

"Making a difference through excellence of service"



CITY OF WARRENTON

AGENDA

CITY COMMISSION OF THE CITY OF WARRENTON
REGULAR MEETING

April 10, 2018 – 6:00 P.M.

Warrenton City Commission Chambers – 225 South Main Avenue
Warrenton, OR 97146

1. **CALL TO ORDER**

2. **PLEDGE OF ALLEGIANCE**

3. **CONSENT CALENDAR**

- A. Commission Regular Meeting Minutes – 3.27.18
- B. Community Library Advisory Board Meeting Minutes – 12.08.17
- C. Liquor License Applications – Natural Grocers & Walmart

4. **COMMISSIONER REPORTS**

5. **PUBLIC COMMENT**

At this time, anyone wishing to address the City Commission concerning items of interest may do so. The person addressing the Commission must complete a Public Comment Card, prior to the meeting. All remarks will be addressed to the whole City Commission and limited to 3 minutes per person. The Commission reserves the right to delay any action, if required, until such time as they are fully informed on a matter.

6. **PUBLIC HEARINGS** - None

7. **BUSINESS ITEMS**

- A. Employee Recognition
- B. Update on Oregonians Floodplain Protection Complaint Against FEMA (Oregon BiOp)
- C. Consideration of Pacific Fisheries Lease Renewal

8. **DISCUSSION ITEMS**

9. **GOOD OF THE ORDER**

10. **ADJOURNMENT**

Warrenton City Hall is accessible to the disabled. An interpreter for the hearing impaired may be requested under the terms of ORS 192.630 by contacting Dawne Shaw, Deputy City Recorder, at 503-861-2233 at least 48 hours in advance of the meeting so appropriate assistance can be provided.

3-A

MINUTES
Warrenton City Commission
Regular Meeting – March 27, 2018
6:00 p.m.
Warrenton City Hall - Commission Chambers
225 S. Main
Warrenton, OR 97146

Mayor Balensifer called the meeting to order at 6:05 p.m. and led the public in the Pledge of Allegiance.

Commissioners Present: Rick Newton, Pam Ackley, Mark Baldwin, Tom Dyer and Mayor Henry Balensifer

Absent:

Staff Present: City Manager Linda Engbretson, Finance Director April Clark, Public Works Director Collin Stelzig, Police Chief Matt Workman, Fire Chief Tim Demers, Public Works Operations Manager Kyle Sharpsteen, Interim Planning Director Kevin Cronin, and Deputy City Recorder Dawne Shaw

Some minor errors were noted in the minutes of 3/13/18 which would be corrected for the record.

Commissioner Ackley made the motion to approve the consent calendar with the amended regular meeting minutes of 3.13.18. Motion was seconded and passed unanimously.

Balensifer – aye; Dyer – aye; Newton – aye; Ackley – aye; Baldwin – aye

COMMISSIONER REPORTS –

Commissioner Ackley gave a brief update on the Hammond marina task force and noted the status of the grant from the Marine Board.

Commissioner Newton stated he met with Bruce St. Dennis, manager of Cannon Beach, and reached out to several others to discuss emergency plans and preparedness.

Mayor Balensifer noted 2 handouts from the timber representative on the CEDR board that were presented at the last CEDR Board meeting; one which talks about forestry and wood products; he stated he would like to draw attention to the Council of Forest Trust Land Counties Annual Report. He noted this item will be on the agenda at tomorrow's county meeting, to withdraw from the Forest Trust Land Counties group. He noted there have been concerns regarding this. He suggested a joint session with the county or to request updates on issues that affect Warrenton. Brief discussion followed and Mayor Balensifer stated he can attend the county meeting and convey that the Warrenton City Commission would like more time, and would like to know the ramifications of their actions. He also noted he attended a meeting with ODFW and

others, regarding the elk issue, and stated he is planning to hold a Town Hall meeting with ODFW, April 12th at 6:00 p.m. in the Community Center to discuss the elk. Mayor Balensifer noted an article/paid advertisement in the Columbia Press, from Scott Widdicombe regarding the 8th Street Dam. Brief discussion followed and Commissioner Newton noted he has reviewed 1000's of pages of documents on the matter, and anyone who wants to look them is welcome to. The discussion continued on the article and the city's actions. Mayor Balensifer noted the commission fully supports the City Manager and is following the advice of multiple legal counsels.

Commissioner Baldwin made the motion to add the Letter of Support for the Center of Environmental Studies as agenda item 7-I. Motion was seconded and passed unanimously.

Balensifer – aye; Dyer – aye; Newton – aye; Ackley – aye; Baldwin – aye

City Manager Linda Engbretson introduced Interim Community Development Director Kevin Cronin. Mr. Cronin gave a few comments and noted he is pleased to be here, and welcomed the commissioners to stop by his office. He spoke briefly about the Center for Environmental Studies, noting it is a project at the airport, and will be a “super-green” office building. He stated it will be a job creator and will provide work force development opportunities for folks that are in the environmental field. Brief discussion followed.

PUBLIC COMMENT – Rhonda and Dax Sewell, spoke regarding the street vacation that was addressed at a prior meeting and it was suggested they move forward with a License to Occupy, which she hopes will get approved at tonight's meeting. Ms. Sewell noted the bank stabilization they wish to do to stop erosion, and requested a refund of difference in fees.

PUBLIC HEARINGS – Mayor Balensifer opened the public hearing on the consideration of Resolution No. 2517; Approving and Adopting a Supplemental Budget by Making Appropriations for Municipal Purposes of the City of Warrenton for the Fiscal Year Ending June 30, 2018. Formalities followed and no ex-parte or conflicts of interest were reported. Finance Director April Clark presented her staff report, and noted this budget adjustment is to amend the current budget to allow for additional spending authority in the Building Division Fund for increased costs in professional services. She noted the adjusted figures as outlined in the agenda memo. Mayor Balensifer asked for public comment, and no one spoke in favor or opposition. There being no further comments, Mayor Balensifer closed the public hearing.

Commissioner Ackley made the motion to approve Resolution No. 2517; Approving and Adopting a Supplemental Budget by Making Appropriations for Municipal Purposes of the City of Warrenton for the Fiscal Year Ending June 30, 2018. Motion was seconded and passed unanimously.

Balensifer – aye; Dyer – aye; Newton – aye; Ackley – aye; Baldwin – aye

BUSINESS – Police Chief Workman and Ariel Young, a representative from The Harbor spoke briefly about raising awareness for child abuse and sexual assault, and upcoming events. Chief Workman noted most people don't see the abuse, so nothing gets done; and noted more awareness helps. City Manager Engbretson noted the CASA pinwheel garden will be in front of the post office in April. Brief discussion followed on abuse.

After reading two Proclamations Mayor Balensifer declared the month of April 2018 as Sexual Assault Awareness Month and Child Abuse Prevention Month, in the City of Warrenton, and encouraged everyone to join in its observance.

Mayor Balensifer introduced Mary Bosch, Director for Rural Economic Vitality. Ms. Bosch gave a quick overview of the RDI, (Rural Development Initiatives) organization. She presented a slide show and explained the RDI Economic Vitality Roadmap process. Discussion followed and Ms. Bosch noted the involvement is “pretty intense” up front; (the first 90 days) however RDI stays through the process. She noted there is a 10% cash match, which would be approximately \$3500.00.

Commissioner Ackley made the motion to authorize staff to complete the Rural Economic Vitality Roadmap Application. Motion was seconded and passed unanimously.

Balensifer – aye; Dyer – aye; Newton – aye; Ackley – aye; Baldwin – aye

City Manager Linda Engbretson stated the Commission received a petition to vacate the northern 225 feet of SW Date Avenue, south of SW 6th Street from Rhonda and Dax Sewell at its February 13, 2018 meeting. She noted there were concerns regarding fire access and fire-fighting capability in this area, should the vacation be granted. Ms. Engbretson noted the Sewell's worked with now retired Community Development Director Skip Urling for a simple License to Occupy. Mayor Balensifer clarified that staff will expedite the refund of the overpaid amount. Brief discussion followed.

Commissioner Newton made the motion to authorize the Mayor's signature on the License to Occupy between the City of Warrenton and Sue and Dax Sewell. Motion was seconded and passed unanimously.

Balensifer – aye; Dyer – aye; Newton – aye; Ackley – aye; Baldwin – aye

It was noted MS. Sewell's correct name is Rhonda, not Sue.

Commissioner Newton amended his motion to amend the License to Occupy between Rhonda and Dax Sewell and the City of Warrenton. Motion was seconded and passed unanimously.

Balensifer – aye; Dyer – aye; Newton – aye; Ackley – aye; Baldwin – aye

Mayor Balensifer noted the City Commission discussed the 2018-2019 Goals at its last meeting but put off adopting these goals until Commissioner Baldwin could participate.

Commissioner Dyer made the motion to adopt the following as Commission Goals for FY 2018-2019: 1) Community Building; 2) Visioning Update; 3) Downtown Improvements; 4) Emergency Preparedness. Motion was seconded and passed unanimously.

Balensifer – aye; Dyer – aye; Newton – aye; Ackley – aye; Baldwin – aye

City Manager Linda Engbretson presented the Collective Bargaining Agreement between the City and the Warrenton Police Employees Local 2746-1, tentatively agreed to at mediation on February 23, 2018. She noted the proposed agreement includes a 2% COLA effective July 1, 2017, 2.5% effective July 1, 2018 and July 1, 2019. She noted other adjustments as outlined in the agenda memo. Discussion followed.

