



Special Closed & Special Public Session of October 29, 2019

**Santa Cruz Port Commission
MINUTES**

Commission Members Present:

Dennis Smith Chairman
Stephen Reed Vice-chairman
Toby Goddard Commissioner
Darren Gertler Commissioner

Commission Members Absent:

Neli Cardoso Commissioner

SPECIAL PUBLIC SESSION – 5:00 PM

Chairman Smith brought the special public session to order at 5:00 PM at the Santa Cruz Harbor Public Meeting Room, 365 A Lake Avenue, Santa Cruz, CA 95062.

1. Oral Communication
2. Announcement of Closed Session Pursuant to Government Code (Ralph M. Brown Act) Section 54956.9(a), 54956.8, 54957.6

At 5:00 PM, Chairman Smith announced the Commission will meet in closed session to discuss agenda items 3, 4, and 5.

SPECIAL CLOSED SESSION

3. Conference with Legal Counsel – Pending Litigation (1 Case)
4. Conference with Labor Negotiators
Agency Designated Representative: M. Olin & T. Davis
Employee Organization: Operating Engineers Local No. 3
5. Conference with Real Property Negotiators
Agency Designated Representative: M. Olin
Negotiating Parties: 616 Atlantic Avenue (A & I Olivieri LLC)
Under Negotiation: Lease

SPECIAL PUBLIC SESSION

6. Action and Vote Disclosure after Closed Session Pursuant to Government Code (Ralph M. Brown Act) Section 54957.1

Chairman Smith announced that the Commission took no reportable action in closed session on items 3, 4, and 5.

Chairman Smith adjourned the special open session following the closed meeting at 6:50 PM.

REGULAR PUBLIC SESSION – 7:00 PM

Chairman Smith brought the regular public session to order at 7:00 PM at the Santa Cruz Harbor Public Meeting Room, 365 A Lake Avenue, Santa Cruz, CA 95062.

7. Pledge of Allegiance

8. Oral Communication

Discussion: Chairman Smith stated that the Commission took no reportable action in closed session on agenda items 3, 4, and 5.

Commissioner Gertler proposed staff research the feasibility of partnering with California State Parks Division of Boating and Waterways to implement a Life Jacket Loaner Program at the Santa Cruz Harbor.

Commissioner Goddard stated that he attended a California Special Districts' Association Monterey County Chapter meeting and discussed potential benefits of implementing a local Santa Cruz chapter.

CONSENT AGENDA

9. Approval of Minutes
a) Regular Public Session of September 24, 2019

10. Approval of Month-to-Month Rental Agreement at 275A Lake Avenue
(Tenant: O'Neill Yacht Charters)

11. Approval of Exercise of Lease Option for 365 Lake Avenue, Suite B
(Tenant: Nexus Wealth Advisors)

MOTION: Motion made by Vice-chairman Reed, seconded by Commissioner Gertler to approve the consent agenda.

- *Motion carried. Commissioner Cardoso ABSENT.*

REGULAR AGENDA

12. Award of Contract for Consulting Services – Horizon Water and Environment (NTE: \$65,000)

Discussion: Port Director Olin stated that Administrative Services Manager MacLaurie has researched the feasibility of obtaining a Regional General Permit (RGP) from the U.S. Army Corps of Engineers (Corps) to streamline the permit approval process for routine maintenance activities within the harbor. She

stated that due to the extensive application required for the RGP, it will be in the District's best interest to have assistance from an outside consulting firm to navigate the process.

In response to a question posed by Commissioner Goddard, Administrative Services Manager MacLaurie confirmed that annual maintenance dredging activities will continue to be permitted separately from the RGP.

MOTION: Motion made by Commissioner Goddard, seconded by Vice-chairman Reed to approve the contract for consulting services to Horizon Water and Environment in an amount not to exceed \$65,000.
- *Motion carried. Commissioner Cardoso ABSENT.*

13. Review / Approve Design Plans for *Pappy* Display Cradle and Authorize Public Bid Process

Discussion: Port Director Olin stated that design plans for the *Pappy* display cradle are presented for review and approval. She stated that the conceptual cost estimate for the project came in higher than anticipated, but noted that if the project is authorized for public bid, a lower proposal may be received.

A discussion ensued regarding the feasibility of having in-house crews perform the work, rather than placing the project out to bid. FME Kerkes stated that competing priorities, like dredging, may interfere with staff's ability to readily complete the project.

There was consensus among the Commission to authorize the project for public bid.

MOTION: Motion made by Vice-chairman Reed, seconded by Commissioner Gertler to approve design plans for *Pappy* display cradle and authorize public bid process.
- *Motion carried. Commissioner Cardoso ABSENT.*

14. Approval of Cash / Payroll Disbursements – September 2019

Discussion: Port Director Olin provided a handout to replace page 39 of the packet to include Comerica credit card payment line item detail.

MOTION: Motion made by Vice-chairman Reed, seconded by Commissioner Goddard to approve cash/payroll disbursements for September 2019, in the amount of \$698,570.00.
- *Motion carried. Commissioner Cardoso ABSENT.*

INFORMATION

15. Port Director's Report

Aldo's Seawall Replacement Project

Port Director Olin stated that Granite Construction has completed tie-back installation work and will begin demobilizing the temporary construction trestle in the coming days. Port Director Olin stated that Mesiti-Miller Engineering has completed design work for the Accessway Improvement Plans and those plans have been submitted to the Coastal Commission for review.

Boatyard Marine Ways Pile Replacement Project

Port Director Olin stated that emergency work to repair three piles at the Boatyard Marine Ways is underway. She stated that the repair is estimated to cost \$66,000 and is being performed under a change order to the Phase II Pile Repair and Replacement Project.

Chardonnay III

Port Director Olin stated that Chardonnay III will temporarily relocate to the Monterey area beginning November 1, 2019. Chardonnay III will not be subject to the \$2,000 base charter fee while the vessel is elsewhere. A sublet for the slip has been arranged.

USACE Reimbursement Request - Dredging

Port Director Olin stated that the Port District has submitted a reimbursement request to the U.S. Army Corps of Engineers (Corps) for Quarters 3 and 4, totaling \$192,500.

Water Taxi

Port Director Olin stated that she and Chairman Smith met with representatives from Congressman Panetta's office to discuss issues relating to the recent termination of the District's water taxi service. Port Director Olin stated that the District is actively collecting more information to prepare for a productive community meeting and next steps.

Month-to-Month Rental Agreement for (6) Parking Spaces

Port Director Olin stated that the Port District has entered into a month-to-month rental agreement with Dick McDermott for the six parallel parking spaces located at 497 Lake Avenue.

Patrol Vessel Grant Funding

Port Director Olin stated that final grant agreement documents are expected to be received back from the State by the end of the week. Once the fully executed documents are received, the District will move forward with finalizing a purchase agreement with Moose Boats.

Recycling/Refuse

Port Director Olin stated that she and FME Kerkes met with representatives from Santa Cruz Municipal Utilities to discuss recycling issues at the harbor. She stated that the District's recycling bins are being regularly contaminated with trash, so staff is actively researching a long-term approach to mitigate the problem.

16. Harbormaster's Report

Interim Harbormaster Anderson stated that the Boatyard's Travelift will be closed while repairs are performed on the marine ways support piles.

Interim Harbormaster Anderson stated that Phase II of the Pile Replacement Project is almost complete, noting that to date, Bellingham Marine has replaced 72 of the 80 piles scheduled for replacement. 240 vessel relocations have been coordinated by staff. Commissioner Goddard expressed interest in reviewing a map of all the pilings that were replaced at the conclusion of the project.

Interim Harbormaster Anderson stated that a Marine Fire Extinguisher Training Class has been scheduled for November 16, 2019, at 10:00 AM. Space is limited to 30 participants and another class will be scheduled if needed.

17. Facilities Maintenance & Engineering Manager's (FME) Report

In response to a question posed by Chairman Smith, Supervising Harbor Dredge Worker Sengezer stated that the secondary cooling system failure on *Twin Lakes* was discovered during routine testing/maintenance. Supervising Harbor Dredge Worker Sengezer stated that the replacement parts have been ordered and the repair is scheduled to be completed in time for entrance channel dredging to begin on Monday, November 4, 2019.

In response to a question posed by Commissioner Goddard, Dredge Supervisor Sengezer confirmed that the hull of *Twin Lakes* has been spot treated with Rust Knockout primer and will be coated with paint.

18. Delinquent Account Reporting (*There was no discussion on this agenda item*)

19. Annual Business Use of Slip Review

In response to a question posed by Chairman Smith, a discussion ensued regarding the unused (second) 6-pak charter approval held by Tom Dolan. Interim Harbormaster Anderson stated that he will meet with Mr. Dolan to discuss plans and a timeline for implementation of a second charter operation. Commissioner Goddard suggested that reviewing non-use of business use slips may be beneficial, citing *Marie Celine* as an example of a business use slip that is underutilized.

Commissioner Goddard suggested adding a column to the report to indicate which licensees are currently paying the waiting list bypass fee.

20. Review of Financial Reports

- a) Comparative Seasonal Revenue Graphs
- b) Employee Count as of September 30, 2019
- c) Quarterly Budget Report as of September 30, 2019
- d) Quarterly Fuel Sales Report
- e) Quarterly Boatyard Report

- f) Quarterly Concession Percentage Rent Report
- g) LAIF Statement
- h) FY19 Debt Service Coverage Ration

Port Director Olin stated that the Quarterly Concession Percentage Rent Report (item f) is new, and thanked Accounting Technician Eldridge for his efforts in developing it.

21. Crime/Incident/Citation Report – September 2019

Commissioner Goddard commended Harbor Patrol for their efforts associated with the water rescue on September 29, 2019.

22. Port Commission Review Calendar / Follow-Up Items (*There was no discussion on this agenda item*)

Chairman Smith adjourned the regular public session at 8:10 PM.

Dennis Smith, Chairman

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PORT COMMISSIONERS:
Toby Goddard
Dennis Smith
Stephen Reed
Darren Gertler
Neli Cardoso

TO: Port Commission
FROM: Holland MacLaurie, Administrative Services Manager
DATE: November 19, 2019
SUBJECT: Approval of Sublease Agreement from O'Neill Sea Odyssey – 2222 E. Cliff Drive, Suite 208 (Tenant: Dr. Donald Markle)

Recommendation: *Approve O'Neill Sea Odyssey sublease agreement.*

BACKGROUND

Dr. Donald Markle currently subleases Suite 208 at 2222 East Cliff Drive. The tenant seeks to extend the lease term from January 1, 2020, through June 30, 2021 ("New Term").

ANALYSIS

The terms of the lease agreement are below:

Tenant: Dr. Donald Markle
Term: January 1, 2020 - June 30, 2021
Rent: \$767.25 / month (\$4.65 SF)
Area: Suite 208 (165 SF)
Use: Office Space
Insurance: \$1 million, with Santa Cruz Port District named as additional insured

IMPACT ON PORT DISTRICT RESOURCES

There is no impact on Port District resources associated with the subleases.

ATTACHMENTS: A – O'Neill Sea Odyssey Sublease Agreement

SEVENTH AMENDMENT TO LEASE

This Seventh Amendment to Lease (“Seventh Amendment”), dated for reference purposes only as Oct 2, 2019, is made by and between O’Neill Sea Odyssey, a California nonprofit corporation (“Landlord”) and Dr. Donald Markle, an individual. (“Tenant”).

RECITALS

A. Landlord and Tenant entered into that certain Lease dated December 7, 2009 (“Lease”), for certain Premises consisting of 165± square feet and commonly known as 2222 East Cliff Drive, Suite 208, Santa Cruz, California (“Premises”).

B. The capitalized terms used and not otherwise defined herein shall have the same meanings and definitions as set forth in the Lease.

AMENDMENT PROVISIONS

1. Term. The Lease Term for the Premises shall be modified to continue in force from January 1, 2020, until it expires on June 30, 2021 (“New Term”).

2. Base Rent. From 01/01/2020 until 06/30/2021: \$767.25/month.

3. General:

3.1 Effect of Amendment; Ratification. Except as otherwise modified by this Seventh Amendment, the Lease shall remain unmodified and in full force and effect. In the event of any conflict or inconsistency between the terms and conditions of the Lease and the terms and conditions of this Seventh Amendment, the terms and conditions of this Seventh Amendment shall prevail.

3.2 Attorney's Fees. The provisions of the Lease respecting payment of attorney’s fees shall also apply to this Seventh Amendment.

3.3 Counterparts. If this Seventh Amendment is executed in counterparts, each counterpart shall be deemed an original.

3.4 Authority to Execute Amendment. Each individual executing this Seventh Amendment on behalf of a partnership or corporation represents that he or she is duly authorized to execute and deliver this Seventh Amendment on behalf of the partnership and/or corporation and that this Seventh Amendment is binding upon the corporation or partnership in accordance with its terms.

3.5 Governing Laws. This Seventh Amendment and any enforcement of the agreements and modifications set forth above shall be governed by and construed in accordance with the laws of the State of California.

4. Tenant Improvements: Landlord shall not be required to provide any Tenant Improvements to the Premises during the New Term or any subsequent Extension Terms.

IN WITNESS WHEREOF, the parties hereto have executed this Seventh Amendment as of the date and year first above written.

LANDLORD:
O'Neill Sea Odyssey,
a California nonprofit corporation

By:

DATED: October 2, 2019



Its: Executive Director

TENANT:
Donald Markle



NOVEMBER 07
DATED: 11/7, 2019

SANTA CRUZ PORT DISTRICT
By:

DATED: _____, 2019

Its: _____



TO: Port Commission
FROM: Holland Mac Laurie, Administrative Services Manager
DATE: October 23, 2019
SUBJECT: Approval of Sublease Agreement from Clean Oceans International – 345 Lake Avenue, Suite F (Tenant: C. Frank)

Recommendation: *Approve Clean Oceans International sublease agreement.*

BACKGROUND

Charmaine Frank is a financial consultant requesting to sublease office space at 345 Lake Avenue, Suite F. The lease effective date is predated to August 1, 2019, due to a delay in receiving an executed sublease agreement from Clean Oceans International (COI).

The subleased area will include use of Suite F (less closet space reserved for COI), the adjacent deck, and shared restroom facility.

ANALYSIS

The sublease agreement provided by the tenant (Attachment A) is basic, but outlines all pertinent terms. The terms of the sublease agreement are below:

Tenant: Charmaine Frank
Term: Month-to-Month (effective August 1, 2019)
Rent: \$600 / month (\$1.20/SF)
Area: Suite F (500 SF)
Use: Office Space

IMPACT ON PORT DISTRICT RESOURCES

Based on provisions of the master lease, "additional rent" is not due to the District in connection with subletting in excess of the rent on a per square foot basis. There is no impact on Port District resources associated with the sublease.

ATTACHMENTS: A – Clean Oceans International Sublease Agreement
B – Premise Map



Rental Agreement 345 Lake Ave Suite F

Clean Oceans International agrees to rent 345 Lake ave suite F to Charmaine Frank (Tenant) on a Month to Month basis beginning Aug first 2019 and continue as Tenancy at Will.

Rent in the amount of \$600 a month will be due on the first of each month and will be considered late on the 5th day. The fee for late payment will be \$45.

A security deposit of \$600 will be collected with the initial rent payment. The deposit will be returned within 30 days of the last day of the final rental period subject to inspection of the rental space and any rent due.

Security deposit is strictly for use to cover end of rental expenses excluding rent.

30 day written notice shall be required for the termination of this rental agreement by either party.

Access to the property includes all space in Suite F (except the closet), the restroom, the kitchen and F Suite deck.

Rent includes utilities, water and WiFi/internet.

Property shall be used for regular and reasonable activities pertaining to tenants business. Rent does not include parking.

Clean Oceans International, it's Officers and board do not provide insurance for Tenant and shall not be liable for loss or damage to property or injury to Tenant.



Practical Solutions to Plastic Pollution
CLEAN OCEANS INTERNATIONAL
www.cleanoceansintl.org

Signed this 20 day of August 2019

X *Chaimane Frayre* _____ Tenant

X *[Signature]* _____ Landlord

PREMISE MAP
Clean Oceans International
345 Lake Avenue, Suite F & G (upstairs)





TO: Port Commission

FROM: Marian Olin, Port Director

DATE: November 4, 2019

SUBJECT: Approval of Ordinance 19-05 and Lease for Restaurant Business to be located at 616 Atlantic Avenue (Tenant: A & I Olivieri, LLC, dba Aldo's Harbor Restaurant)

Recommendation: *Approve Ordinance 19-05, awarding a 25-year lease with 3, 5-year options to A & I Olivieri for a restaurant business to be located at 616 Atlantic Avenue, Santa Cruz, CA, commencing January 1, 2020.*

BACKGROUND

The Santa Cruz Port District ("District") and Mauro Olivieri (A & I Olivieri, LLC) are currently parties to a November 1, 2012, lease for Aldo's Harbor Restaurant. The lease has a 20-year term, and one 5-year option expiring October 31, 2037. Due to damage and deterioration of the seawall supporting the restaurant building, Aldo's vacated the premise in June 2016. The 2012 lease was held in abeyance, and the District and Mauro Olivieri ("Aldo's") entered into a month-to-month lease in September 2016, for a temporary location on Mariner Park Lawn, allowing Aldo's to continue the restaurant operation in an al fresco setting.

The District subsequently worked on a plan to replace the deteriorated seawall, obtain permits for the seawall's reconstruction, and negotiate a new lease agreement with Aldo's for a new restaurant.

Though seawall plans were completed by Mesiti Miller Engineering ("MME") in 2018, the regulatory work window delayed the project from going out to bid until early-2019. A contract was subsequently awarded to Granite Construction on April 23, 2019. Work on the seawall is currently underway. MME, the District and Granite Construction have been working closely together to expedite work where able, to ensure completion of the seawall within the work window, on or before November 30, 2019.

Additionally, in compliance with the California Coastal Commission's Coastal Development Permit ("CDP"), the Port District entered into a contract with MME to prepare an Accessway Improvement Plan, which was required within 90 days of commencing construction on the seawall. The conceptual design includes marking public accessways to the west jetty and beach areas, and the new 10' public walkway required to be constructed around the perimeter of Aldo's dining deck. It also requires design and placement of wayfinding signs, an accessible parking space and screening of garbage, recycling and other essential equipment. The design concept has been submitted to the Coastal Commission and City of Santa Cruz for preliminary review. The conceptual plan is expected to undergo some revisions as part of the review process, and as Aldo's building concept is further developed by Tom Thatcher of Thatcher & Thompson Architects.

The Olivieri family has been a business operator and restaurateur at Santa Cruz Harbor since the 1960's. Staff is pleased that the District and Aldo's have reached tentative agreement on a new long-term lease, in which Aldo's will construct a new restaurant building and related site improvements at their sole cost and expense.

ANALYSIS

2012 Lease

The 2012 lease currently held in abeyance will be terminated as of the effective date of the new lease, on January 1, 2020. The new, 2020 lease will replace the 2012 lease in its entirety.

Lease for Temporary Restaurant on Mariner Park Lawn

The lease for the temporary restaurant operation is cancelable with 30 days' notice by either party. It is anticipated the month-to-month lease will continue until the new restaurant is open for business.

2020 Lease

The lease effective January 1, 2020, is appended as Attachment B. Lease terms are summarized below:

Tenant:	A & I Olivieri, LLC, dba Aldo's Harbor Restaurant ("Tenant")
Space:	Property located at 616 Atlantic Avenue (approx. 5,210 SF, of which approximately 3,327 SF is over the water, and 1,883 SF is on land)
Term:	25 years, commencing January 1, 2020
Options:	3, 5-year options
Base Rent:	\$4,301/month, adjusted by CPI annually on April 1 following the first anniversary of the commencement date. In no event shall the Base Rent for any year be less than the greater of the base rent for the preceding year, and 80% of the total sum of the Base Rent plus monthly Percentage Rent paid by Tenant on an annualized basis for the previous calendar year.
Percentage Rent:	5% of gross income
Additional Rent:	\$1,445.55/month for the full term of the lease and each extended term (480 months) for Tenant's share of seawall cost
Use:	Restaurant
Tenant Improvements:	Tenant shall construct a new restaurant building and deck with public walkway on the premises at Tenant's sole cost and expense.
Leasehold Mortgage:	Tenant shall have the right to obtain financing for the cost of constructing the Tenant Improvements to be secured by Tenant's leasehold interest
Insurance:	\$2 million with Santa Cruz Port District named as additional insured
Guaranty:	Lease personally guaranteed by Mauro Olivieri (Exhibit E)
Other:	Tenant is responsible for obtaining financing for constructing all tenant improvements, including a new restaurant building, dining deck, public

walkway and related site improvements. Tenant is responsible for obtaining any and all approvals and permits necessary for restaurant construction and operation

Harbors and Navigation (H&N) Code

Sections 6200 et seq. of the State of California H&N Code govern Port Districts. H&N Code Section 6270 stipulates that leases of longer than 10 years are approved by Ordinance.

Ordinance 19-05 (Attachment A) being recommended for adoption authorizes the form, terms and execution of the lease extension agreement between the District and Aldo's. The Ordinance was advertised in accordance with H&N Code Section 6270.

IMPACT ON PORT DISTRICT RESOURCES

Annual Rent Projections

Aldo's provided percentage rent projections for the new restaurant operation in 2017. The projections were dependent on the final design and restaurant use. The projections anticipated a larger interior dining space and estimated that revenue to the District could more than double, exceeding \$200,000 annually in the first year.

Based on the permit issued by the Coastal Commission, the footprint of the restaurant building will be largely the same as the former restaurant structure, with some interior expansion from relocation of the restrooms to the exterior of the building and the ability to seasonally cover a portion of a larger dining deck that is part of the leasehold.

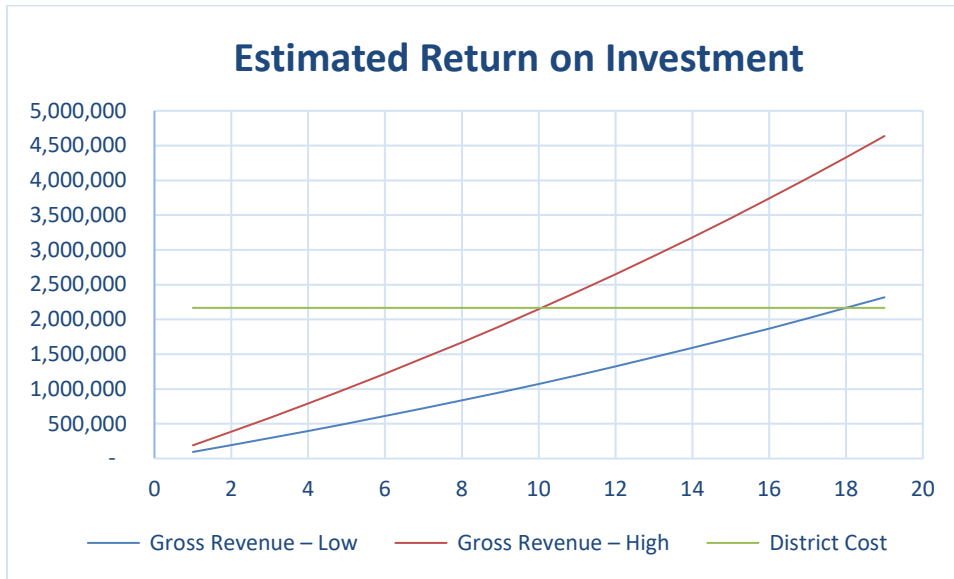
For the purposes of assessing potential revenue generation to the District, a more conservative approach to estimating percentage rent from the new restaurant has been taken which utilizes gross income generated by the restaurant operation in its last two full years of operation. In FY15, Aldo's gross sales were \$1,802,328 and in FY16 gross sales were \$1,735,461. At 5% (not factoring in any available rent credits), average percentage rent at FY15-16 sales levels was approximately \$88,000 annually. Factoring in modest growth, percent rent to the District based on previous sales figures is in the range of >\$95,000 annually. If sales double, as previously projected by Aldo's, annual percentage rent could reach >\$190,000, nearing their initial estimate of >\$200,000/year.

Seawall Construction Cost

Over the life of the lease, a portion of the District’s estimated cost to replace the seawall will be offset:

District principal and interest cost for seawall (\$1.6 million loan funding)	\$ 2,060,536
District funded share of seawall construction (\$2.4 million less \$1.6 financed)	<u>800,000</u>
	\$ 2,860,536
Aldo’s cost share (Additional Rent \$1,445.55 x 480 months)	<u>\$ 693,864</u>
District estimated seawall cost	\$ 2,166,672

Recognizing that Aldo’s seawall cost share is paid over the full term of the lease, with growth in projected sales of 2.7% per year, percent rent revenue is anticipated to result in a return on investment to the District within the initial 25-year term of the loan. Depending on actual gross sales, this could occur within range of 10-18 years.



