNN	25,756	25,211	545	2%
Total 4502 · Cannery Building	<u>240,280</u>	<u>243,311</u>	-3,031	-1%
4530 · RV Lot	23,527	23,526	1	
4540 · Martin & Mason	26,911	28,481	-1,570	-6%
4560 · North Harbor				
4562 · Sea Harvest	24,679	24,195	484	2%
4568 · Monterey Bay Kayaks	33,544	63,298	-29,754	-47%
Total 4560 · North Harbor	<u>58,223</u>	<u>87,493</u>	-29,270	-33%
Total 4500 · Leases	<u>369,882</u>	<u>395,269</u>	-25,387	-6%
4600 · District Property Taxes	203,898	191,960	11,938	6%
4700 · Other Revenues & Concessions				
4125 · Amenity Fee	235,689	227,813	7,876	3%
4126 · Passenger Vessel Fees	4,516		4,516	100%
4710 · Vending Activities				
4711 · Washer/Dryer	6,444	4,403	2,041	46%
4712 · Soda	115	237	-122	-51%
Total 4710 · Vending Activities	<u>6,559</u>	<u>4,640</u>	1,919	41%
4720 · Dry Storage	40,676	39,226	1,450	4%
4725 · North Harbor Use Fee	130,941	105,280	25,661	24%
4727 · Key Sales	3,351	4,845	-1,494	-31%
4730 · NH Washdown	480	270	210	78%
4735 · Camp/RV	1,666		1,666	100%
4740 · Equipment Rental	271	100	171	171%
4745 · Citations & Fines	2,266		2,266	100%
4751 · Permits	6,152	3,717	2,435	66%
4765 · Faxes, Copies & Postage		14	-14	-100%
4770 · Surplus Auction/Sales		258	-258	-100%
Total 4700 · Other Revenues & Concessions	<u>432,567</u>	<u>386,163</u>	46,404	12%

Moss Landing Harbor District
Profit & Loss YTD Comparison
July 2021 through February 2022

	<u>Jul '21 - Feb 22</u>	<u>Jul '20 - Feb 21</u>	<u>\$ Change</u>	<u>% Change</u>
4800 · Interest				
4841 · Union Bank Interest	215	176	39	22%
4843 · First Capital Bank	2,171	2,054	117	6%
4846 · Umpqua Interest	68	338	-270	-80%
Total 4800 · Interest	<u>2,454</u>	<u>2,568</u>	<u>-114</u>	<u>-4%</u>
Total 4400 · LEASE AND OTHER INCOME	<u>1,077,643</u>	<u>1,042,112</u>	<u>35,531</u>	<u>3%</u>
7000 · LEASE AND OTHER EXPENSES				
7100 · Interest Expense				
7134 · Umpqua NP Interest	44,390	51,464	-7,074	-14%
Total 7100 · Interest Expense	<u>44,390</u>	<u>51,464</u>	<u>-7,074</u>	<u>-14%</u>
7200 · Other Financial Expenses				
7221 · CSDA Dues	7,615	7,253	362	5%
7230 · LAFO Administrative Charges	5,393	5,425	-32	-1%
Total 7200 · Other Financial Expenses	<u>13,008</u>	<u>12,678</u>	<u>330</u>	<u>3%</u>
5700 · Depreciation	333,348	333,348		
7300 · Commissioner Expenses				
7320 · Monthly Stipend	9,875	11,250	-1,375	-12%
7321 · Employer Payroll Taxes	755	775	-20	-3%
7330 · Incurred Expenses	1,352	238	1,114	468%
Total 7300 · Commissioner Expenses	<u>11,982</u>	<u>12,263</u>	<u>-281</u>	<u>-2%</u>
Total 7000 · LEASE AND OTHER EXPENSES	<u>402,728</u>	<u>409,753</u>	<u>-7,025</u>	<u>-2%</u>
Net Ordinary Income - Marina Operations	<u>674,915</u>	<u>632,359</u>	<u>42,556</u>	<u>7%</u>
Net Ordinary Income - Combined Operations	<u>1,061,791</u>	<u>662,122</u>	<u>399,669</u>	<u>60%</u>

Moss Landing Harbor District
Profit & Loss YTD Comparison
July 2021 through February 2022

	<u>Jul '21 - Feb 22</u>	<u>Jul '20 - Feb 21</u>	<u>\$ Change</u>	<u>% Change</u>
Other Income/Expense				
Other Income				
8001 · Cost Reimbursements				
8201 · Reimbursable expenses		-4,636	4,636	100%
Total 8001 · Cost Reimbursements		-4,636	4,636	100%
Total Other Income		-4,636	4,636	100%
Other Expense				
9000 · CAPITAL PROJECT EXPENSES				
5880 · Dredging	295		295	100%
9054 · Sea Lion Deterrent Fencing	1,882	1,953	-71	-4%
9250 · Security Camera	19,507		19,507	100%
9310 · NH Hotel	1,214		1,214	100%
9565 · Miscellaneous Capital Projects	101,708		101,708	100%
Total 9000 · CAPITAL PROJECT EXPENSES	124,606	1,953	122,653	6,280%
Total Other Expense	124,606	1,953	122,653	6,280%
Net Other Income	-124,606	-6,589	-118,017	-1,791%
Net Income	937,185	655,533	281,652	43%

Moss Landing Harbor District
A/P Aging Summary
As of February 28, 2022

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>> 90</u>	<u>TOTAL</u>
A.L. Lease	145.19	0.00	0.00	0.00	0.00	145.19
Allied Administrators for Delta Dental	0.00	-402.14	0.00	0.00	0.00	-402.14
AT&T	209.16	0.00	0.00	0.00	0.00	209.16
Auto Care LifeSaver Towing	567.00	0.00	0.00	0.00	0.00	567.00
CalPERS	0.00	0.00	-5,725.00	0.00	0.00	-5,725.00
Cintas	464.33	0.00	0.00	0.00	0.00	464.33
Corralitos Electric	580.99	0.00	0.00	0.00	0.00	580.99
Danial Harpe	500.00	0.00	0.00	0.00	0.00	500.00
Dianella Nunes	0.00	542.70	0.00	0.00	0.00	542.70
Dixon & Son Tire	0.00	35.00	0.00	0.00	0.00	35.00
Don Adams	500.00	0.00	0.00	0.00	0.00	500.00
Home Depot	0.00	219.51	0.00	0.00	0.00	219.51
Howard Stark	0.00	525.00	0.00	0.00	0.00	525.00
Johnson Electronics, Inc.	120.00	0.00	0.00	0.00	0.00	120.00
Joost Vankeppel	0.00	550.00	0.00	0.00	0.00	550.00
Luke Kilpatrick	0.00	369.75	0.00	0.00	0.00	369.75
Mechanics Bank	794.65	0.00	0.00	0.00	0.00	794.65
Monterey Regional Waste Management Dist.	1,395.55	0.00	0.00	0.00	0.00	1,395.55
Monterey Sanitary Supply	794.07	0.00	0.00	0.00	0.00	794.07
Moss Landing Boat Works	46.08	0.00	0.00	0.00	0.00	46.08
Office Depot	0.00	70.43	0.00	0.00	0.00	70.43
Pajaro Valley Lock Shop	0.00	574.00	0.00	0.00	0.00	574.00
Pajaro/Sunny Mesa C.S.D.	2,405.48	0.00	0.00	0.00	0.00	2,405.48
PG&E	0.00	5,425.54	0.00	0.00	0.00	5,425.54
Pitney Bowes Global Financial Svc LLC	0.00	259.14	0.00	0.00	0.00	259.14
Sea Engineering, Inc.	0.00	4,940.00	0.00	0.00	0.00	4,940.00
U.S. Bank	1,269.27	0.00	0.00	0.00	0.00	1,269.27
Unified Building Maintenance	0.00	0.00	0.00	1,350.00	0.00	1,350.00
United Site Services of Calif., Inc.	539.54	0.00	0.00	0.00	0.00	539.54
VALIC	1,788.29	0.00	0.00	0.00	0.00	1,788.29
Verizon Wireless	112.21	0.00	0.00	0.00	0.00	112.21
Vision Sevice Plan	0.00	-142.95	0.00	0.00	0.00	-142.95
WASH	0.00	202.08	0.00	0.00	0.00	202.08
Wendy L. Cumming, CPA	3,552.50	0.00	0.00	0.00	0.00	3,552.50
TOTAL	<u>15,784.31</u>	<u>13,168.06</u>	<u>-5,725.00</u>	<u>1,350.00</u>	<u>0.00</u>	<u>24,577.37</u>

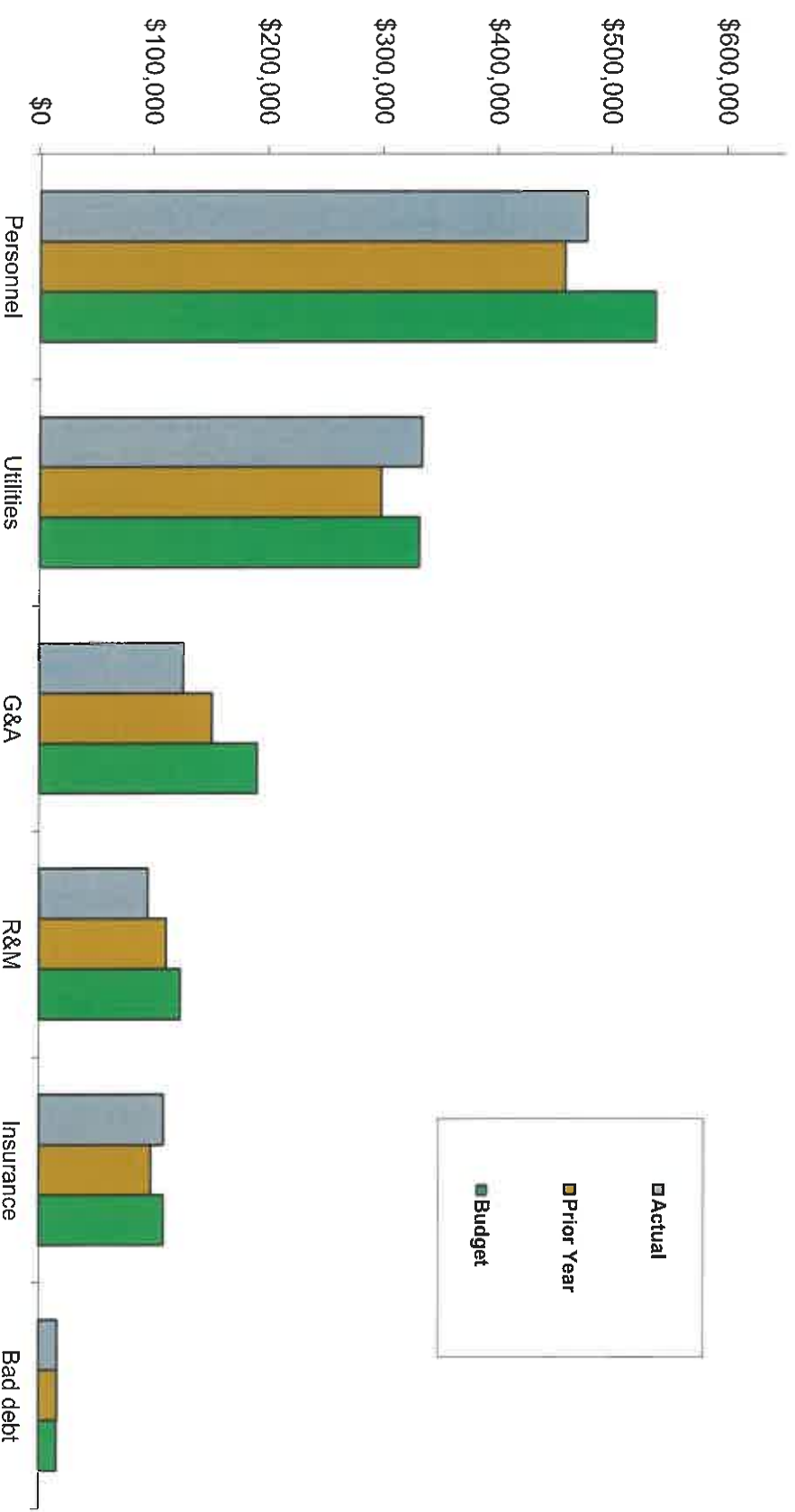
**Moss Landing Harbor District
Warrant Listing
As of February 28, 2022**

Type	Date	Num	Name	Amount
1001 - 1st Capital Operating Account				
Check	02/07/2022		NPC Merchant Pymt Proc	-2,568.25
Check	02/14/2022	atm	MS	-417.05
Bill Pmt -Check	02/15/2022	19172	A.L. Lease	-266.32
Bill Pmt -Check	02/15/2022	19173	Allied Administrators for Delta Dental	-402.14
Bill Pmt -Check	02/15/2022	19174	AT&T	-207.82
Bill Pmt -Check	02/15/2022	19175	Carmel Marina Corporation	-1,652.00
Bill Pmt -Check	02/15/2022	19176	Castroville "ACE" Hardware	-218.29
Bill Pmt -Check	02/15/2022	19177	Central Coast Systems, Inc.	-105.00
Bill Pmt -Check	02/15/2022	19178	Cintas	-473.98
Bill Pmt -Check	02/15/2022	19179	Employment Development Dept.	-2,250.00
Bill Pmt -Check	02/15/2022	19180	Henderson Marine Supply	-1,684.67
Bill Pmt -Check	02/15/2022	19181	Hodges Consulting Services	-1,180.00
Bill Pmt -Check	02/15/2022	19182	Jarvis, Fay, & Gibson, LLP	-3,630.00
Bill Pmt -Check	02/15/2022	19183	Joel Walter	-205.00
Bill Pmt -Check	02/15/2022	19184	John Zeiders	-432.50
Bill Pmt -Check	02/15/2022	19185	MBS Business Systems	-28.44
Bill Pmt -Check	02/15/2022	19186	Monterey One Water	-2,121.96
Bill Pmt -Check	02/15/2022	19187	Monterey Sanitary Supply	-1,390.68
Bill Pmt -Check	02/15/2022	19188	Monterey Signs	-426.08
Bill Pmt -Check	02/15/2022	19189	MP Express	-314.86
Bill Pmt -Check	02/15/2022	19190	Pajaro/Sunny Mesa C.S.D.	-2,291.53
Bill Pmt -Check	02/15/2022	19191	PG&E	-25,000.00
Bill Pmt -Check	02/15/2022	19192	Razzolink, Inc.	-136.85
Bill Pmt -Check	02/15/2022	19193	Sanctuary Stainless	0.00
Bill Pmt -Check	02/15/2022	19194	Sunrise Express	-60.66
Bill Pmt -Check	02/15/2022	19195	TK Elevator	-695.66
Bill Pmt -Check	02/15/2022	19196	Tommy Razzeca	-350.00
Bill Pmt -Check	02/15/2022	19197	Unified Building Maintenance	-1,350.00
Bill Pmt -Check	02/15/2022	19198	United Site Services of Calif., Inc.	-502.08
Bill Pmt -Check	02/15/2022	19199	Valero Marketing and Supply Company	-270.52
Bill Pmt -Check	02/15/2022	19200	VALIC	-2,682.43
Bill Pmt -Check	02/15/2022	19201	Vision Sevice Plan	-142.95
Bill Pmt -Check	02/15/2022	19202	Wald, Ruhnke & Dost Architects, LP	-259.80
Bill Pmt -Check	02/15/2022	19203	AT&T	-432.46
Bill Pmt -Check	02/15/2022	19204	Carmel Marina Corporation	-3,304.00
Bill Pmt -Check	02/15/2022	19205	Monterey One Water	-5,664.28
Bill Pmt -Check	02/15/2022	19206	AT&T	-606.83
Bill Pmt -Check	02/15/2022	19207	Carmel Marina Corporation	-1,774.66
Bill Pmt -Check	02/15/2022	19208	Monterey One Water	-174.82
Bill Pmt -Check	02/15/2022	19209	Carmel Marina Corporation	-6,687.12
Bill Pmt -Check	02/15/2022	19210	Mechanics Bank	-808.63
Bill Pmt -Check	02/15/2022	19211	Mechanics Bank	-466.48
Bill Pmt -Check	02/16/2022	19212	U.S. Bank	-2,063.43
Check	02/18/2022	4000	Neal Norris	-818.35