Commissioner Dyer made the motion to authorize the Mayor’s signature on the Collective Bargaining Agreement between the City of Warrenton and the Warrenton Police Employees Local 2746-1. Motion was seconded and passed unanimously.

Balensifer – aye; Dyer – aye; Newton – aye; Ackley – aye; Baldwin – aye

Mayor Balensifer noted City Manager Engbretson wishes to postpone her performance evaluation until the last meeting in April.

Mayor Balensifer presented the Letter of Support of Center of Environmental Studies, and noted it would be a good asset and will bring services to our city. Ms. Engbretson noted this letter is for support of the grant, and stated it would be very interesting to invite Mr. Knight to come and provide more information.

Commissioner Ackley made the motion to authorize the Mayor’s signature on the letter of support for the Center of Environmental Studies to the Port of Astoria. Motion was seconded and passed unanimously.

Balensifer – aye; Dyer – aye; Newton – aye; Ackley – aye; Baldwin – aye

DISCUSSION ITEMS – None

GOOD OF THE ORDER – Commissioner Newton noted at Mayor’s Coffee people often ask when the blue house on Harbor is going to go away, and asked the Commission to request staff make that happen. Mayor Balensifer stated it should be addressed along with the nuisance property across the street from city hall, on Main. City Manager Engbretson noted funding is an issue; however the city can proceed with a declaration of nuisance. She stated an initial letter has been sent to the property on Main, and the city will move forward. Brief discussion continued on the various nuisances around the city. There was consensus within the commission for staff to move forward as expeditiously as possible.

Commissioner Dyer gave brief comments on his ideas for the Nuisance Task Force, and implementing pride of ownership.

Commissioner Ackley discussed a nuisance property on NE Heron and 1st, by the marina. Ms. Engbretson stated she will have the Police Chief go out and look at it.

Mayor Balensifer stated he was proud to say Warrenton High Fisheries Incorporated provided its first grant - an \$800 grant for a high school student to develop a living filter to help with solving a problem at the hatchery. He also noted on May 12th Cannon Beach is putting on a festival around emergency preparedness, etc., which may have some applicability to our city.

Chief Workman spoke briefly about the upcoming Citizens Police Academy, which will be April 17 – June 11. He stated applications are available on the city's website. He also noted the Autism Awareness Color Run, which his on April 7th at 11:30.

Commissioner Newton stated in the event of a tsunami, people are to head north and noted visitors may not know where to go, so signs should be easily understandable.

There being no further business Mayor Balensifer adjourned the meeting at 7:57 p.m.

APPROVED:

Henry A. Balensifer III, Mayor

ATTEST:

Dawne Shaw, Deputy City Recorder

WARRENTON COMMUNITY LIBRARY ADVISORY BOARD - 12.8.2017 MEETING MINUTES

The Warrenton Community Library Board met on December 8, 2017, in the Warrenton City Hall Commission chambers. The meeting was called to order at 10:00 a.m. by Chairwoman Kelsey Balensifer.

Also in attendance were board members Kelsey Balensifer, Rochelle Coulombe, Rebecca Herren, Baret Becker and Eileen Purcell. Natalie Duggan and Dawn DeLacey were unable to attend. Site Manager Nettie-Lee Calog was also at the meeting. Two guests were recognized: Frank Becker and Sandy Stonebreaker from the Friends of the Library Board/Timberland Regional Library System.

The minutes from the WCL Advisory Board's regular meeting on December 8, 2017 were sent back to Board Secretary to make a few amendments. Baret moved to approve the minutes and Eileen seconded.

We briefly discussed the results of the bond levy which passed 55.10% approving, 44.90% disapproving. Doing a door-to-door canvass was seen as a crucial factor in getting levy passed. The PAC is still open.

Nettie delivered the site manager report. Library has been very busy with a total 4100 estimated library cards now issued. Check outs are up over last year. (1029 vs. 861) There are 12 ROCC (Rural Outreach in Clatsop County) cards in use. There are some computer and copier issues that require more technical skills to fix.

A patron took a class in website development and his project is to build the library website which will be part of the larger city website. Nettie says the website needs to be built with an eye to the future which will allow for automation for checkouts and the catalog. Kelsey asked what the long-term administration work/costs of the website will be. Nettie said we need to find web maintenance, a domain name and costs associated with this.

The city approved Bogh Electric to come in and replace bulbs and put in new track lighting. They are doing wire and insulation work.

Nettie planned to attend the Gifts that Make a Difference at the Liberty McTavish Room to raise funds for the ROCC program.

Guest: Sandy Stonebreaker from Timberland Friends of the Library- an independent group that raises money for the system primarily through used book sales. They have a lot of help from high school student volunteers moving, storing and sorting the books. Dry storage is a critical component for keeping materials saleable.

The Timberland Friends have a separate bank account as a nonprofit. The Timberland board requests funds from the Friends. Remodeling of buildings, kids' programming, database of volunteers are all part of the Friends' work to support the library system. The Friends' have a seven-member board.

The Seaside Friends' of the Library have bylaws that a Warrenton group could use as a model. Warrenton must be careful and keep separate lock boxes in the library for donations. The City of Warrenton must be consulted to determine what it will allow the Friends' group to do.

Nettie mentioned it is a lot of work to sort and find books that may have some value. There is a volunteer who has been helping to determine values and make sales.

2018 meeting schedule was proposed: Rebecca proposed evening times to accommodate work schedules.

- March 9, 2018 at 8:00-9:00 a.m.
- June 8, 2018 at 5:30-6:30 p.m.
- September 14, 2018 at 5:30-6:30 p.m.
- December 14, 2018 8:00-9:00 a.m.

There was no public comment.

Our next meeting is Friday, March 9, 2018 at 8:00 a.m.

The meeting was adjourned at 11:01 a.m.

Meeting Minutes were taken and recorded by Eileen Purcell, Board Secretary.

3-C



OREGON LIQUOR CONTROL COMMISSION LIQUOR LICENSE APPLICATION

Application is being made for:

LICENSE TYPES

- Full On-Premises Sales (\$402.60/yr)
 - Commercial Establishment
 - Caterer
 - Passenger Carrier
 - Other Public Location
 - Private Club
- Limited On-Premises Sales (\$202.60/yr)
- Off-Premises Sales (\$100/yr)
 - with Fuel Pumps
- Brewery Public House (\$252.60)
- Winery (\$250/yr)
- Other: _____

ACTIONS

- Change Ownership
- New Outlet
- Greater Privilege
- Additional Privilege
- Other _____

90-DAY AUTHORITY

Check here if you are applying for a change of ownership at a business that has a current liquor license, or if you are applying for an Off-Premises Sales license and are requesting a 90-Day Temporary Authority

APPLYING AS:

- Limited Partnership
- Corporation
- Limited Liability Company
- Individuals

CITY AND COUNTY USE ONLY

Date application received: 3/29/18

The City Council or County Commission:

Warrenton
(name of city or county)

recommends that this license be:

- Granted
- Denied

By: _____
(signature) (date)

Name: _____

Title: _____

OLCC USE ONLY

Application Rec'd by: MT

Date: 3-22-18

90-day authority: Yes No

1. Entity or Individuals applying for the license: [See SECTION 1 of the Guide]

① Vitamin Cottage Natural Food Markets, Inc. ③ _____

② _____ ④ _____

2. Trade Name (dba): Natural Grocers

3. Business Location: 137 South Hwy-101 Warrenton Clatsop Oregon 97146
(number, street, rural route) (city) (county) (state) (ZIP code)

4. Business Mailing Address: 12612 West Alameda Parkway Lakewood Colorado 80228
(PO box, number, street, rural route) (city) (state) (ZIP code)

5. Business Numbers: 503-861-6144
(phone)

6. Is the business at this location currently licensed by OLCC? Yes No

7. If yes to whom: _____ Type of License: _____

8. Former Business Name: _____

9. Will you have a manager? Yes No Name: Brian Marchello
(manager must fill out an Individual History form)

10. What is the local governing body where your business is located? City of Warrenton OR
(name of city or county)

11. Contact person for this application: Aaron Prom 303-986-4600
(name) (phone number(s))
12612 W Alameda Parkway aprom@naturalgrocers.com
(address) (fax number) (e-mail address)

I understand that if my answers are not true and complete, the OLCC may deny my license application.

Applicant(s) Signature(s) and Date:

① Kemper Isely Date 03-01-2018 ③ _____ Date _____
By: Kemper Isely, Co-President

② _____ Date _____ ④ _____ Date _____



OREGON LIQUOR CONTROL COMMISSION

LIQUOR LICENSE APPLICATION

LICENSE FEE: Do not include the license fee with the application (the license fee will be collected at a later time).

