



PORT OF BROOKINGS HARBOR
Special Commission Meeting
Tuesday, May 12, 2026, at 1:00pm
Port Meeting Room
16350 Lower Harbor Road Suite 202, Harbor OR, 97415

This is a hybrid meeting, which means you can attend in-person at the above address, or you can attend by the following:

Webinar Call-In Number: 1 (469) 998 – 7421

Meeting ID: 365 836 565#

Microsoft Teams Meeting Webinar Access:

<https://teams.microsoft.com/meet/239484995807217?p=4E3OowsB72Jvm291Lu>

A request for an interpreter for the hearing impaired, for those who want to participate but do not have access to a telephone, or for other accommodations for persons with disabilities should be made at least 48 hours in advance of the meeting to Port of Brookings Harbor Office at 541-469-2218.

TENTATIVE AGENDA

- | | PAGE |
|--|-------------|
| 1. CALL MEETING TO ORDER <ul style="list-style-type: none">• Roll Call• Modifications, Additions, and Changes to the Agenda• Declaration of Potential Conflicts of Interest | |
| 2. APPROVAL OF AGENDA | |
| 3. PUBLIC COMMENTS – Limited to a maximum of three minutes per person. Comments by teleconference, please email your comments to danielle@portofbrookingsharbor.com prior to the meeting. | |
| 4. ACTION ITEMS <ul style="list-style-type: none">A. Interview and Selection of Receiving Dock Company to begin Lease Negotiations<ul style="list-style-type: none">• Caito Fisheries, LLC• Pacific Dream Seafoods• Ocean Gold Seafoods | |
| 5. INFORMATION ITEMS <ul style="list-style-type: none">A. None | |
| 6. COMMISSIONER COMMENTS | |
| 7. NEXT REGULAR MEETING DATE – Wednesday, May 20, 2026, at 2:00pm | |
| 8. ADJOURNMENT | |

ACTION ITEM – A

DATE: May 12, 2026
RE: Interview and Selection of Receiving Dock Company to begin Lease Negotiations
TO: Honorable Board President and Harbor District Board Members
ISSUED BY: Travis Webster, Port Manager

OVERVIEW

- Hallmark Fisheries' lease at the Port of Brookings Harbor concluded on March 31, 2026. Following the termination of that lease, the Port issued a Request for Proposals (RFP) to identify potential tenants for the dock and associated workspace formerly occupied by Hallmark Fisheries.
- By April 8, 2026, submission deadline, the Port received three (3) proposals. Each proposal includes the intent to lease the dock and workspace, and to purchase crab and fish landed at the Port. While the proposals share similar objectives, staff have identified areas within each submission that require clarification before the Board can evaluate and compare them effectively.
- April 24, 2026, the Board reviewed interview questions for each proposer.
- This meeting is to have the Board interview each proposer and select one candidate to have the Port Manager begin lease negotiations.
- Each commissioner will score each question on a scale of 1–10 (1 = lowest, 10 = highest). Each commissioner will then total their scores for each candidate. Staff will collect all score sheets and take a brief recess to review, verify, and record the results. The combined commissioner scores will be tallied on the provided summary sheet to determine the selected company.

DOCUMENTS

- Proposals Received for the Dock and Workspace, 5 pages
- Interview Questions and Commercial Score Sheet, 3 pages
- Draft Commercial Dock Lease Agreement, 15 pages

COMMISSIONERS ACTION

Recommended Motion:

- Motion to approve the Port Manager to start lease negotiations with _____ regarding the commercial receiving dock.



CAITO FISHERIES, LLC

P.O. BOX 1370
FORT BRAGG, CA 95437
TELEPHONE (707) 964-6368
FAX (707) 964-6439
caitofishllc@caitofisheries.com

March 23, 2026

To the Port of Brookings Harbor, Port Manager and Board of Commissioners

Caito Fisheries has been in business 100 years, and we are proud to continue a long-standing tradition in the seafood industry. We currently operate multiple facilities and maintain a strong operation presence across the West Coast.

Our infrastructure includes two buildings in San Francisco dedicating to freezing and processing, with two hoists leased from Port of San Francisco. In addition, we own and operate multiple facilities on the West Coast, including:

- Fort Bragg, California 3 hoists
- Eureka, California 2 hoists
- Crescent City, California – operating since 1974 with 2 hoists

In July 2023, Caito Fisheries was acquired by Southwind Foods. Southwind Foods generates over \$600 million in annual revenue, employs more than 400 individuals, distributes over 120 million pounds of seafood annually, and serves more than 5,000 customers nationwide.

Caito Fisheries currently employs 143 team members, including key leadership:

- Brett Hester, Director of Operations
- Michael J. Freels, Director of Marketing and Sales

We respectfully submit the following proposals for your consideration:

- To assume and take over the existing port lease known as Hallmark Fisheries
- To establish a strong, long-term working relationship with the Port of Brookings Harbor and the local fishing fleet

As part of this partnership, we will commit to increasing revenue to the Port through:

- Increase in landing fees by 100 %
- Raise landing to specific species rates, as follows:
- Crab: \$0.01 to \$0.02 per pound
- Other species: \$0.005 to \$0.01 per pound

We believe this proposal represents a mutually beneficial opportunity to support the continued growth and sustainability of the Port while strengthening the local fishing economy.

Thank you for your time and consideration. We welcome the opportunity to discuss this proposal further.

Sincerely,

Brett Hester
Director of Operations

A handwritten signature in black ink, appearing to read "Brett Hester".

Port of Brookings Dock Lease Proposal 2026

Date: April 3, 2026

Jerod Goodin
Jon Mark
Pacific Dream Seafoods
116 O Ave, Anacortes, WA 98221

Travis Webster
Port Manager
Port of Brookings
16330 Lower Harbor Rd. PO Box 848, Brookings, OR 97415

Dear Travis,

Pacific Dream Seafoods respectfully submits this proposal to the Port of Brookings for the lease of dock space to support the offloading of crab and fish, along with adjacent lay down space for truck access and tote storage.

Pacific Dream Seafoods has been an active participant in the working waterfront economy and understands the importance of efficient dock operations, strong vessel support, and consistent seafood buying activity. This proposal intends to secure the space necessary for continued and expanded operations while reinforcing the economic value our company brings to the Port, local fleet, and surrounding community.

