PORT COMMISSION AGENDA
REGULAR MEETING
FEBRUARY 8, 2017 AT 7:00PM
VENTURA PORT DISTRICT OFFICE
1603 ANCHORS WAY DRIVE, VENTURA, CA

A Closed Session of the Board will be held at 6:00PM at the Port District Office located at 1603 Anchors Way Drive, Ventura, CA, to discuss the items on the Attachment to Agenda-Closed Session Conference with Legal Counsel.

The Board will convene in Open Session at the Port District Office located at 1603 Anchors Way Drive for its Regular Meeting at 7:00PM.

ADMINISTRATIVE AGENDA:

CALL TO ORDER: By Chairman Ev Ashworth.

PLEDGE OF ALLEGIANCE: By Chairman Ev Ashworth.

ROLL CALL: By the Clerk of the Board.

ADOPTION OF AGENDA (3 minutes)
Consider and approve, by majority vote, minor revisions to agenda items and/or attachments and any item added to, or removed/continued from the Port Commission’s agenda. Administrative Reports relating to this agenda and materials related to an item on this agenda submitted after distribution of the agenda packet are available for public review at the Port District’s office located at 1603 Anchors Way Drive, Ventura, CA during business hours as well as on the District’s website - www.venturaharbor.com (Public Notices). Each item on the agenda shall be deemed to include action by an appropriate motion, resolution or ordinance to take action on any item.

APPROVAL OF MINUTES (3 minutes)
The Minutes of the January 25, 2017 Regular Meeting will be considered for approval.

PUBLIC COMMUNICATIONS (3 minutes)
The Public Communications period is set aside to allow public testimony on items not on today’s agenda. Each person may address the Commission for up to three minutes or at the discretion of the Chair.

CLOSED SESSION REPORT (3 minutes)
Closed Sessions are not open to the public pursuant to the Brown Act. Any reportable actions taken by the Commission during Closed Session will be announced at this time.

BOARD COMMUNICATIONS (5 minutes)
Port Commissioner’s may present brief reports on port issues, such as seminars, meetings and literature that would be of interest to the public and/or Commission, as a whole. Port Commissioner’s must provide
a brief summary and disclose any discussions he or she may have had with any Port District Tenants related to Port District business.

STAFF AND GENERAL MANAGER COMMUNICATIONS (5 minutes)
Ventura Port District Staff will update the Commission on important topics if needed.

LEGAL COUNSEL REPORT (5 minutes)

CONSENT AGENDA: (5 minutes)
Matters appearing on the Consent Calendar are expected to be non-controversial and will be acted upon by the Board at one time, without discussion, unless a member of the Board or the public requests an opportunity to address any given item. Approval by the Board of Consent Items means that the recommendation is approved along with the terms set forth in the applicable staff reports.

A) Approval of Out of Town Travel Requests
Recommended Action: Voice Vote.
That the Board of Port Commissioners approve the out of town travel requests for Consultant, Richard Parsons, Commissioner, Everard Ashworth, Business Operations Manager, Brian Pendleton, and Maintenance Supervisor, Sergio Gonzalez.

STANDARD AGENDA:

1) Consideration of Rejection of Claim by Chubb Insurance
Recommended Action: Voice Vote.
That the Board of Port Commissioners approve the rejection of a claim filed against the Ventura Port District on October 5, 2016 by Chubb Insurance as Subrogee of Georgiana Denniston and authorize the General Manager to execute and mail a Notice of Rejection to Chubb Insurance.

2) Approval of Revised Loan Documents for SHM Ventura Isle, LLC
Recommended Action: Roll Call Vote.
That the Board of Port Commissioners adopt Resolution No. 3327 authorizing the General Manager to execute the Consent to Amendment of Leasehold Deed of Trust in the form attached hereto and approve the modification of related loan documents, including the Credit Agreement, the Security Agreement and the Pledge Agreement.

3) 2015 NOAA Sea Grant Aquaculture Extension and Technology Transfer Grant
Recommended Action: Information.
That the Board of Port Commissioners receive an update on the 2015 NOAA Sea Grant Aquaculture Extension and Technology Transfer Grant.

REQUEST FOR FUTURE AGENDA ITEMS

ADJOURNMENT

This agenda was posted on Friday, February 3, 2017 by 5:00 p.m. at the Port District Office and on the Internet - www.venturaharbor.com (Port Commission).

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Ventura Port District at (805) 642-8538. Notification 48 hours before the meeting will enable the District to make reasonable arrangements to ensure accessibility. (28 CFR 35.102,35.104 ADA Title II)
ATTACHMENT TO PORT COMMISSION AGENDA
CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL

WEDNESDAY, FEBRUARY 8, 2017

1. Conference with Real Property Negotiators - Per Government Code Section 54956.8:
   a) Property: 1567 Spinnaker Drive #100
      Negotiating Parties: Oscar Peña, Brian Pendleton, Andy Turner
      Under Negotiation: Ventura Village Carousel Inc.


BOARD OF PORT COMMISSIONERS
FEBRUARY 8, 2017

APPROVAL OF MINUTES
JANUARY 25, 2017 MEETING
The Regular Meeting of the Ventura Board of Port Commissioners was called to order by Chairman Ev Ashworth at 7:10PM at the Ventura Port District Office located 1603 Anchors Way Drive, Ventura, CA 93001.

Commissioners Present:
Everard Ashworth, Chairman
Brian Brennan, Vice Chairman
Jim Friedman, Secretary
Bruce E. Smith
Nikos Valance

Commissioners Absent:
None

Port District Staff:
Oscar Peña, General Manager
Brian Pendleton, Business Operations Manager
John Higgins, Harbormaster
Gloria Adkins, Accounting Manager
Frank Locklear, Marina Manager
Joe Gonzalez, Facilities Manager
Robin Baer, Property Manager
Richard Parsons, Consultant
Jessica Rauch, Clerk of the Board

Legal Counsel:
Timothy Gosney
Emma Fabeck

AGENDA

CALL TO ORDER: By Chairman Ev Ashworth at 7:10PM.

