



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

September 28, 2022 – 7:00 P.M.

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

Join Zoom Meeting

<https://us02web.zoom.us/j/81363104150?pwd=UmNwaXVMdVNrYk1mNElrMGROeGdmZ09>

Meeting ID: 813 6310 4150

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A. CLOSED SESSION

A Closed Session will be held immediately prior to the public open meeting, and will begin at **6:30 p.m.** to consider the following items. The public open meeting will begin at **7:00 p.m.**, or **as soon thereafter as the Closed Session is concluded**, and any action taken during the Closed Session will be reported out at that time.

1. Confer with real property negotiators (District Counsel and GM) pursuant to Government Code §54956.8 regarding: Development proposal received regarding the District new 9500'sf building in North Harbor.

B. OPEN SESSION CALL TO ORDER - PLEDGE OF ALLEGIANCE

SERVING COMMERCIAL FISHING AND RECREATIONAL BOATING SINCE 1947

Roll Call

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

Tommy Razzeca – General Manager
Mike Rodriguez – District Counsel
Shay Shaw – Administrative Assistant

C. PRESIDENT’S REMARKS

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

D. PUBLIC COMMENTS

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

E. CONSENT CALENDAR

1. Approval of August 31, 2022 Meeting Minutes

F. FINANCIAL REPORT

2. Financial report month ending August, 2022

G. MANAGER’S REPORTS

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

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

H. COMMITTEE REPORTS

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

I. NEW BUSINESS

19. ITEM – CONSIDER RESOLUTION 22-12 APPROVING LOCAL BOUNTY LEASE AT THE SANTA CRUZ CANNERY BUILDING

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

20. ITEM – CONSIDER RESOLUTION 22-13 APPROVING THE MOU WITH NORTHERN CALIFORNIA CARPENTERS 46

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

J. COMMISSIONERS COMMENTS AND CONCERNS

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

K. ADJOURNMENT

The next Meeting of the Board of Harbor Commissioners is scheduled for October 26, 2022 at 7:00 PM at the Moss Landing Harbor District, 7881 Sandholdt Road, Moss Landing, CA. Individuals requiring special accommodations should contact Administrative Assistant, Shay Shaw at Shaw@mosslandingharbor.dst.ca.us or at 831.633.2461 no less than 72 hours prior to the meeting or if a Special Meeting, as soon as possible after the Agenda is posted. Copies of the agenda will be available 72 hours prior to Regular Meetings and 24 hours prior to Special Meetings and/or by contacting the District at 831.633.5417 or Razzeca@mosslandingharbor.dst.ca.us or on the District's website at www.mosslandingharbor.dst.ca.us. All meetings are noticed and conducted in accordance with the Ralph M. Brown Act.



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

July 27, 2022

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

Join Zoom Meeting

<https://us02web.zoom.us/j/85947360374>

Meeting ID: 859 4736 0374

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+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

Meeting ID: 859 4736 0374

Find your local number: <https://us02web.zoom.us/u/kpj17oXgQ>

A. CLOSED SESSION

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

1. Confer with real property negotiators (District Counsel and GM) pursuant to Government Code §54956.8 regarding: Development proposal received regarding the District new 9500'sf building in North Harbor.
2. Meet and confer with legal counsel pursuant to Government Code 54956.9(d)(4) deciding whether to initiate litigation.

B. OPEN SESSION CALL TO ORDER - PLEDGE OF ALLEGIANCE

The open session was called to order at 7:06 pm, after the Pledge of Allegiance Roll was called:

Commissioner Present:

Russ Jeffries – President

Tony Leonardini – Vice President

Vince Ferrante – Secretary

James Goulart - Commissioner

Liz Soto – Commissioner

Staff Present:

Tommy Razzeca – General Manager

Mike Rodriguez – District Counsel –Via Zoom

Shay Shaw – Administrative Assistant

C. PRESIDENT'S REMARKS

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

D. PUBLIC COMMENTS

Colleen Kennedy a live-aboard in the Harbor says that she has noticed an influx of people that have moved into the Harbor since Covid and have been living here illegally and wanted to know our plan of

action to remove the unwanted guests. She also said that she knows the Harbor staff has been present on the docks and was appreciative of what the staff is currently doing to fix the issue. She wanted to personally recognize operations staff member Craig for making sure the fingers on the docks stay clean and neat and that the tenants/guests adhere to the Ordinance code.

E. CONSENT CALENDAR

1. Approval of June 29, 2022 Meeting Minutes. A motion was made by Commissioner Leonardini, seconded by Commissioner Ferrante, to approve the June, 2022 Regular Meeting Minutes. The motion passed unanimously on a roll-call vote.

F. FINANCIAL REPORT

2. Financial report month ending June 30, 2022 GM Razzeca gave the report. A motion was made by Commissioner Ferrante, seconded by Commissioner Soto to accept the financial report. The motion passed unanimously on a roll-call vote.

G. MANAGER'S REPORTS

The General Manager will make oral or written presentations on the below subjects. The Board may take such action as deemed necessary.

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

H. COMMITTEE REPORTS

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

I. SPECIAL PRESENTATION

19. Monterey County representative Laura Emmons made a presentation regarding the Multi-Jurisdiction Hazard Mitigation Plan which includes Moss Landing Harbor District. Moss Landing Harbor District's inclusion in the mitigation plan will make the District eligible to apply for hazard mitigation funding in the future. Commissioner Ferrante noticed a few of the special districts were not included and wanted to know why. Laura informed Commissioner Ferrante that all Special Districts were informed about the plan and can be added at a later date if they choose to be a part of the plan. President Jeffries asked if the Board adopts the plan will there be need for more approval in the future. County representative Laura replied no, once the Board adopts the plan its approval is complete.

J. NEW BUSINESS

20. ITEM – Consider Resolution 22-10 Adopting the Monterey County Multi-Jurisdiction Hazard Mitigation Plan
 - a. Staff report – GM Razzeca gave the report

- b. Public comment – None
- c. Board discussion – None
- d. Board action – A motion was made by Commissioner Ferrante, seconded by Commissioner Goulart to adopt Resolution 22-10 the Monterey County Multi-Jurisdiction Hazard Mitigation Plan. The motion passed unanimously on a roll-call vote.

21. ITEM – Consider Resolution 22-11 Accepting Bid for Pot Stop Demolition Project

- a. Staff report – GM Razzeca gave the report
- b. Public comment – None
- c. Board discussion – Commissioner Leonardini requested that we look into getting a reduction in cost for fencing and gates for the project. GM Razzeca said that the demo project is to take place in September or early October after Monterey Bay Kayaks has their permit in place and can complete the replacement wall.
- d. Board action – A motion was made by Commissioner Ferrante, seconded by Commissioner Soto to adopt Resolution 22-11 Accepting the Bid for the Pot Stop Demolition Project. The motion passed unanimously on a roll-call vote.

22. ITEM – Receive and Accept the District’s Response Letter to the Civil Grand Jury’s Report

Regarding the Moss Landing Harbor District and Approve Transmittal of the Response Letter.

- a. Staff report – GM Razzeca gave the report
- b. Public comment – None
- c. Board discussion – The Board agreed that they were gravely disappointed with the Civil Grand Jury’s report regarding the Harbor District and that many of the findings were not accurate.
- d. Board action – A motion was made by commissioner Ferrante, seconded by Commissioner Soto to receive and accept the Districts response letter to the Civil Grand Jury’s Report regarding the Moss Landing Harbor District and approve transmittal of the response letter. The motion passed unanimously on roll-call vote.

K. COMMISSIONERS COMMENTS AND CONCERNS

The BOHC agreed to move the meeting to the last Wednesday of the month August 31, 2022.

L. ADJOURNMENT

The meeting adjourned at pm 8:24 pm

Respectfully submitted,

Vince Ferrante, Secretary
Board of Harbor Commissioners

ATTEST:

Tommy Razzeca, Deputy Secretary
Board of Harbor Commissioners

Moss Landing Harbor District
Balance Sheet
As of August 31, 2022

	<u>Aug 31, 22</u>	<u>Aug 31, 21</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings				
1002 · Petty Cash	500	500		
1022 · 1st Capital Trust Account	4,360,915		4,360,915	100%
1001 · 1st Capital Operating Account	2,383,289		2,383,289	100%
1009 · Union - Operating		2,977,512	-2,977,512	-100%
1015 · 1st Capital Bank	1,891,626	1,557,865	333,761	21%
1018 · Union Bank- Trust Account		2,307,300	-2,307,300	-100%
1020 · Umpqua - Restricted	1,017,153	1,017,051	102	
Total Checking/Savings	<u>9,653,483</u>	<u>7,860,228</u>	<u>1,793,255</u>	<u>23%</u>
Accounts Receivable				
11290 · Leases				
1282 · NNN Receivable	84,095	78,892	5,203	7%
1284 · Local Bounty	6,550		6,550	100%
1294 · Monterey Fish		-7,825	7,825	100%
11290 · Leases - Other	1,927		1,927	100%
Total 11290 · Leases	<u>92,572</u>	<u>71,067</u>	<u>21,505</u>	<u>30%</u>
1200 · Marina Receivables	139,193	127,315	11,878	9%
1201 · Marina - Allow for Bad Debt	-54,526	-28,651	-25,875	-90%
Total Accounts Receivable	<u>177,239</u>	<u>169,731</u>	<u>7,508</u>	<u>4%</u>
Other Current Assets				
1271 · Prepaid Expenses				
1270 · Insurance	181,331	156,017	25,314	16%
Total 1271 · Prepaid Expenses	<u>181,331</u>	<u>156,017</u>	<u>25,314</u>	<u>16%</u>
Total Other Current Assets	<u>181,331</u>	<u>156,017</u>	<u>25,314</u>	<u>16%</u>
Total Current Assets	<u>10,012,053</u>	<u>8,185,976</u>	<u>1,826,077</u>	<u>22%</u>
Fixed Assets				
1650 · Construction in Progress	4,880,492	4,880,492		
1670 · Equipment	527,369	481,946	45,423	9%
1700 · Improvements				
1710 · NH Buildings & Improvements	6,893,102	6,893,102		
1720 · NH Floating Docks	524,675	524,675		
1725 · NH Offsite Improvements	632,218	632,218		
1730 · SH Buildings & Improvements	8,172,908	8,172,908		
1740 · SH Floating Docks	9,583,746	9,583,746		
Total 1700 · Improvements	<u>25,806,649</u>	<u>25,806,649</u>		

Moss Landing Harbor District

Balance Sheet

As of August 31, 2022

	Aug 31, 22	Aug 31, 21	\$ Change	% Change
1800 · Less - Depreciation				
1805 · Equipment	-460,748	-440,347	-20,401	-5%
1810 · NH Buildings & Improvements	-4,064,097	-3,665,726	-398,371	-11%
1820 · NH Floating Docks	-538,717	-526,680	-12,037	-2%
1825 · NH Offsite Improvements	-541,564	-512,181	-29,383	-6%
1830 · SH Buildings & Improvements	-6,512,050	-6,303,272	-208,778	-3%
1840 · SH Floating Docks	-7,262,168	-6,847,768	-414,400	-6%
Total 1800 · Less - Depreciation	-19,379,344	-18,295,974	-1,083,370	-6%
1900 · Land	1,642,860	1,642,860		
Total Fixed Assets	13,478,026	14,515,973	-1,037,947	-7%
Other Assets				
1320 · Workers Comp Deposit	200	200		
1530 · Principal Financial CS	7,389	7,389		
Total Other Assets	7,589	7,589		
TOTAL ASSETS	23,497,668	22,709,538	788,130	3%

Moss Landing Harbor District
Balance Sheet
As of August 31, 2022

	<u>Aug 31, 22</u>	<u>Aug 31, 21</u>	<u>\$ Change</u>	<u>% Change</u>
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
2010 · Accounts Payable	-21,987	-3,045	-18,942	-622%
Total Accounts Payable	-21,987	-3,045	-18,942	-622%
Other Current Liabilities				
2020 · Accrued Salaries Payable	82,589	30,709	51,880	169%
2021 · Accrued Vacation	39,621	39,621		
2023 · Accrued Payroll Taxes	20,584	6,754	13,830	205%
2030 · Customer Deposits	363,404	355,224	8,180	2%
2050 · Employee 457 Payable	600		600	100%
2051 · Note Interest Payable				
2062 · Umpqua Accrued Interest	8,505	5,139	3,366	65%
Total 2051 · Note Interest Payable	8,505	5,139	3,366	65%
2080 · Prepaid Berth Fees	204,383	207,885	-3,502	-2%
2011 · Lusamerica Reimb. Acct.	15,000	15,000		
2082 · MLCP Cost Reimb. Deposit		73,761	-73,761	-100%
2086 · Prepaid Leases				
20861 · Vistra	42,514	40,901	1,613	4%
20862 · MBARI	20,546	19,595	951	5%
Total 2086 · Prepaid Leases	63,060	60,496	2,564	4%
2087 · Lease Deposits	19,625	21,151	-1,526	-7%
Total Other Current Liabilities	817,371	815,740	1,631	0%
Total Current Liabilities	795,384	812,695	-17,311	-2%
Long Term Liabilities				
2605 · Umpqua Loan	1,857,326	2,163,830	-306,504	-14%
Total Long Term Liabilities	1,857,326	2,163,830	-306,504	-14%
Total Liabilities	2,652,710	2,976,525	-323,815	-11%
Equity				
3020 · Retained Net Assets	6,456,231	6,456,231		
3050 · Prior Year Earnings	14,353,221	13,142,922	1,210,299	9%
Net Income	35,504	133,859	-98,355	-73%
Total Equity	20,844,956	19,733,012	1,111,944	6%
TOTAL LIABILITIES & EQUITY	23,497,666	22,709,537	788,129	3%

Moss Landing Harbor District
Statement of Cash Flows
July through August 2022

Jul - Aug 22

OPERATING ACTIVITIES

Net Income	35,504
Adjustments to reconcile Net Income to net cash provided by operations:	
11290 · Leases	-830
11290 · Leases:1291 · Monterey Bay Kayak	3,870
11290 · Leases:1294 · Monterey Fish	-8,157
1200 · Marina Receivables	-4,141
1201 · Marina - Allow for Bad Debt	4,625
11290 · Leases:1282 · NNN Receivable	12,012
11290 · Leases:1284 · Local Bounty	-3,250
1271 · Prepaid Expenses:1270 · Insurance	-179,826
1800 · Less - Depreciation:1805 · Equipment	3,400
1800 · Less - Depreciation:1810 · NH Buildings & Improvements	135,834
1800 · Less - Depreciation:1820 · NH Floating Docks	2,006
1800 · Less - Depreciation:1825 · NH Offsite Improvements	4,897
1800 · Less - Depreciation:1830 · SH Buildings & Improvements	34,796
1800 · Less - Depreciation:1840 · SH Floating Docks	69,067
2010 · Accounts Payable	197,242
2005 · Accrued Employee IRA	773
2020 · Accrued Salaries Payable	67,379
2023 · Accrued Payroll Taxes	19,436
2030 · Customer Deposits	2,063
2050 · Employee 457 Payable	600
2080 · Prepaid Berth Fees	-34,866
2086 · Prepaid Leases	-4,211
2086 · Prepaid Leases:20861 · Vistra	-12,247
2086 · Prepaid Leases:20862 · MBARI	-4,906
2051 · Note Interest Payable:2062 · Umpqua Accrued Interest	-21,285

Net cash provided by Operating Activities 319,785

INVESTING ACTIVITIES

1670 · Equipment -45,423

Net cash provided by Investing Activities -45,423

FINANCING ACTIVITIES

2605 · Umpqua Loan -306,504

Net cash provided by Financing Activities -306,504

Net cash increase for period -32,142

Cash at beginning of period 9,685,624

Cash at end of period 9,653,482

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

	<u>Jul - Aug 22</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4000 · MARINA REVENUES				
4100 · Berthing Income				
4110 · Assigned Berthing	311,702	312,542	-840	100%
4112 · Qtrly/Annual Discount	-503	-35	-468	1,437%
4113 · Commercial Vessel Dscnt	-2,024	-2,125	101	95%
4114 · Away (1 mnth) Dscnt	-132	-15	-117	880%
4115 · Temporary Berthing	41,901	44,063	-2,162	95%
4120 · Liveaboard Fees	23,450	23,390	60	100%
4130 · Transient Berthing	3,010	5,000	-1,990	60%
4220 · Wait List	1,025	1,250	-225	82%
4270 · Pumpouts	400		400	100%
4280 · Late Fees	5,880	6,148	-268	96%
Total 4100 · Berthing Income	<u>384,709</u>	<u>390,218</u>	<u>-5,509</u>	<u>99%</u>
4200 · Other Income - Operations				
4230 · SH Parking	30,933	30,000	933	103%
4285 · Dog Fee	180	200	-20	90%
4290 · Misc	519		519	100%
Total 4200 · Other Income - Operations	<u>31,632</u>	<u>30,200</u>	<u>1,432</u>	<u>105%</u>
Total 4000 · MARINA REVENUES	<u>416,341</u>	<u>420,418</u>	<u>-4,077</u>	<u>99%</u>

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

Expense	Jul - Aug 22	Budget	\$ Over Budget	% of Budget
5200 · General & Administrative				
5100 · Advertising	25	1,083	-1,058	2%
5210 · Dues & Subscriptions	3,042	1,756	1,286	173%
5220 · Office Supplies				
5223 · Administration	1,328	1,238	90	107%
5225 · Operations		1,920	-1,920	
Total 5220 · Office Supplies	1,328	3,158	-1,830	42%
5230 · Postage & Equip Lease				
5232 · Meter Lease		190	-190	
5235 · Postage	32	274	-242	12%
Total 5230 · Postage & Equip Lease	32	464	-432	7%
5240 · Copier Lease & Supplies				
5242 · Copier Lease	671	724	-53	93%
Total 5240 · Copier Lease & Supplies	671	724	-53	93%
5250 · Telephone & Communications				
5253 · Administration	4,038	2,986	1,052	135%
5255 · Operations	112	162	-50	69%
Total 5250 · Telephone & Communications	4,150	3,148	1,002	132%
5260 · Professional Services				
5262 · Accounting	5,528	6,400	-872	86%
5265 · Legal		16,667	-16,667	
5268 · Computer Consulting		324	-324	
5269 · Payroll Processing	339	878	-539	39%
Total 5260 · Professional Services	5,867	24,269	-18,402	24%
5290 · Credit Card Fees	554	1,690	-1,136	33%
5921 · Internet Billing Service	274	360	-86	76%
Total 5200 · General & Administrative	15,943	36,652	-20,709	43%
5300 · Personnel				
5310 · Salaries				
5313 · Administration	46,905	44,210	2,695	106%
5315 · Operations	37,733	36,265	1,468	104%
5318 · Maintenance	28,700	40,015	-11,315	72%
Total 5310 · Salaries	113,338	120,490	-7,152	94%
5330 · Payroll Taxes				
5333 · Administration	3,588	3,537	51	101%
5335 · Operations	2,887	2,901	-14	100%
5338 · Maintenance	2,196	3,201	-1,005	69%
Total 5330 · Payroll Taxes	8,671	9,639	-968	90%
5340 · Employee Benefits				
5343 · Administration	8,994	7,711	1,283	117%
5345 · Operations	123		123	
5348 · Maintenance	11,574	13,019	-1,445	89%
Total 5340 · Employee Benefits	20,691	20,730	-39	100%

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

	<u>Jul - Aug 22</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
5350 · Workers Compensation				
5353 · Administration	600	173	427	347%
5355 · Operations	1,174	2,160	-986	54%
5358 · Maintenance	1,334	1,713	-379	78%
Total 5350 · Workers Compensation	<u>3,108</u>	<u>4,046</u>	<u>-938</u>	<u>77%</u>
Total 5300 · Personnel	145,808	154,905	-9,097	94%
5400 · Insurance				
5410 · Liability Insurance	29,483	30,000	-517	98%
Total 5400 · Insurance	<u>29,483</u>	<u>30,000</u>	<u>-517</u>	<u>98%</u>
5500 · Utilities				
5510 · Garbage	21,237	20,000	1,237	106%
5520 · Gas and Electric	60,000	60,000		100%
5530 · Water	8,342	7,500	842	111%
5540 · Sewer	11,113	8,333	2,780	133%
Total 5500 · Utilities	<u>100,692</u>	<u>95,833</u>	<u>4,859</u>	<u>105%</u>
5600 · Operating Supplies				
5610 · Vehicles	1,683	2,742	-1,059	61%
5625 · Operations	629	3,792	-3,163	17%
Total 5600 · Operating Supplies	<u>2,312</u>	<u>6,534</u>	<u>-4,222</u>	<u>35%</u>
5700 · Depreciation	125,000	125,000		100%
5800 · Repairs & Maintenance				
5810 · Vehicles	1,091	252	839	433%
5830 · Equip Rental	404	1,248	-844	32%
5850 · Repair Materials	5,571	11,834	-6,263	47%
5860 · Outside Service Contracts	11,535	13,333	-1,798	87%
5870 · Derelict Disposal	20,869	10,000	10,869	209%
Total 5800 · Repairs & Maintenance	<u>39,470</u>	<u>36,667</u>	<u>2,803</u>	<u>108%</u>
5900 · Financial Expenses				
5990 · Bad Debt	4,625	5,000	-375	93%
Total 5900 · Financial Expenses	<u>4,625</u>	<u>5,000</u>	<u>-375</u>	<u>93%</u>
Total · MARINA EXPENSES	<u>463,333</u>	<u>490,591</u>	<u>-27,258</u>	<u>94%</u>
Net Ordinary Income - Marina Operations	<u>-46,992</u>	<u>-70,173</u>	<u>23,181</u>	<u>67%</u>

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

	<u>Jul - Aug 22</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
4400 · LEASE AND OTHER INCOME				
4050 · Trust Lands Lease Revenue				
4051 · Vistra	12,247	13,026	-779	94%
4053 · MBARI	4,906	5,598	-692	88%
Total 4050 · Trust Lands Lease Revenue	<u>17,153</u>	<u>18,624</u>	<u>-1,471</u>	<u>92%</u>
4500 · Leases				
4501 · K-Pier Lease	8,421	5,160	3,261	163%
4502 · Cannery Building				
4517 · Suite 2	6,100	6,488	-388	94%
4504 · Suite 3	16,868	17,941	-1,073	94%
4511 · Suite 1 & 10	3,301	3,659	-358	90%
4515 · Suite 4	16,313	17,351	-1,038	94%
4518 · Suite 5	3,250	5,012	-1,762	65%
4510 · Suite 6		2,646	-2,646	
4512 · Suite 7	3,788	2,774	1,014	137%
4503 · Suite 8	1,688	1,817	-129	93%
4520 · Suite 9	830	1,660	-830	50%
4523 · Canary NNN	6,667	6,667	0	100%
Total 4502 · Cannery Building	<u>58,805</u>	<u>66,015</u>	<u>-7,210</u>	<u>89%</u>
4530 · RV Lot	6,254	6,521	-267	96%
4560 · North Harbor				
4562 · Sea Harvest	8,414	6,840	1,574	123%
4568 · Monterey Bay Kayaks	3,572	13,427	-9,855	27%
Total 4560 · North Harbor	<u>11,986</u>	<u>20,267</u>	<u>-8,281</u>	<u>59%</u>
Total 4500 · Leases	<u>85,466</u>	<u>97,963</u>	<u>-12,497</u>	<u>87%</u>
4700 · Other Revenues & Concessions				
4125 · Amenity Fee	62,035	61,829	206	100%
4126 · Passenger Vessel Fees	4,191	5,000	-809	84%
4710 · Vending Activities				
4711 · Washer/Dryer	1,368	1,400	-32	98%
Total 4710 · Vending Activities	<u>1,368</u>	<u>1,400</u>	<u>-32</u>	<u>98%</u>
4720 · Dry Storage	11,856	11,000	856	108%
4725 · North Harbor Use Fee	47,617	29,167	18,450	163%
4727 · Key Sales	1,325	667	658	199%
4730 · NH Washdown	100	200	-100	50%
4735 · Camp/RV	52	500	-448	10%
4740 · Equipment Rental	290		290	100%
4745 · Citations & Fines	868		868	
4750 · Bid Packages		167	-167	
4751 · Permits		1,083	-1,083	
Total 4700 · Other Revenues & Concessions	<u>129,702</u>	<u>111,013</u>	<u>18,689</u>	<u>117%</u>