**Moss Landing Harbor District
Warrant Listing
As of February 28, 2022**

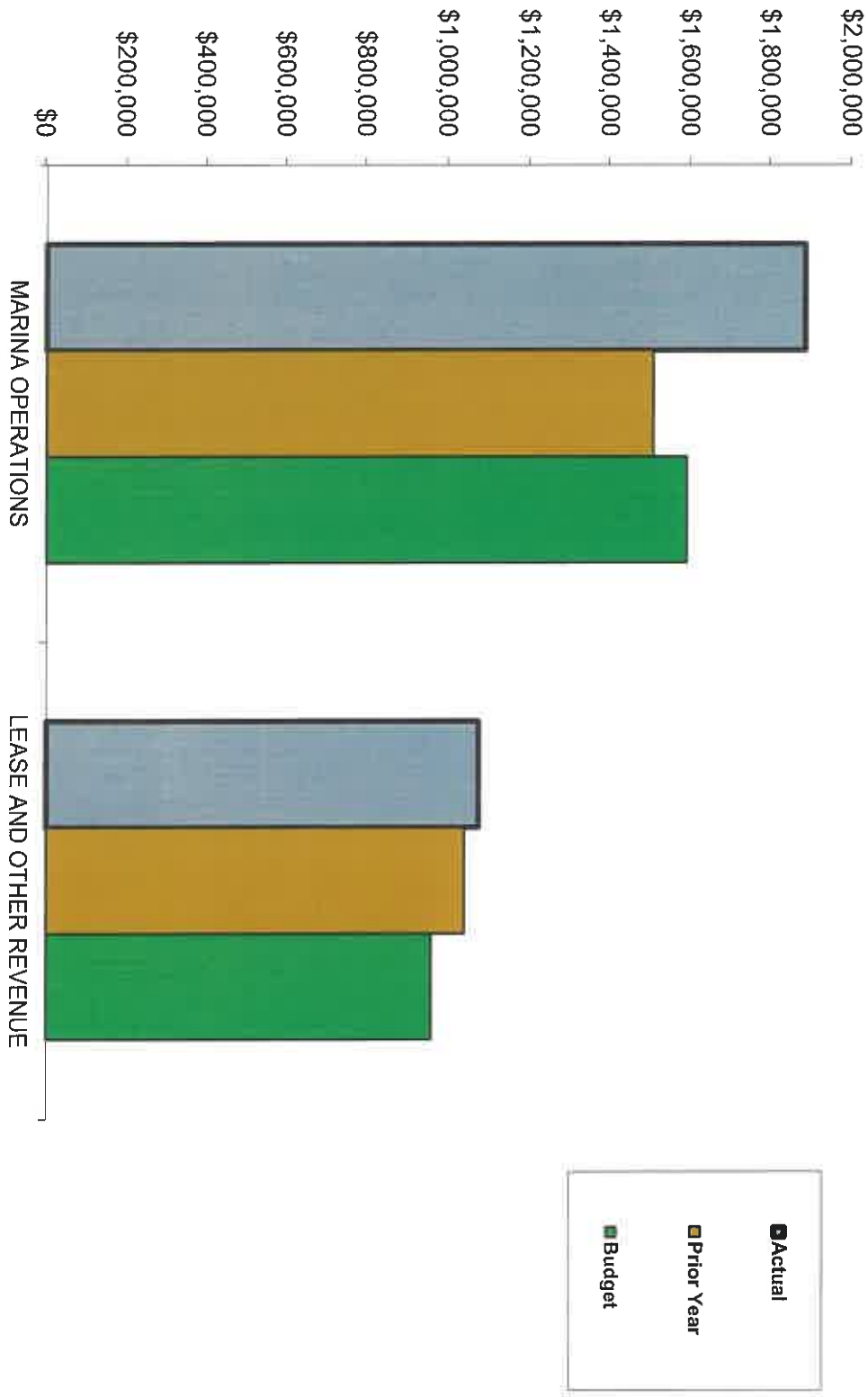
<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
Check	02/18/2022	4001	RJ Collier	-927.02
Check	02/18/2022	4002	Dennis Dixon	-57.49
Check	02/18/2022		Payroll Partners	-131.48
Bill Pmt -Check	02/24/2022	19213	Donald Chaney	-510.00
Bill Pmt -Check	02/24/2022	19214	Sanctuary Stainless	-2,789.00
Total 1001 · 1st Capital Operating Account				-80,933.57
1009 · Union - Operating				
Check	02/03/2022		Payroll Partners	-144.56
Check	02/04/2022	3110	Ferrante, Vincent	-422.98
Check	02/04/2022	3111	Goulart, James	-114.06
Check	02/04/2022	3112	Jeffries, Russell	-342.18
Check	02/04/2022	3113	Tony Leonardini	-228.12
Check	02/04/2022	3114	Neal Norris	-818.37
Check	02/04/2022	3115	RJ Collier	-706.33
Check	02/04/2022	3116	Dennis Dixon	-114.97
Check	02/25/2022		Union Bank	-362.41
Total 1009 · Union - Operating				-3,253.98
TOTAL				-84,187.55

**Operating Expenses
Year to Date Actuals vs. Budget and Prior Year
February 28, 2022**

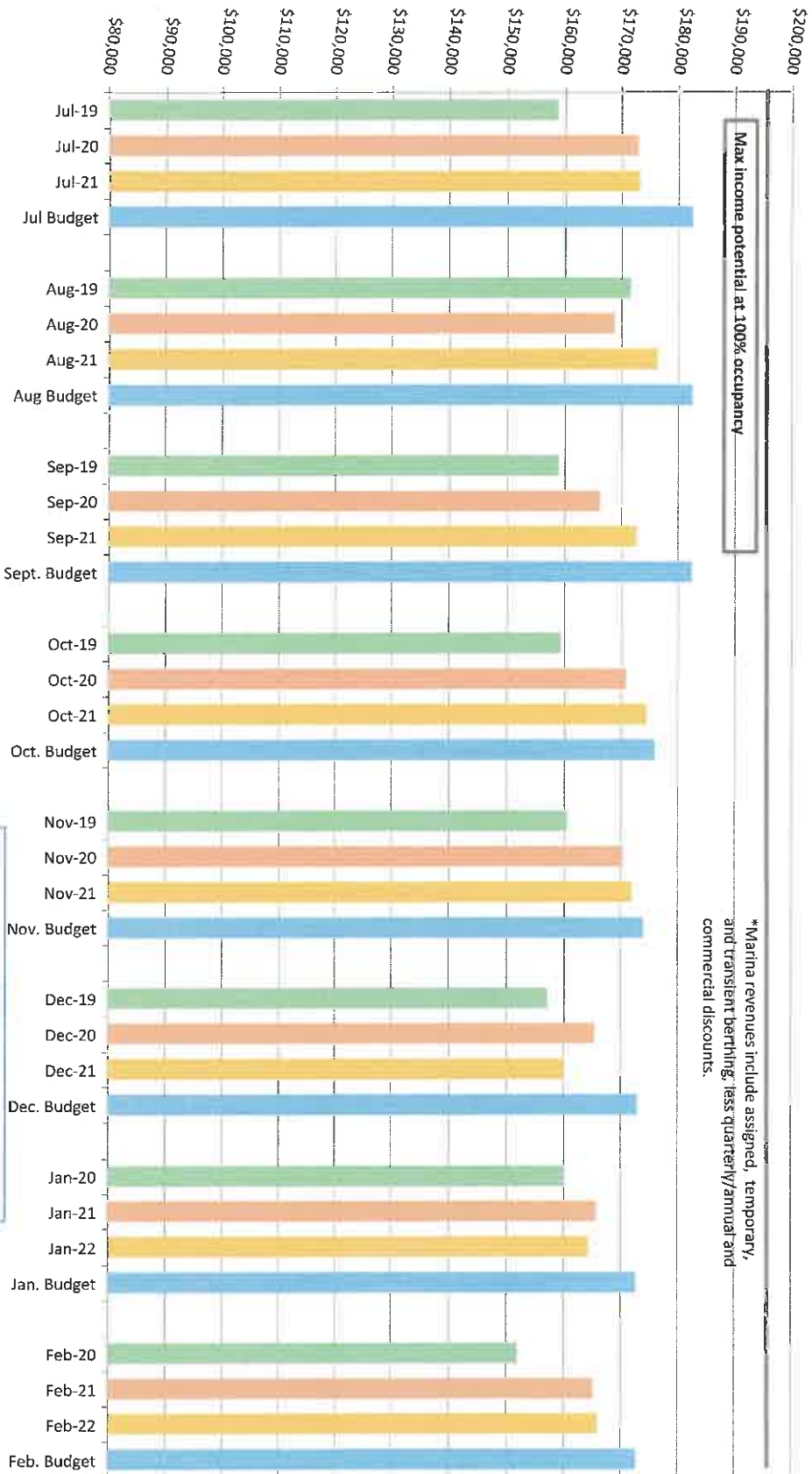


****Expenses Exclude Dredging, Depreciation and Interest Expenses****

**Marina, Lease and Other Revenue
Year to Date Actual vs. Budget and Prior Year
February 28, 2022**



Moss Landing Harbor District Marina Revenue* (Berthing) - 3 Year Comparison





BOARD OF HARBOR COMMISSIONERS

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Vincent Ferrante
James R. Goulart
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**GENERAL MANAGER
HARBOR MASTER**

Tom Razzeca

STAFF REPORT

**ITEM NUMBER 03 – PROJECT STATUS
BOARD MEETING MARCH 30, 2022**

1. North Harbor Building Listing: As of December 28, 2020, Mahoney & Associates was given notice that the contract they had with the Harbor District for the listing of the North Harbor Building was expired and that their services were no longer required. As of now, the Harbor District has no listing agent for the building and the General Manager and Real Property Committee has been negotiating with interested parties recently in the hopes of securing a building tenant in the near future. The Board of Harbor Commissioners may choose to explore the options related to the representation of the new building listing by a real estate professional and if so, the General Manager will take appropriate action once given direction from the Board.

2. North Harbor Inn Project: This project remains on hold while the District explores options with the property. The District has received interest from a potential developer of the Hotel project but we await an update regarding their intentions.

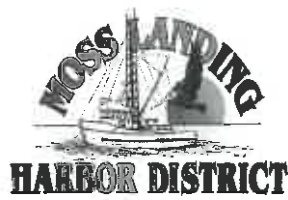
3. Cannery Building HVAC and Penthouse Mechanical Room: 3 HVAC units at the Cannery Building are in need of replacement. The units are, and have been, quickly deteriorating due to the salt air environment here in Moss Landing. In an effort to prevent future units from deteriorating so quickly, staff is proposing a penthouse mechanical room be built to house the new units protecting them from the environment. This will reduce maintenance costs and extend the overall life of the new units. Staff hired Wald Ruhnke & Dost Architects (WRD) to render plans for the penthouse mechanical suite which will be used for permitting and the notice inviting bids for the project. The project plans were completed by WRD and the permit to complete the project was received by staff earlier this month. Staff is currently in the process of completing bid documents and intends to advertise the notice inviting bids and hold a bid opening as soon as possible.

4. Demolition of Pot Stop Building: The former Pot Stop building located in the Moss Landing North Harbor has been vacant for a number of years due to its dilapidated condition. As previously discussed with the Board of Harbor Commissioners, staff plans to have the building demolished and is currently awaiting the issuance of the permit to complete the project. Planning permit PLN210227 was approved by Monterey County however, there was an additional 10-day appeal process that takes place after the

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resolution has been approved and this appeal process ended February 14, 2022. Because the project is located within the Coastal Zone, the project also requires another Coastal Appeal period. The Coastal Appeal period starts the day after the Coastal Commission receives the "Final Local Action Notice (FLAN)" and is 10 business days. MLHD Staff is currently awaiting notice from Monterey County that the FLAN has been mailed out. If there are no appeals we should receive a permit approval notice from the County Clerks noting that the project has entered the condition compliance phase and the District soon thereafter be able to pull the permit and begin to proceed with the demolition project. As of the date of this report Staff is still waiting on Monterey County to issue the permit to complete the project. Staff has contacted Monterey County and made an inquiry related to the delay in permit issuance but has yet to receive a response.

5. Tsunami Damage Project: Resulting from the tsunami that took place on January 15, 2022, 5 wood piles located on a small section of A dock were damaged and are in need of replacement along with a broken section of the dock. Additionally, the floating dock located at Kirby Park also sustained damage and is in need of repair or potentially replacement. Staff is currently working with our Marine Engineering consultant (Sea Engineering) who completed a Harbor assessment for the purpose of identify any and all damage sustained as a result of the tsunami which has confirmed the damage listed in the report. Staff is also in contact with state and local emergency services agencies regarding the damage sustained during the tsunami event. Staff had a Dredge sediment survey completed during the Month of March and awaits the data collected. Once staff has additional information regarding damage sustained to the Harbor an update will be provided related to Harbor damage as well as the process moving forward to complete any necessary repairs or facility replacements and the status of possible emergency funding related to the tsunami damage.



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GENERAL MANAGER
 HARBORMASTER
 Tommy Razzeca

STAFF REPORT

ITEM NUMBER 04 – SUMMARY OF PERMITS ISSUED SPECIAL BOARD MEETING OF MARCH 30, 2022

Permittee	Issue Date	Status	Permit Type	Exp. Date
Elkhorn Slough Research Foundation	01/01/2022	Current	Facilities Use	01/01/23
Blue Ocean Whale Watch	2/18/2022	Current	Facilities Use	2/18/2023
Whisper Charters	2/28/2022	Current	Facilities Use	2/28/2023
Fast Raft	3/28/2022	Current	Facilities Use	3/28/2023
MBARI-Otter Studies	4/1/2021	Current	Facilities Use	4/1/2022
Monterey Eco Tours	4/16/2021	Current	Facilities Use	4/16/2022
Venture Quest Kayaking	6/12/2021	Current	Facilities Use	6/12/2022
Monterey Bay Hydrobikes	6/12/2021	Current	Facilities Use	6/12/2022
Reel Nasty Sportfishing	6/12/2021	Current	Facilities Use	6/12/2022
Kayak Connection	6/30/2021	Current	Facilities Use	6/30/2022
Sanctuary Cruises	6/30/2021	Current	Facilities Use	6/30/2022
Sea Goddess Whale Watching-Tours	6/30/2021	Current	Facilities Use	6/30/2022
Sea Goddess Whale Watching-Souvenirs	6/30/2021	Current	Peddlers	6/30/2022
MBARI-Slough Test Moorings	6/30/2021	Current	Facilities Use	6/30/2022
Slater Moore Photography	07/07/2021	Current	Facilities Use	07/07/2022
Peninsula Dive Services	09/30/2021	Current	Facilities Use	09/30/2022
Elkhorn Slough Safari - Tours	10/19/2021	Current	Facilities Use	10/19/2022
Blue Water Ventures	10/30/2021	Current	Facilities Use	10/30/2022
Wild Fish-Vicki Crow	11/20/2021	Current	Peddlers	11/20/2022



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GENERAL MANAGER
HARBORMASTER
Tommy Razzeca

STAFF REPORT

ITEM NUMBER 05 – MEETING ANNOUNCEMENTS
BOARD MEETING OF MARCH 30, 2022

Monterey County Fish and Game Advisory Commission – Meetings are on the 2nd Tuesday of even months. <http://www.co.monterey.ca.us/bcandc/fishgame.html>

Moss Landing Chamber of Commerce Meetings – Due to COVID-19 all meetings are done by E-mail until further notice but will eventually resume on the 2nd Thursday of each month in Moss Landing Harbor District Board Room, 4 p.m.

Monterey Bay Sanctuary Advisory Council Meetings – 2022 - <https://montereybay.noaa.gov>

April 15th

Web Based Virtual Meeting or Monterey



BOARD OF COMMISSIONERS

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**GENERAL MANAGER
HARBOR MASTER**

Tom Razzeca

STAFF REPORT

**ITEM NUMBER 06 - LIVEABOARD REPORT
BOARD MEETING OF MARCH 30, 2022**

Pursuant to Ordinance Code §6.110 D) 1), attached is the report containing the names of all permitted live aboard vessels and all persons living aboard. The permits for these live boards have automatically renewed through the last day of this month. As of this writing, there are no (0) revocation actions pending.

<u>Name</u>	<u>Vessel</u>
1. Hartman, Guenter	Taku, CF 7913 KL
2. Jones, L	Intrepid CF 0292 VE
3. Pending	
4. Burns, P.	Tralfamadore, CF 9430 GL
5. Byrnes, K.	Grand Slam, CF 4540 FE
6. Doyle, M	Billikon, CF 3946 TM
7. Cayuela, R.	Rachel Angelet, CF 6969 UB
8. Michael, McVay	Gaviota, CF 4863 FP
9. Hughes, S	Sojourn, on 1067078
10 Cloer, J./Ajuria M.	Laurie, CF 2688 EX
11. Chambers, B.	Pyxis, ON 984193
12. Watwood, Preston	Robert Parker, CF 2116 UZ
13. Clark D.	Seaside Escape CF 4356 HW
14. Degnan, P.	No Name, CF 8344 GT
15. Pending	
16. Elwell, G.	Pearl, ON 557575
17. Faneuf, C.	Ghost Ryder ON 1048498
18. Buford, C	No Name, CF 9215 EF
19. Potter, D.	Danu CF 4085 GC
20. Listle, A	Tekin ON 616325
21. Glovin, D	Aint to Shabby CF 7434 SL
22. Laoretti, P/ Laoretti, S	Shaka, ON 699611
23 Johnston, Bill	Heart Of Gold, CF 7590 EP

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24. Groom D
25. Jones, H.
26. Jones, T.
27. Kennedy C.
28. Ayres, Lloyd
29. Knudson L/Knudson A.
30. Malone, RJ
31. Marsee, E, Lynch, C
32. Burnett, Gary
33. Maris, T.
34. Robinson, D/ Robinson, L
35. Nieman J
36. Niswonger, R.
37. **Pending**
38. Otis, T.
39. Paul, J
40. Schlegelmilch, William
41. Velaquez F
42. Raaphorst, D.
43. Reins, D.
44. Rotger, M.
45. Dyer, B
46. Piro, Daniel
47. Schmidt, L
48. Sopota, M
49. Silveira, P
50. Salisbury, J.
51. Thomas, B.
52. Tufts, M.
53. Syracuse, Mike
54. Wolinski, Peter
55. Morgan, J
56. Samuelson, T.
57. Andrews, R
58. Riberal, Y/ Eric Duekerson
59. Schwontes, N/ Mosolov, A
60. Bowler, J

Phoenix, CF 5084 GJ
 Laetare, CF 5495 YB
 Sanity, CF 5249 SC
 Aztlan, ON 281903
 Gaviota, CF 4656 GG
 Spellbound, ON 082155
 Francis W, CF 2017 UZ
 Tolly Craft CF 9521 HT
 Zinful CF5419 JG
 Nimble, CF 3730 KB
 Damn Baby CF 9442 EX
 Inia, ON 1074183
 Illusion, CF 0836 TA

Blue Moon, CF 1886 GT
 La Wanda CF 5014 FR
 Bull Dog ON 1219673
 Lorraine CF 0533 JL
 Spirit, ON 664971
 Second Paradise, ON 912484
 Raven, ON 241650
 Star of Light ON 1056334
 Gulf Star CF 6082 GL
 Lady Monroe CF5007 UM
 Mischief Maker, CF 9666 JK
 Quiet times, CF 2067 GC
 Oceanid, CF 4210 GA
 Coho, CF 9974 KK
 Enchantress, CF 0878 SX
 Sea Star, CF 4213 ES
 Muffin, ON 1148169
 Ripple, ON 1037076
 Moonstone CF 5122 GX
 Sea Free ON 613387
 Boss Lady, ON 556296
 Luna Sea, ON 1138367
 Myrtle Mae, CF 3187 FN

Total Number Vessels: 57
 Total Number Persons: 65
 Pending Applications -3-



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GENERAL MANAGER/HARBOR MASTER
 Tom Razzeca

STAFF REPORT

ITEM NUMBER 7 - SLIP INCOME REPORT
 BOARD MEETING OF MARCH 30, 2022

Slip Rates 2021/2022 per linear foot:

Assigned: \$8.55/ft./month
 Temporary: \$12.75/ft./month
 Transient: \$1.25/ft./day

INCOME

<u>February 2022</u>	<u>February 2021</u>	<u>February 2022 Budget</u>
\$166,488	\$165,075	\$172,730

For the month, slip income is below budget by \$6k, due to lower assigned and temporary berthing revenues. Slip income is higher than prior year by \$1k, due to a combination of higher assigned berthing offset by lower temporary berthing revenue.



