

COMMERCIAL LEASE AGREEMENT

THIS COMMERCIAL LEASE AGREEMENT (“Lease”) is entered into as of _____, 2020, between the Humboldt Bay Harbor, Recreation, and Conservation District, a California public entity (“Landlord”), and Todd Reincke, an individual doing business as Reincke Marina Fabrication (“Tenant”).

Recitals

A. Landlord is the owner in fee of certain real property located in the community of Fields Landing, Humboldt County, California, commonly referred to as 1 Yard Road, Fields Landing, CA 95537 (APN 307-101-002-000) (the “Property”), which is located along the Humboldt Bay.

B. The Property is primarily used as a boat yard, which contains, among other things, a hydraulic marine travel lift and travel lift dock used to haul boats from and back into the Humboldt Bay, a boat storage area, a self-help area where boat owners may locate boats to perform repairs or maintenance themselves or by third parties, and an area currently leased to Tenant where Tenant operates a commercial marine repair business called Reincke Marina Fabrication.

C. Landlord issued a Request for Proposals on December 12, 2019, seeking qualified individuals to operate the boat yard under a lease agreement with Landlord. Landlord has determined that Tenant possesses the necessary experience and qualifications to operate the boat yard and, accordingly, desires to enter into this Lease with Tenant. Tenant agrees to comply with the terms and conditions of this Lease and to operate the boat yard in a manner consistent with its purpose and accepted industry standards, as set forth below.

D. Subject to the condition set forth in Section 1, below, Landlord desires to lease to Tenant and Tenant desires to lease from Landlord a portion of the Property, more particularly described in attached **Exhibit A**, incorporated by reference (“Leased Premises”), and certain Equipment, subject to those reserved rights of Landlord, its employees, tenants, and invitees as set forth in this Lease.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

Section 1. Condition Precedent to Lease.

This lease shall be of no force and effect, and shall confer no rights to Tenant, unless each of the following conditions precedent are fully satisfied:

(i) Tenant shall pay current on its current lease with Landlord by paying the sum of _____ to Landlord prior to May 1, 2020.

Landlord’s Initials: _____

Tenant’s Initials: _____

- (ii) This Lease is approved and ratified by the Board of Commissioners of Landlord.

Section 2. Leased Premises

Subject to the retained areas set forth in Sections 3, below, Landlord leases to Tenant and Tenant leases from Landlord the Leased Premises for the term and upon all terms, covenants, and conditions in this Lease. Except for those areas reserved by Landlord as described in Section 3, below, the Leased Area is shown on Exhibit A and includes those areas designated on Exhibit A as areas “A”, “B”, “D”, “E”, “G”, and “I”.

Section 3. Landlord Retained Areas and Rights.

(a) **Retained Areas; Access.** Landlord reserves to itself, and does not lease to Tenant, all rights of ownership, including the right to possess, occupy, lease or grant rights to third parties, as to those areas designated on Exhibit A as area “C”, “H”, and “F” (collectively, the “Retained Areas”). Landlord, its employees, current and future lessees, and invitees shall have, during the Term, unrestricted rights of ingress and egress over, across, and through that area designated on Exhibit A as area “A” to each of the Retained Areas and to the Travel Lift area, which is designated as area “B” on Exhibit A, at any time of the day or night, with or without prior notice to Tenant. In the event that Tenant installs or utilizes a gate or other means of controlling access to the Leased Premises, Tenant shall provide to Landlord a key or code in order to freely access the Retained Areas. Landlord may, at its sole discretion, provide copies of the key or the code to its employees, current and future lessees, and invitees.

(b) **Disclosure of Existing Leases to Retained Areas.** Tenant acknowledges that Landlord has leased certain Retained Areas to third parties. In particular, Tenant acknowledges that Landlord has (i) leased that area designated on Exhibit A as area “F” to T-Mobile West LLC, a Delaware limited liability company, pursuant to that certain Site Lease, as amended, for the siting of telecommunication facilities (“T-Mobile Lease”) and (ii) leased that area designated on Exhibit A as area “D” to Marine Spill Response Corporation for its storage of four, 48-foot response trailers and related equipment (“MSRC Lease”). The T-Mobile Lease and the MSRC Leases are collectively referred to as the “Existing Leases”. Tenant acknowledges receipt of the Existing Leases.

(c) **Agreement not to Interfere with Existing Leases.** Tenant agrees not to commit any act that would unreasonably interfere with the rights of the tenants of the Existing Leases or to commit any act that would cause Landlord to violate the Existing Leases.

(d) **Landlord’s Commitment Not to Interfere with Tenant’s Use.** Landlord shall not unreasonably interfere with Tenant’s use of the Leased Premises.

Section 4. Lease of Landlord's Equipment.

(a) **Lease of Equipment.** Landlord further leases to Tenant and Tenant leases from Landlord the Equipment (defined in below) for the term and upon all terms, covenants, and conditions in this Lease.

(b) **Equipment.** As used in Section 4(a), above, "Equipment" means the following equipment owned by Landlord: (i) 150-ton Travel Lift; (ii) 3-ton forklift; (iii) 3,500 psi pressure washer; (iv) 4,000 psi pressure washer; and (v) boat stands.

(c) **Disclaimer of Warranty.** Landlord leases the Equipment to Tenant in its AS IS, where is condition. Tenant shall inspect and approve the Equipment prior to Tenant's use. LANDLORD DOES NOT MAKE, AND EXPRESSLY DISCLAIMS, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER WARRANTY, EXPRESSED OR IMPLIED, AS TO THE EQUIPMENT AND ITS USE BY TENANT; AND TENANT HEREBY EXPRESSLY RELEASES LANDLORD FROM ANY AND ALL LIABILITY AND CLAIMS RELATING TO THE EQUIPMENT, AND ANY BREACH OR ALLEGED BREACH OF WARRANTY IN CONNECTION WITH THE EQUIPMENT.

(d) **Maintenance of Equipment; Obligation to Repair.** Tenant, at its sole cost and expense, agrees to use and maintain the Equipment in accordance with the standards outlined in the Landlord's Preventative Maintenance Schedule, which Tenant acknowledges receipt of and which Landlord reserves the right to adjust or modify in its discretion. In the event the equipment malfunctions or is otherwise rendered non-operational, regardless of cause, Tenant shall provide immediate written notice to Landlord and shall be responsible for any such repair so that the Equipment is returned to Landlord at the expiration or sooner termination of the Lease in its pre-Lease conditions, ordinary wear and tear excepted. Notwithstanding the forgoing, Tenant shall have no obligation to repair or maintain the boat stands or otherwise return the stands to Landlord at the expiration of the Lease in any particular condition.

(e) **No Alterations.** Tenant shall not, without the express written consent of Landlord, make any alteration, whether permanent or temporary, to the Equipment or commit any act that would cause the warranty for any Equipment to be nullified or negatively affected.

(f) **Use.** Tenant shall use the equipment reasonably and only as intended by the manufacturer. Tenant shall ensure that any operator of the Equipment is properly licensed, experienced and insured to operate the Equipment.

(g) **Landlord's Reserved Rights.** In addition to other provisions of this Lease that permit Landlord to utilize the Equipment, it is agreed that during the Term Landlord may use the forklift and pressure washers during the Term, at no charge and with reasonable advance notice to Tenant.

Section 5. Use of the Leased Premises and Equipment.

- (a) The Leased Premises shall be used for the operation as a boat yard, boat storage, and marine repair services and for no other purpose. Tenant shall promptly provide Landlord a copy of all licenses and permits before engaging in any activity that requires a license or permit.
- (b) Tenant shall not do or permit any act that could: (i) cause any structural damage to the buildings and other improvements located upon the Leased Premises, or (ii) cause damage to any part of the Leased Premises, except to the extent reasonably necessary for the construction of alterations as permitted under this Lease or as approved in writing in advance by Landlord.
- (c) Tenant shall use the Leased Premises in compliance with all applicable laws, statutes, ordinances, rules, regulations, orders, recorded covenants and restrictions, and requirements of any fire insurance underwriters or rating bureaus, now or later in effect.
- (d) Tenant shall not commit any waste or any public or private nuisance upon the Leased Premises.
- (e) Tenant shall comply with all special conditions of the Lease as recited in **Exhibit B**.
- (f) Tenant shall comply with all provisions, terms, and conditions of the Fields Landing Boat Yard Rules and Regulations, a copy of which is attached hereto as Exhibit E and incorporated herein by this reference.