- ATTACHMENT:
- A. Ordinance 19-05
 - B. Lease effective January 1, 2020, between Santa Cruz Port District and A & I Olivieri, dba Aldo’s Harbor Restaurant

**SANTA CRUZ PORT DISTRICT
ORDINANCE 19-05**

**AN ORDINANCE OF THE SANTA CRUZ PORT DISTRICT COMMISSION
OF THE SANTA CRUZ PORT DISTRICT AUTHORIZING THE FORM, TERMS AND
EXECUTION OF A LEASE AGREEMENT BETWEEN
SANTA CRUZ PORT DISTRICT AND A & I OLIVIERI, LLC**

WHEREAS, the Santa Cruz Port District (“District”) is the owner of certain real property known as 616 Atlantic Avenue (“Premise”) in the City and County of Santa Cruz.

WHEREAS, District and A&I Olivieri, LLC (“Tenant”), dba Aldo’s Harbor Restaurant, are currently parties to a lease agreement dated November 1, 2012 (“Prior Lease”), for a restaurant operation at the same location and a month-to-month lease agreement (“Temporary Lease”) for a restaurant being operated on the west side of Santa Cruz Harbor on Mariner Park Lawn; and,

WHEREAS, due to damage and deterioration of the seawall on which the restaurant was located, Tenant voluntarily vacated the Premise, held the Prior Lease in abeyance, and moved to the temporary location on Mariner Park Lawn; and,

WHEREAS, District is replacing the existing sheet pile seawall that supported the previous Aldo’s Harbor Restaurant structure; and,

WHEREAS, Tenant desires to construct, at Tenant’s sole cost and expense, a new building and dining deck with public walkway for Tenant’s restaurant on the Premises; and,

WHEREAS, the District and A&I Olivieri, LLC desire to continue their business relationship by entering into a new lease agreement (“2020 Lease”) and terminating the Prior Lease; and,

WHEREAS, the 2020 Lease has an effective date of January 1, 2020, and apportions the cost of the new seawall between District and Tenant; and,

WHEREAS, the 2020 Lease term is 25 years, with three, five-year options for a total of 40 years commencing as described in Paragraph 3(a) of the 2020 Lease; and,

WHEREAS, the District is authorized to exercise powers pursuant to the Port District Law of the State of California, being Sections 6200 et seq. of the Harbors and Navigation Code (“H&N”) of the State of California, and all laws amendatory thereof or supplemental thereto, including the power to enter into franchises and leases for periods of more than ten years if authorized by Ordinance in accordance with H&N Code Section 6270; and,

WHEREAS, the District and Tenant have negotiated and reached agreement on terms and conditions of the 2020 Lease, and the Commission desires to authorize the execution of the 2020 Lease, by and between the District and Tenant.

NOW, THEREFORE, BE IT ORDAINED, by the Santa Cruz Port District Commission as follows:

Section 1. The Commission hereby specifically agrees to the recitals, terms, conditions, provisions, and responsibilities contained in the 2020 Lease, and authorizes execution of the 2020 Lease.

Section 2. The Commission authorizes the Chairman of the Commission to execute the 2020 Lease, and the Port Director, as witness, to execute attesting to the 2020 Lease.

Section 3. This Ordinance shall take effect after thirty (30) days from its adoption.

THE FOREGOING ORDINANCE of the Santa Cruz Port District Commission was duly and regularly introduced, passed and adopted at a regular meeting of the Santa Cruz Port District on the 26th day of November, 2019, by the following vote.

AYES: _____

NOES: _____

ABSENT: _____

APPROVED:

Dennis Smith, Chairman
Santa Cruz Port District Commission

LEASE BETWEEN
SANTA CRUZ PORT DISTRICT COMMISSION,
AS LANDLORD
AND
A & I OLIVIERI, LLC,
DBA ALDO'S HARBOR RESTAURANT,
AS TENANT
FOR
RESTAURANT BUSINESS TO BE LOCATED
IN SANTA CRUZ HARBOR
AT 616 ATLANTIC AVENUE, SANTA CRUZ, CALIFORNIA
DATED: JANUARY 1, 2020

TABLE OF CONTENTS

	<u>Page</u>
1. Lease of Premises.....	2
2. Landlord and Tenant Improvements.....	2
(a) Landlord Improvements.....	2
(b) Tenant Improvements.....	3
3. Term.....	4
(a) Term.....	4
(b) First Option to Extend Lease.....	4
(c) Second Option to Extend Lease.....	4
(d) Third Option to Extend Lease.....	4
4. Title to Improvements.....	5
5. Rent.....	5
(a) Base Rent.....	5
(b) Additional Rent.....	5
(c) Payment of Rent.....	5
(d) Delinquent Payments.....	6
(e) Percentage Rent.....	6
(f) Rent.....	7
(g) Security Deposit.....	7
(h) Personal Guarantee.....	7
6. Use.....	7
(a) Permitted Uses.....	7
(b) Provision of Services.....	7
(c) Continuous Use.....	8
(d) Refuse Disposal.....	8
(e) Prices.....	8
(f) Hazardous Materials.....	8
(g) Effect on Navigable Waters.....	10
(h) Non-permitted Uses.....	10
(i) Compliance with Laws.....	10
7. Ownership of Improvements.....	10
(a) Title.....	10
(b) Liens.....	10
8. Construction of Improvements.....	11
(a) No Landlord Improvements.....	11
(b) Tenant Improvements.....	11
9. Taxes and Assessments.....	11

(a)	Payable by Tenant.....	11
(b)	Substitute Taxes.....	12
10.	Insurance.....	12
(a)	Landlord's Insurance	12
(b)	Tenant's Insurance	12
(c)	Waiver of Subrogation	13
(d)	Submittal of Policies	13
(e)	Review of Coverage	14
(f)	Changes in Coverage.....	14
(g)	Landlord's Remedies.....	14
11.	Indemnification	14
(a)	Tenant's Hold Harmless	14
(b)	Tenant's Waiver of Claims.....	15
(c)	Landlord's Hold Harmless	15
12.	Maintenance and Repairs.....	15
(a)	Tenant's Obligations.....	15
(b)	Outside Areas.....	15
(c)	Landlord's Obligations	16
13.	Utilities.....	16
14.	Assignment, Subletting and Licensing.....	16
(a)	Landlord's Consent Required	16
(b)	Permitted Assignments, Subleases and Licenses	16
(c)	Encumbrances.....	17
(d)	Corporation or Partnership	18
15.	Damage or Destruction.....	18
(a)	Damage to Seawall	18
(b)	Partial Damage-Insured.....	18
(c)	Partial Damage-Under or Uninsured	18
(d)	Total Destruction	19
(e)	Damage Near End of Term.....	19
(f)	Abatement of Rent.....	19
(g)	Waiver	19
(h)	Tenant's Property	20
(i)	Notice of Damage.....	20
16.	Eminent Domain	20
(a)	Termination.....	20
(b)	Partial Taking Renders Economically Infeasible.....	20
(c)	Partial Taking with Business Continued	20
(d)	Repairs	20
(e)	Compensation	20

17.	Tenant Default.....	21
18.	Attorneys' Fees.....	22
19.	Removal of Property.....	22
20.	Subordination	23
	(a) Subordination of Lease.....	23
	(b) Execution of Documents.....	23
21.	Landlord's Right to ReEnter.....	23
	(a) Peaceable Surrender.....	23
	(b) Waiver of Redemption.....	24
22.	Reservations to Landlord.....	24
23.	Notices.....	24
24.	No Commission	25
25.	Waiver	25
26.	Holding Over.....	25
27.	Parking	25
28.	Non-Discrimination	25
29.	Entry by Landlord	25
30.	Estoppel Certificates.....	26
31.	Leasehold Mortgage by Tenant.....	26
32.	General.....	27
	(a) Entire Agreement.....	27
	(b) Covenants and Conditions	27
	(c) Binding on Successors	27
	(d) Joint and Several Liability	27
	(e) Gender	27
	(f) Captions	27
	(g) Governing Law	27
	(h) Time of Essence.....	27
	(i) Partial Invalidity	27
	(j) Relationship.....	28
	(k) Corporate Authority	28

(l) Recordation	28
(m) Calendar Days.....	28

33. State of California Harbors and Navigation Code	28
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List of Exhibits

Exhibit A	Legal Description of the Property and Map and Diagram Showing Property
Exhibit B	Premises
	Exhibit B-1 - Legal Description of Premises
	Exhibit B-2 - Premises Map and Diagram
Exhibit C	List of Project Plans and Specifications
Exhibit D	Tenant Improvement Conceptual Plans
Exhibit E	Guaranty
Exhibit F	Memorandum of Lease

**SANTA CRUZ PORT DISTRICT
LEASE**

THIS LEASE is made and entered into effective as of January 1, 2020, ("Effective Date"), by and between the SANTA CRUZ PORT DISTRICT COMMISSION, a political subdivision, 135 5th Avenue, Santa Cruz, California, 95062, hereafter referred to as "Landlord," and A & I Olivieri, LLC, a California limited liability company dba Aldo's Harbor Restaurant, hereafter referred to as "Tenant."

RECITALS:

- A. Landlord is the owner of that certain real property ("Property") on the westside of Santa Cruz Harbor in the City and County of Santa Cruz, State of California as more particularly described in Exhibit A, which includes the property commonly known as 616 Atlantic Avenue.
- B. Since the 1960's, Tenant has been doing business as Aldo's Harbor Restaurant, a popular restaurant serving breakfast, lunch and dinners at 616 Atlantic Avenue in the Santa Cruz Harbor.
- C. In June 2016, due to damage and the deterioration of the seawall on which the restaurant was located, Tenant voluntarily vacated the Property, held the lease with Landlord dated November 1, 2012 ("prior lease") in abeyance and moved to a temporary location. The parties acknowledge that this Lease replaces the prior lease in its entirety, the prior lease is terminated as of the Effective Date of this Lease, and neither party has any rights or claims under the prior lease as of the date of termination.
- D. Landlord is replacing the existing steel sheet pile seawall, located below Aldo's Restaurant along the southwest bank of the Santa Cruz Small Craft Harbor, with a new steel sheet pile seawall in the same location. The cost of the new seawall will be apportioned between Landlord and Tenant as more particularly set forth in this Lease.
- E. The work for the replacement seawall includes demolishing the existing restaurant structure and wood pile supported restaurant deck; modifying the existing AA-Dock gangway landing, public wharf, and rip-rap revetment to accept the new sheet pile wall; predrilling for new sheet piles and installing a new steel sheet pile seawall with concrete pile cap and tie-backs in front of the existing seawall ("Project"). The Project also includes construction of a temporary working platform, minor grading and restoring of the landscaping within the limits of disturbance.
- F. The Project does not include constructing a new restaurant, building or other facilities. Upon completion of the Project, there will be approximately 1,883 square feet of land covered with gravel or other suitable material located on the

replacement seawall and an additional approximately 3,327 square feet over the water that totals approximately 5,210 square feet ("Premises"). The Premises is more particularly described in Exhibit B (which includes Exhibits B-1 and B-2). The Premises does not include any portion of the public pier. The Premises will contain existing, stubbed off, utilities. Tenant desires to construct a new building and deck with public walkway for Tenant's restaurant on the Premises as shown in Exhibit D at Tenant's sole cost and expense.

- G. The parties desire to enter into this Lease to facilitate the design and construction of the seawall and the construction of a new restaurant building and deck by Tenant.

NOW, THEREFORE, in furtherance of the foregoing, and in consideration of the mutual covenants contained herein, Landlord and Tenant hereby agree as follows:

1. Lease of Premises.

Landlord hereby leases the Premises to Tenant, and Tenant leases the Premises from Landlord, for the term, for the rental amount, and upon the other terms and conditions contained herein. Tenant shall pay Landlord One Hundred Dollars (\$100) upon the full execution of this Lease as consideration for Tenant's rights under the Lease prior to Tenant's commencement of the construction of a new restaurant and related site improvements on the Premises. Included with the Premises is the right to use parking areas owned by Landlord on adjacent property/ies owned by Landlord subject to provisions of Section 27 "Parking," the right of ingress and egress to the Premises over adjacent property/ies owned by Landlord for purposes of constructing the building and other improvements specified in this Lease and for ingress and egress and public access to Tenant's business, including but not limited to deliveries, construction and maintenance of the building, installation and maintenance of a grease trap, trash disposal subject to provisions of Section 6 (d) " Refuse Disposal," and the general operation of the business, subject to reasonable rules and regulations applicable to such other property owned by Landlord.

2. Landlord and Tenant Improvements.

(a) Landlord Improvements. As described in Recitals D and E above, Landlord is undertaking the Project and is committed to constructing a replacement seawall at an estimated cost of Two Million Four Hundred Thousand Dollars (\$2,400,000). Landlord is responsible for the design and construction of the Project in accordance with all applicable plans, permits and laws, and is designing the seawall to accommodate the construction of a new restaurant building by Tenant. Attached hereto as Exhibit C is a list of the plans and specifications for the Project. Landlord may make changes to the plans and specifications, provided, however, that Tenant shall be notified of and approve any material changes to the plans that impact Tenant's ability to construct and operate a restaurant. Within 30 days of completing the Project, Landlord shall provide Tenant notice of such completion. Landlord makes no representations and warranties regarding the Premises; Tenant accepts the premises as-is. Landlord shall provide Tenant as-built drawings upon Project completion.

Tenant shall pay Four Hundred Sixty Two Thousand Dollars (\$462,000.00) toward the costs of the design and construction of the Project. Any increased costs of constructing the seawall to accommodate and/or provide structural support for Tenant's restaurant building shall be paid 100 percent by Tenant. Landlord will pay Tenant's share of the Project costs as described in this paragraph, (but not the increased costs to accommodate/provide structural support for Tenant's restaurant building), provided that Tenant shall repay Landlord in the form of Additional Rent, defined below.

(b) Tenant Improvements. Subject to certain conditions precedent, described below, Tenant is committed to constructing a new restaurant building and related site improvements on the Premises ("Tenant Improvements"). Tenant is responsible for the design and construction of the Tenant Improvements and the public walkway (as required by the California Coastal Commission permit) at Tenant's sole cost and expense. The conceptual plans for the Tenant Improvements are attached hereto as Exhibit D. The final plans shall be substantially similar to the conceptual plans. Final plans are subject to the review and approval of the Landlord, which shall not be unreasonably withheld. Tenant may make changes to the plans, provided that Landlord shall be notified of and shall approve any material modifications. Tenant shall provide Landlord as-built drawings upon completion of the Tenant Improvements.

Tenant, at Tenant's sole cost and expense, shall be responsible for obtaining any and all approvals and permits necessary for the construction of the Tenant Improvements from the City of Santa Cruz, the California Coastal Commission, and any other permitting body. Tenant shall use its best efforts to complete construction within 12 months of obtaining all necessary permits. Landlord shall cooperate with Tenant in applying for the approvals and permits described in this paragraph in a timely manner and Tenant shall pay any cost incurred by Landlord for such cooperation. Tenant shall also be responsible for applying for and obtaining any necessary financing to complete the Tenant Improvements. Within one hundred twenty (120) days of the date Landlord gives Tenant notice of completion of the Project under Paragraph 2(a), Tenant shall provide Landlord with evidence to the reasonable satisfaction of Landlord that Tenant has secured the necessary financing for the construction of the Tenant Improvements, or Landlord may terminate this Agreement.

Tenant shall have no obligation to complete the Tenant Improvements unless the following conditions are satisfied: (1) Landlord has completed the Project within eighteen (18) months of the Effective Date; (2) Tenant has obtained financing for the Construction of the Premises on terms satisfactory to Tenant within one hundred twenty (120) days of the date Landlord gives Tenant notice of completion of the Project under Paragraph 2(a); and (3) Tenant has obtained all necessary government permits and approvals within eighteen (18) months of the date Landlord gives Tenant notice of completion of the Project under Paragraph 2(a). Tenant shall give written notice of the satisfaction or waiver of each of these conditions or of Tenant's termination of this Lease for failure of a condition no later than thirty (30) days following the date the set forth above for the satisfaction of each condition. If Tenant fails to give such timely notice, Landlord may terminate the Lease by written notice to Tenant. If either Party terminates the Lease pursuant to the provisions of this Paragraph, Tenant shall assign and transfer ownership

of all plans, permits, drawings and specifications for the Tenant Improvements to Landlord at no cost or expense to Landlord.

If Tenant proceeds with the construction of the Tenant Improvements, Tenant shall purchase and install or construct on the Premises, at its sole cost and expense, any equipment, furnishings and improvements required for the operation of a restaurant to properly conduct the business.

3. Term:

(a) Term. Subject to delays caused by force majeure, the term of this Lease shall commence on the date that is thirty (30) days after the earlier of (i) the first of the month following the date Tenant completes the Tenant Improvements, as evidenced by a certificate of occupancy, or (ii) eighteen (18) months after all the conditions precedent identified in Paragraph 2(b), above, are completed ("Commencement Date"), and shall continue thereafter until midnight on the date that is twenty five (25) years after the Commencement Date, unless sooner terminated as provided herein. The term of this Lease is hereinafter referred to as the "Lease Term" or "Term."

(b) First Option to Extend Lease. Provided that Tenant is not in material default of any part of this Lease at the time of the exercise of the option, Tenant shall have the option to extend the Term of the Lease for an additional five years ("First Extended Term"). Tenant may exercise the option, by giving Landlord notice of its exercise of the option to extend the Lease Term no earlier than one year prior to the expiration of the Term, and no later six (6) months prior to the expiration of the Term. The Rent (defined below) for the First Extended Term shall be the fair market rent for the Premises in its fully improved condition, including all of the Tenant Improvements, as determined by the Parties. If the Parties cannot agree on the Rent for the First Extended Term within thirty (30) days of Tenant's notice of exercise of its option, then each party shall select a commercial real estate broker with commercial real estate leasing experience in the Santa Cruz County area to provide a detailed opinion of the fair market rent for the fully improved Premises to be provided to the parties within not more than fifteen (15) days. If the lower opinion is within ten percent (10%) of the higher opinion, then the average of the two opinions shall be the fair market rent for the First Extended Term. If the difference is greater than ten percent (10%), then the two brokers shall select a third broker who shall determine the fair market rent for the First Extended Term which shall be no higher than the highest or lower than the lowest of the original opinions of value.

(c) Second Option to Extend Lease. Provided that Tenant is not in material default of any part of this Lease at the time of the exercise of the option, Tenant shall have the option to extend the Term of the Lease for an additional five years ("Second Extended Term"). The manner of exercise of the option and establishing the fair market rent for the Second Extended Term shall be as set forth for the First Option to Extend Lease, above.

(d) Third Option to Extend Lease. Provided that Tenant is not in material default of any part of this Lease at the time of the exercise of the option, Tenant shall have the option to extend the Term of the Lease for an additional five years ("Third Extended Term"). The manner

of exercise of the option and establishing the fair market rent for the Third Extended Term shall be as set forth for the First Option to Extend Lease above.

4. Title to Improvements. Landlord has title to the seawall and pier, and associated sewage lines, lift station and pumps. During the Term of the Lease, Tenant will have title to the Tenant Improvements, including the grease trap. Free and clear title to any and all improvements and fixtures purchased or constructed by Tenant and installed upon the Premises shall upon termination of the Lease vest in Landlord without additional cost or expense to Landlord, and Tenant shall execute such additional documents as Landlord may reasonably require effectuating such transfer of title. Notwithstanding the foregoing, Tenant shall have the right to remove furniture, equipment and trade fixtures that are not fixed to the Premises during the thirty (30) days following the termination of the Lease and will retain title to any items removed.

If Tenant desires at any time to obtain an ALTA policy insuring Tenant's ownership of the leasehold, Tenant may obtain said policy at Tenant's expense, including the cost of any ALTA survey.

5. Rent.

(a) Base Rent. Beginning on the Commencement Date, Tenant shall pay to Landlord each month a fixed minimum amount of rent ("Base Rent") for the Premises which shall initially be Four Thousand Three Hundred and One Dollars (\$4,301.00) per month, as adjusted as hereinafter provided. On April 1 following the first anniversary of the Commencement Date, and each year thereafter on April 1 for the Term of this Lease, and for each year during any option period exercised, the Base Rent in effect for the month immediately preceding the adjustment date shall be adjusted in accordance with the increase in the San Francisco-Oakland-Hayward Consumer Price Index (All Items) for the preceding calendar year. In no event shall the Base Rent for any year be less than the greater of (i) the Base Rent for the preceding year, and (ii) eighty percent (80%) of the total of the sum of the Base Rent plus monthly percentage rent paid by Tenant on an annualized basis for the previous calendar year.

(b) Additional Rent. Tenant shall repay Landlord for Tenant's share of the Project costs (amortized at 3.5% interest over 25 years), with the total sum paid in monthly installments of One Thousand Four Hundred Forty-Five and 55/100 Dollars (\$1,445.55) for the Term of the lease and each Extended Term of the lease beginning on the Commencement Date ("Additional Rent").

(c) Payment of Rent. The Rent shall be payable monthly in advance, without notice, offset, or abatement, by the first day of each calendar month of the Lease Term. The Rent and other sums payable by Tenant hereunder shall be paid to Landlord in currency of the United States of America (or by personal check unless Landlord otherwise notified Tenant) at Landlord's address set forth in Paragraph 23 hereof, or at such other place as Landlord may from time to time designate in writing.

(d) Delinquent Payments. Rent payments received on or after the 20th day of the month shall be deemed delinquent payments. A delinquency fee in the then current amount as set by the Landlord's Board of Port Commissioners shall be applied to any delinquent payment. In addition, interest in the then current amount as set by the Landlord's Board of Port Commissioners shall be applied on the 1st day of each month to the unpaid balance until paid in full.

(e) Percentage Rent. Tenant shall also pay to Landlord, in addition to the Base Rent and Additional Rent, on or before the 20th day of each month during the Lease Term, an amount for the immediately preceding Lease Month (defined below) equal to five percent (5%) of Gross Income, as reduced (but not below zero) by the amount of the Base Rent payable by Tenant to Landlord ("Percentage Rent") for each such month. "Gross Income" means the entire amount of the price charged by Tenant, whether wholly or partly for cash or on credit, or otherwise, for prepared food and beverages, and all charges for services sold or performed in connection with the preparation or sale of such items. As calculated on an annual basis, if during any month of the Lease Year (defined below), defined as April 1 through March 31 of any calendar year during the term of the Lease, five percent of Gross Income is less than the Base Rent paid for that month, but total rent paid for the year exceeded the Base Rent (as adjusted by the San Francisco-Oakland-Hayward Area Consumer Price Index) paid for the year, Tenant shall be eligible for a credit from Landlord, not to exceed the Percentage Rent previously paid for the year, provided no other rents, fees or other charges remain unpaid. In no event shall the total rental paid in any year be less than Base Rent as adjusted by the San Francisco-Oakland-Hayward Area Consumer Price Index.

(1) Tenant shall keep upon the Premises or at Tenant's principal office true and complete records and accounts, including records of bank deposits, respecting all sales of food and beverages made by Tenant and all other individuals, corporations and other entities in, at, or from the Premises or from any other location in the Santa Cruz Small Craft Harbor, and of all services rendered by Tenant in, at, and from the Premises. Said books and records shall include complete recordation of Tenant's Gross Income for purposes of calculating Percentage Rent due hereunder. On or before the 5th day of each calendar month during the Lease Term, Tenant shall furnish to Landlord a true and accurate statement of all Gross Income for the preceding Lease Month, which statement shall be certified as true and correct by a responsible representative of Tenant. Tenant agrees to give Landlord access during normal business hours to Tenant's books and records. Landlord shall have the right at any time and from time to time to audit all of the books of account, records, sales tax returns, and bank statements of Tenant relating to Tenant's sales and Gross Income, and Tenant, on request of Landlord, shall make all such records available for examination by Landlord, or Landlord's duly authorized representative, at the Premises or at Tenant's principal office. Tenant shall keep all such records for a period of at least four years after the end of the Lease Year to which records relate.

Tenant agrees by September 1st of each calendar year during the Lease Term to submit to Landlord a statement of Gross Income for the preceding Lease Year prepared and certified by a responsible representative of Tenant. The receipt by Landlord of any such statement or of any payment of Percentage Rent for any period shall not bind Landlord as to the correctness of such statement or of the amount of such payment. Within four years after the

receipt of any such statement, Landlord shall be entitled to cause an independent audit of the Gross Income to be made by a certified public accountant to be designated by Landlord. Such audit shall be limited to a determination of the Gross Income, shall be conducted during normal business hours, and shall occur either at the Premises or at the principal place of business of Tenant or Landlord. If it shall be determined as a result of such audit that there has been a deficiency in the payment of Percentage Rent, then such deficiency shall become immediately due and payable with interest at the maximum rate then allowable by law from the due date. Payment of such interest shall not excuse or cure any default by Tenant under this Lease. If such audit shall disclose an additional liability for Percentage Rent as a result of any understatement, then Tenant shall pay all of Landlord's reasonable costs and expenses connected with such audit. If such audit shall disclose an understatement of Gross Income by more than two percent, the Landlord may, in addition to any other remedies it has at law or in equity, terminate this Lease by written notice to Tenant given within thirty days after Landlord's receipt of the audit report.