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GENERAL MANAGER/HARBOR MASTER
Tom Razzeca

STAFF REPORT

ITEM NUMBER 08 – INCIDENT REPORT
BOARD MEETING OF MARCH 30, 2022

02/21/2022 Staff received a report from a tenant claiming that an unknown person had gone aboard a tenant's vessel without permission. Staff is not aware of any damage caused to the vessel or property being stolen. Staff requested that the tenant file a report with the Monterey County Sheriff.

02/26/2022 Staff was informed by a tenant that their diesel fuel had been stolen out of both vessels. The tenant filled out an incident report with the harbor and staff recommended that he follow up the Monterey County Sheriff.

03/04/2022 Staff received a call from a woman who stated that while she was in Moss Landing Harbor visiting a friend her car was vandalized. Staff reviewed surveillance cameras but was unable to find a recording of the incident taking place. The owner of the vehicle filed a report with the Monterey County Sheriff's Department.

No further incidents to report as of March 22, 2022.



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GENERAL MANAGER/HARBOR MASTER
Tom Razzeca

STAFF REPORT

ITEM NUMBER 19 – Consider MBARI Special Activity Use Permit Application
BOARD MEETING OF MARCH 30, 2022

During our June 2020 Regular Meeting of the Board MLHD Commissioners approved a Special Activities Use Permit allowing MBARI to remove non native Ice Plant from a strip of property owner by Moss Landing Harbor District near the North Jetty. The ice plant removal was a condition issued to MBARI by the California Coastal Commission as part of the MBARI Costal Development Permit for their project on Sandholdt Road in Moss Landing.

MBARI has submitted a new Special Activity Use Permit to the Harbor District for Native dune planting along MBARI boardwalk as required under the terms of their Costal Development permit. This would be a one-time restoration planting of 200 native foredune plants along a strip approximately 7' wide adjacent to a boardwalk being installed on MBARI's property.

Staff recommends that the Board of Commissioners review the attached Special Activity Use Permit Application and approve the same for a term of April 1, 2022 through December 31, 2022 allowing MBARI the time needed to complete Native dune planting along MBARI boardwalk adjacent to MLHD owned property as shown on the included map.



Moss Landing Harbor District

7881 Sandholdt Road
Moss Landing, CA 95039-0010
(831) 633-5417, Fax (831) 633-4537

SPECIAL ACTIVITIES USE PERMIT

**No application will be processed until payment of the Application Fee
If Permit qualifies for issuance, no Permit will be issued until payment of the Permit Fee
NOTE: All Special Activity Permits Must be Approved by the MLHD Board**

Section I - Applicant Information

Name	Monterey Bay Aquarium Research Institute
Mailing Address	7700 Sandholdt Road
City, State, Zip Code	Moss Landing, CA 95039
Telephone Number	(831) 775-1902 (Mike Kelly)

Section II - Permittee Information

Name of Individual or Organization	Monterey Bay Aquarium Research Institute
Mailing Address	7700 Sandholdt Road
City, State, Zip Code	Moss Landing, CA 95039
Telephone Number	(831) 775-1902 (Mike Kelly)
Fax Number	(831) 775-1620
E-Mail Address	mkelly@mbari.org

Section III - Activity Information

Date(s) of Activity	To occur prior to December 31, 2022
Specific Description of Activity (Attach additional pages if necessary)	Native dune planting along MBARI boardwalk. This would be a one-time restoration planting of 200 native foredune plants along a strip approximately 7' wide adjacent to a boardwalk being installed on MBARI's property.
Specific Location of Activity	Northwest end of Sandholdt Road, adjacent to MBARI property.

Number of Persons, Vessels, Vehicles	TBD
Starting and Ending Time	Day time hours
Location of Assembly Areas (If Any)	MBARI property at end of Sandholdt Road
Other Information	<p>If approved, MBARI will complete this action as part of an approved dune restoration plan, which is a condition of a permit issued by the California Coastal Commission in August 2020. Iceplant removal was conducted previously under a Special Use permit with MLHD.</p> <p>Regarding dune restoration plantings, our contractor will be Rana Creek. If authorized by MLHD, plants will be planted in an approximately 7' strip (location indicated on the attached map). The planting effort would take approximately 2-3 days as described here:</p> <p>The restoration crew will carefully remove any iceplant that remains on the site. Care shall be exercised to avoid trampling or stockpiling weeds on native dune vegetation. All removed weeds shall be transported by hand using tarps, totes, or a similar item to a covered debris bin or truck for transport and disposal at the landfill. Seeds that were collected onsite and grown in a local nursery are ready to be planted. The project biologist will lay out the plants in a natural pattern at the appropriate location. Plants will be installed by hand digging a planting pit in the sand, carefully extracting the plant from the container with minimal root disturbance, placing the plant so it is sitting vertically in the hole and backfilling and compressing the sand around the plant by hand. Care should be exercised to not break off or bend the root ball during planting. An irrigation system will not be used. Plant establishment will be achieved with natural rainfall and the winter timing of plant installation. If an extended period of dry/warm winter weather occurs, new plantings may be watered by hand at the discretion of the project biologist.</p> <p>Rana Creek proposes to implement several temporary measures to help mitigate trampling: leaving planting cones next to newly planted dune vegetation, marking the planting zone with pin flags, and installing temporary signage (2) that reads, "Dune restoration in progress. No entry." The signs will be 12" x 18" aluminum. (See attached image for example.) There would be two signs – one on each end of the</p>

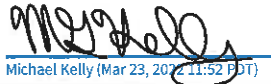
	Boardwalk (see map for locations), which would be removed in January 2024.
--	--

Section IV - Fee

Special Activities Permit Application Fee (§ 20.100)	\$250.00
CEQA Review (§20.240)	Not required
Special Activity Permit Fee	\$250.00

I hereby certify that the information contained in this application is true and accurate to the best of my knowledge. I further certify that I will faithfully comply with all Conditions of Permit that are required by the District and that I will assure that the permitted Activity is carried out in full compliance with all statutes, regulations, rules and ordinances of the District, and any other entity that may have jurisdiction over the Activity or the site.

APPLICANT



Michael Kelly (Mar 23, 2022 11:52 PDT)

*You may qualify for a fee discount. Please refer to the District Ordinance Code and/or contact the Harbor at 831.633.2461.

Permit

Date of Permit -

I, Tommy Razzeca, General Manager of the Moss Landing Harbor District, certify that I have reviewed the information contained in the above application and have found such activity to be Categorically Exempt from the provisions of CEQA under Article 19, Class 23 of the CEQA Guidelines.

The activity as described above in Section III is permitted. The following conditions are imposed as a condition of permit:

- Permittee is required to remove all garbage, trash, litter and debris associated with its use of facility.
- Permittee shall remove from within the District boundaries any instruments, pipes, flags, and any other materials that may have been placed purposefully or accidentally pursuant to this Permit upon the earlier of the expiration of the permit, request by MLHD, or completion of the project for which this Permit was issued. The placement of any instrument, pipe, flag or other item by Permittee within the District's boundaries is

conditioned, among other things, upon Permittee placing on the item using weather-proof, fade-proof and indelible writing material the contact information for Permittee, the date of placement of the item, and the expiration date of the permit under which the item was placed within the District's boundaries, all in legible lettering. Permittee is to monitor such item(s) to ensure that the identifying information is legible at all times. Any items not so identified will be subject to immediate removal by MLHD.

- Permittee shall provide District with emergency contact instructions associated with permitted use. Permittee shall provide a list of persons and organizations to contact in an emergency, along with the method of contact.
- **Permittee shall provide District with a Certificate of Insurance providing evidence of comprehensive liability and property damage coverage in the amount of one million dollars (\$1,000,000) for each accident/incident and one million dollars (\$1,000,000) in the aggregate. The Certificate shall name the Moss Landing Harbor District, its elected officials, officers, agents and employees as additional insured. The underlying policy shall remain in full force during the entire term of the use of District facilities. The District shall be notified at least 10 days prior to the policy being cancelled.**
- Permittee to embark/disembark all passengers from a location determined by Harbormaster. Permittee shall obey all instructions of District or law enforcement personnel. Permittee is not allowed to land anywhere other than at authorized location.
- Permittee shall comply with all applicable rules and regulations and obtain all licenses and permits required by its activity including, but not limited to, the California Department of Fish and Game and with the Moss Landing Harbor District Ordinances as the same may change from time to time.
- Neither permittee nor permittees' activities shall interfere with navigation of vessels in any waters under the Districts' jurisdiction.
- Neither permittee nor permittees' activities shall interfere with the Districts' dredging, pile driving or other construction activities.
- ALL VEHICLES MUST PURCHASE AND DISPLAY PARKING PERMITS.
- Permittee shall not contact or approach marine mammals except as permitted by appropriate governing agencies.
- Permit valid only so long as licenses and permits issued by any governing agency, including the United States Coast Guard and California Department of Boating and Waterways, if applicable, remain current and in force.
- Permittee shall provide the District with copies of any of the following that apply to permittees activity:
 - 1) Fish & Game license to operate as Sport Commercial Fishing Vessel.
 - 2) USCG license as Operator of Uninspected Passenger Vessel or higher.
 - 3) USCG Certificate of Inspection.
 - 4) Any other licenses/permits associated with business or activity.
- Permittee waives any and all claims for accident, injury, damage, theft or loss of any kind whatsoever arising out of or relating to the use of the facilities or grounds of the harbor



Location of dune restoration areas and proposed placement of signs to protect from trampling (approximate). Note that iceplant removal has already occurred under separate authorization from MLHD. The current request is for a one-time planting of native foredune plants along the 7-foot strip adjacent to MBARI property and boardwalk. Signs would be placed at either end of the boardwalk as indicated.



Example of proposed temporary signage that would be installed at either end of the strip. The sign would be made of aluminum and would measure approx. 12" x 18".

MLHD

Abrosia chamissonis	beach bur	6-in cone	40
Ericameria ericoides	mock Heather	6-in cone	40
Artemisia pycnocephala	beach sagewart	6-in cone	40
Lathyrus littoralis	silky beach pea	6-in cone	40
Eriophyllum staechadifolium	lizards tail	6-in cone	40
			200

List of native foredune plants that would be installed in the 7-foot strip. Seeds that were collected on MBARI property were grown in a local nursery for later planting.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
09/30/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Willis Towers Watson Northeast, Inc. c/o 26 Century Blvd P.O. Box 305191 Nashville, TN 372305191 USA	CONTACT NAME: Willis Towers Watson Certificate Center PHONE (A/C No. Ext): 1-877-945-7378 FAX (A/C No.): 1-888-467-2378 E-MAIL ADDRESS: certificates@willis.com														
	<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A: Aspen American Insurance Company</td> <td>43460</td> </tr> <tr> <td>INSURER B: Federal Insurance Company</td> <td>20281</td> </tr> <tr> <td>INSURER C: Liberty Mutual Insurance Company</td> <td>23043</td> </tr> <tr> <td>INSURER D: Lloyd's</td> <td>B7874</td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </tbody> </table>		INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Aspen American Insurance Company	43460	INSURER B: Federal Insurance Company	20281	INSURER C: Liberty Mutual Insurance Company	23043	INSURER D: Lloyd's	B7874	INSURER E:		INSURER F:
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INSURER E:															
INSURER F:															
INSURED Monterey Bay Aquarium Research Institute 7700 Sandholdt Road Moss Landing, CA 95039															

COVERAGES **CERTIFICATE NUMBER:** W22346855 **REVISION NUMBER:**

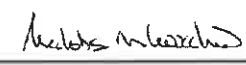
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y	OM00JC121	10/01/2021	10/01/2022	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY <input type="checkbox"/> AUTOS ONLY		99499933	10/01/2021	10/01/2022	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$		3HABO4AL004	10/01/2021	10/01/2022	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 Bumbershoot \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N No	71747036	10/01/2021	10/01/2022	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
D	Marine Pollution Liability		0713606	10/01/2021	10/01/2022	Article A \$5,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Bumbershoot Insurance is covered by insurers per their proportions set forth below:
 50% - Liberty Mutual Insurance Co.
 33% - Navigators Insurance Co.
 17% - StarNet Insurance Co.

Moss Landing Harbor District, its elected officials, officers, agents and employees are included as Additional

CERTIFICATE HOLDER Moss Landing Harbor District 7881 Sandholdt Road Moss Landing, CA 95039	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

AGENCY CUSTOMER ID: _____

LOC #: _____



ADDITIONAL REMARKS SCHEDULE

Page 2 of 2

AGENCY Willis Towers Watson Northeast, Inc.		NAMED INSURED Monterey Bay Aquarium Research Institute 7700 Sandholdt Road Moss Landing, CA 95039	
POLICY NUMBER See Page 1		EFFECTIVE DATE: See Page 1	
CARRIER See Page 1	NAIC CODE See Page 1		

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

Insureds as respects to General Liability.



BOARD OF COMMISSIONERS
Russell Jeffries
Tony Leonardini
Vincent Ferrante
James Goulart
Liz Soto

7881 SANDHOLDT ROAD
MOSS LANDING, CA 95039

TELEPHONE – 831.633.2461
FACSIMILE – 831.633.1201

GENERAL MANAGER/HARBOR MASTER
Tom Razzeca

STAFF REPORT

ITEM NUMBER 20 – LAFCO Independent Special District Selection Committee Ballot
BOARD MEETING OF MARCH 30, 2022

Attached to this Item is a copy of the Local Agency Formation Commission of Monterey County's (LAFCO) Official Independent Special District Selection Committee Election Ballot. The Board should review the Ballot and statements provided by each candidate and consider casting a vote for one (1) of the three (3) available candidates to fill a 4 year term of a Regular seat (expiring May 2026) as an Independent Special District Commissioner for LAFCO.

Once the MLHD Board selects a candidate for which to cast the MLHD vote, President Jefferies (as the MLHD voting member) will mark the candidate selection on the ballot, sign the ballot and return it to General Manager Razzeca for submission to LAFCO prior to the voting deadline of April 1, 2022 at 5 p.m.

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

2022 Commissioners

Chair

Christopher Lopez
County Member

Vice Chair

Mary Ann Leffel
Special District Member

Luis Alejo

County Member

Wendy Root Askew

County Member, Alternate

Kimbley Craig
City Member

Matt Gourley
Public Member

Ian Oglesby
City Member

Warren Poitras
Special District Member

Steve Snodgrass
Public Member, Alternate

Graig R. Stephens
Special District Member, Alternate

Anna Velazquez
City Member, Alternate

Counsel

Kelly L. Donlon
General Counsel

Executive Officer

Kate McKenna, AICP

132 W. Gabilan Street, #102
Salinas, CA 93901

P. O. Box 1369
Salinas, CA 93902

Voice: 831-754-5838

www.monterey.lafco.ca.gov

MEMORANDUM

DATE: March 1, 2022

TO: Independent Special District General Managers, Fire Chiefs and CEOs

FROM: Kate McKenna, AICP,
Executive Officer

SUBJECT: Ballot for Election of LAFCO Commissioner – Special District
Regular Member (Due April 1, 2022)

This memorandum transmits a ballot, voting instructions and candidate information for the election of one Independent Special District Regular Member to serve a four-year term on the Local Agency Formation Commission of Monterey County. Please forward the ballot and information to the legislative body of your District for voting and signature by the presiding officer (Board President) or designee. Vote for one of the three candidates. The deadline to return the ballot is April 1. LAFCO may extend this deadline if more time is needed to obtain ballots from a majority of Districts.

A second ballot, for election of one Special District Alternate Member, will be issued after the election of a Regular Member. Sequential balloting is in accordance with adopted procedures to ensure diversity in representation.

Thank you for participating in the election process. Please contact me if you have any questions.

Enclosures:

Ballot and Voting Instructions
Candidate Information

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

March 1, 2022

OFFICIAL BALLOT OF THE INDEPENDENT SPECIAL DISTRICT SELECTION COMMITTEE

FOR ELECTION OF ONE REGULAR SPECIAL DISTRICT REPRESENTATIVE TO LAFCO

Voting Instructions:

1. The presiding officer of the legislative body of the District or the legislative body's alternate officer is authorized to vote. Please vote for one candidate. A majority of Districts must return ballots in order to conclude the election. The candidate receiving the most votes will be elected to a Regular Member seat.
2. Please return this ballot to LAFCO of Monterey County at P.O. Box 1369, Salinas, CA 93902 or at 132 W. Gabilan Street, Suite 102, Salinas, CA 93901 or by email to mckennak@monterey.lafco.ca.gov.
3. **Deadline** - Ballots must be received in the LAFCO office by **April 1, 2022, at 5:00 p.m.** LAFCO may extend this deadline if more time is needed to obtain ballots from a majority of Districts.

PLEASE VOTE FOR 1 CANDIDATE (REGULAR MEMBER SEAT):

David Kong (Greenfield Public Recreation District and Greenfield Cemetery District)

Mary Ann Leffel (Monterey Peninsula Airport District)

Gail Morton (Marina Coast Water District)

VOTING MEMBER SIGNATURE: _____

INDEPENDENT SPECIAL DISTRICT: _____

DATE: _____

LAFCO of Monterey County

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

INDEPENDENT SPECIAL DISTRICT SELECTION COMMITTEE

NOMINATION FORM TO DECLARE CANDIDACY AND REQUEST NAME AND STATEMENT ON BALLOTS FOR ONE REGULAR POSITION AND ONE ALTERNATE POSITION ON THE LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

Due Date: February 28, 2022

Nominations will be considered to fill the four-year term for one Regular seat (expiring May 2026) and the four-term for one Alternate seat (expiring May 2026) for Independent Special District Commissioners on the Local Agency Formation Commission of Monterey County.

Nomination Deadline and Process:

Nominations must be received in the LAFCO Office by February 28, 2022 at 5:00 p.m. Qualified persons may submit their own nominations using this form (no Board action is needed). You may email the completed form to mckennak@monterey.lafco.ca.gov OR mail it to P.O. Box 1369, Salinas, CA 93902 OR hand-deliver it to 132 W. Gabilan Street, Suite 102 in Salinas.