PLEDGE OF ALLEGIANCE: By Commissioner Smith.

ROLL CALL: All Commissioners were present.

ADOPTION OF AGENDA

ACTON: Commissioner Brennan moved, seconded by Commissioner Smith and carried by a vote of 5-0 to adopt the January 25, 2017 agenda.

APPROVAL OF MINUTES
The Minutes of January 11, 2017 Regular meeting were considered as follows:

ACTION: Commissioner Brennan moved, seconded by Commissioner Friedman and carried by a vote of 5-0 to approve the minutes of the January 11, 2017 Regular meeting, with the following revision:
Under Election of Officers, change “nominate” to “appoint.”

PUBLIC COMMUNICATIONS: None.
CLOSED SESSION REPORT: Mr. Gosney stated that the Board met in closed session; discussed and reviewed all items on the closed session agenda. Staff was given instructions on how to proceed as appropriate and there was no action taken that is reportable under The Brown Act.

BOARD COMMUNICATIONS: None.

STAFF COMMUNICATIONS: Mr. Peña announced that the Tall Ships arrived. Ms. Baer gave the Commission a report on what the outreach staff has been doing for the Phase 3 project. Ms. Rauch reminded the Commission about their Form 700. Mr. Parsons updated the Commission on the construction for Phase 3, dredging, and an update on Phase 2.

LEGAL COUNSEL REPORT: None.

CONSENT AGENDA:

A) Approval of New Retail Lease Agreement for December Store & More
Recommended Action: Voice Vote.
That the Board of Port Commissioners approve a new Retail lease agreement between the Ventura Port District dba Ventura Harbor Village and December Store & More for the premises located at 1559 Spinnaker Drive #103 consisting of a total of 400 square feet for a one-year term.

ACTION: Commissioner Brennan moved, seconded by Commissioner Friedman and carried by a vote of 5-0 to approve a new Retail lease agreement between the Ventura Port District dba Ventura Harbor Village and December Store & More for the premises located at 1559 Spinnaker Drive #103 consisting of a total of 400 square feet for a one-year term.

B) Approval of New Retail Lease Agreement for Silhouettes Salon
Recommended Action: Voice Vote.
That the Board of Port Commissioners approve a new Retail lease agreement between the Ventura Port District dba Ventura Harbor Village and Silhouettes Salon for the premises located at 1591 Spinnaker Drive #117B consisting of a total of 761 square feet for a two-year term.

ACTION: Commissioner Brennan moved, seconded by Commissioner Friedman and carried by a vote of 5-0 to approve a new Retail lease agreement between the Ventura Port District dba Ventura Harbor Village and Silhouettes Salon for the premises located at 1591 Spinnaker Drive #117B consisting of a total of 761 square feet for a two-year term.

C) Approval of New Office Lease Agreement for Linda D. Andreotti dba Coastwide Corporation
Recommended Action: Voice Vote.
That the Board of Port Commissioners approve a new Office lease agreement between the Ventura Port District dba Ventura Harbor Village and Linda D. Andreotti dba Coastwide Corporation for the premises located at 1575 Spinnaker Drive #205/A consisting of a total of 1,326 square feet for a one-year term.

ACTION: Commissioner Brennan moved, seconded by Commissioner Friedman and carried by a vote of 5-0 to approve a new Office lease agreement between the Ventura Port District dba Ventura Harbor Village and Linda D. Andreotti
dba Coastwide Corporation for the premises located at 1575 Spinnaker Drive #205/A consisting of a total of 1,326 square feet for a one-year term.

STANDARD AGENDA:

1) Approval of Fiscal Year 2015 – 2016 Audit
Recommended Action: Voice Vote.
That the Board of Port Commissioners approve the acceptance of the Basic Financial Statements and Supplementary Information with Independent Auditor’s Report for the Year Ended June 30, 2016, prepared by White Nelson Diehl Evans, LLP.

ACTION: Commissioner Smith moved, seconded by Commissioner Friedman and carried by a vote of 5-0 to approve the acceptance of the Basic Financial Statements and Supplementary Information with Independent Auditor’s Report for the Year Ended June 30, 2016, prepared by White Nelson Diehl Evans, LLP.

2) Coastal Marine Biolabs Quarter 1 and Quarter 2 Report
Recommended Action: Informational.
That the Board of Port Commissioners receive a report from Coastal Marine Biolabs on their Quarters 1 and 2 activities.

ACTION: The Commission received a presentation from Linda Santschi, Ph.D. from Coastal Marine Biolabs on their quarter 1 and 2 activities.

3) ADA Parking Access Improvements Bid Award
Recommended Action: Voice Vote.
That the Board of Port Commissioners award the ADA Parking Access Improvements contract to J & H Engineering General Contractors, Inc. in the amount of $174,934.25.

ACTION: Commissioner Friedman moved, seconded by Commissioner Smith and carried by a vote of 5-0 to award the ADA Parking Access Improvements contract to J & H Engineering General Contractors, Inc. in the amount of $174,934.25.

4) Approval of Parking Management Plan for the Ventura Harbor
Recommended Action: Roll Call Vote.
That the Board of Port Commissioners approve the Parking Management Plan for the Ventura Harbor.

ACTION: Commissioner Brennan moved, seconded by Commissioner Smith and carried by a vote of 5-0 to approve the Parking Management Plan for the Ventura Harbor, with the following revisions:
- Reclassify the document as a “Study” instead of a “Plan”
- Reflect what is currently happening at the Harbor Cove Parking Lot
- Include other Long-Term Options
- Include the Memorandum to Tenants on Employee Parking
- Remove Long-Term Option of a new beach parking lot between Surfer’s Knoll and Harbor Cove

ADJOURNMENT: The meeting was adjourned at 9:44PM.