(2) The term "Lease Year" means the period during the Lease Term commencing on April 1st of each year and ending at midnight on March 31st of the next succeeding year. The term "Lease Month" means the period from the 1st day of each calendar month during the Lease Term through the last day of the calendar month.

(f) Rent. Together the Base Rent, Additional Rent and Percentage Rent are referred to hereinafter as "Rent."

(g) Security Deposit. Landlord and Tenant acknowledge that there is no security deposit associated with this Lease.

(h) Personal Guarantee. All amounts due under this Lease and any amendments to this Lease entered into by and between Landlord and Tenant shall be subject to the personal guarantee attached here to as Exhibit E and incorporated herein by this reference. The parties shall release the guarantee if and when a guarantor is no longer a constituent of Tenant, provided the guarantee obligations have been assumed by a replacement guarantor and Landlord has approved such replacement guarantor. In the event of the death of a guarantor, Tenant shall provide a replacement guarantor within sixty (60) days of the death of the guarantor, which guarantor shall be subject to Landlord's approval.

6. Use.

(a) Permitted Uses. Tenant shall use the Premises solely for the business of conducting therein a restaurant operation, providing a vibrant, sustainable restaurant for harbor tenants, beachgoers and visitors. Tenant shall not use, or permit to be used by others under Tenant's control, areas not included in the Premises for any purpose.

(b) Provision of Services. Tenant shall maintain the necessary personnel, facilities and equipment at all times during the Lease Term to conduct a restaurant business on the Premises.

(c) Continuous Use. Tenant shall continuously and uninterruptedly during the Lease Term during all normal business hours and on such days as a majority of the other businesses in the Santa Cruz Small Craft Harbor are open for business, occupy and use the entire Premises for the purpose of operating a restaurant operation on the Premises. Tenant shall at all times employ its best business judgment, efforts, and abilities to so operate the business conducted by Tenant on the Premises in a manner calculated to service adequately the public demand for the goods and services included within the business permitted herein.

(d) Refuse Disposal. Tenant shall be entitled to use refuse facilities provided in the concession parking lot for the disposal of dry refuse generated from Tenant's operations on the Premises, which facilities shall be situated at the location designated from time to time by Landlord. Tenant shall collect, sort and recycle refuse materials in accordance with the City of Santa Cruz Solid Waste and Recycling requirements. Tenant shall be responsible for paying its share of the cost of refuse disposal for all solid waste and recycling generated by its business.

(e) Prices. Tenant shall at all times maintain a complete list or schedule of the prices charged for all goods or services, or combinations thereof, supplied to the public. Said prices shall be fair and reasonable, considering current market conditions. In the event that the Port Director of the Santa Cruz Port District ("Port Director") notifies Tenant that any of said prices are not fair and reasonable, Tenant shall have the right to reasonable conference and consultation with the Port Director. After consultation with Tenant, if the Port Director determines that any of said prices are not fair and reasonable, the same shall be modified by Tenant as directed. Tenant may appeal the determination of the Port Director to the Santa Cruz Port District Commission, whose decision shall be final and conclusive. Pending such appeal, the prices fixed by the Port Director shall be the maximum charged by Tenant.

(f) Hazardous Materials.

(1) No goods, merchandise, or materials shall be kept, stored, or sold in such a manner as to create any unusual hazard on the Premises; and no offensive or dangerous trade, business, or occupation shall be conducted thereon, and nothing shall be done on the Premises which will cause an increase in the rate of or cause a suspension or cancellation of the insurance upon the Premises or upon adjacent properties or improvements thereon.

(2) No machinery or apparatus shall be used or operated on the Premises which will in any way injure the Premises, or adjacent properties or improvements thereon.

(3) Tenant, at its sole cost and expense, shall comply with all Laws (as defined herein) affecting the Premises relating to the storage, placement, use and disposal of Hazardous Materials by Tenant, its agents, employees, invitees or contractors. Tenant shall be solely responsible for and shall defend, indemnify, and hold Landlord and its agents harmless from and against any and all claims, judgments, losses, orders, demands, causes of action, directives from environmental regulatory agencies, costs and liabilities, including without limitation attorneys' fees and costs, arising out of or in connection with the storage, placement,

use or disposal of Hazardous Materials on or about the Premises by Tenant, its agents, employees, or contractors.

(4) If the presence of Hazardous Materials introduced to the Premises by Tenant, its agents, employees, invitees or contractors results in contamination or deterioration of any improvements, water, soil, or other environmental media, then Tenant, at its sole cost and expense, shall promptly take any and all action necessary to investigate and clean up such contamination.

(5) The term "Laws" shall mean any judicial decision, statute, constitution, ordinance, resolution, regulation, rule, administrative order, or other requirement of any municipal, county, state, federal or other government agency or authority having jurisdiction over the parties to this Lease or the Premises, or both, in effect either at the date this Lease is fully executed or any time during the Term of this Lease.

(6) As used herein, the term "Hazardous Materials" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of California, or the United States government. The term "Hazardous Materials" includes, without limitation, any material or substance which is (A) listed under Article 9 or defined as hazardous or extremely hazardous pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 30, (B) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S. C. Section 6901 et seq. (42 U.S.C. Section 6903), or (C) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 6901 et seq. (42 U.S.C. Section 9601).

(7) The obligations of Tenant under subparagraphs 6(f)(1) through 6(f)(8) shall survive the expiration of the Lease Term.

(8) Tenant shall indemnify Landlord from any damages suffered by Landlord, including, without limitation, cleanup costs, as a result of the generation, use, storage, transport or release of Hazardous Materials by Tenant in, on or about the Premises or the Property. Prior to bringing or allowing any Hazardous Materials to be brought onto the Premise, Tenant shall notify Landlord as to the identity of said materials and the safeguards to be used in connection therewith. Landlord shall be entitled, in its sole discretion, to refuse to allow Hazardous Materials to be brought onto the Premises. Landlord's consent to the introduction of any hazardous material onto the Premises (i) shall not release Tenant from its duty to indemnify Landlord for any damages resulting from such materials, (ii) shall not be deemed to waive Landlord's right to disapprove of any subsequent introductions of hazardous materials onto the Premises whether of the same or of a different nature than the material to which Landlord consented, and (iii) may be revoked at any time, in Landlord's sole discretion, whereupon Tenant shall remove such materials from the Premises within five days of receipt of Landlord's demand for removal. In all events, if any hazardous materials become located upon the Premises for any reason other than as consented to by Landlord in accordance with the foregoing procedure, Tenant shall immediately notify Landlord as to the same.

(g) Effect on Navigable Waters. Under federal law, no construction, installation, dredging, filling, or other activity which would have an effect on navigation may be conducted in or adjoining navigable waters without a permit therefore first being issued by the Secretary of the Army. The Port Director in his/her sole discretion determines whether any proposed facility of Tenant may be construed to have an effect on navigation. In the event the Port Director so determines, Tenant shall prepare at its expense a permit application for submittal by Landlord in Landlord's name to the Corps of Engineers, United States Army. The permit application shall be prepared in strict conformity with regulations published by the United States Army.

(h) Non-permitted Uses. Tenant shall not permit the Premises to be used for any purpose not described in Paragraph 6(a), or for any unlawful purpose; and Tenant shall not perform, permit, or suffer any act of omission or commission upon or about the Premises which would result in a nuisance or a violation of the laws and ordinances of the United States, State of California, or City of Santa Cruz, as the same may be now or hereafter in force and effect. Without limiting the generality of the foregoing, Tenant specifically agrees not to cause or permit generation of unreasonable levels of noise from any activity on the Premises which might disturb live-a-board slip licensees or residential neighbors of the Port District from 10 p.m. until 6:00 a.m. each day during the Lease Term.

(i) Compliance with Laws. Tenant shall abide by all applicable Laws, rules, codes, regulations, resolutions, ordinances and statutes of Landlord, the City of Santa Cruz, County of Santa Cruz, California Coastal Commission, State of California, or other governmental body where applicable, respecting the use, operation, maintenance, repair or improvement of the Premises and equipment therein, and shall pay for any and all licenses or permits required in connection with the use, operation, maintenance, repair, or improvement of the Premises. Landlord shall have no responsibility for obtaining any such licenses or permits, and shall have no liability to Tenant (nor shall Tenant have any right to terminate the Lease or receive abatement of rent or other charges) if Tenant, for any reason, is unable to obtain any such permits. Tenant acknowledges that Landlord has made no warranties or representations to Tenant regarding the suitability of the Premises for Tenant's intended use except as otherwise provided in this Lease, and Tenant waives all claims against Landlord regarding the suitability of the Premises for Tenant's intended uses.

7. Ownership of Improvements.

(a) Title. All structures, buildings, improvements, additions, and fixtures now existing or hereafter constructed, erected, or installed in or upon the Premises, and all alterations and additions thereto, shall be deemed a part of the Premises and remain upon and be surrendered with the Premises as part thereof in good order, condition and repair. During the term of this Lease, title shall be vested in the Tenant. Upon the expiration or sooner termination of the Lease, title to any and all improvements shall be vested in Landlord.

(b) Liens. Tenant shall keep the Premises free from any liens arising out of any work performed, materials furnished, or obligations incurred by Tenant. Tenant shall indemnify and hold Landlord harmless against liability, loss, damage, cost, and all other expenses

(including but without limitation, attorneys' fees) arising out of claims of lien for work performed or materials or supplies furnished at the request of Tenant or persons claiming under Tenant.

8. Construction of Improvements.

(a) No Landlord Improvements. Except for the construction of the Project as described above, Landlord shall not be obligated to install or construct any improvements, additions, or alterations on the Premises during the Lease Term.

(b) Tenant Improvements. All improvements, additions, or alterations Tenant may desire in the future after completion of the Tenant Improvements shall be done in accordance with the provisions of this Paragraph 8(b). Tenant shall not construct any improvements to or modify the Premises in any way without the prior written consent of Landlord, which shall not be unreasonably withheld, conditioned, or delayed. Any improvements to the Premises which are permitted by Landlord shall be installed or constructed by Tenant at Tenant's sole cost and expense; provided that, before commencing the installation or construction of any improvements on the Premises, Tenant shall submit to Landlord, for Landlord's approval, final plans, specifications, and a site plan prior to applying for any permits for such improvements. Upon obtaining Landlord's approval, Tenant shall not amend or otherwise change such plans, specifications, or site plan without first obtaining Landlord's approval of such amendment or change. Tenant shall be solely responsible for obtaining all other governmental permits or approvals required for the installation or construction of any such improvements to the Premises, including, but not limited to, Coastal Commission approval, and approval of the City or County of Santa Cruz, and Landlord shall have no liability whatsoever for Tenant's inability or failure to obtain any such permits or approvals, and shall provide same to Landlord prior to commencing any work. Landlord agrees to cooperate with as necessary in the application process.

Tenant shall give at least 15 days' advance notice to Landlord before actually commencing any improvement work on the Premises so that Landlord can post a notice of non-responsibility, if Landlord so chooses. Landlord may request and Tenant shall comply with any request for an inspection. Upon completion of any such improvements, Tenant shall deliver to Landlord a complete set of "as-built" plans respecting such improvements. Tenant shall use licensed and insured contractors. Contractor's insurance shall at a minimum meet the requirements in Paragraph 10.

9. Taxes and Assessments.

(a) Payable by Tenant. During the Term of this Lease, Tenant shall pay directly to the taxing authority during each year or partial year during the Term hereof, all real and personal property taxes, general and special assessments, use and possessory taxes, environmental protection charges, and other charges of every kind or description whatsoever, foreseen or unforeseen, levied on or assessed against the Premises, improvements or personal property therein, the leasehold estate or any subleasehold estate permitted by Landlord. Tenant shall pay each installment of such taxes and assessments prior to the date such installment becomes delinquent. Tenant shall pay all supplemental or escape assessment levied or assessed against the Premises or arising out of Tenant's leasehold interest.

(b) Substitute Taxes. If at any time during the Lease Term, under the laws of the United States of America, the State of California, or any political subdivision thereof in which the Premises are located, a tax on rent or other charge by whatever name called, is levied, assessed, or imposed against Landlord, or against the rent payable hereunder to Landlord, as a substitute in whole or in part for any of the taxes described in Paragraph 9(a), Tenant, to the extent such substitute tax or other charge relieves Tenant from the payment of taxes provided for herein, shall pay such tax or other charge in the manner provided in this Paragraph 9.

10. Insurance.

(a) Landlord's Insurance. If requested by Tenant, Landlord shall carry property insurance for the full replacement cost of the seawall against casualties, subject to Tenant paying for the insurance premiums for such policy. Tenant shall be a co-payee of such property insurance. Landlord is not required to carry any insurance on the Premises or any of the improvements constructed as part of the Premises by Landlord or Tenant. Landlord shall have no obligation to insure against loss by Tenant to Tenant's leasehold improvements, fixtures, furniture, or other personal property in or about the Premises occurring from any cause whatsoever and Tenant shall have no interest in the proceeds of any insurance carried by Landlord. Landlord shall be entitled to carry any such insurance in the form of a blanket policy covering property in addition to the Premises.

(b) Tenant's Insurance. During the Term of the Lease, Tenant shall maintain, at its sole cost and expense, the following insurance policies, not to include the seawall and pier which are Landlord's responsibility to insure, if required pursuant to Paragraph 10(a):

(1) Fire and extended coverage insurance satisfactory to Landlord covering the Premises and all improvements therein in an amount not less than the actual replacement cost thereof, plus Tenant's leasehold improvements, fixtures, equipment, furniture and other personal property in or about the Premises. The insurance provided for in this Paragraph 10(b) shall provide protection against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief, special extended perils ("special form"), and loss of rents covering Base Rent and Additional Rent for a period of 12 months, and shall contain an inflation endorsement. Insurance proceeds thereunder shall be payable to Landlord for loss of rents, to Landlord and Tenant for the replacement/reconstruction of the improvements and to Tenant for its equipment, furniture and other personal property.

(2) Commercial General Liability Insurance protecting Landlord and Tenant against liability for bodily injury and property damage, including contractual liability coverage and products liability, as well as "personal and advertising injury" liability occasioned by any occurrence in, on, about, or related to the Premises in an amount not less than Two Million Dollars (\$2,000,000) each occurrence and annual aggregate. Such policy shall also include liquor liability coverage. Tenant shall cause Landlord, its employees, elected officials, attorneys, agents and volunteers to be named as an additional insured under such policy.

(3) Workers' Compensation and Employer's Liability Insurance as required by applicable law against liability arising on account of injuries or death to workers or employees on the Premises or any improvement of Tenant. Such workers' compensation insurance shall be in amounts at least equal to the maximum liability of Tenant, its agents, and contractors under the Workers' Compensation Insurance and Safety Act of the State of California and the Federal Longshore and Harbor Workers' Compensation Act, as applicable. Tenant shall also maintain Employer's Liability insurance with limits no less than One Million Dollars (\$1,000,000). Such insurance shall include a waiver of subrogation in favor of Landlord.

(4) If Tenant commits permits or causes the conduct of any activity or the bringing or operation of any equipment on or about the Premises creating unusual hazards, Tenant shall promptly, upon notice from Landlord, procure and maintain in force during such activity or operation insurance sufficient to cover the risks represented thereby. Landlord's demand for unusual hazard insurance shall not constitute a waiver of Landlord's right to demand the removal, cessation or abatement of such activity or operation.

(5) Tenant shall procure, at Tenant's own cost and expense other insurance in amounts from time to time reasonably required by Landlord against other insurable risks if at the time they are commonly insured against for premises similarly situated and containing comparable improvements including, but not limited to, Builder's Risk Insurance during construction of any improvements.

(6) All policies shall be placed with insurers admitted or eligible to do business in the State of California and rated A VIII or better by A.M. Best. All policies shall include endorsements stating that Landlord shall have at least 30 days prior written notice of policy cancellation, or 10 days' notice in the event of cancellation for non-payment of premium. Tenant shall furnish Landlord with Certificates of Insurance showing evidence of the required insurance upon execution of this Lease and thereafter upon renewal or replacement of policies.

(c) Waiver of Subrogation. Tenant and Landlord each hereby waives any and all rights of recovery against the other, and against the officers, employees, agents and representatives of the other, for loss of or damage to such waiving party or its property or the property of others under its control, where such loss or damage is insured against under any property insurance policy in force at the time of such loss or damage to the extent of the insurance proceeds actually paid in connection therewith. Tenant and Landlord shall, upon obtaining any of the policies of insurance required or desired hereunder, give notice to the insurance carrier or carriers that the foregoing mutual waiver of rights of recovery is contained in this Lease, and shall each use their best efforts to cause the insurer for each such policy to waive in writing any rights of subrogation it may have against the other party.

(d) Submittal of Policies. Tenant agrees to deposit with Landlord, at Landlord's request, a copy of each such policy or policies required hereunder and to keep such insurance in effect and the policy or policies therefore on deposit with Landlord during the entire Term of this Lease.

(e) Review of Coverage. Landlord shall retain the right at any time to review the coverage, form, and amount of the insurance required hereby. If, in the opinion of Landlord, the insurance provisions in this Lease do not provide adequate protection for Landlord and for members of the public using the Premises, Landlord may require Tenant to obtain (or may obtain at Tenant's expense) insurance sufficient in coverage, form and amount to provide adequate protection. Landlord's requirements shall be reasonable, but shall be designed to assure protection from and against the kind and extent of the risks which exist at the time a change in insurance is required.

(f) Changes in Coverage. Landlord shall give Tenant written notice of changes in the insurance requirement and Tenant shall deposit copies of acceptable insurance policies or Certificates of Insurance with Landlord incorporating such changes within sixty (60) days following receipt of such notice.

(1) The procuring of such required policy or policies of insurance shall not be construed to limit Tenant's liability hereunder or to fulfill the indemnification provisions and requirements of this Lease. Notwithstanding said policy or policies of insurance, Tenant shall be obligated 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 Premises.

(g) Landlord's Remedies. In case of failure on the part of Tenant to procure or to maintain in effect any insurance which Tenant is required to carry as provided in this Paragraph 10, Landlord may, but is not required to, at its discretion, and in addition to any other remedies it may have upon failure of Tenant to procure or to maintain in effect any insurance which Tenant is required to carry as provided in this Paragraph 10, procure or renew such insurance and pay any and all premiums therefore and all monies so paid by Landlord shall be repaid by Tenant to Landlord upon demand.

11. Indemnification.

(a) Tenant's Hold Harmless. Tenant hereby indemnifies Landlord its employees, elected officials, attorney, agents and volunteers against and holds them harmless from any and all claims, damage, cost, liability, or expense, including but not limited to attorneys' fees and costs of suit, resulting from or arising out of Tenant's use of the Premises, Tenant's default in the performance of any obligation of Tenant under this Lease, any act or failure to act of Tenant or any employees, agents, contractors, customers, or other invitees of Tenant occurring in or about the Premises, or construction of any improvements by Tenant in the Premises. Such indemnification specifically includes without limitation any damage to property or injury or death to any person arising from the use of the Premises by Tenant or from the failure of Tenant to keep the Premises in first class condition, order and repair. Tenant's indemnification does not extend claims or arising from Landlord's gross negligence or intentional acts. Tenant expressly agrees to exercise due care in the handling of fuel or any other flammable materials in, on, or around the Premises. Tenant shall maintain on the Premises adequate firefighting equipment, which shall remain under the use, control, maintenance, and repair of Tenant.

(b) Tenant's Waiver of Claims. Tenant hereby waives all claims against Landlord for damage to any property, goods, wares, or merchandise of Tenant stored in, upon, or about the Premises, and for injury to persons in, upon, or about the Premises from any cause whatsoever, except Landlord' gross negligence or willful misconduct, arising at any time, except as may be caused by the willful gross negligence or intentional acts of Landlord. Landlord shall not be liable to Tenant for any damage caused by any person, other than Landlord's personnel, in, upon, or about the Premises, whether a customer of Tenant or otherwise. Tenant expressly waives any claims against Landlord for damage to Tenant's business on the Premises or loss of goodwill or any other damage to Tenant arising from complete or partial closure of the Santa Cruz Harbor at any time and from time to time, whether such closure shall result from inclement weather, excess deposits of sand in the harbor, natural disaster or emergency or any other reason whatsoever. Landlord shall have no obligation or responsibility to prevent any such closures of the Santa Cruz Harbor; provided that, in the event any such closure shall be due to insufficient funding of Landlord, Landlord shall make a good faith effort to keep the Santa Cruz Harbor open during the portion of the year the public makes greatest use of harbor facilities.

(c) Landlord's Hold Harmless. Landlord hereby indemnifies and holds Tenant harmless from and against any and all damage to property or injury or death to any person and occurring in, on or about the Property located outside of the Premises as shown and described on Exhibit A hereto, to the extent caused by Landlord's gross negligence or intentional misconduct.

12. Maintenance and Repairs.

(a) Tenant's Obligations. Subject to Paragraph 15 below relating to damage and destruction, throughout the Term of this Lease Tenant shall, at Tenant's sole cost and expense, maintain the Premises and every part thereof, including but not limited to all components of the building, including the grease trap, and other Tenant Improvements, and all fixtures, machinery and equipment located in or on the Premises and utilized in the conduct of Tenant's business in first class condition, order and repair, and in accordance with all applicable laws, rules, ordinances, orders and regulations of (1) municipal, county, state, federal, and other governmental agencies and bodies having or claiming jurisdiction of the Premises and all their respective departments, bureaus, and officials; and (2) all insurance companies insuring all or any part of the Premises or improvements or both. For purposes of this paragraph, the obligation to repair includes the obligation to replace as and when reasonably necessary. Without limiting the foregoing, Tenant at Tenant's sole cost shall maintain in good and safe condition, order and repair, and replace as and when necessary, all improvements made by Tenant to the Premises. Tenant's obligations under this Paragraph do not extend to the obligation to maintain and repair the Project, which is Landlord's obligation pursuant to Paragraph 12(c).

(b) Outside Areas. Tenant acknowledges that the cleanliness and neat and attractive appearance of the interior and exterior of the Building and all other areas of the Premises are a material concern of Landlord. Accordingly, Tenant shall continuously exercise diligence throughout the Lease Term in keeping the Premises and the adjacent public pier, ten foot public walkway, any dumpster enclosure serving the Premises, and the area within a 25 foot

radius of the Premises, clean, sanitary and attractive condition. Tenant shall arrange for regular and prompt disposal of garbage generated by Tenant's operations on the Premises, and shall not permit garbage or refuse to accumulate in or around the Premises. Tenant shall not cause or permit odors that Landlord in its reasonable discretion determines are offensive to emanate from the Premises.

(c) Landlord's Obligations. Landlord shall maintain the Project and the sewage lines on the Property and lift station serving the Premises, in first class condition, order and repair (including replacement to the extent Landlord has the financial resources to do so) and in compliance with all applicable laws. Subject to the provisions of Paragraph 15 below relating to damage and destruction, Landlord shall have no obligation to maintain, repair or replace any portions of the Premises, it being understood that this is a triple net lease with Tenant having all maintenance, repair and replacement obligations.

13. Utilities. Tenant's obligation to pay for all utilities commences upon notice to Tenant that the Project is complete (i.e. when construction may commence of the Tenant Improvements). Tenant shall pay promptly as the same become due and payable all bills and costs for water, gas, electricity, telephone, cable, internet, sewer service charges, and any other utilities or services supplied to the Premises via separate meter as apportioned by Landlord. Tenant shall also pay for all costs and connection charges for services and/or utilities it desires expanded or added to those presently available for Tenant's use. Tenant shall pay for garbage service or its pro rata share of garbage, refuse and recycling, if such garbage, refuse and recycling is collected at existing bins in the harbor's parking areas, as determined in Landlord's reasonable discretion. If additional garbage containers are required, Tenant shall arrange for bins and service from Santa Cruz Municipal Utilities at Tenant's sole cost and expense. Tenant shall use energy-saving fixtures wherever practicable. Landlord shall not be liable to Tenant for any interruption or failure of any utility or other services to the Premises, except to the extent such interruption or failure is caused by the gross negligence or intentional acts of Landlord of its authorized agents.