Nomination Statement:

"I, David Kong, hereby declare myself a candidate for the election to the position of Regular or Alternate Commissioner of the LAFCO of Monterey County. I am an elected or appointed Monterey County Independent Special District board member or trustee residing within the county and not a member of a legislative body of a city or county. I request my name be placed on the official ballot and, if elected, I will qualify and accept the office of Regular or Alternate LAFCO Commissioner for which I am selected and serve to the best of my ability."

Nominee Information:

Name: David Kong
Address: 348 Barbera Way
Phone and e-mail: 831-682-2812 davidkong@gmail.com
District represented: Greenfield Public Recreation District and Greenfield Cemetery District
Your position with the District: Board President
Number of years as a District Board Member or Trustee: 3 years

Candidate Statement for the Ballot:

Please give reasons for wanting to be an elected LAFCO Commissioner and briefly summarize qualifications and background:

I am interested in being an elected LAFCO Commissioner because I would like to represent the South Monterey Communities on the Commission
LAFCO makes many important decisions on matters concerning South Monterey County. I have been a lifelong resident of Monterey County. I have lived in Pacific Grove, Salinas, and now have been a South County Resident for 21 years. I have served as a city planning commissioner, County Redistricting Commissioner, and School Board member and now serve on the Greenfield Public Recreation District and Greenfield Cemetery District as Board President. I am interested in having good land management of Monterey County. South Monterey County is mostly rural and agricultural. I am a good team player and I know a number of the current commissioners on LAFCO.
I would be honored to serve on the LAFCO Commission and asking for your vote.

Signed:

David Kong

Name (Print):

David Kong

Date:

02/25/2022

Thank you for your interest in serving on LAFCO of Monterey County.

LAFCO of Monterey County

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

INDEPENDENT SPECIAL DISTRICT SELECTION COMMITTEE

NOMINATION FORM TO DECLARE CANDIDACY AND REQUEST NAME AND STATEMENT ON BALLOTS FOR ONE REGULAR POSITION AND ONE ALTERNATE POSITION ON THE LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

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Nomination Deadline and Process:

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Nomination Statement:

"I, MARYANN Leffel, hereby declare myself a candidate for the election to the position of Regular or Alternate Commissioner of the LAFCO of Monterey County. I am an elected or appointed Monterey County Independent Special District board member or trustee residing within the county and not a member of a legislative body of a city or county. I request my name be placed on the official ballot and, if elected, I will qualify and accept the office of Regular or Alternate LAFCO Commissioner for which I am selected and serve to the best of my ability."

Nominee Information:

Name: MARYANN Leffel
Address: 112 Cuervo Vista Dr Monterey Ca 93940
Phone and e-mail: 831.402.4616 MALeffel@montereyairport.com
District represented: Monterey Peninsula Airport District
Your position with the District: Board Member
Number of years as a District Board Member or Trustee: 14 years

Candidate Statement for the Ballot:

Please give reasons for wanting to be an elected LAFCO Commissioner and briefly summarize qualifications and background:

Please see attached

Signed:

Mary Ann Lettel

Name (Print):

MARY ANN Lettel

Date:

2.25.22

Thank you for your interest in serving on LAFCO of Monterey County.

To Special Districts, Monterey County

I would truly be honored to receive your vote for another term, representing the Monterey County special districts on Lafco, Monterey County.

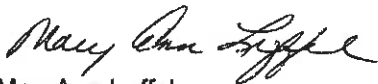
Since moving to Monterey County in 1982, I have served in a variety of positions on numerous boards, commissions and community groups. I have chaired Natividad Hospital Bd of Trustees, Monterey Peninsula Chamber of Commerce, Monterey County Business Council, Leadership Monterey Peninsula, Chartwell School, Monterey County Special Districts and several other commissions and groups.

Currently, I serve as the Vice Chair of Monterey County Lafco, and Monterey County Workforce Development Board and Chair, Monterey County Special Districts. I also serve as an elected member of the Monterey Peninsula Airport District, and as a board member of Carmel Valley Art Association and Legal Services for Seniors. I co founded the Monterey Bay Economic Partnership, the Monterey County Business Council, Leadership Monterey County, the CSUMB Institute for Innovation and Economic Development, the Monterey Bay Defense Alliance, Competitive Clusters Monterey, the Monterey County Revolving loan fund and served on each for several years. There are many more community groups and boards, where I held positions and seats.

I strive to represent the districts, their clients and communities they serve. In doing so, there are many needs, desires and voices. Listening to the community as a whole, I intend to represent the districts and their constituents fairly and to the best of my ability.

Please reelect me as your representative. I appreciate your consideration.

Best,



MaryAnn Leffel

Vice Chair

LAFCO, Monterey County

LAFCO of Monterey County

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

INDEPENDENT SPECIAL DISTRICT SELECTION COMMITTEE

NOMINATION FORM
TO DECLARE CANDIDACY AND REQUEST NAME AND STATEMENT ON BALLOTS
FOR ONE REGULAR POSITION AND ONE ALTERNATE POSITION ON
THE LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

Due Date: February 28, 2022

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Nomination Statement:

"I, GAIL MORTON, hereby declare myself a candidate for the election to the position of Regular or Alternate Commissioner of the LAFCO of Monterey County. I am an elected or appointed Monterey County Independent Special District board member or trustee residing within the county and not a member of a legislative body of a city or county. I request my name be placed on the official ballot and, if elected, I will qualify and accept the office of Regular or Alternate LAFCO Commissioner for which I am selected and serve to the best of my ability."

Nominee Information:

Name: GAIL MORTON
Address: 5 VIA JOAQUIN MONTEREY CA 93940
Phone and e-mail: 831 375-0100 gmorton@montereyfamilylaw.com or directormorton@mcwd.org
District represented: MARINA COAST WATER DISTRICT
Your position with the District: DIRECTOR
Number of years as a District Board Member or Trustee: 1 YEAR

Candidate Statement for the Ballot:

Please give reasons for wanting to be an elected LAFCO Commissioner and briefly summarize qualifications and background:

Set forth on Page 2 of 2

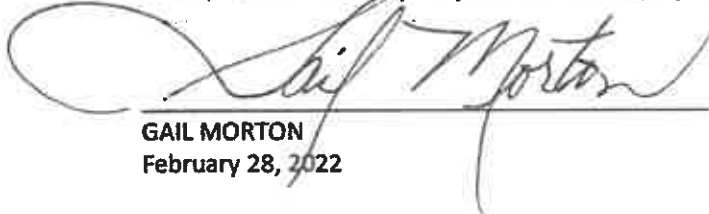
LAFCO's goal of preserving open space and agricultural land, discouraging urban sprawl, and delivering local and district services efficiently aligns well with the aims I have promoted in past decades as an activist, Marina councilmember, and a board member of Fort Ord Reuse Authority.

I currently serve as a director of the Marina Coast Water District (MCWD), the largest water district in County of Monterey. I focus on developing and implementing policies that will ensure a safe, clean, affordable water supply for current and future MCWD customers—*without* undermining affordable water for others throughout the County.

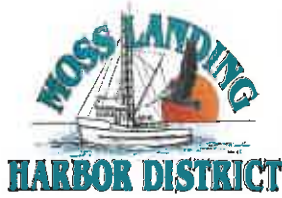
In their vital regional role, LAFCO commissioners must exercise prudence and diligence, anticipating unintended consequences, when shaping the development of local agencies advantageously for the present and future needs of our county. It is imperative that every board action reflect a holistic, countywide understanding of land and water resources; the practical demands of development in the decades to come; and the importance of protecting the County's economy, which depends on agricultural land and the attraction of open space for tourism.

I study issues carefully to bring as roundly informed a perspective to the table as possible. In my observation, cooperative, multiagency solutions with cross-jurisdictional benefit are key to successful governance. Some excellent strategies have been modeled in the past; this approach will continue to reap dividends when pursued.

LAFCO's independent and dependent special districts deserve fair and focused representation. As a leader at the city, FORA, and MCWD levels, I have a record of respect for the diverse interests of constituent groups and persons and a strong commitment to balanced, workable solutions. As a LAFCO commissioner, I will strive always to provide effective, equitable representation.



GAIL MORTON
February 28, 2022



BOARD OF COMMISSIONERS

Russell Jeffries
Tony Leonardini
Vincent Ferrante
James Goulart
Liz Soto

7881 SANDHOLDT ROAD
MOSS LANDING, CA 95039

TELEPHONE – 831.633.2461
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GENERAL MANAGER/HARBOR MASTER
Tom Razzeca

STAFF REPORT

ITEM NUMBER 21 –Resolution 22-03 2nd Amendment to the Lusamerica Foods Inc. Cannery Building Lease
BOARD MEETING OF MARCH 30, 2022

MLHD AND Lusamerica Foods Inc. entered into Lease Agreement dated February 1, 2021, for Suites 4 and 5 of the District's Santa Cruz Cannery Building, consisting of an area of approximately Six Hundred and Sixty Four (664 mol) square feet at an annual rent of \$13,546.60, subject to annual modification by the CPI. The term of the Lease is Twenty Nine (29) years and Six (6) months with one Ten (10) year option to renew.

After the acquisition of additional leased space by Lusamerica Foods Inc. , Cannery Building Suites 5A and 5B, by Board-approved Lease Amendment during the February 24, 2022 meeting of the Board, Lusamerica Foods Inc. has requested a second amendment to the Lease relinquishing its right to lease Suite 4 which consists of approximately Three Hundred and Thirty Two (332 mol) square feet of the Cannery Building, making Suite 4 available for Miller Marine Solutions, another tenant of the Cannery Building in good standing who will acquire Suite 4 under the terms of a new lease beginning April 1, 2022 upon approval of Resolution 22-04 listed on tonight's agenda as Item No 22.

Staff recommends that the Board review the attached proposed 2nd amendment to the Lusamerica Foods Inc. Cannery Building lease and consider approving Resolution 22-03 which will relinquish suite 4 of the building from the Lusamerica Foods Inc. lease and make it available for a new lease with Miller Marine Solutions.

RESOLUTION NO. 22-03

A RESOLUTION OF THE BOARD OF HARBOR COMMISSIONERS OF THE MOSS LANDING HARBOR DISTRICT APPROVING AMENDMENT #2 TO A LEASE FOR A PORTION OF THE SANTA CRUZ CANNERY BUILDING BETWEEN THE MOSS LANDING HARBOR DISTRICT AND LUSAMERICA FOODS, INC.

WHEREAS, the Moss Landing Harbor District (“District”) and Lusamerica Foods Inc. (“Lusamerica”) entered into that certain Lease Agreement (“Lease”), dated February 1, 2021, for Suites 4 and 5 of the District’s Santa Cruz Cannery Building, consisting of an area of approximately six hundred sixty four (664 mol) square feet at an annual rent of \$13,546.60, subject to annual modification by the CPI, with a term of 29 years and 6 months with one 10-year option to renew; and

WHEREAS, Lusamerica requested and the District approved an amendment to the Lease by the addition of two more offices in the Cannery Building, Suites 5A and 5B, for an additional leased space of 1370 square feet, with a new total leased space of 2024 square feet, on February 24, 2022; and

WHEREAS, Lusamerica has now requested a second amendment to the Lease, by which they will relinquish rights to the lease of Suite 4, which will be incorporated into a new lease with another current Cannery Building Tenant, and

WHEREAS, Lusamerica is in good standing with the provisions of the Lease, and the Parties now desire to enter into Lease Amendment #2 memorializing the proposed modification of the leased premises and attendant changes to the rent terms.

NOW THEREFORE, BE IT HEREBY RESOLVED by the Board of Harbor Commissioners of the Moss Landing Harbor District that the Lease Amendment between the Moss Landing Harbor District and Lusamerica Foods, Inc, a copy of which is attached hereto as Exhibit A, and by this reference incorporated herein, is hereby approved and the General Manager is hereby authorized and directed to execute the same on behalf of the District.

CERTIFICATION

Resolution No. 22-03 was duly passed and adopted by the Board of Harbor Commissioners of the Moss Landing Harbor District at a special meeting of the Board held on the 30th day of March 2022, a quorum present and acting throughout, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Russ Jeffries, President
Board of Harbor Commissioners

ATTEST:

Tommy Razzeca, Deputy Secretary
Board of Harbor Commissioners

LEASE AMENDMENT #2

This Second Lease Amendment, hereinafter referred to as "Amendment #2" is made and entered into at Monterey County, California this 1st day of April, 2022, by and between MOSS LANDING HARBOR DISTRICT, a Political Subdivision of the State of California, hereinafter referred to as "Lessor" and LUSAMERICA FOODS, INC., hereinafter referred to as "Lessee." Lessor and Lessee may collectively be referred to herein as "the Parties."

RECITALS

A. Lessor and Lessee entered into that certain Lease Agreement ("Lease") dated February 1, 2021, for Suites 4 and 5 of the District's Santa Cruz Cannery Building, consisting of an area of approximately Six Hundred and Sixty Four (664 mol) square feet at an annual rent of \$13,546.60, subject to annual modification by the CPI. The term of the Lease is Twenty Nine (29) years and Six (6) months with one Ten (10) year option to renew.

B. After the acquisition of additional leased space by Lessee, Cannery Building Suites 5A and 5B, by Board-approved Lease Amendment during the February 24, 2022 meeting of the Board, Lessee has requested a second amendment to the Lease relinquishing its right to lease Suite 4 which consists of approximately Three Hundred and Thirty Two (332 mol) square feet of the Cannery Building, making Suite 4 available for Miller Marine Solutions, another tenant of the Cannery Building in good standing who will acquire Suite 4 under the terms of a new lease beginning April 1, 2022.

C. Lessee is in good standing with the provisions of the Lease, and the Parties now desire to memorialize appropriate amendments to the Lease.

NOW THEREFORE, based on the recitals set forth above, which are incorporated herein as findings, the Parties agree to the following Lease Amendments:

1. Section D of Basic Lease Provisions is deleted in its entirety and replaced as follows:

The Premises which Lessee leases under this Lease are the following: Santa Cruz Cannery Building located at 7532 Sandholdt Road in Moss Landing Harbor, Moss Landing, California, consisting of an area of approximately Seventeen Hundred and Two (1702 mol) square feet located adjacent to Bass Way as depicted in Exhibit A.

2. Section F of Basic Lease Provisions is deleted in its entirety and replaced to read as follows:

Five (5) Non-exclusive standard parking spaces as available in adjacent lot.

3. Lease Section 3.1 Cannery Building is deleted in its entirety and replaced as follows:

3.1 Cannery Building: Lessor hereby leases to Lessee and Lessee hereby rents from Lessor the property located in the Moss Landing Harbor, Moss Landing, County of Monterey, State of California, described as follows: The premises described in Exhibit "A" known as Suites 5, 5A and 5B located in the Santa Cruz Cannery Building, 7532 Sandholdt Road, Moss Landing Harbor, Moss Landing,

California consisting of an area of approximately Seventeen Hundred and Two (1702 mol) square feet on the upper level of the building located adjacent to Bass Way as previously described.

4. Lease Section 3.2, first sentence, is deleted in its entirety and replaced to read as follows:

Lessee may have Five (5) non-exclusive standard parking spaces on the property adjacent to the Cannery Building reserved for Tenant and Tenant's Visitor Parking only.

5. Lease Section 4.1.1 MINIMUM ANNUAL RENT is deleted in its entirety and replaced as follows:

4.1.1. MINIMUM ANNUAL RENT: Thirty Six Thousand, One Hundred Fifty Dollars and Forty Eight Cents (\$36,150.48.)

6. Lease Section 4.1.1.1 Cannery Building is deleted in its entirety and replaced as follows:

4.1.1.1 Cannery Building: After a second amendment in 2022, Lessee shall pay to Lessor the Minimum Annual Rent of \$1.77 per square foot per month for a monthly amount of \$3,012.54, equaling \$36,150.48 per annum, based on a fair market value as of January 1, 2022. Monthly installments of Minimum Rent shall be due and payable in advance on the first day of each consecutive month during the Term.

7. Lessee may reduce the aforementioned square footage (332 square feet) in Suite 4 from Lessee's insurance coverage and provide an updated COI to Lessor upon execution of this Lease Amendment.

8. Except as specifically set forth herein, all terms, covenants, limitations, provisions, restrictions, agreements, rights, remedies, and conditions contained in the Lease are unchanged and incorporated herein and made a part hereof and shall remain in full force and effect and be binding upon the parties.

Executed this 1st day of April, 2022 in Monterey County, California.

Lessor, Moss Landing Harbor District

Lessee, Lusamerica Foods Inc.

By: _____
Tommy Razzeca, General Manager

By: _____
Fernando Fredrico
Title _____



BOARD OF COMMISSIONERS
Russell Jeffries
Tony Leonardini
Vincent Ferrante
James Goulart
Liz Soto

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GENERAL MANAGER/HARBOR MASTER
Tom Razzeca

STAFF REPORT

ITEM NUMBER 22 –Resolution 22-04 Approval of Miller Marine Solutions Lease
BOARD MEETING OF MARCH 30, 2022

MLHD and Marine Miller Solutions Inc. entered into that Lease Agreement dated October 1, 2019, for Suites 7A & 7B of the District's Santa Cruz Cannery Building, with a term of two (2) years and two one (1) year options to renew. Miller Marine Solutions has indicated a desire to lease Suite 4 in the Cannery Building that is available if the Board decided to approved Resolution 22-03 (item No. 21 on tonight's agenda) relinquishing the space from the Lusamerica Cannery Building Lease and making it available to Miller Marine Solutions.

Given the relatively short term left on the Miller Marine Solutions existing lease, staff is recommending that the Board consider approval of Resolution 22-04 affectively entering into a new lease with Miller Marine Solutions beginning April 1, 2022 for a five (5) year term with two (2) one (1) year options to renew that will include the additional 332 square feet of desired space associated with Miller Marine Solutions acquisition of Suite 4 in the Canner Building.

Staff recommends that the Board review the attached Resolution and lease and consider approval of Resolution 22-04.