Section 6. Lease Term

- (a) **Initial Term.** The initial term (“Initial Term”) of this Lease shall be for four (4) years, commencing on May 1, 2020 (“Commencement Date”), and ending at 11:59 PM on April 30, 2024, unless sooner terminated according to this Lease.
- (b) **Failure to Deliver Possession.** If Landlord fails to deliver possession of the Leased Premises to Tenant by the Commencement Date, Landlord shall not be liable for any damages resulting from that failure, nor shall that failure cause a termination of this Lease or Tenant’s obligations under this Lease, except as otherwise permitted under this Section, nor shall that failure extend the term of this Lease. If Landlord has not delivered possession of the Leased Premises to Tenant within 30 days after the Commencement Date, Tenant may, however, cancel this Lease, by written notice to Landlord within ten (10) days after the end of the 30 day period; in that case, the parties shall be discharged from all obligations under this Lease, provided, however, that if the written notice of Tenant is not received by Landlord within that ten (10) day period, Tenant shall have no further right to terminate this Lease.
- (c) **Option Term.** On the condition that Tenant is not in breach of this Lease at the expiration of the Initial Term, Tenant shall have the right, but not the obligation, to extend the Initial Term for a period of four (4) years (“Option Term”) by providing written notice to Landlord of its election to exercise this option at least ninety (90) days prior to the expiration of the Initial Term. The Initial Term and the

Landlord’s Initials: _____

Tenant’s Initials: _____

Option Term are referred to in this Lease as the Term.

Section 7. Monthly Rent

(a) **Base Rent.** Commencing on the Commencement Date and continuing thereafter on the first day of each month until the end of the term of this Lease, Tenant shall pay to Landlord, in advance, base rent in the amounts set forth below, all without offset or deduction and in addition to other payments required by this Lease. Tenant's obligation to pay rent shall be prorated in the first and last months of the term of this Lease based upon the portion of the month during which Tenant occupies the Leased Premises. Rent shall be payable in lawful money of the United States to Landlord at the address stated in this Lease or to any other address that Landlord may designate from time to time.

Base Rent Amounts:

-May 1, 2020 through December 31, 2020:	\$3,400 per month
-January 1, 2021 through December 31, 2021:	\$5,000 per month
-January 1, 2022 through December 31, 2022:	\$6,000 per month
-January 1, 2023 through April 30, 2024:	\$7,000 per month

(b) **Base Rent During Option Term.** In the event Tenant elects to extend the Initial Term, the base rent during the Option Term shall increase on the commence date of the Option Term (i.e., May 1, 2024) and on each anniversary thereafter during the Option Term by a percentage of the last applicable base rent amount equal to (i) the percentage change in the Consumer Price Index published by the United States Bureau of Labor Statistics of the United States Department of Labor for the most recent twelve months available thirty (30) days prior to the anniversary date or (ii) Two Percent (2%), whichever is greater.

Section 8. Property Taxes.

(a) **Possessory Interest.** Tenant is hereby notified by Landlord that the possessory interest created hereunder may be subject to a possessory interest tax or property taxation when created, pursuant to Sections 107 to 107.6 of the California Revenue and Taxation Code or other applicable law, and that Tenant and/or the party in whom the possessory interest is vested may be subject to the payment of property taxes levied on such interests. Tenant agrees and acknowledges that it has actual notice pursuant to Section 107.6 of the California Revenue and Taxation Code that it may be required to pay a possessory interest tax as a result of this Agreement. Tenant shall pay all possessory interest taxes levied by any governmental agencies by reason of this Agreement or Tenant's possession of the Leased Premises.

(b) **Business (Personal) Property Taxes.** Tenant shall pay, when due, all taxes assessed against any business or personal property used by Tenant at the Leased Premises.

Landlord's Initials: _____

Tenant's Initials: _____

Section 9. Security Deposit

Tenant agrees to deposit with Landlord on the date of this Lease the sum of Five Thousand Six Hundred and Fifty Dollars (\$5,650.00), which shall be held by Landlord, without interest, as security for the performance of Tenant’s covenants and obligations under this Lease, it being expressly understood and agreed that the deposit is not an advance rental deposit or a measure of the Landlord’s damages in case of Tenant’s default. Upon the occurrence of any Event of Default by Tenant, Landlord may, from time to time and without prejudice to any other remedy provided by this Lease or by law, use that fund to the extent necessary to make good any arrears of rent or other payments or liability caused by the Event of Default. Tenant shall pay to Landlord on demand the amount that was applied in order to restore the security deposit to the amount then required under this Lease. Although the security deposit shall be deemed the property of Landlord, any remaining balance of the deposit shall promptly be returned by Landlord to Tenant at the time after termination of this Lease that all of Tenant’s obligations under this Lease have been fulfilled. Tenant’s \$1,000 security deposit paid pursuant to section 2.2 of the Existing Lease (defined in Section 30(c), below, shall be applied towards the Security Deposit required in this Section 9 and retained by Landlord during the Term.

Section 10. Condition of Leased Premises and Equipment.

Tenant acknowledges that as of the date of this Lease, Tenant has inspected the Leased Premises and the Equipment and all improvements on the Leased Premises and that the Leased Premises, Equipment, and improvements are in good order, repair, and condition.

Section 11. Delivery of Possession

Except as otherwise provided in this Lease, Tenant agrees to accept possession of the Leased Premises in its then existing condition, “as is,” including all patent and latent defects and subject to all applicable laws, ordinances, and regulations governing and regulating the use of the Leased Premises, and any recorded covenants or restrictions. Tenant’s taking possession of any part of the Leased Premises shall be deemed to be an acceptance by Tenant of any completed work of improvement done by Landlord and in accordance with the terms of this Lease, except for defects of which Tenant has given Landlord written notice prior to the time Tenant takes possession.

Section 12. Hazardous Substances

(a) Tenant agrees that any and all handling, transportation, storage, treatment, disposal, or use of Hazardous Substances by Tenant in or about the Leased Premises shall strictly comply with all applicable Environmental Laws, which are defined in **Exhibit C** hereto and incorporated herein.

(b) Tenant agrees to indemnify and defend Landlord harmless from any liabilities, losses, claims, damages, penalties, fines, attorney’s fees, expert fees, court costs, remediation costs, investigation costs, or other expenses resulting from or arising out of the use, storage, treatment, transportation, release, or disposal of Hazardous Substances on or about the Leased Premises by Tenant.

Landlord’s Initials: _____

Tenant’s Initials: _____

(c) If the presence of Hazardous Substances on the Leased Premises caused or permitted by Tenant results in the contamination or deterioration of the Leased Premises or any water or soil beneath the Leased Premises, Tenant shall promptly take all action necessary to investigate and remedy that contamination.

(d) Landlord and Tenant each agree to promptly notify the other of any communication received from any governmental entity concerning Hazardous Substances or the violation of Environmental Laws that relate to the Leased Premises.

(e) Tenant shall not use, handle, store, transport, generate, release, or dispose of any Hazardous Substances on, under, or about the Leased Premises, except that Tenant may use Hazardous Substances that are necessary for the operation of Tenant's business and for which Landlord gives written consent prior to the Hazardous Substances being brought onto the Leased Premises. At any time during the term of this Lease, Tenant shall, within ten (10) days after written request from Landlord, disclose in writing all Hazardous Substances that are being used by Tenant on the Leased Premises, the nature of the use, and the manner of storage and disposal.

Section 13. Repairs and Maintenance

(a) Tenant agrees, at Tenant's own expense, to keep the Leased Premises in good condition and repair, and to deliver to Landlord physical possession of the Premises at the end of the Term, or any extension of the Term, in good condition and repair, reasonable wear and tear and use and loss by fire or other casualty or by earthquake or other act of God excepted.

(b) If at any time during the Term, including renewals or extensions, Tenant fails to maintain the Premises or make any repairs or replacements as required by Section 13, Landlord may, but shall not be required to, enter the Premises and perform the maintenance or make the repairs or replacements for the account of Tenant; any sums expended by Landlord in so doing, together with interest at ten percent (10%) per annum, shall be deemed additional rent and shall be immediately due from Tenant on demand of Landlord.

(c) Tenant waives the provisions of Civil Code §§ 1941 and 1942 and any other law that would require Landlord to maintain the Premises in a tenantable condition or would provide Tenant with the right to make repairs and deduct the cost of those repairs from the rent.

(d) Landlord's Obligation. Notwithstanding the foregoing, Landlord agrees to:

(i) Replace the existing "Insulated Glass Units" within thirty (30) days of the Commencement Date at Landlord's cost and expense.

(ii) Improve operation of the roll-up door on the [DESCRIBED BUILDING] at the cost and in the manner set forth in the attached **Exhibit D**.

(iii) Relocate all Landlord owned vessels located on the Leased Premises from the area designated on **Exhibit A** as area "D" to a Retained Area on or before October 1, 2020. Tenant consents and agrees to allow said vessels to remain in the area designated on **Exhibit A** as area

Landlord's Initials: _____

Tenant's Initials: _____

“D” at no cost to the Landlord until October 1, 2020, and agrees that Landlord shall have unrestricted right of access to said vessels until relocated. During the period of relocation, and after providing reasonable advance notice to Tenant, District shall have the right to utilize the Equipment at no charge to Landlord to facilitate the relocation of the vessels.

Section 14. Alterations

(a) Tenant shall not construct any alterations, improvements, or additions or otherwise alter the Leased Premises (“Alterations”) without Landlord’s prior written consent, provided, however, that Tenant shall be entitled, without Landlord’s prior consent, to make Alterations (i) that do not affect the structural integrity, the exterior sections, or water-tight nature of the any existing buildings, and (ii) the reasonably estimated cost of which does not exceed \$5,000.00. If Landlord’s approval for any Alterations is required, Tenant shall not undertake the Alterations until Landlord has given written consent to the plans and specifications, and the Alterations shall be constructed substantially in compliance with plans and specifications approved by a licensed contractor and by Landlord. All Alterations shall be constructed by a licensed contractor in accordance with all Laws using new materials of good quality.