________________________________
Secretary
BOARD OF PORT COMMISSIONERS

FEBRUARY 8, 2017

CONSENT AGENDA ITEM A

APPROVAL OF

OUT OF TOWN TRAVEL REQUESTS
TO: Board of Port Commissioners  
FROM: Oscar F. Peña, General Manager  
SUBJECT: Out of Town Travel Requests

RECOMMENDATION:
That the Board of Port Commissioners approve the following out of town travel requests for:

A) Maintenance Supervisor, Sergio Gonzalez to travel to Las Vegas, NV to participate in the Managerplus Enterprise Software Training on March 27 – 29, 2017. Attending this training allows District staff to get “hands on” training on recent updated program features for a more efficient maintenance software program. Estimated cost for the travel is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration</td>
<td>$1,795.50</td>
</tr>
<tr>
<td>Airline</td>
<td>$400</td>
</tr>
<tr>
<td>Lodging</td>
<td>Included in registration</td>
</tr>
<tr>
<td>Meals</td>
<td>$285.00</td>
</tr>
<tr>
<td>Mileage</td>
<td>$63.13</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$100.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$2,643.63</strong></td>
</tr>
</tbody>
</table>

B) Dredging Consultant, Richard Parsons to travel to Washington, D.C. to participate in the CMANC Washington Meeting on March 6-9, 2017. Attending this meeting allows the District to send representatives to help educate Congress and The Administration on the value of the system of ports and harbors in California to the Nation and to advocate for full funding in Federal Fiscal Year 2018. Estimated cost for the travel is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration</td>
<td>$500.00</td>
</tr>
<tr>
<td>Airline</td>
<td>$800.00</td>
</tr>
<tr>
<td>Meals</td>
<td>$475.00</td>
</tr>
<tr>
<td>Mileage</td>
<td>$85.60</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$200.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$2,060.60</strong></td>
</tr>
</tbody>
</table>

C) Commissioner, Everard Ashworth to travel to Washington, D.C. to participate in the CMANC Washington Meeting on March 6-9, 2017. Attending this meeting allows the District to send representatives to help educate Congress and The Administration on the value of the system of ports and harbors in California to the Nation and to advocate for full funding in Federal Fiscal Year 2018. Estimated cost for the travel is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration</td>
<td>$500.00</td>
</tr>
<tr>
<td>Airline</td>
<td>$530.00</td>
</tr>
<tr>
<td>Lodging</td>
<td>$1,356.00</td>
</tr>
<tr>
<td>Meals</td>
<td>$475.00</td>
</tr>
<tr>
<td>Mileage</td>
<td>$70.40</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$200.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$3,131.4</strong></td>
</tr>
</tbody>
</table>
D) Business Operations Manager, Brian Pendleton to travel to Washington, D.C. to participate in the CMANC Washington Meeting on March 6-9, 2017. Attending this meeting allows the District to send representatives to help educate Congress and The Administration on the value of the system of ports and harbors in California to the Nation and to advocate for full funding in Federal Fiscal Year 2018. Estimated cost for the travel is as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration</td>
<td>$500.00</td>
</tr>
<tr>
<td>Airline</td>
<td>$387.00</td>
</tr>
<tr>
<td>Lodging</td>
<td>$1,017.00</td>
</tr>
<tr>
<td>Meals</td>
<td>$475.00</td>
</tr>
<tr>
<td>Mileage</td>
<td>$55.96</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$200.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$2,634.96</strong></td>
</tr>
</tbody>
</table>
BOARD OF PORT COMMISSIONERS

FEBRUARY 8, 2017

STANDARD AGENDA ITEM 1

CONSIDERATION OF REJECTION OF CLAIM BY CHUBB INSURANCE
RECOMMENDATION:
That the Board of Port Commissioners approve the rejection of a claim filed against the Ventura Port District on October 5, 2016 by Chubb Insurance as Subrogee of Georgiana Denniston and authorize the General Manager to execute and mail a Notice of Rejection to Chubb Insurance.

INFORMATION FOR DISCUSSION:
On August 5, 2016, Harbor Patrol received a report from a Keys resident that a large cement dock float was adrift near the end of the finger between Bayshore and Surfrider. Harbor Patrol responded to the call, looped a line around it and attempted to pull on it, but it would not track behind the boat; it was uncontrollable, which made it unsafe to tow down the channel. Harbor Patrol secured it to the closest empty dock and contacted that resident who gave permission to leave the float on her dock until the owner could retrieve it.

Major Engineering was called to tow the float, but was unable to do so with their crane. After a week, the tides caused the cement float to slip under the dock causing the dock to break in half. It was decided to remove the float from under the dock and anchor it about four feet away until Major Engineering were able to remove it.

Chubb Insurances’ claim was submitted to the District’s Legal Counsel and Risk Manager for review and it is recommended that the Board reject the claim as submitted. A Notice of Rejection has been prepared for the General Manager’s signature.

ATTACHMENTS:
Attachment 1 – Carl Warren Report, dated January 3, 2017
Attachment 2 – Notice of Rejection
January 3, 2017

To: Ventura Port District
Attn: Jessica Rauch

(Sent via e-mail)

RE: Principal: CJPIA
Member: Ventura Port District
Claimant: Chubb Insurance as Subrogee of Georgiana Denniston
Date of Event: 8/5/2016
Our File: 1951057-LFM

We have reviewed the above referenced claim and request that you take the action below:

CLAIM REJECTION- Please send a standard rejection letter to:

Chubb Insurance
Attn: Corey A. Ring
PO Box 1685
Salem, VA 24153
Claim #77116606

Please send us a copy of the rejection letter. If you have any questions or concerns, contact the undersigned.

Sincerely,
Carl Warren & Company

Lisa Frye
Claims Examiner II
NOTICE OF REJECTION OF CLAIM

TO: Chubb Insurance
    Attn: Corey A. Ring
    PO Box 1685
    Salem, VA 24153
    Claim #77116606

Notice is hereby given that the claim which you presented to the Ventura Port District on October 5, 2016, was rejected by action of the Board of Port Commissioners at its meeting held on February 8, 2017.

WARNING

Subject to certain exceptions, you have only six (6) months from the date this notice was personally delivered or deposited in the United States mail to file a state court action on this claim. (See Government Code Section 945.6)

This time limitation applies only to causes of action arising under California law for which a claim is mandated by the California Government Tort Claims Act. Government Code Sections 900 et. seq. Other causes of action, including those arising under federal law, may have different time limitations for filing.