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

	<u>Jul - Aug 22</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
4800 · Interest				
4843 · First Capital Bank	4,717	559	4,158	844%
4846 · Umpqua Interest	17	17	0	100%
Total 4800 · Interest	<u>4,734</u>	<u>576</u>	<u>4,158</u>	<u>822%</u>
Total 4400 · LEASE AND OTHER INCOME	<u>237,055</u>	<u>228,176</u>	<u>8,879</u>	<u>104%</u>
7000 · LEASE AND OTHER EXPENSES				
7100 · Interest Expense				
7134 · Umpqua NP Interest	9,550	9,551	-1	100%
Total 7100 · Interest Expense	<u>9,550</u>	<u>9,551</u>	<u>-1</u>	<u>100%</u>
7200 · Other Financial Expenses				
7230 · LAFO Administrative Charges	5,868	7,000	-1,132	84%
Total 7200 · Other Financial Expenses	<u>5,868</u>	<u>7,000</u>	<u>-1,132</u>	<u>84%</u>
5700 · Depreciation	125,000	125,000		100%
7300 · Commissioner Expenses				
7320 · Monthly Stipend	1,500	3,333	-1,833	45%
7321 · Employer Payroll Taxes	115	267	-152	43%
7330 · Incurred Expenses		567	-567	
Total 7300 · Commissioner Expenses	<u>1,615</u>	<u>4,167</u>	<u>-2,552</u>	<u>39%</u>
Total 7000 · LEASE AND OTHER EXPENSES	<u>142,033</u>	<u>145,718</u>	<u>-3,685</u>	<u>97%</u>
Net Ordinary Income - Lease & Other Operations	<u>95,022</u>	<u>82,458</u>	<u>12,564</u>	<u>115%</u>
Net Ordinary Income - Combined Operations	<u>48,030</u>	<u>12,285</u>	<u>35,745</u>	<u>391%</u>
Other Income/Expense				
Other Expense				
9000 · CAPITAL PROJECT EXPENSES				
9053 · Dock Maintenance		150,000	-150,000	
9150 · Cannery		625,000	-625,000	
9307 · Piling Replacement Proj.		350,000	-350,000	
9309 · New NH Building	7,876	3,000,000	-2,992,124	0%
9470 · NH Visitor Dock		400,000	-400,000	
9565 · Miscellaneous Capital Projects	4,650	370,000	-365,350	1%
9750 · Office Computers		5,000	-5,000	
9800 · Dock Replacement		1,500,000	-1,500,000	
Total 9000 · CAPITAL PROJECT EXPENSES	<u>12,526</u>	<u>6,400,000</u>	<u>-6,387,474</u>	<u>0%</u>
Total Other Expense	<u>12,526</u>	<u>6,400,000</u>	<u>-6,387,474</u>	<u>0%</u>
Net Other Income	<u>-12,526</u>	<u>-6,400,000</u>	<u>6,387,474</u>	<u>0%</u>
Net Income	<u>35,504</u>	<u>-6,387,715</u>	<u>6,423,219</u>	<u>-1%</u>

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

	<u>Jul - Aug 22</u>	<u>Jul - Aug 21</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
4000 · MARINA REVENUES				
4100 · Berthing Income				
4110 · Assigned Berthing	311,702	300,035	11,667	4%
4112 · Qtrly/Annual Discount	-503	-222	-281	-127%
4113 · Commercial Vessel Dscnt	-2,024	-1,940	-84	-4%
4114 · Away (1 mnth) Dscnt	-132		-132	-100%
4115 · Temporary Berthing	41,901	49,245	-7,344	-15%
4120 · Liveaboard Fees	23,450	23,060	390	2%
4130 · Transient Berthing	3,010	2,360	650	28%
4220 · Wait List	1,025	1,800	-775	-43%
4270 · Pumpouts	400		400	100%
4280 · Late Fees	5,880	5,687	193	3%
Total 4100 · Berthing Income	<u>384,709</u>	<u>380,025</u>	<u>4,684</u>	<u>1%</u>
4200 · Other Income - Operations				
4230 · SH Parking	30,933	32,286	-1,353	-4%
4285 · Dog Fee	180	150	30	20%
4290 · Misc	519	524	-5	-1%
Total 4200 · Other Income - Operations	<u>31,632</u>	<u>32,960</u>	<u>-1,328</u>	<u>-4%</u>
Total 4000 · MARINA REVENUES	<u>416,341</u>	<u>412,985</u>	<u>3,356</u>	<u>1%</u>

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

Expense	Jul - Aug 22	Jul - Aug 21	\$ Change	% Change
5200 · General & Administrative				
5100 · Advertising	25	1,574	-1,549	-98%
5210 · Dues & Subscriptions	3,042	3,177	-135	-4%
5220 · Office Supplies				
5223 · Administration	1,328	745	583	78%
5225 · Operations		3,646	-3,646	-100%
Total 5220 · Office Supplies	1,328	4,391	-3,063	-70%
5230 · Postage & Equip Lease				
5235 · Postage	32	3	29	967%
Total 5230 · Postage & Equip Lease	32	3	29	967%
5240 · Copier Lease & Supplies				
5242 · Copier Lease	671	398	273	69%
Total 5240 · Copier Lease & Supplies	671	398	273	69%
5250 · Telephone & Communications				
5253 · Administration	4,038	2,461	1,577	64%
5255 · Operations	112	113	-1	-1%
Total 5250 · Telephone & Communications	4,150	2,574	1,576	61%
5260 · Professional Services				
5262 · Accounting	5,528	5,836	-308	-5%
5265 · Legal		7,660	-7,660	-100%
5268 · Computer Consulting		170	-170	-100%
5269 · Payroll Processing	339	579	-240	-41%
Total 5260 · Professional Services	5,867	14,245	-8,378	-59%
5290 · Credit Card Fees	554	724	-170	-23%
5921 · Internet Billing Service	274	274		
Total 5200 · General & Administrative	15,943	27,360	-11,417	-42%
5300 · Personnel				
5310 · Salaries				
5313 · Administration	46,905	49,921	-3,016	-6%
5315 · Operations	37,733	31,641	6,092	19%
5318 · Maintenance	28,700	29,121	-421	-1%
Total 5310 · Salaries	113,338	110,683	2,655	2%
5330 · Payroll Taxes				
5333 · Administration	3,588	3,816	-228	-6%
5335 · Operations	2,887	2,421	466	19%
5338 · Maintenance	2,196	2,228	-32	-1%
Total 5330 · Payroll Taxes	8,671	8,465	206	2%
5340 · Employee Benefits				
5343 · Administration	8,994	10,872	-1,878	-17%
5345 · Operations	123	130	-7	-5%
5348 · Maintenance	11,574	13,115	-1,541	-12%
Total 5340 · Employee Benefits	20,691	24,117	-3,426	-14%

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

	<u>Jul - Aug 22</u>	<u>Jul - Aug 21</u>	<u>\$ Change</u>	<u>% Change</u>
5350 · Workers Compensation				
5353 · Administration	600	600		
5355 · Operations	1,174	800	374	47%
5358 · Maintenance	1,334	679	655	96%
Total 5350 · Workers Compensation	<u>3,108</u>	<u>2,079</u>	<u>1,029</u>	<u>49%</u>
5360 · Education & Training				
5363 · Administration		1,408	-1,408	-100%
Total 5360 · Education & Training		<u>1,408</u>	<u>-1,408</u>	<u>-100%</u>
Total 5300 · Personnel	<u>145,808</u>	<u>146,752</u>	<u>-944</u>	<u>-1%</u>
5400 · Insurance				
5410 · Liability Insurance	29,483	29,166	317	1%
Total 5400 · Insurance	<u>29,483</u>	<u>29,166</u>	<u>317</u>	<u>1%</u>
5500 · Utilities				
5510 · Garbage	21,237	18,152	3,085	17%
5520 · Gas and Electric	60,000	42,909	17,091	40%
5530 · Water	8,342	5,915	2,427	41%
5540 · Sewer	11,113	7,640	3,473	45%
Total 5500 · Utilities	<u>100,692</u>	<u>74,616</u>	<u>26,076</u>	<u>35%</u>
5600 · Operating Supplies				
5610 · Vehicles	1,683	1,320	363	28%
5620 · Vessels		476	-476	-100%
5625 · Operations	629	2,938	-2,309	-79%
Total 5600 · Operating Supplies	<u>2,312</u>	<u>4,734</u>	<u>-2,422</u>	<u>-51%</u>
5700 · Depreciation	125,000	83,337	41,663	50%
5800 · Repairs & Maintenance				
5810 · Vehicles	1,091	122	969	794%
5830 · Equip Rental	404	404		
5850 · Repair Materials	5,571	5,547	24	0%
5860 · Outside Service Contracts	11,535	7,872	3,663	47%
5870 · Derelict Disposal	20,869	-32	20,901	65,316%
Total 5800 · Repairs & Maintenance	<u>39,470</u>	<u>13,913</u>	<u>25,557</u>	<u>184%</u>
5900 · Financial Expenses				
5920 · Bank Service Charges		1,449	-1,449	-100%
5990 · Bad Debt	4,625	4,250	375	9%
Total 5900 · Financial Expenses	<u>4,625</u>	<u>5,699</u>	<u>-1,074</u>	<u>-19%</u>
Total · MARINA EXPENSES	<u>463,333</u>	<u>385,577</u>	<u>77,756</u>	<u>20%</u>
Net Ordinary Income - Marina Operations	<u>-46,992</u>	<u>27,408</u>	<u>-74,400</u>	<u>-271%</u>

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

	<u>Jul - Aug 22</u>	<u>Jul - Aug 21</u>	<u>\$ Change</u>	<u>% Change</u>
4400 · LEASE AND OTHER INCOME				
4050 · Trust Lands Lease Revenue				
4051 · Vistra	12,247	12,247	0	
4053 · MBARI	4,906	5,022	-116	-2%
Total 4050 · Trust Lands Lease Revenue	<u>17,153</u>	<u>17,269</u>	-116	-1%
4500 · Leases				
4501 · K-Pier Lease	8,421	6,980	1,441	21%
4502 · Cannery Building				
4517 · Suite 2	6,100	5,852	248	4%
4504 · Suite 3	16,868	16,182	686	4%
4511 · Suite 1 & 10	3,301	3,301		
4515 · Suite 4	16,313	15,649	664	4%
4518 · Suite 5	3,250	4,575	-1,325	-29%
4510 · Suite 6		2,387	-2,387	-100%
4512 · Suite 7	3,788	2,502	1,286	51%
4503 · Suite 8	1,688	1,639	49	3%
4520 · Suite 9	830		830	100%
4523 · Canary NNN	6,667	5,000	1,667	33%
Total 4502 · Cannery Building	<u>58,805</u>	<u>57,087</u>	1,718	3%
4530 · RV Lot	6,254	5,882	372	6%
4560 · North Harbor				
4562 · Sea Harvest	8,414	6,170	2,244	36%
4568 · Monterey Bay Kayaks	3,572	3,427	145	4%
Total 4560 · North Harbor	<u>11,986</u>	<u>9,597</u>	2,389	25%
Total 4500 · Leases	<u>85,466</u>	<u>79,546</u>	5,920	7%
4700 · Other Revenues & Concessions				
4125 · Amenity Fee	62,035	59,599	2,436	4%
4126 · Passenger Vessel Fees	4,191		4,191	100%
4710 · Vending Activities				
4711 · Washer/Dryer	1,368	2,644	-1,276	-48%
4712 · Soda		115	-115	-100%
Total 4710 · Vending Activities	<u>1,368</u>	<u>2,759</u>	-1,391	-50%
4720 · Dry Storage	11,856	9,924	1,932	19%
4725 · North Harbor Use Fee	47,617	56,427	-8,810	-16%
4727 · Key Sales	1,325	900	425	47%
4730 · NH Washdown	100	400	-300	-75%
4735 · Camp/RV	52	712	-660	-93%
4740 · Equipment Rental	290		290	100%
4745 · Citations & Fines	868	1,281	-413	-32%
4751 · Permits		1,776	-1,776	-100%
4765 · Faxes, Copies & Postage				
Total 4700 · Other Revenues & Concessions	<u>129,702</u>	<u>133,778</u>	-4,076	-3%

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

	Jul - Aug 22	Jul - Aug 21	\$ Change	% Change
4800 · Interest				
4841 · Union Bank Interest		75	-75	-100%
4843 · First Capital Bank	4,717	529	4,188	792%
4846 · Umpqua Interest	17	17		
Total 4800 · Interest	<u>4,734</u>	<u>621</u>	<u>4,113</u>	<u>662%</u>
Total 4400 · LEASE AND OTHER INCOME	<u>237,055</u>	<u>231,214</u>	<u>5,841</u>	<u>3%</u>
7000 · LEASE AND OTHER EXPENSES				
7100 · Interest Expense				
7134 · Umpqua NP Interest	9,550	11,098	-1,548	-14%
Total 7100 · Interest Expense	<u>9,550</u>	<u>11,098</u>	<u>-1,548</u>	<u>-14%</u>
7200 · Other Financial Expenses				
7230 · LAFO Administrative Charges	5,868	5,393	475	9%
Total 7200 · Other Financial Expenses	<u>5,868</u>	<u>5,393</u>	<u>475</u>	<u>9%</u>
5700 · Depreciation	125,000	83,337	41,663	50%
7300 · Commissioner Expenses				
7320 · Monthly Stipend	1,500	3,500	-2,000	-57%
7321 · Employer Payroll Taxes	115	268	-153	-57%
7330 · Incurred Expenses		186	-186	-100%
Total 7300 · Commissioner Expenses	<u>1,615</u>	<u>3,954</u>	<u>-2,339</u>	<u>-59%</u>
Total 7000 · LEASE AND OTHER EXPENSES	<u>142,033</u>	<u>103,782</u>	<u>38,251</u>	<u>37%</u>
Net Ordinary Income - Lease & Other Operations	<u>95,022</u>	<u>127,432</u>	<u>-32,410</u>	<u>-25%</u>
Net Ordinary Income - Combined Operations	<u>48,030</u>	<u>154,840</u>	<u>-106,810</u>	<u>-69%</u>
Other Income/Expense				
Other Expense				
9000 · CAPITAL PROJECT EXPENSES				
9060 · NH Berthers Parking/Paving		3,043	-3,043	-100%
9250 · Security Camera		9,617	-9,617	-100%
9309 · New NH Building	7,876		7,876	100%
9310 · NH Hotel		1,217	-1,217	-100%
9565 · Miscellaneous Capital Projects	4,650	7,104	-2,454	-35%
Total 9000 · CAPITAL PROJECT EXPENSES	<u>12,526</u>	<u>20,981</u>	<u>-8,455</u>	<u>-40%</u>
Total Other Expense	<u>12,526</u>	<u>20,981</u>	<u>-8,455</u>	<u>-40%</u>
Net Other Income	<u>-12,526</u>	<u>-20,981</u>	<u>8,455</u>	<u>40%</u>
Net Income	<u>35,504</u>	<u>133,859</u>	<u>-98,355</u>	<u>-73%</u>

**Moss Landing Harbor District
A/P Aging Summary
As of August 31, 2022**

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>> 90</u>	<u>TOTAL</u>
Allied Administrators for Delta Dental	0.00	-732.24	0.00	0.00	0.00	-732.24
AT&T	226.55	0.00	0.00	0.00	0.00	226.55
Bayside Oil, Inc.	405.00	0.00	0.00	0.00	0.00	405.00
Big Creek Lumber	641.75	0.00	0.00	0.00	0.00	641.75
CalPERS	0.00	-8,192.81	-8,192.81	0.00	0.00	-16,385.62
Castroville "ACE" Hardware	538.24	0.00	0.00	0.00	0.00	538.24
Castroville Auto Parts, Inc.	253.75	0.00	0.00	0.00	0.00	253.75
Cintas	698.35	0.00	0.00	0.00	0.00	698.35
Corralitos Electric	4,650.00	0.00	0.00	0.00	0.00	4,650.00
Damm Good Water	59.50	0.00	0.00	0.00	0.00	59.50
Daniel Bernstein	0.00	525.00	0.00	0.00	0.00	525.00
Dock Boxes	0.00	0.00	0.00	0.00	1,730.13	1,730.13
Doctors on Duty	0.00	42.50	0.00	0.00	0.00	42.50
James Hong	25.00	0.00	0.00	0.00	0.00	25.00
Janelle Morgan	0.00	525.00	0.00	0.00	0.00	525.00
Johnson Electronics, Inc.	120.00	0.00	0.00	0.00	0.00	120.00
Lockton Insurance Brokers, LLC	0.00	0.00	1,850.00	0.00	0.00	1,850.00
Mark Carotg	0.00	500.00	0.00	0.00	0.00	500.00
MBS Business Systems	96.16	0.00	0.00	0.00	0.00	96.16
Mechanics Bank	1,082.20	0.00	0.00	0.00	0.00	1,082.20
Monterey Signs	365.35	0.00	0.00	0.00	0.00	365.35
Moss Landing Boat Works	430.62	0.00	0.00	0.00	0.00	430.62
Pajaro/Sunny Mesa C.S.D.	3,567.82	0.00	0.00	0.00	0.00	3,567.82
PG&E	0.00	-30,000.00	0.00	0.00	0.00	-30,000.00
Razzolink, Inc.	0.00	-136.85	0.00	0.00	0.00	-136.85
Sea Engineering, Inc.	0.00	4,750.00	0.00	0.00	0.00	4,750.00
State Steel Company	57.97	0.00	0.00	0.00	0.00	57.97
Tri County Fire Protection	303.00	0.00	0.00	0.00	0.00	303.00
U.S. Bank	0.00	903.27	0.00	0.00	0.00	903.27
Unified Building Maintenance	1,350.00	0.00	0.00	0.00	0.00	1,350.00
United Site Services of Calif., Inc.	554.64	0.00	0.00	0.00	0.00	554.64
Verizon Wireless	112.26	0.00	0.00	0.00	0.00	112.26
Vision Sevice Plan	0.00	-94.37	0.00	0.00	0.00	-94.37
West Marine Pro	0.00	0.00	0.00	0.00	-1,001.97	-1,001.97
TOTAL	<u>15,538.16</u>	<u>-31,910.50</u>	<u>-6,342.81</u>	<u>0.00</u>	<u>728.16</u>	<u>-21,986.99</u>

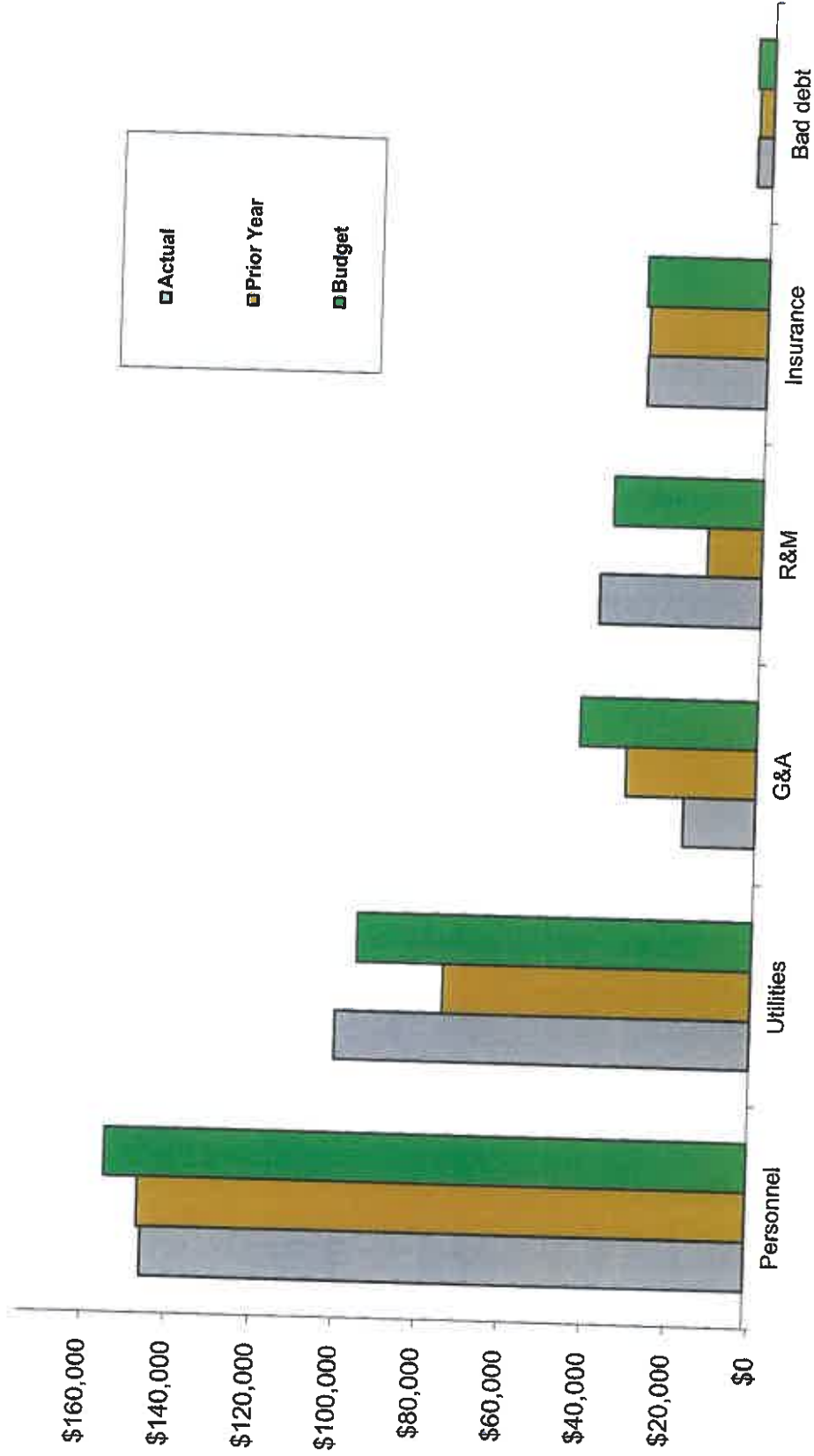
**Moss Landing Harbor District
Warrant Listing
As of August 31, 2022**

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
1001 - 1st Capital Operating Account				
Bill Pmt -Check	08/04/2022	19512	Allied Administrators for Delta Dental	-732.24
Bill Pmt -Check	08/04/2022	19513	Auto Care LifeSaver Towing	-3,022.50
Bill Pmt -Check	08/04/2022	19514	Damm Good Water	-18.00
Bill Pmt -Check	08/04/2022	19515	Mechanics Bank	-808.63
Bill Pmt -Check	08/04/2022	19516	PG&E	-30,000.00
Bill Pmt -Check	08/04/2022	19517	Razzolink, Inc.	-136.85
Bill Pmt -Check	08/04/2022	19518	Sea Engineering, Inc.	-4,370.00
Bill Pmt -Check	08/04/2022	19519	Tommy Razzeca	-350.00
Bill Pmt -Check	08/04/2022	19520	VALIC	-2,825.97
Bill Pmt -Check	08/04/2022	19521	Vision Sevice Plan	-94.37
Bill Pmt -Check	08/04/2022	19522	Mechanics Bank	-393.96
Bill Pmt -Check	08/04/2022	19523	Mechanics Bank	-1,153.15
Check	08/05/2022	4051	Neal Norris	-818.37
Check	08/05/2022	ATM	NPC Merchant Pymt Proc	-2,280.76
Check	08/18/2022	4052	Ferrante, Vincent	-219.85
Check	08/18/2022	4053	Goulart, James	-114.06
Check	08/18/2022	4054	Jeffries, Russell	-228.12
Check	08/18/2022	4055	Tony Leonardini	-114.06
Check	08/18/2022	4056	Neal Norris	-818.35
Check	08/18/2022	4057	Dennis Dixon	-282.70
Check	08/18/2022	4058	Angel Solorio	-1,073.79
Bill Pmt -Check	08/20/2022	19524	A.L. Lease	-177.23
Bill Pmt -Check	08/20/2022	19525	AT&T	-226.77
Bill Pmt -Check	08/20/2022	19526	Auto Care LifeSaver Towing	-1,196.25
Bill Pmt -Check	08/20/2022	19527	CalPERS	-8,192.81
Bill Pmt -Check	08/20/2022	19528	Carmel Marina Corporation	-6,913.52
Bill Pmt -Check	08/20/2022	19529	Carol Jones	-550.08
Bill Pmt -Check	08/20/2022	19530	Castroville "ACE" Hardware	-62.99
Bill Pmt -Check	08/20/2022	19531	Central Coast Systems, Inc.	-105.00
Bill Pmt -Check	08/20/2022	19532	Cintas	-558.68
Bill Pmt -Check	08/20/2022	19533	Corralitos Electric	-750.40
Bill Pmt -Check	08/20/2022	19534	Damm Good Water	-72.90
Bill Pmt -Check	08/20/2022	19535	David Kubo	-280.50
Bill Pmt -Check	08/20/2022	19536	Doctors on Duty	-80.00
Bill Pmt -Check	08/20/2022	19537	Dustin Wilton	-75.00
Bill Pmt -Check	08/20/2022	19538	Employment Development Dept.	-770.14
Bill Pmt -Check	08/20/2022	19539	Green Valley Supply	-310.71
Bill Pmt -Check	08/20/2022	19540	Home Depot	-175.75
Bill Pmt -Check	08/20/2022	19541	JD's Plumbing, Inc.	-1,031.25
Bill Pmt -Check	08/20/2022	19542	Jeromy Shanoian	-51.65
Bill Pmt -Check	08/20/2022	19543	Monterey One Water	-8,794.51
Bill Pmt -Check	08/20/2022	19544	Moss Landing Boat Works	-3,725.96
Bill Pmt -Check	08/20/2022	19545	Pajaro/Sunny Mesa C.S.D.	-4,774.07
Bill Pmt -Check	08/20/2022	19546	Randazzo Enterprises Inc.	-8,610.00