(b) Tenant shall not commence construction of any Alterations until:

- (i) all required governmental approvals and permits have been obtained,
- (ii) all requirements regarding insurance imposed by this Lease have been satisfied,
- (iii) Tenant has given Landlord at least ten (10) days’ prior written notice of Tenant’s intention to commence construction, and

(c) Tenant shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished in connection with the Alterations that are or may become mechanics’ or materialmen’s liens against the Leased Premises or any interest in them. Tenant shall have the right to, in good faith, contest the validity of any lien, claim, or demand, provided that Tenant shall, at Tenant’s sole expense, defend Landlord against the lien, claim, or demand, and, upon the request of Landlord, Tenant shall furnish to Landlord a surety bond in an amount equal to the contested lien, claim, or demand indemnifying Landlord against liability and holding the Leased Premises free from the effect of the lien, claim, or demand. In addition, Landlord may require Tenant to pay Landlord’s attorney’s fees and costs in connection with the defense of any lien, claim, or demand. Tenant shall pay and satisfy any adverse judgment that may be rendered to enforce the lien, claim, or demand against the Landlord, or the Leased Premises.

(d) All Alterations shall be and remain the property of Tenant during the term of this Lease but shall not be altered or removed from the Leased Premises. At the expiration or sooner termination of the term of this Lease, all Alterations shall become the property of Landlord, and Landlord shall have no obligation to reimburse Tenant for any portion of the value or cost. However, Landlord shall have the right to require Tenant to remove any Alterations; in that case, Tenant shall remove the Alterations prior to the expiration or sooner termination of the term of this Lease.

(e) Tenant shall make any alteration, addition, or change of any sort to the Leased Premises that is required by any Law because of:

- (i) Tenant’s particular use or change of use of the Leased Premises;
- (ii) Tenant’s application for or issuance of any permit or governmental approval; or
- (iii) Tenant’s construction or installation of any Alterations.

Section 15. Insurance

(a) Tenant shall, at Tenant’s expense, obtain and keep in force during the term of this Lease:

- (i) Commercial general liability insurance, including property damage, against liability for bodily injury, personal injury, death, and damage to property occurring on the Leased Premises with combined single limit coverage of at least \$5,000,000.00 per occurrence and a general aggregate combined single limit of bodily injury and property damage liability of at least \$10,000,000.00; that policy shall include contractual liability, insuring Tenant’s performance of indemnification obligations contained in this Lease;
- (ii) Fire and “all risk” property damage insurance, insuring all Equipment and all of Tenant’s equipment and Trade Fixtures located on the Leased Premises for full replacement cost.
- (iii) Worker’s Compensation Insurance at the statutory minimum for of Tenant’s employees.

(b) Where applicable, each policy of insurance required to be carried by Tenant pursuant to Section 15(a):

- (i) shall name Landlord and any other parties in interest that Landlord reasonably designates as additional insureds;
- (ii) shall be primary insurance that provides that the insurer shall be liable for the full amount of the loss without the right of contribution from any other insurance coverage of Landlord;
- (iii) shall be in a form satisfactory to Landlord;
- (iv) shall be carried with companies reasonably acceptable to Landlord;
- (v) shall provide that the policy shall not be subject to cancellation, lapse, or change, except after at least thirty (30) days’ prior written notice to Landlord;
- (vi) shall not have a “deductible” in excess of any amount reasonably approved by Landlord;
- (vii) shall contain a cross liability endorsement; and
- (viii) shall contain a “severability” clause. If Tenant has in full force a blanket policy of liability insurance with the same coverage for the Leased Premises as described in Section 15(a), that

Landlord’s Initials: _____

Tenant’s Initials: _____

blanket insurance shall satisfy the requirements of Section 15(a), provided that the blanket policy specifically states the address of the Leased Premises and Equipment as being covered. A copy of each policy evidencing the insurance required to be carried by Tenant pursuant to Section 15(a) or a certificate of the insurer, certifying that the policy has been issued, which provides the coverage required by Section 15(a) and which contains the specified provisions, shall be delivered to Landlord prior to the time Tenant takes possession of the Leased Premises and upon renewal of those policies, not less than thirty (30) days prior to the expiration of the term of the coverage.

Section 16. Condemnation

If any part of the Leased Premises is condemned or otherwise taken under the power of eminent domain or conveyed in lieu of condemnation, and the condemnation or taking materially and adversely affects Tenant's occupancy of the Leased Premises, either party shall, at each party's option, have the right to terminate this Lease. If any part of the Leased Premises is condemned or taken and that materially and adversely affects the normal operation of the Building, Landlord, at Landlord's option, may terminate this Lease. In either event, Landlord shall receive any award that may be paid in connection with any condemnation or taking, and Tenant shall have no claim or interest in any award, whether or not the award or any part of it is attributable to the value of the unexpired term of this Lease. If a part of the Leased Premises is condemned or taken, and neither party elects to terminate this Lease, but the Leased Premises have been damaged as a consequence, Landlord shall not be required to repair or restore any damage to the Leased Premises, provided that the rent for the remainder of the term of this Lease shall be proportionately reduced, based on the degree of interference with Tenant's use of the Leased Premises. If the Leased Premises is temporarily condemned or taken, this Lease shall be unaffected, and Tenant shall continue to pay all rent payable under this Lease; provided, however, that in such case, Tenant shall be entitled to receive that portion of any award that represents compensation for the use or occupancy of the Leased Premises.

Section 17. Utilities

(a) Upon commencement of Lease, Tenant shall ensure all utility meters, with the exception of the industrial wastewater discharge meter and filtration system located on the Leased Premises, are placed in Tenant's Name and Tenant shall pay before delinquency all utilities delivered to and consumed on the Leased Premises, including all charges for water, gas, electricity, telephone, sewer service, waste pick-up, and any other utilities or services furnished directly to or used by Tenant on or about the Leased Premises, including but not limited to any connection or hook-up fees and any penalties for discontinued or interrupted service.

(b) Landlord and Tenant acknowledge that Landlord maintains an industrial wastewater discharge meter and filtration system on the Leased Premises. During the Term, Landlord shall continue to have unrestricted access to the industrial wastewater discharge meter and filtration system. Tenant agrees that he shall not disturb the industrial wastewater discharge meter and filtration system.

Section 18. Assignment and Subletting

(a) Tenant shall not voluntarily, involuntarily, or by operation of laws, without the prior written consent of Landlord (i) sublet all or any part of the Leased Premises or allow it to be sublet, occupied, or used by any person or entity other than Tenant; (ii) assign Tenant’s interest in this Lease; (iii) mortgage or encumber the Lease, or otherwise use the Lease as a security device in any manner; or (iv) amend or modify an assignment, sublease, or other transfer that has been previously approved by Landlord.

Any action taken or proposed to be taken pursuant to Section 18(a) shall be collectively referred to as an “Assignment,” and any third party succeeding to all or a portion of Tenant’s interest under this Lease or proposed to succeed to all or a portion of Tenant’s interest under this Lease shall be referred to as an “Assignee.”

(b) Any Assignment approved by Landlord shall not be effective until Tenant has delivered to Landlord an executed counterpart of the document evidencing the Assignment that is in form and substance reasonably satisfactory to Landlord, and (ii) contains the same terms and conditions as stated in this Lease.

(c) Any attempted Assignment without Landlord’s consent shall constitute an Event of Default and shall be voidable at Landlord’s option. Landlord’s consent to any one Assignment shall not constitute a waiver of the provision of Section 18 as to any subsequent Assignment or a consent to any subsequent Assignment. No Assignment, even with the consent of Landlord, shall relieve Tenant of the obligation to pay the rent and to perform all of the other obligations to be performed by Tenant. The acceptance of rent by Landlord from any person shall not be deemed to be a waiver by Landlord of any provision of this Lease, nor to be a consent to any Assignment.

(d) Landlord’s consent to any Assignment shall not constitute an acknowledgment that no default exists under this Lease, nor shall consent be deemed a waiver of any existing default, except as otherwise stated by Landlord at the time.

Section 19. Indemnity

(a) Tenant’s Obligations. Tenant agrees to indemnify, defend, and hold Landlord, and Landlord’s employees, agents and contractors harmless from all liability, penalties, losses, damages, costs, expenses, causes of action, claims, or judgments arising by reason of any death, bodily injury, personal injury, or property damage resulting from: (i) any cause occurring in or about or resulting from an occurrence in or about the Leased Premises during the Lease Term, except to the extent caused by a negligent act or omission of Landlord; (iii) Tenant’s or Tenant’s agents, employees, and contractors use of the Equipment; (iv) the negligence or willful misconduct of Tenant or Tenant’s agents, employees, and contractors, wherever it occurs; or (v) an Event of Tenant’s Default.