You may seek the advice of an attorney of your choice in connection with this matter. If you desire to consult an attorney, you should do so immediately.

Dated: February 8, 2017

VENTURA PORT DISTRICT

By: ____________________________
    Oscar F. Peña
    General Manager
BOARD OF PORT COMMISSIONERS

FEBRUARY 8, 2016

STANDARD AGENDA ITEM 2
APPROVAL OF REVISED LOAN DOCUMENTS FOR SHM VENTURA ISLE, LLC
TO: Board of Port Commissioners
FROM: Oscar Peña, General Manager
SUBJECT: Approval of Revised Loan Documents for SHM Ventura Isle, LLC

RECOMMENDATION:
That the Board of Port Commissioners adopt Resolution No. 3327 authorizing the General Manager to execute the Consent to Amendment of Leasehold Deed of Trust in the form attached hereto and approve the modification of related loan documents, including the Credit Agreement, the Security Agreement and the Pledge Agreement.

SUMMARY:
In April, 2016, the District approved and consented to the assignment of the Ground Lease for Ventura Isle Marina from then ground lessee CLP Ventura Marina, LLC to SHM Ventura Isle Marina, LLC. At that time, the Board of Port Commissioners also approved and consented to a freestanding leasehold Deed of Trust encumbering the leasehold being assigned to SHM Ventura Isle Marina, LLC as security for the loan funding the purchase of the Marina by the Assignee. The Board also approved various related loan documents, including a Credit Agreement, a Security Agreement and a Pledge Agreement.

Since the closing of the lease assignment and encumbering of the leasehold in 2016, the Lessee, SHM Ventura Isle Marina, LLC, has negotiated a more favorable loan arrangement with a new Administrative Agent administering the loan for the lenders and has requested that the District consent to the Amendment of the Leasehold Deed of Trust, which includes a reduction in the interest rate and a substitution of Citizen’s Bank N.A., as the successor in interest to Regions Bank as the Administrative Agent for the lenders.

District legal counsel has reviewed the documentation, confirmed the propriety and adequacy of the changes in the loan documents connected with the Amendment of the Deed of Trust and the substitution of the new Administrative Agent.

FINDINGS:
Legal Counsel has reported that the proposed changes to the financing documents, including the Amendment of the Leasehold Deed of Trust and the Amendment and Restatement of the Credit Agreement, the Security Agreement and the Pledge Agreement are in order and have no detrimental effect on the interests of the District. In fact, the modification in the loan arrangement are favorable to the Lessee and should improve the overall economic performance of the leasehold.

ATTACHMENTS:
Attachment 1 – Resolution No. 3327
RESOLUTION OF THE BOARD OF PORT COMMISSIONERS OF VENTURA PORT DISTRICT CONSENTING TO AMENDMENT OF THE LEASEHOLD DEED OF TRUST ENCUMBERING THE SHM VENTURA ISLE, LLC GROUND LEASE ON PARCEL 7 IN VENTURA HARBOR AND APPROVING THE RELATED AMENDED AND RESTATED CREDIT AGREEMENT, AMENDED AND RESTATABLE SECURITY AGREEMENT AND AMENDED AND RESTATABLE PLEDGE AGREEMENT

WHEREAS, by due and proper action on April 13, 2016, the Board of Port Commissioners ("Board of Port Commissioners") of Ventura Port District ("District") conditionally approved the assignment of the ground lease for Parcel 7 in Ventura Harbor, then between CLP Ventura Marina, LLC and the District, to SHM Ventura Isle, LLC and related financing documents, including, but not limited to, a leasehold Deed of Trust, a Credit Agreement, a Security Agreement and a Pledge Agreement.

WHEREAS, said Assignment closed later in April, 2016 and the Leasehold Deed of Trust was recorded on April 26, 2016;

WHEREAS, SHM Ventura Isle, LLC has negotiated a modification of the Leasehold Deed of Trust and related documents identified above, to among other things, modify the interest rate on the loan secured by the deed of trust and related loan documents, and to substitute Citizen’s Bank, N.A. as successor in interest to Regions Bank, as the Administrative Agent and Collateral Agent under the loan documentation;

WHEREAS, in order to implement the modification of the Leasehold Deed of Trust and related loan documentation, SHM Ventura Isle, LLC has requested that the District consent to the amendment of the Leasehold Deed of Trust encumbering the SHM Ventura Isle, LLC leasehold and approve the amendment and restatement of the Credit Agreement, the Security Agreement and the Pledge Agreement;

WHEREAS, the District has reviewed said documentation and determined that it is in the best interests of the District and of its Ground Lessee, SHM Ventura Isle LLC, to consent to the amendment of the Leasehold Deed of Trust and to approve the related amended and restated loan documents.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Port Commissioners of Ventura Port District hereby approves the amendment of the Leasehold Deed of Trust encumbering the SHM Ventura Isle, LLC leasehold estate in Parcel 7 in Ventura Harbor, and authorizes and directs the General Manager of Ventura Port District to execute on its behalf the Consent to Amendment of Leasehold Deed of Trust in the form attached to this Resolution as Exhibit “A” and hereby approves the Amended and Restated Credit Agreement, Amended and
ATTACHMENT 1

Restated Security Agreement and Amended and Restated Pledge Agreement connected with the amended Leasehold Deed of Trust hereinabove approved.

BE IT FURTHER RESOLVED, that the General Manager and District staff are hereby authorized and directed to take such other and further actions, and to sign such additional documents, as may be necessary or appropriate to carry out the purpose and intent of this Resolution.

AYES:
NOES:
ABSENT:
ABSTAINED:

Everard Ashworth, Chairman

ATTEST:

Secretary Jim Friedman

(Seal)
CONSENT TO AMENDMENT OF LEASEHOLD DEED OF TRUST
(Ventura Isle Marina – Ventura, California)

THIS CONSENT TO AMENDMENT OF LEASEHOLD DEED OF TRUST (this “Consent”) is entered into as of this _____ day of __________, 2017, by VENTURA PORT DISTRICT, a California port district (“Lessor”), the lessor under the Lease defined and described below, and SHM VENTURA ISLE, LLC, a Delaware limited liability company, the lessee under the Lease (the “Lessee”).