APPLICATION: Application is being made for:

- Brewery
- Brewery-Public House
- Distillery
- Full On-Premises, Commercial
- Full On-Premises, Caterer
- Full On-Premises, Passenger Carrier
- Full On-Premises, Other Public Location
- Full On-Premises, Nonprofit Private Club
- Full On-Premises, For-Profit Private Club
- Grower Sales Privilege
- Limited On-Premises
- Off-Premises
- Off-Premises with Fuel Pumps
- Warehouse
- Wholesale Malt Beverage & Wine (WMBW)
- Winery

CITY AND COUNTY USE ONLY

Date application received 3/29/18
 Name of City or County Warrenton
 Recommends this license be Granted Denied
 By _____
 Date _____

OLCC USE

Application received by MH
 Date 3/22/18
 License Action: N/O

1. LEGAL ENTITY (example: corporation or LLC) or INDIVIDUAL(S) applying for the license:

Applicant #1 Walmart Inc.	Applicant #2
Applicant #3	Applicant #4

2. Trade Name of the Business (the name customers will see):

Walmart #5861

3. Business Location: Number and Street **1791 SE Ensign Lane**

City Warrenton County Clatsop ZIP 97146

4. Is the business at this location currently licensed by the OLCC? Yes No

5. Mailing Address (where the OLCC will send your mail):

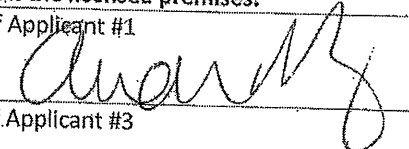
PO Box, Number, Street, Rural Route 508 SW 8th St
 City Bentonville State AR ZIP 72716-0500

6. Phone Number of the Business Location: TDD (253) 314-2465

7. Contact Person for this Application:

Name Nicky Whitaker Phone Number (479) 277-2374
 Mailing Address, City, State, ZIP
508 SW 8th St, Bentonville, AR 72716-0500
 Email deborah.whitaker@walmart.com

I understand that marijuana (such as use, consumption, ingestion, inhalation, samples, give-away, sale, etc.) is prohibited on the licensed premises.

Signature of Applicant #1  Signature of Applicant #2 _____
 Signature of Applicant #3 _____ Signature of Applicant #4 _____

RECEIVED
 OREGON LIQUOR CONTROL COMMISSION

MAR 12 2018

SALEM REGIONAL OFFICE

7-C

"Making a difference through excellence of service"



CITY OF WARRENTON

AGENDA MEMORANDUM

TO: The Warrenton City Commission
FROM: Linda Engbretson, City Manager
DATE: April 10, 2018
SUBJ: PACIFIC FISHING, LLC LEASE ("The Gear shed")

SUMMARY

The lease between the City of Warrenton and Pacific Fishing, LLC, expired June 30, 2017. Terms of the original lease provided the lessee the option to renew for an additional ten years. The City received a request from Pacific Fishing LLC to renew the lease. The initial lease (1997) was between the City and Timothy and Loralene James. The lease was assigned to Pacific Fishing, LLC, in 2014. Not being in default, per terms and requirements for renewal, staff worked with legal counsel to update the lease.

RECOMMENDATION/SUGGESTED MOTION

"I move to authorize the Mayor's signature on the updated lease between the City of Warrenton and Pacific Fishing, LLC, for an additional ten years with the option of two additional one year periods."

ALTERNATIVE

No recommendation.

FISCAL IMPACT

The income from this lease is dedicated to the Warrenton Marina.

MAR 30 2018

RECEIVED
WARRENTON, OR 97146

**CITY OF WARRENTON
AND
PACIFIC FISHING, LLC**

This FACILITY LEASE (this "Lease") is made and entered into on March 26, 2018 (the "Commencement Date"), by and between the City of Warrenton, a municipal corporation ("Landlord"), and Pacific Fishing, LLC, an Oregon Limited Liability Company ("Tenant") (collectively, the "Parties").

This Lease is made pursuant to ORS 271.310, as amended, which authorizes units of local government to enter into lease agreements for real property not needed for public use, or when the public interest may be furthered by entering into such a lease agreement.

RECITALS

A. Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, a portion of that real property and related improvements commonly known as the "Gearshed," as more particularly described in attached Exhibit A, together with any and all rights, privileges, easements, and appurtenances thereto (the "Premises").

B. Tenant intends to occupy the Premises for the purpose of continued operations of the "Gearshed" on the Premises.

AGREEMENT

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

ARTICLE 1

Premises

Landlord does hereby demise, lease, and let unto Tenant, and Tenant does hereby take and lease from Landlord, the Premises for the term and on the rents, conditions, and provisions herein.

ARTICLE 2

Lease Term

2.1 Initial Term. Starting on the Commencement Date, the Premises will be leased for a term of Ten (10) years (the "Initial Term"), unless earlier terminated pursuant to the terms of this Lease.

2.2 Extended Terms. The term of this Agreement may be extended for up to two (2) additional one-year periods.

2.2.1 First Extension. The term of this Agreement shall automatically extend for the first of the two one-year term extension periods at the end of the Initial Term (the “First Extended Term”), unless either Party provides written notice of intent not to extend to the other Party not less than ninety (90) days before the expiration of the Initial Term. Upon exercise of this first option to extend, the term of this Lease will be extended through the expiration date of the First Extended Term on the same terms and conditions as contained in this Lease.

2.2.2 Second Extension. The term of this Agreement shall automatically extend for the second of the two one-year term extension periods at the end of the First Extended Term (the “Second Extended Term”), unless either Party provides written notice of intent not to extend to the other Party not less than ninety (90) days before the expiration of the First Extended Term. Upon exercise of this second option to extend, the term of this Lease will be extended through the expiration date of the Second Extended Term on the same terms and conditions as contained in this Lease.

2.3 Early Termination. Notwithstanding anything in this Lease to the contrary, Landlord has the right to terminate this Lease within the time periods and for the reasons set forth below:

2.3.1 Tenant Failure to Pay Rent. Landlord may terminate this lease for Tenant’s failure to pay Rent as provided in this Lease and such failure continues and is not remedied within thirty (30) days after written notice thereof is given to Tenant by Landlord.

2.3.2 Tenant Default. Landlord may terminate this Lease for any Default, in addition to the failure to pay Rent, as provided in Article 13 of this Lease below.

2.3.3 Termination by Mutual Consent. This Contract may otherwise be terminated only with the mutual written consent of both Parties. Upon reaching such mutual written consent, Tenant shall provide fourteen days’ written notice to Landlord of Tenant’s intent to vacate the Premises.

ARTICLE 3

Rent/Utilities/Taxes

3.1 Rent for Initial Term. The base rent for this Lease shall be the sum of \$185.61 per month. Rent shall increase on July 1, each year thereafter in the same percentage as the increase, if any, in the Consumer Price Index (the “Index”) published by the United States Department of Labor, Bureau of Labor Statistics. The increase shall be computed by comparing the schedule entitled “U.S. City Average, All Items, All Urban Consumers, 1982-84=100” for the latest available month preceding the month in which the Term commences with the same figure for the same month in the years for which the adjustment is computed. All comparisons shall be made using Index figures derived from the same base period and in no event shall this provision operate to decrease the Rent for the Premises below the initial stated Rent amount provided in this Section 3.1. If the Index cited above is revised or discontinued at any time

during the term of this Lease, including any extensions, then the Index designated as its replacement by the Portland Association of Building Owners and Managers shall be used.

3.2 Rent For First Extension. If the Lease Term is extended through the First Extended Term at the end of the Initial Term, Rent shall increase as provided in Section 3.1, above.

3.3 Rent for Second Extension. If the Lease Term is extended through the Second Extended Term at the end of the First Extended Term, Rent shall increase again as provided in Section 3.1, above.

3.4 Payment of Rent. Rent is payable in advance, commencing on the Commencement Date and thereafter by the first day of each month throughout the Lease Term, without notice or demand and without abatement, deduction or setoff except as otherwise provided in this Lease. If the Commencement Date is a day other than the first day of a month, Rent payable on the Commencement Date will be prorated based on the number of remaining days that will elapse during that month following the Commencement Date. Rent and all other amounts payable to Landlord under the terms of this Lease must be hand delivered to Landlord at its office, located at 225 South Main Avenue Warrenton, Oregon 97146, or mailed to Landlord at P.O. Box 250 Warrenton, Oregon, 97146, or at such other place as Landlord may designate by notice to Tenant, in lawful money of the United States. Rent is due and payable on the first of each month. A \$20.00 late fee will be assessed if not received by the 10th of the month, and for each month thereafter that rent is delinquent and additional \$20.00 will be assessed.

3.5 Utilities. All water, sewer, storm sewer, sanitation, electrical service, garbage, and other utilities will be supplied to the Premises by the SUBLESSEE at its sole expense.

3.6 Taxes. In addition, SUBLESSEE shall pay all real property and personal property taxes levied on the Premises when payable.

ARTICLE 4

Use and Maintenance

4.1 Permitted Use. Tenant will use and occupy the Premises during the Initial Term and any extensions to operate the "Gearshed" within the Premises. Any conflict between this Agreement and any exhibits hereto shall be resolved first in favor of this Agreement. Tenant will use its best efforts and provide such personnel as are necessary to successfully perform its duties and obligations as required under the terms of this Agreement. Tenant shall comply with all laws, rules, orders, ordinances, regulations, directions, and requirements of federal, state, county and municipal authorities pertaining to Tenant's use of the Premises, and with all recorded covenants, condition and restrictions, regardless of when they become effective. These include, without limitation, any required alteration of the Premises because of Tenant's specific use, and all applicable federal, state and local laws, regulations, or ordinances pertaining to air and water quality, Hazardous Materials (as defined in the Section 4.1.2, below), waste disposal, air emissions and other environmental matters, and all zoning and other land use matters.