(b) Landlord’s Obligations. Landlord agrees to indemnify, defend, and hold Tenant, and Tenant’s employees, agents and contractors harmless from all liability, penalties, losses, damages, costs, expenses, causes of action, claims, or judgments arising by reason of any death, bodily injury, personal injury, or property damage resulting from: (i) any cause occurring in or about or resulting from an

Landlord’s Initials: _____

Tenant’s Initials: _____

occurrence in or about the Retained Areas during the Lease Term, except to the extent caused by a negligent act or omission of Tenant; (ii) Landlord's own use of Equipment; (iii) the negligence or willful misconduct of Landlord or Landlord's agents, employees, and contractors, wherever it occurs; or (iii) an Event of Landlord's Default.

(c) **Survival.** The provisions of Section 19 shall survive the expiration or sooner termination of this Lease.

Section 20. Default

Each of the following shall constitute an event of default under this Lease (each, "Event of Default"):

- (a) Tenant's failure to make any payment required under this Lease when due;
- (b) The failure of Tenant to perform any of the covenants, conditions, or provisions of this Lease to be performed by Tenant, other than those requiring any payment to Landlord, where this failure continues for a period of fifteen (15) days after written notice from Landlord to Tenant. However, if the nature of Tenant's failure reasonably requires more than fifteen (15) days for cure, Tenant shall not be deemed to be in default if Tenant commences to cure within the fifteen (15) day period and thereafter diligently continues this cure to completion;
- (c) Any of the following:
 - (i) The making by Tenant of any general arrangements or assignments for the benefit of creditors;
 - (ii) Tenant's becoming a "debtor" as defined in 11 U.S.C.A § 101 or any successor statute, unless, in the case of a petition filed against Tenant, it is dismissed within sixty (60) days after filing;
 - (iii) The appointment of a trustee or receiver to take possession of substantially all of Tenant's assets at the Leased Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days of this appointment; or
 - (iv) The attachment, execution, or other judicial seizure of substantially all of Tenant's assets located at the Leased Premises or of Tenant's interest in this Lease, where this seizure is not discharged within thirty (30) days after the seizure.
- (d) The vacation or abandonment of the Leased Premises by Tenant;
- (e) Tenant's Assignment in violation of Section 18.

Section 21. Remedies

Upon the occurrence of an Event of Default, Landlord, in addition to any other rights or remedies available to Landlord at law or in equity, shall have the right to:

(a) terminate this Lease and all rights of Tenant by giving Tenant written notice that this Lease is terminated, in which case Landlord may recover from Tenant the sum of:

(i) the worth at the time of award of any unpaid rent that had been earned at the time of termination;

(ii) the worth at the time of award of the amount by which (A) the unpaid rent that would have been earned after termination until the time of award exceeds (B) the amount of rental loss, if any, as Tenant affirmatively proves could have been reasonably avoided;

(iii) the worth at the time of award of the amount by which (A) the unpaid rent for the balance of the term after the time of award exceeds (B) the amount of rental loss, if any, as Tenant affirmatively proves could be reasonably avoided;

(iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform Tenant's obligations or that, in the ordinary course of things, would be likely to result; and

(v) all other amounts in addition to or in lieu of those previously stated as may be permitted from time to time by California law. As used in clauses (i) and (ii) of this Section, the "worth at the time of award" is computed by allowing interest at the rate of ten percent (10%) per annum. As used in clause (iii) of this Section, the worth at the time of award is computed by discounting that amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%). As used in this Section the term rent shall include monthly rent and any other payments required by Tenant.

(b) continue this Lease, and from time to time, without terminating this Lease, either (i) recover all rent and other amounts payable as they become due or (ii) relet the Leased Premises or any part of the Premises on behalf of Tenant for any term, at any rent, and pursuant to any other provisions as Landlord deems advisable, all with the right, at Tenant's cost, to make alterations and repairs to the Leased Premises.

(c) Upon the occurrence of an Event of Default, Landlord shall also have the right, with or without terminating this Lease, to re-enter the Leased Premises and remove all persons and property from the Leased Premises. Landlord may cause property so removed from the Leased Premises to be stored in a public warehouse or elsewhere at the expense and for the account of Tenant.

(d) None of the following remedial actions, singly or in combination, shall be construed as an election by Landlord to terminate this Lease unless Landlord has in fact given Tenant written notice that this Lease is terminated or unless a court of competent jurisdiction decrees termination of this Lease: any act by Landlord to maintain or preserve the Leased Premises; any efforts by Landlord to relet the Leased Premises; any re-entry, repossession, or reletting of the Leased Premises; or any re-entry, repossession, or reletting of the Leased Premises by Landlord pursuant to this Article. If Landlord

takes any of the previous remedial actions without terminating this Lease, Landlord may nevertheless at any time after taking any remedial action terminate this Lease by written notice to Tenant.

(e) If Landlord relets the Leased Premises, Landlord shall apply the revenue as follows: first, to the payment of any indebtedness, other than rent due from Tenant to Landlord; second, to the payment of any cost of reletting, including without limitation finder's fees and leasing commissions; third, to the payment of the cost of any maintenance and repairs to the Leased Premises; and fourth, to the payment of rent and other amounts due and unpaid. Landlord shall hold and apply the residue, if any, to payment of future amounts payable as they become due. Should revenue from reletting during any month, after application pursuant to the foregoing provisions, be less than the sum of (i) Landlord's expenditures for the Leased Premises during that month and (ii) the amounts due from Tenant during that month, Tenant shall pay the deficiency to Landlord immediately upon demand.

(f) After the occurrence of an Event of Default, Landlord, in addition to or in lieu of exercising other remedies, may, but without any obligation to do so, cure the breach underlying the Event of Default for the account and at the expense of Tenant; provided that Landlord by prior notice shall first allow Tenant a reasonable opportunity to cure, except in cases of emergency, where Landlord may proceed without prior notice to Tenant. Tenant shall, upon demand, immediately reimburse Landlord for all costs, including costs of settlements, defense, court costs, and attorney's fees, that Landlord may incur in the course of any cure.

(g) No security or guaranty for the performance of Tenant's obligations, which Landlord may now or hereafter hold, shall in any way constitute a bar or defense to any action initiated by Landlord for unlawful detainer or for the recovery of the Leased Premises, for enforcement of any obligation of Tenant, or for the recovery of damages caused by a breach of this Lease by Tenant or by an Event of Default.

(h) Except insofar as this is inconsistent with or contrary to any provisions of this Lease, no right or remedy conferred upon or reserved to either party is intended to be exclusive of any other right or remedy given now or later or existing at law or in equity or by statute. Except to the extent that either party may have otherwise agreed in writing, no waiver by that party of any violation or nonperformance by the other party of any obligations, agreements, or covenants shall be deemed to be a waiver of any subsequent violation or nonperformance of the same or any other covenant, agreement, or obligation, nor shall any forbearance by either party to exercise a remedy for any violation or nonperformance by the other party be deemed a waiver by that party of rights or remedies with respect to that violation or nonperformance.

Section 22. Default by Landlord

Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within thirty (30) days after written notice by Tenant to Landlord and to the holder of any first mortgage or deed of trust covering the Leased Premises, the name and address for that holder having been furnished to Tenant in writing, specifying in what respect Landlord has failed to perform the obligation. However, if Landlord's obligation requires more than thirty (30) days for performance, Landlord shall not be in

default if Landlord commences to perform within the thirty (30) day period and afterwards diligently completes it.

Section 23. Late Charges

Tenant acknowledges that late payment of sums due under this Lease will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Therefore, if any sum due from Tenant is not received by Landlord when due, then without any requirement for notice to Tenant, Tenant shall pay to Landlord a late charge equal to 10% of the overdue sum. The parties agree that the late charge represents a fair and reasonable estimate of the costs Landlord will incur because of late payment by Tenant. Acceptance of the late charge by Landlord shall not constitute a waiver of Tenant’s default for the overdue sum, nor prevent Landlord from exercising any of the other rights and remedies in this Lease.

Section 24. Interest on Past Due Obligations

Any amount that is due to Landlord and not paid when due shall bear interest from the date due at the maximum rate then allowable by law; provided, however, that interest shall not be payable on late charges incurred by Tenant. Payment of the interest shall not cure any default by Tenant under this Lease.

Section 25. Incorporation of Exhibits.

All attached exhibits are incorporated in this Lease by this reference.

Section 26. Signs.

(a) General Prohibition. Tenant shall not place, maintain, nor permit on any exterior door, wall, or window of the Leased Premises any sign, awning, canopy, marquee, or other advertising without the express written consent of Landlord. Furthermore, Tenant shall not place any decoration, lettering, or advertising matter on the glass of any exterior show window of the Leased Premises without the written approval of Landlord. If Landlord consents to any sign, awning, canopy, marquee, decoration, or advertising matter, Tenant shall maintain it in good appearance and repair at all times during this Lease. If at the end of the term of this Lease, any of the items mentioned in this Section are not removed from the Leased Premises by Tenant, that item may, without damage or liability, be destroyed by Landlord.

(b) Permitted Signs. Notwithstanding the foregoing, Tenant may maintain during the Term any existing signage approved under its Existing Lease. Further, Tenant may utilize the vessel known as “Luigi” for entry way signage approved by Landlord; provided, however, that before Tenant may so utilize the vessel Luigi for signage, Tenant shall properly remove and dispose of any hazardous substances. Tenant shall maintain the exterior of the vessel Luigi in an aesthetically pleasing manner.