**Moss Landing Harbor District
Warrant Listing
As of August 31, 2022**

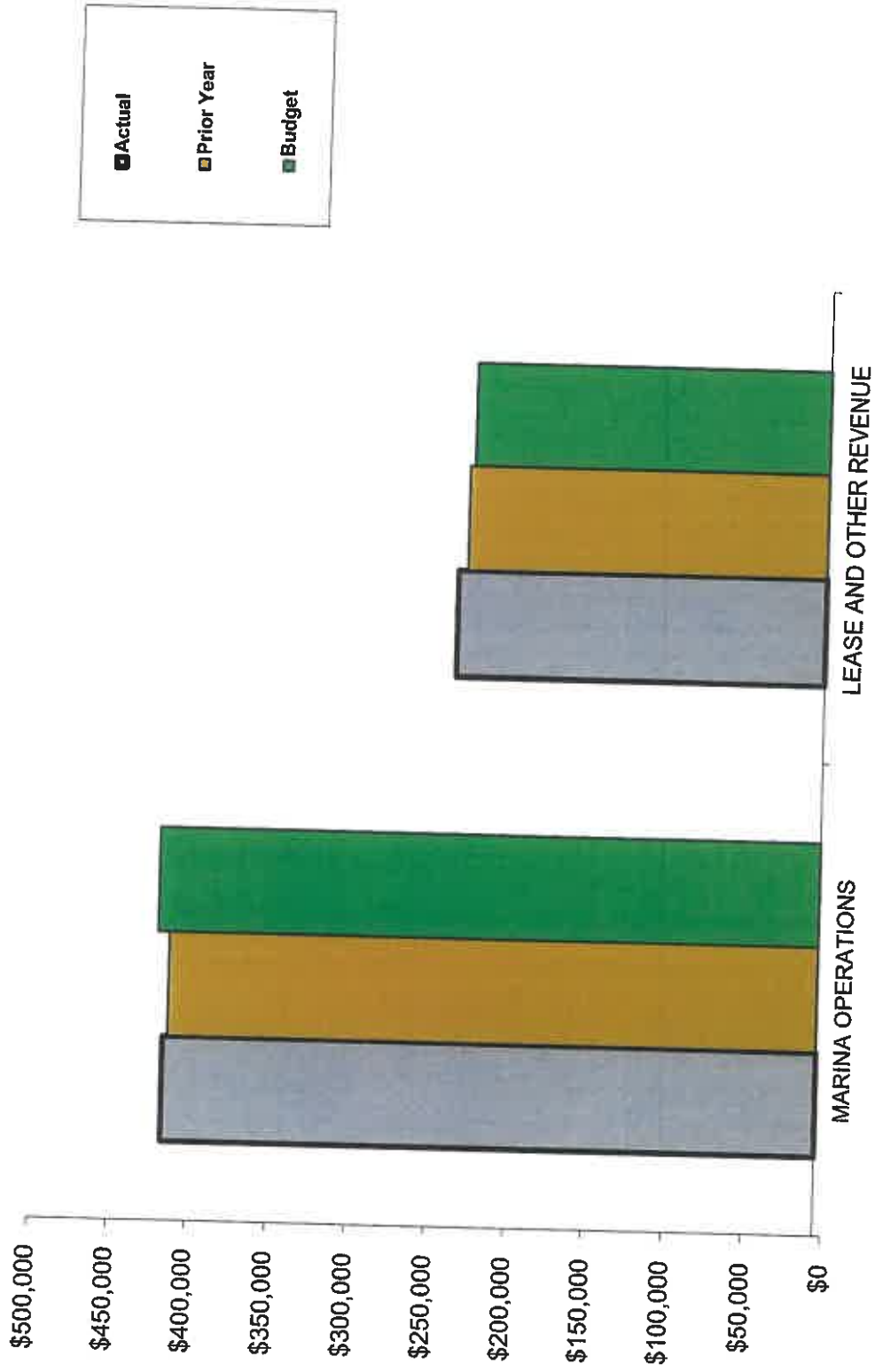
<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
Bill Pmt -Check	08/20/2022	19547	Robert Gliner	-522.18
Bill Pmt -Check	08/20/2022	19548	U.S. Bank	-1,025.84
Bill Pmt -Check	08/20/2022	19549	U.S. Bank Equipment Finance	-271.21
Bill Pmt -Check	08/20/2022	19550	Unified Building Maintenance	-1,350.00
Bill Pmt -Check	08/20/2022	19551	United Site Services of Calif., Inc.	-524.59
Bill Pmt -Check	08/20/2022	19552	Valero Marketing and Supply Company	-983.38
Bill Pmt -Check	08/20/2022	19553	Verizon Wireless	-112.42
Bill Pmt -Check	08/20/2022	19554	Wald, Ruhnke & Dost Architects, LP	-7,875.00
Bill Pmt -Check	08/20/2022	19555	WASH	-202.08
Bill Pmt -Check	08/20/2022	19556	Wendy L. Cumming, CPA	-2,475.00
Bill Pmt -Check	08/20/2022	19557	AT&T	-640.85
Bill Pmt -Check	08/20/2022	19558	Carmel Marina Corporation	-214.78
Bill Pmt -Check	08/20/2022	19559	Monterey Bay Diving	-3,650.00
Bill Pmt -Check	08/20/2022	19560	Monterey One Water	-2,318.37
Bill Pmt -Check	08/20/2022	19561	AT&T	-465.53
Bill Pmt -Check	08/20/2022	19562	Carmel Marina Corporation	-1,652.00
Bill Pmt -Check	08/20/2022	19563	Carmel Marina Corporation	-1,901.26
Check	08/24/2022	1001	Watsonville Ford	-45,422.66
Bill Pmt -Check	08/25/2022	20098	Betty Wichman	-458.50
Bill Pmt -Check	08/25/2022	19601	David Papera	-575.00
Bill Pmt -Check	08/25/2022	19602	Giacomo Bernardi	-874.50
Total 1001 · 1st Capital Operating Account				-170,857.05
TOTAL				-170,857.05

**Operating Expenses
Year to Date Actuals vs. Budget and Prior Year
August 31, 2022**

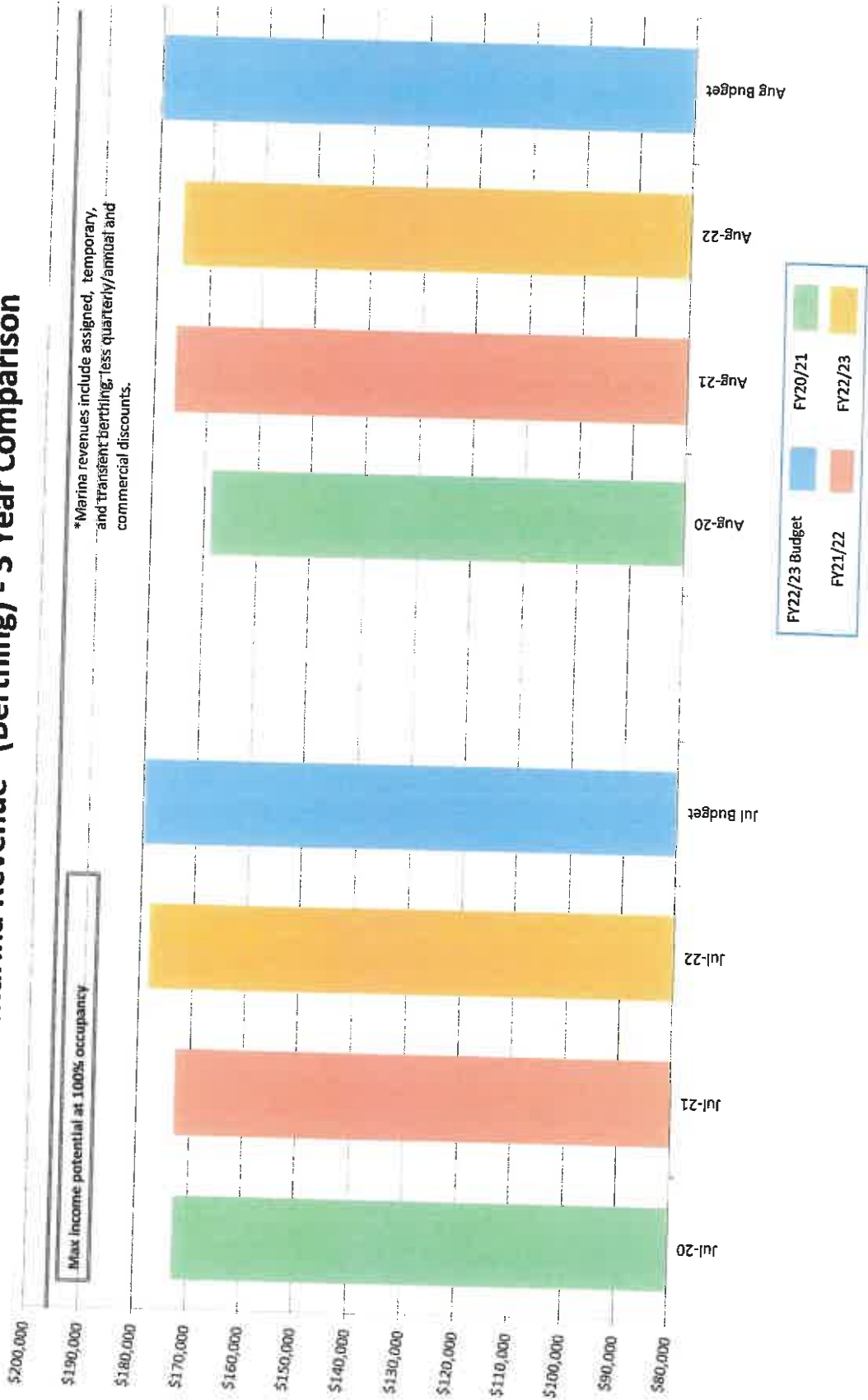


****Expenses Exclude Dredging, Depreciation and Interest Expenses****

**Marina, Lease and Other Revenue
Year to Date Actual vs. Budget and Prior Year
August 31, 2022**



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





7881 SANDHOLDT ROAD
MOSS LANDING, CA 95039

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BOARD OF HARBOR COMMISSIONERS

Russell Jeffries
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James R. Goulart
Liz Soto

**GENERAL MANAGER
HARBOR MASTER**

Tom Razzeca

STAFF REPORT

ITEM NUMBER 03 – PROJECT STATUS
BOARD MEETING SEPTEMBER 28, 2022

1. North Harbor Building: Per the Direction of the Board the General Manager has contracted with WRD Architects to complete the interior drawings for the North Harbor Building with the intention of pulling permits, advertising the project or public bid and completing the interior construction and The Building completed as a “warm shell” immediately. WRD is about complete with the project plans and is expected to be submitting the plans to Monterey County for permitting in the coming weeks. As of now the goal of staff is to have the building permit issued, a accepted and construction underway by Spring 2023.

2. North Harbor Inn Project: This project remains on hold while the District explores options with the property.

3. Cannery Building HVAC and Penthouse Mechanical Room: The demolition aspect of the project has been mostly completed. As of now our Contractor Icon awaits the HVAC units and materials for the penthouse to arrive so that they remainder of the project can be completed. The estimated delivery of the needed materials is expected to be sometime during the second or third week of October. Staff is hopeful that the project will be completed before the November 2022 Board meeting.

4. Demolition of Pot Stop Building: A bid opening took place on June 22, 2022 where 2 bids were received with Randazzo Enterprises Inc. coming in with the low bid of \$93,958. Resolution 22-10 was adopted by the Board accepting the Randazzo bid for completion of the project. A District Construction permit was later issued to Monterey Bay Kayak (MBK) to construct a wall to replace the wall of the Pot Stop building currently used to support the MBK changing rooms. Our contractor Randazzo Enterprises is currently coordinating with the MBK contractor regarding the completion of the new wall and plans to have the building demolition take place next month October 2022.

5. Harbor Infrastructure Improvement Project : Resulting from the tsunami that took place on January 15, 2022, staff has discovered that the District has sustained damage to piles, docks and navigation channels in the Harbor. Staff and our consultants are currently working with California Office of Emergency Services personnel in an attempt to acquire emergency funding to financially assist the District with repair to the damaged sustained during the incident. Staff requested an update from CalOES recently and was notified that our emergency funding application is still in the review process. Staff has begun having our consultant prepare construction plans for the dock infrastructure, Kirby park launch ramp, and shoreline damage which will be used for permitting of the project once complete. Staff will continue to update the Board and public as we have additional information moving forward in the process.

SERVING COMMERCIAL FISHING AND RECREATIONAL BOATING SINCE 1947



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GENERAL MANAGER
 HARBORMASTER
 Tommy Razzeca

STAFF REPORT

ITEM NUMBER 04 – SUMMARY OF PERMITS ISSUED BOARD MEETING OF SEPTEMBER 28, 2022

Permittee	Issue Date	Status	Permit Type	Exp. Date
Elkhorn Slough Research Foundation	01/01/2022	Current	Facilities Use	01/01/23
Blue Ocean Whale Watch	2/18/2022	Current	Facilities Use	2/18/2023
Whisper Charters	2/28/2022	Current	Facilities Use	2/28/2023
Fast Raft	3/28/2022	Current	Facilities Use	3/28/2023
Monterey Eco Tours	4/16/2022	Current	Facilities Use	4/16/2023
Oceanic Expeditions	4/21/2022	Current	Facilities Use	4/21/2023
Venture Quest Kayaking	6/12/2022	Current	Facilities Use	6/12/2023
Monterey Bay Hydrobikes	6/12/2022	Current	Facilities Use	6/12/2023
Reel Nasty Sportfishing	6/12/2022	Current	Facilities Use	6/12/2023
Kayak Connection	6/30/2022	Current	Facilities Use	6/30/2023
Sanctuary Cruises	6/30/2022	Current	Facilities Use	6/30/2023
Sea Goddess Whale Watching-Tours	6/30/2022	Current	Facilities Use	6/30/2023
MBARI-Slough Test Moorings	6/30/2022	Current	Facilities Use	6/30/2023
Slater Moore Photography	07/07/2022	Current	Facilities Use	07/07/2023
Peninsula Dive Services	09/30/2021	Current	Pending expiration	09/30/2022
Elkhorn Slough Safari - Tours	10/19/2021	Current	Facilities Use	10/19/2022
Blue Water Ventures	10/30/2021	Current	Facilities Use	10/30/2022
Wild Fish-Vicki Crow	11/20/2021	Current	Peddlers	11/20/2022



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GENERAL MANAGER
HARBORMASTER
Tommy Razzeca

STAFF REPORT

ITEM NUMBER 05 – MEETING ANNOUNCEMENTS
BOARD MEETING OF SEPTEMBER 28, 2022

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

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

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

October 21st
Cambria



BOARD OF COMMISSIONERS

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**GENERAL MANAGER
HARBOR MASTER**

Tom Razzeca

STAFF REPORT

ITEM NUMBER 06 - LIVEABOARD REPORT BOARD MEETING OF SEPTEMBER 28, 2022

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

<u>Name</u>	<u>Vessel</u>
1. Hartman, Guenter	Taku, CF 7913 KL
2. Jones, L	Intrepid CF 0292 VE
3. Matsunaga, F	Mon Rochelle CF 8424 FB
4. Burns, P.	Trafamadore, CF 9430 GL
5. Byrnes, K.	Grand Slam, CF 4540 FE
6. Doyle, M	Billikon, CF 3946 TM
7. Cayuela, R.	Rachel Angelet, CF 6969 UB
8. Michael, McVay	Gaviota, CF 4863 FP
9. Hughes, S	Sojourn, on 1067078
10. Dunn, J	Knot To Worry, CF 6383 GU
11. Chambers, B.	Pyxis, ON 984193
12. Massat, A	No Name no CF#
13. Clark D.	Seaside Escape CF 4356 HW
14. Degnan, P.	No Name, CF 8344 GT
15. Lopez, M	Bust Loose CF 3450 GL
16. Elwell, G.	Pearl, ON 557575
17. Faneuf, C.	Ghost Ryder ON 1048498
18. Buford, C	No Name, CF 9215 EF
19. Potter, D.	Danu CF 4085 GC
20. Listle, A	Tekin ON 616325
21. Glovin, D	Aint to Shabby CF 7434 SL
22. Laoretti, P/ Laoretti, S	Shaka, ON 699611
23. Johnston, Bill	Heart Of Gold, CF 7590 EP

SERVING COMMERCIAL FISHING AND RECREATIONAL BOATING SINCE 1947

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

- Phoenix, CF 5084 GJ
 Laetare, CF 5495 YB
 Sanity, CF 5249 SC
 Aztlan, ON 281903
 Gaviota, CF 4656 GG
 Athena CF 1523 FF
 Francis W, CF 2017 UZ
 Tolly Craft CF 9521 HT
 Zinful CF5419 JG
 Nimble, CF 3730 KB
 Damn Baby CF 9442 EX
 Inia, ON 1074183
 Illusion, CF 0836 TA
 Sails Call, CF 7291 TG
 Blue Moon, CF 1886 GT
 La Wanda CF 5014 FR
 Bull Dog ON 1219673
 Lorraine CF 0533 JL
 Spirit, ON 664971
 Second Paradise, ON 912484
 Raven, ON 241650
 Star of Light ON 1056334
 Gulf Star CF 6082 GL
 Lady Monroe CF5007 UM
 Mischief Maker, CF 9666 JK
 Quiet times, CF 2067 GC
 Oceanid, CF 4210 GA
 Coho, CF 9974 KK
 Enchantress, CF 0878 SX
 Sea Star, CF 4213 ES
 Muffin, ON 1148169
 Ripple, ON 1037076
 Moonstone CF 5122 GX
 I'll be seeing you CF 3851 SJ
 Boss Lady, ON 556296
 Luna Sea, ON 1138367
 Myrtle Mae, CF 3187 FN

Total Number Vessels: 60
 Total Number Persons: 67
 Pending Applications -0-



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GENERAL MANAGER/HARBOR MASTER
 Tom Razzeca

STAFF REPORT

ITEM NUMBER 7 - SLIP INCOME REPORT
 BOARD MEETING OF SEPTEMBER 28, 2022

Slip Rates 2022/2023 per linear foot:

Assigned: \$9.02/ft./month
 Temporary: \$13.45/ft./month
 Transient: \$1.25/ft./day

INCOME

August 2022

\$175,510

August 2021

\$176,334

August 2022 Budget

\$179,747

For the month, slip income is below budget by \$4k. The below budget amount is attributed to lower temporary and transient berthing revenue.



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Tom Razzeca

STAFF REPORT

ITEM NUMBER 08 – INCIDENT REPORT
BOARD MEETING OF SEPTEMBER 28, 2022

07/25/2022 Staff approached individual parked in parking lot about not having a parking permit. Owner of vehicle went into a frenzy verbally assaulting staff and threatening him with physical harm. Owner of vehicle left after staff informed him they were notifying law enforcement authorities.

07/27/2022 A tenant was noticed by staff cutting off the harbor truck and another tenant's vehicle then speeding through the parking lot. The tenant who was cut off approached the man who cut him off telling him he was driving dangerously and he was going to report him to Harbor Staff. When the tenant who was cut off got out of his vehicle the other man pulled out a canister of pepper spray and sprayed the tenant in the face. Harbor Staff called the MCSO, deputies arrived and but to staffs dismay ultimately decided not to make an arrest.

07/28/2022 A tenant from G-dock came to the Harbor Office bleeding from his nose and face asking for assistance. The tenant said he was assaulted by another tenant while sitting in his vehicle by the storage units. Staff walked over to the storage unit and found a tenant from A-dock at his unit. After talking to both tenants it seemed that an altercation had taken place and the tenant from A-dock started to hit the other tenant while he was sitting in his vehicle. Staff called MCSO who conducted their investigation. Both tenants were treated by AMR and one was released and the other was taken to the hospital. Staff believes that the case is currently being pursued by the Monterey County District Attorney's office.

07/29/2022 Staff witnessed an individual walking through the parking lot covered in mud who seemed in need of medical attention. Staff called 911 and the deputies, AMR, and North County Fire responded. While waiting for emergencies services staff gave the man a water hose and let him clean himself off. The individual was transported to the Hospital for evaluation.

08/10/2022 Staff received a call from a tenant on A-dock that he could hear a woman screaming from a boat on F-dock. Staff drove over and found a man and woman on a vessel and announced themselves asking the individuals to come out and speak with them. After several requests to come out of the vessel the woman finally emerged. The woman appeared to be under the influence of an unknown substance and malnourished. Staff asked if she needed any assistance to which she replied no. The owner of the vessel came out and said she was a friend and he was trying to help her. Staff called the MCSO and requested a welfare check on the woman. Deputies responded for a welfare check but no additional action was taken.

09/01/2022 An altercation between two harbor tenants was observed by staff. One of the tenants ultimately left the area bringing the incident to an end. Neither tenant wished to contact law enforcement regarding the altercation.

SERVING COMMERCIAL FISHING AND RECREATIONAL BOATING SINCE 1947

ITEM NUMBER 08 – INCIDENT REPORT
09/28/2022 MEETING

09/06/2022 Tenant from C-dock came into the office to pay his bill and seemed under the influence of alcohol. While handling the transaction the tenant was confrontational and abrasive while using racial slurs. Staff advised the tenant if he was going to use racial words he needed to leave the Harbor office. The tenant returned later that day again repeating racial slurs in front of staff members. Ultimately staff ordered the tenant to remove himself from the Harbor office. The General Manager was informed of the incident for follow up.

09/09/2022 Night staff noticed two vehicles sitting side by side obstructing another vehicles access in parking lot. When night staff asked the drivers of the 2 vehicles to move one of the individuals got upset and started swearing at night staff and drove off. The Harbor Operations Supervisor followed up with the involved tenant the following day regarding the required personal conduct expected while on District property if tenant wishes to remain at MLHD.

09/15/2022 Night Staff observed a tenet on another tenant's vessel on B-dock after being told he was no longer allowed access to the vessel. MCSO was called and removed the tenant from the vessel. No arrest made.

09/18/2022 An altercation between a former tenant and a staff member occurred on Sandholdt Rd. The former tenant was aggressive and assaulted the staff member before the deputies arrived on scene. The former tenant was arrested by deputies and transported to Monterey County Jail; the staff member was looked at by AMR and released under his own accord with no need for medical attention. The General Manager was notified and plans to follow up with the Monterey County District Attorney's office.

09/20/2022 Staff was contacted at 4am regarding a fire at the Moss Landing Power Plant facility, the fire was specifically located at the PG&E battery storage facility of the property. The General Manager responded to the Harbor but saw little to no activity aside from some minor smoke noticed coming from the area. At approximately 6am authorities with Monterey County closed Highway 1 and Dolan Road in both directions allowing no vehicles access to the area. At 9:50am the General Manager received notice from Monterey County of a shelter-in-place advisory for the Moss Landing area including Moss Landing Harbor District. Staff was told that the Shelter-in-place advisory was issued because of possible hazardous air quality conditions resulting from the fire. The Shelter in place advisory and road closures continued throughout the afternoon and was eventually lifted at 6:50PM that same evening.

No further incidents to report as of September 21, 2022.