RESOLUTION NO. 22-04

A RESOLUTION OF THE BOARD OF HARBOR COMMISSIONERS OF THE MOSS LANDING HARBOR DISTRICT APPROVING A LEASE FOR A PORTION OF THE SANTA CRUZ CANNERY BUILDING BETWEEN THE MOSS LANDING HARBOR DISTRICT, MARINE MILLER SOLUTIONS INC, AND ISAAC MILLER

WHEREAS, the Moss Landing Harbor District (“District”), Marine Miller Solutions Inc. (“Marine Miller”) and Isaac Miller (“Miller”) entered into that certain Lease Agreement (“Lease”), dated October 1, 2019, for Suites 7A & 7B of the District’s Santa Cruz Cannery Building, with a term of two (2) years and two one (1) year options to renew; and

WHEREAS, Miller Marine/Miller have indicated a desire to lease additional office space in the Cannery Building, and an opportunity has arisen that will allow them to acquire an additional 332 square feet through the lease of Suite 4, for a new total leased space of 1307 square feet; and

WHEREAS, given the relatively short term left on their existing lease, Marine Miller/Miller and the District have decided it is more efficient to enter into a new lease with a new five (5) year term for the desired spaces; and

WHEREAS, Miller Marine is in good standing with the provisions of its existing Lease, and the Parties now desire to enter into a new Lease memorializing the proposed modification of the leased premises and attendant changes to the Lease term and rent terms.

NOW THEREFORE, BE IT HEREBY RESOLVED by the Board of Harbor Commissioners of the Moss Landing Harbor District that the Lease between the Moss Landing Harbor District, Miller Marine Solutions, Inc., and Isaac Miller, a copy of which is attached hereto as Exhibit A, and by this reference incorporated herein, is hereby approved and the General Manager is hereby authorized and directed to execute the same on behalf of the District.

CERTIFICATION

Resolution No. 22-04 was duly passed and adopted by the Board of Harbor Commissioners of the Moss Landing Harbor District at a special meeting of the Board held on the 30th day of March 2022, a quorum present and acting throughout, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Russ Jeffries, President
Board of Harbor Commissioners

ATTEST:

Tommy Razzeca, Deputy Secretary
Board of Harbor Commissioners

Total 3075 SF As of 4/1/2022

#4 3225 SF
#7A & 7B 975 SF
Miller Marine Solutions Inc.

Exhibit A
2nd Floor Drawing
7532 Samedha Rd

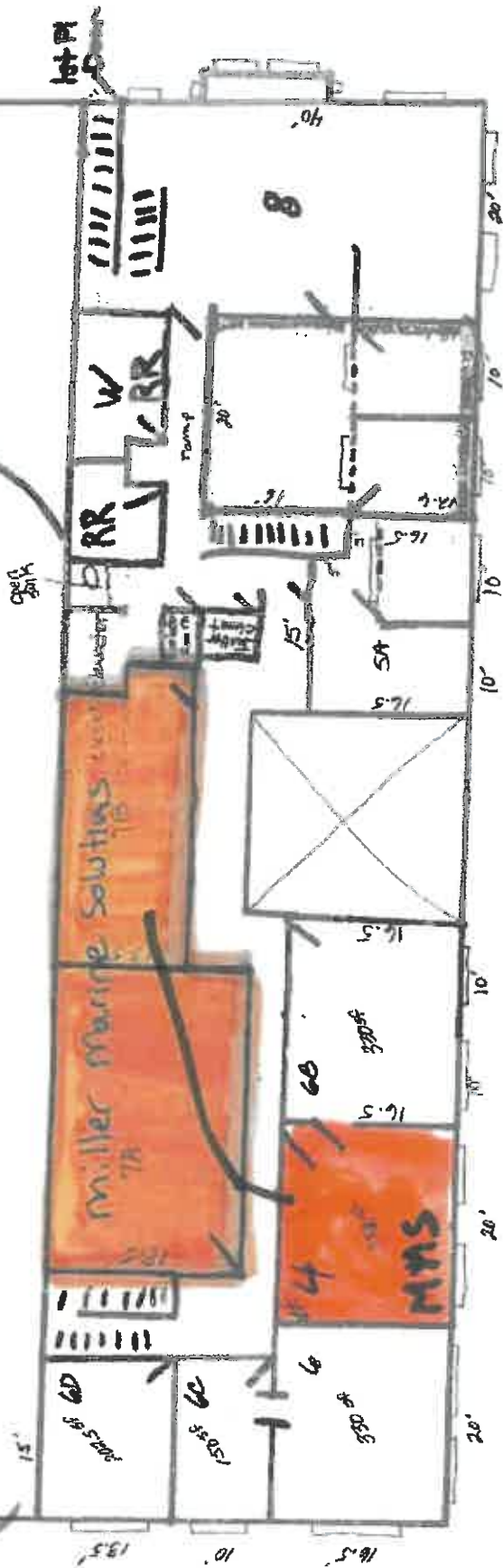


EXHIBIT
A

LEASE AGREEMENT



“LESSOR”

MOSS LANDING HARBOR DISTRICT,
a Political Subdivision of the State of California

and

Miller Marine Solutions Inc. and
Isaac Miller, an Individual

“LESSEE”

Leased Premises:

A Portion of APN #133-241-018
Santa Cruz Cannery Building (1307 s.f. ft. m.o.l.)
7532 Sandholdt Road,
Moss Landing, CA

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Basic Lease Provisions

The words and figures set forth in Paragraphs A through O, inclusive, are part of the Lease wherever appropriate references if made thereto, unless they are expressly modified elsewhere in this Lease. Certain of the following Paragraphs A through O, are intended only to summarize matters which are addressed more completely in other provisions of this Lease; therefore, in the event of any conflict between the following Paragraphs A through O and any provision of this Lease, the latter shall govern and control.

- A. **Effective Date:** April 1, 2022
- B. **Lessor:** Moss Landing Harbor District, a political subdivision of the State of California
- C. **Lessee:** Miller Marine Solutions Inc., and Isaac Miller, an individual
- D. **Premises:** The Premises which Lessee leases under this Lease are the following: A portion of the Santa Cruz Cannery Building located at 7532 Sandholdt Road in Moss Landing Harbor, Moss Landing, California, on the upper level of the building located adjacent to Bass Way consisting of office space of approximately 975 square feet, mol known as Suite 7A&7B and 332 square feet, mol known as Suite 4, a total of 1307 square feet of office space between the 3 suites as depicted in Exhibit A.
- E. **Use of Premises:** General office functions, Seafood Marketing and Distribution Logistics
- F. **Parking:** Non-exclusive parking spaces as available in adjacent lot; street parking
- G. **Term:** Five (5) years commencing April 1, 2022
- H. **Option to Renew:** Option to Renew shall be exercised by written notice delivered by Lessee to Lessor not later than six (6) months prior to the end of the term.
- I. **Option to Renew Term:** Two (2) One (1) year Options subject to reappraisal, payment of new rent plus CPI increases.
- J. **Minimum Rent:** Annual rent of \$22,729.68 payable monthly at \$1,894.14 per month based on \$1.77 per square foot per month for Suite 4, and \$1.34 per square foot per month for suites 7A & 7B adjusted annually based on the CPI. First CPI will be based on 2022 CPI increase payable commencing January 1, 2023 after notice per terms of lease. This is a triple net lease.
- K. **Security Deposit:** One month rent, increased annually by CPI
- L. **Prepaid Rent:** None
- M. **Late Fee:** Equal to prime plus two percent (2%) of the amount past-due, in addition to an administrative surcharge per the tariff of the District
- N. **Lessor's Address for Notices:** Moss Landing Harbor District
7881 Sandholdt Road
Moss Landing, CA 95039
- O. **Lessee's Address and Phone Number for Notices:** Miller Marine Solutions Inc.
Isaac Miller, Owner
798 Lighthouse Ave #310
Monterey, CA 93940-1010

**MOSS LANDING HARBOR DISTRICT
L E A S E**

This LEASE, made and entered into this 1st day of April 2022 by and between the MOSS LANDING HARBOR DISTRICT, a Political subdivision of the State of California, hereinafter called "LESSOR", and Miller Marine Solutions Inc., hereinafter called "LESSEE."

WITNESSETH:

1 LEASE DOCUMENTS

This Lease includes the following documents, which are attached hereto and made a part hereof:

- 1.1 Exhibit A: Drawing depicting leased premises in Santa Cruz Cannery Building.
- 1.2 Exhibit B: General Conditions, dated August 2000
- 1.3 Exhibit C: Moss Landing Harbor District Ordinance Code (see www.mosslandingharbor.dst.ca.us)
- 1.4 Exhibit D: If applicable, Plans and specifications of Tenant Improvements

2 EFFECTIVE DATE

- 2.1 April 1, 2022. Minimum rent shall be paid in advance on or before the first day of each calendar month.

3 PROPERTY LEASED

- 3.1 Cannery Building: Lessor hereby leases to Lessee and Lessee hereby rents from Lessor the property located in the Moss Landing Harbor, Moss Landing, County of Monterey, State of California, described as follows: The premises described in Exhibit "A" located in the Santa Cruz Cannery Building, 7532 Sandholdt Road, Ste. **7A & 7B and Ste. 4**, Moss Landing Harbor, Moss Landing, California, consisting of 1307 sf mol of office space on the upper level of the building located adjacent to Bass Way.
- 3.2 Lessee may have non-exclusive use of parking spaces available on the property adjacent to the Cannery building reserved for Tenant and Tenant's Visitor parking only. These parking spaces are to be used for the sole purpose of parking unoccupied vehicles on site for a limited period of time while the occupants conduct lawful business on the premises. In no event shall any vehicle be parked upon the premises for any period of time while occupied, other than very brief periods during employees lunch or dinner breaks, or as necessary incidental to picking up or dropping off an individual who has lawful business on the premises. There will specifically be no sleeping in vehicles on the premises and no unauthorized overnight parking. Vehicles of more than two axles with a gross weight of 15 tons, abandoned vehicles, boat and other trailers, recreational vehicles, and similar vehicles are specifically prohibited from parking on the premises. Any use of the premises allowed by Lessee which creates a nuisance will constitute a default under the terms of this agreement and, in addition to any other remedies available to Lessor, Lessee shall have the right to abate the nuisance by removing the nuisance at Lessee's sole cost and expense. Additionally, should Lessor elect not to declare this

lease in default, Lessor shall have the right to reduce or eliminate Lessee's use of the premises adjacent to the Cannery Building.

4 RENT

4.1 Amount. Lessee shall pay Lessor without prior notice or demand, deduction, set-off or counterclaim during the Term the rent provided in this Section 4.1 and all other additional sums required to be paid under this Lease, at the address set forth in Section 16. All sums of money required to be paid pursuant to the terms of this Lease are defined as "Rent", whether or not the same are designated as such elsewhere in this Lease, and shall be paid in lawful money of the United States of America. This is a triple net Lease.

4.1.1 MINIMUM ANNUAL RENT:

4.1.1.1 Cannery Building: Lessee shall pay to Lessor as Minimum Annual Rent \$22,729.68 payable monthly at the rate of \$1,894.14 per month based on \$1.77 per square foot per month for Suite 4, and \$1.34 per square foot per month for suites 7A & 7B adjusted annually based on the CPI. Monthly installments of Minimum Rent shall be due and payable in advance on the first day of each consecutive month during the Term.

4.1.2 LATE PAYMENT: Lessee hereby acknowledges that late payment by Lessee to Lessor of any amount due under this Lease (including, but not limited to, Minimum Rent) will cause Lessor to incur costs and expenses not contemplated by this Lease, the exact amount of which costs and expenses are extremely difficult and impractical to ascertain. In accordance with Ordinance Code Section 20.010, any amount of money due and unpaid to Lessor ten (10) days after the payment was due shall be subject to a late fee. Such costs and expenses include, but are not limited to, processing and accounting charges and late charges that may be imposed on Lessor under the terms of any note or other obligation secured by a deed of trust or other security instrument covering the Project. Therefore, if Lessee fails to pay any amount under this Lease when due, in addition to the interest for which Section 20.4 provides, a late charge equal to prime plus two percent (2%) of the amount, in addition to an administrative surcharge per the tariff of the Lessor District, shall be assessed to reimburse Lessor for such costs and expenses. Lessor and Lessee agree that this late charge represents a fair and reasonable estimate of the costs and expenses that Lessor will incur by reason of a late payment by Lessee.

4.2 First Partial Month. If the Commencement Date occurs on a day other than the first day of a calendar month:

4.2.1 Minimum Rent for the first partial month shall be prorated on the basis, which the number of days of the Term in such month bears to 30, and as so prorated shall be paid on the Commencement Date.

4.3 PERCENTAGE RENT: Lessee does not intend to use the premises for retail sales. Should Lessor approve a use of the premises for retail sales, Lessor shall be entitled to a percentage of each sale based on rates by similar ports on the west coast.

4.4 Lease Year. "Lease Year" shall mean that period of twelve (12) or fewer consecutive months which ends on December 31st of each year and which falls within the Term and the period from the last December 31st during the Term to and including the last day of the Term. Each Lease Year shall constitute a separate accounting period for the purpose of computing Percentage Rent, and Gross Sales for any one Lease Year shall not be carried forward or carried back into any other Lease Year.

- 4.5 Records. Lessee shall keep and preserve and shall require its sublessees, licensees and concessionaires to keep and preserve, in Monterey County, for a period of not less than three (3) years after the delivery to Lessor of Lessee's certified statement for the last calendar quarter of each Lease Year, complete, accurate and customary records of all amounts received during each Lease Year in the Premises, whether or not included in Gross Sales. However, in the case of a controversy concerning the amount of Percentage Rent for a Lease Year(s) under this Lease, Lessee shall keep and preserve said records until the controversy has ended. Lessor shall be entitled at reasonable times during business hours, personally or through duly authorized agents, at its own expense, to inspect and make copies of such records, together with any other documents bearing directly on Lessee's Gross Sales under this Lease. Lessee shall, upon the verbal request of Lessor or its agents, produce and make such records and other documents available to Lessor or its agents for the purpose of such inspection and copying.
- 4.6 Audit. Lessor shall be entitled to have an audit made of all amounts received by Lessee from business transacted in the Premises, whether or not included in "Gross Sales", for a prior Lease Year. Lessee shall, upon the verbal request of Lessor or its agents, produce and make the records and other documents to which Section 4.6 refers available to Lessor or its agents for the purpose of such audit. If the audit discloses that any statements for the period audited are inaccurate, adjustment shall be made in the following manner upon notice to Lessee: Within ten (10) days after delivery of such notice, Lessee shall pay to Lessor any Minimum Rent then due. If the computation discloses that Lessee overpaid Minimum Rent for such Lease Year, then Lessee shall be entitled to a credit in the amount of such overpayment against the next payment(s) of Rent due under this Lease. If the audit further discloses that Lessee has understated Percentage Rent by three percent (3 %) or more, in addition to payment of any rent paid, Lessee shall immediately pay the cost of the audit.
- 4.7 Acceptance of Payment. No payment by Lessee or receipt by Lessor of a lesser amount of Minimum Rent or any other amount due under this Lease shall be deemed to be other than on account of the earliest due Rent or payment, nor shall any endorsement or statement on any check or any letter accompanying any such check or payment be deemed an accord and satisfaction, and Lessor may accept such check or payment without prejudice to Lessor's right to recover the balance of such Rent or payment or pursue any other remedy available under this Lease, at law or in equity. Lessor may accept any partial payment from Lessee without invalidating any contractual notice required to be given under this Lease (to the extent such contractual notice is required) and without invalidating any notice required to be given pursuant to California CODE OF CIVIL PROCEDURE §1161, as it may be amended from time to time.
- 4.8 Adjustment of Minimum Rent. The Minimum Rent shall be adjusted every year for inflation. For the purpose of calculating the adjustment to Minimum Rent, the Adjustment Date shall be on the first of January each year. Each such increase shall be determined as follows:

4.8.1 The basis for computing each increase shall be the United States Department of Labor Consumer Price Index All Urban Consumers, Base 1982 = 100 (CPI-U) for San Francisco, Oakland, San Jose, California ("Index").

4.8.2 At each Adjustment Date, the Minimum Rent payable during the immediately preceding year shall be increased by the amount of any percentage increase in the Index last published for the period January – December of the preceding year as compared with the Index

published for the same calendar month of the preceding year. In no event shall the Minimum Rent for any year be reduced below the amount payable during the immediately preceding year.

4.8.3 Lessor shall notify Lessee of each increase in the Minimum Rent, in writing, as soon as reasonably possible following each Adjustment Date. Lessee acknowledges that the amount of each such increase and written notice thereof will not be available until some time after the Adjustment Date. Therefore, Lessee shall continue to make monthly payments to Lessor of Minimum Rent in the amount payable for the Adjustment Period preceding the Adjustment Date until written notice of the newly calculated Minimum Rent is received by Lessee. No later than ten (10) days following receipt by Lessee of such written notice, Lessee shall pay to Lessor the amount of the increase reflected in such written notice for each calendar month from the Adjustment Date to the date of receipt by Lessee of such written notice.

4.8.4 If the Index ceases to be published, then such other source of information shall be used as a basis to determine the rise of the cost of living and the current rental adjustments by reason thereof as the parties shall mutually agree upon, and, in the event the parties cannot agree upon an acceptable basis, then such basis shall be determined by arbitration. Each party hereto shall appoint one arbitrator and such two arbitrators shall appoint a third arbitrator. The decision of the majority of said arbitrators shall be binding upon the parties. The cost of such arbitration, if any, shall be borne equally by Lessor and Lessee.

4.8.5 This is a triple net Lease. In addition to such other sums set forth herein, Lessee shall pay its prorata share of all costs incurred by Lessor arising out of the common use and common areas of the land and building of which the leased premises are a part. The prorata share of costs will be based upon the square footage occupied by Lessees compared to the total square footage of the building.

5 TERM OF LEASE

5.1 DURATION: The lease term shall be Five Years.

5.2 CANCELLATION: If by reason of regulation or other action by governmental or other authority, the Premises should be deemed unsafe or unfit for further use, either absolutely or until such time as structural or other repairs or renovations are accomplished, Lessee shall have the absolute right, at its sole discretion, to repair and restore the damaged premises in accordance with Section 11.1 or to cancel and terminate this Lease without further obligation to Lessor.

5.3 HOLDOVER: If Lessee maintains possession of the Premises for any period after the termination of this Lease, known as the "Holdover Period", Lessee shall pay to Lessor a lease payment for the Holdover Period based on the terms of the preceding RENT section. Such holdover shall constitute a month-to-month extension of this Lease.