Section 27. Severability

If any provision of this Lease is held by a court of competent jurisdiction to be either invalid or unenforceable, the remaining provisions of this Lease shall remain in effect, unimpaired by the holding.

Section 28. Time of Essence

Time is of the essence under this Lease.

Section 29. Additional Rent

All monetary obligations of Tenant to Landlord under the Lease shall be deemed rent.

Section 30. Entire Agreement

(a) This Lease constitutes the entire agreement between Landlord and Tenant, and there are no agreements or representations between the parties except as expressed in this Lease. Tenant acknowledges that neither Landlord nor Landlord’s representatives have made any legally binding representation or warranty as to any matter except those expressly set forth, including any warranty as to:

- (i) whether the Leased Premises may be used for Tenant’s intended use under existing law,
- (ii) the suitability of the Leased Premises for the conduct of Tenant’s business, or
- (iii) the condition of any improvements.

(b) There are no oral agreements between Landlord and Tenant affecting this Lease, and this Lease supersedes and cancels all previous negotiations, arrangements, agreements, and understandings, if any, between Landlord and Tenant with respect to the subject matter of this Lease. This instrument shall not be legally binding until it is executed by both Landlord and Tenant and the condition stated in the Recitals is satisfied. No subsequent change or addition to this Lease shall be binding unless in writing and signed by Landlord and Tenant.

(c) **Tenants Existing Lease.** Landlord and Tenant acknowledge that Tenant is the existing tenant of 2,185 square feet of shop space on the Leased Premises pursuant to that certain Commercial Lease dated April 27, 2017, with Landlord (“Existing Lease”). Upon the Commencement Date, the parties agree that the Existing Lease shall terminate and merge with this Lease.

Section 31. Notices

Except as otherwise expressly provided by law, all notices or other communications required or permitted by this Lease or by law to be served on or given to either party to this Lease by the other party shall be in writing and shall be deemed given when personally delivered to the party to whom they are

Landlord’s Initials: _____

Tenant’s Initials: _____

directed, or in lieu of the personal service, upon deposit in the United States Mail, certified or registered, return receipt requested, postage prepaid, addressed as follows:

If to Landlord:

Humboldt Bay Harbor, Recreation, And Conservation District
Attn.: Larry Oetker, Executive Director
P.O. Box 1030
Eureka, California 95502-1030

With copy to:

Ryan T. Plotz
THE MITCHELL LAW FIRM, LLP
P.O. Drawer 1008
426 First Street
Eureka, CA 95501

If to Tenant: _____

Either party, Tenant or Landlord, may change the address for the purpose of this Section by giving written notice of the change to the other party in the manner provided in this Section.

Section 32. Waivers

No waiver by Landlord, nor any provisions in this Lease shall be deemed a waiver of any other provision of this Lease, of any subsequent breach of this Lease by Tenant, or of any other provision. Landlord's consent to or approval of any act by Tenant shall not waive the necessity for Landlord's consent to or approval of any subsequent act by Tenant. Landlord's acceptance of rent shall not be a waiver of any preceding breach of Tenant, other than Tenant's failure to pay the rent that Landlord accepted, regardless of Landlord's knowledge of the preceding breach at the time of acceptance of the rent.

Section 33. No Recording

Neither party shall, without the express written consent of the other, execute, acknowledge, or record a memorandum of this Lease.

Section 34. Surrender of the Leased Premises

(a) Upon the expiration or sooner termination of this Lease, Tenant shall vacate and surrender the Leased Premises and the Equipment to Landlord in the same condition as existed at the Commencement Date, except for:

(i) reasonable wear and tear, and

(ii) damage caused by any peril or condemnation.

(b) If Landlord so requests, Tenant shall, prior to the expiration or sooner termination of this Lease:

(i) remove any Alterations that Tenant is required to remove pursuant to this Lease and repair all damage caused by such removal, and

(ii) return the Leased Premises or any part of the Leased Premises to its original configuration existing as of the time the Leased Premises were delivered to Tenant.

(iii) Tenant shall remedy any condition of the Leased Premises that is required by any order, law, or regulation of any government agency having jurisdiction over the Leased Premises.

(c) If the Leased Premises and/or the Equipment are not so surrendered at the termination of this Lease, Tenant shall be liable to Landlord for all costs incurred by Landlord in returning the Leased Premises and/or the Equipment to the required condition. Tenant shall indemnify Landlord against loss or liability resulting from delay by Tenant in surrendering the Leased Premises and/or the Equipment, including without limitation any claims made by any succeeding tenant or losses to Landlord due to lost opportunities to lease to succeeding tenants.

Section 35. Holding Over

At the end of the Term, or any extension, if Tenant holds over for any reason, it is hereby agreed that in the absence of a written agreement to the contrary that tenancy shall be from month-to-month only and not a renewal of this Lease, nor an extension for any further term. In that case, Tenant shall pay rent in an amount equal to the rent payable prior to the end of the Term or any extension, and the month-to-month tenancy shall be subject to every other term, covenant, and condition contained in this Lease that is consistent with and not contrary to a month-to-month tenancy.

Section 36. Cumulative Remedies

No remedy of election under this Lease shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

Section 37. Covenants and Conditions

Each term of this Lease performable by Tenant shall be deemed both a covenant and a condition.

Section 38. Binding Effect

Subject to Section 1 and 18, this Lease shall be binding on and inure to the benefit of the parties and their successors and assigns.

Section 39. Attorney Fees

If either party brings an action to enforce the Lease, the prevailing party, shall be entitled to reasonable attorney’s fees as determined by the court. “Prevailing party” shall include without limitation:

- (a) a party who dismisses an action in exchange for sums allegedly due;
- (b) a party who receives performance from the other party for an alleged breach of covenant or who receives a desired remedy that is substantially equal to the relief sought in an action; or
- (c) a party determined to be the prevailing party by a court of law.

Section 40. Entry

(a) Except as otherwise provided by this Lease, including Landlord’s rights, without notice, to access the Retained Areas as stated in section 3(a), Landlord and its agents may otherwise enter the Leased Premises at any reasonable time after giving at least twenty-four (24) hours’ prior written notice to Tenant, and immediately in the case of emergency, for the purpose of: (i) inspecting the Leased Premises; (ii) posting notices of non-responsibility; (iii) supplying any service to be provided by Landlord to Tenant; (iv) showing the Leased Premises to prospective purchasers, mortgagees, or tenants; (v) making necessary alterations, additions, or repairs; (vi) performing Tenant’s obligations when Tenant has failed to do so after written notice from Landlord; (vii) placing on the Leased Premises ordinary “for lease” signs or “for sale” signs; and (viii) responding to an emergency.

(b) Landlord shall have the right to use any means Landlord deems necessary and proper to enter the Leased Premises in an emergency. Any entry into the Leased Premises obtained by Landlord in accordance with this Section shall not be a forcible or unlawful entry into, or a detainer of, the Leased Premises, or an eviction, actual or constructive, of Tenant from the Leased Premises.

(c) MSRC Emergency Entry. Tenant acknowledges and agrees that the Retained Area under the MSRC Lease permits the tenant thereunder to access its leased area on a 24/7 basis to, among other things, respond to emergencies. Further, the tenant under the MSRC Lease may require emergency hauling of its vessel using the Travel Lift and Travel Lift Dock on a 24/7 basis to respond to an emergency. In the event of such an emergency, Tenant agrees that, in the event it is unable to facilitate the hauling of the emergency response vessels in a timely manner, Landlord shall have the right, without compensation to Tenant, to utilize the Travel Lift without prior notice to Tenant to facilitate emergency launches of the MSRC vessels.

Section 41. Security Measures

Tenant acknowledges that Landlord shall have no obligation to provide any guard service or other security measures to the Leased Premises and Tenant assumes all responsibility for the protection of Tenant, Tenant’s agents, invitees, and customers, and the property of Tenant and of Tenant’s agents, invitees, and customers from acts of third parties.

Landlord’s Initials: _____

Tenant’s Initials: _____

Section 42. Governing Law

This Lease shall be governed by California law, and any litigation concerning this Lease between the parties shall be initiated in the Superior Court of Humboldt County.

Section 43. Accessibility Requirements

The following requirements are included herein by Landlord to comply with Civ. Code, § 1938:

The Premises have not undergone inspection by a Certified Access Specialist (CASp).

Tenant acknowledges and agrees that a Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

SIGNATURE PAGE FOLLOWS

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

LANDLORD:

*HUMBOLDT BAY HARBOR,
RECREATION, AND
CONSERVATION DISTRICT*

By: _____

Name:

Its:

TENANT:

TODD REINCKE

By: _____

Name: Todd Reincke

Exhibits

- Exhibit A – Leased Premises
- Exhibit B – Special Conditions
- Exhibit C – Environmental Laws
- Exhibit D – Roll Up Door Improvements
- Exhibit E – Rules and Regulations

Landlord's Initials: _____

Tenant's Initials: _____

EXHIBIT A
Leased Premises

Landlord's Initials: _____

Tenant's Initials: _____



Name	Area Approx. Square Feet
A. Primary Lease Area	203,866
B. Travel Lift Dock	8,865
C. MSRC Lease Area	8,084
D. Derelict Vessel Area	8,051
E. Office and Shop area	9,802
F. Cell Tower Area	1,143
G. Barge Unloading Area	56,317
H. Harbor District Retained Area	61,579
I. Small Shop Building	1,391

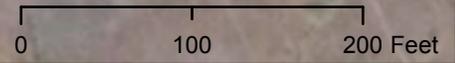


Exhibit A - Fields Landing Boat Yard Lease Area

Map prepared for HBHRCD by:
PLANWEST PARTNERS, INC.
 Map Date: 4/14/2020

EXHIBIT B
Special Conditions

The following Special Conditions are incorporated into the Lease by reference:

Special Condition 1. Tenant’s Obligation to Allow Self-Help Repair Space.