Proposed Lease Terms

Pacific Dream Seafoods proposes an annual lease rate of **\$112,000.00 per year**.

The requested lease area would be used for the following purposes:

- Dock access for the offloading of crab and fish
- Operational support for commercial fishing vessel deliveries
- Lay down space for truck staging
- Tote storage and handling necessary for seafood receiving operations

This space is essential for maintaining an organized, safe, and efficient flow of product from vessel to truck, while minimizing disruption and supporting timely turnaround for participating fishermen.

Economic Impact

Pacific Dream Seafoods believes the most important factor in this proposal is the economic impact our company creates through our pricing structure and active participation in the seafood market.

Port of Brookings Dock Lease Proposal 2026

We bring an aggressive and competitive price structure to the fishing fleet. That matters. When fishermen are paid stronger prices for their crab and fish, the benefit goes well beyond a single transaction. It directly supports vessel profitability, crew earnings, reinvestment in equipment, fuel purchases, repairs, maintenance, and overall business stability for the fleet operating from Brookings.

Our presence at the Port helps create a more competitive buying environment, which in turn strengthens the local commercial fishing economy. That kind of market activity helps keep boats delivering, keeps product moving across the dock, and helps preserve the Port's role as a productive commercial landing point.

In practical terms, Pacific Dream Seafoods contributes value in the following ways:

- Supports local fishermen through strong and competitive dock prices
- Encourages landings at Brookings by creating a viable and attractive market
- Increases economic activity tied to seafood handling, transportation, and related services
- Helps sustain jobs and working waterfront infrastructure connected to the commercial fleet
- Reinforces the Port's long-term importance as a seafood landing and business hub

Operational Commitment

Pacific Dream Seafoods is committed to operating in a professional, efficient, and responsible manner. We recognize the importance of maintaining a clean, safe, and functional working waterfront. Our intent is to continue building a strong working relationship with the Port of Brookings and to operate in a way that reflects well on both the Port and the commercial fishing industry it serves.

Closing

Pacific Dream Seafoods appreciates the opportunity to submit this proposal. We believe our proposed lease rate of **\$112,000.00 annually**, combined with the significant economic benefit we provide through competitive pricing and active seafood purchasing, makes this proposal a strong fit for the Port of Brookings.

We welcome the opportunity to continue supporting the fishing fleet and contributing to the long-term success of the Port.

Sincerely,

Pacific Dream Seafoods

Jerod Goodin, President

Jon Mark, Vice-President



Proposal

1804 North Nyhus Street
PO Box 1104
Westport, WA 98595

4/6/2026

Port of Brookings Harbor
16330 Lower Harbor Rd
Brookings, OR 97415

Dear harbor master and port commission,

Ocean Gold Seafoods, Inc. is submitting its proposal to lease and operate the dock and work area shown on the exhibit map attached, formerly leased by Hallmark Fisheries. Ocean Gold is interested in leasing the entire area at the current lease rates. Ocean Gold Seafoods is one of the largest volume multi species processors on the west coast. Ocean Gold is a price competitive buyer of crab and sablefish. Depending on market conditions there may be opportunities in Brookings for landing additional species such as shrimp, squid and other finfish. Ocean Gold operates a fleet of trucks under a subsidiary company Ocean Express giving us the ability to provide transportation services on a consistent basis.

Ocean Gold Seafoods looks forward to establishing a permanent presence in the port of Brookings as we expand our remote buying operations along the US west coast. Ocean Gold can provide exceptional service and diversify the selling opportunities for the local fishing fleet.

Thank you for considering Ocean Gold Seafoods as a future tenant of the Port of Brookings Harbor.

Sincerely,

Aaron Dierks
Director of Operations

Ocean Gold Seafoods, Inc
(206) 947-9250
adierks@oceancos.com

1804 N. Nyhus St.
Phone: (360) 268-2510

P.O. Box 1104
Fax: (360) 268-6376

Westport, WA 98595
Email: info@keepgraysharborfishing.com

Port of Brookings Harbor
Questions and Scoring for Commercial Dock Lease

Company Name: _____

1. Why is your company interested in becoming a buyer at the Port of Brookings Harbor? Score: _____

2. What is the duration of the lease you are looking for and when do you want to start your lease? Score: _____

3. How long have you been a seafood buyer and which ports do you have leases with? Do you use public hoists, if offered, at other Ports? Score: _____

4. Have you ever had a lease terminated? If so, where and why? Score: _____

5. What is your financial/buying capacity and current standing? Score: _____

6. Future expansions that you may want? Is there an interest at your company in building a fish products processing plant at the Port of Brookings Harbor Score: _____

7. Are you aware of the Port Ordinances and Best Management Practices? Do you have any questions about them? Score: _____

8. What equipment will you have in the leased area? (Freezers, refers, forklifts, trailers, etc.) Score: _____

Scoring: 1 – 10 (1 being the lowest, 10 being the highest)

Total Score: _____

Port of Brookings Harbor
Questions and Scoring for Commercial Dock Lease

9. How are you planning to manage your leased area? (Staffing, management, onsite day to day operations) Are you going to hire from the Brookings Harbor local laborer force or are you bringing in your own work staff and labor force? Score: _____
10. Would you be interested in partnering with the Port to make dock repairs? Score: _____
11. Do you serve any vessels currently moored at the Port of Brookings Harbor? Score: _____
12. Are you going to buy from outside commercial vessels at the Port of Brookings Harbor? Will the local Brookings Harbor fleet/vessels be given a seller's priority to sell their products to you? Score: _____
13. What is your payment timeline for vessels? Score: _____
14. What is the volume of product projected to purchase from the fleet? Score: _____
15. What type of product will you be buying from the local commercial fishing fleet? Score: _____
16. Scored based upon proposals received Score: _____

Scoring: 1 – 10 (1 being the lowest, 10 being the highest)

Total Score: _____

Port of Brookings Harbor
Questions and Scoring for Commercial Dock Lease

Applicants	Comr. #1	Comr. #2	Comr. #3	Comr. #4	Comr. #5	TOTAL
Caito Fisheries, LLC						
Pacific Dream Seafoods						
Ocean Gold Seafoods						

Scoring: 1 – 10 (1 being the lowest, 10 being the highest)

Highest total score is selected for commercial dock lease negotiations.