14. Assignment, Subletting and Licensing.

(a) Landlord's Consent Required. Tenant shall not assign, sublease, mortgage, pledge, hypothecate, encumber, license, or transfer the Premises or any part thereof, or this Lease or any rights or obligations hereunder, or grant any permit to any person(s) to use the Premises for any purpose not expressly stated within this Lease without Landlord's written consent, which shall not be unreasonably withheld, conditioned, or delayed. Upon an assignment of this Lease by Tenant consented to by Landlord, Tenant shall be released from its obligations under the Lease accruing after the time of such assignment.

(b) Permitted Assignments, Subleases and Licenses. Tenant shall be entitled to sublease or assign its interest in this Lease provided it first obtains Landlord's written consent in accordance with Paragraph 14(a). Tenant must demonstrate to Landlord's reasonable satisfaction that the proposed transferee, subtenant or licensee is financially creditworthy, has demonstrated experience in running a restaurant business, and will operate a business of the

type and quality that Landlord determines is consistent with the permitted uses under this Lease and with the mix of businesses in the harbor and in a matter that supports the good reputation and image of Port District businesses as determined by Landlord and provided a satisfactory replacement guarantor assumes the personal guaranty obligations. Except as provided in the last sentence of Paragraph 14(a), no assignment, sublease or license respecting all or any portion of the Premises shall operate to release Tenant or any guarantor of its obligations hereunder, from liability for full performance of Tenant's obligations hereunder subsequent to the date of any assignment or sublease.

(1) Sublease Assignments and Subleases. No sublessee, licensee or assignee may sublease or assign any interest in the Lease without first obtaining Landlord's written consent thereto, which shall not be unreasonably withheld, conditioned, or delayed.

(2) Sublease Rents or License Payments. Except for an assignment, sublease, or license consented to by Landlord in accordance with Paragraphs 14(a) and (b), if Tenant enters into an assignment, sublease or license "Transfer" hereunder,

(i) the Base Rent specified in Paragraph 5 (a) shall be increased, effective as of the date of such Transfer, to an amount equal to the total of the Base Rent required to be paid by Tenant pursuant to this Lease during the twelve 12 month period immediately preceding such Transfer, plus

(ii) Tenant shall pay to Landlord fifty percent (50%) of any "Sublease Rents and License Payments" (as hereinafter defined). In the event of a Transfer, "Sublease Rents and License Payments" shall mean all rent, additional rent or other consideration payable by such subtenant to Tenant or on behalf of Tenant in connection with the subletting in excess of the rent, additional rent and other sums payable by Tenant under this Lease during the term of the sublease on a per square foot basis if less than all of the Premises is subleased, less the reasonable costs actually incurred by Tenant to secure the sublease. In the event of any Transfer other than a subletting, "Sublease Rents and License Payments" shall mean any consideration paid by the assignee to Tenant in connection with such Transfer which Landlord reasonably determines is allocable to the leasehold value of this Lease, less the reasonable costs actually incurred by Tenant to secure the Transfer. Sublease Rents and License Payments shall be due and payable monthly in advance in accordance with Paragraph 5(c) of this Lease and shall be subject to delinquent fees in accordance with Paragraph 5(d). If part of the "Sublease Rents and License Payments" shall be payable by the transferee or subtenant other than in cash, then Landlord's share of such non-cash consideration shall be in such form as is reasonably satisfactory to Landlord.

(c) Encumbrances. Subject to Paragraph 31, Tenant shall not encumber all or any portion of Tenant's interest in the Premises or in this Lease, without Landlord's prior written consent, which shall not be unreasonably withheld, conditioned, or delayed. Any encumbrance shall be subordinate and subject to all of the terms and provisions of this Lease.

(d) Corporation or Partnership. The assignment, pledge for security purposes, or other transfer during the Lease Term of any class of voting stock or other controlling interest in said corporation (whether in a single transaction or a series of transfers) which in the aggregate exceeds 50 percent of such class of stock or other controlling interest shall be deemed to be an assignment within the meaning of this Lease. If Tenant becomes a partnership, and Landlord consents thereto, the assignment, pledge, for security purposes, or other transfer during the Lease term of any interest in the partnership of a general or limited partner thereof, shall be deemed an assignment within the meaning of this Lease.

15. Damage or Destruction.

(a) Damage to Seawall. In the event of damage or destruction of the seawall, if such damage or destruction is covered by insurance and the proceeds are sufficient to do so, then Landlord shall utilize such insurance proceeds to promptly repair or rebuild the seawall, subject to obtaining all necessary permits and approvals to do so. In the event the damage or destruction is not covered by insurance or if the insurance proceeds are not sufficient to pay for the full cost of repair or replacement of the seawall, then Landlord shall have the right to terminate the Lease, unless Tenant elects to pay the uninsured portion of the cost of repairing or replacing the seawall. Rent shall be abated to the extent Tenant is unable to operate its business in the Premises until the damage to the seawall is repaired. Landlord shall give Tenant prompt notice of its election to repair or replace the seawall or to terminate the Lease if the insurance proceeds are not sufficient to pay for the cost or repair or replacement. Tenant shall have forty five (45) days from receipt of notice from Landlord of its intent to terminate the Lease to elect to pay for the uninsured portion of the repair or replacement.

(b) Partial Damage-Insured. Subject to the provisions of Paragraphs 15(c) and 15(d), if the Premises or any improvements therein are damaged, such damage involves damage to the Building to the extent of less than 80 percent of the then replacement value thereof (excluding excavations and foundations of the Building), such damage was caused by an act or casualty covered under an insurance policy provided for in Paragraph 10, and the proceeds of such insurance received by Landlord and Tenant are sufficient to repair the damage (or in the event any lender shall require such insurance proceeds to be applied to pay any sums owed under its loan), Tenant shall at Tenant's expense repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect.

(c) Partial Damage-Under or Uninsured. Subject to the provisions of Paragraphs 15(b) and 15(e), if at any time during the term hereof the Premises or any improvements are damaged, such damage involves damage to the Building to the extent of less than 80 percent of the then replacement value thereof (excluding excavations and foundations of the Building), and the insurance proceeds received by Landlord and Tenant are not sufficient to repair such damage (due to no fault of Tenant regarding Tenant's insurance obligations), or such damage was caused by an act or casualty not covered under an insurance policy, Tenant may at Tenant's option either (a) repair such damage as soon as reasonably possible at Tenant's expense, in which event this Lease shall continue in full force and effect, or (b) give written notice to Landlord within 30 days after the date of the occurrence of such damage of Tenant's intention

to cancel and terminate this Lease as of the date of the occurrence of such damage. In the event Tenant elects to give such notice of Tenant's intention to cancel and terminate this Lease, Landlord shall have the right, within 30 days after receipt of such notice, to agree in writing to pay for the entire cost of repairing such damage less only the amount of insurance proceeds, if any, received by Landlord and Tenant, in which event this Lease shall continue in full force and effect, and Landlord shall proceed to make such repairs as soon as reasonably possible. If Landlord does not give such notice within such 30 day period this Lease shall be cancelled and terminated as of the date of the occurrence of such damage. In the event the Lease is terminated, all insurance proceeds, if any, as a result of such damage or destruction shall be payable to Landlord, excepting proceeds relating to Tenant's equipment, furniture and personal property which shall be payable to Tenant.

(d) Total Destruction. If at any time during the term hereof either the Premises or the improvements contained therein are damaged from any cause, whether or not covered by the insurance provided for in Paragraph 10, and such damage involves damage to the Building to the extent of 80 percent or more of the replacement value thereof (excluding excavations and foundations of the Building), including any total destruction required by any authorized public authority, this Lease shall at the option of Tenant terminate as of the date of such total destruction. Tenant shall exercise its right to terminate this Lease by delivery of notice to Landlord within 30 days after the occurrence of such damage. In the event Tenant does not elect to terminate this Lease, Tenant shall at Tenant's expense repair such damage as soon as reasonably possible, and this Lease shall continue in full force and effect. In the event the Lease is terminated, all insurance proceeds, if any, as a result of such damage or destruction shall be payable to Landlord, excepting proceeds relating to Tenant's equipment, furniture and personal property which shall be payable to Tenant.

(e) Damage Near End of Term. If the Premises or the improvements therein are destroyed or damaged in whole or part during the last two years of the Term of this Lease, either Party may at its option cancel and terminate this Lease as of the date of occurrence of such damage by giving written notice to the other Party of its election to do so within 30 days after the date of occurrence of such damage.

(f) Abatement of Rent. Notwithstanding anything to the contrary contained elsewhere in this Lease, if the Premises are partially damaged and Tenant repairs or restores them pursuant to the provisions of this Lease, the Base Rent payable hereunder for the period commencing on the occurrence of such damage and ending upon completion of such repair or restoration shall be abated. Tenant shall have no claim against Landlord for any damage suffered by reason of any such damage, destruction, repair or restoration.

(g) Waiver. Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4), and any similar or successor statutes relating to termination of leases when the thing leased is substantially or entirely destroyed, and agrees that such event shall be governed by the terms of this Lease.

(h) Tenant's Property. Landlord's obligation to rebuild or restore, if any, shall not include restoration of Tenant's equipment, merchandise, or any improvements, alterations or additions made by Tenant to the Premises.

(i) Notice of Damage. Tenant shall notify Landlord within five days after the occurrence thereof of any damage to all or any portion of the Premises.

16. Eminent Domain.

(a) Termination. In the event the whole or any part of the Premises is condemned in the lawful exercise of the power of eminent domain by any public entity, then this Lease shall terminate as to the part condemned on the date possession of that part is taken.

(b) Partial Taking Renders Economically Unfeasible. If only a part of the Premises is condemned, but such taking makes it economically unfeasible for Tenant to use the remainder of the Premises for the purposes contemplated by this Lease, then Tenant may, at its option, terminate this Lease as of the date possession of the condemned part is taken by giving written notice to Landlord of its intention within 30 days following the date said possession is taken.

(c) Partial Taking with Business Continued. If only part of the Premises is condemned and this Lease is not terminated as set forth above, then this Lease shall, as to the condemned portion of the Premises, terminate as of the date possession of such portion is taken. The Base Rent shall thereupon be reduced in the same proportion that the area of the Premises taken bears to the initial total area of the Premises. The Base Rent, as so reduced, shall continue to be subject to adjustment in accordance with Paragraph 5 hereof.

(d) Repairs. Tenant shall, at its sole cost and expense and in a prompt and expeditious manner, make all necessary repairs or alterations to the remainder of the Premises so as to make them reasonably suitable for Tenant's continued occupancy for those uses and purposes contemplated by this Lease.

(e) Compensation. Compensation awarded or paid upon the total or partial taking of the fee title to the Premises or part of the Premises, or for the taking of all or any portion of the Premises, shall be apportioned between Landlord and Tenant, based upon the value of the improvements made. Landlord shall not be entitled to any compensation paid to Tenant for costs incurred by Tenant in removing its furniture, equipment, and trade fixtures from the condemned Premises. Nor shall Landlord be entitled to any compensation paid to Tenant in the proceedings or action for such taking with respect to removal or relocation costs, or anticipated or lost profits (excluding the value of this Lease to Tenant) or damages to any personal property or detriment to the business of Tenant, or any special damages to Tenant (excluding the value of this Lease to Tenant).

17. Tenant Default.

Events of Default:

Tenant shall be deemed in default under this Lease upon occurrence of any of the following:

(a) Tenant fails to pay a monetary sum when due under this Lease (provided that Tenant shall not be deemed in default if Tenant pays such sum within 10 days after notice from Landlord that such sum is overdue; and provided further that, Tenant shall not be entitled to any such 10 day grace period or notice and shall be deemed in default immediately upon failure to so pay when due if Landlord has already delivered two notices of overdue payments within the immediately preceding 12 month period;

(b) Tenant fails to perform any of its other obligations under this Lease within 10 days after notice from Landlord of such failure; provided that, if such failure is of the nature that it may be cured, Tenant shall not be deemed in default if Tenant cures such failure or commences to cure and diligently prosecutes cure to completion within 30 days after notice from Landlord of such failure;

(c) Tenant's interest in the Premises or the Lease, or any part thereof, is assigned or transferred, either voluntarily or by operation of law (except as expressly permitted by other provisions of this Lease), including, without limitation, the filing of an action by or against Tenant, or by any member of Tenant if Tenant is a partnership or joint venture, under any insolvency or bankruptcy laws, or if Tenant makes a general assignment for the benefit of its creditors; or

(d) Tenant vacates, abandons, or surrenders the Premises during the lease term; or

(e) Tenant fails to comply with or obtain any necessary permit or license. Tenant shall not be deemed in default if Tenant cures such failure within 20 days after notice from Landlord of such failure; or

In the event of a default by Tenant under this Lease, Landlord may pursue such remedies as it may have for such default under law or in equity, including but not limited to the remedies set forth below.

Remedies on Default:

(i) Repossession. Landlord may repossess the Premises and remove all persons and property therefrom. If Landlord repossesses the Premises because of a breach of this Lease, this Lease shall terminate and Landlord may recover from Tenant:

(1) the worth at the time of award of the unpaid rent which had been earned at the time of termination including interest at 10 percent per annum or the maximum allowed by law whichever is less;

(2) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided including interest at 10 percent per annum or the maximum allowed by law whichever is less;

(3) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss for the same period that Tenant proves could be reasonably avoided, computed by discounting such amount by the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent; and

(4) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom.

(ii) No Repossession. If Landlord does not repossess the Premises, then this Lease shall continue in effect for so long as Landlord does not terminate Tenant's right to possession and Landlord may enforce all of its rights and remedies under this Lease, including the right to recover the rent and other sums due from Tenant hereunder. For the purposes of this Paragraph 17, the following do not constitute a termination of Tenant's right to possession:

(1) Acts of maintenance or preservation by Landlord or efforts by Landlord to relet the Premises; or

(2) The appointment of a receiver by Landlord to protect Landlord's interest under this Lease.

18. Attorneys' Fees. If any action at law or in equity shall be brought to recover any rent under this Lease, or for or on account of any breach of or to enforce or interpret any of the terms, covenants, agreements, or conditions of this Lease, or for the recovery of the possession of the Premises, the prevailing party shall be entitled to recover from the other party, as a part of the prevailing party's costs, reasonable attorneys' fees, the amount of which shall be fixed by the court and shall be made a part of any judgment rendered. "Prevailing party" within the meaning of this paragraph shall include, without limitation, a party who brings an action against the other party after the other party's breach or default, if such action is settled or dismissed upon the payment by the other party of the sums allegedly due or performance of the covenants allegedly breached or the plaintiff obtains substantially the relief sought by it in the action.

19. Removal of Property. Tenant hereby irrevocably appoints Landlord as agent and attorney in fact of Tenant, to enter upon the Premises, in the event of a default by Tenant hereunder and Landlord's termination of Tenant's right to possession, to remove any and all

furniture and personal property whatsoever situated upon the Premises, and to place such property in storage for the account of and at the expense of Tenant. In the event that Tenant shall not pay the cost of storing any such property after the property has been stored for a period of 90 days or more, Landlord may sell any or all of such property, at public or private sale, in such manner and at such times and places as Landlord in its sole discretion may deem proper, without notice to Tenant or any demand upon Tenant for the payment of any part of such charge or the removal of any such property, and shall apply the proceeds of such sale first to the costs and expenses of such sale, including reasonable attorneys' fees actually incurred; second, to the payment of the costs of or charges for storing any such property; third, to the payment of any other sums of money which may then or thereafter be due to Landlord from Tenant under any of the terms hereof; and fourth, the balance, if any, to Tenant.

20. Subordination.

(a) Subordination of Lease. This Lease, at Landlord's option, shall be subordinate to any mortgage, deed of trust, or any other hypothecation for security now or hereafter placed upon all or any portion of the Premises and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof. Notwithstanding such subordination, Tenant's right to quiet possession of the Premises shall not be disturbed if Tenant is not in default and so long as Tenant shall pay the rent and observe and perform all of the provisions of this Lease, unless this Lease is otherwise terminated pursuant to its terms. If any mortgagee or trustee shall elect to have this Lease prior to the lien of its mortgage or deed of trust, and shall give written notice thereof to Tenant, this Lease shall be deemed prior to such mortgage or deed of trust, whether this Lease is dated prior or subsequent to the date of said mortgage or deed of trust or the date of recording thereof.

(b) Execution of Documents. Tenant agrees to execute any documents required to effectuate such subordination or to make this Lease prior to the lien of any mortgage or deed of trust, as the case may be, and failing to do so within ten (10) days after written demand, does hereby make, constitute and irrevocably appoint Landlord as Tenant's attorney in fact and in Tenant's name, place and stead, to do so.

21. Landlord's Right to Reenter.

(a) Peaceable Surrender. Tenant agrees to yield and peaceably deliver possession of the Premises to Landlord on the date of termination of this Lease, regardless of the reason for such termination. Upon giving written notice of termination to Tenant, Landlord shall have the right to reenter and take possession of the Premises on the date such termination becomes effective without further notice of any kind and without institution of summary or regular legal proceedings. Termination of the Lease and reentry of any Premises by Landlord shall in no way alter or diminish any obligation of Tenant under the Lease terms and shall not constitute an acceptance or surrender.

(b) Waiver of Redemption. Tenant waives any and all right of redemption under any existing or future law or statute in the event of eviction from or dispossession of the Premises for any reason or in the event Landlord reenters and takes possession of the Premises in a lawful manner.

22. Reservations to Landlord. The Premises are accepted by Tenant as-is. The Premises are accepted by Tenant subject to any and all existing easements and encumbrances. Landlord reserves the right to install, lay, construct, maintain, repair, and operate such sanitary sewers, drains, stormwater sewer, pipelines, manholes, and connections; water and gas conduits; telephone and telegraph power lines; and the appliances and appurtenances necessary or convenient in connection therewith, in, over, upon, through, across, and along any part of the Premises, and to enter the Premises for any and all such purposes. Landlord also reserves the right to grant franchises, easements, rights of way, and permits in, over, upon, through, across, and along any and all portions of the Premises. No right reserved by Landlord in this clause shall be so exercised as to interfere unreasonably with Tenant's operations hereunder.

Landlord agrees to work with Tenant to grant any easements necessary for the operation of the restaurant.

Landlord agrees that rights granted to third parties by reason of this clause shall contain provisions that the surface of the land shall be restored as early as practicable to its original condition upon the completion of any construction. Landlord further agrees that should the exercise of these rights temporarily interfere with the use of any or all of the premises by Tenant, the monthly Base Rent shall be reduced on a temporary basis in proportion to the temporary interference with Tenant's use of the Premises.

23. Notices. All notices, statements, demands, requests, approvals or consents given hereunder by either party to the other party shall be in writing and shall be sufficiently given and served upon the other party if served personally or if sent by first class mail of the United States Postal Service, certified, return receipt requested, postage prepaid, and addressed to the parties as follows, or to such other address as any party may have furnished to the others as a place for the service of notice:

Landlord: SANTA CRUZ PORT DISTRICT
Attention: Port Director
135 5TH Avenue
Santa Cruz, CA 95062

Tenant: A & I Olivieri, LLC
Attention: Mauro Olivieri
344 Felicidad Drive
Soquel, CA 95073

Notices sent by mail shall be deemed served on the date actually received, as indicated on the return receipt.

24. No Commission. Landlord and Tenant each agree that Landlord and Tenant, respectively, have not had any dealings with any realtor, broker, or agent in connection with the execution of this Lease. Tenant shall pay the commission or compensation payable to any agent or broker employed by Tenant in connection with the execution of this Lease.

25. Waiver. The waiver by Landlord or Tenant of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition or any subsequent breach of the same or any other term, covenant, or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant, or condition of this Lease, other than the failure of Tenant to pay the particular rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent. Landlord's acceptance of partial payments of rent or any other sum due hereunder shall not be deemed a waiver of its right to recover the full amount of such payment and shall not be deemed an accord and satisfaction whether or not the amount due is disputed by the parties.

26. Holding Over. Any holding over after the expiration of the Term with the consent of Landlord shall be construed to be a tenancy from month to month on the same terms and conditions specified herein so far as applicable other than Base Rent which shall be increased to 110% of the current Base Rent.

27. Parking. Tenant acknowledges that all parking areas and all other common areas within the Santa Cruz Small Craft Harbor shall remain under the operation and control of Landlord. The manner in which such areas and facilities are operated and maintained shall be at the sole discretion of Landlord, and the use of such areas and facilities shall be subject to such rules and regulations as Landlord shall make from time to time. Landlord shall have the right to regulate access and parking and to install parking meters in such parking areas.

28. Non-Discrimination. Tenant agrees in the conduct of Tenant's business not to discriminate against any person or class of persons by reason of sex, race, creed, national origin, age, or physical condition. Tenant shall make its accommodations and services available to all persons on equal and reasonable terms.

29. Entry by Landlord. Landlord and its agents shall be entitled to enter into and upon the Premises at all reasonable times, upon reasonable notice (except in the case of an emergency, in which event no notice shall be required), for purposes of inspecting or making repairs, alterations or additions to all or any portion thereof, or any other part of the Building, including the erection and maintenance of such scaffolding, canopies, fences and props as may be required, or for the purpose of posting notices of non-responsibility for alterations, additions, or repairs, and during the 180 day period prior to the expiration of this Lease, to place upon the Premises any usual or ordinary "for rent" signs and exhibit the Premises to prospective tenants at reasonable hours, all without any abatement of rent and without liability to Tenant for any

injury or inconvenience to or interference with Tenant's business, quiet enjoyment of the Premises, or any other loss occasioned thereby.

30. Estoppel Certificates. Within 15 days after request therefor by Landlord, Holder, or any prospective mortgagee or owner, Tenant agrees as directed in such reasonable request to execute an Estoppel Certificate in recordable form, binding upon Tenant, certifying (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, a description of such modifications and that this Lease as modified is in full force and effect); (ii) the dates on which Base Rent, Percentage Rent, and Sublease Rents and License Payments (if any) have been paid; (iii) that Tenant is in the possession of the Premises if that is the case; (iv) that Landlord is not in default under this Lease, or, if Tenant believes Landlord is in default, the nature thereof in detail; (v) that Tenant has no offsets or defenses to the performance of its obligations under this Lease (or if Tenant believes there are any offsets or defenses, a full and complete explanation thereof); (vi) that Tenant has accepted the Premises and the condition thereof and of all improvements thereto and has no claims against Landlord or any other party with respect thereto; (vii) that if an assignment of rents or leases has been served upon the Tenant by a Holder, Tenant will acknowledge receipt thereof and agree to be bound by the provisions thereof, (viii) that Tenant will give to the Holder copies of all notices required or permitted to be given by Tenant to Landlord; and (ix) to any other information reasonably requested. Tenant's failure to deliver such certificate within such time will be conclusive upon Tenant (A) that this Lease is in full force and effect, without modification except as may be represented by Landlord, (B) that there are no uncured defaults in Landlord's performance, and (B) that not more than one month's rent has been paid in advance. Without limiting the foregoing, if Tenant fails to deliver any such certificate within such 15 day period, Landlord may deliver to Tenant an additional request for such certificate and the failure of Tenant to deliver such certificate within five days after delivery of such additional request shall be an Event of Default.

31. Leasehold Mortgage by Tenant. Tenant shall have the right to obtain financing for the cost of constructing the Tenant Improvements to be secured by Tenant's leasehold interest, including the right to record a mortgage or deed of trust against its leasehold interest, the Tenant Improvements and Tenants furniture, fixtures, equipment and business. Such mortgage or deed of trust shall attach solely to Tenant's leasehold interest and not to Landlord's fee ownership interest in the Property. Any such financing shall be subject to Landlord's approval, not to be unreasonably, withheld, conditioned or delayed. Landlord shall cooperate with Tenant and its lender and shall execute such documents as may reasonably be required by such lender, including but not limited to an estoppel certificate, consent to assignment for security purposes, a release and waiver of claims to assert a lien against Tenant's personal property, trade fixtures, furnishings and other collateral and a leasehold mortgage or leasehold deed of trust, provided the terms of such documents do not require the amendment or modification of any of the substantive or material terms or provisions of this Lease or materially diminish any of Landlord's rights pursuant to the Lease.

32. General.

(a) Entire Agreement. This Lease, together with all Exhibits attached hereto which are incorporated herein by this reference, contains all of the terms, covenants, and conditions agreed to by Landlord and Tenant relating to the Premises and the subject matter hereof, and supersedes all promises and agreements, written or oral, by either party to the other relating in any way to the Premises which are not expressly set forth herein. Tenant is not relying on any representations or warranties made by Landlord, and acknowledges that Landlord has not made any representations or warranties to Tenant, except as may expressly be set forth herein. This Lease cannot and shall not be amended orally or in any manner other than by an agreement in writing signed by both Landlord and Tenant or their respective successors in interest.