(a) General Obligation. Tenant acknowledges and agrees that a portion of the Leased Premises have historically been made available by Landlord to vessel owners to perform repairs and maintenance to their vessels, either by the owner personally or through retained third-parties (“Self-Help”). Tenant shall allow such Self-Help to continue on the Leased Premises in accordance with the terms set forth below.

(b) Reserved Self-Help Space. Tenant shall reserve sufficient space on the Leased Premises to provide for a minimum of five (5) Self-Help work spaces of varying sizes up to 110 feet in length.

(c) Rental Agreement. Tenant shall not permit any person to utilize the Self-Help area unless the vessel owner or authorized agent of the vessel owner signs a written rental agreement in a form to be approved by Landlord and Tenant prior to usage. Among other terms, the form shall provide that the vessel owner shall comply with reasonable rules and regulations, follow all required best management practices and standard operating procedures, and shall indemnify, defend, and release Landlord and Tenant from any liability arising from the vessel owner’s use of the Self-Help area.

(d) Rent no to Exceed Market Rate. Tenant may charge reasonable rent, on a uniform, non-discriminatory basis, to users of the Self-Help area. In no event may the rent charged to any individual or entity exceed the market rate for such service as determined by a comparison of rates charged by similarly situated boat yards in the surrounding areas. Landlord shall review the rates charged on a regularly basis.

(e) Rules and Regulations. Tenant shall ensure that Self-Help users comply with all reasonable rules and regulations applicable to the Leased Premises.

Special Condition 2. Tenant’s Obligation to Provide Travel Lift Service.

(a) Obligation. Tenant shall cause to operate the Travel Lift Service for qualified vessels in need of hauling service. For purposes of this provision and without limiting the foregoing sentence, Tenant shall provide Travel Lift services to vessels seeking to use the Self-Help area, vessels being serviced by Tenant, as required under the MSRC Lease, and for District vessels as discussed below in Subsection “d”.

(b) Waiver and Release. Prior to hauling any vessel, Tenant shall obtain written consent and agreement from the Vessel owner or authorized agent of the vessel owner in a form to be approved by Landlord prior to the first hauling. Among other things, the form shall require a waiver and release of liability as to Landlord.

(c) Hauling and Regulatory Fees. Tenant may charge a reasonable fee, not to exceed a market rate, for hauling services. Tenant shall also charge, collect, account for, and remit to the District the Dredge Surcharge Fee in the amount set forth in the Landlord's Fee Schedule, as may be amended. Tenant shall remit the Surcharge Fee to Landlord on a rolling 30-day period without offset or deduction. Landlord reserves the right to audit Tenants books and records for the purpose of verifying the amount of the remittance and Tenant shall be responsible for any under payments.

(d) Hauling of District Owned Vessels. Notwithstanding anything in this Section to the contrary, Tenant shall not charge the District in excess of \$200 for each roundtrip (haul and launch) and shall not charge the District in excess of \$150 to relocate any District owned vessel within the Leased Premises or Retained Areas, provided, however, that the District shall provide Tenant at least 48-hours advance notice of the need to haul, launch, or relocate a District owned vessel.

(e) Hauling of Abandoned Vessels. In the event a vessel is found abandoned in the Humboldt Bay and is brought to the Property for storage, Tenant agrees to provide one-way haul out and location service to a Landlord Retained Area designated by Landlord at no cost for up to three (3) vessels per calendar year and at the rate of \$150 per vessel for the 4th and subsequent vessels in the same calendar year.

Special Condition 3. Obligation to Provide District Repair Services.

Tenant agrees to provide, at no cost to the District, vessel repair space within the indoor shop and/or outdoor work yard, as determined by the District, for up to seven (7) consecutive days per repair period three-times per calendar year. Tenant further agrees to provide, at no cost to the District, three travel lift roundtrip (haul and launch) and yard movement to the repair space per calendar year for repair services described in this section.

Special Condition 4. Installing Access Gate.

With the prior consent of Landlord, Tenant may relocate the entrance gate to the Leased Premises; provided, however, that Tenant shall ensure access rights as required by the Lease.

Special Condition 5. Stormwater and Industrial Wastewater Prevention Best Practices.

Landlord shall establish and monitor a stormwater and wastewater prevention best management practices program for the Leased Area. Tenant shall have the primary responsibility, at his sole cost and expense, to maintain and comply the program, except that Landlord shall, at its sole cost and expense, have primary responsibility for pretreatment systems and laboratory testing.

Special Condition 6. Demolition and Disposal of Abandoned Vessels.

Tenant shall provide demolition and disposal services to Landlord for abandoned vessels pursuant to service contracts to be authorized by Landlord and conditioned on approval from the State Department

of Boating and Waterway for reimbursement of demolition costs to Landlord. In no event, shall the cost to perform the demolition and disposal service exceed the following costs for the vessels identified below:

- (i) Vessel No. 1: \$3,400
- (ii) Vessel No. 5: \$3,400
- (iii) Vessel No. 9: \$5,180
- (iv) Vessel No. 11: \$9,860
- (v) Vessel No. 14: \$5,120

The vessel number shown above corresponds with the number painted on the abandoned vessels located on the Property. All other demolition and disposal services shall be on a time and materials basis to be agreed between Landlord and Tenant.

Tenant shall not commence any demolition work until Landlord provides Tenant with written notice to proceed, which shall provide Tenant a reasonable date for completion of the work.

EXHIBIT C

Environmental Laws

“Environmental Laws” means all federal, state, local, or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, or requirements of any government authority regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substance (as later defined), or pertaining to occupational Health or industrial hygiene (and only to the extent that the occupational Health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property), occupational or environmental conditions on, under, or about the Property, as now or may at any later time be in effect, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (“CERCLA”) [42 U.S.C.A §§ 9601 et seq.]; the Resource Conservation and Recovery Act of 1976 (“RCRA”) [42 U.S.C.A §§ 6901 et seq.]; the Clean Water Act, also known as the Federal Water Pollution Control Act (“FWPCA”) [33 U.S.C.A §§ 1251 et seq.]; the Toxic Substances Control Act (“TSCA”) [15 U.S.C.A §§ 2601 et seq.]; the Federal Insecticide, Fungicide, Rodenticide Act [7 U.S.C.A §§ 136 et seq.]; the Superfund Amendments and Reauthorization Act [42 U.S.C.A §§ 9601 et seq.]; the Clean Air Act [42 U.S.C.A §§ 7401 et seq.]; the Safe Drinking Water Act [42 U.S.C.A §§ 300f et seq.]; the Solid Waste Disposal Act [42 U.S.C.A §§ 6901 et seq.]; the Surface Mining Control and Reclamation Act [30 U.S.C.A §§ 1201 et seq.]; the Emergency Planning and Community Right-to-Know Act [42 U.S.C.A §§ 11001 et seq.]; the Occupational Safety and Health Act [29 U.S.C.A §§ 655 and 657]; the California Underground Storage of Hazardous Substances Act [Health & Saf. Code §§ 25280 et seq.]; the California Hazardous Substances Account Act [Health & Saf. Code §§ 25300 et seq.]; the California Hazardous Waste Control Act [Health & Saf. Code §§ 25100 et seq.]; the California Safe Drinking Water and Toxic Enforcement Act [Health & Saf. Code §§ 25249.5 et seq.]; the Porter-Cologne Water Quality Act [Wat. Code §§ 13000 et seq.] together with any amendments of or regulations promulgated under the statutes cited above and any other federal, state, or local law, statute, ordinance, or regulation now in effect or later enacted that pertains to occupational Health or industrial hygiene, and only to the extent that the occupational Health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property, or the regulation or protection of the environment, including ambient air, soil, soil vapor, groundwater, surface water, or land use.

“Hazardous Substances” includes without limitation:

- (a) Those substances included within the definitions of “hazardous substance,” “hazardous waste,” “hazardous material,” “toxic substance,” “solid waste,” or “pollutant or contaminant” in CERCLA, RCRA, TSCA, or under any other Environmental Law;
- (b) Those substances listed in the United States Department of Transportation (DOT) Table [49 C.F.R. 172.101], or by the Environmental Protection Agency (EPA), or any successor agency, as hazardous substances [40 C.F.R. Part 302];
- (c) Other substances, materials, and wastes that are or become regulated or classified as hazardous or toxic under federal, state, or local laws or regulations; and

(d) Any material, waste, or substance that is:

(i) a petroleum or refined petroleum product,

(ii) asbestos,

(iii) polychlorinated biphenyl,

(iv) designated as a hazardous substance pursuant to 33 U.S.C.A § 1321 or listed pursuant to 33 U.S.C.A § 1317,

(v) a flammable explosive, or

(vi) a radioactive material.