Awarded to: _____

Scoring: 1 – 10 (1 being the lowest, 10 being the highest)

Total Score: _____

**COMMERCIAL LEASE AGREEMENT
BUSINESS NAME**

This Commercial Lease Agreement (“Agreement”) is made and entered into in Brookings, Oregon, effective the 1st day of _____, 2026, by and between the **Port of Brookings Harbor**, an Oregon special district (the “Landlord”) and [CUSTOMER NAME] dba [BUSINESS NAME] (the “Tenant”).

1. **Leased Premises.** Landlord hereby leases to Tenant the following described property located in the Port of Brookings Harbor on the terms and conditions stated herein:
- a. A receiving dock with two hoists and work area legally described in Exhibit “A”, attached hereto and incorporated herein by this reference (the “Leased Premises”).
 - b. The dock premises consists of 9429 square feet of property, which is further described in Exhibit A attached hereto and incorporated herein by reference (the “Dock”)
 - c. A work area located adjacent to the Dock Premises, consisting of approximately _____ square feet of property, which is further described in Exhibit “A” attached hereto and incorporated herein by this reference (the “Work Area #1”).
 - d. The Dock Premises and the Work Area shall be referred to collectively herein as the “Leased Premises” consisting of a total of _____ square feet located at 16178 Lower Harbor Rd, Brookings, Oregon.

Lease Term and Base Rental Rate.

- a. **Initial Term.** The Initial Term of this lease is _____ () years commencing _____ 1, 2026 (“Lease Commencement Date”) and continuing through _____ 30, 202_ (“Lease Termination Date”).
- b. **Base Rental Rate.** The base rental rate for Leased Premises is _____ Thousand _____ Hundred _____ and ___/100 Dollars (\$_____.____) per month, as calculated below, payable on the first day of each month commencing _____ 1, 2026.
 - 1. The base rental rate is calculated at \$0.84 per square foot per month, for a total of Seven Thousand Nine Hundred Twenty and 36/100 Dollars (\$7,920.36) per month for 9429 square feet of Dock Premises.
 - 2. The base rental rate is calculated at \$0.____ per square foot per month, for a total of _____ Thousand _____ Hundred _____ and ___/100 Dollars (\$_____.____) per month for _____ square feet of Work Area.
 - 3. For utility charges or fees for water usage at a rate of _____ and ___/100 Dollars (\$____.____) per month.
- c. **Landing Fees.** The Port of Brookings Harbor Board of Commissioners (“Commissioners”) approves charging landing fee rates to all Port of Brookings Harbor leased receiving dock hoists, in accordance with the yearly rate schedule. Billing of all landing fee rates on a quarterly basis.

All fees collected from landing fees will be placed into Port of Brookings Harbor Reserve Fund under a line item titled "Landing Fees." Fees will be allocated to repair, maintenance and/or upgrades needed to the receiving docks.

- d. **Option to Renew.** Upon termination of the Initial Term of this agreement, Landlord grants to Tenant the option to renew this Agreement in whole or in part of the Leased Premises, for ____ () additional ____ () year term at terms and conditions to be negotiated, provided that: (a) Tenant is not in default of this Agreement at the time the option is exercised; (b) Landlord does not need the ground for its own use; and (c) Landlord is otherwise satisfied with Tenant's use of the Leased Premises during the Initial Term. The parties agree to negotiate in good faith with respect to the renewal terms and conditions on terms at least as favorable as those offered to any other tenant of Landlord at the time.
- e. **Notice of Intent.** Tenant shall notify the Landlord in writing ninety (90) days prior to expiration of the Agreement of Tenant's intent to exercise all or any portion of Tenant's option to extend the lease. Failure to provide such notice is a default and a material breach of the Agreement and Landlord may terminate the Agreement on the expiration date and retake possession of the Leased Premises with or without process of law.

2. Base Rent Payment.

- a. **Annual Adjustment.** Tenant must pay the base rent for the Leased Premises and any additional rent provided herein without deduction or offset. The base rent will increase annually, according to the Consumer Price Index for All Urban Consumers (CPI-U). The base rent increase will be for the total amount of the base rent due. Base rent includes all prior percentage increases. In the event that the CPI-U is negative, the base rent will remain the same and will not increase or decrease.
- b. **Proration.** Rent for any partial month during the lease term will be prorated to reflect the number of days during the month that Tenant actually occupied the Leased Premises.
- c. **Additional Rent.** Additional rent means any other sums payable by Tenant to Landlord under this Agreement. At the end of the initial Agreement term, a new base rent will be established.
- d. **Fees and Charges.** Should any rent or other payment required of Tenant by this Agreement not be paid within 10 days after it is due, a late charge of 3% per month (36% per annum) will be assessed. In the event any suit or action is instituted to collect any amount owed on this account, the Tenant agrees to pay any reasonable attorney's fees, collection agency fees and any other costs associated with such action. A \$50.00 fee will be assessed on any returned payment.

- 4. **Lease Consideration/Security Deposit.** Upon execution of the Agreement, Tenant's base rent is due the first day of the month of the lease term for which rent is payable. Tenant is required to pay a security deposit in a sum equal to one month's base rent. Landlord may apply the security deposit to pay the cost of

performing any obligation that Tenant fails to perform within the time required by this Agreement, but such application by Landlord shall not be the exclusive remedy for Tenant's default. If the security deposit is applied by the Landlord, Tenant must on demand pay the sum necessary to replenish the security deposit to its original amount. To the extent not applied by Landlord to cure defaults by Tenant, the security deposit will be returned to Tenant upon termination of this Agreement, or, by mutual agreement between Landlord and Tenant, applied against the rent payable for the last month of the term.