RECITALS:

WHEREAS, Lessor and Lessee are parties to that certain Ground Lease dated November 19, 2003 between Lessor and Ventura Isle Marina, L.P. (the “Original Lease”), as amended from time to time and more particularly described in Exhibit “A” attached hereto and made part hereof (collectively, as amended, the “Lease”), relating to the marina property known as “Ventura Isle Marina” and more particularly described in the Lease (the “Marina”); and

WHEREAS, Lessor, Lessee and CLP Ventura Marina, LLC are parties to that certain Consent to Assignment of Lease and Leasehold Deed of Trust dated April 21, 2016 (the “Existing Consent”), whereby Lessor consented to Lessee executing that certain first leasehold deed of trust (the “Existing Deed of Trust”); and

WHEREAS, Lessee has entered into, or intends to enter into, an Amended and Restated Credit Agreement by and among Citizens Bank, N.A. (as successor-in-interest to Regions Bank), as Administrative Agent and Collateral Agent (together with it successors and assigns, in such capacities, the “Administrative Agent”), and the Lenders from time to time party thereto (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “Restated Credit Agreement”), which Restated Credit Agreement amends and restates the Credit Agreement (as defined in the Existing Consent) in its entirety; and

WHEREAS, in connection with the Restated Credit Agreement, Regions Bank has, or intends to, assign the Existing Deed of Trust to Administrative Agent pursuant to an assignment of the Existing Deed of Trust; and

WHEREAS, Lessee has entered into, or intends to enter into, an Amended and Restated Pledge Agreement as required by the terms of

WHEREAS, in connection with the Restated Credit Agreement, Lessee intends to execute an amendment to the Existing Deed of Trust (the “Deed of Trust Amendment” and together with the Existing Deed of Trust, as the same may hereafter be amended, restated, supplemented or otherwise modified from time to time, the “Leasehold Deed of Trust”);

WHEREAS, as further security for the Obligations (as defined in the Leasehold Deed of Trust), Lessee has entered into, or intends to enter into, an Amended and Restated Security Agreement as required by the terms of the Restated Credit Agreement (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “Security Agreement”); and

WHEREAS, Safe Harbor Marinas, LLC (the sole member of Lessee) has entered into, or intends to enter into, an Amended and Restated Pledge Agreement as required by the terms of
the Restated Credit Agreement (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “Pledge Agreement”).

NOW, THEREFORE, in consideration of the covenants herein and for other good and valuable consideration, the receipt and sufficiency of which Lessor hereby acknowledges, the parties hereby agree as follows:

1. Leasehold Deed of Trust.

   (a) Lessor hereby consents to the assignment of the Existing Deed of Trust by Regions Bank to Administrative Agent and to the execution of the Deed of Trust Amendment in substantially the form attached hereto as Exhibit B. Except as set forth in Section 1(b)(i) below, Lessor hereby waives Section 13.1(a)(viii) of the Original Lease (as amended) in connection with the granting by Lessee of such Leasehold Deed of Trust. Subject to the terms and conditions set forth in Section 13.4 of the Original Lease (as amended), Lessor acknowledges and agrees that the Administrative Agent’s exercise of its remedies pursuant to the Leasehold Deed of Trust upon the occurrence of an uncured event of default thereunder shall not be a breach of Section 13.1(a)(ix) of the Original Lease (as amended).

   (b) Notwithstanding anything to the contrary in the Leasehold Deed of Trust:

      (i) the Leasehold Deed of Trust, or any interest therein, shall not be further mortgaged, pledged, encumbered, hypothecated or any security otherwise granted therein, without the prior written consent of Lessor, which consent shall not be unreasonably withheld, delayed or conditioned;

      (ii) except as otherwise set forth in this Consent, the terms and provisions of the Lease shall prevail, govern and control in any instance where an inconsistency or conflict exists between the terms and provisions of the Lease and the terms and provisions of the Restated Credit Agreement, Leasehold Deed of Trust, the Security Agreement, and/or the Pledge Agreement;

      (iii) any proceeds from fire or extended coverage insurance as a result of a fire or other casualty at the Premises (as defined in the Lease) shall first be used for the repair, rebuilding, restoration or reconstruction of improvements at the Premises, if required under the Lease, and only the remaining proceeds, if any, may then be used to repay any part of the Obligations secured by the Leasehold Deed of Trust;

      (iv) should Administrative Agent or any successor-in-interest to it, succeed to the interests of Lessee in the Premises or under the Lease by any means or proceedings whatsoever, including a transfer of control of Lessee by any means, then such Administrative Agent shall be obligated to keep and perform all of the covenants and conditions of the Lease required to be kept and performed by Lessee; and
(v) Administrative Agent, regardless of whether or not a request for notice shall have been recorded by Lessor, shall give Lessor written notice of any default by Lessee under the Leasehold Deed of Trust prior to Administrative Agent exercising its remedy to foreclose pursuant to the Leasehold Deed of Trust, which notice shall be given within twenty (20) calendar days after Administrative Agent learns of the default.

(c) Notwithstanding anything to the contrary in the Restated Credit Agreement, the Leasehold Deed of Trust, the Security Agreement, and/or the Pledge Agreement, any future advances to Lessee of loan proceeds secured by the Leasehold Deed of Trust shall be used solely by Lessee for purposes of funding capital improvements to the Premises. Lessee shall give written notice to Lessor’s General Manager of the amount of any such advance of funds at least five business days prior to taking the advance. Unless the Lessor’s General Manager gives Lessee written notice of the Lessor’s objection to the advance specifying the reason(s) for the objection prior to the expiration of the five day period, the Lessor will be deemed to have approved the advance of funds proposed by the Lessee (it being understood, however, that the foregoing restriction only applies to advances of new funds requested by Lessee and not to (i) protective advances made by or on behalf of Administrative Agent or the Lenders party to the Restated Credit Agreement, or (ii) the payment of enforcement costs, indemnification payments or other Obligations (as such term is defined in the Leasehold Deed of Trust) to the Administrative Agent or the Lenders party to the Restated Credit Agreement).