6 OPTION TO RENEW

Subject to satisfaction of the conditions precedent set forth below, Lessee shall have Two (2) options to extend the term of the lease, each option for a period of One (1) year, with the exercise of the first option beginning the day after the expiration of the initial term, on the following terms and conditions. Exercise of the second option shall begin the day after the expiration of the first option term, on the following terms and conditions.

- 6.1 Lessee's Option Term shall be subject to satisfaction of each of the following conditions precedent, which are solely for the benefit of, and may be waived unilaterally by, Lessor: (1) Option shall be exercised by written notice delivered by Lessee to Lessor not later than six (6) months prior to the end of the term; (2) Lessee shall be in occupancy of the leased premises directly, and not through an assignee or sublessee; and (3) the lease shall be in effect and Lessee shall not be in default of any material provision thereof both on the day such written notice is delivered to Lessor and on the last day of the term; provided, however, if Lessee is in default but the cure period has not run, this condition shall be deemed satisfied if Lessee cures the default within the applicable cure period.
- 6.2 In the event the term shall be extended following exercise by Lessee of the Option to Renew, then all terms, covenants and conditions of the lease shall remain in full force and effect during the option to renew, including a fair market value increase to minimum annual rent as subject to an independent appraisal. The independent appraiser shall appraise the leasable premises on comparison with related businesses along the central coast of California. The appraiser shall be selected by mutual agreement of the parties; if agreement is not reached on the selection of an appraiser within fifteen (15) days, then Lessee and Lessor shall each chose an appraiser, each of whom shall agree to select a third appraiser to appraise the premises.

7 USE AND SERVICES

- 7.1 Use: Lessee shall operate and maintain a first-rate and complete facility for the purpose of general office use or, subject to Lessor's and government agency's prior written approval, other uses compatible with the Monterey County Land Use Plan.
- 7.2 Limitations on Use. Lessee's use of the Premises shall be in accordance with section 7.1.
- 7.3 Prohibited Uses: The parties hereto agree that the following acts, occurrences or conduct by Lessee on or from the Premises are strictly prohibited:
 - 7.3.1 Engaging in any activity that constitutes a violation of any law.
 - 7.3.2 Acts of gambling or the operation of games of chance or devices for gambling purposes unless allowed by Lessor on other properties owned or operated by Lessor and in compliance with law (see 7.4).
- 7.4 Compliance with Laws. Except as otherwise provided herein, Lessee shall comply with all Laws and Legal Requirements concerning Premises or Lessee's use of the Premises. Lessee shall obtain and pay for all licenses and permits required for Lessee's occupancy and use of the Premises. Compliance with all laws shall include compliance with all requirements of each regulatory agency which has jurisdiction over the Premises and all uses thereof.
- 7.5 Waste: Nuisance. Lessee shall not cause, maintain or permit any nuisance in, on, or about the Premises. Lessee shall not commit or suffer to be committed any waste in or about the Premises and shall keep the Premises in first class repair and maintain the same in Good Condition during the Lease Term.

8 BUSINESS RIGHTS AND RESTRICTIONS.

- 8.1 Use. The Premises shall be used solely for the use set forth in the above Section and for no other purpose or use whatsoever.
- 8.2 Restrictions. Lessee shall not, without Lessor's prior written consent, which shall not be unreasonably withheld: (a) conduct any auction or bankruptcy sale; (b) permit anything to be done on the Premises which will in any way obstruct, interfere with or infringe on the rights of other occupants in the Santa Cruz Cannery Building and K-Dock; (c) cause, maintain or permit any nuisance on the Premises or cause or permit any waste to be committed on the Premises; (d) bring or keep on the Premises or permit any act thereon which is prohibited by any law, statute, ordinance or governmental regulation now in force or hereafter enacted or promulgated, or which is prohibited by any standard form of fire insurance policy or standard policy insuring against "all risk" perils; or (e) violate any provision of any covenants, conditions and restrictions of record affecting the Premises, whether entered into before or after the date of this Lease.
- 8.3 Hazardous Materials. Lessee hereby makes the following covenants regarding Hazardous Materials:
- 8.4 Lessee shall at all times and in all respects comply with all federal, state and local laws, ordinances and regulations, including, but not limited to, the Federal Water Pollution Control Act (33 U.S.C. §1251, *et seq.*), Resource Conservation & Recovery Act (42 U.S.C. §6901, *et seq.*), Safe Drinking Water Act (42 U.S.C. §3000f, *et seq.*), Toxic Substances Control Act (15 U.S.C. §2601, *et seq.*), the Clean Air Act (42 U.S.C. §7401, *et seq.*), Comprehensive Environmental Response, Compensation and Liability Act 42 U.S.C. 9601~ California HEALTH & SAFETY CODE (§ 25100, *et seq.*; § 39000, *et seq.*), California Safe Drinking Water & Toxic Enforcement Act of 1986 (HEALTH & SAFETY CODE §25249.5, *et seq.*), California WATER CODE (§13000, *et seq.*), and other comparable state and federal laws ("Hazardous Materials Laws"), relating to industrial hygiene, environmental protection or the use, analysis, generation, manufacture, storage, disposal or transportation of any oil, flammable explosives, asbestos, urea formaldehyde, radioactive materials or waste, or other hazardous, toxic, contaminated or pollution materials, substances or wastes, including, without limitation, any "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" under any laws, ordinances or regulations (collectively, "Hazardous Materials").

8.4.1 Lessee shall, at its own expense, procure, maintain in effect and comply with all conditions of any and all permits, licenses, and other governmental and regulatory approvals required for Lessee's use of the Premises, including, without limitation, discharge of (appropriately treated) materials or wastes into or through any sanitary sewer serving the Premises. Except as discharged into the sanitary sewer in strict accordance and conformity with all applicable Hazardous Materials Laws, Lessee shall cause any and all Hazardous Materials removed from the Premises to be removed and transported solely by duly licensed haulers to duly licensed facilities for final disposal of such materials and wastes. Lessee shall in all respects handle, treat, deal with and manage any and all Hazardous Materials in, on, under or about the Premises in total conformity with all applicable Hazardous Materials Laws and prudent industry practices regarding management of such Hazardous Materials. Upon expiration of the Term or earlier termination of this Lease, Lessee shall cause all Hazardous Materials to be removed from the Premises and transported for use, storage or disposal in accordance with and compliance with all applicable Hazardous Materials Laws. Lessee shall not take any remedial action in response to the presence of any Hazardous Materials in or about the Premises, nor enter into any settlement agreement, consent decree or other compromise with respect to any claims relating to any Hazardous Materials in any way connected

with the Premises, without first notifying Lessor of Lessee's intention to do so and affording Lessor ample opportunity to appear, intervene or otherwise appropriately assert and protect Lessor's interest with respect thereto.

8.4.2 Lessee shall immediately notify Lessor in writing of: (i) any enforcement, cleanup, removal or other governmental or regulatory action instituted, completed or threatened pursuant to any Hazardous Materials Laws; (ii) any claim made or threatened by any person against Lessee or the Premises relating to damage, contribution, cost recovery compensation, loss or injury resulting from or clarified to result from any Hazardous Materials; and (iii) any reports made to any environmental agency arising out of or in connection with any Hazardous Materials in or removed from the Premises or the Project, including any complaints, notices, warnings or asserted violations in connection therewith. Lessee shall also supply to Lessor as promptly as possible, and in any event within five (5) business days after Lessee first receives or sends the same, with copies of all claims, reports, complaints, notices, warnings or asserted violations, relating in any way to the Premises, or Lessee's use thereof. Lessee shall promptly deliver to Lessor copies of hazardous waste manifests reflecting the legal and proper disposal of all Hazardous Materials removed from the Premises.

8.4.3 Lessee shall indemnify, defend (by counsel reasonably acceptable to Lessor), protect, and hold Lessor and each of Lessor's elected and/or appointed officials, employees, agents, attorneys, successors and assigns, free and harmless from and against any and all claims, liabilities, penalties, forfeitures, losses or expenses (including attorneys' fees), or death of or injury to any person or damage to any property whatsoever, arising from or caused in whole or in part, directly or indirectly, by (i) the presence in, on, under or about the Premises or the Project, or discharge in or from the Premises, of any Hazardous Materials brought or caused to be brought by Lessee into or onto the Premises or the Project; or (ii) Lessee's use, analysis, storage, transportation, disposal, release, threatened release, discharge or generation of Hazardous Materials to, in, on, under, about or from the Premises; or (iii) Lessee's failure to comply with any Hazardous Materials Law. Lessee's obligations under this Section shall include, without limitation, and whether foreseeable or unforeseeable, all costs of any required or necessary repair, cleanup or detoxification or decontamination of the Premises, or the preparation and implementation of any closure, remedial action or other required plans in connection therewith, and shall survive the expiration of the Term or earlier termination of this Lease. For purposes of the release and indemnity provisions of this Section, any acts or omissions of Lessee, or by employees, agents, assignees, subleases, contractors or subcontractors of Lessee or others acting for or on behalf of Lessee (whether or not they are negligent, intentional, willful or unlawful) shall be strictly attributable to Lessee.

9 SIGNS AND ADVERTISING

9.1 Interior: Lessee may, at its own expense, erect and maintain upon the interior areas of the Premises all signs and advertising matter customary and appropriate in the conduct of Lessee's business, subject to (a) Lessor's right to remove any signs or advertising matter which violate Section 8; (b) Lessee's obligation to submit to Lessor and Lessor's right to approve, which approval may be withheld in Lessor's sole, absolute and unfettered discretion, any sign oriented or positioned to be seen from outside the Premises; and (c) Lessee's obtaining all required approvals of any governmental authorities having jurisdiction. Lessee shall not affix or maintain upon the glass panes or supports of the windows or doors, or within twelve (12) inches of the windows or doors, any signs, advertising placards, names, insignia, trademarks, descriptive material or any other such like item or items, except such as shall have first received the written approval of Lessor, which may be withheld in Lessor's sole, absolute and unfettered discretion, with respect to size, type, color, location, copy, nature, and display qualities.

9.2 Exterior: Except for those signs and advertising devices which (a) are provided for in approved plans and specifications or in a scale drawing submitted by Lessee and approved in writing by Lessor, which approval may be withheld in Lessor's sole, absolute and unfettered discretion, and (b) comply with the requirements of all governmental authorities having jurisdiction, Lessee shall not erect, place, paint or maintain on the Premises or the Building any sign, exterior advertising medium or any other object of any kind whatsoever, whether an advertising device or not, visible or audible outside the Building, nor shall Lessee change the color, size, location, composition, wording or design of any sign or advertisement on the Premises or the Building that may have been theretofore approved by Lessor and governmental authorities without the prior written approval of Lessor and said authorities. Lessee shall, at Lessee's sole cost and expense, maintain and keep in good repair all installations, signs and advertising devices which it is permitted by Lessor to install, and shall pay all charges required to keep them in good repair. Lessee's sign must be installed and operating concurrent with Lessee's opening for business. Upon the expiration of the Term or earlier termination of this Lease, Lessor shall, at Lessee's sole cost and expense, remove or cause to be removed Lessee's exterior sign or signs and restore the fascia of the Building outside the Premises to the condition that existed before the installation of Lessee's exterior sign; Lessee shall pay such expense to Lessor within ten (10) days after presentation of a bill therefore.

10 IMPROVEMENTS, REPAIRS AND MAINTENANCE

10.1 Lessor's Obligations: Except as to those obligations expressly charged to Lessee, Lessor will keep and maintain the Santa Cruz Cannery Building in tenantable condition and repair and costs incurred in so maintaining the Building will be borne by Lessee in accordance with Section 4.5.5.

10.2 Lessee Obligation: Lessee accepts the premises in an "as is" condition and acknowledges that there may be no phone lines running to or phone jacks in the premises. Lessee shall, at its sole cost and expense, at all times be responsible for keeping the entire leased premises repaired, maintained, replaced, or added to in good order, and in sanitary and safe condition and repair, and in accordance with all governmental requirements and insurance requirements. Lessee shall be responsible for all interior building repairs, including exterior doors. If Lessee refuses or neglects to maintain the leased premises in accordance with the terms of this paragraph, and to the reasonable satisfaction of Lessor as soon as reasonably possible after written demand (except that no written demand shall be required in situations Lessor reasonably determines are emergencies), Lessor may, upon fifteen (15) days prior written notice to Lessee (except that no notice shall be required in situations Lessor reasonably determines are emergencies), perform such repairs without liability to Lessee for any loss or damage that may occur to Lessee's property or business by reason thereof. Upon the completion of any such repair by Lessor, Lessee shall pay Lessor's costs for making such repairs plus ten percent (10%) for overhead upon presentation of the bill thereof. Such bills shall include interest as described elsewhere in this lease on the cost so reflected from fifteen (15) days after the date of the billing until the date paid by Lessee.

10.3 Alterations:

10.3.1 Lessee shall not make any additions (i.e., improvements that would add to the floor area of the building), alterations, changes or improvements (collectively, "Alterations") in or

to the interior or exterior of the leased premises without the prior written consent and approval of Lessor, which may be withheld in Lessor's sole, absolute and unfettered discretion, and which may be conditioned upon Lessee's removing, at Lessee's sole cost and expense at the expiration or earlier termination of this lease, any alteration for which Lessor grants its consent and approval. All Alterations shall conform to all applicable governmental ordinances and regulations, and, except Lessee's trade fixtures, shall become part of the realty upon installation thereof. Lessee shall be liable for any consequential damages as a result of Alterations under this Section. If Lessor is required to review plans for any Alterations, Lessee shall pay to Lessor all costs and expenses incurred by Lessor in connection with such review, plus a fee not to exceed \$300.00 (as adjusted for inflation from the date of this lease in accordance with Section 4.7.1 hereof).

10.3.2 Any and all Alterations shall be subject to conformity with the following requirements:

10.3.2.1 Prior to commencement of any work of Alteration, Lessee shall submit detailed plans and specifications, including working drawings, of the proposed Alteration, which shall be subject to the consent of Lessor.

10.3.2.2 Alterations shall be performed at Lessee's sole cost and expense by a contractor selected by Lessee and approved by Lessor, which approval Lessor may withhold in Lessor's sole, absolute and unfettered discretion, which shall not be unreasonably withheld;

10.3.2.3 In the event Lessor approves the Alteration plan for any proposed Alteration, Lessee shall notify Lessor of commencement of work on such Alteration in writing at least ten (10) days in advance so that Lessor may post notices of non-responsibility in or upon the premise;

10.3.2.4 No work on any proposed Alteration shall be commenced without Lessee having previously obtained all applicable permits and approvals, at Lessee's sole cost and expense, required by governmental authorities;

10.3.2.5 All Alterations shall be performed in a skillful and workmanlike manner, consistent with the best practices and standards of the construction industry, and pursued with diligence through completion, all in accordance with the Alteration plans approved by Lessor.

10.3.2.6 Prior to commencement of work on any Alteration, Lessee shall furnish to Lessor evidence reasonably satisfactory to Lessor that Lessee's contractor has obtained all insurance reasonably required by Lessor (including, but not limited to, commercial general liability insurance, worker's compensation insurance, builder's risk insurance and course of construction insurance) in amounts of coverage reasonably required by Lessor; and

10.3.2.7 Alterations must be performed in a manner that does not interfere with or adversely affect the conduct of business by other Lessees.

10.3.2.8 At the completion of the Lease, Lessee shall return all improvements in a condition as good as the condition at the beginning of the Lease, normal wear and tear excepted.

11 DAMAGE AND RESTORATION

11.1 Duty to Restore: If the improvements of which the premises are comprised are partially or totally damaged by fire or other casualty so as to become partially or totally untenable, regardless of whether such damage is insured against under any policy of insurance against "all-risk" perils then covering the damaged improvements, at Lessor's discretion this lease shall not terminate, and if not terminated, Lessor shall rebuild and restore such improvements with due diligence at Lessor's expense. However, to the extent that Lessee has insurance against the perils causing such

damage, as may be required elsewhere in this Lease, then Lessee shall cooperate in procuring such insurance proceeds on Lessor's behalf for use in such rebuilding or restoration.

- 11.2 No Rent Adjustment: During the period of repair and restoration, Minimum Annual Rent payable by Lessee pursuant to this lease shall not abate or be adjusted, but shall be prorated to the use denied.

12 EMINENT DOMAIN

- 12.1 If (a) the entire premises is taken or condemned by any competent authority for any public use or purpose during the term of this lease, or (b) a part of the premises is so taken or condemned and Lessee exercises its option to terminate this lease as hereinafter provided, then all damages awarded for such taking shall belong to and be the property of Lessor; provided, however, in the event a separate and specific allowance is made by the condemning authority or by the court based upon (I) the loss of Lessee's business, or (ii) the expense of removing Lessee's equipment, furniture, fixtures and other property from the premise, then such separate and specific allowance shall be the property of Lessee; provided further, Lessee shall have the right to prosecute its claim for any such loss or expense. In either event, this lease shall terminate when Lessee can no longer use the premises in the manner contemplated under this lease, when physical possession of the premises is required by the appropriating or condemning authority, or when legal title to the premises vests in the appropriating or condemning authority, whichever first occurs.
- 12.2 In the event a part of the premises is appropriated or condemned and (i) the part so taken includes the building or any part thereof, or (ii) such partial taking results in precluding direct access from the premises to all adjacent public streets, then and in such event, Lessee, at any time either prior to or within a period of sixty (60) days after the date on which possession of the part of the premises so taken is required by the appropriating or condemning authority, may elect to terminate this lease. In the event Lessee fails to exercise any such right to terminate this lease, or in the event a part of the premises is taken or condemned under circumstances under which Lessee has no such right, then in either such event, Lessor, with reasonable promptness, shall make necessary repairs to and alterations of the improvements on the premises for the purpose of restoring the same to an economic architectural unit, susceptible to the same use as that which was in effect immediately prior to such taking and to the extent that may have been necessitated by such appropriation or condemnation. Lessee shall be entitled to an abatement of all rent during the period such repairs and alterations are being made; provided, however, if Lessee operates Lessee's business on the premises during the period such repairs and restorations are being made, Lessee, during such period, will pay rent in the amount provided below.
- 12.3 In the event a part of the premises is appropriated or condemned and Lessee does not exercise its right to terminate this lease or does not have the right as above provided, then this lease shall terminate with respect to that part of the premises so taken. The monthly installments of rent shall be reduced in such event, as of the date when physical possession the part of the premises taken is required by the appropriating or condemning authority, by a proportional amount equal to the proportion that the area of that part so taken bears to the total area of the premises immediately prior to such taking.