5. **Use.** Tenant shall use the Leased Premises to off load fish, crab and other product from commercial boats, and for no other purpose without Landlord's written consent. Tenant is entitled to the exclusive use of the hoist owned by Landlord. Tenant shall use the work area of the Leased Premises for the storage of trailers, totes, tanks and crab pots, and for general storage, and for no other purpose without Landlord's written consent. In connection with its use of the Leased Premises, Tenant shall at its expense promptly comply with all applicable laws, ordinances, rules and regulations of any public authority, including those of the Port of Brookings Harbor, and not unreasonably annoy, obstruct or interfere with the rights of other tenants of the Port of Brookings Harbor, wherever located. Tenant shall not create or maintain any nuisance or any objectionable fumes, noise, or vibrations while using the Leased Premises.
6. **Equipment.** Tenant shall install in the Leased Premises only such equipment as is customary for the intended *use* and shall not overload the dock or electrical circuits of the Leased Premises or alter the plumbing or wiring of the Leased Premises, without the written consent of Landlord. Landlord must approve, in advance, the location and manner of installing any electrical, heat generating or communication equipment or exceptionally heavy articles. Any equipment installed by Tenant shall remain Tenant's property and shall be installed and operated at Tenant's expense. Cranes or boom trucks not owned by Tenant are prohibited from operating on the Leased Premises unless authorized by the Landlord.
7. **Sign.** No signs, awnings, antennas, or other apparatus may be positioned as to be visible from outside the Leased Premises without Tenant obtaining Landlord's prior written approval as to design, size, location, and color. All signs installed by Tenant must comply with Landlord's standards for signs, and all applicable codes and signs and sign hardware must be removed upon termination of this Agreement with the sign location restored to its former state unless Landlord elects to retain all or any portion thereof.
8. **Utilities and Services.** Landlord shall furnish all utilities up to the Leased Premises and Tenant shall be directly responsible for any and all electrical charges or fees for electrical service, and shall make arrangements to be billed directly from the local electric co-op (Coos-Curry Electric Cooperative, Inc.). Tenant shall make the necessary arrangements to have a meter installed in the name of Tenant for billing purposes. Water usage will be billed separately. Tenant shall comply with all government laws or regulations regarding the use or reduction of use of utilities on the Leased Premises. Unless caused by Landlord's negligence or intentional act,

interruption, limitation, curtailment, or rationing of services or utilities shall not be deemed an eviction or disturbance of Tenant's use and possession of the Leased Premises, render Landlord liable to Tenant for damages, or relieve Tenant from performance of Tenant's obligations under this lease, and Landlord shall take all reasonable steps to correct any interruption in service.

9. Maintenance and Repair – Tenant's Obligations

1. Tenant is at all times during the term of this Agreement, and at Tenant's sole cost and expense, obligated to keep the entire of the Leased Premises and every part thereof in good condition and repair; excepting ordinary wear and tear and damage to the Leased Premises by earthquake, act of God, or the elements. Landlord has no obligation and has made no promise to alter, remodel, improve, repair, decorate, or paint the Leased Premises or any part thereof. Landlord does have the right to erect scaffolding and other apparatus necessary for the purpose of making repairs, and Landlord will have no liability for interference with Tenant's use because of repairs and installations. Tenant will have no claim against Landlord for any interruption or reduction of services or interference with Tenant's occupancy, and no such interruption or reduction shall be construed as a constructive or other eviction of Tenant.
2. Tenant shall maintain the Leased Premises, including the hoists and dock structures, in the condition existing at time of leasing, normal wear and tear excepted. Landlord may inspect repairs and may declare a default if the Leased Premises are not deemed in good repair after written notice of thirty (30) days for the dock and ten (10) days for the hoist itself.
3. Tenant shall be responsible for controlling and preventing any equipment usage of the dock area from vehicles or equipment which exceeds 80,000 lbs. GVW, by their invitees or other persons utilizing the facility in connection with the permitted usage described herein. Tenant shall be responsible for damages and/or repairs to the Leased Premises which result from overload of the dock, hoist or storage facility by the invitees of Tenant or persons utilizing the structure in connection with Tenant's business.
4. Tenant will be responsible for any repairs necessitated by Tenant's breach of this Agreement or the negligent or intentional acts of Tenant, its agents, employees, and invitees, excepting repairs that would otherwise be the responsibility of Landlord under Section 10 or Section 15.
5. Tenant is responsible for all other repairs to the Leased Premises which Landlord is not required to make under Section 10 or Section 15.
6. If Tenant fails to perform Tenant's obligations under this Section 9 or under any other Section of this Agreement, Landlord may enter upon the affected portion of the Leased Premises after ten (10) days' prior written notice to Tenant (except in case of emergency, in which no notice shall be required), perform such obligations on Tenant's behalf and put the Leased Premises in good order, condition and repair, and the cost thereof together with interest thereon at the maximum rate then allowable by law will be due and payable as additional rent to Landlord together with Tenant's next base rent installment.

7. On the last day of the term hereof, or upon any sooner termination, Tenant must surrender the Leased Premises to Landlord in the same condition as received, ordinary wear and tear excepted, clean and free of debris. Any damage or deterioration of the Leased Premises will not be deemed ordinary wear and tear if the same could have been prevented by commercially reasonable maintenance practices. Tenant shall leave the air-lines, power panels, electrical distribution systems, lighting fixtures, space heaters, air conditioning, plumbing and fencing which were on the Leased Premises prior to the Lease Commencement Date, in good operating condition.

10. Maintenance and Repair - Landlord's Obligations. The following will be the responsibility of Landlord:

- a. Provide adequate means of ingress and egress to the Leased Premises.
- b. Provide access to water supply and electricity.
- c. Repair and maintenance of existing exterior water and electrical services up to the point of entry to the Leased Premises.
- d. Repair and maintain any structural element with respect to the Leased Premises that does not meet the definition of Major Damage as provided in Section 15, with respect to the Leased Premises.

11. Alterations. Tenant must not make any alterations, additions, or improvements to the Leased Premises without Landlord's prior written consent. Any such additions, alterations, or improvements, except for removable machinery and trade fixtures, will at once become part of the realty and belong to the Landlord. Landlord may at its option require that Tenant remove any alterations and restore the Leased Premises to the original condition upon termination of this Agreement. Landlord will have the right to approve the contractor used by Tenant for any work on the Leased Premises, and to post notices of non-responsibility in connection with any work being performed by Tenant in the Leased Premises.