(d) Lessor and Lessee hereby agree that the Lease shall not be modified, terminated (for any reason other than by exercise of Lessor’s remedies as a result of an uncured default), amended, altered or cancelled, nor shall Lessor accept a surrender of the Marina by Lessee, without the prior written consent of Administrative Agent, and any such action taken without Administrative Agent’s consent shall not be binding on Administrative Agent.

(e) All notices, demands, requests or other communications to be sent by Administrative Agent to Lessor and vice versa pursuant to this Consent or the Lease or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of the same in person to the intended addressee, or by depositing the same with Federal Express or another reputable private courier service for next business day delivery, or by depositing the same in the United States mail, postage prepaid, registered or certified mail, return receipt requested, in any event addressed to the intended addressee at its address set forth in Section 4 of the Existing Consent and, if addressed to Administrative Agent, to CITIZENS BANK, N.A., 1215 Superior Avenue, 6th Floor, Mailcode: OHS-675, Cleveland, Ohio 44114, Attn: Shelly Lyles, Vice President, and if addressed to Lessor, at the address set forth in Section 4 of the Existing Consent, or at such other address as may be designated by such party as herein provided. All notices, demands and requests shall be effective upon such personal delivery, or one (1) business day after being deposited with the private courier service, or two (2) business days after being deposited in the United States mail as required above. By giving to the other party hereto at least fifteen (15) days’ prior written notice thereof in accordance
with the provisions hereof, the parties hereto shall have the right from time to time to change their respective addresses and each shall have the right to specify as its address any other address within the United States of America.

(f) Lessor acknowledges and agrees that no Appreciation Rent (as defined in the Lease) is due with respect to the Leasehold Deed of Trust, the Obligations or the financing transaction evidenced thereby as of the effective date of this Consent.

2. Authority. No consent or approval of any third party is required in order for Lessor to deliver this Consent, and Lessor has all requisite power and authority to execute and deliver this Consent.

3. Captions. The captions herein are inserted only for convenience of reference and in no way define, limit or describe the scope of intent of this Consent or any particular paragraph or section herein.

4. Successors and Assigns. This Consent shall inure to the benefit of Lessee, Administrative Agent and their respective successors and assigns and shall be binding upon Lessor and its successors and assigns.

5. Counterparts. This Consent may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signatures being on the following page]
IN WITNESS WHEREOF, each of the undersigned has caused this Consent to be executed on its behalf by its duly authorized representative on the date first set forth hereinabove, to be effective concurrently with Lessee’s execution and delivery of the Restated Credit Agreement.

LESSOR:

VENTURA PORT DISTRICT, a California port district

By:__________________________________
Name: ________________________________
Title:________________________________

LESSEE:

SHM VENTURA ISLE, LLC

By: Safe Harbor Marinas, LLC, its sole member

By:__________________________________
Name: Geoffrey Miller
Title: Chief Financial Officer
EXHIBIT A – Lease Documents

1. Ground Lease dated November 19, 2003, by and between Ventura Port District, as lessor, and Ventura Isle Marina, L.P., as lessee.

2. Amendment No. 1 to Ground Lease dated October 1, 2006, by and between Ventura Port District and Ventura Isle Marina, L.P., recorded November 15, 2007, as Instrument No.: 20071115-00210592-0 in the Official Records of Ventura County, California.

3. Amended and Restated Memorandum of Lease dated December 9, 2009, between Ventura Port District and Ventura Isle Marina, L.P., recorded January 15, 2010, as Instrument No.: 20100115-0000642-0 in the Official Records of Ventura County, California.

4. Amendment No. 2 to Ground Lease dated March 12, 2010, between Ventura Port District and Ventura Isle Marina, L.P.

5. Consent to Assignment of Lease and Estoppel Certificate dated March 12, 2010, among Ventura Port District, as lessor, CNL Income Partners, LP, as buyer, CNL Income Ventura Marina, LLC, as assignee, Ventura Isle Marina, L.P, as lessee, and VIM, L.P. as operator.


8. Amendment No. 3 to Ground Lease dated April 21, 2016.

9. Assignment and Assumption of Ground Lease dated April 21, 2016 between CLP Ventura Marina, LLC, as assignor, and SHM Ventura Isle, LLC, as assignee, recorded April 26, 2016, as Instrument No. 20160426-00056778-0 in the Official Records of Ventura County, California.
EXHIBIT A

EXHIBIT B – Form of Amendment to Leasehold Deed of Trust

See Attached.
BOARD OF PORT COMMISSIONERS

FEBRUARY 8, 2017

STANDARD AGENDA ITEM 3

2015 NOAA SEA GRANT
AQUACULTURE EXTENSION AND TECHNOLOGY TRANSFER GRANT
TO: Board of Port Commissioners  
FROM: Brian Pendleton, Business Operations Manager  
SUBJECT: 2015 NOAA Sea Grant Aquaculture Extension and Technology Transfer Grant

RECOMMENDATION:
That the Board of Port Commissioners receive an update on the 2015 NOAA Sea Grant Aquaculture Extension and Technology Transfer Grant.

SUMMARY:
On September 28, 2016 the Board of Port Commissioners authorized the General Manager to sign the Cost Reimbursement Research Subaward Agreement ("Grant") for $169,660, which reflects the terms and conditions of the grant agreement for Year 2.

The Grant, awarded to the Ventura Port District (District), is for a two year period on a one-plus-one yearly basis and was contingent upon funding availability. The Year 1 Grant period was from September 1, 2015 to August 31, 2016. Year 2 Grant period is from September 1, 2016 to August 31, 2017. The total two-year grant amount is approximately $300,000 ($265,000 directly to the District for Grant deliverables costs). Funding for both years has been made available to the District. The objective of the Grant is to provide:

- Task 1  
  A technically sound and thorough strategy to successfully obtain all required government entitlements necessary to establish twenty 100-acre aquaculture leases in the state waters of the Santa Barbara Channel.

