

RESOLUTION NO. 2595

RESOLUTION OF THE BOARD OF PORT COMMISSIONERS OF
VENTURA PORT DISTRICT ESTABLISHING A POLICY
REGARDING LEASE NEGOTIATIONS AND
FINANCIAL DISCLOSURE

WHEREAS, from time to time, Ventura Port District (the "District") enters into leases and grants other entitlements with respect to real property within Ventura Harbor; and

WHEREAS, the Board of Port Commissioners (the "Board") of the District desires to ensure fairness in the process of considering lease applicants, and negotiating and renegotiating leases, and to avoid any appearances of impropriety; and

WHEREAS, it is in the best interests of the District to clarify the procedure for negotiating such leases and entitlements, and to ensure that District lessees provide adequate assurances of their financial strength and capacity, and to provide for adequate disclosure of potential conflict of interest; and

WHEREAS, the Board of Port Commissioners of Ventura Port District desires to establish a policy regarding lease negotiations, and related financial disclosures;

NOW, THEREFORE, BE IT RESOLVED by the Board of Port Commissioners of Ventura Port District as follows:

1. The Board finds and determines that it is in the best interests of the District to establish a policy regarding the procedure for negotiating leases and other entitlements with respect to real property within Ventura Harbor, so as to ensure fairness in the process of considering lease applicants, to ensure that District lessees provide adequate assurances of their financial strength, and to avoid any actual or perceived financial conflicts in the leasing process.

2. The General Manager shall advise the Board of Port Commissioners regarding the availability for leasing or licensing or real property within Ventura Harbor, or the renewal of existing leases and licenses of real property within the Harbor.

3. The Board of Port Commissioners shall instruct the General Manager to receive proposals for leasing, licensing, or developing such a property. In the case of renegotiation of existing leases, consideration shall be given to the possible extension of such leases.

4. The Chairman of the Board of Port Commissioners may appoint a committee of less than a quorum of the Board to review proposals regarding such real property. The General Manager and appropriate staff shall be included on the committee.

5. The General Manager shall gather information regarding proposed transactions and proposed parties ("Party" or "Parties"), including:

- a. All transaction, financing and escrow documents;
- b. Evidence of the Parties' business history;
- c. Current financial statement(s) for the Parties;
- d. Last three year's income tax returns for the Parties;
- e. Business plan and financial projections;
- f. A statement of any litigation affecting the Parties;
- g. Identification of each operator or independent contractor the Parties intend to use in their business operations on the Premises;
- h. Copies of any management or operation agreements between the Parties and their independent contractors;
- i. Such other information and materials that evidences that the Parties have experience, reputation, business background and financial capacity to reasonably ensure the continued prompt performance of the obligations of the Parties after such transactions were to become effective; and
- j. Such other documents as may be required by the Board of Port Commissioners to determine the commercial reasonableness of the proposed transaction.

6. In addition to the information required above, Parties shall be required to disclose any loans to or from, any business dealings or other financial transactions with, and any past or prospective gifts having a value in excess of One Hundred dollars (\$100.00) to or from a member of the Board of Port Commissioners, the General Manager or the Harbormaster.

7. Upon any request by existing lessees or holders of entitlements to District property for action by the Ventura Port District, the requesting Party shall be required to disclose any loans to or from, any business dealings or any other financial transactions with , and any past or prospective gifts having a value in excess of One Hundred dollars (\$100.00) to or from a member of the Board of Port Commissioners, the General Manager or the Harbormaster.

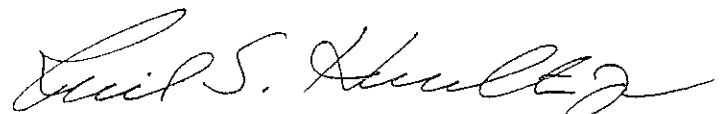
8. Should any lease applicant, existing lessee or holder of any entitlement to property of the District disclose any such loans, business dealings, other financial transactions or gifts with a member of the Board of Port Commissioners, the Commissioner so identified shall be excluded from participation in any decision of the Port affecting such applicant, lessee or licensee, unless otherwise required by law.

9. The disclosure and disqualification provisions of Paragraphs 7 and 8 shall not apply when such business dealings or financial transactions are not distinguishable from the lease applicant's, lessee's or entitlement holder's business dealings or financial transactions with the public generally.

10. The committee appointed by the Chairman shall review the information provided by the General Manager, meet and confer and, if so determined to be in the best interests of the District, enter into negotiations with the parties regarding the terms and conditions of the proposed transaction. The committee shall prepare a report which includes its recommendations regarding the proposed transaction and submit the report to the Board of Port Commissioners.

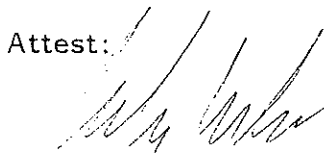
11. The Board of Port Commissioners shall review the committee's report and recommendations and shall make the final determinations regarding modification, approval or rejection of the proposed transaction.

PASSED and ADOPTED this 24th day of November, 1992



Chairman

Attest:



Secretary

(Seal)

STATE OF CALIFORNIA)
COUNTY OF VENTURA) ss.
CITY OF SAN BUENAVENTURA)

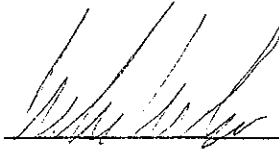
I, William W. Crew, Secretary of the Ventura Port District, a public corporation, do hereby certify that the above and foregoing Resolution was duly passed and adopted by the Board of Port Commissioners of said District at a regular meeting thereof held on the 24th day of November, 1992, by the following vote:

AYES: Commissioners Starr, Jacobs, Thorpe, Crew and
Chairman Hambleton

NOES: None

ABSENT: None

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said District this 24th day of November, 1992.



Secretary

(Seal)

CONFLICT OF INTEREST AFFIDAVIT

STATE OF CALIFORNIA)
)
COUNTY OF VENTURA)

_____, being first duly sworn, deposes, acknowledges and says that:

1. He/She is the _____ of _____, Lessee under the Lease dated _____, 19____, with Ventura Port District, Lessor.

2. All information required to be disclosed under the policy of Ventura Port District regarding lease negotiations and financial disclosure adopted by Ventura Port District on _____, 1992, as Resolution No. _____, has been fully, completely and accurately disclosed, including any loans, business dealings or other transactions of a financial nature or effect, or any past or prospective gifts, having a value in excess of One Hundred Dollars (\$100.00) or more, to or from a member of the Ventura Port District Board of Port Commissioners, or the General Manager or Harbormaster of said District.

3. _____ agrees and promises to abide by the aforesaid policy of Ventura Port District at all times and in all dealings with Ventura Port District under and in connection with said Lease.

4. Any violation of said policy is an event of default under the Lease and could result in termination of the Lease.

5. _____ has not directly or indirectly colluded, conspired, connived, or agreed with any other person, firm or entity to secure an advantage against or over Ventura Port District in seeking and obtaining the Lease or any rights, grants and entitlements thereunder and it will not do so in the future in connection with any and all dealings and transactions with Ventura Port District in connection with the Lease.