(b) Covenants and Conditions. Each term and each provision of this Lease performable by Tenant shall be construed to be both a covenant and a condition, all of which conditions shall be for the sole benefit of Landlord.

(c) Binding on Successors. The covenants and conditions hereof, subject to the provisions as to subletting and assignment, shall apply to and bind the heirs, successors, executors, administrators, subtenants, and assigns to the parties.

(d) Joint and Several Liability. All persons who have signed this Lease shall be jointly and severally liable hereunder.

(e) Gender. When the context of this Lease requires, the masculine gender includes the feminine, a corporation, or a partnership, and the singular number includes the plural.

(f) Captions. The captions of the numbered and lettered paragraphs of this Lease are for convenience only and are not a part of this Lease and do not in any way limit or amplify the terms and provisions of this Lease.

(g) Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of California and venue shall be Santa Cruz County.

(h) Time of Essence. Time is of the essence as to all of the provisions of this Lease with respect to which time of performance is a factor.

(i) Partial Invalidity. If any term, covenant, condition, or provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

(j) Relationship. Tenant shall not be an agent of Landlord for any purpose, and nothing in this Lease shall be deemed to create a partnership relationship between Tenant and Landlord.

(k) Corporate Authority. If Tenant is a corporation, each individual executing this Lease on behalf of said corporation represents and warrants that s/he is duly authorized to execute and deliver this Lease on behalf of said corporation in accordance with a duly adopted resolution of the board of directors of said corporation or in accordance with the bylaws of said corporation, and that this Lease is binding upon said corporation in accordance with its terms. If Tenant is a corporation Tenant shall, within 30 days after execution of this Lease, deliver to Landlord a certified copy of a resolution of the board of directors of said corporation authorizing or ratifying the execution of this Lease.

(l) Recordation. Tenant may record a Memorandum of Lease, signed by both parties, in a form substantially similar to the form attached hereto as Exhibit F.

(m) Calendar Days. All references herein to "days" shall mean calendar days unless otherwise stated.

33. State of California Harbors and Navigation Code. This Lease is adopted in accordance with Harbors and Navigation Code Section 6270, which requires leases for periods of more than 10 years to be authorized by ordinance. Landlord held a public hearing on November 26, 2019, to approve Ordinance 19-05 authorizing this Lease.

[signatures on next page]

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

LANDLORD:

SANTA CRUZ PORT DISTRICT
COMMISSION,
a political subdivision

ATTEST:

Marian Olin
Port Director
Santa Cruz Port District

By: _____
Dennis L. Smith
Chairman
Santa Cruz Port District Commission

TENANT:

A & I OLIVIERI, LLC
A California limited liability company

By: Mauro Olivieri
Mauro Olivieri, Member

EXHIBIT A
Legal Description of the Property and Map and Diagram Showing Property

The Property is more particularly described as follows: (1) Parcels 3, 57, and 71 and 72 described in that Grant Deed from the State of California to the Santa Cruz Port District recorded on May 21, 1974 in Book 2412 at Page 273, Official Records of Santa Cruz County, and (2) 15' Wide Right of Way Described in that Record of Survey Boundary Adjustment Lands of Donald R. Starr recorded in Volume 89 of Maps at Page 7, Official Records of Santa Cruz County.

The portions of the Property surrounding the Premises are depicted in the single page Map and Diagram that follows this page.



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 877 CEDAR STREET SUITE 248
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 (831) 457-3939 V
 (831) 426-7953 F
 www.tntarch.com

ALDOS RESTAURANT
 616 ATLANTIC AVE. SANTA CRUZ, CA

PROJECT DATA

PROJECT DESCRIPTION: DEMOLISH EXISTING 1 STORY RESTAURANT AND REPLACE WITH NEW 1 STORY RESTAURANT WITH OUTDOOR DECK SEATING

PROJECT ADDRESS: 616 ATLANTIC AVENUE
SANTA CRUZ, CA 95062

PROJECT A.P.N.:

ZONING:

PROJECT TEAM

PROPERTY OWNER: SANTA CRUZ PORT DISTRICT
135 5TH AVENUE
SANTA CRUZ, CA 95062
(831) 475-6161

RESTAURANT OPERATOR: J QIN MOOTZ & MAURO OLIVIERI
616 ATLANTIC AVE.
SANTA CRUZ, CA 95062
(831) 426-3736
john.mootz@yahoo.com

ARCHITECT: THACHER & THOMPSON ARCHITECTS
877 CEDAR STREET, SUITE 248
SANTA CRUZ, CA 95060
(831) 457-3939
tom@tntarch.com

PLANNING CONSULTANT: EADIE CONSULTANTS
877 CEDAR STREET #248
SANTA CRUZ, CA 95060
(831) 431-3396
charlie@eadieconsultants.com

AREA CALCULATIONS

EXISTING RESTAURANT GROSS AREA:	1,615 SF
EXISTING DECK SEATING AREA:	1,379 SF
PROPOSED RESTAURANT	
RESTAURANT:	1,615
PUBLIC RESTROOMS: **	268 *
GROSS BUILDING AREA (FOOTPRINT):	1,883 SF
ALDOS DECK SEATING AREA:	3,326 SF
PUBLIC ACCESS DECK:	1,585 SF

* SUBJECT TO CHANGE DUE TO CODE REQUIREMENTS

** OPEN TO THE PUBLIC DURING RESTAURANT HOURS

DRAWING DATE
MAY 9, 2019

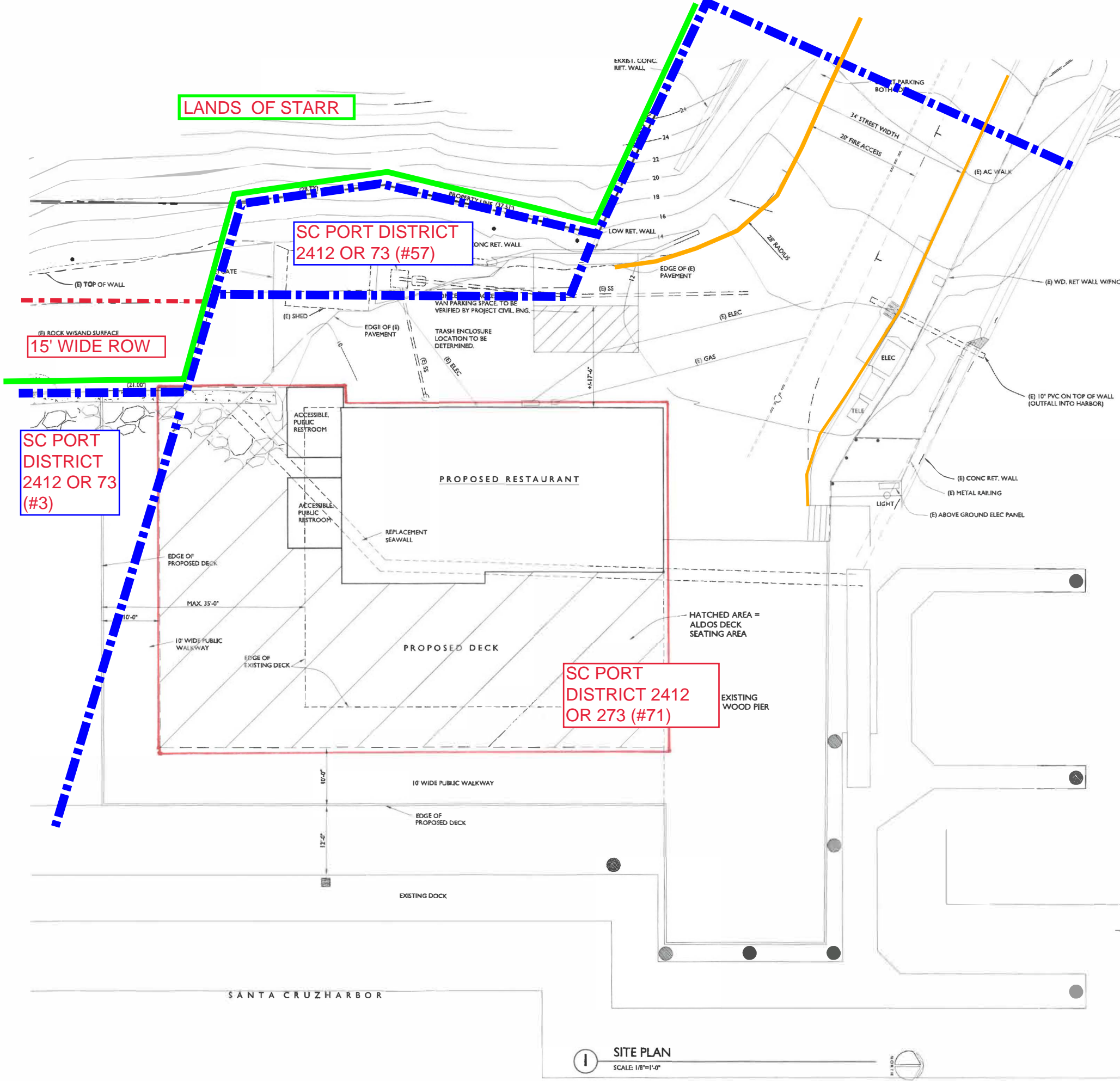
ISSUED TO FACILITATE CONSTRUCTION:
DATE PENDING

PROJECT FILE NAME:
ALDOS: SD 2017

REVISIONS		
No.	DESCRIPTION	DATE



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SITE PLAN
SCALE: 1/8"=1'-0"

PROPOSED ELEVATION
SCALE: 1/8"=1'-0"

ALDO'S LEASEHOLD

A3

EXHIBIT B Premises

Following this page are:

- Exhibit B-1 - Legal Description of Premises
- Exhibit B-2 - Premises Map and Diagram

EXHIBIT B-1

LEASEHOLD DESCRIPTION (ALDO'S SITE)

SITUATE IN THE CITY OF SANTA CRUZ, COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

BEING A LEASEHOLD AREA FOR A RESTAURANT AND OUTDOOR SEATING OVER A PORTION OF THE LANDS CONVEYED TO THE SANTA CRUZ PORT DISTRICT BY GRANT DEED FROM THE STATE OF CALIFORNIA RECORDED ON MAY 21, 1974 IN BOOK 2412 AT PAGE 273, OFFICIAL RECORDS OF SANTA CRUZ COUNTY, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHEASTERLY BOUNDARY OF THE LANDS CONVEYED TO STARR & SAMPSON BY DEED RECORDED AT DOC# 2011-0011154, OFFICIAL RECORDS OF SANTA CRUZ COUNTY, THE SAME POINT BEING DELINEATED AS POINT "H" ON THAT CERTAIN MAP ENTITLED, "RECORD OF SURVEY – BOUNDARY ADJUSTMENT, LANDS OF DONALD R. STARR" RECORDED IN VOLUME 89 OF MAPS AT PAGE 7, SANTA CRUZ COUNTY RECORDS, AND FROM WHICH A LEAD PLUG AND TAG STAMPED "RCE 11192" AS SHOWN ON SAID MAP BEARS SOUTH 78° 01' 00" EAST, 1.00 FOOT DISTANT; THENCE ALONG SAID NORTHEASTERLY BOUNDARY, NORTH 78° 01' 00" WEST, 0.50 FEET; THENCE DEPARTING SAID NORTHEASTERLY BOUNDARY, NORTH 05° 38' 27" WEST, 27.19 FEET; THENCE NORTH 84° 21' 33" EAST, 3.50 FEET; THENCE NORTH 05° 38' 27" WEST, 55.04 FEET; THENCE NORTH 84° 21' 33" EAST, 58.74 FEET; THENCE SOUTH 05° 38' 27" EAST, 86.85 FEET; THENCE SOUTH 84° 21' 33" WEST, 61.73 FEET TO A POINT ON THE ADJUSTED COMMON BOUNDARY BETWEEN THE LANDS OF STARR AND THE LANDS OF THE SANTA CRUZ PORT DISTRICT AS SHOWN ON SAID RECORD OF SURVEY MAP, AND FROM WHICH A LEAD PLUG AND TAG STAMPED "RCE 11192" BEARS SOUTH 05° 57' 05" EAST 16.53 FEET AND SOUTH 84° 02' 55" EAST, 1.00 FOOT DISTANT; THENCE ALONG SAID ADJUSTED COMMON BOUNDARY, NORTH 05° 57' 05" EAST 4.47 FEET TO THE POINT OF BEGINNING.

AND CONTAINING 5210.4 SQUARE FEET, MORE OR LESS.

THE BASIS OF BEARINGS FOR THIS DESCRIPTION IS THE EASTERLY BOUNDARY LINE OF THE LANDS OF STARR, (APN 010-302-13) AS ESTABLISHED BY 1.00 FOOT OFFSET MONUMENTS FOUND ALONG THE TOP OF CONCRETE WALL, ON THE HARBOR SIDE OF THE WALKWAY TO WALTON LIGHTHOUSE, AND SHOWN ON THAT MAP FILED IN VOLUME 89 OF MAPS, AT PAGE 07, SANTA CRUZ COUNTY RECORDS. BASIS OF BEARINGS = N 09°22'40"W

SEE EXHIBIT A, PAGE 2 OF 2, ATTACHED HERETO, AND BY THIS REFERENCE MADE A PART HEREOF.

END OF DESCRIPTION

PREPARED BY IFLAND SURVEY
JOB #G17024, OCTOBER 24, 2019



EXHIBIT C
List of Project Plans and Specifications

Exhibit C, Project Plans and Specifications references the final plans and specifications prepared by Mesiti-Miller Engineering, Inc., for the Santa Cruz Port District Aldo's Seawall Replacement project dated 02/15/19, and all subsequent authorized addenda, change orders and submittals.

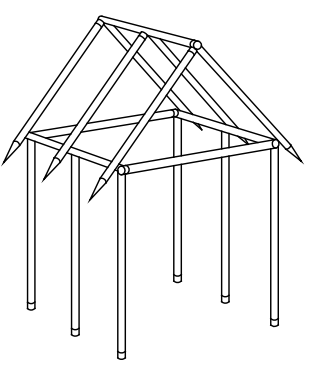
SANTA CRUZ PORT DISTRICT
ALDO'S SEAWALL REPLACEMENT

DRAWING INDEX

SHEET NO:	DRAWING TITLE:	DATE:	REV:
CVR	COVER SHEET	02/15/19	4
G1.0	MATERIAL SPECIFICATIONS, ABBREVIATIONS, OBSERVATIONS AND INSPECTION, TYPICAL REINFORCING DETAILS	02/15/19	4
CP1.0	CONCEPTUAL CONTRUCTION PLAN	02/15/19	4
T1	SITE SURVEY	02/01/19	2
C1.0	DEMOLITION PLAN	02/15/19	4
C2.0	SITE PLAN	02/15/19	4
C3.0	GRADING AND DRAINAGE PLAN	02/15/19	4
C4.0	EROSION CONTROL PLAN, EROSION CONTROL NOTES	02/15/19	4
C5.0	CIVIL DETAILS	02/15/19	4
S1.0	SHEET PILE WALL PLAN	02/15/19	4
S2.0	SHEET PILE WALL CROSS SECTION	02/15/19	4
S2.2	RIP RAP CROSS SECTIONS	02/15/19	4
S2.3	EXSTING SHEET PILE WALL ELEVATION	02/15/19	4
S2.4	PROPOSED SHEET PILE, WALL ELEVATION, AND TIE-BACK SCHEDULE	02/15/19	4
S3.0	SHEET PILE WALL DETAILS	02/15/19	4
S3.1	WALL TERMINATION DETAILS	02/15/19	4
S4.0	PUBLIC WHARF REFRAMING PLAN, FRAMING DETAILS	02/15/19	4
S5.0	AA-DOCK GANGWAY & LANDING PLAN	02/15/19	4
S5.1	AA-DOCK GANGWAY & LANDING DETAILS	02/15/19	4

EXHIBIT D
Tenant Improvement Conceptual Plans

Exhibit D, Tenant Improvement Conceptual Plans references the conceptual plans and specifications prepared for the restaurant building and deck by the architectural firm Thatcher and Thompson, for A & I Olivieri, LLC for the Aldo's Harbor Restaurant project dated May 9, 2019. The single page Site Plan A3 that follows this page is part of this exhibit.



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(831) 475-6161

RESTAURANT OPERATOR: JOHN MOOTZ & MAURO OLIVIERI
616 ATLANTIC AVE.
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john.mootz@yahoo.com

ARCHITECT: THACHER & THOMPSON ARCHITECTS
877 CEDAR STREET, SUITE 248
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PLANNING CONSULTANT: EADIE CONSULTANTS
877 CEDAR STREET #248
SANTA CRUZ, CA 95060
(831) 431-3396
charlie@eadieconsultants.com

AREA CALCULATIONS

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EXISTING DECK SEATING AREA:	1,379 SF
PROPOSED RESTAURANT	
RESTAURANT:	1,615
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GROSS BUILDING AREA (FOOTPRINT):	1,883 SF
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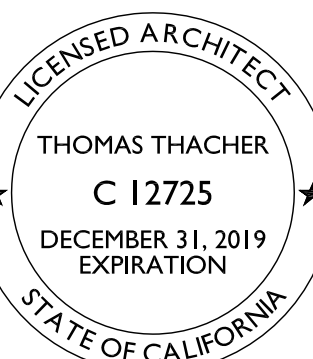
DRAWING DATE
MAY 9, 2019

ISSUED TO FACILITATE
CONSTRUCTION:
DATE PENDING

PROJECT FILE NAME:
ALDOS: SD 2017

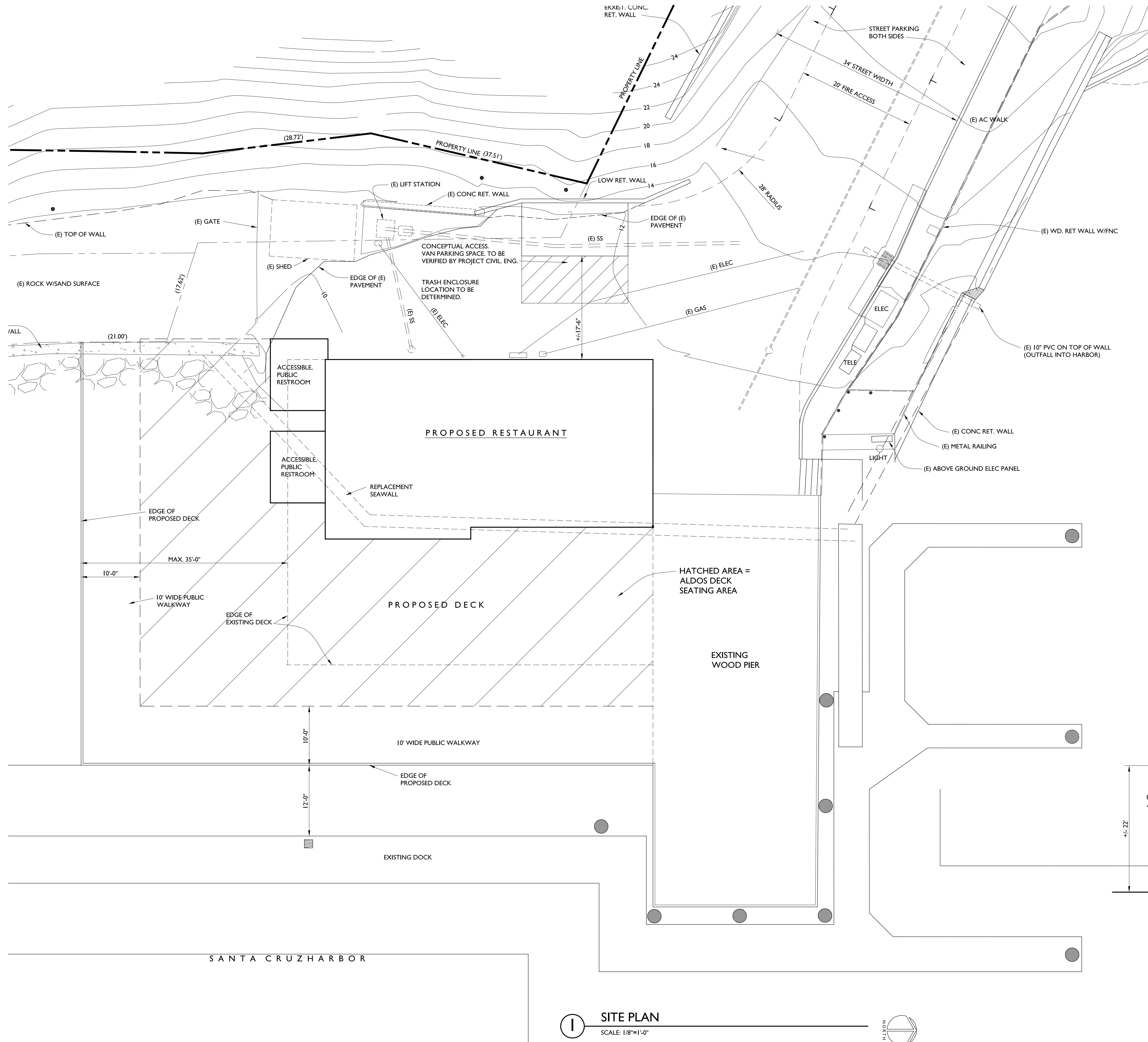
REVISIONS

No.	DESCRIPTION	DATE

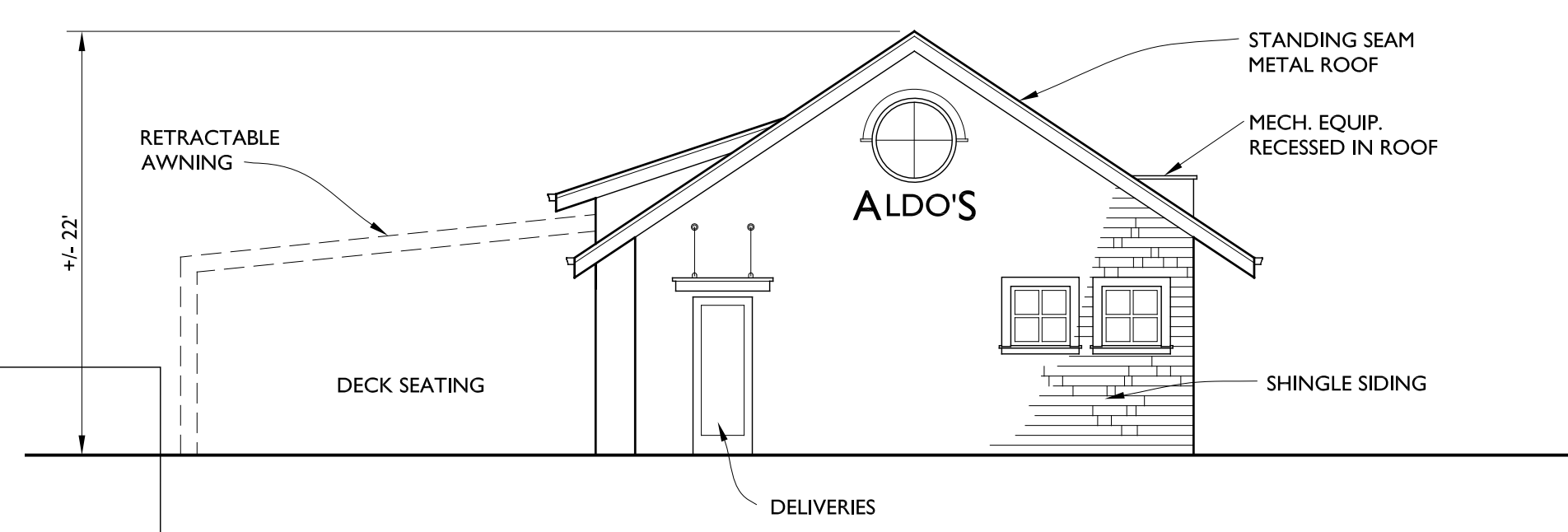


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A3



1 SITE PLAN
SCALE: 1/8"=1'-0"



1 PROPOSED ELEVATION
SCALE: 1/8"=1'-0"

EXHIBIT E GUARANTY

This Guaranty of Lease ("Guaranty") dated for reference purposes only January 1, 2020, is executed by Mauro Olivieri ("Guarantor") in favor of Santa Cruz Port District, a California special district ("Landlord").

RECITALS

WHEREAS, Landlord and A & I Olivieri, LLC ("Tenant") have entered into a Lease dated for reference purposes only January 1, 2020, ("Lease") whereby Landlord agreed to lease to Tenant and Tenant agreed to lease from Landlord the premises located at 616 Atlantic Avenue, Santa Cruz, California ("Premises"); and

WHEREAS, as a condition of said Lease, Landlord has required that Guarantor execute and deliver to Landlord this Guaranty.