BOARD OF HARBOR COMMISSIONERS
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GENERAL MANAGER
HARBOR MASTER
Tommy Razzeca

STAFF REPORT

ITEM NUMBER 19- CONSIDER APPROVING LEASE AT THE SANTA CRUZ CANNERY BUILDING TO LOCAL BOUNTY/ ALAN LOVEWELL.
BOARD MEETING OF SEPTEMBER 28, 2022

At the June 30, 2021 meeting of the Board, Commissioners consented to the assignment of the Sanctuary Stainless Santa Cruz Cannery Building lease to Local Bounty/ Alan Lovewell. Shortly after the assignment of the lease Alan Lovewell contacted the General Manager and expressed interest in acquiring a new lease of the office and shop spaces in the building for a term of 15 years with a 5 year option. General Manager Razzeca met with the Real Property Committee 1 (RPC1) and discussed Mr. Lovewell's request and ultimately presented District terms for such a lease to include increases in the prices per square foot for the spaces.

Mr. Lovewell recently contacted General Manager Razzeca and expressed interest in moving forward with a 15 year lease and has agreed to the terms and associated cost increases offered by the Rpc1. General Manager Razzeca has since completed the attached lease for the Board's review: the lease has a term of 15 years and one five (5) year option for an Annual rent of \$27,412.32 payable monthly at \$2,284.36 per month based on 403' (sf) of office space billed at \$1.77 per square foot per month and 1,208.5' (sf) of shop space billed at 1.30 per square foot in the Cannery Building, adjusted annually based on the CPI.

President Jeffries who is the Chair of the RPC1 and Commissioner Leonardini who is the Vice Chair may choose to provide additional comment. Staff recommends that the Board consider approval of the attached lease allowing the General Manager to execute the attached lease agreement which would have a beginning date of October 1, 2022. Upon execution of the new lease, the existing assigned lease will be terminated and of no further force and effect.

SERVING COMMERCIAL FISHING AND RECREATIONAL BOATING SINCE 1947

RESOLUTION NO. 22-12

A RESOLUTION OF THE BOARD OF HARBOR COMMISSIONERS OF THE MOSS LANDING HARBOR DISTRICT APPROVING A LEASE FOR A PORTION OF THE SANTA CRUZ CANNERY BUILDING BETWEEN THE MOSS LANDING HARBOR DISTRICT, LOCAL BOUNTY, A CALIFORNIA CORPORATION, AND ALAN LOVEWELL

WHEREAS, on June 30, 2021, the Moss Landing Harbor District Board of Commissioners approved a “Consent to Assignment of Lease” by which a lease for a portion of the Santa Cruz Cannery Building between the District and Sanctuary Stainless was authorized to be assigned to Local Bounty, a California Corporation, and Alan Lovewell (collectively “Local Bounty”); and

WHEREAS, the afore-referenced lease assigned to Local Bounty has a term ending on December 11, 2022; and

WHEREAS, Local Bounty subsequently contacted the District and expressed an interest in entering into a new lease of the same assigned space in the Santa Cruz Cannery Building, and after meeting with the Real Property Committee 1, terms for a new lease were established; and

WHEREAS, the proposed new lease between the District and Local Bounty has a term of fifteen (15) years with one five (5) year option, for an annual rent of \$27,412.32, payable monthly at \$2,284.36 per month, for 1611 sf of office and shop space in the Santa Cruz Cannery Building; and

WHEREAS, Local Bounty is in good standing with the provisions of its existing assigned Lease, and the Parties now desire to enter into a new Lease using the District’s standard template including but not limited to the lease and rent terms referenced above.

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

BE IT FURTHER RESOLVED, that upon full execution of the Lease attached as Exhibit A, the Assigned Lease between the District, Local Bounty and Alan Lovewell, shall be terminated and of no further force and effect.

CERTIFICATION

Resolution No. 22-12 was duly passed and adopted by the Board of Harbor Commissioners of the Moss Landing Harbor District at a meeting of the Board held on the 28th day of September, 2022, a quorum present and acting throughout, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Russ Jeffries, President
Board of Harbor Commissioners

ATTEST:

Tommy Razzeca, Deputy Secretary
Board of Harbor Commissioners

LEASE AGREEMENT

“LESSOR”

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

and

Local Bounty, a California Corporation, and
Alan Lovewell, an Individual

“LESSEE”

Leased Premises:

A Portion of APN #133-241-018
Santa Cruz Cannery Building (1,611.5) sq. ft. mol)

7532 Sandholdt Road,
Moss Landing, CA

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Basic Lease Provisions

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

- A. **Effective Date:** October 1, 2022
- B. **Lessor:** Moss Landing Harbor District, a political subdivision of the State of California
- C. **Lessee:** Local Bounty, a California Corporation, and Alan Lovewell, an Individual
- D. **Premises:** The Premises which Lessee leases under this Lease are the following: Santa Cruz Cannery Building located at 7532 Sandholdt Road in Moss Landing Harbor, Moss Landing, California, consisting of an area approximately One Thousand Six Hundred Eleven and One Half (1,611.5 mol) square feet known as Suites 10A, 10B and Shop #1 located adjacent to Bass Way as depicted in Exhibit A.
- E. **Use of Premises:** General office and processing facility use
- F. **Parking:** Two (2) non-exclusive parking spaces and as available in adjacent lot
- G. **Term:** Fifteen Years (15 years).
- H. **Option to Renew:** Option to Renew shall be exercised by written notice delivered by Lessee to Lessor not later than six (6) months prior to the end of the term.
- I. **Option to Renew Term:** One (1) Five (5) year Option subject to reappraisal, payment of new rent plus CPI increases.
- J. **Minimum Rent:** Annual rent of \$27,412.32 payable monthly at \$2,284.36 per month based on 403' (sf) of office space billed at \$1.77 per square foot per month and 1,208.5' (sf) of shop space billed at 1.30 per square foot in the Cannery Building, adjusted annually based on the CPI. This is a Triple Net lease.
- K. **Security Deposit:** One month's rent, increased annually by CPI should option be exercised
- L. **Prepaid Rent:** None
- M. **Late Fee:** Equal to prime plus two percent (2%) of the amount past-due,

in addition to an administrative surcharge per the tariff of the District

N. Lessor's Address for Notices:

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

O. Lessee's Address and Phone Number for Notices:

Local Bounty, a California Corporation, and Alan Lovewell
7532 Sandholdt Rd. Suite 10A
Moss Landing Ca, 95039
831.345.5135

MOSS LANDING HARBOR DISTRICT
L E A S E

This LEASE, made and entered into this 1st day of October 2022, by and between the MOSS LANDING HARBOR DISTRICT, a Political subdivision of the State of California, hereinafter called "Lessor", LOCAL BOUNTY, a California Corporation, and ALAN LOVEWELL, an individual, collectively hereinafter called "Lessee."

WITNESSETH:

1 LEASE DOCUMENTS

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

- 1.1 Exhibit A: Drawing depicting leased premises in Santa Cruz Cannery Building.
- 1.2 Exhibit B: General Conditions, dated March 2001
- 1.3 Exhibit C: Moss Landing Harbor District Ordinance Code

2 EFFECTIVE DATE

- 2.1 Cannery Building: The effective date of this lease is the first day October, 2022 subject to the relinquishment of the premises to Lessor by the existing tenant, if any, and the premises being in a tenantable condition, reasonable wear and tear excepted.

3 PROPERTY LEASED

- 3.1 Cannery Building: Lessor hereby leases to Lessee and Lessee hereby rents from Lessor the property located in the Moss Landing Harbor, Moss Landing, County of Monterey, State of California, described as follows: The premises described in Exhibit "A" known as Suites 10A, 10B and Shop #1 located in the Santa Cruz Cannery Building, 7532 Sandholdt Road, Moss Landing Harbor, Moss Landing, California, consisting of a combined total area of approximately One Thousand Six Hundred Eleven and One Half (1,611.5 mol) square feet on the lower level of the building located adjacent to Bass Way as previously described.
- 3.2 Lessee may have non-exclusive use of parking spaces available on the property adjacent to the Cannery building reserved for Tenant and Tenant's Visitor parking only, and street parking. These parking spaces are to be used for the sole purpose of parking unoccupied vehicles on site for a limited period of time while the occupants conduct lawful business on the premises. In no event shall any vehicle be parked upon the premises for any period of time while occupied, other than very brief periods during employee's lunch or dinner breaks, or as necessary incidental to picking up or dropping off an individual who has lawful business on the premises. There will specifically be no sleeping in vehicles on the premises and no unauthorized overnight parking. Vehicles of more than two axles with a gross weight of 15 tons, abandoned vehicles, boat and other trailers, recreational vehicles, and

similar vehicles are specifically prohibited from parking on the premises. Any use of the premises allowed by Lessee which creates a nuisance will constitute a default under the terms of this agreement and, in addition to any other remedies available to Lessor, Lessee shall have the right to abate the nuisance by removing the nuisance at Lessee's sole cost and expense. Additionally, should Lessor elect not to declare this lease in default, Lessor shall have the right to reduce or eliminate Lessee's use of the premises adjacent to the Cannery Building.

4 RENT

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

4.1.1 MINIMUM ANNUAL RENT: Twenty Seven Thousand Four Hundred Twelve and 32/100 Dollars (\$27,412.32).

4.1.1.1 Cannery Building: Lessee shall pay to Lessor as Minimum Annual Rent \$1.77 per square foot per month for suite's 10A and 10B (403' sf) and \$1.30 per square foot per month for shop #1 (1208.5' sf) a monthly amount of \$2,284.36, equaling \$27,412.32, per annum, based on a fair value as of January 1, 2022. Monthly installments of Minimum Rent shall be due and payable in advance on the first day of each consecutive month during the Term.

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

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

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

4.3 PERCENTAGE RENT: At the current time, Lessee does not intend to use the premises for "retail sales," defined herein as the on-site or online sale of consumer goods by a business to end consumers. Should Lessor approve a use of the premises for retail sales, Lessor shall be entitled to a percentage of each sale based on rates by similar ports on the west coast.

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

4.3.2 Records. Should the Lessor approve a use of the premises for retail sales, Lessee shall keep and preserve and shall require its sublessees, licensees and concessionaires to keep and preserve, in Monterey County, for a period of not less than three (3) years after the delivery to Lessor of Lessee's certified statement for the last calendar quarter of each Lease Year, complete, accurate and customary records of all amounts received during each Lease Year in the Premises, whether or not included in Gross Sales. However, in the case of a controversy concerning the amount of Percentage Rent for a Lease Year(s) under this Lease, Lessee shall keep and preserve said records until the controversy has ended. Lessor shall be entitled at reasonable times during business hours, personally or through duly authorized agents, at its own expense, to inspect and make copies of such records, together with any other documents bearing directly on Lessee's Gross Sales under this Lease. Lessee shall, upon the verbal request of Lessor or its agents, produce and make such records and other documents available to Lessor or its agents for the purpose of such inspection and copying.

4.3.3 Audit. Lessor shall be entitled to have an audit made of all amounts received by Lessee from business transacted in the Premises, whether or not included in "Gross Sales", for a prior Lease Year. Lessee shall, upon the verbal request of Lessor or its agents, produce and make the records and other documents to which Section 4.3.1 refers available to Lessor or its agents for the purpose of such audit. If the audit discloses that any statements for the period audited are inaccurate, adjustment shall be made in the following manner upon notice to Lessee: Within ten (10) days after delivery of such notice, Lessee shall pay to Lessor any Minimum Rent then due. If the computation discloses that Lessee overpaid Minimum Rent for such Lease Year, then Lessee shall be entitled to a credit in the amount of such overpayment against the next payment(s) of Rent due under this Lease. If the audit further discloses that Lessee has understated Percentage Rent by three percent (3 %) or more, in addition to payment of any rent paid, Lessee shall immediately pay the cost of the audit.

4.4 Acceptance of Payment. No payment by Lessee or receipt by Lessor of a lesser amount of Minimum Rent or any other amount due under this Lease shall be deemed to be other than on account of the earliest due Rent or payment, nor shall any endorsement or statement on any check or any letter accompanying any such check or payment be deemed an accord and satisfaction, and Lessor may accept such check or payment without prejudice to Lessor's right to recover the balance of such

Rent or payment or pursue any other remedy available under this Lease, at law or in equity. Lessor may accept any partial payment from Lessee without invalidating any contractual notice required to be given under this Lease (to the extent such contractual notice is required) and without invalidating any notice required to be given pursuant to California CODE OF CIVIL PROCEDURE §1161, as it may be amended from time to time.

4.5 Adjustment of Minimum Rent. The Minimum Rent shall be adjusted every year for inflation. For the purpose of calculating the adjustment to Minimum Rent, the Adjustment Date shall be on January 1st. Each such increase shall be determined as follows:

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

4.5.2 At each Adjustment Date, the Minimum Rent payable during the immediately preceding year shall be increased by the amount of any percentage increase in the Index last published for the period January – December of the preceding year as compared with the Index published for the same calendar month of the preceding year. In no event shall the Minimum Rent for any year be reduced below the amount payable during the immediately preceding year.

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

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

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

4.6 Adjustment of Rent: If at the end of the regular term of the Lease the Lessee decides to exercise its five (5) year option, the annual rent in effect during the fifteenth (15th) year of the term of this Lease shall be adjusted to reflect the current fair market rental value of comparable property within the District or like property in other similar Harbor Districts, taking into account all other specific provisions of this Section 4 which shall remain in effect. Such value shall be determined by agreement of the Lessor and Lessee within thirty (30) days from the date negotiations commence, or in the absence of such agreement, by one independent appraiser jointly selected by Lessor and Lessee. If the Parties are unable to agree to the value or on a single appraiser, each party shall select an appraiser, and the two appraisers shall work together to determine the value of the property, which determination shall be binding on the Parties. Any appraiser appointed under this provision shall be qualified by training and experience, disinterested and independent and shall be a member in good standing of the American Institute of Real Estate Appraisers or its successor, and all appraisals shall be rendered in writing and signed by the appraiser making the report. All reasonable costs, fees and expenses of the appraiser shall be borne equally by Lessor and Lessee.

5 TERM OF LEASE

5.1 DURATION: The lease term shall be for a period of Fifteen (15).

5.2 CANCELTION: The Parties recognize that the term of the lease, with or without the exercise of the option provided in Section 6, may extend beyond the useful life of the Cannery Building, as determined in the sole discretion of the Lessor. In the event Lessor determines it no longer desires to lease space in the Cannery Building, due to the age of the building and the related cost of renovations or repairs necessary to maintain ongoing rental use, Lessor shall have the right to cancel and terminate this Lease upon providing Lessee with twelve (12) months' notice. Upon receipt of said notice, Lessee shall have the right to terminate its tenancy prior to the expiration of said 12 month period without penalty or further obligation to pay rent.

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

6 OPTION TO RENEW

Subject to satisfaction of the conditions precedent set forth below, Lessee shall have One (1) option to extend the term of the lease for a period of Five (5) years, with the exercise of the first option beginning the day after the expiration of the initial term, on the following terms and conditions.

6.1 Lessee’s Option Term shall be subject to satisfaction of each of the following conditions precedent, which are solely for the benefit of, and may be waived unilaterally by, Lessor: (1) Option shall be exercised by written notice delivered by Lessee to Lessor not later than six (6) months prior to the end of the term; (2) Lessee shall be in occupancy of the leased premises directly, and not through an assignee or sublessee; and (3) the lease shall be in effect and Lessee shall not be in default of any material provision thereof both on the day such written notice is delivered to Lessor and on the last day of the term; provided, however, if Lessee is in default but the cure period has not run, this condition shall be deemed satisfied if Lessee cures the default within the applicable cure period.

6.2 In the event the term shall be extended following exercise by Lessee of the Option to Renew, then all terms, covenants and conditions of the lease shall remain in full force and effect during the option renewal period, including a fair market value increase to minimum annual rent as subject to an independent appraisal in the discretion of the Lessor during such renewal period. The independent appraiser shall appraise the leasable premises on comparison with related businesses along the central coast of California. The appraiser shall be selected by mutual agreement of the parties; if agreement is not reached on the selection of an appraiser within fifteen (15) days, then Lessee and Lessor shall each chose an appraiser, each of whom shall agree to select a third appraiser to appraise the premises.

7 USE AND SERVICES

7.1 Use: Lessee shall operate and maintain a first-rate and complete facility for the purpose of general office use and fish processing, or other uses compatible with the Monterey County Land Use Plan and subject to Lessor and government agency approval.

7.2 Limitations on Use. Lessee’s use of the Premises shall be in accordance with section 7.1.

7.3 Prohibited Uses: The parties hereto agree that the following acts, occurrences or conduct by Lessee on or from the Premises are strictly prohibited:

7.3.1 Engaging in any activity that constitutes a violation of any law.

7.3.2 Acts of gambling or the operation of games of chance or devices for gambling purposes unless allowed by Lessor on other properties owned or operated by Lessor.

7.4 Compliance with Laws. Except as otherwise provided herein, Lessee shall comply will all Laws and Legal Requirements concerning Premises or Lessee's use of the Premises. Lessee shall obtain and pay for all licenses and permits required for Lessee's occupancy and use of the Premises. Compliance with all laws shall include compliance with all requirements of each regulatory agency, which has jurisdiction over this site including but not limited to the California Regional Water Pollution Control Board.

7.5 Waste: Nuisance. Lessee shall not cause, maintain or permit any nuisance in, on, or about the Premises. Lessee shall not commit or suffer to be committed any waste in or about the Premises and shall keep the Premises in first class repair and maintain the same in Good Condition during the Lease Term.

8 BUSINESS RIGHTS AND RESTRICTIONS.

8.1 Use. The Premises shall be used solely for the use set forth in the above Section and for no other purpose or use whatsoever.

8.2 Restrictions. Lessee shall not, without Lessor's prior written consent, which shall not be unreasonably withheld: (a) conduct any auction or bankruptcy sale; (b) permit anything to be done on the Premises which will in any way obstruct, interfere with or infringe on the rights of other occupants in the Santa Cruz Cannery Building and K-Dock; (c) cause, maintain or permit any nuisance on the Premises or cause or permit any waste to be committed on the Premises; (d) bring or keep on the Premises or permit any act thereon which is prohibited by any law, statute, ordinance or governmental regulation now in force or hereafter enacted or promulgated, or which is prohibited by any standard form of fire insurance policy or standard policy insuring against "all risk" perils; or (e) violate any provision of any covenants, conditions and restrictions of record affecting the Premises, whether entered into before or after the date of this Lease.

8.3 Hazardous Materials. Lessee hereby makes the following covenants regarding Hazardous Materials:

8.3.1 Lessee shall at all times and in all respects comply with all federal, state and local laws, ordinances and regulations, including, but not limited to, the Federal Water Pollution Control Act (33 U.S.C. §1251, *et seq.*), Resource Conservation & Recovery Act (42 U.S.C. §6901, *et seq.*), Safe Drinking Water Act (42 U.S.C. §3000f, *et seq.*), Toxic Substances Control Act (15 U.S.C. §2601, *et seq.*), the Clean Air Act (42 U.S.C. §7401, *et seq.*), Comprehensive Environmental Response, Compensation and Liability Act 42 U.S.C. 9601~ California HEALTH & SAFETY CODE (§ 25100, *et seq.*; § 39000, *et seq.*), California Safe Drinking Water & Toxic Enforcement Act of 1986 (HEALTH & SAFETY CODE §25249.5, *et seq.*), California WATER CODE (§13000, *et seq.*), and other comparable state and federal laws ("Hazardous Materials Laws"), relating to industrial hygiene, environmental protection or the use, analysis, generation, manufacture, storage, disposal or transportation of any oil, flammable explosives, asbestos, urea formaldehyde, radioactive materials or waste, or other hazardous, toxic, contaminated or pollution materials, substances or wastes, including, without limitation, any "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" under any laws, ordinances or regulations (collectively, "Hazardous Materials").

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

8.3.3 Lessee shall immediately notify Lessor in writing of: (i) any enforcement, cleanup, removal or other governmental or regulatory action instituted, completed or threatened pursuant to any Hazardous Materials Laws; (ii) any claim made or threatened by any person against Lessee or the Premises relating to damage, contribution, cost recovery compensation, loss or injury resulting from or clarified to result from any Hazardous Materials; and (iii) any reports made to any environmental agency arising out of or in connection with any Hazardous Materials in or removed from

the Premises or the Project, including any complaints, notices, warnings or asserted violations in connection therewith. Lessee shall also supply to Lessor as promptly as possible, and in any event within five (5) business days after Lessee first receives or sends the same, with copies of all claims, reports, complaints, notices, warnings or asserted violations, relating in any way to the Premises, or Lessee's use thereof. Lessee shall promptly deliver to Lessor copies of hazardous waste manifests reflecting the legal and proper disposal of all Hazardous Materials removed from the Premises.

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

9 SIGNS AND ADVERTISING

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

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

10 IMPROVEMENTS, REPAIRS AND MAINTENANCE

10.1 Lessor's Build-Out: Lessor will provide office and shop shell's, bare floors, walls, doors and hardware using standard-grade materials. Any upgrades will be borne by Lessee.

10.2 Lessor's Obligations: Except as to those obligations expressly charged to Lessee, Lessor will keep and maintain the Santa Cruz Cannery Building in tenantable condition and repair, shall maintain the exterior of the building, the heating, ventilation, air conditioning, mechanical and lighting system and costs incurred in so maintaining the Building will be borne by Lessee in accordance with Section 4.5.5.

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

interest as described elsewhere in this lease on the cost so reflected from fifteen (15) days after the date of the billing until the date paid by Lessee.

10.4 Alterations:

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

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

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

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

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

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

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

10.4.2.6 Prior to commencement of work on any Alteration, Lessee shall furnish to Lessor evidence reasonably satisfactory to Lessor that Lessee's contractor has obtained all insurance reasonably required by Lessor (including, but not limited to, commercial general liability insurance, worker's

compensation insurance, builder's risk insurance and course of construction insurance) in amounts of coverage reasonably required by Lessor; and

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

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

11 DAMAGE AND RESTORATION

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

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

12 EMINENT DOMAIN

12.1 If (a) the entire premises is taken or condemned by any competent authority for any public use or purpose during the term of this lease, or (b) a part of the premises is so taken or condemned and Lessee exercises its option to terminate this lease as hereinafter provided, then all damages awarded for such taking shall belong to and be the property of Lessor; provided, however, in the event a separate and specific allowance is made by the condemning authority or by the court based upon (i) the loss of Lessee's business, or (ii) the expense of removing Lessee's equipment, furniture, fixtures and other property from the premise, then such separate and specific allowance shall be the property of Lessee; provided further, Lessee shall have the right to prosecute its claim for any such loss or expense. In either event, this lease shall terminate when Lessee can no longer use the premises in the manner contemplated under this lease, when physical possession of the premises is required by the appropriating or condemning authority, or when legal title to the premises vests in the appropriating or condemning authority, whichever first occurs.

12.2 In the event a part of the premises is appropriated or condemned and (i) the part so taken includes the building or any part thereof, or (ii) such partial taking results in precluding direct access from the premises to all adjacent public streets, then and in such event, Lessee, at any time either prior to or within a period of sixty (60) days after the date on which possession of the part of the premises so taken is required by

the appropriating or condemning authority, may elect to terminate this lease. In the event Lessee fails to exercise any such right to terminate this lease, or in the event a part of the premises is taken or condemned under circumstances under which Lessee has no such right, then in either such event, Lessor, with reasonable promptness, shall make necessary repairs to and alterations of the improvements on the premises for the purpose of restoring the same to an economic architectural unit, susceptible to the same use as that which was in effect immediately prior to such taking and to the extent that may have been necessitated by such appropriation or condemnation. Lessee shall be entitled to an abatement of all rent during the period such repairs and alterations are being made; provided, however, if Lessee operates Lessee's business on the premises during the period such repairs and restorations are being made, Lessee, during such period, will pay rent in the amount provided below.

- 12.3 In the event a part of the premises is appropriated or condemned and Lessee does not exercise its right to terminate this lease or does not have the right as above provided, then this lease shall terminate with respect to that part of the premises so taken. The monthly installments of rent shall be reduced in such event, as of the date when physical possession the part of the premises taken is required by the appropriating or condemning authority, by a proportional amount equal to the proportion that the area of that part so taken bears to the total area of the premises immediately prior to such taking.