EXHIBIT D
Roll Up Door Improvements

Landlord's Initials: _____

Tenant's Initials: _____

Reincke Marine Fabrication
 1 Yard Road
 PO BOX 158
 Fields Landing CA
 95537



Quote

Date	Invoice #
3/2/2020	3039

Bill To	Project
Humboldt Bay Harbor District HBHD 601 Startare Dr Eureka, CA 95501	

Description	Qty	Rate	Amount
Remove damaged header beam at top of hanger door. Fabricate 3"x5"x .250" x 44 ft. header beam, install. Install on new header beam 2 I Beam Trolleys attached to 3" x 5" x .250" x 39 ft. I beams used to secure high wind "blow in"			
Labor price per hour 2 men @ 15 man hrs each.	30	100.00	3,000.00
130 ft, 3" x 5" x .250" I beam, 2 sq. Ft. .500 plate, Welding supplies	1	809.00	809.00

Sales Tax (8.5%)	\$0.00
-------------------------	---------------

Customer Signature _____

Total	\$3,809.00
--------------	-------------------

RMF

REINCKE MARINE FABRICATION

Full Service Boatyard / 150 Ton Marine Travelift

1 Yard Road, Fields Landing, CA 95537

rmfhumboldtby.com

707 444 1393

40.72.3 N 124.22.2 W

Capt. Tod Reincke 707 683 0024

tod@rmfhumboldtby.com

I-BEAMS

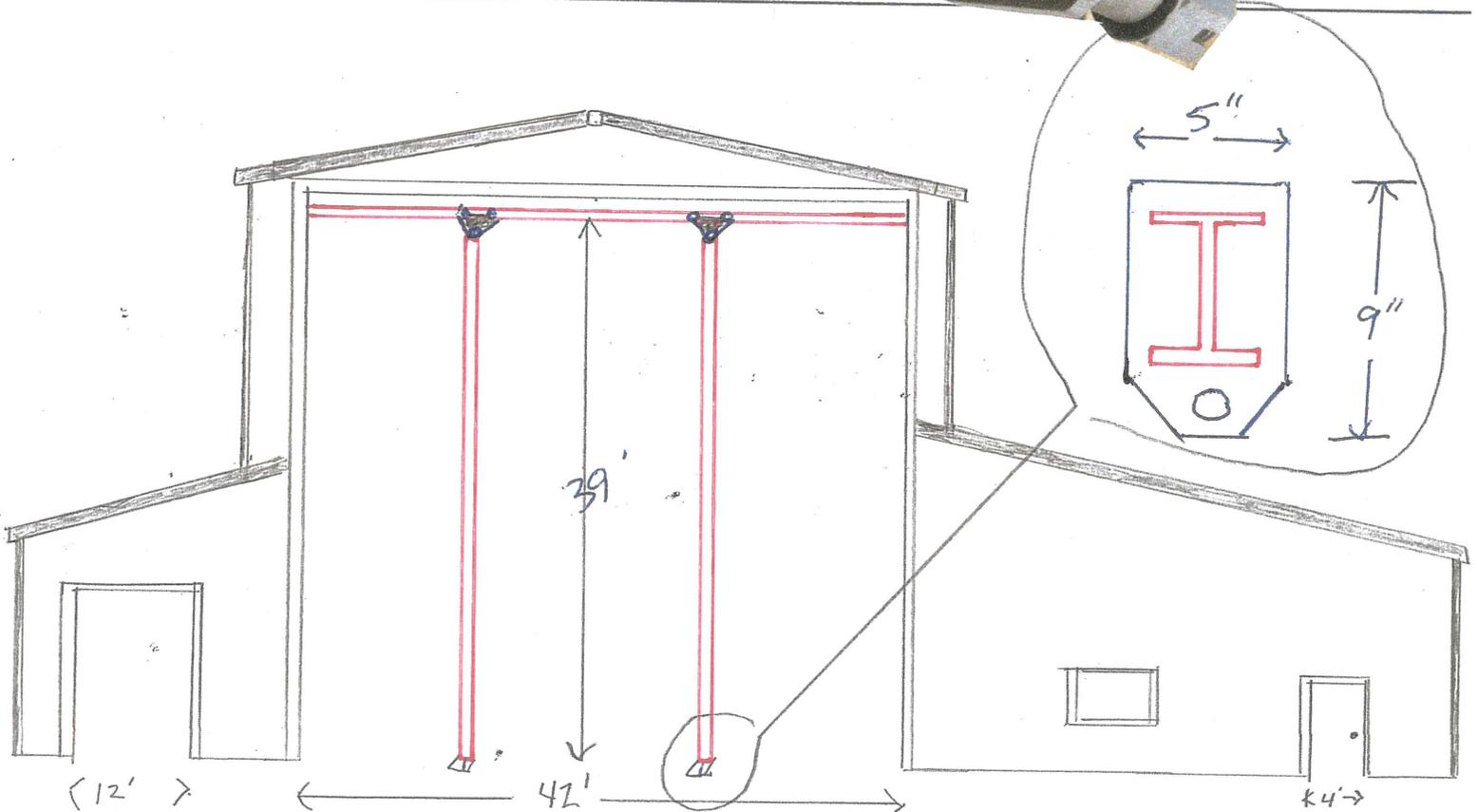
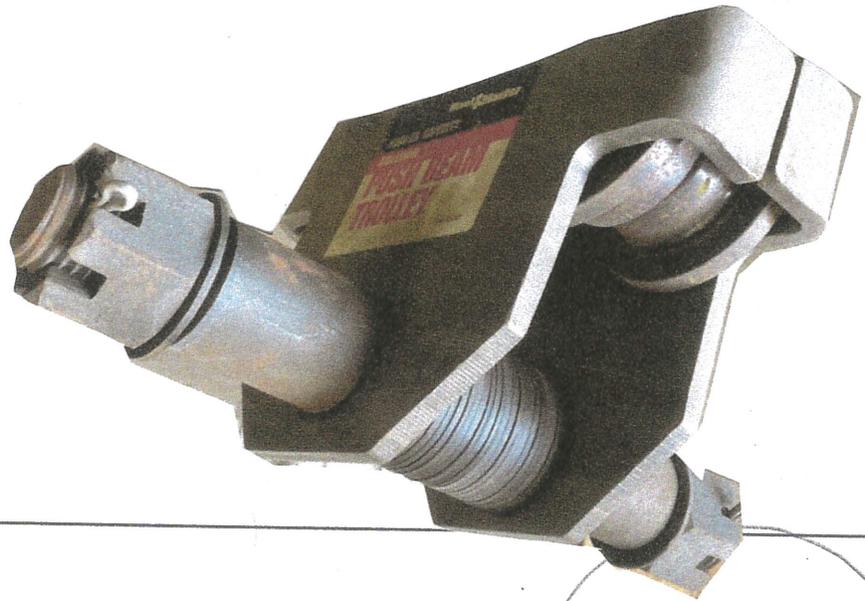
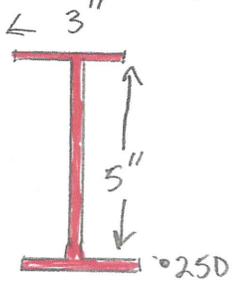


EXHIBIT E
Rules and Regulations

Landlord's Initials: _____

Tenant's Initials: _____

Exhibit A:

YARD RULES AND REGULATIONS

Any person using the facilities at the Boat Building and Repair Facility shall assume all risk of damage or loss to his property and the District assumes no risk on account of fire, theft, act of God, or damage of any kind to vessels or equipment at the Boat Building and Repair Facility. The District shall not be liable in any manner or for any cause whatsoever for any vessel or equipment or its contents, gear thereof, or any loss or damage thereto howsoever occasioned, storage shall be at the sole risk of Lessee.

At all times Lessee shall comply and shall obtain the compliance of and be liable for, Lessee's family, employees, agents, business visitors, contractors and invitees, of all laws, ordinances, rules and regulations, including those of the federal and state government, the County of Humboldt and the District. District may remove any vessel or equipment from any space to any other space, or to place the same in storage at Lessee's expense if in the discretion of the District it may be necessary to do so for the safety or security of the vessel or equipment or District's property or to repair District's facilities, or for any other reason in the best interests of the District, and District shall have no liability for any loss or damage resulting therefrom or for any failure to move the same.

In the event District deems it necessary to resecure or relocate a vessel or equipment for any reason, Lessee shall pay a reasonable cost or charge therefor, plus all costs and materials used therefor. District shall assume no responsibility for the safety of vessels or equipment and shall not be liable for fire, theft, or any damage to vessels or equipment by reason of District's decision either to resecure the vessel or equipment or not to resecure the vessel or equipment.

Removal, relocation or storage of vessels and equipment as provided in this ordinance shall be without liability to the District, its Harbor Master, employees or agents.