4.1.1 No Hazardous Materials; Hazardous Materials Indemnification. Tenant shall not permit any Hazardous Materials to be brought upon, kept or used in or about the Premises by Tenant, Tenant's agents, employees, contractors, invitees or licensees without the prior written consent of City. Tenant shall indemnify, defend and hold the City harmless from any and all actual and threatened claims, judgments, damages, penalties, fines, costs, liabilities and losses (including, without limitation, diminution in value of the Premises, damages for the loss or restriction on use or rent of the Premises, damages arising from and adverse impact on marketing of the Premises, and sums paid in settlement of claims, attorney fees, consultant fees, and expert fees) that arise during or after the Term of this Lease, including any applicable extensions, due to contamination by Hazardous Materials. This indemnification of City by Tenant is in addition to the indemnifications provided to City by Tenant in Article 8, below, and includes without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial removal or restoration work required by any governmental agency or political subdivision because of the presence of Hazardous Materials in the soil or groundwater of the Premises. Without limiting the foregoing, in the event that Hazardous Material are discovered in the soil or groundwater of the Premises, Tenant shall promptly take all actions at Tenant's sole expense as are necessary to return the Premises to the condition prior to the release of the Hazardous Materials onto the Premises, provided that City's approval of such action shall be first be obtained, and shall not be unreasonable withheld by the City so long as such action(s) will not potentially have any material adverse long-term or short-term effect on the Premises. The foregoing indemnification shall survive the expiration or earlier termination of this Lease, for whatever reason.

4.1.2 Hazardous Materials Defined. As used in this Lease, the term "Hazardous Materials" means any hazardous or toxic substance, material or waste including, but not limited to, those substances materials and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 C.F.R. 172.101) or by the United States Environmental Protection Agency as hazardous substances (40 C.F.R. Part 302), and amendments thereto, as well as any petroleum products and any and all other substances, materials and wastes that are or become regulated under any applicable local state or federal law. "Hazardous Materials" also include "hazardous waste" as defined by ORS 466.005, as well as any substance identified as a "toxic substance" under 42 U.S.C. 11023, as amended, and any substance designated a "toxic substance" or "hazardous waste" by the Oregon Environmental Quality Commission pursuant to ORS 465.009.

4.2 No Waste. Tenant will not cause or permit any waste, damage, disfigurement, or injury to the Premises, or any improvements to the Premises.

4.3 No Liens or Encumbrances. Tenant shall not permit any lien or encumbrance, of any kind, type or description, to be placed or imposed on, or attach to, the Premises or any part thereof.

ARTICLE 5

Improvements

5.1 Construction, Modification, and Demolition of Improvements. Tenant shall not undertake the construction, modification, installation, removal or demolition of any improvements on the Premises during the Term of this Agreement, or any extension, without first obtaining Landlord's prior written consent. Any such construction, modification, installation, removal or demolition of any improvements on the Premises shall be at Tenant's sole cost and expense.

5.2 Title to Improvements. Title to all Improvements constructed by Tenant will be and will remain in Tenant during the Term of the Lease, and may be modified, removed or demolished by Tenant only as provided in Section 5.1 above. At the expiration or earlier termination of the Lease, title to any Improvements remaining on the Premises will automatically pass to, vest in, and belong to Landlord without further action on the part of either party and without cost or charge to Landlord. If so requested by Landlord, Tenant shall remove any Improvements prior to vacating the Premises and leave the Premises, in Landlord's sole discretion, in no worse condition than existed before the installation of the subject Improvement.

ARTICLE 6

Records

6.1 Retention of Records. Tenant shall retain all books, documents, papers and records that are directly pertinent to its use of the Premises for at least three (3) years after the termination or expiration of this Agreement.

6.2 Record Examination by Landlord. Tenant shall allow Landlord, or any of its authorized representatives, to audit, examine, copy, take excerpts from or transcribe and books, documents, papers, or records that are subject to the foregoing retention requirement provided in Section 6.1, above.

ARTICLE 7

Insurance

7.2 Liability Insurance. Tenant, at its sole cost and expense, will maintain commercial general liability insurance covering the Premises, the Improvements, and the conduct or operation of its business, with limits of loss of at least \$2 million combined single-limit coverage for personal injury and property damage. The insurance policy must be primary to any insurance available to Landlord, and must name Landlord as an additional insured. Tenant's insurance carriers must be reputable insurance companies reasonably acceptable to Landlord, licensed to do business in the State of Oregon, and have a minimum A-VIII rating as Tenant will provide Landlord with certificates of insurance concurrently with the execution of this Lease and upon request.

7.1 Property Insurance. Tenant, at its sole cost and expense, will keep the Premises and all Improvements insured against loss or damage by property insurance written on the standard Insurance Services Office (ISO) "special-form" policy, or its nearest equivalent in use at the time. Tenant will obtain endorsements to its special-form policy to maintain the following types of coverage to the extent required by Landlord and available at commercially reasonable rates: (a) flood and (b) earthquake. The property insurance must cover the full replacement value of the Improvements, less a deductible not to exceed \$2,500.00.

ARTICLE 8

Release and Indemnification

8.1 Release. Tenant is and will be in exclusive control of the Premises and the Improvements, and Landlord will not in any event whatsoever be liable for any injury or damage to any property or to any person happening on, in, or about the Premises or Improvements, or any injury or damage to the Premises or the Improvements or to any property, whether belonging to Tenant or to any other person, caused by any fire, breakage, leakage, defect, or bad condition on any part of the Premises or the Improvements, or from steam, gas, electricity, water, rain, or snow that may leak into, issue, or flow from any part of the Premises or the Improvements from the drains, pipes, or plumbing work of the same, or from the street, subsurface, or any place or quarter, or because of the use, misuse, or abuse of all or any of any Improvements, or from any kind of injury that may arise from any other cause whatsoever on the Premises or in or on any Improvements, including defects in construction of Improvements, latent or otherwise. Tenant hereby releases Landlord from and against any and all liabilities resulting from any such injuries and damages. Landlord acknowledges that it remains responsible for liability to any third party to the extent that the liability arises from Landlord's own gross negligence or willful misconduct.

8.2 Indemnification. Except to the extent caused by the gross negligence or willful misconduct of Landlord and subject to the tort limitations in the Oregon Tort Claims Act and the Oregon Constitution, Tenant agrees to indemnify, defend and hold Landlord harmless from and against any and all liabilities, obligations, damages, fines, penalties, claims, costs, charges, and expenses (including, without limitation, reasonable attorney fees) that may be imposed on or incurred by or asserted against Landlord by reason of any of the following occurrences during the Term:

(a) Any work or thing done in, on, or about all or any part of the Premises or Improvements by Tenant or any party other than Landlord;

(b) Any use, nonuse, possession, occupation, condition, operation, maintenance, or management of all or any part of the Premises or Improvements or any adjacent alley, sidewalk, curb, vault, passageway, or space related to use of the Premises;

(c) Any negligence on the part of Tenant or any of its agents, contractors, servants, employees, subtenants, permittees, licensees, or invitees;

(d) Any accident, injury, or damage to any person or property occurring in, on, or about the Premises or Improvements, even if caused in part by the negligence of Landlord, but only up to the limits of Tenant's liability insurance coverage with respect to any such negligence of Landlord; and

ARTICLE 9

Repairs and Maintenance

9.1 Tenant Obligation. Tenant must maintain, repair and replace the Premises and the Improvements as and when needed so as to keep them in a clean and attractive condition, and in good condition and repair, throughout the entire Lease Term, including any applicable extensions thereto. Tenant's obligations extend to both structural and nonstructural items and to all maintenance, repair, and replacement work.

9.2 Landlord Obligation. Landlord is not required to furnish to Tenant, the Premises, or the Improvements: any facilities, utilities, or services. Landlord is not required to make any alterations, rebuildings, replacements, changes, additions, improvements, or repairs to any portion of the Premises or the Improvements.

9.3 Limited Assignment of Rights. Landlord assigns to Tenant, any rights that Landlord may have against any parties causing damage to the Improvements on the Premises to sue for and recover amounts expended by Tenant as a result of the damage.

ARTICLE 10

Signage

Tenant is permitted to install and maintain signage on the Premises and Improvements, so long as in so doing Tenant complies with all applicable legal requirements.

ARTICLE 11

Damage and Destruction

If any Improvements on the Premises are damaged or destroyed by fire or other casualty, Tenant must (a) promptly restore the damaged Improvements to a comparable condition existing before the casualty; or (b) promptly remove all damaged Improvements and leave the Premises in a clean, attractive, and safe condition.

ARTICLE 12

Assignment and Subletting

12.1 Limitations on Transfers. Tenant must not sell, assign, or transfer this Lease or any interest therein, sublet the Premises or any part thereof, or grant any right to use the Premises, the Improvements, or any respective part thereof (each a "Transfer") without the prior

written consent of Landlord. Landlord's consent to a Transfer will in no event release Tenant, any assignee, or any guarantor from their respective liabilities or obligations under this Lease. Upon written request by Landlord, Tenant will promptly deliver to Landlord complete copies of any and all subleases.