13 UTILITIES

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

14 PROPERTY, LIABILITY AND OTHER INSURANCE:

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

14.1 PUBLIC LIABILITY AND PROPERTY INSURANCE:

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

14.2 LIABILITY INSURANCE:

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

14.3 FIRE INSURANCE AND EXTENDED COVERAGE

Lessee shall, at Lessee's sole cost and expense, obtain and maintain in full force and effect at all times a standard policy insuring the leased premises, trade fixtures, equipment, and other personal property located in the premises and used by Lessee in connection with its business against "all risk" perils (also known as "special cause of loss") in an amount equal to the full replacement cost (without deduction for depreciation) of the leased premises and such equipment and personal property. Such policy shall name Lessor as a loss payee and include a standard form of lender's loss payable endorsement, issued to the holder or holders of mortgage or deed of trust secured in whole or in part by the legal parcel on which premises is located. Such policy shall not be subject to cancellation or change in coverage except upon at least thirty (30) days prior written notice to Lessor. Such policy, a duly executed evidence of property insurance (in the form of I.S.O. accord 27) or other insurance industry-recognized certificate evidencing such policy shall be deposited with Lessor at the commencement of the effectiveness of this Section and not less than thirty (30) days prior to the expiration of the term of such coverage.

14.4 WORKERS' COMPENSATION

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

14.5 BLANKET INSURANCE

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

14.6 GENERAL REQUIREMENTS

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

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

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

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

14.6.4 If Lessee fails or refuses to procure or to maintain insurance required by this Lease or fails or refuses to furnish Lessor with required proof that the insurance has been procured and is in full force and effect and paid for, Lessor shall have the right, but not the obligation, upon five (5) days written notice to Lessee, to procure and maintain said insurance. The premiums paid by the Lessor shall bear interest at the legal rate then in effect in the State of California from the date when the premium is paid by Lessor.

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

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

15 INDEMNITY

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

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

16 SECURITY DEPOSIT:

16.1 AMOUNT

On the execution of this Lease, Lessee shall deposit with Lessor a refundable security deposit in the equivalent amount of one month's rent, as security for the full and faithful performance by Lessee of the terms, conditions and covenants of this Lease to be performed by Lessee. The type of security deposit shall be in accordance with that specified in the General Conditions. Security Deposit shall not constitute payment of last month's rent. Said security deposit shall be increased annually in accordance with Paragraph 4.7.1 through 4.7.4. of this Lease in order that said security deposit shall always reflect current rent.

16.2 DEFAULT OF RENT

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

16.3 TERMINATION OF TENANCY

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

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

17 NOTICES AND PAYMENTS

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

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

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

17.2 All payments and notices to Lessee shall be given or mailed to:
Local Bounty, a California Corporation, and Alan Lovewell
7532 Sandholdt Rd. Suite 10A
Moss Landing Ca, 95039
831.345.5135

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

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

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

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

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

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

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

18.3 LIENS:

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

19 ESTOPPEL CERTIFICATE

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

20 DEFAULT

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

20.1.1 Upon court order, may terminate Lessee's right to possession of the premises at any time. No act by Lessor other than giving notice of termination to

Lessee shall terminate this lease. Acts of maintenance, efforts to relet the premises or the appointment of a receiver on Lessor's initiative to protect Lessor's interest under this lease shall not constitute a termination of Lessee's right to possession. On termination, Lessor shall have the right to recover from Lessee:

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

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

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

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

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

20.1.2 Lessor may exercise the remedy provided in California CIVIL CODE § 1951.4, i.e., Lessor may continue this lease in full force and effect, and collect rent as it becomes due, so long as Lessor does not terminate Lessee's right to possession pursuant to Section 20.1.1. During the period Lessee is in default, Lessor may enter the premises and relet them, or any part of them, to third parties for Lessee's account. Lessee shall be liable immediately to Lessor for all costs Lessor incurs in reletting the premises, including broker's commissions, expenses of remodeling the premises required by the reletting, and like costs. Reletting can be for a period shorter or longer than the remaining term of this lease. Lessee shall pay to Lessor the rent due under this lease on the dates the rent is due, less the rent Lessor receives from any reletting. No act by Lessor allowed by this subsection will terminate this lease unless Lessor notifies Lessee in writing that Lessor elects to terminate this lease. After Lessee's default and for so long as Lessor does not terminate Lessee's right to possession of the premises, if Lessee obtains Lessor's consent, Lessee will have the right to assign or sublet its interest in this lease, but Lessee will not be released from liability. If Lessor elects to relet the premises as provided in this subsection, rent that Lessor receives from reletting will be applied to the payment of: (i) first, any indebtedness from Lessee to Lessor other than rent due from Lessee; (ii) second, all costs, including for maintenance, incurred by Lessor in reletting; (iii) third, rent due and unpaid under this lease. After deducting the payments referred to in this subsection, any sum remaining from the rent Lessor receives from reletting will be held by Lessor and applied to payment of future rent as rent becomes due under this lease. If, on the date rent is due under this lease, the rent received from the reletting is less than the rent due on that date, Lessee will pay to Lessor, in addition to the remaining rent due, all costs, including maintenance, Lessor incurred in reletting which remain after applying the rent received from the reletting.

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

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

20.3 Waiver of Notice: Performance by Lessor Upon Lessee's Default. Notwithstanding any provision of this Section: (a) if Lessee is required to comply with any governmental requirement, Lessee shall not be entitled to notice of default from Lessor or any right to cure beyond the period within which such compliance may be required by such governmental requirement; or (b) with respect to provisions of this lease which expressly provide that this lease may be terminated effective on service of notice, Lessee shall be entitled to a right to cure only if a right to cure is required by law; or (c) if in Lessor's reasonable business judgment the continuation of any default by Lessee for the full period of notice provided for in this Section will jeopardize the premises or the rights of Lessor, Lessor may, with or without notice, elect to perform those acts with respect to which Lessee is in default for the account

and at the expense of Lessee. If by reason of such default by Lessee, Lessor is compelled to pay or elects to apply any sum of money, including, but without limitation, reasonable attorney's fees, such sum or sums so paid by Lessor, with interest thereon from the date of such payment at the rate provided in this lease, shall be due from Lessee to Lessor on the first day of the month next following such payment by Lessor.

20.4 Interest. Any amount owed to Lessor under the terms and provisions of this lease which is not paid when due shall bear interest at the rate provided below from the date the same becomes due and payable by the terms and provisions of this lease until paid, unless otherwise specifically provided in this lease. The interest rate that shall apply shall be the highest rate allowed by applicable law.

20.5 Other remedies. Nothing contained in this lease shall limit Lessor to the remedies set forth in this Section. Upon Lessee's breach, Lessor shall be entitled to exercise any right or remedy then provided by law, including, but not without limitation, the right to obtain injunctive relief and the right to recover all damages caused by Lessee's breach in the performance of any of its obligations under this lease.

20.6 Each term and each provision in this Lease to be kept, observed, or performed by Lessee shall be construed to be both a covenant and a condition.

21 INSOLVENCY

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

21.1 Neither this Lease, nor any interest in this Lease, nor any estate created hereby, shall pass by operation of law under any state or federal insolvency or bankruptcy act to any trustee, receiver, assignee for the benefit of creditors or any other person whatsoever without the prior written consent of Lessor, which may be withheld in Lessor's discretion, but which shall not be unreasonably withheld. Any purported transfer in violation of the provisions of this Section shall constitute a breach of this Lease, regardless of Lessee's compliance with the other provisions of this Lease; and Lessor at its option by written notice to Lessee may exercise all rights and remedies provided for in Section 20, including the termination of this Lease, effective on service of such notice without the necessity of further notice.

21.2 Any receiver, trustee in bankruptcy or Lessee as debtor in possession ("debtor") to which Lessee's interest under this Lease is transferred with Lessor's consent under Section 21.1 immediately preceding shall, within the time permitted under the applicable statute, either expressly assume or reject this Lease following the entry of an "Order for Relief".

21.3 In the event of an assumption of this Lease by a debtor, receiver or trustee, such debtor, receiver or trustee shall immediately after such assumption (i) cure any default of Lessee or provide adequate assurances that defaults of Lessee will be promptly cured; and (ii) compensate Lessor for actual pecuniary loss or provide adequate assurances that compensation will be made for actual pecuniary loss; and (iii) provide adequate assurance of future performance. For the purpose of this Subsection, adequate assurance of future performance of all obligations under this Lease shall include, but is not limited to:

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

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

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

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

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

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

22 REMEDIES CUMULATIVE.

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

23 ATTORNEY'S FEES.

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

24 WAIVER OF DEFAULT

The waiver by either party of any default in the performance by the other of any covenant contained in this Lease shall not be construed to be a waiver of any preceding or subsequent default of the same or any other covenant contained in this Lease. The subsequent acceptance of Rent or other amounts under this Lease by Lessor shall not constitute or be deemed to constitute a waiver of any preceding default other than the failure of Lessee to pay the particular Rent or other amount or portion thereof so accepted, regardless of Lessor's knowledge of such Preceding default at the time of acceptance of such Rent or other amount. The failure of either party to enforce any provisions of this Lease shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Lease.

25 NO PARTNERSHIP

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

26 SUBTENANCIES.

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

27 SUCCESSORS.

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

28 REMOVAL OF LESSEE'S PROPERTY

Upon expiration of the Term of this Lease or upon any earlier termination thereof, Lessee shall remove at its own expense all of Lessee's equipment, merchandise and personal property

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

29 EFFECT OF CONVEYANCE.

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

30 LESSOR'S DEFAULT; NOTICE TO LENDER.

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

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

31 INTERPRETATION.

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

32 ENTIRE INSTRUMENT.

It is understood that there are no oral agreements between the parties affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, correspondence, arrangements, brochures, agreements and understandings, if any, between the parties or their representatives or displayed by Lessor to Lessee with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease. This Lease cannot be modified in any respect except by writing signed and entered into by Lessor and Lessee. This Lease Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreement whether oral or written. The lease amount may be adjusted at each renewal period to fair market value determined by independent appraisals if requested by either party.

33 EASEMENTS.

This Lease is made expressly subject to:

33.1 Any conditions, covenants, conditions and restrictions and/or easements of record on the Premises and/or the Project: and

33.2 Any easements for utilities or ingress and egress that now or hereafter may be placed of record by Lessor for purposes of the common benefit of the occupants of the Project. Lessee agrees to execute such documents necessary to subordinate its interest hereunder to such easements, provided such easements will not affect adversely Lessee's use of the Premises.

34 SALE BY LESSOR.

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

35 PAYMENTS.

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

36 NO OFFER.

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

37 DISPUTED SUMS

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

38 ASSIGNABILITY/SUBLETTING:

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

39 RIGHT OF ACCESS

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

40 DELAYING CAUSES

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

41 SEVERABILITY

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

42 NON-DISCRIMINATION

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

Discrimination Act of 1975 (42 USC 6102) and Section 504 of the Rehabilitation Act of 1973 (26 USC 794).

43 SUBORDINATION

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

44 GOVERNING LAW

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

Local Bounty, a California Corporation,
and Alan Lovewell, an Individual.
LESSEE

**MOSS LANDING HARBOR DISTRICT,
LESSOR**

By: Alan Lovewell

By: Tommy Razzeca
General Manager

Dated:

Dated:

Local Bounty

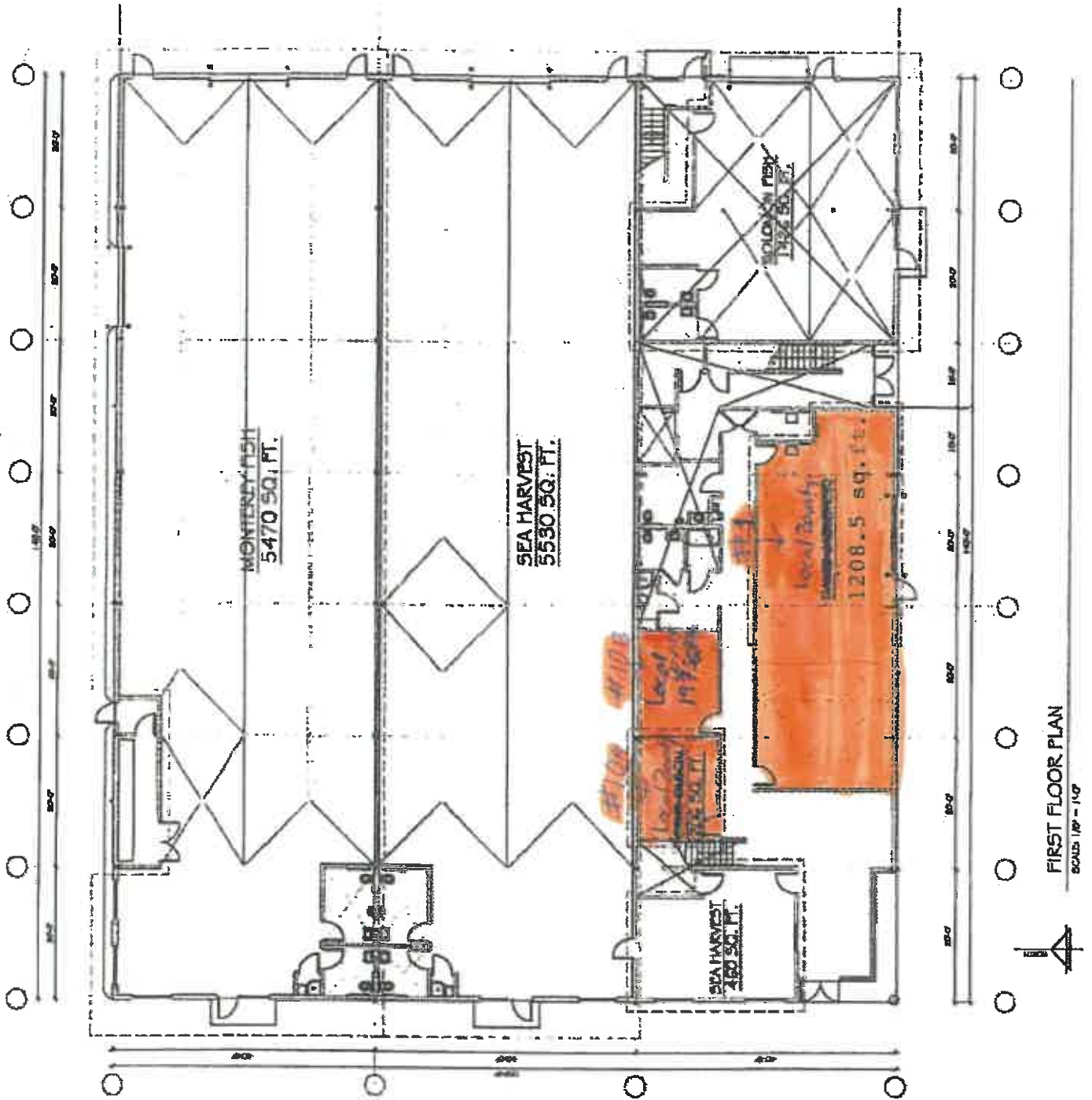


EXHIBIT A

FIRST FLOOR PLAN
SCALE 1/8" = 1'-0"

GENERAL CONDITIONS

All references in these General Conditions to “District” shall have the same meaning as “Lessor” in the Lease to which these General Conditions are attached. In the event of any conflict between the terms of the Lease to which these General Conditions are attached, and the terms of these General Conditions, the terms of the Lease shall govern and control.

ARTICLE I - WARRANTY OF TITLE.

A. District warrants that it has authority to lease the lands in question and that there are no restrictions, liens or encumbrances that would prevent Lessee from developing and operating the business enterprises provided for in this Lease except as may be specifically set forth in the Lease documents.

B. District further warrants that development on lands owned or controlled by the District shall be of compatible uses. District and Lessee agree that this Lease shall in no way limit District's right to develop like business enterprises and other compatible uses at any time on lands owned or controlled by the District.

ARTICLE II - DECLARATION OF KNOWLEDGE BY LESSEE

Lessee warrants that Lessee has carefully examined this Lease and by investigation of the site and of all matters relating to the Lease arrangements has fully informed itself as to all existing conditions and limitations affecting the construction of the Lease improvements and business practices required in the operation and management of the uses contemplated hereunder.

ARTICLE III - QUIET ENJOYMENT

Lessee, paying the rent herein reserved, and performing and observing the several covenants and conditions by it to be kept and performed, may peaceably hold and enjoy the leased premises subject to the terms, covenants, and conditions of this Lease during the term thereof.

ARTICLE IV - CONSTRUCTION

A. Lessee shall be responsible for the construction of Lessee-owned improvements at its sole cost and expense.

B. Lessee shall submit and obtain approval of plans and specifications for all improvements as designated and/or required by the Harbor District, and all applicable codes, ordinances and permits, including but not limited to Monterey County, California Coastal Commission, U.S. Army Corps of Engineers, California Regional Water Quality Control Board, and Monterey Bay Unified Air Pollution Control District.

C. Performance and Payment Bond. No construction shall be commenced nor be deemed to have commenced at the leased premises until Lessee has provided District a Performance and Payment Bond in the amount of the total estimated construction costs of the improvements to be constructed by Lessee. Said bond shall be in a form acceptable to District, approval of which will not be unreasonably withheld and shall state the following:

1. That it is conditioned to secure the completion of the proposed construction, free from all liens and claims.

2. That the construction work shall be fully and faithfully performed by Lessee, the general contractor, or, on their default, the surety.

3. That in default of such completion and payment, such part of the amount of the bond as shall be required to complete the work shall be paid to District as liquidated and agreed damages for the nonperformance of the Lessee's agreement; it being agreed that the amount of the District's damages is extremely difficult to ascertain and determine.

4. That the surety will defend and indemnify District against all loss, costs, damage, expense, claims, and liabilities arising out of or connected with the construction.

In lieu of a Performance and Payment Bond, Lessee may provide construction surety bonds supplied by Lessee's general contractor or contractors, provided such bonds contain the same conditions, are issued jointly to Lessee and District, and are in an amount equal to the total estimated construction cost of the improvements.

Should Lessee act as owner/builder, then all subcontractors shall provide construction surety bonds on the same conditions as above stated for construction surety bonds to be provided by Lessee's general contractor.

All construction Performance and Payment Bonds shall be issued by a responsible surety company qualified to do business in the State of California acceptable to District, and shall remain in effect until the entire cost of the work shall have been paid in full and the new improvements shall have been insured as provided by the Lease.

D. Certificate of Completion. Upon completion of said improvements and any approved modification thereto, Moss Landing Harbor District will execute and deliver to Lessee a Certificate of Completion which will recite that District has inspected and approved all improvements and that there exists no default in this Lease with respect to said improvements as of the date of the certificate, if such is the fact.

E. Statement of Construction Costs and "As-Built" Plans. Within sixty (60) days following completion of any substantial improvement within the leased premises, Lessee shall furnish District a complete set of "As-Built" plans and an itemized statement of the actual construction cost of such improvement. The statement of cost shall be sworn to and signed by Lessee or his responsible agent under penalty of perjury.

F. Approval of Changes. All future construction, structural modifications, alterations, or major or minor repair shall not be commenced without District's prior written approval of the plans, specifications, and schedule for such construction, structural modification, or alteration.

G. Notice of Nonresponsibility. District may post upon the leased premises a "Notice of Nonresponsibility."

H. Mechanics Liens. Lessee shall at all times indemnify and save District harmless from any and all claims for labor and materials in connection with construction, repair, alterations, or installation of structures, improvements, equipment, or facilities at the leased premises, and from the cost of defending against such claims, including attorneys' fees.

In the event a lien is imposed upon the leased premises as a result of such construction, repair, alteration or installation, Lessee shall procure and record a Bond in accordance with the provisions of California Civil Code Section 3143, which frees the leased premises from the Claim of the lien and from any action brought to foreclose the lien.

Should Lessee fail to procure and record said bond within ten (10) days after the filing of any such liens, this Lease shall be in default and shall be subject to immediate termination by District, anything in this Lease to the contrary notwithstanding.

ARTICLE V - OMITTED

ARTICLE VI - FEE FOR FAILURE TO PAY WHEN DUE

All monies, including, without limitation, rent security deposit, fees for failure to pay when due, as hereinafter provided, liquidated damages, and any other payments that Lessee is obligated to make, which are payable to District by Lessee, are agreed to be payable without abatement, deduction, or offset of any kind or character whatsoever.

If money payable to District as a Condition of this Lease is not paid when due, a fee of two percent (2%) of the amount due and unpaid shall be added to the amount due and such total sum shall be due and payable to District as of the original delinquency date. A further fee of five percent (5%) of the amount due and unpaid, including the previous fee, shall be added unless said amount is paid within sixty (60) days from the date when said amount was originally due.

From the date when due, all such monies shall bear interest at the legal rate then in effect in the State of California, until paid.

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

ARTICLE VII - SECURITY DEPOSIT

Lessee shall provide District with, and at all times thereafter maintain, a security deposit in the amount of one month's lease total rent, adjusted annually by the Consumer Price Index. The security deposit shall take one of the forms set out below and shall guarantee Lessee's full and faithful performance of all the terms, covenants, and conditions of this Lease:

- A. Cash.
- B. The assignment to District of a savings deposit held in a financial institution in Monterey County acceptable to District. Such assignment shall consist of delivery to District of the original passbook for such savings deposit and execution and delivery of a written assignment of said deposit to District on a form approved by District.
- C. A renewable Time Certificate of Deposit from a financial institution in Monterey County wherein the principal sum is made payable to District on order. Both the financial institution and the form of the certificate must be approved by District.
- D. A renewable instrument or instruments of credit from one or more financial institutions, subject to regulation by the state or federal government, pledging that funds necessary to secure performance of the Lease terms, covenants, and conditions are guaranteed for payment, and agreeing that said funds shall secure Lessee's performance, and that all or any part shall be paid to District upon demand. Both the financial institution(s) and the form of the instrument(s) must be approved by District.

Lessee may change the form of security deposit (A. through D., inclusive above) only within thirty (30) days after any anniversary of the lease term. Regardless of the form in which Lessee elects to make said security deposit, all or any portion of the principal sum shall be available unconditionally to District for correcting any default or breach of

this Lease by Lessee, his successors or assigns, or for payment of expenses incurred by District as a result of the failure of Lessee, his successors or assigns, to faithfully perform all the terms, covenants, and conditions of this Lease.

Should Lessee elect to assign a savings deposit to District, provide a Time Certificate of Deposit, or provide an instrument of credit to fulfill the security deposit requirements of this Lease, the form of the certificate must be approved by District.

Should Lessee elect to assign a savings deposit to District, provide a Time Certificate of Deposit, or provide an instrument of credit to fulfill the security deposit requirements of this Lease, the depository or issuer therein shall incur no liability because of the payment of any or all of the principal sum to District upon demand. The agreement entered into by Lessee with a financial institution to establish the deposit necessary to permit assignment or issuance of a certificate, as provided above, may allow the payment to Lessee of interest accruing on account of said deposit. If at any time during the term of this Lease, any rent or any other sum payable to District shall be overdue and unpaid, District may, at District's option, apply any portion of this security deposit to the payment of any overdue rent or any other sums due and payable to District under this Lease.

Should the entire security deposit or any portion thereof be appropriated and applied by District for the payment of overdue rent or any such other sum due and payable to District by Lessee, then Lessee shall within thirty days (30) after written demand by District, restore said security deposit to the required amount.

Lessee shall maintain the required security deposit throughout the Lease term. Failure to do so shall be deemed a default and shall be grounds for immediate termination of this Lease.

The security deposit shall be rebated, reassigned, released or endorsed to Lessee or order, as applicable, at the end of the lease term, provided Lessee is not then in default and has performed its obligations required to be performed under the terms of this Lease.

ARTICLE VIII - INSURANCE

A. INSURANCE DURING LESSEE CONSTRUCTION. Lessee shall maintain, keep in force and pay all premiums required to maintain and keep in force all classes of the following insurance at all times during which there is any construction, including "major repair" (as later defined in this Lease):

1. Builders Risk Insurance. "All risks" builders risk insurance including vandalism and malicious mischief, covering all material and equipment at the job site furnished under contract, but excluding contractor's, sub-contractor's and construction manager's tools and equipment and property owned by contractor's or sub-contractor's employees, with limits of not less than one hundred percent (100%) of the total estimated cost of construction.