13 UTILITIES

Lessee shall, whenever possible, contract directly and open separate accounts with the supplier of all utilities (including, but not limited to, water, gas, electricity, telephone and sewer service fees) and shall pay all hook-up fees and deposits for meters, if any. Commencing with the delivery of possession of the leased premises to Lessee by Lessor, Lessee shall pay, when due and before delinquency, directly to the supplier of the utilities to the leased premises, for all such utility consumed at the leased premise. In no event shall Lessor be responsible for damages to Lessee occasioned by the interruption of utilities services to Lessee or the leased premises, nor shall rent be offset as a result of any such interruption. Cable lines for internet access will be separately metered to the extent possible; otherwise, Lessee shall cooperate in whatever method is deemed necessary to determine Lessee's accurate use therefor and Lessee shall pay for the same as above set forth if possible; otherwise in accordance with Section 4.5.5.

14 PROPERTY, LIABILITY AND OTHER INSURANCE:

Lessee shall not carry any stock of goods or do anything in or about the leased premises that will in any way tend to increase insurance rates for the leased premises. In no event shall Lessee conduct or engage in any activities that would invalidate any insurance coverage thereon. Lessee shall pay on demand any increase in premiums that may be charged because of Lessee's use or activities or vacating or otherwise failing to occupy the leased premises, but this provision shall not be deemed to limit in any respect Lessee's obligation under this lease.

14.1 PUBLIC LIABILITY AND PROPERTY INSURANCE:

Lessee shall, at all times, at its sole expense, maintain during the entire term of this Lease, Public Liability and Property Damage Liability Insurance covering all claims for damages for bodily injury, death and property damages arising from Lessee's operation of business and occupation of the premises. The property damage insurance shall cover damage or destruction of any property, other than that which is owned, leased, or in the care, custody, or control of Lessee with the limit applying to any one accident, disaster, or claim. Single limit insurance coverage shall reflect a sum total coverage of public liability and property damage combined in the amount of not less than Two Million Dollars (\$2,000,000). Limits of not less than One Million Dollars (\$1,000,000) for personal injuries including accidental death for any one occurrence, and property damage in and amount not less the One Million Dollars (\$1,000,000) for any one occurrence.

14.2 LIABILITY INSURANCE:

Lessee shall, at all times, at its sole expense, maintain in full force a policy or policies of comprehensive or commercial general liability insurance issued by one or more insurance carriers insuring against liability for injury to or death of persons and loss of or damage to property occurring in or on the premises. Said liability insurance shall be in an amount of not less than \$1,000,000 combined single limit for bodily and personal injury and property damage, which amount shall be adjusted upward (but not downward) periodically based on insurance industry-recommended changes in coverage. In addition, Lessee shall pay for and shall maintain in full force and effect blanket contractual liability insurance to cover all of the indemnity obligations of Lessee under this lease. Lessee shall deliver appropriate evidence to Lessor as proof that adequate insurance is in force. Lessee's insurance carrier shall be required to provide Lessor with notice of any termination of such insurance policies immediately.

14.3 FIRE INSURANCE AND EXTENDED COVERAGE

Lessee shall, at Lessee's sole cost and expense, obtain and maintain in full force and effect at all times a standard policy insuring the leased premises, trade fixtures, equipment, and other personal property located in the premises and used by Lessee in connection with its business against "all risk" perils (also known as "special cause of loss") in an amount equal to the full replacement cost (without deduction for depreciation) of the leased premises and such equipment and personal property. Such policy shall

name Lessor as a loss payee and include a standard form of lender's loss payable endorsement, issued to the holder or holders of mortgage or deed of trust secured in whole or in part by the legal parcel on which premises is located. Such policy shall not be subject to cancellation or change in coverage except upon at least thirty (30) days prior written notice to Lessor. Such policy, a duly executed evidence of property insurance (in the form of I.S.O. accord 27) or other insurance industry-recognized certificate evidencing such policy shall be deposited with Lessor at the commencement of the effectiveness of this Section and not less than thirty (30) days prior to the expiration of the term of such coverage.

14.4 WORKERS' COMPENSATION

Lessee shall at all times maintain Workers' Compensation Insurance covering all persons employed in connection with the work and with respect to death or bodily injury claims that could be assessed against Lessor or the leased premises.

14.5 BLANKET INSURANCE

Each party shall be entitled to fulfill its insurance obligations under this lease by maintaining a so-called "Blanket" policy or policies of insurance in such form as to provide by specified endorsement (such as a so-called "per location aggregate limit" endorsement) coverage not less than that which is required under this lease for the particular property or interest referred to in this lease.

14.6 GENERAL REQUIREMENTS

All of the insurance policies obtained by Lessee pursuant to the requirements of this Lease shall name Moss Landing Harbor District, its elected and/or appointed officials, officers, employees, and agents as Additional Insured and provide that such policies shall be primary, include waivers of subrogation and specify that thirty (30) days' written notice must be given to Lessor (Moss Landing Harbor District) of any cancellations or changes in the policies. The notice shall be sent by certified or registered mail and shall be deemed effective the date delivered to the General Manager of Lessor as evidence by a properly validated return receipt.

14.6.1 All policies of insurance required to be carried under this lease shall be written by companies satisfactory to Lessor, licensed to do business in California, and rated A:VII or better by the A.M. Best Company ("Best"), or the equivalent of such rating if Best does not rate the company.

14.6.2 Lessee shall provide Lessor with Certificates of Insurance showing the required coverage and containing a specific contractual liability endorsement extending Lessee's coverage to include its Lease with Lessor. Lessee shall furnish Lessor with binders representing all insurance required by this Lease prior to the commencement of lease terms and Lessee shall maintain such insurance in full force and effect throughout the entire term of this Lease.

14.6.3 Lessor shall retain the right at any time to review the coverage, form and the amount of the insurance required hereby. If, in the opinion of Lessor, the insurance provisions in this Lease do not provide adequate protection for Lessor and for members of the public using the demised premises, Lessor may require Lessee to provide adequate protection. Lessor's requirements shall be reasonable but shall be designed to assure protection from and against the kind and extent of risks that exist at the time a change in insurance is required.

14.6.4 If Lessee fails or refuses to procure or to maintain insurance required by this Lease or fails or refuses to furnish Lessor with required proof that the insurance has been procured and is in full force and effect and paid for, Lessor shall have the right, but not the obligation, upon five (5) days written notice to Lessee, to procure and maintain said insurance. The premiums paid

by the Lessor shall bear interest at the legal rate then in effect in the State of California from the date when the premium is paid by Lessor.

14.6.5 Lessor shall notify Lessee in writing of changes in the insurance requirements and, if Lessee does not deposit the Certificates of Insurance with Lessor incorporating such changes within sixty (60) days of receipt of such notices, this Lease shall be deemed in default without further notice to Lessee and Lessor shall be entitled to all self-help, administrative legal remedies allowed by law.

14.6.6 The procuring of such required policy or policies of insurance shall not be construed to limit Lessee's liability hereunder or to fulfill the indemnification provisions and requirements of this Lease. Notwithstanding said policies or policies of insurance, Lessee shall be obligated for the full and total amount of any damage, injury or loss caused by negligence or neglect connected with this Lease or with use or occupancy of the demised premises.

15 INDEMNITY

15.1 Indemnity: Lessee shall indemnify, protect, defend and save Lessor harmless from and against any and all liens, claims, demands, actions, causes of action, obligations, penalties, charges, liabilities, damages, losses, costs or expenses, including reasonable attorney's fees for the defense thereof, of whatsoever kind and nature, arising from or connected with (i) the conduct or management of the business conducted by Lessee on the premises; (ii) Lessee's use of computers on the premises, including loss of electric power; (iii) the use or occupancy of the premises; (iv) any breach or default on the part of Lessee in the performance of any covenant or agreement on the part of Lessee to be performed pursuant to the terms of this lease; (v) violations of or non-compliance with any governmental requirements or insurance requirements to be observed, obeyed and complied with by Lessee under the terms of this lease; or (vi) any acts or omissions of Lessee, or any person upon the premises by license or invitation of Lessee or of any person or entity deriving his, her or its right to occupy the premises or any part thereof from, by or through Lessee.

15.2 Waiver: All property kept, stored, or maintained on the premises shall be so kept, stored, or maintained at the sole risk of Lessee; and except in the case of Lessor's willful misconduct, Lessor shall not be liable for loss or damage to such property. Lessee waives all claims against Lessor, for damages to persons or property sustained by Lessee or by any other person or firm resulting from any occurrence in the premises or by reason of any equipment located in or on the premises becoming out of repair, or through the acts or omissions of any persons present in the premises or renting or occupying any part of the premises, or for loss or damages resulting to Lessee or its property from burst, stopped or leaking sewers, pipes, conduits, or plumbing fixtures, or for interruption of any utility services, or from any failure of or defect in any electric line, circuit or facility, or any other type of improvement or service on or furnished to the premises or resulting from any accident in, on, or about the premises.

16 SECURITY DEPOSIT:

16.1 AMOUNT

On the execution of this Lease, Lessee shall deposit with Lessor a refundable security deposit in the equivalent amount of one month's rent, as security for the full and faithful performance by Lessee of the terms, conditions and covenants of this Lease to be performed by Lessee. The type of security deposit shall be in accordance with that specified in the General Conditions. Security Deposit shall not

constitute payment of last month's rent. Said security deposit shall be increased annually in accordance with Paragraph 4.7.1 through 4.7.4. of this Lease in order that said security deposit shall always reflect current rent.

16.2 DEFAULT OF RENT

If at any time during the term hereof, Lessee shall be in default in the payment of rent herein reserved or any portion thereof, or any other sums expressly constituting rent hereunder, Lessor may appropriate and apply any portion of the security deposit reasonably necessary to remedy any such default in rent, or any steps required to effect such remedy. If at any time during the term hereof, Lessee should fail to repair any damage to the premises leased to him, occasioned by the Lessee or his agents, servants or employees through want of ordinary care, or a greater degree of culpability, for a period beyond thirty (30) days after written demand to make such repairs served on Lessee by Lessor, than the Lessor may appropriate and apply any portion of the security deposit as may be reasonably necessary to fund the repair.

16.3 TERMINATION OF TENANCY

If upon cancellation of this lease, Lessee does not leave the leased premises in broom clean condition, excepting reasonable wear and tear, then Lessor may appropriate and apply any portion of the security deposit, after any lawful deductions as above, to the cost(s) in cleaning and repairing the leased premises to a reasonably clean condition. Lessor shall then return to Lessee the remaining un-used portion of the security deposit two (2) weeks after termination of the tenancy directed to the address left by Lessee specifically for such purpose or otherwise directed to Lessee's last known address.

Should Lessor actually resort to any monies contained within the security deposit under any of the above applicable provisions, Lessee agrees to pay to Lessor the amount for which resort to the security was had, and necessary to restore the security deposit to the original sum required hereunder within thirty (30) days after written demand for such by Lessor.

17 NOTICES AND PAYMENTS

All notices and communications required under this Lease shall be in writing, and all notices and payments shall be made as follows:

17.1 All payments and notices to Lessor shall be given or mailed to:

General Manager
Moss Landing Harbor District
7881 Sandholdt Road
Moss Landing, CA 95039

17.2 All payments and notices to Lessee shall be given or mailed to:

Miller Marine Solutions Inc.
Isaac Miller, Owner
798 Lighthouse Ave #310
Monterey, CA 93940-1010

17.3 Any party may designate a different address by giving notice as set forth in this Article.

17.4 All notices and communications referred to herein shall be deemed given on the fifth day following mailing if given in accordance with this Article.

17.5 If Lessee is not a resident of the State of California or is an association or partnership without a member or partner resident of said State, or is a foreign corporation, Lessee shall file with Lessor a designation of natural person residing in the State of California, giving the name, residence and business address as the agent of Lessee for the service of process in any court action between Lessee or Encumbrance Holder and Lessor, arising out of or based on this Lease, and delivery to such agent of written notice or a copy of any process in such action shall constitute a valid service upon Lessee.

18 POSSESSORY INTEREST TAXES, TAXES, ASSESSMENTS, FEES AND LIENS

18.1 Pursuant to California Revenue and Taxation Code Section 107.6, Lessee is hereby advised that this Lease creates a possessory interest subject to property taxation and, as the party in whom the possessory interest is vested, Lessee will be subject to payment of taxes levied on said interest.

18.2 Lessee shall pay promptly all taxes and assessments of any kind whatsoever assessed or levied for or upon the leased premises, including taxes and assessments assessed or levied upon any machines, appliances, property, property interest, possessory interest, or improvement of any kind erected, installed, maintained upon, or used in connection with the leased premises. Lessee shall also pay promptly any taxes levied upon the business or other activities of Lessee, upon or in connection with the leased premises. Furthermore, Lessee shall promptly pay any fees imposed by law for any licenses or permits for any business or activity of Lessee upon the leased premises.

18.2.1 The payment of any such taxes, fees, or charges shall not constitute cause for modification of rent payable to Lessor.

18.3 LIENS:

Neither the Lessee nor anyone claiming through the Lessee shall have the right to file mechanics liens or any other kind of lien on the Premises and the signing of this Lease constitutes notice that such liens are invalid. Further, Lessee agrees to give actual advance notice to any contractors, subcontractors or suppliers of goods, labor, or services that such liens will not be valid.

19 ESTOPPEL CERTIFICATE

Lessee shall execute and deliver to Lessor, within ten (10) days after receipt of Lessor's request, any estoppel certificate or other statement to be furnished to any prospective purchaser of or any lender against the Premises. Such estoppel certificate shall acknowledge and certify each of the following matters, to the extent each may be true: that the Lease is in effect and not subject to any rental offsets, claims or defenses to its enforcement; the commencement and termination dates of the Term; that Lessee is paying rent on a current basis; that the improvements required to be furnished under the Lease have been completed in all respects; that the Lease constitutes the entire agreement between Lessee and Lessor relating to the Premises; that Lessee has accepted the Premises and is in possession thereof; that the Lease has not been modified, altered or amended except in specified respects by specified instruments; and that Lessee has no notice of any prior assignment, hypothecation or pledge of rents or the Lease. Lessee shall also, upon request of Lessor, certify and agree for the benefit of any lender against the Premises or the Building ("Lender"), or any trustee, that Lessee will not look to such Lender or Trustee as being liable for any act or omission of Lessor; as being obligated to cure any defaults of Lessor under the Lease which occurred prior to the time Lender or Trustee, its successors or assigns, acquired Lessor's interest in the Premises by foreclosure or otherwise; as being bound by any payment of rent or additional rent by Lessee to Lessor for more than one month in advance; or as being bound by Lessor to any amendment or modification of the Lease without Lender's or Trustee's written consent.

20 DEFAULT

20.1 Notice and Remedies: In the event Lessee fails to pay rent or to perform any of Lessee's other obligations under this lease, or any part of this lease, when due or called for under this lease, Lessee shall be in default. Lessee shall have a period of three (3) days after service of written notice by Lessor specifying the nature of Lessee's default within which to cure such default, provided that if the nature of a non-monetary default is such that it cannot be fully cured within said three (3) day period, Lessee shall have such additional time as may be reasonably necessary to cure such default so long as Lessee proceeds promptly after service of Lessor's notice and proceeds diligently at all times to complete said cure. Lessee agrees that a notice served in accordance with the provisions of California CODE OF CIVIL PROCEDURE § 1161, as it may from time to time be amended, will constitute compliance with the notice requirements of this Section. If Lessee fails to cure any such default in a timely manner, Lessee shall be in breach of this lease, and Lessor with or without further notice or demand of any kind may, at its option:

20.1.1 Upon court order, may terminate Lessee's right to possession of the premises at any time. No act by Lessor other than giving notice of termination to Lessee shall terminate this lease. Acts of maintenance, efforts to relet the premises or the appointment of a receiver on Lessor's initiative to protect Lessor's interest under this lease shall not constitute a termination of Lessee's right to possession. On termination, Lessor shall have the right to recover from Lessee:

20.1.1.1 The worth of the time of the award of the unpaid rent that had been earned at the time of termination of this lease.

20.1.1.2 The worth at the time of the award of the amount by which the unpaid rent that would have been earned after the date of termination of this lease until the time of award exceeds the amount of the loss of rent that Lessee proves could have been reasonably avoided.

20.1.1.3 The worth at the time of the award of the amount by which unpaid rent for the balance of the term after the time of award exceeds the amount of the loss of rent that Lessee proves could have been reasonably avoided.

20.1.1.4 Any other amount, including court costs, necessary to compensate Lessor for all detriment proximately caused by Lessee's default.

The phrase "worth at the time of the award" as used in the clauses (a) and (b) is to be computed by allowing interest at the rate of ten percent (10%) per annum. The same phrase as used in clause (c) above is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus one percent (1%).

20.1.2 Lessor may exercise the remedy provided in California CIVIL CODE § 1951.4, i.e., Lessor may continue this lease in full force and effect, and collect rent as it becomes due, so long as Lessor does not terminate Lessee's right to possession pursuant to Section 20.1.1. During the period Lessee is in default, Lessor may enter the premises and relet them, or any part of them, to third parties for Lessee's account. Lessee shall be liable immediately to Lessor for all costs Lessor incurs in reletting the premises, including broker's commissions, expenses of remodeling the premises required by the reletting, and like costs. Reletting can be for a period shorter or longer than the remaining term of this lease. Lessee shall pay to Lessor the rent due under this lease on the dates the rent is due, less the rent Lessor receives from any reletting. No act by Lessor allowed by this subsection will terminate this lease unless Lessor notifies Lessee in writing that Lessor elects to terminate this lease. After Lessee's default and for so long as Lessor does not terminate Lessee's right to possession of the premises, if Lessee obtains Lessor's consent, Lessee will have the right to assign or sublet its interest in this lease, but Lessee will not be released from liability.