ARTICLE 13

Default

The occurrence of any one or more of the following constitutes an event of default under this Lease:

(a) Failure by Tenant to pay Rent when due and payable as provided under the terms of this Lease;

(b) Failure by Tenant to obtain and maintain any insurance or provide evidence of insurance as required by the terms of this Lease, and such failure continues and is not remedied within ten (10) days after written notice thereof is given to Tenant;

(c) Failure by Tenant, whether by action or inaction, to comply with any other material term or condition, or fulfill any other material obligation under this Lease, and such failure continues and is not remedied within thirty (30) days after written notice thereof is given to Tenant; provided, however, that if the failure is of such a nature that it cannot reasonably be cured within said 30-day period, then this provision is satisfied if Tenant begins the cure within the 30-day period and thereafter proceeds with reasonable diligence and in good faith to effect the cure within ninety (90) days after Landlord's notice is given to Tenant.

ARTICLE 14

Disputes

14.1 Mediation. Should any dispute arise between the parties to this Agreement concerning their respective obligations of either or the terms hereof, it is agreed that such dispute will be submitted to a mediator prior to any litigation and the parties hereby expressly agree that no claim or dispute arising under the terms of this Agreement shall be resolved other than first through mediation and only in the event said mediation efforts fail, through litigation. The parties shall exercise good faith efforts to select a mediator, who shall be compensated equally by both parties. Mediation will be conducted in Portland, Oregon, unless both parties agree in writing otherwise. Both parties agree to exercise good faith efforts to resolve disputes covered by this section through this mediation process. If either party requests mediation, and the other party fails to respond within ten (10) days, or if the parties fail to agree on a mediator within ten (10) days, a mediator shall be appointed by the presiding judge of the Washington County Circuit Court upon the request of either party. The parties shall have any rights at law or in equity with respect to any dispute not covered by this Section.

14.2 Litigation. In the event that mediation of a dispute arising out of this Agreement is unsuccessful, any litigation arising under or as a result of this Agreement shall be tried to the court without a jury.

14.3 Attorneys' Fees. In the event any suit or action is instituted to interpret or enforce the terms of this Agreement, or to rescind this Agreement, the substantially prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorneys' fees at trial, on any appeal, and on any petition for review, in addition to all other sums provided by law.

ARTICLE 15

Remedies

15.1 Remedies. Upon the occurrence of default and after the notice process provided in Article 14 above, Landlord may remedy the default and demand reimbursement from Tenant.

15.2 Landlord's Self-Help Right. If Tenant at any time (a) fails to make any payment required under this Lease, or (b) fails to perform any other obligation on its part to be made or performed under this Lease, then after 10 days' written notice to Tenant (or without notice in the event of an emergency) and without waiving or releasing Tenant from any obligation of Tenant contained in this Lease or from any default by Tenant and without waiving Landlord's right to take any action that is permissible under this Lease as a result of the default, Landlord may, but is under no obligation to, (i) pay payment required of Tenant under this Lease, and (ii) perform any other act on Tenant's part to be made or performed as provided in this Lease, and may enter the Premises and Improvements for any such purpose, and take any action that may be necessary. All payments so made by Landlord in connection with the performance of any such act will constitute additional rent payable by Tenant under this Lease and must be paid to Landlord on demand.

15.3 No Waiver. No failure by the Parties to insist on the strict performance of this Lease or to exercise any right or remedy and no acceptance of full or partial Rent during any such breach, constitutes a waiver.

ARTICLE 16

Sale by Landlord and Limitation of Landlord's Liability

16.1 Sale by Landlord. If the Landlord under this Lease, or any successor owner of the Premises, sells or conveys the same to another governmental entity or any other party, the new owner shall assume the obligations of Landlord under this Lease, and all liabilities and obligations on the part of the original Landlord or the successor owner under this Lease accruing thereafter will terminate, and thereupon all such liabilities and obligations will be binding on the new owner. Tenant agrees to attorn to the new owner.

ARTICLE 17

SURRENDER AND HOLDOVER

17.1 Condition of Premises and Improvements. Upon expiration of the Term or earlier termination of this Lease, Tenant will deliver all keys to Landlord and surrender the Premises and Improvements in good condition and repair and broom clean (reasonable wear and tear excepted), free and clear of all occupancies. Tenant's obligations under this Article will be subject to the provisions of Article 15 relating to damage or destruction.

17.2 Tenant's Property. Before the expiration or earlier termination of this Lease, Tenant will remove all furnishings, furniture, and trade fixtures that remain Tenant's property (the "Tenant's Property").

17.3 Holding Over. Any holding over after the expiration of this Lease, including any applicable extensions, will be construed to be a tenancy from month-to-month, at 120% percent of the Rent payable for the period immediately before the expiration of the Lease and will otherwise be on the same terms and conditions as contained in this Lease. If Landlord consents to Tenant holding over, either Party may thereafter terminate the tenancy at any time on 30 days' advance written notice to the other Party.

ARTICLE 18

Condition of Premises

Tenant acknowledges that it has had the opportunity to examine the physical condition of the Premises (including whether the Premises contains any Hazardous Substances or fails to comply with any Environmental Laws) and as a result agrees to accept the Premises in "as-is" condition, with all faults. Tenant further acknowledges that no representations or warranties regarding the condition of the Premises have been made by Landlord or any agent or person acting for Landlord.

ARTICLE 19

Quiet Enjoyment

Tenant will have quiet enjoyment of the Premises during the Term without hindrance or disturbance by any person claiming by, through, or under Landlord, subject, however, to Landlord's reasonable right to enter the Premises pursuant to Section 15.2, above, and as provided elsewhere in this Lease.

ARTICLE 20

Notices

20.1 Notice Parties and Means of Delivery. Any notice required or permitted by the terms of this Lease will be deemed given if delivered personally, sent by United States registered

or certified mail, postage prepaid, return receipt requested, or sent by fax with electronic confirmation of fax receipt, and addressed as follows:

If to Landlord: City of Warrenton
P.O. Box 250
Warrenton, Oregon 97146
Attn: Linda Engbretson, City Manager
Fax: (503) 861-2351

With a copy to: Beery, Elsner & Hammond, LLB
1750 SW Harbor Way, Suite 380
Portland, Oregon 97201
Attn: City Attorney
Fax: (503) 226-2348

If to Tenant: _____
Attn: _____
Fax: _____

With a copy to: _____
Attn: _____
Fax: _____

ARTICLE 21

Reserved

ARTICLE 22

Miscellaneous

22.1 Survival. All agreements (including, but not limited to, indemnification agreements) set forth in this Lease, the full performance of which are not required before the expiration or earlier termination of this Lease, will survive the expiration or earlier termination of this Lease and be fully enforceable thereafter.

22.2 Invalidity. If any term or provision of this Lease or the application of the Lease to any person or circumstance is, to any extent, held to be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, will not be affected, and each term and provision of this Lease will be valid and be enforced to the fullest extent permitted by law.

22.3 Force Majeure. If either Party's performance of an obligation under this Lease (excluding a monetary obligation) is delayed or prevented in whole or in part by (a) any Legal Requirement (and not attributable to an act or omission of the Party); (b) any act of God, fire, or other casualty, flood, storm, explosion, accident, epidemic, war, civil disorder, strike, or other labor difficulty; (c) shortage or failure of supply of materials, labor, fuel, power, equipment, supplies, or transportation; or (d) any other cause not reasonably within the Party's control, whether or not the cause is specifically mentioned in this Lease, the Party will be excused, discharged, and released of performance to the extent that such performance or obligation (excluding any monetary obligation) is so limited or prevented by the occurrence without liability of any kind.

22.4 Entire Agreement; Counterparts. This Lease contains the entire agreement between the Parties and, except as otherwise provided, can be changed, modified, amended, or terminated only by a written instrument executed by both Parties. Tenant and Landlord mutually acknowledge and agree that there are no verbal agreements or other representations, warranties, or understandings affecting this Lease. This Lease may be executed in any number of counterparts, including by fax signatures, each of which will constitute an original, but all of which will constitute one Lease.

22.5 Applicable Law. This Lease will be governed by, and construed in accordance with, the laws of the State of Oregon. Venue shall be in Clatsop County, Oregon.

22.6 Binding Effect; Authority. The covenants and agreements contained in this Lease are binding on and inure to the benefit of Landlord, Tenant, and their respective successors and assigns. Each Party warrants that the below signatory is authorized to enter into this agreement and bind that Party.

22.7 Recordation of Lease. Tenant may elect that a copy of this Lease or a memorandum of it, executed and acknowledged by both Parties, be recorded in the public records of Clatsop County, Oregon. In such case, Tenant shall pay all recording costs.

22.8 Time Is of the Essence. Time is of the essence as to the performance of all the covenants, conditions, and agreements of this Lease.

22.9 Relationship of Parties and Application of Laws. Nothing contained in this Lease is to be deemed or construed, either by the Parties to this Lease or by any third party, to create the relationship of principal and agent or to create any partnership, joint venture, or other association between Landlord and Tenant. At all times under this Agreement, the Parties are acting as individual entities and are not establishing a business partnership. Nothing herein is intended, nor shall it be construed, to create between the Parties any relationship of principal and agent, employer and employee, partnership, joint venture, or any similar relationship, and each Party hereby specifically disclaims any such relationship. Employees or contractors providing services to each respective Party shall remain employees or contractors of the Party who retained such employee or contractor services. Each Party is wholly and individually responsible for its own employees and contractors. Each Party agrees to pay all wages and benefits (including but not limited to any required insurance and workers compensation), payroll tax, and to apply all

laws, regulations, and policies relating to employment obligations. Each Party agrees to abide by all applicable local, state, and federal law.