2. Boiler, Unusual hazards and Other Insurance. Boiler and machinery insurance in such amounts of coverage as reasonably satisfactory to District if at any time or from time to time such equipment is located on the leased premises. If Lessee commences, permits, or causes the conduct of any activity or the bringing or operation of any equipment on or about the leased premises creating unusual hazards, Lessee shall, promptly on notice of demand from District, procure and maintain in force during such activity or operation, insurance sufficient to cover the risks represented thereby. District's demand for unusual hazard insurance shall not constitute a waiver of District's right, if

District would otherwise have that right, to demand the removal, cessation, or abatement of such activity or operation. Other insurance, in amounts from time to time reasonably required by District, against other insurable risks, if at the time such insurance is procurable and the total premium cost for such insurance does not exceed an amount equal to the total premium cost for insurance required under this Lease to be kept in force and maintained during the period such Construction is in progress.

3. Workers' Compensation Insurance. Workers' Compensation Insurance covering all persons employed in connection with the work and with respect to death or bodily injury claims that could be assessed against District or the leased premises.

B. During the term of this Lease, Lessee shall maintain, keep in force, and pay all premiums required to maintain and keep in force the insurance stated in the lease agreement and the following insurance:

1. Fire and Extended Coverage. Amounts as stated in lease agreement. District shall, at Lessee's sole cost and expense, cooperate fully with Lessee to obtain the largest possible recovery, and all policies of fire and extended coverage insurance required by this Article shall provide that the proceeds shall be paid to Insurance Trustee (hereinafter defined), the proceeds of which shall be deemed to be held in trust by the recipient for the uses and purposes prescribed by this Lease.

a. Insurance Trustee. Prior to the commencement of the terms of this Lease, Lessee shall designate the Insurance Trustee, which designation shall be subject to approval by District.

The Insurance Trustee may be any California or federally chartered savings and loan association, a federally chartered bank, or trust company, preferably with an office or branch located within twenty (20) miles of the leased premises. In the absence of a designation by Lessee or approval by District, the General Manager of the Moss Landing Harbor District shall serve as Insurance Trustee.

b. Powers and Duties of Insurance Trustee. All proceeds payable pursuant to the provision of any policy or policies of fire insurance or extended coverage shall be expressly made payable in case of loss or damage to, and shall be assigned and delivered to, the Insurance Trustee for District and Lessee for the following purposes with the following powers and duties, except if the proceeds do not exceed the amount defined in this Lease as the measure of "minor repairs," such proceeds shall be adjusted by and paid to Lessee and shall be applied by Lessee for repair, restoration, or reconstruction of any improvement damaged or destroyed by the casualty giving rise to the Insurance claim:

(1) All proceeds received by the Insurance Trustee from any insurance policy or fire insurance policy or extended coverage policy shall first be used, subject to any other conditions contained in this Lease, by such Insurance Trustee as a fund for the restoration and repair of any and all buildings, improvements, and equipment located on the leased premises which have become destroyed or damaged. Such proceeds in such event shall be used and applied by the Insurance Trustee in satisfaction and discharge of the cost of the restoration of the damaged or destroyed building, improvements, and equipment.

(2) Such proceeds shall be paid out by the Insurance Trustee from time to time to persons furnishing labor or materials, or both, including architect's fees and contractor's compensation in the construction work on vouchers approved by a licensed architect or engineer employed by Lessee to superintend the work;

provided, however, that if such Insurance Trustee shall, in its reasonable discretion, determine or conclude that such vouchers are being improperly approved by such architect or engineer, or if no such architect or engineer is appointed, then such Insurance Trustee shall have the right to appoint an architect or engineer chosen by the Insurance Trustee to supervise the construction work and to make payments on vouchers approved by such last-mentioned architect or engineer. The reasonable expenses or charges of such architect or engineer shall be paid by such Insurance Trustee out of the trust fund.

(3) Any proceeds not disbursed by the Insurance Trustee, as provided above, and remaining in the hands of the Insurance Trustee after the completion of the restoration or the repair work and the payment and discharge of the cost thereof, shall, within thirty (30) days after written demand made by Lessee and accompanied by reasonable proof of such completion and payment, be delivered by the Insurance Trustee to Lessee.

(4) If the amount of the insurance proceeds is insufficient to pay the actual cost of reconstruction, repair, or rehabilitation, such deficiency will be borne and provided for by Lessee by depositing same with the Insurance Trustee within one hundred twenty (120) days following the request by the Insurance Trustee to Lessee requesting a sum equal to the amount of such deficiency.

(5) Lessee shall, at all times prior to a loss thereon be entitled to cause the surrender of any policy or policies of fire insurance or extended coverage insurance and to receive the allowable rebate of unearned premiums thereon upon the condition however, that Lessee first shall substitute a policy or policies in an equal or greater amount.

(6) All actual costs and charges of the Insurance Trustee shall be borne and paid by Lessee.

(7) If the Insurance Trustee shall resign or for any reason be unwilling to act or continue to act, the Lessee shall designate a substitute Insurance Trustee in the same manner and subject to the same conditions as provided for designation of the original Insurance Trustee.

2. Products Liability Coverage. Limits for personal injury including accidental death of not less than Three Hundred Thousand Dollars (\$300,000) for any one person and Five Hundred Thousand Dollars (\$500,000) for any one occurrence and property damage in an amount of not less than Five Hundred Thousand Dollars (\$500,000).

C. Lessee may procure and maintain any insurance not required by this Lease, but all such insurance shall be subject to all other provisions of this Lease pertaining to insurance and shall be for the mutual benefit of District and Lessee.

D. All insurance required by express provisions of this Lease shall be carried only with responsible insurance Companies licensed to do business in the State of California. All such policies shall be non-assessable and shall contain language, to the extent obtainable, to the effect that:

1. Any loss shall be payable notwithstanding any act or negligence of District, its officers, agents, and employees that may otherwise result in a forfeiture of the insurance;

2. The insurer waives the right of subrogation against District, its officers, agents and employees;

3. The policies are primary and non-contributing with any insurance that may be carried by

District; and

4. The policies cannot be canceled or materially changed except after thirty days (30) prior written notice by the insurer to District.

E. District may, at any time, require Lessee to increase the minimum dollar amounts for insurance required by this Lease, but every such increase shall be reasonable under the circumstances and in no event shall such increases more than double in any ten-year period.

ARTICLE IX - POSSESSORY INTEREST TAXES, TAXES, ASSESSMENTS AND FEES.

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

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

C. The payment of any such taxes, fees, or charges shall not constitute cause for modification of rent payable by Lessee.

D. If the imposition of any tax, fee, charge, duty, or assessment shall be deemed by Lessee to be improper, illegal, or excessive, Lessee may, at its sole cost and expense, dispute and contest the same in any manner provided by law, provided, however, any such taxes, fees, charges, duties, or assessments shall have first been paid.

ARTICLE X - OPERATIONS.

A. Rents and Services. Lessee shall operate the leased premises compatibly with other Lessees and in a manner similar to those prevailing in other harbor facilities in Northern California furnishing the same services and amenities. Lessee shall, at all times during the lease term, provide adequate security measures to reasonably protect persons and property on and adjacent to the leased premises.

The ultimate purpose of this Lease for the benefit of the public is the complete and continuous use of the Lease facilities. All facilities and services shall be made available to the public without discrimination as to age, race, marital status, sex, sexual orientation, disability, national origin or religious creed.

The immediate purpose of this Lease is the development of the premises and the realization of the greatest possible revenue therefrom by Lessee and District.

It is agreed that the ultimate and immediate purposes are consistent and compatible. Accordingly, Lessee covenants and agrees to operate said premises fully and continuously to accomplish said purpose.

B. Cooperation Among Lessees.

1. Lessee shall cooperate with all other Lessees of District who will be operating enterprises in the vicinity of the leased premises, and shall conduct its operations so as to avoid interference with the operations of other Lessees. Any difference or conflict that may arise between Lessee and other Lessees will be adjusted by District. If

the operations of Lessee are impaired because of any acts or omissions of such other Lessees, Lessee shall have no claim against District on that account.

C. Environmental Protection.

Lessee shall take all reasonable measures available to:

1. Avoid any pollution of the atmosphere or littering of land or water caused by or originating in, on, or about Lessee's facilities.
2. Keep the noise level on the leased premises in accordance to the conduct of a fish processing operation and wholesale/retail sales.
3. Keep the lights on the leased premises from adversely affecting the operation of boats in the area.
4. Prevent all pollutants, including petroleum products of any nature, from being discharged into the harbor waters.

D. Supervision by Lessee.

Lessee's management shall be personally experienced and skilled in management of operations as are contemplated under this Lease. Lessee shall give resident attention to efficient supervision of Lease operations, using its best skill, and shall keep employed, at all times, a competent supervisor and any necessary assistants. Lessee's supervisor shall represent Lessee in its absence for the operation of the facility upon the leased premises, and all directions given to him shall be as binding as if given to Lessee.

E. Violation of this Article. A violation of this article shall constitute a breach of this Lease and District shall have all rights and remedies provided by law except that such a breach shall not be grounds for termination or cancellation of this Lease.

ARTICLE XI - LIQUIDATED DAMAGES

A. Violation and Amount. In addition to all other remedies available to District for violations or breaches of this Lease, District shall have the right to demand and Lessee agrees to pay liquidated damages in the sum of one two-hundredth (1/200) of the security deposit required by this Lease for each day a violation exists of any of the following provisions of the Lease:

ARTICLE 7 USES AND SERVICES

ARTICLE 10.2 ALTERATIONS

ARTICLE 4.4 FINANCIAL REPORTS AND RECORDS

Such damages are and will continue to be impractical and extremely difficult to determine. Execution of this lease shall constitute agreement by Lessee and District that actual damages for breach of any of said provisions are and will continue to be impractical and extremely difficult to determine and that one two-hundredths (1/200) of the security deposit required by this Lease per day is the minimum value of the cost and actual damage caused by any violation named in this article.

Such damages shall not be payable for any period prior to written notice to Lessee from General Manager that a violation exists. Should Lessee dispute the finding that a violation exists, Lessee may request in writing that the

Board of Harbor Commissioners makes a determination that a violation exists. Such damages shall then be payable by Lessee.

B. Declaratory Relief. Lessee shall have the right to have any court of competent Jurisdiction determine whether there has been a violation of this Article; provided, however, that once a violation has been determined to have occurred, the agreed liquidated damages shall be one two-hundredths (1/200) of the security deposit required by this Lease for each day the violation existed after written notice to Lessee from General Manager that a violation exists.

ARTICLE XII - PROTECTION OF LEASED PREMISES

Lessee shall maintain its facilities in such a manner as to protect District's property from damage, injury, loss, or liability, excepting such as may be caused by fault or negligence of officers, agents, or employees of District.

ARTICLE XIII - COMPLIANCE WITH LAWS AND REGULATIONS

A. Lessee shall at all times observe and comply with, and shall cause all its employees to observe and comply with all applicable laws, ordinances, regulations, orders, and decrees of all public authorities having jurisdiction over operations under this Lease, whether now in force or which may hereafter be in force.

B. If the imposition of any law, order, ordinance, regulation, or direction shall be deemed by Lessee to be improper, illegal, excessive, or unreasonable, it may at its sole cost and expense, dispute and contest the same in any manner provided by law.

ARTICLE XIV - HOLD HARMLESS

A. Lessee shall defend all suits brought against District, its officers, agents, or employees, or naming District, its officers, agents, or employees as a defendant wherein it is alleged that operations by Lessee or conditions on the leased premises create a liability of District, its officers, agents, or employees, and Lessee shall pay any and all judgments against and save and hold District, its officers, agents, and employees harmless from any liability, cost, expense, or loss on account thereof, except that judgments solely based on acts or omissions of District, its officers, agents, or employees need not be paid by Lessee and further except that Lessee need not hold District, its officers, agents, or employees harmless therefrom.

B. District shall give written notice to Lessee within ten (10) days after any suit shall have been served on District wherein it is alleged that operations by the Lessee or conditions on the leased premises create a liability of the District. District shall give written notice to Lessee within thirty (30) days after the filing of any written claim against District wherein it is alleged that operations by the Lessee or conditions on the leased premises create a liability of the District.

If such notice shall not be given within said periods, District shall indemnify Lessee and hold it harmless from any damages or loss Lessee may suffer as a result of District's failure to give such notice. Such notice, however, shall not be required in those instances where Lessee shall also have otherwise received notice of such claim or suit.

ARTICLE XV - OMITTED

ARTICLE XVI - ASSIGNMENT, SUBLETTING AND HYPOTHECATION

A. Lessee shall not suffer any person to occupy or use the leased premises or any portion thereof except in the normal course of business for the uses expressly permitted hereunder without the prior written approval of District. Lessee shall not assign or hypothecate this Lease or any interest therein or sublet the leased premises or any part thereof or any right or privilege appurtenant thereto without the prior written approval of District.

1. Conditions for Subleasing. Each sublease shall provide that, if Lessee defaults or breaches this Lease, and if the Sublessee is notified of Lessee's default or breach and if so instructed by District, Sublessee shall make rental payments to District or Encumbrance Holder. Lessee shall not accept, directly or indirectly, more than twelve (12) months prepaid rent from any Sublessee. Subrents shall be fixed at the fair rental value for the premises. Subleases shall be made expressly subject to this Lease and shall permit the Sublessee to perform any act required of Lessee under this Lease. Subleases shall expressly require the Sublessee to comply with the terms, covenants, and conditions of this Lease on the subleased premises, except that all percentage rents and subrents shall be paid to Lessee, and each sublease shall also include such other terms, covenants and conditions consistent with provisions of other leases of the District for similar uses, as may be required by this District. Lessee shall, promptly after execution of each Sublease, notify District of the name and mailing address of the Sublessee and shall, promptly after demand, at District's election, either provide District with a copy of the Sublease or permit District to examine and copy the Sublease.

2. The voluntary or other surrender of this Lease by Lessee, or mutual cancellation thereof, shall not work a merger, and shall, at the option of District, terminate all or any existing subleases or may, at the option of District, operate as an assignment to District of any or all such subleases.

3. Conditions for Assignment of Leasehold. Any assignment or sublease of all or substantially all of the leased premises shall be deemed an assignment of the leasehold. Lessee shall file a Request to Assign Leasehold to which shall be attached a completed Proposer's Questionnaire prepared by the prospective assignee. Concurrently with filing the Request to Assign Leasehold, Lessee shall pay in cash or certified or cashier's check the sum of FIVE HUNDRED DOLLARS (\$500.00) to enable District to adequately investigate the proposed assignee's qualifications as a permitted assignee. If the proposed assignee's net worth on the date of assignment is not equal to or greater than Lessee's net worth at the commencement of this Lease, District may require Lessee to guarantee such Assignee's obligations hereunder for such period as District deems advisable. Net worth shall mean the amount by which the total of all assets shall exceed the total of all liabilities as determined in accordance with generally accepted accounting principles as approved by the District Auditor. District shall approve or disapprove any Requests to Assign Leasehold within thirty (30) days of receipt of such request. If District does not approve or disapprove the request within said thirty (30) days, and Lessee has notified District by registered mail that the Request to Assign Leasehold has been duly made and the sum for investigation of the prospective assignee has been duly paid, and that thirty (30) days have elapsed without approval or disapproval by District, then if District does not approve or disapprove the Request to Assign Leasehold within ten (10) days of such notification, District shall be deemed to have approved the Request to Assign Leasehold.

The consideration passing to Lessee from such assignee upon transfer of Lessee's interest in this Lease to a District-

approved person or entity shall not be included as gross receipts for the determination of rent.

Upon assignment of Lessee's interest in this Lease to a District-approved assignee who has unconditionally assumed the obligations imposed by this Lease, Lessee and its predecessors in interest shall be relieved of all obligations hereunder arising after the date of such transfer.

B. Hypothecation. Lessee may, with the prior written approval of District, grant a security interest to this Lease for the purpose of financing construction, including "major repairs" and "minor repairs" subject to compliance with each and every condition that follows. Financing includes both the construction (and interim loan) and the take-out (or permanent or long-term) loan. District shall not unreasonably withhold approval.

1. No security interest in this Lease (which term shall be deemed to include the leasehold mortgage or deed of trust, the note evidencing any indebtedness secured by such leasehold mortgage or deed of trust and all documents evidencing the commitment of financing) shall extend to or affect the fee, the reversionary interest, or the estate of District in and to any land or District-owned improvements now or hereafter erected on the leased premises.

2. No security interest in this Lease shall cover more than one indebtedness except upon consolidation of the construction and takeout loans, and then only to the extent of such consolidation. There shall be no more than one security interest outstanding at any time during the term of this Lease. No security interest in this Lease or assignment thereof shall be binding upon District in the enforcement of its rights under this Lease, nor shall District be deemed to have any notice thereof, unless such security interest complies with each and every provision of this Article pertaining to such security interest.

3. No security interest in this Lease shall be created with nor assigned to any person or entity, natural or artificial except an institutional lender (herein called "Encumbrance Holder") which shall mean any bonafide institution authorized under the laws of the State of California to lend money on the security of an interest or interests in real property, including but not limited to, an insurance company or trust company or real estate investment trust or mortgage trust or mutual fund or pension and welfare profit sharing fund or endowment fund with an investment portfolio of not less than Ten Million Dollars (\$10,000,000), a charitable or non-profit corporation or association with an investment portfolio of not less than Five Million Dollars (\$5,000,000), any California or federally chartered savings and loan association or bank, or F.N.M.A. or similar federally chartered corporations (if legally empowered to make loans contemplated by this Lease).

4. No security interest in this Lease or assignment thereof shall be valid unless all of the following conditions are met:

- a. At the time of making such security interest this Lease is in full force and effect; and
- b. Such security interest shall have been expressly made Subject to the terms, covenants, and conditions of this Lease; and
- c. Such security interest shall expressly provide that Encumbrance Holder shall provide evidence to District that Encumbrance Holder has accepted or approved the completed improvements and that the funds have been properly disbursed; and
- d. Such security interest shall expressly provide that any proceeds from insurance, including fire or extended coverage, shall be used for repair or rebuilding of the leasehold improvements and such other expenses

as are expressly required to be paid from such proceeds by this Lease. Such security interest may provide that after such proceeds have been so applied, any remaining balance, which would then be payable to Lessee, could be used to repay all or part of the outstanding loan secured by such security interest.

e. Such security interest shall expressly provide that all notices of default under the note and deed of trust or leasehold mortgage must be sent to District and Lessee, and that District shall have the right, but not the obligation, to cure the default or cause the default to be cured if Lessee fails to do so. District shall have twenty (20) days in which to cure any default or to cause any default to be cured after the time for Lessee to cure it has expired. Any Sublessee or Subtenant of such Sublessee of the leased premises shall have the right, but not the obligation, to cure any default within the period permitted for District to cure such default. If any such Sublessee or subtenant of a Sublessee cures all Lessee's defaults then existing, such Sublessee or subtenant's possession and use shall not be disturbed by Encumbrance Holder as long as the Sublessee or subtenant performs its sublease provisions and continues to perform the obligations of the Lessee, including payment of rent to the District and sums due the Encumbrance Holder according to their respective interests.

f. District shall have received written notice of the making of such security interest within five (5) days after the execution and delivery of such security interest and such security interest or abstract thereof shall have been recorded within ten (10) days after the execution and delivery thereof.

5. If Encumbrance Holder acquired Lessee's interest in the Lease as a result of a sale under the security interest pursuant to a Judgment of foreclosure or through any transfer in lieu of foreclosure, including, without limitation, purchase at trust deed sale, such Encumbrance Holder shall have the privilege of transferring its interest in such Lease to a wholly owned subsidiary corporation without the prior consent of District, and in such event, such Encumbrance Holder shall be relieved of any further liability under this Lease arising from and after such transfer.

6. Encumbrance Holder shall have the right, at any time during the term of the outstanding security interest and while this Lease is in full force and effect, to do any act or thing required by this Lease to be performed by Lessee in order to prevent a forfeiture of Lessee's rights hereunder, and all such acts or things so done shall prevent a forfeiture of Lessee's rights hereunder as if done by Lessee.

7. Written consent of Encumbrance Holder shall be obtained prior to any amendment to this Lease.

8. Each and all of the provisions, agreements, terms, covenants, and conditions of this Lease to be performed, kept and observed by District and Lessee shall be binding upon the heirs, executors, administrators, successors, and assigns of District and Lessee, and all rights, privileges and benefits arising under this Lease in favor of District, Lessee and Encumbrance Holder shall be available in favor of the heirs, executors, administrators, successors, and assigns thereof respectively, provided, however, that any assignment, hypothecation, or subletting by or through Lessee or Encumbrance Holder in violation of the provisions of this Lease shall be void, and no rights whatsoever shall be conferred thereby.

C. Hypothecation or Assignment for Benefit of Creditors

A general assignment by Lessee for the benefit of creditors, or any action taken by Lessee under any insolvency or bankruptcy act, shall constitute a breach of this Lease by Lessee and be cause for immediate termination of this Lease by District, anything in this Lease to the contrary notwithstanding.

ARTICLE XVII - OWNERSHIP OF LESSEE

A. Any voluntary change in legal status of Lessee, including, without limitation, a change to a sole proprietorship, partnership, corporation, joint venture, or any other entity, natural or artificial, or any voluntary transfer of or alteration in the ratio of the evidences of ownership interests in Lessee, shall be deemed an assignment prohibited by ARTICLE XVI - ASSIGNMENT, SUBLETTING AND HYPOTHECATION, unless the prior written consent of the District be obtained. Any dispute shall be processed in accordance with the procedure set forth in ARTICLE XIX - CLAIMS AND PROTEST.

B. Any transfer of this Lease or any interest therein from Lessee by corporate reorganization, merger, consolidation, or liquidation, shall be deemed an assignment prohibited by ARTICLE XVI - ASSIGNMENT, SUBLETTING AND HYPOTHECATION, unless the prior written consent of District be obtained. Such consent shall not be unreasonably withheld by District. Any dispute shall be processed in accordance with the procedure set forth in ARTICLE XIX - CLAIMS AND PROTEST.

C. Any appointment of a receiver to take possession of the leased premises or the improvements, or of Lessee's interest in the leasehold or Lessee's operation on the leased premises for any reason, including but not limited to, involuntary bankruptcy proceedings, or the subjection of any right or interest of Lessee directly related to the business conducted on, at or from the leased premises to attachment, execution, or other levy, or to seizure under legal process, in any such event, unless the appointment of the receiver or attachment, execution, or other levy, or seizure under legal process, is released, and all consequent orders, adjudications, custodies, and supervisions are dismissed, vacated, or otherwise permanently stayed or terminated within ninety (90) days after the appointment, filing, or other initial event, such event shall be deemed an assignment prohibited by ARTICLE XVI - ASSIGNMENT, SUBLETTING AND HYPOTHECATION. Any extension of time may only be granted upon the condition that a written Request for Extension of Time is filed with the District prior to the expiration of said ninety (90) day period, and upon such further conditions as the District, in its sole discretion, shall see fit to impose.

D. Anything in this Lease to the contrary notwithstanding, any default or breach of this Article shall be cured, if Encumbrance Holder elects to pursue its right to foreclose on its security interest and notifies District in writing of its intention to do so within twenty (20) days after receiving Notice of Intention to Terminate by District, as provided in ARTICLE XVIII, DEFAULT OR BREACH, and each and every condition of its right to foreclose of its security interest occurs.

ARTICLE XVIII - OMITTED

ARTICLE XIX - CLAIMS AND PROTEST

During reasonable hours and when Lessee or a corporate officer of Lessee is present, District, its agents or employees, shall have the rights, but not the obligations, to enter upon and inspect the leased premises and operations, and to make written demand upon Lessee to perform its obligations under this Lease. Such demand shall specify the obligations to be performed.

If Lessee disputes such demand, within thirty (30) days after any such demand is given, Lessee shall file a written protest of demand with District, stating clearly and in detail its Objections and reasons. If Lessee does not file such protest within thirty (30) days, Lessee shall be deemed to have waived all claims for damages and adjustments against District arising out of the demand.

Upon receipt of any such protest from Lessee, District, its agents or employees, shall review the demand Objected to and Lessee's protest, and shall within thirty (30) days notify Lessee in writing of its decision, which shall be binding on all parties, unless within thirty (30) days thereafter Lessee shall file with the District a request for reconsideration. Within thirty (30) days of receipt of such request for reconsideration, District shall render its decision. Failure by District to render its decision within thirty (30) days shall be deemed a reflection of the protest and ratification of District's initial decision.