20.1.3 If Lessor elects to relet the premises as provided in this subsection, rent that Lessor receives from reletting will be applied to the payment of: (i) first, any indebtedness from Lessee to Lessor other than rent due from Lessee; (ii) second, all costs, including for maintenance, incurred by Lessor in reletting; (iii) third, rent due and unpaid under this lease. After deducting the payments referred to in this subsection, any sum remaining from the rent Lessor receives from reletting will be held by Lessor and applied to payment of future rent as rent becomes due under this lease. If, on the date rent is due under this lease, the rent received from the reletting is less than the rent due on that date, Lessee will pay to Lessor, in addition to the remaining rent due, all costs, including maintenance, Lessor incurred in reletting which remain after applying the rent received from the reletting.

20.1.4 Lessor may, after expiration of any applicable cure period, unless there is an emergency, correct or remedy any failure of Lessee not timely cured. The reasonable cost paid by Lessor to correct or remedy any such default will immediately become due and payable to Lessor as additional rent.

20.2 Notice of Termination: No re-entry or reletting of the premises shall be construed as an election by Lessor to terminate Lessee's right to possession of this lease unless a written notice of such intention is given by Lessor to Lessee; and notwithstanding any such reletting without such termination, Lessor may at any time thereafter elect to terminate Lessee's right to possession and this lease in the event that at such time Lessee remains in default under this lease.

20.3 Waiver of Notice: Performance by Lessor Upon Lessee's Default. Notwithstanding any provision of this Section: (a) if Lessee is required to comply with any governmental requirement, Lessee shall not be entitled to notice of default from Lessor or any right to cure beyond the period within which such compliance may be required by such governmental requirement; or (b) with respect to provisions of this lease which expressly provide that this lease may be terminated effective on service of notice, Lessee shall be entitled to a right to cure only if a right to cure is required by law; or (c) if in Lessor's reasonable business judgment the continuation of any default by Lessee for the full period of notice provided for in this Section will jeopardize the premises or the rights of Lessor, Lessor may, with or without notice, elect to perform those acts with respect to which Lessee is in default for the account and at the expense of Lessee. If by reason of such default by Lessee, Lessor is compelled to pay or elects to apply any sum of money, including, but without limitation, reasonable attorney's fees, such sum or sums so paid by Lessor, with interest thereon from the date of such payment at the rate provided in this lease, shall be due from Lessee to Lessor on the first day of the month next following such payment by Lessor.

- 20.4 Interest. Any amount owed to Lessor under the terms and provisions of this lease which is not paid when due shall bear interest at the rate provided below from the date the same becomes due and payable by the terms and provisions of this lease until paid, unless otherwise specifically provided in this lease. The interest rate that shall apply shall be the highest rate allowed by applicable law.
- 20.5 Other remedies. Nothing contained in this lease shall limit Lessor to the remedies set forth in this Section. Upon Lessee's breach, Lessor shall be entitled to exercise any right or remedy then provided by law, including, but not without limitation, the right to obtain injunctive relief and the right to recover all damages caused by Lessee's breach in the performance of any of its obligations under this lease.
- 20.6 Each term and each provision in this Lease to be kept, observed, or performed by Lessee shall be construed to be both a covenant and a condition.

21 INSOLVENCY

If at any time during the term there is filed by or against Lessee in any court pursuant to any statute either of the United States or of any state a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or a portion of Lessee's property, or if a receiver or trustee takes possession of any of the assets of Lessee, or if the leasehold interest under this Lease passes to a receiver, or if Lessee makes an assignment for the benefit of creditors or petitions for or enters into an arrangement (any of which are referred to herein as "a bankruptcy event"), then the following provisions shall apply:

- 21.1 Neither this Lease, nor any interest in this Lease, nor any estate created hereby, shall pass by operation of law under any state or federal insolvency or bankruptcy act to any trustee, receiver, assignee for the benefit of creditors or any other person whatsoever without the prior written consent of Lessor, which may be withheld in Lessor's, but which shall not be unreasonably withheld. Any purported transfer in violation of the provisions of this Section shall constitute a breach of this Lease, regardless of Lessee's compliance with the other provisions of this Lease; and Lessor at its option by written notice to Lessee may exercise all rights and remedies provided for in Section 20, including the termination of this Lease, effective on service of such notice without the necessity of further notice.
- 21.2 Any receiver, trustee in bankruptcy or Lessee as debtor in possession ("debtor") to which Lessee's interest under this Lease is transferred with Lessor's consent under Section 21.1 immediately preceding shall, within the time permitted under the applicable statute, either expressly assume or reject this Lease following the entry of an "Order for Relief".
- 21.3 In the event of an assumption of this Lease by a debtor, receiver or trustee, such debtor, receiver or trustee shall immediately after such assumption (i) cure any default of Lessee or provide adequate assurances that defaults of Lessee will be promptly cured; and (ii) compensate Lessor for actual pecuniary loss or provide adequate assurances that compensation will be made for actual pecuniary loss; and (iii) provide adequate assurance of future performance. For the purpose of this Subsection, adequate assurance of future performance of all obligations under this Lease shall include, but is not limited to:

21.3.1 Written assurance that Rent and any other consideration due under this Lease shall first be paid before any other of Lessee's costs of operation of its business in the Premises are paid; and

21.3.2 Written agreement that assumption of this Lease will not result in a breach of any provision of this Lease or the Declaration, including, but not limited to, any provision relating to use or exclusivity in this or any other Lease or in the Declaration or agreement relating to the Premises, or if such a breach is caused, the debtor, receiver or trustee will indemnify, protect, defend and hold harmless Lessor against any loss, cost, damage or liability (including costs of suit and attorneys' fees) occasioned by such breach.

21.4 Where a default exists under this Lease, the debtor, trustee or receiver may not require Lessor to provide services or supplies incidental to the Lease before its assumption by such debtor, trustee or receiver, unless Lessor is compensated under the terms of this Lease for such services and supplies provided before the assumption of this Lease.

21.5 The debtor, receiver or trustee may only assign this Lease if adequate assurance of future performance by the assignee is provided, whether or not there has been a default under this Lease. Any consideration paid by any assignee in excess of the Minimum Rent reserved in this Lease shall be the sole property of, and be paid to, Lessor. Upon assignment by the debtor, trustee or receiver, the obligations of this Lease shall be deemed to have been assumed by the assignee, and the assignee shall execute an assumption agreement on request of Lessor.

21.6 Lessor shall be entitled to the fair market value for the Premises and the services provided by Lessor (but in no event less than the Minimum Rent reserved in this Lease) subsequent to the commencement of a bankruptcy event.

21.7 To the extent such remedies are permitted by law, Lessor specifically reserves any and all remedies available to Lessor in Section 20 of this Lease or at law or in equity with respect to a bankruptcy event by Lessee,

22 REMEDIES CUMULATIVE.

The various rights, elections and remedies of Lessor and Lessee contained in this Lease shall be cumulative, and no one of them shall be construed as exclusive of any of the others, or of any right, priority or remedy allowed or provided for by law.

23 ATTORNEY'S FEES.

If either party files any action or brings any proceeding against the other party arising out of this Lease or for the declaration of any rights under this Lease, the prevailing party therein shall be entitled to recover from the other party all costs and expenses, including reasonable attorney's fees, incurred by the prevailing party as determined by the court. If either party ("secondary party") without its fault is made a party to litigation instituted by or against the other party ("primary party"), the primary party shall pay to the secondary party all costs and expenses, including reasonable attorney's fees, incurred by the secondary party in connection therewith.

24 WAIVER OF DEFAULT

The waiver by either party of any default in the performance by the other of any covenant contained in this Lease shall not be construed to be a waiver of any preceding or subsequent default of the same or any other covenant contained in this Lease. The subsequent acceptance of Rent or other amounts under this Lease by Lessor shall not constitute or be deemed to constitute a waiver of any preceding default other than the failure of Lessee to pay the

particular Rent or other amount or portion thereof so accepted, regardless of Lessor's knowledge of such Preceding default at the time of acceptance of such Rent or other amount. The failure of either party to enforce any provisions of this Lease shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Lease.

25 NO PARTNERSHIP

Neither Lessor nor Lessee shall in any way or for any purpose be deemed a partner, joint venture or member of any joint enterprise with the other.

26 SUBTENANCIES.

The voluntary or other surrender of this Lease by Lessee or a mutual cancellation of this Lease shall not effect a merger and shall, at Lessor's option, terminate all existing subtenancies or operate as an assignment to Lessor of any or all of such subtenancies.

27 SUCCESSORS.

This Lease shall be binding upon and shall inure to the benefit of Lessor and Lessee and their respective successors. The term "successors" is used in this Lease in its broadest possible meaning and includes, but is not limited to, every person succeeding to any interest in this Lease or the Premises of Lessor or Lessee, whether such succession results from the act or omission of such party. Every covenant and condition of this Lease shall be binding upon all permitted assignees, sublessees, licensees and concessionaires of Lessee.

28 REMOVAL OF LESSEE'S PROPERTY

Upon expiration of the Term of this Lease or upon any earlier termination thereof, Lessee shall remove at its own expense all of Lessee's equipment, merchandise and personal property (collectively called "Lessee's property") which were installed by Lessee or any sublessee, concessionaire or licensee in or upon the Premises. In the event of any injury or damage to the Premises or to any portion of the Project resulting from the removal of Lessee's property, Lessee shall promptly pay to Lessor the cost of repairing such injury or damage. Lessee shall complete such removal before the time provided in this lease unless prevented from so doing by a delaying cause; or Lessor may, at Lessor's option, retain any or all of Lessee's property, and title to Lessee's property shall thereupon vest in Lessor without the execution of documents of sale or conveyance by Lessee, or Lessor may remove any or all items of Lessee's property from the Premises and dispose of them in any manner Lessor sees fit, and Lessee shall pay upon demand to Lessor the actual expense of such removal and disposition together with interest from the date of payment by Lessor until repayment by Lessee.

29 EFFECT OF CONVEYANCE.

If during the Term of this Lease, Lessor conveys its interest in the Premises or this Lease, then from and after the effective date of such conveyance, Lessor shall be released and discharged from any and all further obligations and responsibilities under this Lease except those already accrued of which Lessor has notice at the time of conveyance. Release of security deposit shall be in accordance with Section 16 of this lease.

30 LESSOR'S DEFAULT; NOTICE TO LENDER.

- 30.1 Lessor's Default. In the event Lessor fails to perform any of its material obligations under this Lease, then Lessor shall be in default. Lessor shall commence promptly to cure such default immediately after receipt of written notice from Lessee specifying the nature of such default and shall complete such cure within thirty (30) days thereafter, provided that if the nature of such default is such that it cannot be cured within said thirty (30) day period, Lessor shall have such additional time as may be reasonably necessary to complete its performance so long as Lessor has proceeded with diligence after receipt of Lessee's notice and is then proceeding with diligence to cure such default.

30.2 Notice to Lender. Whenever Lessee serves notice on Lessor of Lessor's default, written notice shall also be served at the same time upon the mortgagee under any first or second mortgage or beneficiary under any first or second deed of trust. Such mortgagee or beneficiary shall have the periods of time within which to cure Lessor's defaults as are provided in this lease which periods shall commence to run ten (10) days after the commencement of the periods within which Lessor must cure its defaults. In this connection any representative of the mortgagee or beneficiary shall have the right to enter upon the Premises for the purpose of curing Lessor's default. Such mortgagee or beneficiary shall notify Lessor and Lessee in the manner provided by this lease at the address of such mortgagee or beneficiary to which such notice shall be sent, and the agreements of Lessee are subject to prior receipt of such notice. If the nature of the default is such that the mortgage's or beneficiary's possession is required to cure the default, then Lessee will not terminate the Lease so long as such mortgagee or beneficiary commences proceedings to obtain possession of the Premises within the period of time afforded to the mortgagee or beneficiary to cure such default, and once the mortgagee or beneficiary has obtained possession, diligently proceeds to cure the default. Nothing contained in this Lease shall be construed to impose any obligation on any mortgagee or beneficiary to cure any default by Lessor under the Lease.

31 INTERPRETATION.

31.1 The captions by which the Sections of this Lease are identified are for convenience only and shall not affect the interpretation of this Lease. Wherever the context so requires, the singular number shall include the plural, the plural shall refer to the singular, the neuter gender shall include the masculine and feminine genders. If there is more than one signatory hereto as Lessee, the liability of such signatories shall be joint and several. If any provision of this Lease shall be held to be invalid by a court of competent jurisdiction, the remaining provisions shall remain in effect and shall in no way be impaired thereby. The lease shall be the presiding document and where the lease remains silent or requires further interpretation, the general conditions shall prevail.

32 ENTIRE INSTRUMENT.

It is understood that there are no oral agreements between the parties affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, correspondence, arrangements, brochures, agreements and understandings between the parties or their representatives or displayed by Lessor to Lessee with respect to the subject matter thereof, including but not limited to that Lease between the parties for office space in the Cannery Building approved by Lessor in January of 2019, with an effective date of October 1, 2019, which by execution of this Lease is terminated and rendered of no further force and effect, and none of the foregoing shall be used to interpret or construe this Lease. This Lease cannot be modified in any respect except by writing signed and entered into by Lessor and Lessee. This Lease Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreement whether oral or written. The lease amount may be adjusted at each renewal period to fair market value determined by independent appraisals if requested by either party.

33 EASEMENTS.

This Lease is made expressly subject to:

- 33.1 Any conditions, covenants, conditions and restrictions and/or easements of record on the Premises and/or the Project: and
- 33.2 Any easements for utilities or ingress and egress that now or hereafter may be placed of record by Lessor for purposes of the common benefit of the occupants of the

Project. Lessee agrees to execute such documents necessary to subordinate its interest hereunder to such easements, provided such easements will not affect adversely Lessee's use of the Premises.

34 SALE BY LESSOR.

The Premises or Lessor's interest under this Lease (or both) may be freely sold or assigned by Lessor and, in the event of any such sale or assignment, the covenants and obligations of Lessor herein shall be binding on each successive "Lessor" and its successors and assigns, only during their respective periods of ownership.

35 PAYMENTS.

Except as otherwise expressly stated, each payment required to be made hereunder shall be in addition to, and not in substitution for, other payments to be made by Lessee.

36 NO OFFER.

The preparation and submission of a draft of this Lease by either party to the other shall not constitute an offer, nor shall either party be bound to any terms of this Lease or the entirety of the Lease itself until both parties have signed a final document and an original document signed by both parties has been received by each party. Until such time as the parties are bound as described in the previous sentence, either party is free to terminate negotiations with no obligation to the other.

37 DISPUTED SUMS

Under the terms of this Lease, numerous charges are and may be due from Lessee to Lessor, including, without limitation, personal property taxes, insurance payments and other items of a similar nature, including, but not limited to, advances made by Lessor, at Lessor's option, with respect to Lessee's default. In the event that at any time during the Term there is a bona fide dispute between the parties concerning the amount due for any of such charges claimed by Lessor to be due, the amount demanded by Lessor shall be paid by Lessee until resolution of the dispute between the parties or by litigation. Failure by Lessee to pay the disputed sums until resolution shall constitute default under the terms of this Lease.

38 ASSIGNABILITY/SUBLETTING:

Lessee may not assign or sublease any interest in the Premises without the prior written consent of Lessor, which shall not be unreasonably withheld. The General Conditions referred to in Section 1.5 of this lease state specifically the conditions for assignment, subletting and hypothecation.

39 RIGHT OF ACCESS

Upon reasonable prior written notice given to Lessee no less than twenty-four (24) hours in advance (except that no notice shall be required in situations Lessor determines are emergencies), Lessor and its authorized agents and representatives shall be entitled to enter the premises at all reasonable times for the purpose of: inspecting the premises, making repairs which Lessor is entitled to make under this lease, curing a default of Lessee, posting any notice provided by law that relieves Lessor from responsibility for the acts of Lessee, exhibiting the premises to prospective buyers, lessees or lenders, and posting ordinary signs advertising the premises for sale or for lease during the last one hundred eight (180) days of the term, as it may be extended. For the foregoing purposes, Lessor may erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed, always providing that the entrance to the building shall not be unreasonably blocked thereby, and further providing that the business of Lessee shall not be interfered with unreasonably. Lessee hereby waives any claim for damages or abatement of rent or for any injury or inconvenience to or interference with Lessee's business, any loss of occupancy or quiet enjoyment of the premises, and any other loss occasioned by Lessor's entry and actions pursuant to this Section, except to the extent caused by the willful misconduct of Lessor or Lessor's agents. Lessor shall have the right to use any and all means which Lessor may deem proper in an emergency to obtain entry to the premise without liability to Lessee, except for any failure to exercise due care for Lessee's property, and any entry to building obtained by Lessor by any of said means, or otherwise, shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the premises or an eviction of Lessee from the premises or any portion thereof.

40 DELAYING CAUSES

If either party is delayed in the performance of any covenant of this lease because of any of the following causes (referred to elsewhere in this lease as a "delaying cause"): action of the elements, war, riot, labor dispute, inability to procure or general shortage of labor or material in the normal channels of trade, delay in transportation, delay in inspections, governmental action or moratorium or any other cause beyond the reasonable control of the party so obligated, whether similar or dissimilar to the foregoing, financial inability exempted, then such performance shall be excused for the period of delay and the period for such performance shall be extended for a period equivalent to the period of such delay, except that the foregoing shall in no way affect Lessee's obligation to pay minimum annual rent payable under this lease or the length of the term.

41 SEVERABILITY

If any portion of this Lease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Lease is invalid or unenforceable, but that by limiting such provision, it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

42 NON-DISCRIMINATION

Lessee shall not discriminate against any employee or applicant for employment on the basis of race, color, national origin, religion, age, sex, sexual orientation, or disability. Lessee shall comply with the Civil Rights Act of 1964 (42 USC 2000d), Section 112 of Public Law 92-65, Age Discrimination Act of 1975 (42 USC 6102) and Section 504 of the Rehabilitation Act of 1973 (26 USC 794).

43 SUBORDINATION

This Lease is subordinate to any mortgage that now exists, or may be given later by Lessor, with respect to the Premises.

44 GOVERNING LAW

This Lease shall be construed in accordance with the laws of the State of California.

MILLER MARINE SOLUTIONS, INC

MOSS LANDING HARBOR DISTRICT,

LESSEE

LESSOR

By: Isaac Miller, Owner

By: Tommy Razzeca, General Manager

Dated: _____

Dated: _____

Isaac Miller, an Individual
LESSEE

Isaac Miller

Dated: _____

Lessor's Initials: _____

Lessee's Initials: _____