12. Indemnity.

- a. Tenant may not allow any liens to attach to the Leased Premises or Tenant's interest in the Leased Premises as a result of its activities. In the event that a materialman, mechanic's, or other lien is filed, or a claim of lien is made for work claimed to have been done for Tenant, Landlord will have the option in its sole discretion to require Tenant to post a Surety Bond within ten (10) days at Tenant's expense or to pay and discharge the lien. Tenant agrees to reimburse Landlord promptly upon demand. These Landlord remedies are not exclusive as Landlord has other remedies as provided by law including requiring Tenant to pay for Landlord's attorney's fees and costs relating to any such lien.
- b. Except as otherwise stated herein, Tenant hereby waives all claims against Landlord for damage to any property or injury, illness, or death of any person in, upon, or about the Leased Premises arising at any time and from any cause whatsoever other than by reason of the willful act of Landlord, its officers or employees. Tenant must defend, indemnify and hold Landlord

harmless from any and all claims or liability for damage to any property or injury, illness, or death of any person (a) occurring in or on the Leased Premises or any part thereof arising at any time and from any cause whatsoever other than by reason of the willful act of Landlord, its officers, employees, invitees, licensees or agents; or (b) occurring in, on, or about any part of the Leased Premises when such damage, injury, illness, or death was caused by the act, negligence, omission, or fault of Tenant, its agents, servants, employees, invitees, or licensees. Except as otherwise stated herein, Landlord will have no liability to Tenant because of loss or damage caused by the acts or omissions of other tenants of Landlord, or by third parties. The provisions of this paragraph will survive the termination of this Agreement with respect to any damage, injury, illness, or death occurring prior to such termination.

13. Insurance. During the term of this Agreement, Tenant must comply with the following insurance requirements:

- a. General Liability.** Tenant must carry commercial general liability insurance at least as broad as ISO Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than \$2 million per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
- b. Property.** Tenant must carry property insurance against all risk of loss to any tenant improvement or betterments, at full replacement cost with no coinsurance penalty provision.
- c. Workers’ Compensation.** If Tenant has employees, Tenant must carry workers’ compensation insurance as required by State law and Employer’s Liability Insurance with limits of no less than \$1 million per accident for bodily injury or disease.
- d. Excess Coverage.** If Tenant maintains broader coverage and/or higher limits than the minimums shown above, Landlord will be entitled to the broader coverage and/or the higher limits maintained by Tenant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage will be available to Landlord.
- e. Additional Insureds.** The Port of Brookings Harbor, its officers, officials, employees, and agents are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Tenant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement of the Tenant’s insurance (at least as broad as ISO Form CG 20 10).
- f. Certificates of Coverage.** Tenant must furnish certificates of insurance to Port's General Manager, P.O. Box 848, Brookings, Oregon 97415 certifying the existence of such insurance no later than five (5) days prior to commencement of this Agreement. Each insurance policy required by this clause must be endorsed to state that coverage will not be suspended, voided, canceled, or

reduced in coverage or limits or not renewed without fourteen (14) days advance written notice to the Landlord and Landlord's agent, if any, and a renewal certificate must be furnished at least 14 days prior to the expiration of any policy.

- g. Primary Insurance.** The insurance required herein will be primary and without right of contribution from other insurance that may be in effect and without subordination. Any other insurance carried by the Landlord is excess. The insurance policies must be underwritten by a company licensed in the State of Oregon and carry a minimum Best's rating of "A-VI" or better.
- h. Lapse of Policy.** If Tenant's policies lapse or are canceled at any time during the term of this Agreement, Landlord will have the right to immediately terminate this Agreement. Tenant will be responsible to Landlord and must reimburse and hold Landlord harmless for any bodily injury, fire or property damage not covered by Tenant's insurance.

14. Exemption of Landlord from Liability. Tenant hereby agrees that Landlord will not be liable for injury to Tenant's business or any loss of income therefrom or for damage to the goods, wares, merchandise or other property of Tenant, Tenant's employees, invites, customers, or any other person in or about the Leased Premises or the Port, nor will Landlord be liable for injury to the person of Tenant, Tenant's employees, agents or contractors, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, wires or lighting fixtures, or from any other cause, whether said damage or injury results from conditions arising upon the Leased Premises or upon other premises of the Port, or from other sources or places and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Tenant. Landlord will not be liable for any damages arising from any act or neglect of any other tenant, occupant or user of the Port, nor from the failure of Landlord to enforce the provisions of any other lease of the Port.

15. Major Damage. Major damage means damage by fire or other casualty to the Leased Premises that causes the Leased Premises or any substantial portion of the Leased Premises to be unusable. In the event that major damage occurs without negligence or willful misconduct of Tenant or its employees, agents, or licensees, then either Landlord or Tenant may elect to terminate this Agreement by providing written notice to the other party within thirty (30) days after the occurrence of the damage. If this Agreement is not terminated following major damage, or if damage occurs that is not major damage, Landlord must promptly restore the Leased Premises to the condition existing just prior to the damage, with the exception of damage to Tenant improvements. Restoration of any Tenant improvements or alterations installed by Tenant, and the costs thereof, will be the responsibility of the Tenant. Rent will be reduced from the date of damage until the date restoration work being performed by the Landlord is substantially complete, with the reduction to be in proportion to the area of the Leased Premises not useable by Tenant.

16. Waiver of Subrogation. Tenant will be responsible for insuring its personal property and trade fixtures located on the Leased Premises and any alterations or

Tenant improvements it has made to the Leased Premises. Neither Landlord nor Tenant will be liable to the other for any loss or damage caused by any of the risks that are or could be covered by a standard all risk insurance policy with the extended coverage endorsement, or for any business interruption. There may be no subrogated claims by one party's insurance carrier against the other party arising out of any loss.