ARTICLE XX - REENTRY BY DISTRICT WITHOUT TERMINATION

A. Reentry. If Lessee is in default or breach of any of the terms, covenants, or conditions of this Lease or if Lessee abandons the leased premises, then District, in addition to any other rights or remedies to which it may be entitled, instead of sending a Notice of Intention to Terminate as provided in ARTICLE XVIII - DEFAULT OR BREACH, may send a Notice of Intention to Reenter. Twenty (20) days after sending such Notice of Intention to Reenter, if Lessee is still in default or breach, District may send a Notice of Reentry. The exercise of such right to send Notice of Reentry shall prevail over, supersede, and suspend the rights of Encumbrance Holder if such Notice of Reentry is sent to Encumbrance Holder prior to receipt by District of Encumbrance Holder's Notice of Intention to Foreclose Security Interest and if District applies the subrentals received and collected by District as below provided. Such rights of Encumbrance Holder shall remain suspended until District sends to Encumbrance Holder its Notice of Intention to Terminate. District shall have the immediate right of reentry upon sending Notice of Reentry to Lessee. A copy of such Notice of Reentry shall be sent by District to Encumbrance Holder.

B. Reletting. Should District elect to reenter, as herein provided, or should it take possession pursuant to legal proceedings or pursuant to any notice provided by law, or should it take possession upon abandonment of the leased premises by Lessee, District may either terminate this Lease as in this Lease provided, or District may, without terminating this Lease, from time to time, relet the leased premises or any part thereof for such terms (which may extend beyond the term of this Lease) and at such rental or rentals and on such other terms and conditions as District in its sole discretion may deem advisable with the right to make alterations and repairs to the improvements without liability to Lessee or Encumbrance Holder therefore; provided however, any alterations or repairs in addition to those required by this Lease to be performed by Lessee shall be subject to prior written consent of Encumbrance Holder.

C. Rentals. Should District upon Lessee's default or breach or abandonment elect to relet the leased premises without terminating this Lease, Lessee shall be deemed to have assigned, and does hereby assign, to District all subrents and other sums falling due from Lessee's subtenants, licensees, and concessionaires (herein called "subtenants") during any period in which District has the right under this Lease, if exercised from and after sending Notice of Reentry, to reenter the leased premises for Lessee's default or breach or upon Lessee's abandonment, and

Lessee shall not have any right to such sums during that period. District may collect the sums and may also bring action for the recovery of sums directly from such obligors. District shall receive and collect such sums (subrents and other sums falling due from subtenants), applying them except as otherwise ordered by a court or other regulating body having jurisdiction over the subject matter.



BOARD OF HARBOR COMMISSIONERS

Russell Jeffries
Tony Leonardini
Vincent Ferrante
James R. Goulart
Liz Soto

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GENERAL MANAGER
HARBOR MASTER
Tommy Razzeca

STAFF REPORT

ITEM NUMBER 20 – CONSIDER APPROVING MOU BETWEEN MLHD AND CARPENTERS
BOARD MEETING OF SEPTEMBER 28, 2018

The current MOU was negotiated in 2018 and expired June 30, 2022. The terms of the existing contract have remained in effect until a new contract is ratified by the Board.

General Manager Tommy Razzeca and the Personnel Committee members met with the Northern California Carpenters Regional Council representatives twice and have reached a tentative agreement pending the approval of the full Board. The highlights of the tentative agreement are listed below and included in the attached:

- **Article 10- Working Conditions**: Clarification regarding break periods
- **Article 11- Hours of Work, Shift Work and Overtime**: overtime clarification
- **Article 13- Funeral Leave**: Addition of brother-in-law/sister-in-law
- **Article 16- Holidays**: Addition of Martin Luther King Jr. Day as a paid holiday
- **Article 22- Term**: 5 year MOU term July 1, 2022 to June 30, 2027
- **Exhibit A- Wages**: increases as detailed in the attached over the 5 year term

Commissioner Ferrante is the Chair of the Personnel Committee with President Jeffries and the Committee may wish to provide additional comment regarding the tentative agreement and negotiations prior to the Board considering action to approve the agreement allowing the General Manager to execute the contract.

SERVING COMMERCIAL FISHING AND RECREATIONAL BOATING SINCE 1947

RESOLUTION NO. 22-13

A RESOLUTION OF THE BOARD OF HARBOR COMMISSIONERS OF THE MOSS LANDING HARBOR DISTRICT APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE MOSS LANDING HARBOR DISTRICT, NORTHERN CALIFORNIA CARPENTERS REGIONAL COUNCIL AND CARPENTERS 46 NORTHERN CALIFORNIA COUNTIES CONFERENCE BOARD AND THEIR AFFILIATED LOCAL UNIONS

WHEREAS, the District's Maintenance Workers (Lead Maintenance Worker, Maintenance Worker and Trainees) are a bargaining unit formally represented by the Northern California Carpenters Regional Council and Carpenters 46 Northern California Counties Conference Board and Their Affiliated Local Unions ("Carpenters"), with the terms and conditions of employment of said unit being set forth in a negotiated Memorandum of Understanding ("MOU"); and

WHEREAS, the MOU currently in effect was negotiated in 2018 with an expiration date of June 30, 2022, but has remained in effect during the period in which a new MOU is negotiated and ratified; and

WHEREAS, District General Manager Tommy Razzeca and the District's Personnel Committee met with Carpenters' representatives on several occasions and have reached a tentative agreement on the terms and conditions of a new MOU; and

WHEREAS, the new MOU features a number of modifications and amendments to the prior agreement, including but not limited to clarification of break periods, overtime clarifications, the addition of Martin Luther King Jr. Day as a paid holiday, increases to wages, and a new five-year term through June 30, 2027, and

WHEREAS, the Personnel Committee and the General Manager are now recommending the Board approve the 2022 MOU.

NOW THEREFORE, BE IT HEREBY RESOLVED by the Board of Harbor Commissioners of the Moss Landing Harbor District that the MOU between the Moss Landing Harbor District and Northern California Carpenters Regional Council and Carpenters 46 Northern California Counties Conference Board and Their Affiliated Local Unions, a copy of which is attached hereto as Exhibit A, and by this reference incorporated herein, is hereby approved and the General Manager is hereby authorized and directed to execute the same on behalf of the District.

CERTIFICATION

Resolution No. 22-13 was duly passed and adopted by the Board of Harbor Commissioners of the Moss Landing Harbor District at a meeting of the Board held on the 28th day of September, 2022, a quorum present and acting throughout, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Russ Jeffries, President
Board of Harbor Commissioners

ATTEST:

Tommy Razzeca, Deputy Secretary
Board of Harbor Commissioners

MEMORANDUM OF UNDERSTANDING

BETWEEN

MOSS LANDING HARBOR DISTRICT

AND

NORTHERN CALIFORNIA CARPENTERS REGIONAL COUNCIL

AND

CARPENTERS 46 NORTHERN CALIFORNIA COUNTIES CONFERENCE BOARD
AND

THEIR AFFILIATED LOCAL UNIONS

Effective July 1, 2022 through June 30, 2027

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PREAMBLE

This Agreement is by and between MOSS LANDING HARBOR DISTRICT, hereinafter referred to as District, and NORTHERN CALIFORNIA CARPENTERS REGIONAL COUNCIL, CARPENTERS 46 NORTHERN CALIFORNIA COUNTIES CONFERENCE BOARD AND THEIR AFFILIATED LOCAL UNIONS, hereinafter referred to as Union.

ARTICLE 1 - RECOGNITION

The District accepts the Union as the recognized employee organization for employees covered by this Agreement whose classifications are listed in Article 5 below. Excluded from the bargaining unit are management employees, including, but not limited to, the General Manager, Assistant Harbormaster, Maintenance Manager, Accounting Manager and Projects Manager; classifications not covered by this Agreement, and any subcontractors retained by the District.

ARTICLE 2 - UNION MEMBERSHIP

A. Agency shop as used in this Agreement shall mean an arrangement that requires an employee, as a condition of continued employment, to join, not later than the thirty-first (31st) day following the commencement of their employment, the recognized employee organization, or to pay the organization a service fee in an amount not to exceed the standard initiation fee, periodic dues, and general assessments of such organization for the duration of the Agreement, or a period of three years from the effective date of such Agreement, whichever comes first.

B. Any employee who is a member of a bona fide religion, body, or sect which has historically held conscientious objections to joining or financially supporting public employee organizations shall not be required to join or financially support the Union as a condition of employment, and is excluded from the provisions above. Each person requesting exemption among the agency shop provisions of this article shall file a claim with the Union on a form provided by the Union. A claim for a religious exemption must be filed with the District as a condition precedent to employment. Such employee shall remit an amount equal to service fees and dues required by the Union to a non-religious, non-labor, charitable organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.

C. The Union will hold harmless the District against any claim or obligation, which may be made by any person by reason of agency shop. The Union will have no monetary claim against the District by reason of failure to perform under this section.

D. The District shall give written notice to persons being processed for employment in a class represented by the Union. The notice shall contain the name and address of the Union, the fact that the Union is the exclusive bargaining representative for the employee's bargaining unit and classification. The District shall give the employee a copy of the current Memorandum of Understanding.

E. The District shall have no responsibility for collection and remittance to the Union of initiation fees, dues, and/or periodic assessments, and Agency fees specified in paragraph A, above.

ARTICLE 3- REPRESENTATION

A. The District agrees to admit at any reasonable time during normal operating hours, any authorized Union representative for the purpose of conducting Union business; provided however, there shall be no interference or interruption of working operations, and provided further that such representatives shall comply fully with all posted safety rules. The Union representative shall notify the General Manager or his/her designated representative of his/her presence on the job before conducting any Union business. The Union shall notify the District in writing of its representatives who are authorized to represent it in all matters arising between the Union and the District under any provisions of this Agreement.

B. The Union may select one (1) Shop Steward and one (1) Deputy to act in the absence of the Shop Steward from among the represented employees. The Shop Steward so selected shall represent the employees and the Union in the handling of grievances filed pursuant to this Agreement. Until the District is notified in writing of his/her removal from the position of Shop Steward, the Shop Steward shall for all purposes be considered a representative of the Union.

ARTICLE 4 - GRIEVANCE AND ARBITRATION

A. The District and the Union recognize that the settlement of grievances is essential to sound employee-management relations. The parties seek to establish a mutually satisfactory method of the settlement of grievances of employees. The parties encourage prompt settlement of grievances. In presenting a grievance, the aggrieved and his/her representative are assured freedom from restraint, interference, coercion, discrimination and reprisal. A grievance may only be filed that relates to:

1. An interpretation or application of any provision of this Memorandum of Understanding.
2. An interpretation or application of provisions of this Memorandum of Understanding which adversely affects an employee's wages, hours or other conditions of employment.
3. An interpretation or application of District procedures under District policies and/or ordinances which apply specifically to employees in the bargaining unit.
Specifically excluded from the grievance procedure are the following:
 1. Subjects involving amendment or change in any District resolution, ordinance or order.
 2. Dismissals of probationary employees upon original appointment during the first one hundred and eighty (180) days of employment.

3. Complaints regarding occupational health, safety, or the applicable procedures for such complaints.
 4. Complaints regarding workers' compensation or the applicable procedures for such complaints.
- B. Employees shall have the right to present their own grievances, or to do so through a representative. Grievances may also be presented by a group of employees, and grievances may be presented by the Union.

Grievance Procedures:

1. Informal:

Employees are encouraged to act promptly to arrange an informal meeting with their immediate supervisor in an attempt to resolve the matter. At the employee's option they may be represented at said meeting by the Union representative or Shop Steward.

2. Formal:

Step 1: Within thirty (30) calendar days of the occurrence or discovery of an alleged grievance, the grievance must be presented to the Department Manager, General Manager or his/her Designated Representative. The grievance submitted shall contain the following information: a) the name of the grievant; b) the nature of the grievance; c) the date, time and place of occurrence; d) the provisions of the Memorandum of Understanding or the personnel ordinance alleged to have been violated; e) any steps taken to secure informal resolution; f) corrective action desired.

Employees shall be permitted a reasonable time to meet with their designated representative. Reasonable time will be granted to the employee and the representative to handle the initial investigation and processing of the grievance. The designated representative may discuss the problem with the employees immediately concerned and attempt to achieve settlement of the matter.

Step 2: If the grievant is not satisfied with the first step decision, he/she may, within fifteen (15) working days after the receipt of that decision present a written appeal of the decision to the General Manager or the General Manager's Designated Representative. The General Manager or his/her Designated Representative must provide a written decision within fifteen (15) calendar days of receipt of the appeal.

Step 3: The decision of the General Manager may be appealed within ten (10) calendar days of written receipt. The appeal must be submitted in writing to the District's Board of Commissioners Personnel Committee. The appeal must contain the same information as provided for in *Step 1* above.

The Board of Commissioners shall provide for a hearing of the grievance in closed session at the next regularly scheduled public meeting of the Board of Commissioners. The grievant shall be given the opportunity to present evidence and witnesses on his/her behalf. A decision of the Personnel Committee shall be rendered in writing within fifteen (15) days after hearing the grievance.

Notwithstanding, a longer period for decision-making may be used if agreed to in writing by parties.

Step 4: In the event the grievance is not satisfactorily adjusted by the Board of Commissioners, or in the event there is no decision rendered in writing within the aforementioned time limits, the matter may be submitted to an Arbitrator. Each party shall bear the costs of its own presentation, including the preparation and post-hearing briefs, if any.

The Arbitrator shall be selected by mutual agreement between the Union and the District. If the parties are unable to agree upon an Arbitrator, the parties shall jointly request that the American Arbitrator's Association or other agreed upon Agency submit a list of five (5) qualified Arbitrators. The parties shall then strike names from the list until one name remains, and that person shall serve as the Arbitrator.

The Arbitrator shall be selected by the parties within thirty (30) calendar days of the receipt of the appeal at *Step 4*. The Arbitrator shall determine the most expeditious method of conducting the hearing. He/she shall determine whether or not briefs shall be filed, whether or not a transcript shall be ordered. Upon closing the record, the Arbitrator shall issue a written decision within thirty (30) calendar days of the conclusion of his/her hearing. The Arbitrator shall have no authority to add to, detract from, alter, amend or modify any provision of this Agreement or any provision of the District's personnel policies and/or rules, or impose on any party hereto a limitation or obligation not explicitly provided for in the Agreement or the Ordinance.

The decision of the Arbitrator shall be final and binding upon all parties.

ARTICLE 5 - SENIORITY

- A. Seniority as defined in this Agreement is length of service with the District from the employee's date of hire.
- B. For purposes of this Agreement, description of work shall be grouped into classifications as herein generally described, including but not limited to:
 - 1. **Maintenance Worker:** Under direction of the lead maintenance worker or Maintenance Manager or designee, repairs and maintains machinery, plumbing, physical structure and electrical systems in accordance with sound practice and District policy. Maintains grounds, piers, docks, buildings, equipment, marine floating equipment, roadways and parking lots in clean and orderly condition.

ESSENTIAL FUNCTIONS:

Inspects machinery and mechanical equipment for defects. Dismantles machines or equipment to gain access to defective parts and repairs them, using appropriate tools. Performs preventative maintenance tasks on a variety of equipment. Repairs plumbing, electrical, mechanical and other systems on docks and piers and in buildings owned or operated by the District. Performs carpentry work as necessary to repair District facilities. Paints as required, using brush or spray equipment as appropriate to the task. Performs masonry work as necessary to repair District facilities. Undertakes new installation projects as directed. Operates cranes, forklifts, trucks, boats, pile

drivers, dredges and other mechanical equipment as directed. Assists with moving boats and other marine equipment about harbor. Performs other work related duties as assigned. Other work related duties as assigned shall not include any managerial related duties which may include, but are not limited to:

- 1) Supervise, plan, schedule, assign, coordinate, and or direct the work of maintaining, repair, renovation, and/or construction of District facilities, property and/or equipment.
- 2) Prepare or coordinate employees' hours of work.
- 3) Determine equipment, material and/or staffing needs.
- 4) Assign duties or supervise District employees.
- 5) Direct, coordinate and/or solicit bids from contractors, sub-contractors, vendors and suppliers engaged by and performing work and providing services for the District.
- 6) Evaluate the performance and/or work of any District employee.
- 7) Prepare planning and scheduling of preventative and planned maintenance programs.
- 8) Produce and prepare time keeping records for other employees of the District.
- 9) Coordination and/or supervision of any safety and health programs including periodic safety meetings.
- 10) Prepare or coordinate the preparation of bid and bid specifications.

Employees shall, as a condition of continued employment, maintain a valid Class C California Driver's License. All costs incurred by employees when obtaining any other license, permit or certification required to drive or operate District equipment shall be borne by the District.

C. Layoffs will be made by classification in the reverse order of seniority, however due consideration shall be given to the ability of the employee laid off and the remaining employees to perform their job duties in a manner satisfactory in the District's sole discretion.

D. The first one hundred and eighty (180) days of employment shall be a probationary period. Performance of work during this period shall be to the satisfaction of the District. No seniority shall accrue during the probationary period, however, satisfactory completion of the probationary period shall cause seniority to accrue from date of hire.

E. Job descriptions contained in paragraph B above are not wholly inclusive. In order to maintain a well trained work force and to facilitate the operation of the District, duties and responsibilities contained therein may be periodically assigned to other employees, subject to the terms and conditions as specified in this Memorandum of Understanding.

ARTICLE 6 - NON-DISCRIMINATION

There shall be no discrimination of any kind by the District or Union against any employee on the basis of race, ethnicity, ancestry, national origin, sex, disability, sexual orientation, marital status, political affiliation, religious creed, veteran's status, union membership, or any other protected class.

ARTICLE 7 - NO STRIKE, NO LOCKOUT

- A. The Union and the employees agree that there shall be no strikes, slowdowns, picketing, job or economic action, or other concerted interference with the conduct of the District's business during the life of this Agreement.
- B. The District agrees that there will be no lockout during the life of this Agreement. A complete or partial reduction of operations or an operation by the District for economic or other business reasons is deemed not to constitute a lockout.
- C. It is understood that all disputes and grievances arising under this Agreement shall be settled under the grievance procedure set forth herein.
- D. Section C notwithstanding, a strike or lockout during the term of this Agreement shall be deemed a breach thereof and either party may seek such legal relief as may be available to it without first invoking the grievance or arbitration procedure herein set forth.

ARTICLE 8 - RIGHTS OF MANAGEMENT

- A. It is understood and agreed that the District has and reserves all the customary and usual rights, power, functions, and authority customarily exercised by management, including, but not limited to, the right to employ, transfer, fill vacancies, promote, demote, layoff, suspend or discharge, except as otherwise specifically designated or modified by the express provisions of this Agreement.
- B. Any of the rights, powers, functions or authority which the District had prior to the signing of this Agreement, or any agreement with the Union, including, but not limited to those in respect to rates of pay, hours of employment or conditions of work, are specifically retained by the District, except as those rights, powers, functions or authority are specifically abridged or modified by the express provisions of this Agreement.
- C. Employees shall comply with all lawful rules and orders of the District not inconsistent with this Agreement and agree to work for the District in the capacity retained.
- D. The District shall use employees covered under this Agreement to perform jobs covered under this Agreement; however, the District reserves the right to use management or supervisory personnel or other District employees to perform any work covered under this Agreement, as well as the right to hire subcontractors, temporary and temporary part-time employees for any work covered under this Agreement subject to the terms and conditions of this Agreement when all employees covered under this Agreement are working or where no employee covered by this Agreement is qualified, in the sole opinion of the District, to perform such work.

The District shall not use temporary employees and/or subcontractors to displace permanent or part time District employees. No employee covered by this Memorandum of Understanding shall suffer a reduction in work hours resulting from the District's use of temporary employees and/or subcontractors. The Union shall reserve the right to file grievances pursuant to Article 4 of this Memorandum of Understanding for any action taken by the District under this Article which the Union believes to be in violation of the Memorandum of Understanding.

ARTICLE 9 - SAFETY

A. The District shall abide by any and all federal, state, or local laws or regulations relative to safety, sanitation and health in the maintenance and operation of its plants. Failure to comply with any such law, ordinance, or maintenance of equipment shall not be deemed a breach of this Agreement until the same has been called to the attention of the District and such breach has not been remedied within fifteen (15) working days or longer with express consent of the parties.

B. No employee shall be required to work in any operation that constitutes a real and immediate danger of death or serious injury. The discharge of an employee for refusal to work in such conditions shall not be upheld if the employee has notified the District of the existence of that condition, the District has refused to correct it, and it is determined by the Arbitrator or Board of Commissioners, as applicable, that the condition in fact constituted a real and immediate danger of health, serious injury or death to the employee. Discharges arising as a result of an application of this provision shall be subject to the grievance procedure.

ARTICLE 10- WORKING CONDITIONS

A. The District shall provide any and all personal protective equipment and/or any required safety equipment required or necessary for the health and safety of employees, including, but not limited to: respirators, rain gear, personal floatation device, flash light, knee pads, safety shoes, hard hats. Additionally the District shall supply any and all tools required. The cost of all required safety equipment and tools will be borne completely by the District.

B. No employee shall be required to work in excess of five (5) hours consecutively without a meal period of one-half (1/2) hour, unless agreed upon otherwise by the District, the Union and the employees.

C. District shall authorize and permit all employees to take rest periods, which should take place sometime between the second (2nd) and third (3rd) hour of each four (4) hour work period unless otherwise approved by District. Nothing in this provision shall prevent District from staggering rest periods to avoid interruption in the flow of work and to maintain continuous operations, or from scheduling rest periods to coincide with breaks in the flow of work that occur in the course of the workday. The authorized rest period shall be based on the total hours worked daily at the rate of fifteen (15) minutes net rest time for every four (4) hours worked, or major fraction thereof. Rest periods shall take place at District designated areas, which may include or be limited to the

employee's immediate work area. In instances in which a rest period is not provided to an employee as a result of a District directive, or when an employee has requested and received prior District approval to refrain from taking a rest period, District shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each rest period not provided.

ARTICLE 11 – HOURS OF WORK. SHIFT WORK AND OVERTIME

A. Eight (8) continuous hours of labor constitutes a day's work. Any work in excess of eight (8) hours (up to four (4) additional hours) in one work day and any work in excess of forty (40) hours in any one (1) work week, up to a total of forty eight (48) hours, no matter how accumulated, shall be compensated at the rate of no less than one and one half (1½) times the regular rate of pay. Any work in excess of forty-eight (48) hours (beginning at the start of the forty ninth (49th) hour and twelve (12) hours in any one day shall be compensated at the rate of no less than twice the regular rate of pay. All overtime hours require prior approval of District. There shall be no pyramiding of overtime rate of pay.

B. When a four (4) day, forty (40) hour work week is used, ten (10) continuous hours of labor constitutes a day's work. Any work in excess of ten (10) hours in one work day and any work in excess of forty (40) hours in any one work week, the first twelve (12) hours worked on the fifth (day of any one work week shall be compensated at the rate of no less than one and one half (1½) times the regular rate of pay. The first eight (8) hours on the sixth (6th) day of work shall be compensated at one and one half (1½) times the regular rate of pay. Any work in excess of twelve (12) hours in any one day or any work in excess of eight (8) hours on the sixth (6th) day shall be compensated at the rate of no less than twice the regular rate of pay. Any work on the seventh (7th) day of a work week shall be compensated at the rate of twice the regular rate of pay. There shall be no pyramiding of overtime rate of pay.

C. If an employee is called back to work at other than the employee's regularly scheduled times, he/she shall be paid a two (2) hour minimum at one and one-half (1 ½) times their regular rate of pay. Continuous work, which carries an employee past the end of a regularly scheduled shift, does not constitute a call back under this section. Any employee who reports for work for his/her normal shift and no work is provided shall be paid a minimum of four (4) hours as show up time. If the employee reports to work for his/her normal shift and works more than four (4) hours, the employee shall be paid for actual hours worked.

D. The term "regular" employees as used in this Agreement shall be defined as an employee who has been retained in a position after the completion of his/her probationary period.

E. The term "full-time" employees as used in this Agreement shall be defined as an employee who works schedules or shifts of at least thirty (30) hours per week, or who, while working on a part-time basis, has accrued more than 1,250 hours in a calendar year.

F. The regular work week shall consist of five (5) consecutive eight (8) hour days, exclusive of a thirty (30) minute meal period, beginning between the hours of 6:00 and 8:00 am or four (4) consecutive ten (10) hour days exclusive of a one (1) hour meal period, or one half (1/2) hour at the option of the employee and with concurrence of the Manager, beginning between the hours of 6:00 and 8:00 am. Any time prior to or after the regularly scheduled starting and ending time shall be overtime.

G. Multiple shifts can be established for a minimum of three (3) days with the following shift differential: All shifts other than the regularly scheduled day shifts (swing shifts, graveyard shifts) shall receive a shift differential of thirty five (35) cents pay increase.