All contractors shall have on file with the District, prior to commencement of work, current liability insurance listing the Humboldt Bay Harbor, Recreation and Conservation District as additionally insured.

An agreement shall authorize the holder thereof to use the facilities at the Boat Building and Repair Facility for purposes vessel building, repairs and maintenance, and storage of vessels and marine equipment only, and grants no further rights, privileges or uses. Additional or varying uses shall not be allowed except at the sole discretion of the Harbor Master or as provided in the ordinances and regulations of the District.

District shall have the right at all times to refuse an agreement or to refuse to issue a Boat Yard Agreement to any Lessee if any vessel or equipment that may be in the opinion of the Harbor Master is unsightly, improperly maintained, inappropriate or may present a danger to District's property or other vessels or equipment.

It shall be unlawful for any person to willfully injure, break, remove or tamper with any part of any vessel or equipment in the Boat Building and Repair Facility, any waterway or facility thereof, or to climb into or upon any vessel or equipment without the consent of the owner, unless in the performance of official duties or to protect life or property.

During hours of darkness, all persons shall be prohibited from the Boat Building and Repair Facility, unless expressly authorized by the Harbor Master. It shall be unlawful for persons to be within the facility after hours of darkness and may be considered trespassers and prosecuted by law.

It shall be unlawful for any person under the age of thirteen (13) years to go, remain, or be upon any of the gangways, floats, vessels or equipment in the Boat Building and Repair Facility unless such person is accompanied by an adult, or unless such person has the written permission of the owner, on file with the Harbor Master, of any vessel or equipment located at the Boat Building and Repair Facility to go upon such vessel or equipment, or unless such person has permission of the Harbor Master.

No vessel or equipment within the Boat Building and Repair Facility shall be used as a place of residence and no person shall use the same as place of residence except with expressed written permission of the Harbor Master

All activities at the Boat Building and Repair Facility shall be in accordance with best management practices to prevent water, soil and air pollution. Lessee will be held financially responsible for clean-up expenses and fines as a result of pollution arising from any activity or persons involved in Lessee's vessel or equipment causing pollution.

No persons shall dump, throw, discharge, or deposit from any vessel or equipment or from the shore or float, or in any other manner any refuse matter, human waste, dead animals, fish, shellfish, fish parts, bait, putrefying matter, bilge water, paints, solvents, oil, spirits, inflammable liquid, hazardous materials, contaminates, plastics or garbage of any kind whatsoever into or upon the water of Humboldt Bay or in, on or upon the banks, walls, sidewalks, parking area, or any waters within the boundaries Boat Building and Repair Facility. All material shall be disposed of in an approved manner for the specific material. Tarps must be used at all times to control the release of dust, sandings, chemical spills and other residues.

No person on board any vessel within the Boat Building and Repair Facility shall use the sanitary facilities, toilets or sinks on board such vessel.

Pets shall not be allowed within the Boat Building and Repair Facility or to commit any nuisance within the Boat Building and Repair Facility and the owners of said pets shall be responsible for cleaning up any nuisance or mess left by said pet.

Any person found in violation of safe and appropriate disposal practices shall have their Boat Yard Agreement revoked immediately and shall be responsible for all clean up costs plus any damages.

All persons entering the Boat Building and Repair Facility must log in daily at the office prior to commencing any work.

All vessels and equipment must be secured so that no part, including bow sprit, boom, boomkin, or other appurtenance shall block any portion of any walkway or driveway.

All bilges shall be cleaned prior to any work that opens or penetrates the hull. Oil absorbent materials shall be used when removing contaminated bilge water and Lessee shall be responsible for the removal of all absorbent material from District property. Dispose of waste oil and filters in appropriate waste oil and filter recovery areas.

No spray painting without first notifying the District. Use all caution while spray, roller, or brush painting. Lessee shall be responsible for damage to adjacent vessels and equipment. The use of antifouling paint containing tributyl tin is prohibited. All paint spillage must be cleaned up immediately.

Sandings from boats shall be collected by using visquine, plastic tents, or other materials to keep pollutants from contaminating the soil or becoming airborne. Vacuum up all dry sandings. Exterior wet sanding is not allowed. DO NOT clean area with water. Storm drains may go directly into Humboldt Bay.

Sand blasting is prohibited except in approved areas.

At such time as it may become necessary to perform work involving use of welding or burning equipment, every person intending to engage in welding or burning shall notify the District of the nature and extent of the proposed work, the workman or company doing the work and the date and time the work shall be performed. This notification shall be given to the District prior to the start of work and whenever practical at least one day before the work is to be performed. Fire extinguishers shall be provided by the Lessee and be immediately available during welding or burning.

Use of fuel heating stoves or any fuel cooking facilities on board a vessel while at the Boat Building and Repair Facility is strictly prohibited.

No person shall display on any vessel a "For Sale" sign in excess of 150 square inches on the face.

Bulk fueling of any vessel in the Boat Building and Repair Facility is prohibited unless with the expressed written permission of the Harbor Master.

Lessee is responsible for keeping their space clean on a daily basis. All tools, equipment and supplies are to be picked up and either placed on the vessel or placed in an orderly fashion within Lessee's space before leaving the area for the day. Lessee is responsible for final clean up of space. Space will be inspected and must pass inspection prior to launching.

Lessee engaged in work on their vessel or equipment must take care not to interfere with the work of others.

Vehicles must park in appropriate areas and must never hinder access for the travelift and other equipment. No vehicle shall be parked so as to obstruct the road, driveway, gate, or other public access. The District reserves the right to regulate all parking of motor vehicles, including guests and invitees of Lessee. No overnight parking of vehicles of any kind shall be permitted except under the provisions of a permit issued by the District. All vehicles left unattended or illegally parked may be towed away at owner's or Lessee's expense.

No brokers, peddlers, agents, or solicitations shall be permitted in the Boat Building and Repair Facility except upon the prior written consent of the District.

All paints, solvents, resins and fillers must be stored in their original container with labels identifying material enclosed.

Travelift services shall be arranged by making a prior appointment with the District. Emergency services may be available by contacting the District offices. Travelift services may be refused by District in the event that services may be deemed unsafe, including but not limited to weather conditions, for District personnel, property, or equipment.

Prior to any Travelift services, a release of liability form must be signed by the Lessee (legal owner, operator, or individual legally in possession of the vessel or equipment).

Prior to lift, Lessee must ensure that all gear and equipment in and on the vessel or equipment is secured. All fore and aft stays and other appurtenance that may interfere with hoisting of vessel or equipment must

be loosened or removed in advance to avoid lifting delays.

Lessee must direct placement of slings of travelift and blocks to ensure that no damage occurs to hull. Lessee shall assume all responsibility and liability for any damage that may occur due to improper or proper placement of slings and blocks.

Vessels with hard chines, bilge keels, rubbing strakes, vent covers, etc. are vulnerable to damage by slings when hoisting. Lessee shall assume all responsibility for any damage that may occur as a result of requesting Travelift services.

A "Round Trip" consists of a recovery and launch and includes a maximum of thirty (30) minutes for owner to wash down vessel or equipment.

Boats that have been painted and are being launched will be given a maximum of thirty (30) minutes in order to touch up holidays left by cradle.

Charges for hanging in the slings for the purpose of surveying or inspecting the vessel are based on one (1) hour of time. The vessel will not be moved from the haul-out site without prior arrangements or by rescheduling within the first fifteen (15) minutes, schedule permitting.

Charges for lift commence at time scheduled unless District operator is not ready to commence. Time of completion is when District operator and Travelift is no longer engaged in handling Lessee's vessel or equipment.

When delay is encountered on Travelift operations that is caused by the Lessee, the Lessee will be charged hourly in one half hour increments, as per the rate schedule.

All charges accrued for Travelift; blocking, storage and other services shall be paid in full prior to launch or release from premises.

Anyone more than fifteen (15) minutes late for a reservation may have their appointment cancelled, if necessary, due to scheduling, or at the discretion of the District.

Lessee is responsible and liable for Lessee's family, employees, agents, business visitors, contractors and invitees within the Boat Building and Repair Facility for compliance with all rules, regulations and provisions of the Boat Yard Agreement and this ordinance.

All vessels area required to be either currently documented with the United States Government or registered with a state and must remain currently documented or registered to retain a Boat Yard Agreement.

Diver inspection of a vessel while in the travelift area is permitted only after first notifying the District and receiving permission from the District. Divers will not be permitted in the water within the travelift area while a vessel is being held in the slings over the water.

In the event the Board of Commissioner of the District determines that Lessee has failed to comply with the terms and provisions of the Boat Yard Agreement or with the ordinances, rules and regulations promulgated by the District, for the safety of District's facilities, the Boat Yard Agreement may be terminated forthwith by the District and upon being so notified in writing by the District, Lessee shall immediately remove his vessel and all equipment from the assigned area and out of and away from District's facilities.

The Harbor Master or his designated representative shall have full authority to enforce the provisions of this ordinance and to enforce the provisions of this ordinance and to issue citations for violations of any provision

of this ordinance. Non-compliance will result in a minimum \$150.00 clean-up fee.

I have received a copy of Ordinance No. 16, The Boat Building and Repair Facilities Rules and Regulations: _____