IN WITNESS WHEREOF, Tenant and Landlord have caused this Lease to be executed by their duly authorized representatives as of the day and year first written above.

LANDLORD:

By: _____

Name: _____

Title: _____

TENANT:

By: Cynthia Y. Skinnell

Name: Cynthia Y. Skinnell

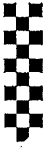
Title: Controller

EXHIBIT A

The Property

That certain real property described as:

Lot 15, Block 36, First Extension of East Warrenton, in the City of Warrenton, County of Clatsop and State of Oregon.



From:

05/23/2017 13:47

#186 P.001/001

CITY OF WARRENTON
FINANCE DEPT

MAY 25 2017

RECEIVED
WARRENTON, OR 97146

"Making a difference through excellence of service"



CITY OF WARRENTON

April 20, 2017


Pacific Fishing, LLC
PO Box 5583
Charleston, OR 97420

To whom it may concern,

It has come to our attention that your lease for the property at Lot 15, Block 36, First Extension of East Warrenton, ("The Gearshed"), will expire on June 30, 2017. Please let us know if it is your intent to renew your lease, and we will prepare the appropriate paperwork before the termination date.

It has been a pleasure to work with you these past years.

Sincerely,


Dawne Shaw
Deputy City Recorder
City of Warrenton

We would like to
Renew this lease.

lloshbaugh@pacseal.com

Fax: 541-888-9248

or mail to the PO BOX

Thanks Lori

P.O. Box 250 Warrenton, OR 97146-0250
503-861-2233 FAX: 503-861-2351
www.ci.warrenton.or.us



Recording Instrument #: 201400769
Recorded By: Clatsop County Clerk
of Pages: 14 Fee: 112.00
Transaction date: 2/10/2014 09:24:50
Deputy: sholcom

---ASSIGNMENT OF LEASE

DANIEL J. FISHERIES, INC, ASSIGNOR
PO Box 791

Warrenton, Oregon 97146

PACIFIC FISHING LLC, ASSIGNEE

P.O. Box 5583

Charleston, Oregon 97420

CITY OF WARRENTON, LANDLORD

P.O. Box 250

Warrenton, Oregon 97146

After recording, return to:

Snow & Snow Attorneys

P.O. Box 508

Astoria, OR 97103

Send Tax Statements to:

P.O. Box 791

Warrenton, Oregon 97146

Situs Address:

Tax Acct.:

ASSIGNMENT OF INTEREST IN LEASE

The undersigned, JAMES G. COPENHAVER and MARY C. COPENHAVER, husband and wife, Lessee/Assignor, does hereby convey, assign, transfer and set over unto PACIFIC FISHING LLC, a Limited Liability Company, as the New Tenant/Assignee, the Lease between Assignor herein as Tenant and the CITY OF WARRENTON, a municipal corporation of the State of Oregon, as Landlord, a copy of the Lease is attached here to as Exhibit A, together with all the right, title and interest of the Tenant/Assignor in and to any and all leasehold rights, gearshed and all personal property located thereon.

Assignor covenants to and with Assignee that Assignor has a good right to convey, assign and transfer Assignor's right, title and interest in and to said Lease to Assignee, who, in accepting this assignment, assumes all of Assignor's rights and responsibilities thereunder and agrees to indemnify and hold Assignor harmless therefrom.

The consideration for this transfer is other good and valuable consideration.

DATED: January 14, 2014.

Landlord/Lessor:
CITY OF WARRENTON,
A Municipal Corporation

New Tenant/Assignee:
Pacific Fishing LLC
a Limited Liability Company

By: Mark Kujala
Mark Kujala, Mayor

By: Jerry Hampel
Jerry Hampel, General Manager

By: Kurt Fritsch
Kurt Fritsch, City Manager

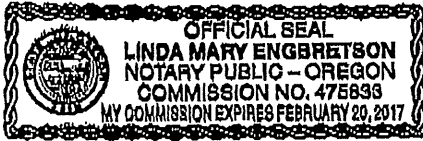
Lessee/Assignor:

By: James G. Copenhaver
James G. Copenhaver

By: Mary C. Copenhaver
Mary C. Copenhaver

STATE OF OREGON)
County of Clatsop) ss.

On this 6th February day of January 2014, personally appeared Mark Kujala and Kurt Fritsch who, each being first duly sworn, did say that he, Mark Kujala, is the Mayor of the City of Warrenton, and that he, Kurt Fritsch, is the City Manager of the City of Warrenton, a municipal corporation, that said instrument was signed in behalf of the City by authority of its City Commission and they acknowledged said instrument to be its voluntary act and deed,



Linda Mary Engbretson
Notary Public for Oregon

STATE OF OREGON)
County of _____) ss.

This instrument was acknowledged before me on January 2014, by Jerry Hampel, as General Manager of PACIFIC FISHING LLC.

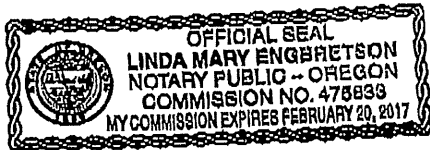
Before me: [Signature]
Notary Public for Oregon

STATE OF OREGON)
County of Cos) ss.



This instrument was acknowledged before me on January 2014, by JAMES G. COPENHAVER AND MARY C. COPENHAVER,

February 6,
Before me: Linda Mary Engbretson
Notary Public for Oregon



LEASE

The parties to this lease are **CITY OF WARRENTON**, a municipal corporation of the State of Oregon, hereinafter called "**CITY**," and **TIMOTHY and LORALENE JAMES**, husband and wife, hereinafter called "**LESSEE**."

CITY leases to **LESSEE** that certain real property described as Lot 15, Block 36, First Extension of East Warrenton, in the City of Warrenton, County of Clatsop and State of Oregon.

(1) **TERM:**

The original term of this lease shall commence on the 1st. Day of July, 1997, and continue through the 30th, day of June, 2017. If the lease is not then in default, **LESSEE** shall have the option to renew this lease for a period of ten additional years at a rental in accordance with paragraph (2) hereunder.

(2) **RENT:**

The basic rent for the first year of this lease shall be the sum of **ONE HUNDRED TWENTY-FIVE DOLLARS AND NO CENTS (\$125.00)** per month due and payable on the 1st. day of the month commencing June 1, 1997, at Warrenton City Hall, Warrenton, Oregon.

The basic rent shall be adjusted every year after the base year. The base year is the year from July 1997 through June 1998. **CITY** shall adjust the Rent effective July 1, 1998, in the same percentage as the increase, if any, in the Consumer Price Index (the "**Index**") published by the United States Department of Labor, Bureau of Labor Statistics. The change shall be computed by comparing the schedule entitled "U.S. City Average, All Items, All Urban Consumers, 1982-84=100" for the latest available month preceding the month in which the Term commenced with the same figure for the same month in the years for which the adjustment is computed. All comparisons shall be made using Index figures derived from the same base period and in no event shall this provision operate to decrease the Rent for the Premises below the initial stated Rent. If the Index cited above is revised or discontinued during the Term, then the Index that is designated to replace it by the Portland Association of Building Owners and Managers shall be used.

(3) **USE OF THE PREMISES:**

The Premises shall be used for operations permitted by the Land Use Regulations of the City of Warrenton, and for no other purpose. In addition, **LESSEE**'s uses shall be consistent with all other lawful regulatory or land use agencies of the State of Oregon and its subdivision.

(4) **CITY'S RIGHT OF ENTRY:**

It shall be lawful for the **CITY**, its agents and representatives, at any reasonable time, to enter into or upon said demised premises for the purpose of examining the condition thereof, or any other lawful purpose.

(5) **LIENS:**

LESSEE will not permit any lien of any kind, type or description to be placed or imposed

07/20/13

upon the property or any part thereof.

(6) UTILITIES:

CITY will provide water service to the property boundary. Hook-up and all costs of water service will be at LESSEE'S expense.

All electrical service and other utilities will be installed and paid for at LESSEE'S sole expense.

(7) INDEMNITY AND LIABILITY INSURANCE:

LESSEE agrees to and shall indemnify and hold CITY harmless against any and all claims and demands arising from the negligence of LESSEE, his agents, invitees and/or employees, as well as those arising from LESSEE'S failure to comply with any covenant of this lease on its part to be performed, and shall at its own expense defend CITY against any and all suits or actions arising out of such negligence, actual or alleged, and all appeals therefrom and shall satisfy and discharge any judgment which may be awarded against CITY in any such suit or action.

LESSEE further agrees, upon execution of this lease, at his own expense, to maintain and keep in effect, furnish and deliver to the CITY liability insurance policies in form with insurer satisfactory to CITY insuring against all leased premises with combined single limit for bodily injury in the amount of not less than \$500,000. Prior to leasing the Premises, LESSEE agrees, at his own expense, to maintain and keep thereafter in effect, furnish and deliver to the CITY liability insurance policies in form with insurer satisfactory to CITY naming the CITY as a named insured, against all liability for damages to personal property in or about the leased premises and not less than \$1,000,000 combined single limit for both bodily injury and property damage.