ARTICLE 12 - JURY DUTY

Employees shall be granted a leave of absence with pay for a period not to exceed eighty (80) hours to serve on a jury. Any time off for jury duty service in excess of eighty (80) hours shall be taken without pay. When an employee is first notified of a call for jury duty, he/she shall immediately inform the District, in writing, of such notification. The District agrees to pay the employee's straight-time hourly rate for a period not to exceed eighty (80) hours when the employee serves on a jury. Payment pursuant to this Article shall be conditioned on employee's remittance to District of all fees received from the County or State for such duties within thirty (30) days from the termination of jury service. Failure to remit such fees will result in District's right to deduct an amount equal to such fees from employee's next regular paycheck. Jury duty leave is for scheduled days of work only, and is limited to the time necessary to complete jury duty obligations, except where return to work would be for two (2) hours or less. Hours paid under the provision shall be counted as hours worked.

ARTICLE 13 - FUNERAL LEAVE

An employee shall be granted, upon request, a funeral leave for a period of up to three (3) days to arrange for, or attend the funeral of such employee's spouse, children, step or foster mother, father, brother, sister, mother-in-law, or father-in-law, brother-in-law, sister-in-law, grand-parents or grandchildren. If the employee travels two hundred (200) miles or more to arrange for, or attend the funeral of such employee's spouse, children, step or foster mother, father, brother, sister, mother-in-law, or father-in-law, brother-in-law, sister-in-law, grandparents or grandchildren funeral leave shall be for a period of up to five (5) days. The District agrees to pay the employee's straight time hourly rate for any time lost during any of the days up to a maximum of eight (8) hours for each such day. Any hours paid under this provision shall be considered as hours worked. Employees who require additional funeral leave may, with advance permission of the General Manager or the General Manager's designee, utilize accrued vacation time for additional days of leave.

ARTICLE 14 - WAGES

The wages to be paid each job classification shall be set forth in Exhibit "A" attached hereto and incorporated by reference.

ARTICLE 15 - PENSION

A. District shall continue the Pension Plan currently in effect, as a SEP/IRA, which it has heretofore provided for the benefit of its full-time employees covered by this MOU hired by the District prior to May 1, 2011 subject to the terms and provisions of said Plan. In each Fiscal Year covered by this Memorandum, the District shall contribute to employee's SEP/IRA accounts a sum equivalent to 11% of the employee's base rate calculated semiannual, payable in monthly deposits, said sum to exclude overtime, and any other premium pay rate.

The District shall provide a Pension Plan as a SEP/IRA for the benefit of its fulltime employees covered by this MOU hired by the District on or after May 1, 2011 subject to the terms and provisions of said plan. In each Fiscal Year covered by this Memorandum, the District shall contribute to employees SEP/IRA accounts a sum equivalent to 8% of the rate calculated semiannually, payable in monthly deposits, said sum to exclude overtime and any other premium pay rate.

If at any time, the District establishes any Pension Plan that may be of equal or greater benefit to the employees, the parties shall meet and confer as to which pension plan the employees will participate in.

ARTICLE 16 - HOLIDAYS

A. Full time employees shall be compensated for eight (8) hours pay at their regular straight-time rate for the following holidays: New Year's Eve Day, New Year's Day, Martin Luther King Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day After Thanksgiving, Christmas Eve Day, and Christmas Day.

B. If the employee works on these paid holidays he/she shall receive two (2) times their straight-time hourly rate for those hours worked.

C. If and when a paid holiday falls on a Saturday or Sunday, such holiday shall be observed by the District on the following Monday.

D. If the holiday falls during the vacation period of an eligible employee, he/she will receive an extra day's vacation or extra day's pay in lieu thereof.

ARTICLE 17 - LIFE AND HEALTH AND WELFARE

Medical Coverage: The District shall provide the sum of up to One thousand Six Hundred Ninety (\$1,690) and No/100 dollars toward medical, dental and vision coverage for all employees hired prior to May 1, 2011 covered by this Memorandum of Understanding and their immediate family. All future increases to these benefits shall be shared equally by the District and employee on a 50/50 basis: the employee shall pay 50% of any increase and the District shall pay 50% of any increase in benefit costs. Increases in health care costs only shall be limited to the CalPers PERS Choice benefit cost for Monterey County. This reference is to determine costs only and is not intended to define specific benefit coverage. Increases in dental and vision premiums shall be

based on actual increases to those plans. Any changes in plans or coverage shall require the District to meet and confer with the Union. Such changes in coverage or replacement plans shall be effective only upon the ratification of such changes by the parties to this Agreement.

For employees hired on or after May 1, 2011 the District shall provide the sum of up to One Thousand Two Hundred Seventy (\$1,270) and No/100 Dollars for health and welfare benefits for the employee, and if applicable, employee's immediate family. The employee will be entirely responsible for any increases that may occur after the date of hire.

Employees covered by this MOU shall be permitted at their discretion to adjust benefit levels in order to receive the greatest amount of benefit coverage allowable under the cost caps described above. Any coverage elected by employees that exceed the cost caps described above shall be borne completely by the employee. (Employees may choose a higher level of coverage other than that given by PERS Choice which may result in costs greater than the cost caps described above or employees with employee plus 1 allowances may wish to add more than one dependent.) Employees may, at their option, reallocate any or all of the SEP/IRA contributions paid by the District in order to cover the employee's share of the increase to health and welfare benefits, and conversely, may reallocate any such deferred contributions back into the employee's SEP/IRA account, all in accordance with applicable law. Any such adjustments requested by employee shall become effective Sixty (60) days following such request(s).

Unless other arrangements have been made for payment of employee's share of the contribution toward Health and Welfare benefits described above, employees covered by this MOU authorize the District to deduct from their paychecks their contribution. All contributions paid by employees toward their share will be pre-tax pursuant to IRS Rule 125.

The District may offer optional life insurance coverage to all employees covered by the Memorandum of Understanding in an amount equal to two (2) times the employee's annual salary, provided that the District is able to obtain suitable coverage. Any and all premiums for such optional coverage shall be born entirely by the individual employee.

ARTICLE 18 - SICK LEAVE

A. Full-time employees shall be credited with one (1) day of sick leave per month worked. Unused sick leave may be carried from year to year, to a maximum of thirty (30) days of accumulation. Earned sick leave pay may not be converted to a cash bonus.

B. A doctor's certificate or other reasonable proof of illness may be required by the District; provided, three (3) days' absence from the job where the illness is of such a nature as not to require the employee to be attended by a physician, the doctor's certificate referred to above shall be waived; however, such waiver shall be conditioned upon the employee notifying the District not later than one-half (1/2) hour following the employee's regular starting time on the first workday's absence that the employee shall

not report to work on that day due to said illness and further conditioned upon the employee notifying the District on the day before he/she plans to return to work of such intention to return to work. In the case of frequent use of sick leave, or where a pattern of sick leave abuse is suspected (i.e. ill on Mondays once a month), the District may require that an employee provide a physician's certificate to document any length of time in which it is alleged that the employee was too ill to work on a given day or days. If the employee does not provide a physician's certificate in the circumstances set forth in this subsection, the employee will not be entitled to sick leave and is subject to disciplinary action, up to and including termination. A doctor's certificate will be provided by the employee if requested by the General Manager in every instance of an absence due to illness that occurs on the day before or the day after a week-end or holiday.

C. In industrial injury or disability cases, Worker's Compensation or Unemployment Disability payments and sick benefit allowances shall be paid separately, but in the event Worker's Compensation payments or Unemployment Disability payments cover all or part of the period during which sick benefit allowances are paid, the sum of the two shall not exceed the sick benefit payable for said period, and the unused portion of accumulated sick leave will continue to be credited to the employee. Integration of sick leave benefits with Worker's Compensation or Unemployment Disability payments is to be automatic; the District may not waive integration, and any employee entitled to Worker's Compensation or Unemployment Disability payments must apply therefore in order that the principle of integration may be applied before sick benefits are payable.

ARTICLE 19 - VACATION TIME

A. Full-time employees shall earn vacation time on a pro-rata basis. Vacation time will be accumulated monthly from the employee's anniversary date and may be taken after one year of employment. Vacation will be earned as follows:

B. First five years of continuous employment: Two weeks (10 working days) per year, accumulated at the rate of .833 days per month.

C. Six through ten years of continuous employment: Three weeks (15 working days) per year, accumulated at the rate of 1.25 days per month.

D. Eleven through sixteen years of continuous employment: Four weeks (20 working days) per year accumulated at the rate of 1.667 days per month.

E. After twenty five years of continuous employment, full time employees shall be entitled to one (1) additional vacation day per year for each year after twenty five (25) years up to thirty (30) years of

service. As such, a full time employee will be entitled to a possible maximum of five (5) additional vacation days after thirty (30) years of service.

Vacation accrual for all eligible employees is limited to a maximum accrual equal to the amount of vacation that could be accrued during a twelve (12) month period. Once the maximum vacation accrual is reached, vacation time will not be accumulated until the bank of vacation hours has been reduced below the twelve month limit.

If an employee is prevented by his/her supervisor from taking vacation during a calendar year due to operational necessity, he/she shall be given a reasonable time period to reduce his/her vacation accrual level to a level at or below the number of hours earned in the last twelve (12) months. The time period shall be set by the General Manager, but cannot exceed six (6) months. If the vacation accrual level is not reduced by the end of the approved time period, the employee's leave balance shall be reduced to the level credited in the last twelve (12) months and the employee shall have no right to payment of the forfeited hours.

"Operational necessity" shall apply if the employee has submitted at least two (2) requests for vacation within the last six (6) months, which were denied by his/her supervisor because the employee was needed on the job (i.e. staff shortage, departmental or District emergency, etc.) Denial of a vacation request because one (1) or more employees in the same department have previously submitted and received approval for time off during the same period requested by the employee shall not be deemed "operational necessity."

ARTICLE 20 - LEAVE OF ABSENCE

An employee may request from the General Manager a leave of absence without pay for a period not to exceed twelve (12) months. Request for leave of absence must be made in writing to the General Manager. Employees shall accrue no benefits, including, but not limited to, sick leave and vacation benefits, while they are absent. Employee's medical and life insurance may be maintained at the employee's expense during the leave of absence pursuant to such terms as are required by the medical and life insurance carriers. All leaves of absences shall be uniformly administered on a non-discriminatory basis according to the procedures established by the District for all employees except as otherwise may be limited by this Memorandum of Understanding.

ARTICLE 21 - SEVERANCE PAY

In the event that the employee is terminated from the employ of the District because of a reduction in force, general lay-off, dissolution of the District, or other similar, non-disciplinary reason beyond the control of the employee, said employee shall be entitled to Severance Pay and benefits as follows:

- For each year of service, the employee shall receive an amount equal to two (2) weeks' pay, to a maximum of one (1) year's pay for twenty-six (26) years' service. The Severance Pay shall be computed at the highest salary achieved by the employee over the last three (3) years of service.
- The employee shall receive all accumulated vacation time.
- The District will provide professional placement services to the employee for a period not to exceed six (6) months.

ARTICLE 22 - TERM

This Agreement shall be for five (5) years commencing July 1, 2022 through June 30, 2027 and shall continue in full force and effect from year to year, unless written notice of a desire to modify or terminate this Agreement is given by either party no more than one hundred and fifty (150) and no less than sixty (60) days prior to the expiration date of this Agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands as of the date stated below.

FOR THE DISTRICT
MOSS LANDING HARBOR DISTRICT

FOR THE UNION
NORTHERN CALIFORNIA
CARPENTERS REGIONAL COUNCIL

By: _____
Tommy Razzeca, General Manager

By: _____
Tony Uzzle, Senior Field Representative

Dated: _____

Dated: _____

CARPENTERS 46 NORTHERN
CALIFORNIA COUNTIES CONFERENCE
BOARD

By: _____
Vince Ferrante, Secretary
Board of Harbor Commissioners

By: _____
Chris Pedroza, Executive Director

Dated: _____

Dated: _____

EXHIBIT A
WAGES

Effective upon ratification and for the life of this Agreement for all employees covered by this Memorandum of Understanding prior to July 1, 2018 shall be compensated at the following hourly rates:

A.	Lead Maintenance Worker	Maintenance Worker wage plus 25%
	Maintenance Worker	July 1, 2022 - \$26.95
		July 1, 2023 - \$28.57
		July 1, 2024 - \$30.00
		July 1, 2025 - +CPI
		July 1, 2026 - +CPI

B.	Trainee:	Percent of Applicable Wage Rate
		0-8 months 70%
		9-16 months 75%
		17-24 months 80%
		25-32 months 85%
		33-40 months 90%
		41-48 months 95%
		49 and thereafter 100%

Trainee is described as a new employee with less than forty eight (48) continuous months of employment in any one of the following classifications: Maintenance Department or Maintenance Worker.

Trainee's wage rates shall be based upon the basic wage rates of the classification in which they are employed and the length of their employment. Additionally, the District shall provide fringe benefits including, but not limited to: Pension, Health and Welfare, vacation, sick leave and holiday pay for all trainees regardless of level as set forth in the MOU.

CPI - The escalation to the base wage rates shall be determined on July 1, 2025 & 2026 by the Consumer Price Index, San Francisco, Oakland, Hayward area, Urban Wage Earners and Clerical Workers, base period 1982-84= 100. The reference period will be from April of the current year to April of the previous year. The District shall notify the Union as to the CPI increase amounts by classification no later than May 31 for July 1, 2025 & 2026.

(Note: CPI reference data sheet CWURS49BSA0)

EXHIBIT B
ALCOHOL AND DRUG POLICY

POLICY STATEMENT: The District has a firm commitment to its employees, supervisors and managers to provide a healthy and safe workplace and requires that employees, supervisors, managers, equipment and all operations meet current standards of health and safety.

Employees, managers and supervisors must be in condition to perform their duties safely and efficiently at all times while at work.

To achieve the goal of obtaining a safe and efficient workplace, the District will take disciplinary action, which will include immediate suspension of employment pending termination for the following:

1. Possessing, consuming, selling, dispensing, or being under the influence of alcoholic beverages on work time or on District property.
2. Possessing, consuming, selling, dispensing, or being under the influence of illegal drugs or controlled substances on work time or on District property.
3. Reporting to work under the influence of alcoholic beverages, illegal drugs or controlled substances.

If the individual is involved in a serious accident or injury or if one or more levels of management have probable suspicion to believe that prohibited actions have occurred or are occurring, the District reserves the right to use drug and alcohol detection techniques including but not limited to the following:

1. Chemical testing of the suspect individual in accordance with the below policy.
2. Searching District property used by the suspect individual, including but not limited to, the following District property: desks, work areas, lockers, vehicles, tool boxes, etc. All searches will be done only after approval from a representative of the District.

All searches should be conducted by at least two levels of management. This authority to search District property shall be limited to District owned property and shall not extend to the employee's personal property or vehicles owned by the employee.

3. Probable suspicion is defined to mean suspicion based on specific personal observations concerning the employee's (1) appearance, (2) behavior, (3) speech, or (4) breath odor; or (5) in the event of a serious accident or injury. Serious accident is defined as damage to property estimated to be in excess of \$1,000. Serious injury is defined as an injury whereby the employee is not released by the physician to return to his/her normal duties by his/her next scheduled shift. Suspicion is not probable cause and thus not a basis for testing if it is based solely on third party observations, hearsay, or reports from customers or others.

Because alcohol or drug-related problems affect everyone's safety and efficiency, any individual who has reason to believe that a manager, supervisor, or co-worker has a chemical dependency problem, or may be engaging in any of the prohibited actions set forth above, is urged to discuss his/her concerns with a manager or supervisor. The manager or supervisor who has been informed of such problem will provide relevant information to District representatives as appropriate.

Any individual who believes that he/she has a chemical dependency problem with drugs or alcohol is encouraged to report the problem to the District. If an individual voluntarily reports such a problem to the District prior to any discipline being imposed for violation of the drug/alcohol policy, the individual shall be permitted but not required to take a leave of absence without pay for a maximum of thirty (30) days to participate in a treatment program. Upon completion of the program, the individual shall be reinstated to employment. This benefit shall be permitted one time only during the individual's employment with the District.

ESTABLISHING PROBABLE SUSPICION FOR DISCIPLINARY PROCEDURES:

The following procedures should be strictly followed on each occasion that management or a supervisor has reason to believe that an individual is reporting to work, or is at work on District property, under the influence of alcohol, illegal drugs or controlled substances.

1. A manager or supervisor should, prior to any confrontation with the individual, make note of the indications that cause the suspicion.
2. A manager or supervisor should, if possible, prior to any confrontation with the individual, ask another person, preferably a supervisor to discreetly and without confrontation, make contact with the individual for the purpose of forming his/her own opinion. The manager or supervisor must make a written statement of these observations within two (2) work days of the incident. If the employee is disciplined, a copy of this report will be furnished to the Union.
3. If the manager or supervisor and the second individual are in agreement that there is probable suspicion to believe that the individual is under the influence, the individual's shop steward or other available Union Representative will be summoned. At that time, the manager or supervisor will, with the other witness and the Union Representative, take the individual to a private location and confront the individual with the reasons for these suspicions.
4. If the individual confirms these suspicions, he/she will be placed on up to a thirty day unpaid leave of absence if the employee decides to participate in a treatment program. Upon successful completion of the program, the individual shall be reinstated to employment. However, the employer shall have the right to subject the employee to two (2) random tests during the first ninety (90) days of his/her return to work. If the employee tests positive to any test, he/she will be terminated from employment.
5. If the individual denies the allegations, but the manager or supervisor still has probable suspicion to believe that the individual is under the influence, the

manager or supervisor will advise the individual that the District has probable suspicion to request the individual to undergo drug/alcohol screening at a designated facility. The individual will be further advised that a failure to cooperate with the testing may adversely affect his/her employment and that his/her cooperation is encouraged.

6. If the individual refuses to cooperate with the testing, a rebuttable presumption shall be created that the individual was working or at work under the influence of drugs or alcohol and the employee shall be terminated provided that an individual's refusal to submit to testing is not based upon a bona fide religious objection.
7. If the test results are reported as negative, the employee shall be paid for all lost time, including any missed overtime and other benefits.

PROCEDURAL SAFEGUARDS FOR TESTING:

Whenever an individual participates in an alcohol or drug screening test pursuant to this policy, the following procedural guidelines shall apply:

1. Testing shall be done by a Certified SAMSHA laboratory qualified to perform such tests.
2. The laboratory shall at all times maintain an adequate chain of possession of the urine sample.
3. A portion of the urine sample used by the laboratory shall be maintained by the laboratory in the event further testing is requested.
4. A positive finding for the presence of drugs by immunochemical assay tests shall be confirmed by the gas chromatography/mass spectrometry method.
5. In the event of a positive finding, the individual shall be permitted to have a portion of the urine sample tested by another laboratory of his/her own choosing at the employee's own cost. The second laboratory's report will be reviewed by the first laboratory and the first laboratory will issue its findings.
6. The laboratory reports and all other relevant records of the laboratory shall be made available to the individual upon request.
7. The results of all tests shall be strictly confidential and shall not be used by the District, its officers, agents or attorneys for any purposes other than those set forth in this policy. The employee has the right to direct the District in writing to forward test results to third parties.
8. The Certified SAMSHA laboratory is responsible for completing a Chain of Custody form for each specimen taken. Attached hereto is a copy of that form which may be amended from time to time to comply with new requirements of the law.
9. The District shall designate a Medical Review Officer (MRO). The Medical Review Officer is a licensed physician responsible for receiving laboratory results

who has knowledge of substance abuse disorders and has appropriate medical training to interpret and evaluate an individual's positive test result together with his/her medical history and any other relevant biomedical information.

10. The MRO will use DOT confirmation standards to determine positive or negative test results for drugs.
11.
 - (a) If there was less than 0.04 percent by weight of alcohol in the person's blood, it shall be presumed that the person was not under the influence of an alcoholic beverage at the time of the alleged offense.
 - (b) If there was 0.04 percent or more but less than 0.08 percent by weight of alcohol in the person's blood, that fact shall not give rise to any presumption that the person was or was not under the influence of an alcoholic beverage, unless the person was operating a motor vehicle or marine vessel in which case 0.04 percent by weight of alcohol in the person's blood is considered to be under the influence of an alcoholic beverage at the time of the alleged offense, but the fact may be considered with other competent evidence in determining whether that person was under the influence of an alcoholic beverage at the time of the alleged offense.
 - (c) If there was at that time 0.08 percent or more by weight of alcohol in the person's blood, it shall be presumed that the person was under the influence of an alcoholic beverage at the time of the alleged offense.

CONSENT TO SUBMIT TO DRUG AND/OR ALCOHOL TESTING

I acknowledge that I have been requested to submit to drug and/or alcohol testing.

I understand that the testing is voluntary on my part, that I may refuse to submit, and that such refusal may be grounds for discipline up to and including termination.

I further understand that the test results may be released to the District, and that the results may be used as grounds for discipline up to and including termination.

With full knowledge of the foregoing, I hereby agree to submit to drug and/or alcohol testing by the District selected medical clinics and/or laboratories.

EMPLOYEE'S SIGNATURE

DATE

IMMEDIATE SUPERVISOR/MANAGER

DATE

WITNESS

DATE

REFUSAL TO SUBMIT TO DRUG AND/OR ALCOHOL TESTING

I acknowledge that I have been requested to submit to drug and/or alcohol testing.

I understand that the testing is voluntary on my part, that I may refuse to submit, and that such refusal may be grounds for discipline up to and including termination.

I further understand that the test results may be released to the District, and that the results may be used as grounds for discipline up to and including termination.

With full knowledge of the foregoing, I hereby refuse to submit to drug and/or alcohol testing.

EMPLOYEE'S SIGNATURE

DATE

IMMEDIATE SUPERVISOR/MANAGER

DATE

WITNESS

DATE

AUTHORIZATION FOR RELEASE OF MEDICAL INFORMATION

I acknowledge that I have been requested by the District to submit to drug and/or alcohol testing to be administered by a hospital, clinic and/or laboratory designated and chosen by the District, whose purpose and function is to determine whether I am able to perform my described job duties.

I hereby authorize the medical clinic and/or laboratory to disclose all pertinent medical information and all laboratory results to the District. The release by the hospital, clinic and/or laboratory of the information and results, and the utilization of the information and results by the District shall be for the limited purpose of providing the District an opportunity to evaluate the information and results and thereby determine whether I am fit to perform my job. The hospital, clinic and/or laboratory is only authorized to release the information and results for a period of up to and including one hundred and twenty (120) days from the date indicated below.

This information shall include laboratory, scientific and other reports and/or tests; analysis of my condition and substances and/or chemicals that are causal factors for my condition; diagnosis and prognosis as related to this drug and/or alcohol test.

I acknowledge that executing this authorization is voluntary and that I have the right to receive a copy of this authorization if I request one.

EMPLOYEE'S SIGNATURE

DATE

IMMEDIATE SUPERVISOR/MANAGER

DATE

WITNESS

DATE

EXHIBIT C

SIDE LETTER CONCERNING ALCOHOL AND DRUG POLICY

District and Union acknowledge and agree that the primary goal of the "Alcohol and Drug Policy" set forth in Exhibit B is to maintain a safe and efficient workplace by ensuring that the District's employees, managers and supervisors conduct District business free of the influence of alcoholic beverages, illegal drugs or controlled substances. As such, District and Union agree that said Policy shall not apply to the following situations:

1. Off-time possession or consumption of alcoholic beverages on District property on which the employee resides, or in facilities licensed to serve alcohol located on District property, or while engaged in off-time social or leisure activities on District property which are not otherwise subject to alcohol-related restrictions.
2. Work-time use of controlled substances under the direction of a physician and where such use has been determined to not interfere with work duties and responsibilities.
3. Off-time use of controlled substances under the direction of a physician on District property on which the employee resides.

MOSS LANDING HARBOR DISTRICT

CARPENTERS 46 NORTHERN
CALIFORNIA COUNTIES
CONFERENCE BOARD

Tommy Razzeca
General Manager

Chris Pedroza, Executive Director

EXHIBIT D

SIDE LETTER CONCERNING ALCOHOL AND DRUG POLICY

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3. Off-time use of controlled substances under the direction of a physician on District property on which the employee resides.

MOSS LANDING HARBOR DISTRICT

CARPENTERS 46 NORTHERN
CALIFORNIA COUNTIES CONFERENCE
BOARD

By: _____
Tommy Razzeca, General Manager

By: _____
Chris Pedroza, Executive Director

Dated: _____

Dated: _____