- Task 2  
  Successfully permitted applications for the leases, associated environmental review documents, and completed baseline sampling protocol and data necessary for a California Department of Public Health (CDPH) Shellfish Growing Area Certificate; and,

- Task 3  
  A comprehensive outreach strategy aimed at soliciting the support and participation of various stakeholders by educating prospective commercial fishermen, investors/entrepreneurs, shellfish processors, and consumers about the benefits of locally sourced and sustainably raised mussels.

BACKGROUND:
Increasing the supply of safe, sustainably produced domestic seafood is a priority for NOAA and the Department of Commerce. The Ventura Shellfish Enterprise (VSE) project is a multi-stakeholder initiative that seeks to permit and manage a commercial shellfish aquaculture operation. Globally, bivalve shellfish culture is technically proven as a method for the production of high value seafood with limited environmental impacts.

The Grant envisions that the District will hold all entitlements for a group of offshore aquaculture leases that will in turn be leased to individual producer-fishermen for shellfish farming. However, the permitting process in California for such production is uncertain and not adequately developed to attract participation. The VSE project seeks to address several regulatory and planning challenges that create impediments to the expansion of a domestic marine shellfish culture industry in California (Attachment 1 - VSE Fact Sheet).
Below is a status report of Tasks 1-3:

Task 1 Deliverable - Strategic Permitting Plan

The Strategic Permitting Plan document will be drafted in 1st quarter 2017, and provided to the Board at a subsequent Commission meeting for review and comment. Then it will be circulated to regulatory agencies for review and comment and returned to the Board as a final document for review and approval. On Thursday, February 9 the VSE project team members will meet with regulatory agencies in Long Beach to discuss the Grant, VSE project and future circulation of the Strategic Permitting Plan.

Task 2 Deliverable - Environmental Reports and Permitting

Permit applications for the leases, associated environmental review (State and Federal) documents, and completed baseline sampling protocol and data necessary for a California Department of Public Health (CDPH) Shellfish Growing Area Certificate will follow Task 1.

Task 3 Deliverable - Education and Outreach

This includes website development, social media initiatives and educational workshops. The VSE website has been established (venturashellfishenterprise.com) and the first of eight public workshops will be held on Thursday, February 16, 2017 at 7:00 pm at the National Parks Visitor Center (Attachment 2 – Workshop Press Release February 1, 2017).

It was anticipated that Task 1 would be completed in year one of the Grant. However questions regarding State leasing and subleasing requirements impacted the scheduled completion of the Strategic Permitting Plan. As a result Robert Smith of Plauché & Carr, LLP was retained by the District to communicate with the State California Department of Fish and Wildlife (“CDFW”) and prepare a memorandum analyzing leasing alternatives and operational structures available to the District related to the Grant. Mr. Smith presented his preliminary findings to the Board on January 11, 2017 which included several options for consideration. Mr. Smith was directed to continue his dialogue with CDFW with the assumption that the District will lease the 20, 100-acres sites from the State and then sublease to individual fishermen. This option, called “Option 2: District Lease, Sublease and General Permit” is closely aligned with the Grant. Staff will return to the Board with pertinent information from follow-up communication between Mr. Smith, CDFW, and the District.

The California Sea Grant as Grant awardee (the District is sub-awardee) has agreed to request a routine extension allowing for a total of three years to complete Tasks 1-3. It is anticipated the extension will be in Spring, 2017 which would provide the District through August 31, 2018 to complete Tasks 1-3.

FISCAL IMPACT:

As a reminder the Commission, the Grant requires a cost-share in the amount of $192,610 for Year 1 and $162,610 for Year 2 for a total of $355,220. The cost-share is achieved through in-kind contributions of time. Additional staff time and District legal counsel costs not reimbursable by the Grant are necessary for grant and professional service agreement management.

VPD will pay approximately $18,200 in unreimbursable consultant costs, plus $8,500 in unreimbursable outside legal counsel expenses to explore alternative aquaculture leasing structures more fully discussed under separate report “Approval of Professional Services
Agreement for Special Legal Services” dated September 28, 2016 and Shellfish Grant - Leasing Alternatives and Operational Structures dated January 11, 2017. Staff anticipates returning to the Board at a subsequent meeting for a change order related to the completion of Task 1.

ATTACHMENT:
Attachment 1 - VSE Fact Sheet
Attachment 2 – Workshop Press Release February 1, 2017
Ventura Shellfish Enterprise (VSE) is a multi-party initiative to permit twenty 100-acre plots for growing the Mediterranean mussel (*Mytilus galloprovincialis*) via submerged long lines in state waters within the Santa Barbara Channel near Ventura Harbor.

VSE partners include Ventura Port District, Coastal Marine Biolabs, The Cultured Abalone Farm, and Ashworth Leininger Group, in coordination with aquaculture scientists and experts, the California and NOAA aquaculture coordinators, and California Sea Grant.

**Key project goals:**
- Advance state and federal policies to increase aquaculture production and deliver a safe, secure and sustainable food supply
- Provide a template for permitting future offshore aquaculture projects in California
- Leverage economies of scale in permitting, monitoring, marketing and distribution to allow small operators to participate in aquaculture
- Support the working waterfront at Ventura Harbor with a sustainable, dependable harvest

**Key project features:**
- Use of geographic information system-based marine spatial planning to select an optimal growing area that minimizes conflicts with other ocean uses (See Figure 1.); actual growing sites to be selected through stakeholder consultation process
- Deployment of sentinel buoys with seeded mussel rope to provide proof-of-concept, collect data on ocean conditions, and examine invertebrate community structure in surrounding benthic habitat using innovative, high-throughput DNA-based methodologies
- Mussels fed exclusively by filtering naturally-occurring microscopic plankton and organic particles from the water column (no added feed)
- Use of internationally well-established mussel growing methods that represent best management practices with minimal environmental impacts
- Production of mussel spat at onshore hatcheries (no wild spat collection)
- Participation opportunities offered to existing commercial fishermen, commercial shellfish operators and startups, with all product landed at Ventura Harbor
- As a condition of grower participation, compliance with robust requirements for monitoring and use of best management practices as specified in VSE project permits
- Ongoing educational component through marine aquaculture research activities and outreach programs to schools at all levels and the general public
- Estimated production of ~20 million pounds of mussels/year at full project build-out, with an anticipated wholesale value in excess of $50 MM

**Project status:**
The Ventura Port District has received for the project a substantial sub-award from a $300,000 NOAA 2015 Sea Grant Aquaculture Extension and Technology Transfer Grant to California Sea Grant. As a member of VSE, the Ventura Port District will hold all required federal, state and local permits and
entitlements. The VSE volunteer partners provide the local grant match through volunteered time and expertise.