(8) COMPLIANCE WITH LAW AND HAZARDOUS MATERIALS:

8.1 LESSEE, at LESSEE'S expense, shall comply with all laws, rules, orders, ordinances, directions, regulations, and requirements of federal, state, county, and municipal authorities pertaining to LESSEE'S use of the Premises, and with all recorded covenants, conditions, and restrictions, regardless of when they become effective. These include, without limitation, any required alteration of the Premises because of LESSEE'S specific use, and all applicable federal, state, local laws, regulations, or ordinances pertaining to air and water quality, Hazardous Materials as defined in Section 7.4 below, waste disposal, air emissions and other environmental matters, and all zoning and other land use matters.

8.2 LESSEE shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about the Premises by LESSEE, LESSEE'S agents, employees, contractors, or invitees without the prior written consent of CITY, which shall not be unreasonably withheld as long as LESSEE demonstrates to CITY'S reasonable satisfaction that such Hazardous Material is necessary or useful to LESSEE'S business and will be used, kept, and stored in a manner that complies with all laws regulating any such Hazardous Materials brought upon or used or kept in or about the Premises.

8.3 LESSEE shall indemnify, defend, and hold CITY harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses (including without limitation, diminution in value of the Premises, damages for the loss or restriction on use or rent of the Premises, damages arising from any adverse impact on marketing of the Premises, and sums paid in settlement of claims, attorney fees, consultant fees, and expert fees) that arise during or after the lease term due to contamination by Hazardous Materials as a result of LESSEE's use or activities or of LESSEE's agents or contractors. This indemnification of CITY by LESSEE includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, or restoration work required by any federal, state, or local governmental agency or political subdivision because of Hazardous Materials present in the soil or groundwater or under the Premises. Without limiting the foregoing, if the presence of any Hazardous Material on the Premises caused or permitted by LESSEE or LESSEE's agents or contractor results in any contamination of the Premises, LESSEE shall promptly take all actions at LESSEE's sole expense as are necessary to return the Premises to the condition existing prior to the release of any such Hazardous Material onto the Premises, provided that CITY's approval of such action shall first be obtained, and approval shall not be unreasonably withheld, as long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises. The foregoing indemnity shall survive the expiration or earlier termination of this Lease.

8.4 As used in this Lease, the term Hazardous Material means any hazardous or toxic substance, material, or waste, including, but not limited to, those substances, materials, and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR §172.101), or by the United States Environmental Protection Agency as hazardous substances (40 CFR pt 302) and amendments thereto, petroleum products, or other such substances, materials, and wastes that are or become regulated under any applicable local, state, or federal law.

(9) ATTACHMENT, BANKRUPT, DEFAULT:

PROVIDED, ALWAYS, that: 1) if the Lessee shall be in arrears in the payment of said rent for a period of thirty (30) days after the same becomes due; or, 2) if the Lessee shall fail or neglect to do, keep, perform or observe any of the covenants and agreements contained herein on Lessee's part to be done, kept, performed and observed and such delinquency shall continue for thirty (30) days or more after written notice of such failure or neglect shall be given to Lessee; or, 3) if the Lessee shall be declared bankrupt or insolvent according to law; or, 4) if any assignment of Lessee's property shall be made for the benefit of creditors; or, 5) if on the expiration of this Lease Lessee fails to surrender possession of the leased premises, then and in either or any of said cases or events, the CITY or those having CITY's estate in the premises, may terminate this Lease and, lawfully, at his or their option, immediately or at any time thereafter, without demand or notice, may enter into and upon said demised premises and every part thereof and repossess the same as of CITY's former estate, and expel said Lessee and those claiming by, through and under Lessee and remove Lessee's effects at Lessee's expense, forcibly if necessary and store the same, all without being deemed guilty of trespass and without prejudice to any remedy which otherwise might be used for arrears of rent or preceding breach of covenant.

Neither the termination of this lease by forfeiture nor the taking or recovery of possession of the premises shall deprive CITY of any other action, right or remedy against Lessee for possession, rent or damages nor shall any omission by CITY to enforce any forfeiture, right or remedy to which CITY may be entitled be deemed a waiver by CITY of the right to enforce the performance of all terms and conditions of this lease by Lessee.

In the event of any re-entry by CITY, CITY may lease or relet the premises in whole or in part to any LESSEE or LESSEES who may be satisfactory to CITY, for any duration, and for the best rent, terms and conditions as CITY may reasonably obtain. CITY shall apply the rent received from any new LESSEE first to the costs of retaking and reletting the premises, including repairs and reasonable remodeling expense required to obtain any new LESSEE, and then to any arrears of rent and future rent payable under this lease and any other damages to which CITY may be entitled hereunder.

Any property which Lessee leaves on the premises after abandonment or expiration of the lease, or for more than ten days after any termination of the lease by CITY, shall be deemed to have been abandoned, and CITY may remove and sell said property at public or private sale as CITY sees fit, without being liable for any prosecution therefor or for damages by reason thereof, and the net proceeds of said sale shall be applied toward the expenses of CITY and rent as aforesaid, and the balance of such amounts, if any, shall be held for and paid to the LESSEE.

(10) DAMAGES:

In the event of termination on default, CITY shall be entitled to recover immediately, without waiting until the due date of any future rent, the following amounts as damages:

(a) The value of all of LESSEE's obligations under this lease, including the obligation to pay rent from the date of default until the end of the term, and

(b) The reasonable costs of re-entry and reletting including without limitation the cost of any clean-up, removal of LESSEE's property and fixtures, or any other expenses occasioned by LESSEE's failure to quit the premises upon termination and to leave them in the required condition, together with any restoration costs, attorney fees, court costs, etc.

(11) DELIVERING UP PREMISES ON TERMINATION:

At the expiration of said term or upon any sooner termination thereof, LESSEE will quit and deliver up said leased premises, peaceably, quietly, and in good order and condition and will remove any structures erected by LESSEE on the Premises. Any improvements remaining on the Premises at termination shall become the property of CITY, at CITY's option.

(12) NONWAIVER:

Waiver by either party of strict performance of any provision of this lease shall not be a waiver of or prejudice the party's right to require strict performance of the same provision in the future or of any other provision.

(13) ATTORNEY FEES:

In the event suit or action is instituted to enforce any of the terms of this lease the prevailing party shall be entitled to recover from the other party such sums the court may adjudge reasonable as attorney's fees at trial or on appeal of such suit or action, in addition to all other sums provided by law.

If any party to this lease places it in the hands of an attorney for collection or enforcement of the covenants contained herein, as a consequence of a default, as defined herein, the party in default agrees to pay the reasonable fees and expenses of such attorney even though no suit or action is instituted, as a consequence of default.

(14) NOTICES:

Any notice required or permitted under this lease shall be given when actually delivered or forty-eight (48) hours after deposited in United States mail as certified mail addressed to the following addresses or to such other address as may be specified from time to time by either or the parties in writing.

CITY: CITY OF WARRENTON
PO BOX 250
WARRENTON, OR 97146

LESSEE: TIMOTHY JAMES
3335 CHILDS RD.
LAKE OSWEGO, OR 97034

LORALENE JAMES
3335 CHILDS RD.
LAKE OSWEGO, OR 97034

(15) SUCCESSION:

Subject to the hereinafter stated limitations on transfer of LESSEE's interest, this lease shall be binding upon and inure to the benefit of the parties, their respective successors and assigns.

(16) ASSIGNMENT:

LESSEE shall not assign, transfer, pledge, hypothecate, surrender or dispose of this lease or any interest, or permit any other person or persons whomsoever to occupy the leased Premises without the written consent of CITY being first obtained in writing, (which consent will not be unreasonably withheld). This lease is personal to LESSEE and is executed in material consideration of LESSEE's ability to complete the improvements to the Premises as promised.

LESSEE's interest in whole or in part cannot be sold, assigned, transferred, seized or taken by operation of law, or under or by virtue of any execution or legal process, attachment or proceedings instituted against LESSEE, or under or by virtue of any bankruptcy or insolvency proceedings had in regard to LESSEE, or in any other manner, except as herein specifically mentioned.

(17) TAXES:

In addition, LESSEE shall pay all real property and personal property taxes levied on the Premises when payable.

IN WITNESS WHEREOF, the parties have executed this lease the 15th day of October, 1997; the signature of the CITY OF WARRENTON being by authority of its City Commissioners.

CITY OF WARRENTON,
an Oregon Municipal Corporation

BY: *Barbara Balensifer*
Barbara Balensifer, Mayor

ATTEST: *Gilbert G. Gramson*
Gilbert G. Gramson - City Manager/Auditor

LESSEE: *Timothy James*
Timothy James

LESSEE: *Loralene G. James*
Loralene James

STATE OF OREGON)
) ss.
County of Clatsop)

On this 15th day of October, 1997, personally appeared Barbara Balensifer

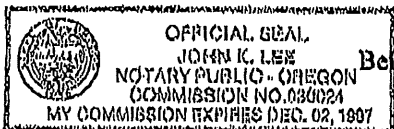
who, each being first duly sworn, did say that she, is the Mayor of the City of Warrenton, and Gil Gramson, did say that he is the City Manager of the City of Warrenton, a municipal corporation, and that said instrument was signed in behalf of the City of Warrenton by authority of its City Commission and they acknowledged said instrument to be their voluntary act and deed.