NOW, THEREFORE, in consideration of Landlord entering into the Lease of the Premises to Tenant, Guarantor covenants and agrees as follows:

Guarantor absolutely and unconditionally guarantees to Landlord the timely payment of all amounts that Tenant may at any time owe under the Lease. Guarantor further guarantees to Landlord the full, faithful, and timely performance by Tenant of the Lease. If Tenant shall default at any time in the payment of any rent or any other sums, costs, or charges, or in the performance of any covenant or obligation under the Lease, then Guarantor, at Guarantor's expense, shall on demand by Landlord, fully and promptly pay all rent, sums, costs, and charges to be paid and perform all other covenants and obligations to be performed by Tenant pursuant to the Lease. In addition, Guarantor shall on demand by Landlord pay to Landlord all sums due to Landlord, including, without limitation, all interest on past due obligations of Tenant, costs advanced by Landlord, damages, and all expenses (including, without limitation, court costs and reasonable attorneys' fees) that may arise in consequence of Tenant's default.

All sums due and payable pursuant to this Guaranty shall be payable upon demand.

The obligations of Guarantor under this Guaranty are independent of the obligations of Tenant. A separate action may, at Landlord's option, be brought and prosecuted against Guarantor, whether or not any action is first or subsequently brought against Tenant, or whether or not Tenant is joined in any action, and Guarantor may be joined in any action or proceeding commenced by Landlord against Tenant arising out of, in connection with, or based upon the Lease. Guarantor waives any right to: (a) Require Landlord to proceed against Tenant or any other person or entity or pursue any other

remedy in Landlord's power; (b) complain of delay in the enforcement of Landlord's rights under the Lease; and (c) require Landlord to proceed against or exhaust any security held from Tenant or Guarantor. Guarantor waives all demands upon and notices to Tenant and to Guarantor, including without limitation, demands for performance, notices of nonperformance, notices of nonpayment, and notices of acceptance of this Guaranty.

This Guaranty shall remain in full force notwithstanding the appointment of a receiver to take possession of all or substantially all of the assets of Tenant or an assignment by Tenant for the benefit of creditors, or any action taken or suffered by Tenant under any insolvency, bankruptcy, reorganization, moratorium, or other debtor relief, act, or statute, whether now existing or later amended or enacted, or the disaffirmation of the Lease in any action or otherwise.

This Guaranty shall be binding upon Guarantor and Guarantor's heirs, administrators, personal and legal representatives, successors, and assigns, and shall inure to the benefit of Landlord and Landlord's successors and assigns. Landlord may, without notice, assign this Guaranty, the Lease, or the rents and other sums payable under the Lease, in whole or in part.

In addition to the amounts guaranteed pursuant to the above paragraphs, Guarantor agrees to pay reasonable attorneys' fees and all other costs and expenses incurred by Landlord in enforcing this Guaranty or in any action or proceeding arising out or relating to this Guaranty.

Nothing herein shall in any way modify any of the terms and provisions of the Lease. Notwithstanding anything to the contrary in this Guaranty, this Guaranty is subject to Paragraph 5(h) of the Lease.

Date: 11/15, 2019

A handwritten signature in black ink, appearing to read "Maurice P. Brown", is written over a horizontal line.

EXHIBIT F
Memorandum of Lease

This Memorandum of Lease (“Memorandum”) is made as of January 1, 2020, by and between the SANTA CRUZ PORT DISTRICT, a political subdivision (“Landlord”), and A & I OLIVIERI, LLC, dba Aldo’s Harbor Restaurant (“Tenant”).

RECITALS

- A. Landlord owns the real property located at 616 Atlantic Avenue, Santa Cruz, California, as more particularly described in the legal description referenced in Exhibit A (“Property”).
- B. Landlord and Tenant have entered into that certain Santa Cruz Port District Lease dated January 1, 2020 (“Lease”), pursuant to which Tenant has agreed to lease the Property from Landlord upon the terms and conditions set forth therein.
- C. Landlord and Tenant desire to execute this Memorandum and cause the same to be recorded in the Official Records of Santa Cruz County for the purpose of memorializing the Lease and to provide third parties with notice of the Lease.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby acknowledge and agree as follows:

- 1. Pursuant to the Lease and this Memorandum, Tenant hereby agrees to lease from Landlord, and Landlord hereby agrees to lease to Tenant, the Property upon the terms and conditions set forth in the Lease.
- 2. The sole purpose of this Memorandum is to give notice of the Lease and all of its terms, covenants and conditions to the same extent as if the Lease were fully set forth herein, and this Memorandum is subject to all of the terms, conditions and provisions of the Lease. This Memorandum may be executed in counterparts, each of which shall be an original, but both of which together shall constitute one instrument binding upon the parties hereto.

[signatures on next page]

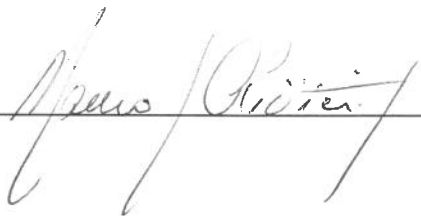
IN WITNESS WHEREOF, the parties have executed this Memorandum as of the date first above written.

LANDLORD:

SANTA CRUZ PORT DISTRICT
COMMISSION,
a political subdivision

By: _____
Dennis L. Smith
Chairman
Santa Cruz Port District Commission

TENANT:

By:  _____

By: _____



TO: Port Commission

FROM: Matt Kerkes, Facilities Maintenance and Engineering Manager

DATE: November 20, 2019

SUBJECT: Award a Contract for Garbage Hauling and Recycling Services (NTE \$39,000 annually)

Recommendation: Authorize the Port Director to execute a contract with NMH Maintenance for regular and on-call garbage and recycling hauling services in an amount not to exceed \$39,000 annually.

BACKGROUND

The Port District has contracted with NMH Maintenance for a year now and the service has been outstanding. NMH Maintenance services approximately 27 rolling dump bins and approximately 45 garbage receptacles located throughout the harbor. The garbage is transported to a compactor located at U-dock where receptacles are emptied and then returned to their locations.

The City of Santa Cruz is no longer accepting the harbor's recycling due to high contamination in the receptacles. Staff has met with City employees and NMH Maintenance and developed a plan to alter 20 of the existing recycling containers to make it more difficult for users to contaminate the recycling with trash. Staff recommends authorizing a new contract with NMH Maintenance to include transport of the blue recycling containers to a 5-yard central recycling bin located at the maintenance facility. NMH proposes to sort and empty the individual recycling containers, and dispose of any contents as necessary, then return the containers to their locations.

There will be ten recycling containers in the north harbor, five on the harbor's westside and five on the east side. The City of Santa Cruz is reducing the number of publicly available recycling containers to 20, which is approximately half of the containers that were previously available for public use. Harbor area restaurants will not be affected by this change.

ANALYSIS

Attachment A provides the proposed contract between the District and NMH Maintenance, and Exhibit A details the scope of work. The scope of work includes hauling and transferring refuse and recycling from approximately 92 receptacles throughout the harbor to a central compaction site and central recycling dumpster in the north harbor area. The scheduling as outlined in the contract meets the District's needs.

The agreement replaces the previous agreement between NMH Maintenance and the District which was effective January 1, 2019.

IMPACT ON PORT DISTRICT RESOURCES

Regular monthly services will increase from \$2,250 to \$2,900 per month, with any on-call service billed at an hourly rate. The FY20 budget for garbage hauling services was increased by \$15,000 to cover the current contract cost. Line item funding will need to increase further with the FY21 budget to cover the cost of this contract increase and anticipated increases to utility costs for water, sewer, and garbage.

ATTACHMENT: A. Agreement with Independent Contractor – NMH Maintenance

AGREEMENT WITH INDEPENDENT CONTRACTOR

No. _____

Contractor Name and Address

Nick Henning
NMH Maintenance
268 Cliff Court
Aptos, CA 95003

Contractor: Upon completion of work or agreed-upon work periods, mail invoice with above Agreement Number to:

Santa Cruz Port District
Attention: Marian Olin, Port Director
135 5th Avenue
Santa Cruz, CA 95062
(831) 475-6161

Project Name: Garbage and Recycling Hauling and Transfer Services

It is agreed between the Santa Cruz Port District, Santa Cruz, California, and Contractor as follows:

1. Services to be performed by Contractor. In consideration of the payments hereinafter set forth, Contractor shall perform services for Port District in accordance with terms, conditions and specifications set forth herein and in Exhibits "A" attached hereto for the Santa Cruz Port District.

2. Contract Term. The term of this agreement shall be from January 1, 2020, to December 31, 2022, unless terminated earlier by the Port District. This contract terminates and replaces Contract C19-03 between NMH Maintenance and Santa Cruz Port District.

3. Payments. In consideration of the services rendered in accordance with all terms, conditions and specifications set forth herein and in Exhibit "A," Port District shall make payment to Contractor in the manner specified herein and in Exhibit "B." In the event that the Port District makes any advance payments, Contractor agrees to refund any amounts in excess of the amount owed by the Port District at the time of contract termination. The Port District reserves the right to withhold payment if the Port District determines that the quantity or quality of the work performed is unacceptable. In no event shall total payment for all services under this agreement exceed **\$39,000.00** annually.

4. Relationship of the Parties. Contractor agrees and understands that the work/services performed under this agreement are performed as an Independent Contractor and not as an employee of the Port District and that Contractor acquires none of the rights, privileges, powers or advantages of Port District employees.

5. Insurance and Indemnity. Contractor, at its own expense, shall provide and keep in force, commercial liability insurance insuring against liability for bodily injury and property damage arising out of its work in an amount of not less than One Million Dollars (\$1,000,000.00) for injury to, or death of one person in any one accident or occurrence, and in an amount of not less than One Million Dollars (\$1,000,000.00) for injury to, or death of more than one person in any one accident or occurrence, and in the amount of not less than One Million Dollars (\$1,000,000.00) per occurrence in respect to damage to property. Port District shall be named as an additional insured on Contractor's insurance policy Contractor shall provide Port District with a certificate of insurance coverage evidencing said coverage, including a copy of all declarations of exclusions, prior to commencing work. The Contractor shall maintain Automobile Liability Insurance pursuant to this Contract in an amount of not less than One Million Dollars (\$1,000,000) for each occurrence combined single limit or not less than One Million Dollars (\$1,000,000) for any one (1) person, and one million dollars (\$1,000,000) for any one (1) accident, and three hundred thousand dollars, (\$300,000) property damage. To the full extent permitted by law Contractor agrees to defend, indemnify and hold Port District, its employees, agents, and officers, harmless from any and all claims, damages, and liability in any way occasioned by or arising out of the contractor's negligent performance of services under this agreement, breach of contract or construction defects arising out of Contractor's work.

6. Non-assignability. Contractor shall not assign this Agreement or any portion thereof to a third party without the prior written consent of Port District, and any attempted assignment without such prior written consent in violation of this Section shall automatically terminate this Agreement.

7. Termination of Agreement. The Port District may, at any time, terminate this Agreement, in whole or in part, for the convenience of Port District, by giving written notice specifying the effective date and scope of such termination. In the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and materials (hereinafter referred to as materials) prepared by Contractor under this Agreement shall become the property of the Port District and shall be promptly delivered to the Port District. Upon termination, the Contractor may make and retain a copy of such materials. Contractor shall be entitled to receive payment for work/services provided prior to termination of the Agreement. Such payment shall be that portion of the full payment which is determined by comparing the work/services completed to the work/services required by the Agreement.

8. General Prevailing Wage Rates. The Port Commission has ascertained the general prevailing rate of wages applicable to the work to be done. A tabulation of the various classifications of work persons to be employed and the prevailing wages of applicable thereto is on file in the Office of Port Director. The Contractor is responsible for payment of prevailing wages and filing certified payrolls where applicable.

9. Worker's Compensation Insurance. Contractor agrees and understands that the Port District does not provide Worker's Compensation Insurance to, or on behalf of, the Contractor for the work/services performed, but that said insurance is the sole responsibility of the undersigned.

10. Payment of Permits/Licenses. Contractor shall obtain any license, permit, or approval if necessary from any agency whatsoever for the work/services to be performed, at his/her own expense, prior to commencement of said work/services or forfeit any right to compensation under this Agreement.

11. Non-Discrimination. No person shall illegally be excluded from participation in, denied the benefits of, or be subjected to discrimination under this Agreement on account of their race, sex, color, national origin, religion, age, or disability. Contractor shall ensure full equal employment opportunity for all employees under this Agreement.

12. Retention of Records. Contractor shall maintain all required records for three years after the Port District makes final payment and all other pending matters are closed, and shall be subject to the examination and /or audit of the Port District, a federal agency, and the state of California.

13. Merger Clause. This Agreement, including Exhibits "A" and "B" attached hereto and incorporated herein by reference, constitutes the sole Agreement of the parties hereto and correctly states the rights, duties, and obligations of each party as of this document's date. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications shall be in writing and signed by the Port District. In the event of a conflict between the terms, conditions, or specifications set forth herein and those in Exhibits "A" and "B" attached hereto, the terms, conditions, or specifications set forth herein shall prevail.

THIS CONTRACT IS NOT VALID UNTIL SIGNED BY BOTH PARTIES

Marian Olin, Port Director

Date

Contractor's Signature

Date

Contractor's Tax I.D. Number or Social Security Number

Attachments: Exhibit A – Scope of Work
 Exhibit B – Schedule and Payment

EXHIBIT A

Scope of Work

The Contractor is to provide all labor and equipment for transferring garbage dumpsters, containers and locked recycling containers to Port District compaction equipment and/or to a central recycling collection container according to the following schedule.

Summer Season (April 1-first Monday in September/Labor Day):

Three days per week on Wednesday, Friday, and Sunday.

Winter Season (Day after Labor Day-March 31):

Two days per week on Monday and Friday.

Collection Hours:

5:00AM-10:00AM and/or 4:00PM-10:00PM.

The Port District reserves the right to change collection days and hours or to make minor changes to numbers and locations of bins and receptacles. Contractor shall be notified of changes in writing at least 14 calendar days before any change.

The Contractor may be called outside of the days and/or hours noted above to respond to high volume usage of garbage collection bins and cans, or to unexpected events such as natural disasters. Additional compensation shall be provided for these calls as specified in Exhibit B.

Vehicles

The Contractor shall provide and maintain in serviceable condition his/her own vehicle to transfer garbage at no additional expense to the District. Contractor shall display magnetic door signage provided by the Port District identifying the vehicle as providing contract garbage transport services. Proof of insurance is required showing minimum coverages noted in the Agreement, Paragraph 5, Insurance and Indemnity. The Santa Cruz Port District shall be listed as an additional insured.

Procedure

The Contractor is responsible for transferring the garbage collected in approximately twenty-seven (27) rolling dump bins and approximately forty-five (45) garbage receptacles at various locations in the north and south harbor. Garbage shall be transferred by towing the dump bins behind the Contractor's vehicle to the Port District garbage compactor located across from the U Dock entrance gate. Each dump bin shall be emptied into the compactor and returned to its original location. It is the Contractor's responsibility to keep the regular locations of the dump bins and the area around the compactor free of accumulated debris and trash. The area adjacent to the compactor shall be broom-cleaned at the end of each collection day. All garbage containers shall be securely closed.

Garbage collected from cans shall be transported in the Contractor's vehicle or rolling bins to the compactor. Contractor will place new plastic liners supplied by the Port District in each can immediately after emptying.

Two times per week on regular garbage collection days, Contractor is responsible for transferring approximately twenty (20) blue recycling containers available throughout the harbor for public use to a central recycling dumpster located in the north harbor. The individual blue recycling containers are individually locked with a hasp. Contractor shall unlock the containers, transfer and sort recycling contents, as reasonable, and deposit appropriate recycling materials in the central recycling dumpster. Any waste and contaminated recycling loads may be transferred to the garbage collection area located adjacent to the U Dock entrance gate. Contractor is responsible for locking and transporting the public recycling containers back to designated collection areas located throughout the harbor.

Safety

Public safety is of paramount importance during transfer of garbage to the compactor, and it is the Contractor's responsibility to take whatever measures are necessary to minimize risk to the public or harbor employees that may arise out of said work. At a minimum these measures should include, but are not limited to, the following.

1. Tow no more bins than can be safely maneuvered without swerving or tipping.
2. All bins should be securely closed when being towed, whether full or empty.
3. Contractor shall visually inspect all bins before towing to ensure they are intact with no loose wheels or fasteners.
4. Maximum permitted towing speed is 5 miles per hour.
5. Extreme caution must be exercised when turning blind corners or cresting the top of inclines.
6. Contractor must make every effort to pull over or stop to yield to pedestrian or bicycle traffic.

Port District Facilities

The Contractor shall not handle or operate Port District equipment in a manner that may lead to damage to or shorten the life of said equipment. Such equipment includes the trash compactor, rolling bins, garbage and recycling receptacles.

Contractor shall not overload the compactor when dumping bins. Overloaded bins shall be emptied by hand until they are within the lifting capacity of the bin tipper attached to the contractor. Contractor shall notify the Facilities Maintenance and Engineering Manager immediately of any hydraulic oil leaking from the compactor or signs of rodent or other infestation.

Contractor shall notify the Facilities Maintenance and Engineering Manager immediately of any damage to or mechanical malfunctioning of Port District equipment including the compactor, rolling bins, garbage receptacles or enclosures, or any other garbage or recycling collection equipment or locking mechanisms.

Contractor shall notify the Facilities Maintenance and Engineering Manager, or if unavailable the Harbor Patrol, of any hazardous materials in or adjacent to garbage and recycling receptacles, enclosures, rolling bins or the compactor.

Contractor shall notify the Facilities Maintenance and Engineering Manager of any non-compactable waste in or adjacent to garbage receptacles, enclosures, or the compactor. Non-compactable waste shall be collected and disposed of by Port District maintenance personnel.

Contractor shall notify the Facilities Maintenance and Engineering Manager of any missing or damaged rolling bins, garbage or recycling receptacles or enclosures, or any other garbage or recycling collection equipment.

EXHIBIT B

Schedule and Payment

1. The Contractor will perform the regular duties described in Exhibit A for the sum of \$2,900.00 per month.
2. On-call garbage transfer shall be performed at the request of the Facilities Maintenance and Engineering Manager. Compensation for such work shall not exceed \$30.00 per hour.
3. Any supplies and materials provided by the Contractor shall be approved in advance by the Facilities Maintenance and Engineering Manager. The Contractor shall be reimbursed for authorized supplies and materials upon request, provided such request is accompanied by an original receipt of invoice documenting the purchase.
4. Contractor shall bill monthly for regular service, on-call services provided, and supplies and materials provided. Each item shall be a separate line item on each invoice.

Santa Cruz Port District
Accounts Payable Monthly Check Register
October 2019

Date	No.	Vendor	Description	Amount
10/9/2019	52450	Sable, Paul	Security Deposit / Credit Refund	\$ 5,036.23
10/9/2019	52451	MarinaWare	Quarterly MarinaWare Support	\$ 875.00
10/10/2019	52452	Employee #269	Final Paycheck	\$ 1,754.72
10/11/2019	52453	Ace Portable Services	Portable Toilet Rental	\$ 95.93
10/11/2019	52454	AmeriDyn	Dynamics Support	\$ 94.50
10/11/2019	52455	Arturo Acevedo	Training Expense Reimbursement	\$ 62.91
10/11/2019	52456	AT&T	Telephone	\$ 1,533.92
10/11/2019	52457	AT&T Mobility	Tablet Service	\$ 237.58
10/11/2019	52458	B AND B Small Engine	Chainsaw Chain	\$ 60.93
10/11/2019	52459	Bay Building Janitorial, Inc.	Janitorial Services	\$ 5,292.00
10/11/2019	52460	Bay Plumbing Supply, Inc.	Concession Lot Restroom Plumbing Supplies, Shower Hose, Saw Blades, D-Dock Restroom Hose Bib, Maintenance Building Water Heater and Installation Supplies	\$ 1,164.94
10/11/2019	52461	Bay Power Equipment, Inc.	<i>Twin Lakes</i> Check Valves	\$ 7,935.81
10/11/2019	52462	Big Creek	275A Lake Avenue Baseboard & Saw Blade, Harbor Office Plaque Display	\$ 194.40
10/11/2019	52463	Blake Anderson	Uniform Allowance	\$ 190.00
10/11/2019	52464	Carpi & Clay	Washington Representation	\$ 800.00
10/11/2019	52465	Central Home Supply	Landscaping Pebbles, Quartz	\$ 46.90
10/11/2019	52466	Citi Cards	Coffee Maker, Drain Opener, Truck Tool Boxes	\$ 721.26
10/11/2019	52467	Complete Mailing Service	Statement Mailing & Postage	\$ 543.33
10/11/2019	52468	Computer Technical Specialists, Inc.	E-mail Scanning & Backup, Monthly IT Support (July - September)	\$ 3,809.82
10/11/2019	52469	County of Santa Cruz Auditor	Citation Tax (June - August)	\$ 9,500.50
10/11/2019	52470	County of Santa Cruz DPW	Hazmat Disposal	\$ 1,015.00
10/11/2019	52471	Crow's Nest Restaurant	1/2 Concession Lot Garbage (Tenant Reimbursable)	\$ 2,457.18
10/11/2019	52472	Crystal Springs Water Co.	Boatyard Drinking Water	\$ 64.75
10/11/2019	52473	Darco Printing & Paper	Printing	\$ 15.84
10/11/2019	52474	Data Ticket, Inc.	Citation Processing (August)	\$ 696.41
10/11/2019	52475	David Hill	Uniform Allowance	\$ 190.00
10/11/2019	52476	Don Kinnamon	Uniform Allowance	\$ 190.00
10/11/2019	52477	Elevator Service Company	Elevator Service (\$218.40 Tenant Reimbursable)	\$ 420.00
10/11/2019	52478	Fastenal Company	<i>Twin Lakes</i> Pipe Thread Tap, Hex Nuts, Cap Screws	\$ 146.79
10/11/2019	52479	Garda CL West, Inc.	Courier Service	\$ 259.05
10/11/2019	52480	Grainger	Disposable Gloves, Waste Basket, Safety Glasses, Hand Soap, Recycle Bin	\$ 362.10
10/11/2019	52481	Granite Construction Company	Aldo's Seawall Progress Payment	\$ 680,817.50
10/11/2019	52482	Gsolutionz	Telephone System Maintenance	\$ 199.99

Santa Cruz Port District
Accounts Payable Monthly Check Register
October 2019

Date	No.	Vendor	Description	Amount
10/11/2019	52483	Home Depot Credit Services	Tarps, Blades, Broom, Door Latch, Plastic Plumbing Tube, Paint Tray Liners, Outlets, Wiring Tools, Lithium Battery Adapters, Boatyard Lighting Supplies, Asphalt Patch, Landscaping Plants, Boatyard Access Panel, Ratchet Set, Ratchet Wrench, Dry Storage Lighting, Painting Supplies, Broom	\$ 1,630.63
10/11/2019	52484	Jim Clark	Annual Backflow Testing	\$ 610.00
10/11/2019	52485	Jordan Rank	Uniform Allowance	\$ 190.00
10/11/2019	52486	Kawahara, John	Security Deposit Refund	\$ 241.00
10/11/2019	52487	Kelly-Moore Paint Company, Inc.	Parking Lot Striping Paint, Dredge Can Primer, Car Show Trophy Clear Coat	\$ 1,168.95
10/11/2019	52488	Kevin King	Uniform Allowance	\$ 190.00
10/11/2019	52489	Knox Roofing	493 Lake Avenue Roofing	\$ 31,335.00
10/11/2019	52490	Koby McCauley	Uniform Allowance	\$ 190.00
10/11/2019	52491	Latisha Marshall	Uniform Allowance	\$ 132.17
10/11/2019	52492	Lawson	<i>Squirt</i> Washers, Nuts, Screws	\$ 372.69
10/11/2019	52493	McDermott, Dick	Parking Space Rental - 497 Lake Avenue	\$ 150.00
10/11/2019	52494	Mid County Auto Supply	Bumper Coater, Auto Degreaser, Lubricant	\$ 252.70
10/11/2019	52495	Monterey Bay Marine	Dredge Skiff Maintenance	\$ 2,101.41
10/11/2019	52496	Nicholas Henning	Refuse Collection	\$ 2,250.00
10/11/2019	52497	Flyers Energy, LLC	Ancillary Equipment Fuel	\$ 584.49
10/11/2019	52498	Operating Engineers Local Union No. 3	OE3 Dues (Payroll Deduction)	\$ 320.00
10/11/2019	52499	Pacific Gas & Electric Company	Utilities	\$ 10,649.88
10/11/2019	52500	Peterson	Dozer Impeller, Seals, Valve	\$ 658.19
10/11/2019	52501	West Marine Pro	<i>Squirt</i> Exhaust Hose	\$ 15.83
10/11/2019	52502	Praxair Distribution Inc.	Welding Gas, Cutting Wheels	\$ 837.45
10/11/2019	52503	Ritchie, Dennis	Security Deposit Refund	\$ 113.27
10/11/2019	52504	RODAMER, BECKY	Event Security Deposit Refund	\$ 500.00
10/11/2019	52505	San Lorenzo	Plywood	\$ 18.43
10/11/2019	52506	Santa Cruz Records Management, Inc.	Document Shredding	\$ 20.00
10/11/2019	52507	Santa Cruz Municipal Utilities	Utilities	\$ 3,300.19
10/11/2019	52508	Sean Rothwell	Uniform Allowance	\$ 190.00
10/11/2019	52509	Sherwin Williams	Striping Paint	\$ 594.10
10/11/2019	52510	Shyba, Hugh	Key Deposit Refund	\$ 40.00
10/11/2019	52511	Superior Alarm Company	493 Lake Ave. Alarm Monitoring	\$ 207.00
10/11/2019	52512	The Home Depot Pro	Janitorial Supplies	\$ 1,216.58
10/11/2019	52513	Svensden's Boat Works	Boatyard Retail Items	\$ 22.79
10/11/2019	52514	U.S. Bank Equipment Finance	Copier Lease	\$ 151.32