- 17. Eminent Domain.** If a condemning authority takes title by eminent domain or by agreement in lieu thereof to the entire Leased Premises or a portion sufficient to render the Leased Premises unsuitable for Tenant's use, then either party may elect to terminate this Agreement effective on the date that possession is taken by the condemning authority; provided, however, that a condition to the exercise by Tenant of such right to terminate will be that the portion of the Leased Premises taken must be of such extent and nature as to substantially handicap, impede, or impair Tenant's use of the balance of the Leased Premises for the purpose intended. Rent will be reduced for the remainder of the term in an amount proportionate to the reduction in area of the Leased Premises caused by the taking. All condemnation proceeds will belong to Landlord, and Tenant will have no claims against Landlord or the condemnation award because of the taking.
- 18. Assignment and Subletting.** This Agreement binds and inures to the benefit of the parties, their respective heirs, successors, and assigns, provided that Tenant may not assign its interest under this Agreement or sublet all or any portion of the Leased Premises without first obtaining Landlord's consent in writing. This provision applies to all transfers by operation of law including but not limited to mergers and changes in control of Tenant. No assignment may relieve Tenant of its obligation to pay rent or perform other obligations required by this Agreement and no consent to one assignment or subletting may be deemed consent to any further assignment or subletting. Tenant will pay any costs incurred by Landlord in connection with a request for assignment or subletting, including reasonable attorney's fees.
- 19. Default.**
- a. Any of the following constitute a default by Tenant under this Agreement:
 - 1. Tenant's failure to pay rent or any other charge under this Agreement within ten (10) days after it is due, or failure to comply with any other term or condition within twenty (20) days following written notice from Landlord specifying the noncompliance. If such noncompliance cannot be cured within the 20-day period, this provision will be satisfied if Tenant commences corrective action within such period and thereafter proceeds in good faith and with reasonable diligence to effect compliance as soon as possible. Time is of the essence of this Agreement.
 - 2. Tenant's insolvency, business failure or assignment for the benefit of its creditors. Tenant's commencement of proceedings under any provision of any bankruptcy or insolvency law or failure to obtain dismissal of any petition filed against it under such laws within the

time required to answer, or the appointment of a receiver for Tenant's property.

3. Assignment or subletting by Tenant in violation of this Agreement.
4. Vacation or abandonment of the Leased Premises for more than three (3) months without the written consent of Landlord.
5. If this Agreement is levied upon under any attachment or execution and such attachment or execution is not vacated within ten (10) days.
6. If the Tenant fails to comply with any other requirements or obligations under this Agreement.

20. Remedies for Default. In case of default as described in Section 19 above, Landlord will have the right to the following remedies, which are intended to be cumulative and in addition to any other remedies provided under applicable law.

- a. Landlord may terminate the Agreement and reenter, retake possession of the Leased Premises, and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages. Following such retaking of possession, efforts by Landlord to relet the Leased Premises will be sufficient if Landlord follows its usual procedures for finding tenants for the Leased Premises at rates not less than the current rates for other comparable space on property owned by Landlord. If Landlord has other vacant space available, prospective tenants may be placed in such other space without prejudice to Landlord's claim to damages to loss of rentals from Tenant.
- b. Landlord may recover all damages caused by Tenant's default, which include an amount equal to rent lost because of the default and all attorney's fees and costs. Landlord may sue periodically to recover damages as they occur throughout the lease term, and no action for accrued damages will bar a later action for damages subsequently accruing. Landlord may elect in any one action to recover accrued damages plus damages attributable through the remaining term of the Agreement. Such damages will be measured by the difference between the rent under this Agreement and the reasonable rental value of the Leased Premises for the remainder of the term, discounted to the time of judgment at the prevailing interest rate on judgments.
- c. Landlord may make any payment or perform any obligation that Tenant has failed to perform, in which case Landlord will be entitled to recover from Tenant upon all demand all amounts so expended plus interest from the date of the expenditure at the rate of one and one-half percent (1.5%) per month. Any such payment or performance by Landlord will not waive Tenant's default.

21. Regulations. Landlord will have the right (but not the obligation) to make, revise, and enforce commercially reasonable regulations or policies consistent with this Agreement for the purpose of promoting safety, order, economy, cleanliness, and good service to all tenants of the Landlord, provided that if Landlord passes a regulation or policy that interferes with Tenant's quiet enjoyment or unreasonably interferes with Tenant's use of the Leased Premises, then Tenant may terminate this

Agreement. All such regulations and policies must be complied with as if part of this Agreement.

22. **Access.** During times, other than normal business hours, Tenant's officers and employees or those having business with Tenant may be required to identify themselves or show passes in order to gain access to the Leased Premises. In such event, Landlord will have no liability for permitting or refusing to permit access to anyone. With reasonable notice to Tenant, Landlord will have the right to enter upon the Leased Premises at any time by passkey or otherwise to determine Tenant's compliance with this Agreement, to perform necessary services, maintenance and repairs to the Leased Premises, or to show the Leased Premises to any prospective tenant or purchasers. Except in cases of emergency, such entry will be with at least 24 hours prior notice and at such times and in such manner as to minimize interference with the reasonable business use of the Leased Premises by Tenant.
23. **Notices.** Notices to the parties relating to the Agreement must be in writing, effective when delivered, or if mailed, effective on the second day following mailing, postage prepaid, to the address for the party stated in this Agreement or to such other address as either party may specify by notice to the other. Notice to Tenant may always be delivered to the Leased Premises. Rent will be payable to Landlord at the same address and in the same manner but will be considered paid only when received.
24. **Subordination.** This Agreement will be subject and subordinate to any mortgages, deeds of trust, or land sale contracts (hereafter collectively referred to as encumbrances) now existing against the Leased Premises. At Landlord's option this Agreement will be subject and subordinate to any future encumbrance hereafter placed against the Leased Premises (including the underlying land) or any modifications of existing encumbrances. Tenant must execute such documents as may reasonably be requested by Landlord or the holder of the encumbrance to evidence this subordination.
25. **Transfer of Premises.** If the Leased Premises is sold or otherwise transferred by Landlord or any successor, Tenant will attorn to the purchaser or transferee and recognize it as the landlord under this Agreement, and, provided the purchaser assumes all obligations hereunder, the Landlord (transferor) will have no further liability hereunder.
26. **Estoppel.** Either party will within twenty (20) days after notice from the other party execute, acknowledge and deliver to the other party a certificate reciting: whether or not this Agreement has been modified and is in full force and effect; whether there are any modifications or alleged breaches by the other party; the dates to which rent has been paid in advance, and the amount of any security deposit or prepaid rent; and any other facts that may be reasonably requested. Failure to deliver the certificate within the specified time will be conclusive upon the party of whom the certificate was requested that the Agreement is in full force and effect and has not been modified except as may be represented by the party requesting the

certificate. If requested by the holder of any encumbrance or any ground lessor, Tenant will agree to give such holder or lessor notice of and an opportunity to cure any default by Landlord under this Agreement.