The first phase of the Sea Grant-funded work involves:

- Preparation of a Strategic Permitting Plan identifying required permits, entitlements and reviews, permit sequencing and key technical issues and information needs
- Completion and submission of all requisite permit applications and documentation needed to comply with the California Environmental Quality Act and the National Environmental Policy Act
- Accreditation of a centralized pre- and post-harvest testing and monitoring laboratory at Ventura Harbor to serve growers and comply with shellfish sanitation standards
- Implementation of an outreach plan that includes launch of an open-access project website and social media initiatives, and a series of educational workshops that cover a broad spectrum of project-related issues with relevance to diverse stakeholder groups

VSE expects the Strategic Permitting Plan to be completed in the 1st quarter 2017, with the rest of the grant work completed by 2nd quarter 2018. The Ventura Port District with VSE partners is seeking additional funding to support the permitting phase of the project.

**Figure 1. Project Target Area Showing Proposed Sentinel Sites**
(State waters from Rincon Point south to Ventura River mouth)

Note: A 25-hectare cell is approximately 61.7 acres; each of the project’s twenty proposed 100-acre growing plots would encompass less than two cells. Altogether the plots would comprise about 10% of the shaded target area.
PRESS RELEASE

For Immediate Release: Feb. 1, 2017

Please contact: Brian Pendleton, Business Operations Manager
Ventura Port District
1603 Anchors Way Drive, Ventura, CA 93001
bp Pendleton@venturaharbor.com (805) 642-8538
www.venturaharbor.com

Ventura Shellfish Enterprise Announces Public Workshop on Feb. 16

Federal Grant Helps Ventura Meet Growing Need for Aquaculture

Ventura, Calif. (Feb. 1, 2017): The Ventura Shellfish Enterprise (VSE), a collaborative group seeking to grow sustainably-cultivated mussels in the Santa Barbara Channel near Ventura, will hold the first of a series of public information workshops at 7 p.m. on February 16, 2017. The workshop, in coordination with the Ventura Port District, will provide an introduction to the benefits of shellfish aquaculture; how this crop is grown worldwide; and the specifics of this exciting new project proposed for Ventura.

The workshop is free and open to the public. No RSVP is required. It will be held at the Channel Islands National Park Visitors Center, 1901 Spinnaker Drive, in the Ventura Harbor. Attendees may sign up at venturashellfishenterprise.com (click on the “Get Involved” link) or email info@venturashellfish.org to be added to the mailing list or register for a workshop.

Supported by a $300,000 grant to the Ventura Port District from the National Oceanic and Atmospheric Administration (NOAA) through the National Sea Grant College Program, it is anticipated that the Ventura Port District, as a member of VSE, will obtain all the permits and entitlements needed to cultivate mussels on leases that will be farmed by commercial fisherman and landed at existing fish off-loading facilities in the Ventura Harbor.

The project has generated considerable interest in the harbor community. “The aquaculture effort will bolster commercial fishing activity in the harbor and stimulate the local economy,” said Ventura Port District General Manager Oscar Peña.
Doug Bush, a VSE partner and general manager of The Cultured Abalone Farm in Goleta, said state waters off Ventura are an ideal location for the commercial bivalve shellfish operations. “There simply is no reason for California to consume imported shellfish when we can enjoy it fresh and locally produced, and be confident that it is grown using sustainable and responsible practices,” he said.

As part of the grant, Coastal Marine Biolabs, a nonprofit research-based science education organization with facilities in the Ventura Harbor and a local leader in science education, will lead a comprehensive public outreach campaign to inform commercial fishermen, consumers, Ventura residents and the public at large of the project’s features, benefits and impacts. “Our outreach efforts are aimed at promoting honest and productive dialog with various stakeholders on the wide range of environmental, economic, scientific, and practical considerations that converge on a transformative project of this kind and scale,” said Linda Santschi, CMB’s Scientific Director.

Other volunteer VSE partners include: Ashworth Leininger Group, a local environmental consulting firm; and California Sea Grant, a university-based program funded by NOAA and located at the Scripps Institution of Oceanography. Teaming with VSE are experts from federal and state agencies, universities and commercial shellfish operations.

Global demand for seafood is expected to grow while harvests from capture fisheries remain stable. Experts are looking to domestic aquaculture production to promote economic opportunities and provide a sustainable source of domestic seafood.

“Supporting these partnerships to increase domestically farmed seafood for American consumers is a high priority for NOAA’s Office of Aquaculture and the National Sea Grant Program,” said Paul Olin, an Aquaculture Specialist with California Sea Grant.

“The grant, combined with our unique project team, provides pivotal support to launch this exciting project,” said Everard Ashworth, a principal with Ashworth Leininger Group and chair of the Ventura Port District. “Government entitlements are the single highest hurdle to sustainable seafood cultivation, as evidenced by the paucity of permitted open water shellfish growing sites offshore of California.”

“The VSE project will provide a very helpful permit template that can be applied throughout California to help increase shellfish production and a sustainably-raised domestic food supply,” said Randy Lovell, State Aquaculture Coordinator with the California Department of Fish and Wildlife.

“Aquaculture is an important component of NOAA’s efforts to maintain healthy and productive marine and coastal ecosystems,” added Diane Windham, NOAA’s California Aquaculture Coordinator and a member of the VSE leadership team.

##