Santa Cruz Port District
Accounts Payable Monthly Check Register
October 2019

Date	No.	Vendor	Description	Amount
10/11/2019	52515	US Relay	Webcam Service	\$ 484.00
10/11/2019	52516	Valero Marketing & Supply Company	Fleet Fuel	\$ 2,219.16
10/11/2019	52517	Verizon Wireless	Cell Phone & Tablet Service	\$ 313.64
10/11/2019	52518	West Coast Wire Rope	<i>Twin Lakes</i> Rigging	\$ 2,136.62
10/11/2019	52519	Cale America, Inc.	Monthly Parking Machine Service	\$ 922.00
10/11/2019	52520	Edwards, Christian	Car Show Trophy Pinstriping	\$ 250.00
10/25/2019	52521	Adams, Donald	Security Deposit Refund	\$ 435.40
10/25/2019	52522	Allied Administrators for Delta Dental	Dental Insurance	\$ 2,613.99
10/25/2019	52523	Amerigas	Ancillary Equipment Fuel	\$ 284.04
10/25/2019	52524	Aqua Safaris	Diving Weight Pouches, Dive Equipment Rental	\$ 467.03
10/25/2019	52525	AT&T	Telephone	\$ 803.97
10/25/2019	52526	Atchison Barisone Condotti & Kovacevich	Legal Consultation	\$ 4,180.95
10/25/2019	52527	CIT	Telephone System Lease	\$ 323.09
10/25/2019	52528	B AND B Small Engine	Oil, Screws	\$ 58.14
10/25/2019	52529	Bay Plumbing Supply, Inc.	333 Lake Ave. Urinal & Valve, 2222 East Cliff Drive, Bushings, 333 Lake Avenue Faucet, Plumbing Tube & Connector, Plumbing Elbow, Flashlight	\$ 848.40
10/25/2019	52530	Big Creek	Impact Bit Sets, Wood Patch, Filler, Painting Supplies	\$ 124.91
10/25/2019	52531	Bow Wow Pet Waste Products	Pet Waste Station Bags	\$ 273.29
10/25/2019	52532	Brady, Patrick	Security Deposit Refund	\$ 81.25
10/25/2019	52533	Burke, Williams & Sorensen, LLP	Legal Consultation	\$ 10,959.43
10/25/2019	52534	Cagrici, Gokhan	Security Deposit Refund	\$ 372.00
10/25/2019	52535	California Department of Tax and Fee Administration	Fuel Underground Storage Tank Maintenance Fee	\$ 1,260.00
10/25/2019	52536	California Special Districts Association	Annual Membership	\$ 7,815.00
10/25/2019	52537	City of Santa Cruz Finance Dept.	Annual Stormwater Users Charges	\$ 8,830.76
10/25/2019	52538	Comcast	Business Television & Internet	\$ 219.09
10/25/2019	52539	Compass Bank	Taxable Loan Principle & Interest	\$ 135,512.86
10/25/2019	52540	Costco Membership	Costco Membership	\$ 60.00
10/25/2019	52541	County of Santa Cruz DPW	Hazardous Waste Disposal	\$ 75.00
10/25/2019	52542	Cowart, Ken	Security Deposit Refund	\$ 129.58
10/25/2019	52543	Dredging Supply Company, Inc.	<i>Twin Lakes</i> Jet Pump	\$ 18,082.50
10/25/2019	52544	Elevator Service Company	Monthly Elevator Service (\$218.40 Tenant Reimbursable)	\$ 420.00
10/25/2019	52545	Environmental Logistics	Hazardous Waste Removal	\$ 3,979.00
10/25/2019	52546	Ewing Irrigation Products, Inc.	Irrigation System Repair Parts	\$ 11.01
10/25/2019	52547	Fastenal Company	Drill Bits	\$ 146.66
10/25/2019	52548	FedEx Office	Shipping	\$ 82.75

Santa Cruz Port District
Accounts Payable Monthly Check Register
October 2019

Date	No.	Vendor	Description	Amount
10/25/2019	52549	First Alarm Security & Patrol, Inc.	Security Patrol	\$ 4,774.56
10/25/2019	52550	Flanagan, Chris	Security Deposit Refund	\$ 94.00
10/25/2019	52551	Fresno Pipe & Supply	<i>Squirt</i> Flange Collars	\$ 188.22
10/25/2019	52552	Government Finance Officers Association	Annual Membership	\$ 160.00
10/25/2019	52553	Grainger	Safety Sign, Janitorial Supplies, Paint Supplies, Batteries, Hard Hats for Dredge Crew, Disposable Gloves, Water Nozzles for Fish Cleaning Tables, Stencil Kit, Disposable Respirators, Paring Knives, Bolt Cutters, Batteries, Tape	\$ 1,325.96
10/25/2019	52554	Granite Construction Company	Aldo's Seawall Progress Payment	\$ 177,887.50
10/25/2019	52555	Griffith, John	Security Deposit Refund	\$ 896.00
10/25/2019	52556	Haro Kasunich & Associates, Inc.	Aldo's Seawall Geotech Monitoring Inspection	\$ 20,120.00
10/25/2019	52557	Henderson Marine Supply, Inc.	Non-Skid Paint for Dredge	\$ 877.79
10/25/2019	52558	Hoadley, James	Security Deposit Refund	\$ 63.49
10/25/2019	52559	Home Depot Credit Services	Drill Bits, Spackling, Ratchet Ties, Rail Clamps, Blades, Cement, Pipe & Tee, Ladder & Stabilizer, Paint Rollers, Paint Supplies, Stencil Set, Plumbing Tools, <i>Twin Lakes</i> Rail Clamps & Wire Rope, Maintenance Vehicle Paint, Portable Generator, <i>Squirt</i> Pipe Fittings, Toyo Pump XL Sockets	\$ 3,142.40
10/25/2019	52560	Hose Shop	Booster Pump Hose & Fittings	\$ 124.91
10/25/2019	52561	Hutson, Jeff	Security Deposit Refund	\$ 270.94
10/25/2019	52562	Kelly-Moore Paint Company, Inc.	Rust Primer & Paint for <i>Twin Lakes</i> , Dredge Cans, and Buoys	\$ 3,984.23
10/25/2019	52563	Lockton Insurance Brokers, LLC	Vehicle Insurance	\$ 877.52
10/25/2019	52564	Maxim Crane Works	Crane Outrigger Repair	\$ 2,719.00
10/25/2019	52565	McMaster-Carr Supply Company	<i>Squirt</i> Pipe Fittings, Pressure Gauge, Pipe Flange, Padlocks for Maintenance	\$ 764.69
10/25/2019	52566	Mesiti-Miller Engineering, Inc.	Aldo's Seawall Construction Administration & Accessway Improvement Plans	\$ 21,324.24
10/25/2019	52567	Mid County Auto Supply	Air Filters, Oil Filters, Oil, Shop Rags, Dredge Vehicle Brake Parts, Hex Bit Socket	\$ 682.49
10/25/2019	52568	Mission Uniform Service	Uniform Service	\$ 514.34
10/25/2019	52569	Moffat & Nichol	East Public Pier Inspection, Boatyard Emergency Pile Repair Plans	\$ 18,272.50
10/25/2019	52570	Pacific Gas & Electric Company	Utilities	\$ 4,681.78
10/25/2019	52571	Palace Art & Office Supply	Office Supplies	\$ 128.88
10/25/2019	52572	Peterson	Dredge CAT D6K2 Dozer	\$ 197,131.45
10/25/2019	52573	West Marine Pro	Rust Cleaner, Heat-shrink, Clamps	\$ 205.77
10/25/2019	52574	West Marine Pro	Boatyard Retail Items	\$ 372.18
10/25/2019	52575	Praxair Distribution Inc.	Welding Gas	\$ 88.35
10/25/2019	52576	Ramos Oil Inc.	<i>Twin Lakes</i> Fuel	\$ 28,826.19
10/25/2019	52577	Phillip Retamoza	Car Show Entertainment	\$ 500.00

Santa Cruz Port District
Accounts Payable Monthly Check Register
October 2019

Date	No.	Vendor	Description	Amount
10/25/2019	52578	Riverside Lighting & Electric	Electrical Plug & Terminal, Tamperproof Bit Set, Photo Cell Lighting for Boatyard	\$ 284.88
10/25/2019	52579	Santa Cruz Tire & Auto Care	Dredge Monitor Vehicle Maintenance	\$ 52.28
10/25/2019	52580	SC Fuels	Fuel Dock Gas & Diesel	\$ 24,659.57
10/25/2019	52581	Santa Cruz Municipal Utilities	Utilities	\$ 9,212.04
10/25/2019	52582	Employee #52	Vacation Payout	\$ 1,125.15
10/25/2019	52583	Shelton, Ashlee	Security Deposit Refund	\$ 113.70
10/25/2019	52584	Smith, Scott	Security Deposit Refund	\$ 328.00
10/25/2019	52585	Staples Credit Plan	Office Supplies	\$ 309.03
10/25/2019	52586	The Home Depot Pro	Janitorial Supplies	\$ 1,755.99
10/25/2019	52587	Trujillo, Paula	Security Deposit Refund	\$ 113.70
10/25/2019	52588	UNUM Life Insurance Co. of America	LTD, Life, AD&D	\$ 2,514.19
10/25/2019	52589	US Relay	Webcam Service	\$ 484.00
10/25/2019	52590	West Coast Wire Rope	<i>Twin Lakes</i> Scookum Sheaves	\$ 5,858.99
10/4/2019	Various	Various Employees	9/16/19-9/30/19 Payroll	\$ 18,390.76
10/18/2019	Various	Various Employees	10/1/19-10/15/19 Payroll	\$ 18,854.07
10/1/2019	EFT	PAYCHEX	Time & Attendance Fees	\$ 109.25
10/1/2019	EFT	Merchant Services	Online Billpay Credit Card Fees	\$ 153.63
10/1/2019	EFT	Merchant Services	CALE Credit Card Fees	\$ 2,018.74
10/1/2019	EFT	Merchant Services	Boatyard Credit Card Fees	\$ 524.25
10/1/2019	EFT	ChargeltPro	Front Desk Credit Card Fees	\$ 1,431.81
10/1/2019	EFT	ElectronicPayments	Fuel Dock Credit Card Fees	\$ 424.24
10/1/2019	EFT	Transaction Express	Online Billpay ACH Fees	\$ 292.25
10/4/2019	EFT	PAYCHEX	Payroll Service Fees	\$ 465.94
10/4/2019	EFT	PAYCHEX	9/16/19-9/30/19 Payroll Direct Deposit	\$ 53,352.85
10/4/2019	EFT	PAYCHEX	9/16/19-9/30/19 Payroll Taxes	\$ 30,318.92
10/7/2019	EFT	CalPERS	Health Insurance	\$ 34,425.29
10/7/2019	EFT	CalPERS	Retirement (Employee & Employer Contributions)	\$ 7,764.73
10/7/2019	EFT	CalPERS	Retirement (Employee & Employer Contributions)	\$ 7,316.38
10/7/2019	EFT	CalPERS	Retirement (Employee & Employer Contributions)	\$ 500.52

Santa Cruz Port District
Accounts Payable Monthly Check Register
October 2019

Date	No.	Vendor	Description	Amount
10/7/2019	EFT	Comerica Commercial Card Services	Blueprint Copies, Car Show Supplies, Signage, Employment Advertising, Haunted Harbor Supplies, 2222 East Cliff Drive Directory Plate, Workplace App Subscription, H2S Machine Calibration, Website Domain Renewal, Car Show Trophy Supplies, Travel Expense - CMANC Fall Meeting, Zero Filters, <i>Twin Lakes</i> Cutlass Bearings, Pesticide Applicator Seminar, <i>Twin Lakes</i> Navigation Lights, Printer Toner, Uniform Pants, Pressure Washer Parts, Travel Expense - CAHMPC, Latex Gloves	\$ 6,231.29
10/7/2019	EFT	California State Disbursement Unit	Wage Garnishment	\$ 250.00
10/9/2019	EFT	Comerica Bank-Cost Center	Bank Service Fees	\$ 1,335.01
10/14/2019	EFT	ChargeltPro	Front Desk CC Gateway Fee	\$ 17.22
10/16/2019	EFT	Empower Retirement	457 Contributions (Payroll Deduction)	\$ 2,551.20
10/18/2019	EFT	PAYCHEX	Payroll Service Fees	\$ 443.60
10/18/2019	EFT	PAYCHEX	10/1/19-10/15/19 Payroll Direct Deposit	\$ 58,098.86
10/18/2019	EFT	PAYCHEX	10/1/19-10/15/19 Payroll Taxes	\$ 33,434.96
10/21/2019	EFT	CalPERS	Unfunded Accrued Liability	\$ 22,449.97
10/21/2019	EFT	CalPERS	Unfunded Accrued Liability	\$ 965.16
10/21/2019	EFT	CalPERS	Unfunded Accrued Liability	\$ 305.64
10/21/2019	EFT	CalPERS	Retirement (Employee & Employer Contributions)	\$ 7,785.09
10/21/2019	EFT	CalPERS	Retirement (Employee & Employer Contributions)	\$ 7,217.33
10/21/2019	EFT	CalPERS	Retirement (Employee & Employer Contributions)	\$ 703.53
10/21/2019	EFT	California State Disbursement Unit	Wage Garnishment	\$ 250.00
10/22/2019	EFT	Empower Retirement	457 Contributions (Payroll Deduction)	\$ 2,379.76
10/23/2019	EFT	California Department of Tax and Fee Administration	Sales & Use Tax Return	\$ 2,708.00
Total October 2019 Disbursements				\$ 1,853,096.03



TO: Port Commission
FROM: Blake Anderson, Interim Harbormaster
DATE: November 18, 2019
SUBJECT: Harbormaster's Report – November 26, 2019

Haunted Harbor

The District's Haunted Harbor event was held on October 26th. The weather was excellent and, as usual, the event was well attended. Parents expressed their appreciation for the event and found it to be a safe and enjoyable environment for trick or treating. Staff would like to especially thank the Coast Guard Auxiliary and all participating harbor businesses that made it a great event!



Maritime SAR Meeting

Staff attended a Monterey Bay Maritime Search and Rescue (SAR) Council Meeting in Monterey on October 24, 2019. The SAR Council is a group, led by Coast Guard Monterey, which meets twice a year to discuss marine search and rescue matters in the Monterey Bay area. It is an opportunity for agencies that are involved with search and rescue to discuss changes to their capability, deployment, procedures, and to de-brief major recent SAR cases.

Piling Replacement

Bellingham Marine drove their last piling on Thursday, October 31, 2019, on M-Dock. Demobilization took place between November 4-11. Overall, 80 pilings were replaced throughout the harbor. The steel pilings with HDPE sleeves are expected to last 40 years. A total of 257 boats were temporarily relocated throughout the harbor by both TowBoatUS and Harbor Patrol staff. A map showing piling replacement locations during Phase 1 (2018) and Phase 2 (2019) is attached to this report.

PFD Loaner Program

At the suggestion of Port Commissioner Gertler, staff is currently working with the CA Division of Boating and Waterways (DBW) to establish a lifejacket loaner program near the main launch ramp. Currently, 75 agencies/marinas throughout the state participate in DBW's loaner program. DBW will provide the personal flotation devices (PFD's) and associated signage and there is no cost to the District to participate. Staff has identified the information booth adjacent to the launch ramp as an appropriate area for the program.

Below are examples of a loaner station in Tomales Bay:



Training

Interagency Training

On October 1 and 3, 2019, Harbor Patrol staff participated in a quarterly rescue training with Santa Cruz, Central, and Aptos Fire Department rescue swimmers. Topics included patrol boat safety awareness, victim recovery, and procedures for vessels in distress.

Fire Extinguisher Training

The Port District hosted a Marine Fire Extinguisher Training on November 16, 2019, in the Public Meeting Room. The training was donated by Statcomm Inc. of Mountain View, CA. Overall the training was relevant and informative. A variety of topics were covered including extinguisher/suppression system requirements on boats and in marinas, types of hazards associated with vessels, evacuation procedures, and fire extinguisher use. The training also included a hands-on video simulator in which participants simulated the use of Class A and Class B extinguishers. Future training is being planned for harbor staff.



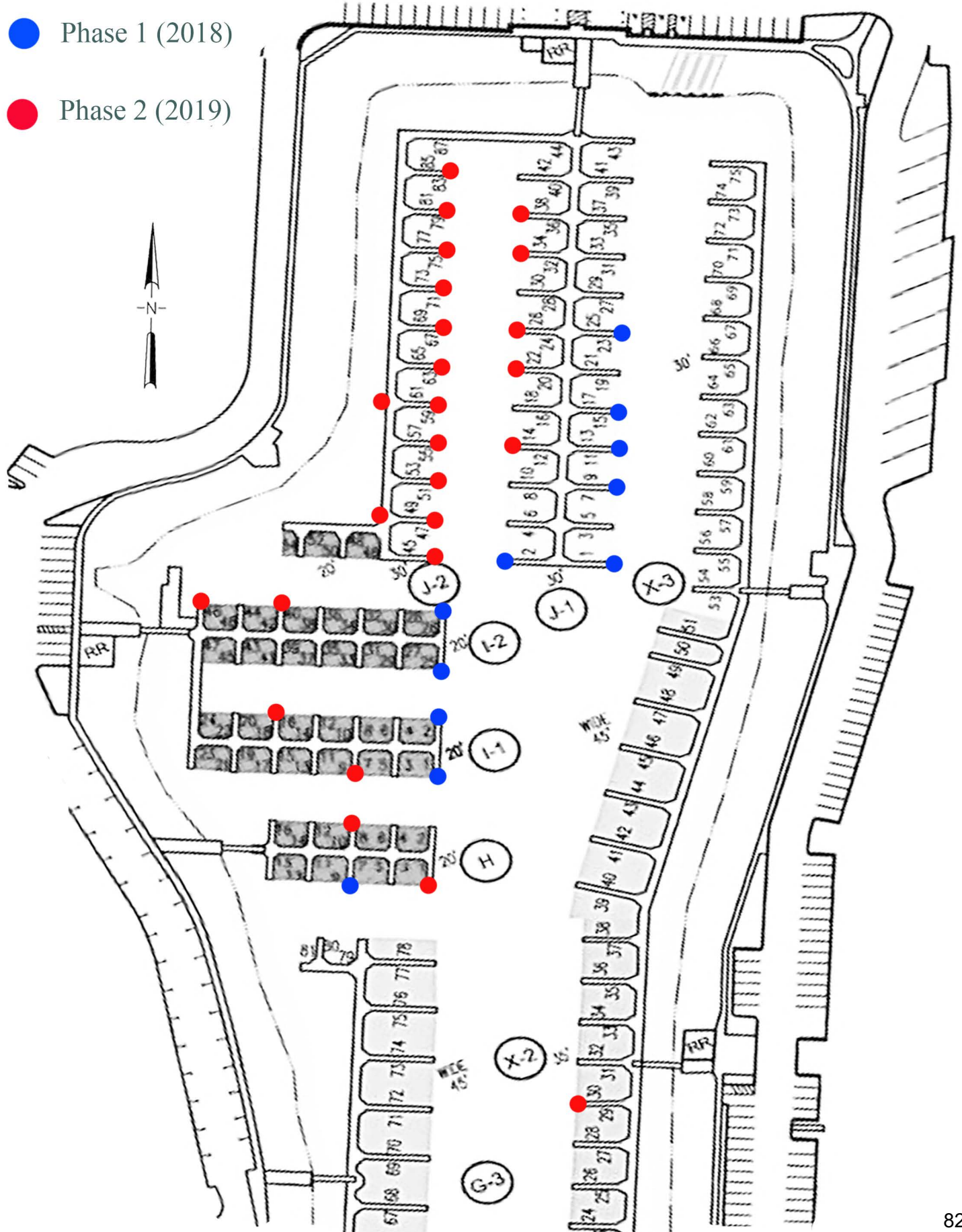
ATTACHMENTS:

A – Pile Replacement Project Map

Piling Replacement Project

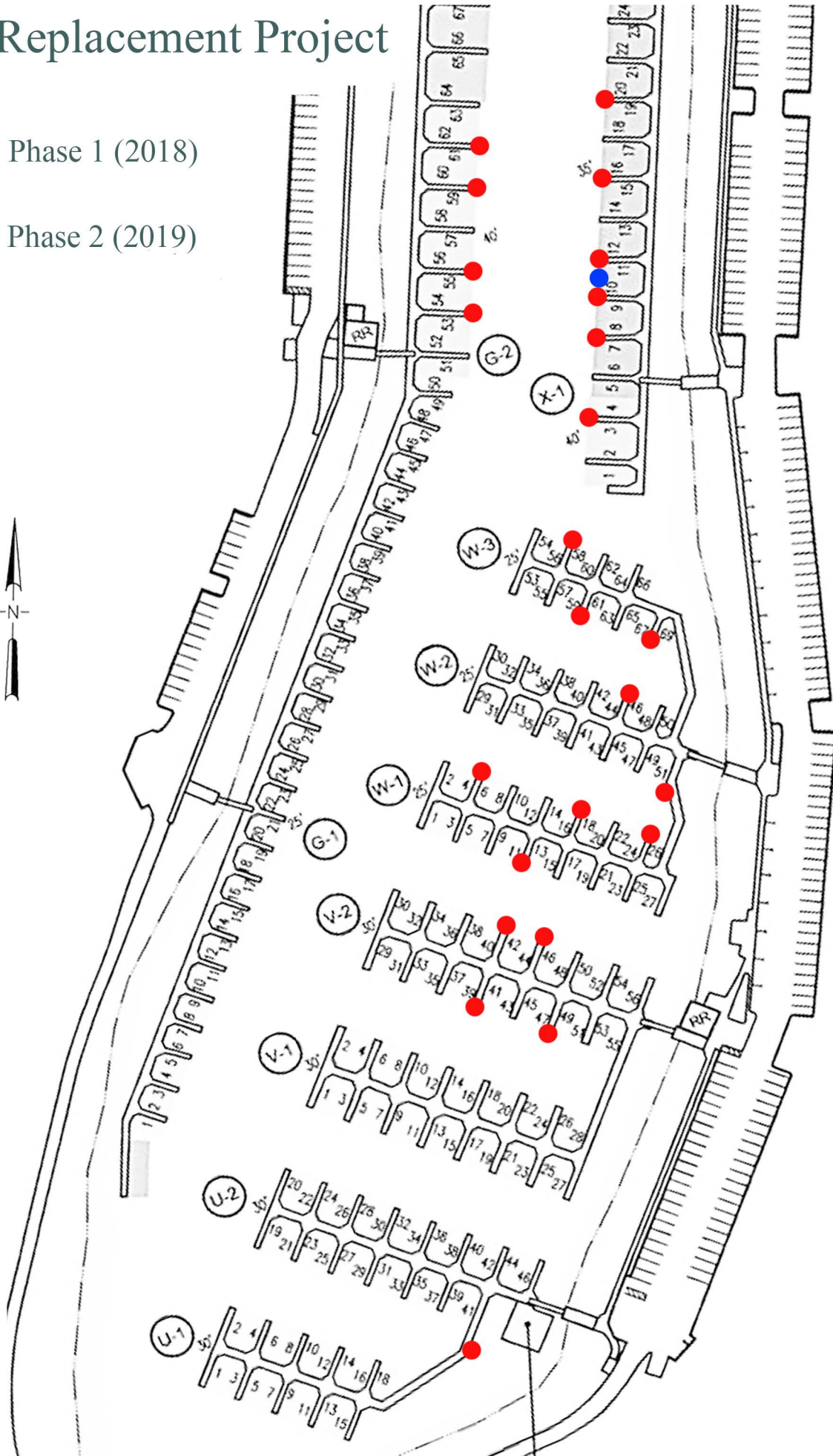
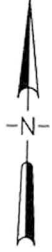
● Phase 1 (2018)