27. **Attorney's Fees.** In the event, any action, suit, or other proceeding is instituted by either party to this Agreement to enforce any provision of this Agreement or any matter arising therefrom or to interpret any provision of this Agreement, the prevailing party will be entitled to an award of reasonable attorney's fees and costs of suit, including expert witness fees. In the event, any such action, suit, or other proceeding is appealed to any higher court or courts, the prevailing party will be entitled to an award of reasonable attorney's fees and costs for prosecuting or defending such appeal or appeals, in addition to the reasonable attorney's fees and costs in the lower court, or courts.
28. **Quiet Enjoyment.** Landlord warrants that so long as Tenant complies with all material terms of this Agreement, Tenant is entitled to peaceable and undisturbed possession of the Leased Premises free from any eviction or disturbance by Landlord. Landlord will have no liability to Tenant for loss or damages arising out of the acts of other tenants of Port property or third parties, nor any liability for any reason which exceeds the value of its interest in the Leased Premises.
29. **Complete Agreement.** This Agreement and the attached exhibits constitute the entire agreement of the parties and supersede all prior written and oral agreements and representations. Neither Landlord nor Tenant is relying on any representations other than those expressly set forth herein. Any modification to this Agreement must be in writing and signed by both parties.
30. **Nonwaiver.** Waiver by either party of strict performance of any provision of this Agreement may not be deemed a waiver of or prejudice of the party's right to require strict performance of the same provision in the future or of any other provision.
31. **Real Property Taxes.**
- a. **Payment of Taxes.** Tenant must pay all real and personal real property taxes, if any, applicable to Tenant's portion of the use and possession of the Leased Premises.
 - b. **Additional Improvements.** Tenant will be responsible for paying any increase in real property tax specified in the Tax Assessor's records and worksheets caused by additional improvements placed upon the Leased Premises by Tenant or by Landlord for use by Tenant.
 - c. **Definition of "Real Property Tax".** As used herein, the term "real property tax" includes any form of real estate tax or assessment, general, special, ordinary or extraordinary, and any license fee, commercial rental tax, improvement bond or bonds, levy or tax (other than inheritance, personal income or estate taxes) imposed on the Port or any portion thereof by any authority having the direct or indirect power to tax, including any city,

county, state or federal government, or any school, agricultural, sanitary, fire, street, drainage or other improvement district thereof.

- 32. **Severability.** The invalidity of any provision of this Agreement as determined by a court of competent jurisdiction, may in no way affect the validity of any other provisions herein.
- 33. **Time of Essence.** Time is of the essence with respect to the obligations to be performed under this Agreement.
- 34. **Security Measures.** Each party acknowledges that they have no obligation whatsoever to provide guard service or other security measures for the benefit of the other party or their property. Each party assumes full responsibility for the protection of itself, its agents and invitees and its property from acts of third parties. Nothing herein contained prevents Landlord, at Landlord's sole option from providing security protection for the Port or any part thereof.
- 35. **No Warranties.** The Leased Premises are leased "as-is" and in their current condition as of the first day of the lease term. No warranties, express or implied, are provided by Landlord regarding the condition or fitness for purpose of the Leased Premises.
- 36. **Parking.** Landlord does not assign any specific parking spaces to Tenant under this Agreement. Tenant and Tenant's employees and invitees are permitted to use any un-restricted Port public parking areas.
- 37. **Headings.** The headings in this Agreement are for the convenience of the parties only and are not to be used in the interpretation of its provisions.

IN WITNESS, WHEREOF, the duly authorized representatives of the parties have executed this Agreement as of the last date written below.

PORT OF BROOKINGS HARBOR, Landlord	BUSINESS NAME Tenant
Dated: _____	Dated: _____

<p>By: _____ President, Sharon Hartung</p> <p>ATTEST:</p> <p>_____</p> <p>Secretary/Treasurer Daniel Fraser</p>	<p>By: _____</p> <p>Name:</p> <p>Its: Member / Owner</p>
<p>Mailing Address: P.O. Box 848 Brookings, OR 97415</p> <p>Phone: 541-469-2218 Fax:</p>	<p>Mailing Address:</p> <p>Phone: Fax :</p>

DRAFT

Hallmark Lease Area

EXHIBIT A

A parcel of land lying in the Northeast Quarter of Section 8, Township 41 South, Range 13 West, Willamette Meridian, Curry County, Oregon, more particularly described as follows:

Dock Area

BEGINNING at Point "A", said point being North 09°03'40" West, a distance of 1,731.04 feet from a 2 ½" brass cap in asphalt set at the Northwest corner of D.L.C. 40, and also being the inside rail at the Northwest corner of a concrete boat dock;
thence along the inside rail of said concrete boat dock, thence South 28°52'57" East, a distance of 157.46 feet;
thence North 61°44'25" East, a distance of 55.77 feet to Point "B";
thence North 28°56'52" West, a distance of 125.67 feet;
thence North 70°16'33" East, a distance of 26.64 feet;
thence North 18°18'04" West, a distance of 20.44 feet;
thence South 71°01'52" West, a distance of 24.45 feet;
thence North 31°56'02" West, a distance of 11.98 feet;
thence South 61°28'28" West, a distance of 60.96 feet, to the POINT OF BEGINNING

Work Area #1

BEGINNING at Point "B" described above;
thence North 28°56'52" West, a distance of 125.67 feet;
thence North 70°16'33" East, a distance of 26.64 feet;
thence North 88°47'22" East, a distance of 53.24 feet;
thence South 29°16'07" East, a distance of 163.16 feet;
thence South 61°01'30" West, a distance of 68.43 feet;
thence North 28°54'05" West, a distance of 66.48 feet;
thence South 61°53'27" West, a distance of 5.95 feet, to the POINT OF BEGINNING.

Work Area #2

BEGINNING at Point "A" described above;
thence North 29°06'47" West, a distance of 13.65 feet;
thence North 68°06'10" East, a distance of 73.37 feet;
thence South 36°07'02" East, a distance of 19.61 feet;
thence South 71°01'52" West, a distance of 13.86 feet;
thence North 31°56'02" West, a distance of 11.98 feet;
thence South 61°28'28" West, a distance of 60.96 feet,

Bearings for the above description are Oregon State Plane – South Zone and are based on a line between control monuments #1 and #2 as indicated on County Survey #41-1623 prepared by OBEC Consulting Engineers, to bear North 27°44'56" West a distance of 639.37 feet.