● Phase 2 (2019)



Piling Replacement Project

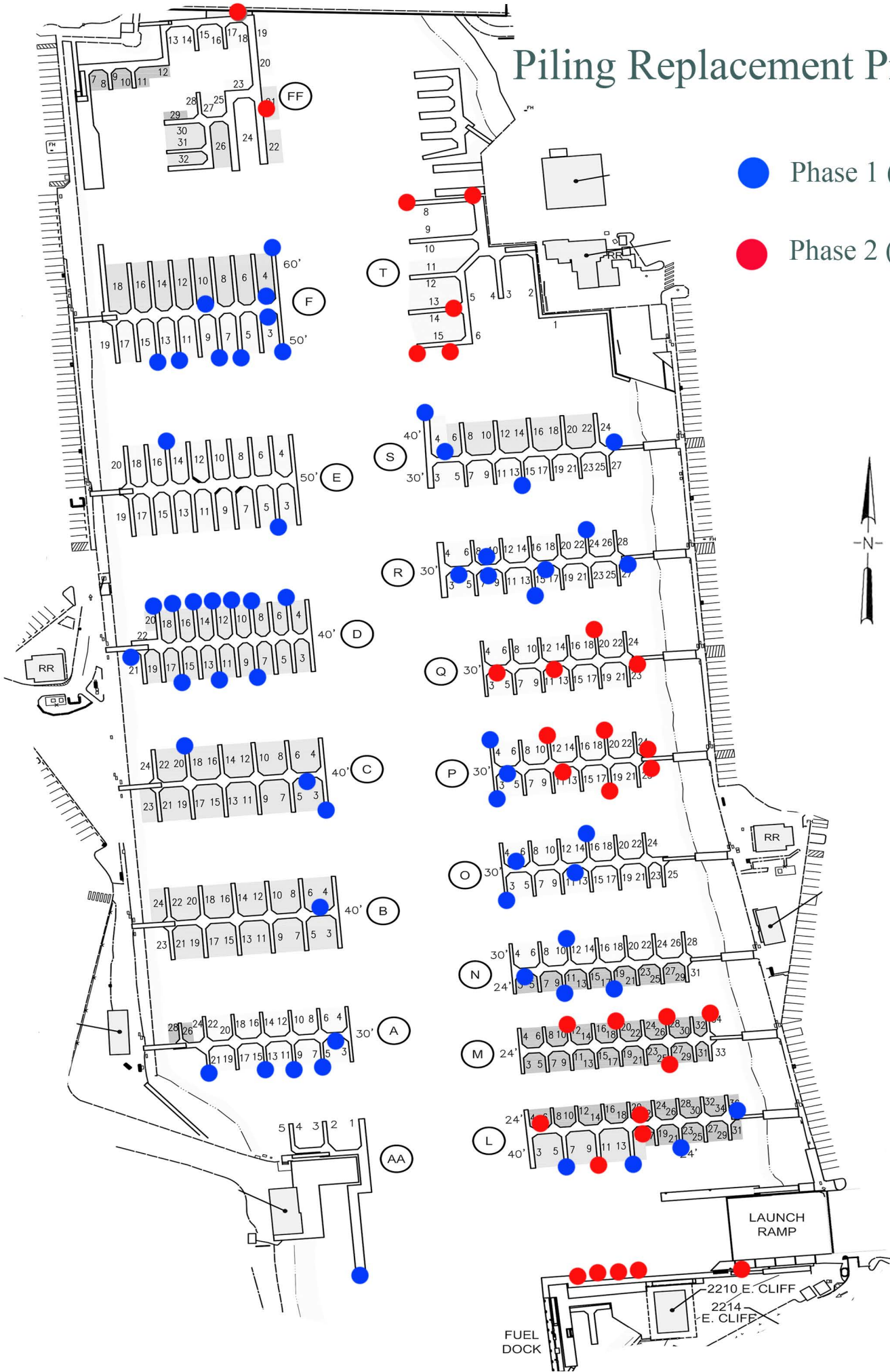
- Phase 1 (2018)
- Phase 2 (2019)



Piling Replacement Project

● Phase 1 (2018)

● Phase 2 (2019)



Santa Cruz Port District

Facilities and Engineering Manager's Report

Public Meeting of November 26, 2019

Dredging:

Entrance Dredging

Entrance dredging commenced on November 4, 2019. Crews have been concentrating digging on the west side of the channel and are making progress south. The crew recently discovered a hole in the cross-channel pipe and are currently building a new cross-channel pipe to be installed during the week of November 25, 2019.

Dauntless

Lighthouse Welding completed repairs on the steering ram stops and built a new pad for the rudder indicator on *Dauntless*.

Squirt

North harbor dredging continues fulltime and crews are making great progress.

Toyo Pump

Crews have installed the new Toyo pump jet ring and continue to work on getting it operational. Crews plan to test the functionality in the X-J channel by late November.

Maintenance:

Water Leaks

Crews repaired multiple water leaks this month as follows:

- Arana Gulch entry in the north harbor. The leaking water pipe was found to be an unused/capped-off pipe that fed a fish cleaning station years ago.
- UCSC dock entry (landside) under the exposed aggregate sidewalk. Crews located a leaking 2"-tee water pipe by breaking through the concrete and replaced it with a new schedule 80 pipe, then poured a new concrete sidewalk.
- F-dock fire service line that feeds from landside to the dock chaffed through. Crews replaced the line with a new shorter one.

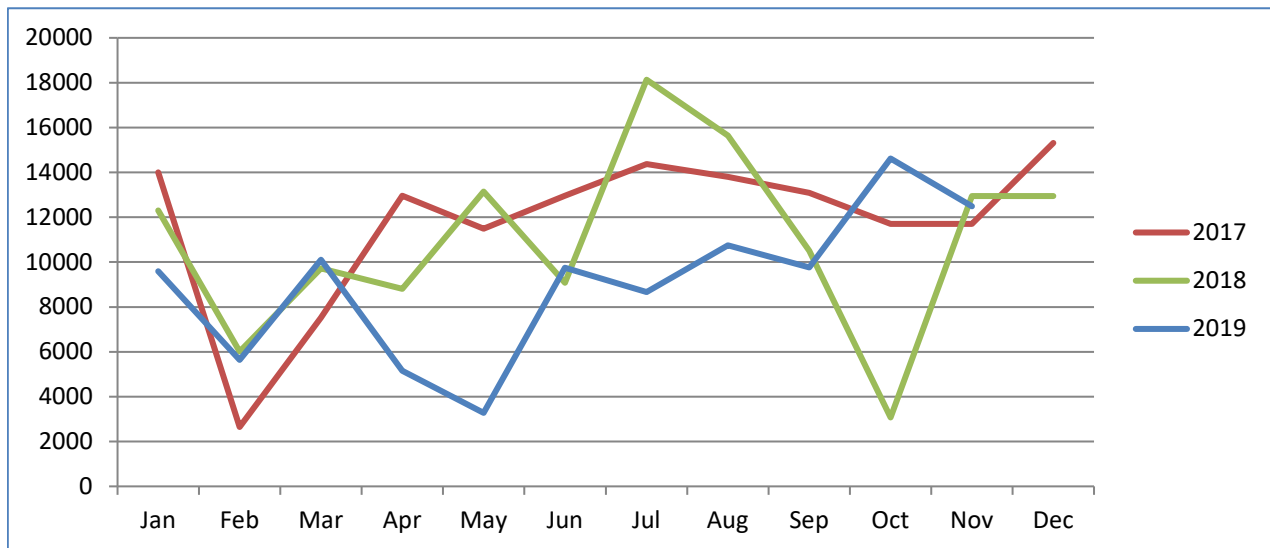
Pile Project

Phase II of the Pile Replacement Project is 99.8% completed, the pile caps and new pile guides are scheduled to be installed by December 2, 2019.

Santa Cruz Port District
60 DAY DELINQUENT ACCOUNTS

The following accounts have balances 60 days delinquent as of November 19, 2019

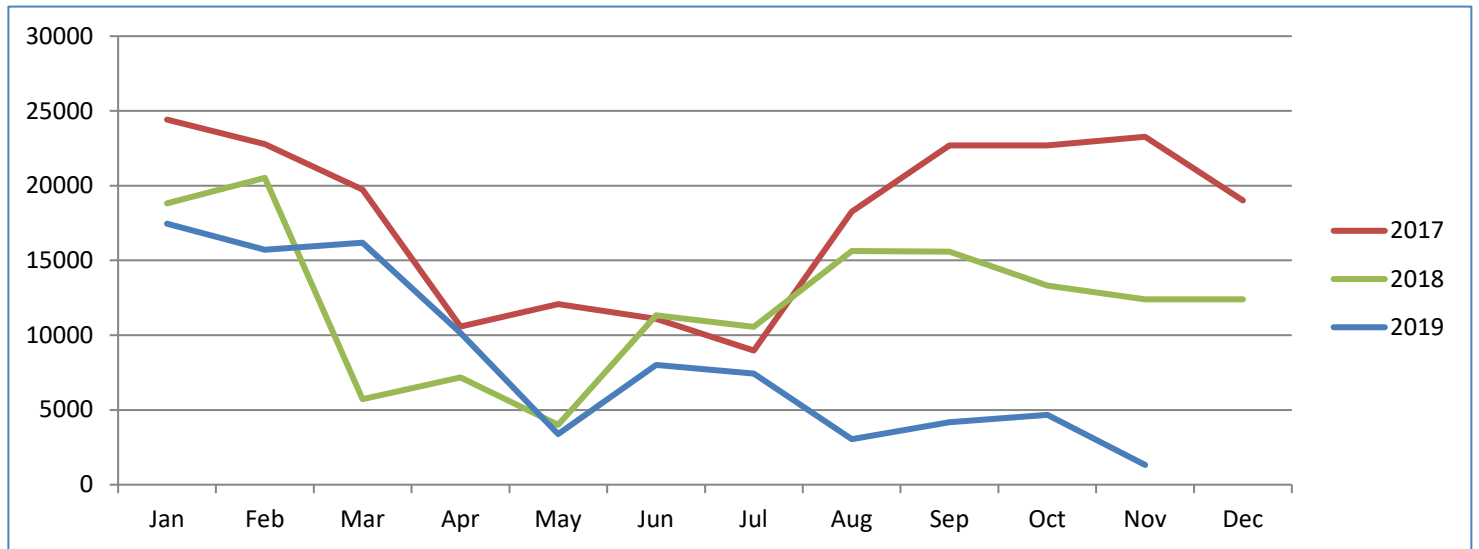
Account Number	Current Month	30 Day Balance	60 Day Balance	90 Day Balance	Total Balance
4134	1,198.63	1,189.10	324.58	0.00	2,712.31
3375	793.43	575.04	542.79	0.00	1,911.26
3094	592.21	574.46	492.42	0.00	1,659.09
58160	371.60	358.21	317.09	0.00	1,046.90
2093	460.53	461.88	119.62	0.00	1,042.03
57459	468.16	268.45	231.55	0.00	968.16
56146	264.53	262.56	235.60	0.00	762.69
3654	298.68	300.36	57.63	0.00	656.67
58015	103.44	150.61	144.77	0.00	398.82
57328	147.66	146.65	85.69	0.00	380.00
55278	89.55	89.02	63.49	0.00	242.06
58271	86.47	85.96	61.42	0.00	233.85
57532	86.47	85.96	60.46	0.00	232.89
2050	82.77	82.30	53.70	0.00	218.77
57130	0.00	0.00	22.83	0.00	22.83
Total:	5,044.13	4,630.56	2,813.64	0.00	12,488.33



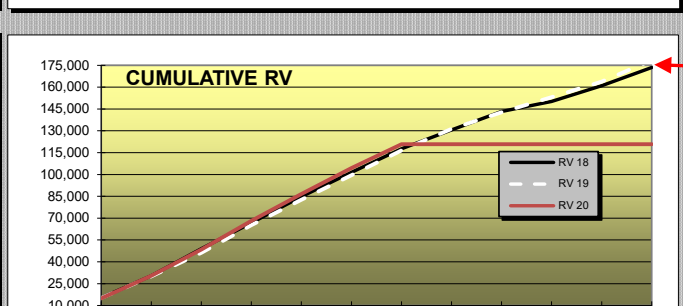
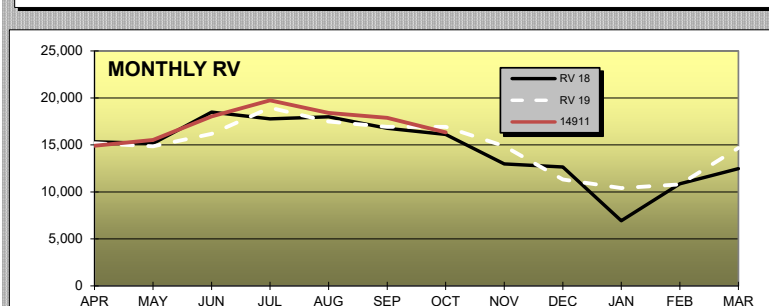
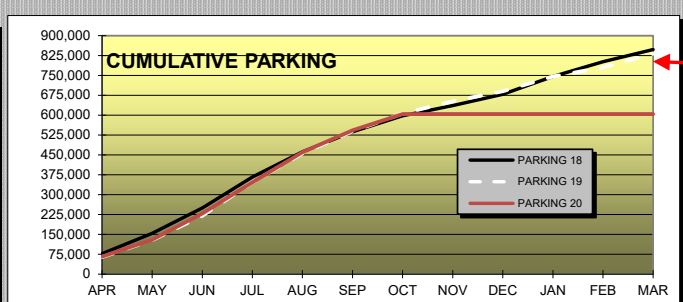
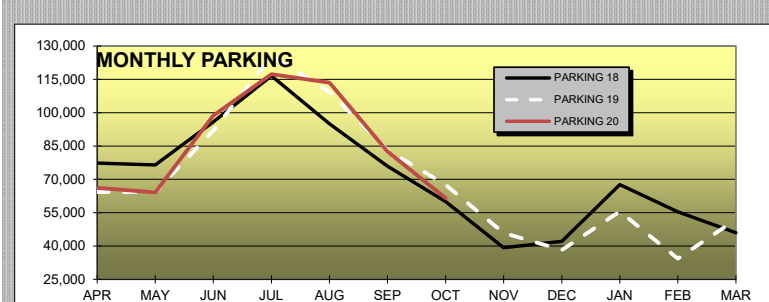
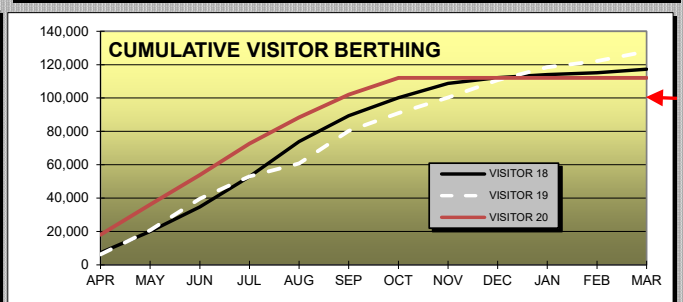
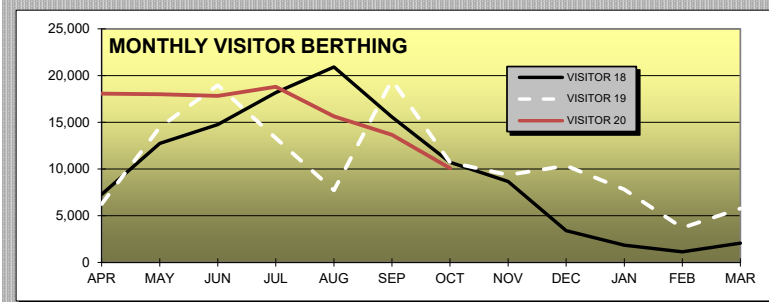
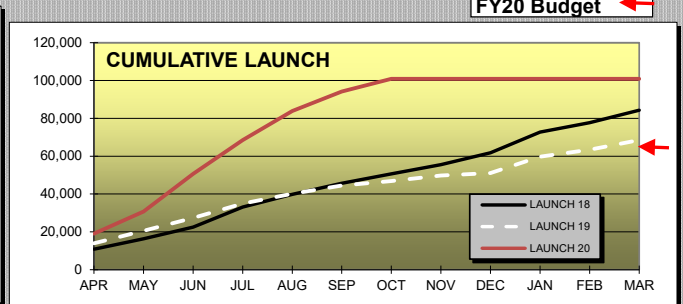
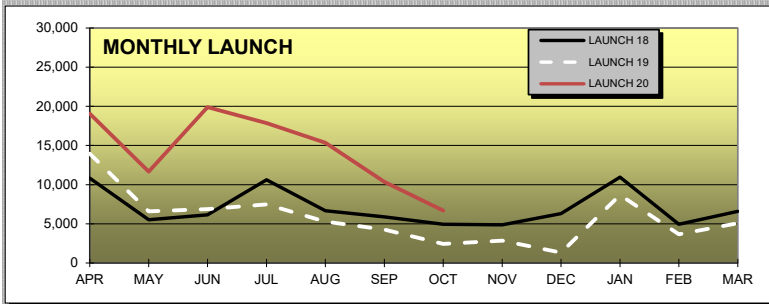
Santa Cruz Port District
90+ DAY DELINQUENT ACCOUNTS

The following accounts have balances 90 days delinquent or greater as of November 19, 2019

Account Number	Current Month	30 Day Balance	60 Day Balance	90+ Day Balance	Total Balance	Commercial Slip	Action
57096	0.00	0.00	0.00	1,073.74	1,073.74		Bad Debt
57928	0.00	0.00	0.00	248.84	248.84		Bad Debt
TOTAL:	0.00	0.00	0.00	1,322.58	1,322.58		



SEASONAL INCOME





TO: Port Commission
FROM: Blake Anderson, Interim Harbormaster
DATE: November 15th, 2019
SUBJECT: Crime/Incident/Citation Report – October 2019

Search and Rescue, Patrol Boat Response

- 10-2-19 Harbor Patrol responded to a report of a vessel in distress in the area of 26th Avenue. Upon arrival, a wharf rental boat was drifting near the surf line, while a second vessel (occupied by staff of the rental company) attempted to secure a tow. Under escort by Harbor Patrol, the vessel was towed back to the wharf.
- 10-5-19 Harbor Patrol responded to a report of a surfer in distress off of West Cliff Drive. Prior to arrival, the surfer made it to shore safely and all units were cancelled.
- 10-7-19 Harbor Patrol responded to a report of a swimmer in distress in the area of Capitola Beach. Prior to arrival, the subject made it safely to shore and all units were cancelled.
- 10-9-19 Harbor Patrol responded to a report of a subject in distress onboard a vessel at anchorage in the area of the Santa Cruz Municipal Wharf. Harbor Patrol was informed that a subject was in the water and hanging on to the side of a sailboat while fully clothed. Harbor Patrol brought the subject on board the patrol boat and transported him to the wharf landing where he was evaluated by paramedics and police. It was determined that the subject swam to the vessel, which did not belong to him, from Cowell's Beach.
- 10-28-19 Harbor Patrol responded to a report of an unoccupied kayak in the water in the area of Bonny Doon State Beach. Once on scene, it was determined by firefighters that the kayak had been in the water for an extended period of time. No other information was available, and all units were cancelled.

Crime Reports, Assist Outside Department and Incident Reports

- 10-1-19 Harbor Patrol took an incident report after a boatyard customer reported that a submerged line was caught in his vessel's propeller while being splashed after a haulout. As a result, the Travelift shackles scraped the exterior gelcoat and minor damage was sustained to the propeller. The vessel returned to its slip.
- 10-2-19 Harbor Patrol responded to a medical call at the Crow's Nest Restaurant after a male subject stopped breathing. Harbor Patrol arrived on scene to a bystander performing CPR in the main waiting area. Officers took over CPR and administered the AED until paramedics arrived. The subject was transported by ambulance to Dominican Hospital. The victim was pronounced dead at Dominican Hospital.

- 10-10-19 Harbor Patrol took an incident report after a slip renter discovered scuff marks on the hull of his vessel. There were no witnesses to the collision. The scuff marks were removed, and no further action was taken.
- 10-12-19 Harbor Patrol responded to report of a verbal disturbance in the area of FF-Dock. Two subjects had been in an argument over a missing cell phone. Both subjects were uncooperative with officers and no substantial information could be established. Both parties separated and left the area.
- 10-13-19 Harbor Patrol responded to a report of a physical altercation involving three subjects in the launch ramp. Santa Cruz Police assisted in detaining all three subjects. Two subjects sustained injuries but declined medical attention. After investigation, it was determined that the fight was over launch ramp parking/boat retrieval space. All three subjects were cited for Misdemeanor battery and the case was forwarded to the District Attorney's office.
- 10-14-19 Harbor Patrol responded to a report of a subject causing a disturbance in the area of F-Dock. The subject attempted to vandalize a slip renter's vehicle and the slip renter gave chase. The subject attempted to throw a bicycle at the slip renter and fled eastbound along the train tracks. After a thorough search of the area, the subject was not located.
- 10-19-19 Harbor patrol took a hit and run report after a restaurant patron reported that her vehicle had sustained minor scratches while parked in the concession lot. No suspect information was available.
- 10-27-19 Harbor patrol took a stolen property report after two locked bicycles, valued at \$6,000 each, were stolen from a visitor at the RV Park. One bicycle was recovered in Arana Gulch by Santa Cruz Police and Harbor Patrol four days later.

Parking Citations: 219

Port Commission Review Calendar 2019-20

2019

January-March

- ✓ Committee assignments for 2019
- ✓ Sea Scouts' bi-annual report
- ✓ Slip vacancy bi-annual report / waiting list statistics
- ✓ FY 20 Budget
- ✓ Review 5-year CIP
- ✓ Ethics Training Update
- ✓ Form 700 Filing (due by 03/31 each year)
- ✓ Bi-annual Anti-Harassment/Anti-Discrimination Training

April-June

- ✓ Dredge Report 2018-19 (postponed to July)
- ✓ Vessel Use List Review
- ✓ Review of FY20 Fee Schedule

July-September

- ✓ Vessel Insurance Policy Review
- ✓ Review of O'Neill Sea Odyssey slip rent reduction / charter fee. PC action of 07/07
- ✓ Slip vacancy bi-annual report / waiting list statistics
- ✓ Sea Scouts' bi-annual report

October-December

- ✓ Annual review of business use of slips
- Port Commission officers for 2020
- ✓ Nexus Wealth Advisors lease exp. 11/30/19 (2) 3 year options
- ✓ Bayside Marine lease exp. 01/31/20 (1) 2 year options

Committee Review Items (timeline not specified)

- ✓ Outside Contractors (Policy Committee)
- ___ Vessel Insurance Policy Enforcement (Policy Committee)

2020

January-March

- ___ Committee assignments for 2020
- ___ Sea Scouts' bi-annual report
- ___ Slip vacancy bi-annual report / waiting list statistics
- ___ FY 21 Budget
- ___ Review 5-year CIP
- ___ Review of NH sublet fee structure (exp. 3/31/20)
- ___ Ethics Training Update
- ___ Form 700 Filing (due by 03/31 each year)

April-June

- ___ Dredge Report 2019-20
- ___ Vessel Use List Review
- ___ Biannual Update to Conflict of Interest Code
- ___ Crow's Nest lease exp. 04/30/20 (Suite 130) 2 (5) year options

July-September

- ___ Vessel Insurance Policy Review
- ___ Review of O'Neill Sea Odyssey slip rent reduction / charter fee. PC action of 07/07
- ___ Sea Scouts' bi-annual report
- ___ Slip vacancy bi-annual report / waiting list statistics

October-December

- ___ Annual review of business use of slips
- ___ Port Commission officers for 2021
- ___ Nexus Wealth Advisors lease exp. 11/30/19 (2) 3 year options
- ___ Bayside Marine lease exp. 01/31/20 (1) 2 year options

Future Calendar

- ___ ABC End-Tie review after Murray Street Bridge Retrofit
- ___ Pile Replacement Project: PC review of map after completion

2020

- ___ Biennial Update to Conflict of Interest Code
- ___ Port Commission Policies and Procedures Manual Update: Human Resources Role

2021

- ___ Bi-annual Anti-Harassment/Anti-Discrimination Training

2022

- ___ Nexus Wealth Advisors lease exp. 11/30/22 (1) 3 year option (Market Rent Review)

Key

- ___ Pending
- In process
- ✓ Done