REGISTERED
PROFESSIONAL
LAND SURVEYOR

OREGON
JULY 25, 1935
RICHARD P. ROBERTS
2730

EXPIRATION DATE 12/31/14

FOUND MAGNAIL-WASHER
 STAMPED "OBEC CONTROL"
 CONTROL PT #2 PER
 COUNTY SURVEY #41-1623

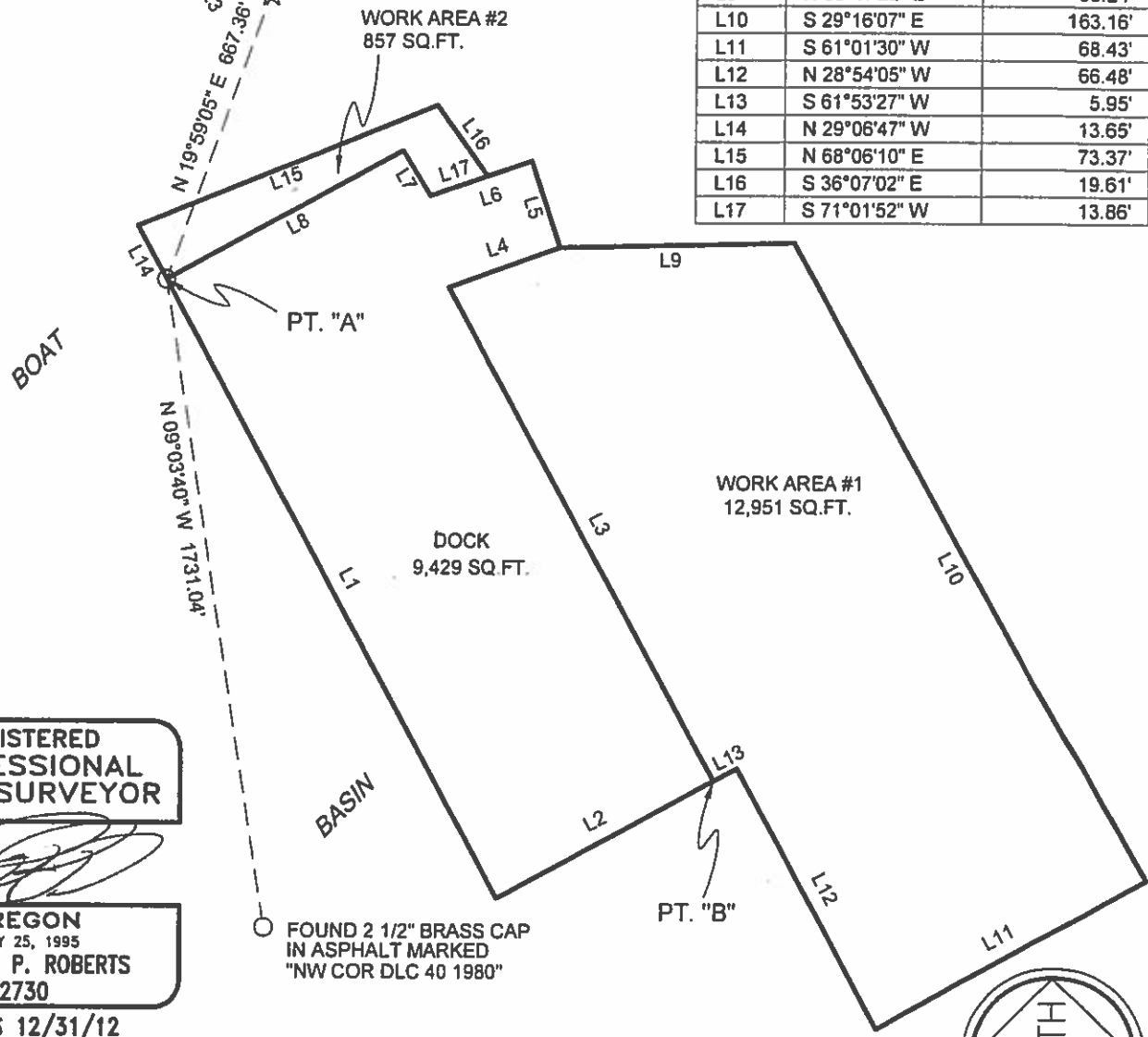
LOCATED IN
 NE 1/4, SECTION 8,
 T41S, R13W, WILLAMETTE MERIDIAN,
 CURRY COUNTY, OREGON

EXHIBIT MAP
 HALLMARK DOCK AREA

(OREGON STATE PLANE-SO. ZONE)
 (N 27°44'56" W 639.37' CS#41-1623
 N 27°44'56" W 639.37'
 BASIS OF BEARINGS

FOUND 5/8" IRON REBAR
 W/ RPC "OBEC CONTROL"
 CONTROL PT #1 PER
 COUNTY SURVEY #41-1623

LINE	BEARING	DISTANCE
L1	S 28°52'57" E	157.46'
L2	N 61°44'25" E	55.77'
L3	N 28°56'52" W	125.67'
L4	N 70°16'33" E	26.64'
L5	N 18°18'04" W	20.44'
L6	S 71°01'52" W	24.45'
L7	N 31°56'02" W	11.98'
L8	S 61°28'28" W	60.96'
L9	N 88°47'22" E	53.24'
L10	S 29°16'07" E	163.16'
L11	S 61°01'30" W	68.43'
L12	N 28°54'05" W	66.48'
L13	S 61°53'27" W	5.95'
L14	N 29°06'47" W	13.65'
L15	N 68°06'10" E	73.37'
L16	S 36°07'02" E	19.61'
L17	S 71°01'52" W	13.86'



REGISTERED
 PROFESSIONAL
 LAND SURVEYOR

[Signature]

OREGON
 JULY 25, 1995
 RICHARD P. ROBERTS
 2730

EXPIRES 12/31/12

PREPARED FOR: PORT OF BROOKINGS-HARBOR
 SURVEY DATE: MARCH 8, 2013
 JOB #: 13-005



Roberts & Associates
 LAND SURVEYING INC.

611 SPRUCE STREET
 P.O. Box 1599
 Brookings, OR 97415

Ph: 541-469-0162
 Fax: 541-469-5456

EXHIBIT "B"