Before me: Linda M Engbretson
Notary Public for Oregon
My commission expires: 2/16/98

STATE OF OREGON)
CLATSOP) ss.
County of Clatsop)

This instrument was acknowledged before me on the 7th day of November, 1997, by TIMOTHY and LORALENE JAMES.



Before me: John K Lee
Notary Public for Oregon
My commission expires: 12-2-97

**SALE AGREEMENT
RECEIPT FOR EARNEST MONEY**

DATE: November _____, 2013

SELLER: DANIEL J. FISHERIES, INC., an Oregon Corporation,
ADDRESS: P.O. Box 783
Warrenton, Oregon 97146

PURCHASER: PACIFIC FISHING, LLC.
ADDRESS: Po Box 5583
Charleston OR 97420

Seller sells to Purchaser and Purchaser purchases from Seller certain personal property commonly known as the 30' x 40' gearshed which has approximately 1,200 square feet, hereinafter referred to as "The Gearshed", located in the City of Warrenton, Clatsop County, Oregon, which real property has the following legal description: Lot 15, Block 36, First Extension of East Warrenton, in the City of Warrenton, Clatsop County, Oregon.

The Gearshed is being sold to Purchaser in an "AS IS" condition with no warranties.

The Gearshed is located on property owned by the City of Warrenton and currently leased to the Sellers under that certain Lease dated on or about October 15, 1997, between the City of Warrenton as Landlord and Timothy James and Loralene James. A copy of the Lease is attached hereto and hereinafter referred to as "The Lease".

Agreement

Now, therefore, for valuable consideration, the parties agree as follows:

1. **Sale and Purchase.** Purchaser agrees to purchase the Gearshed from Seller and Seller agrees to sell the Gearshed and assign the Lease to Purchaser for the sum of TWELVE THOUSAND DOLLARS AND NO CENTS, (\$12,000.00) (the "Purchase Price").

2. **Earnest Money.** The parties agree that the amount of Earnest Money to be paid by Purchaser is the sum of FIVE DOLLARS AND NO CENTS, (\$500.00). Seller hereby acknowledges receipt of such Earnest Money to the extent such sum has been paid to Seller in cash. To the extent the Earnest Money has not been paid in full to Seller, Purchaser hereby agrees to so pay the full amount of the Earnest Money upon Purchaser's execution of this Agreement. The Earnest Money shall be applied to the Purchase Price on the Closing Date, as that term is defined below.

3. **Payment of Purchase Price.** The Purchase Price shall be paid as follows:

3.1 At closing, the Earnest Money shall be credited to the Purchase Price.

3.2 At closing, Purchaser shall pay the balance of the Purchase Price in cash, which is the sum of ELEVEN THOUSAND, FIVE HUNDRED DOLLARS AND NO CENTS, (\$11,500.00).

4. Closing. Closing shall take place on or before December 1, 2013 (the "Closing Date"). Each party shall pay one-half of any escrow fee. Each party shall be responsible for payment of their attorneys fees, if any. Closing shall not be considered complete until Seller has received all funds due from Closing and all required documents have been recorded or filed as needed. All closing documents shall be reviewed and approved by Seller's attorney prior to closing.

5. Conditions and Contingencies

5.1 Purchaser's Conditions: Purchaser's obligation to purchase the Gearshed is contingent on satisfaction of each of the following conditions:

- (1) City of Warrenton's agreement to the lease assignment to Purchaser.

5.2 Purchaser's Inspections: Purchaser and its agents shall have reasonable access to the Gearshed for the purpose of conducting Purchaser's inspections. Seller encourages Purchaser to have the Gearshed closely inspected by professional inspectors. No agent, independent contractor, real estate agent, or employee of Seller is authorized to make any representations or warranties concerning the Gearshed. Purchaser agrees to rely only on its own inspections with regard to any decision of Purchaser to purchase the Gearshed and by accepting this Agreement, Purchaser acknowledges that the Gearshed may contain material defects, both latent and patent, and that Purchaser accepts the Gearshed "AS IS, WITH ALL FAULTS" based solely upon its own inspection. Purchaser to provide Seller copies of all inspection reports, surveys, and all other reports on the Gearshed.

5.3 Removal Date for all Conditions and Contingencies: Purchaser is to waive all conditions and contingencies by 2:00 p.m. November 30, 2013 ("the Contingency Removal Date").

5.4 Termination:

If Purchaser is not satisfied, in its sole discretion, with the result of Purchaser's inspections or fulfillment of Purchaser's conditions and contingencies in Section 5.1, Purchaser may terminate this Agreement by written notice to Seller given at any time before the Contingency Removal Date set forth herein, in which event the Earnest Money actually paid shall be refunded to Purchaser. Purchaser agrees to make all efforts as may be necessary and diligently pursue and exercise its best efforts to remove the foregoing contingencies, including any payment of fees or other expense required to be paid do so.

If Purchaser fails to give such written notice of termination given at any time before the Contingency Removal Date, then all respective conditions and contingencies will be deemed satisfied or waived by the Purchaser and the Earnest Money shall become nonrefundable to Purchaser and maybe retained by Seller as Seller's damages for inter alia withholding the Gearshed from the market.

5.5 Seller's Conditions: Seller's obligation to sell the Gearshed is contingent on satisfaction of each of the following conditions:

- (1) None.

6. Conveyance of Property. On the Closing Date, Seller shall execute and deliver to Purchaser a warranty deed, (which warranty deed shall be prepared by Seller's attorney) conveying the

Gearshed and assign the Lease to Purchaser, free and clear of all liens and encumbrances except the Permitted Exceptions.

7. Taxes; Prorates. Personal property taxes for the current tax year, Insurance premiums (if Purchaser assumes the existing policy) and other usual items shall be prorated as of the Closing Date.

8. Possession. Purchaser shall be entitled to possession immediately upon closing. However, possession shall not occur until Seller has received all funds due from Closing and all required documents have been recorded and/or filed as needed.

9. Purchaser's Representations. Purchaser represents that it has accepted and executed this Agreement on the basis of its own examination and personal knowledge of the Gearshed; that Seller and Seller's agents have made no representations, warranties, expressed or implied, or other agreements concerning matters relating to the Gearshed except to the extent expressly set forth in this Agreement; that Seller and Seller's agents have made no agreement or promise to alter, repair, or improve the Gearshed; Purchaser hereby releases Seller and its agents and representatives from all claims or causes of action related thereto, including claims or causes of action relating to environmental or hazards; and that Purchaser takes the Gearshed in the condition, known or unknown, existing at the time of this Agreement, "AS IS", WITH ALL FAULTS, including latent defects. If any such issues are a material consideration to Purchaser, then Seller hereby advises Purchaser to conduct their own independent investigation. In the event the Purchaser desires any inspections, the inspections will be allowed by Seller, but arranged and paid for by the Purchaser. Any inspection desired by Purchaser is permitted by Seller. Purchaser will provide copies of all inspection reports, surveys, engineering studies or reports to Seller.

10. Binding Effect/Assignment Restricted. This Agreement is binding on and will inure to the benefit of Seller, Purchaser and their respective heirs, legal representatives, successors and assigns. Nevertheless, Purchaser will not assign its rights under this Agreement without Seller's prior written consent, which consent shall not be unreasonably withheld.

11. Remedies. TIME IS OF THE ESSENCE REGARDING This Agreement. If the conditions described hereinabove are deemed satisfied or waived by Purchaser and the Purchaser fails to close the transaction, through no material fault of Seller, before the close of business on the Closing Date, then Purchaser shall pay to Seller the sum of the Earnest Money, which obligation Seller may elect to collect by the release of so much of the Earnest Money as will satisfy the obligation. In such case, Purchaser agrees to execute any and all documents necessary to release the Earnest Money to Seller. If Seller fails to deliver the requisite closing documents on the Closing Date or otherwise fails to consummate the transaction, the Earnest Money will be refunded to Purchaser and such refund shall constitute Purchaser's sole remedy under this Agreement.

12. Attorney Fees. In the event action is instituted to enforce any term of this Agreement, the prevailing party shall recover from the losing party reasonable attorney fees incurred in such action as set by the trial court and, in the event of appeal, as set by the appellate courts.

13. Notices. All notices and communications in connection with this Agreement shall be given in writing and shall be transmitted by certified or registered mail, return receipt requested, to the appropriate party at the address first set forth above. Any notice so transmitted shall be deemed effective on the date it is placed in the United States mail, postage prepaid. Either party may, by written notice, designate a different address for purposes of this Agreement.

14. Entire Agreement. This Agreement sets forth the entire understanding of the parties with respect to the purchase and sale of the Gearshed. This Agreement supersedes any and all prior negotiations, discussions, agreements, and understandings between the parties. This Agreement may not be modified or amended except by a written agreement executed by both parties.

15. Applicable Law. This Agreement shall be construed, applied, and enforced in accordance with the laws of the State of Oregon.

16. Acceptance. This Agreement shall be null and void unless accepted by Purchaser, by Purchaser's execution of it, on or before November 30, 2013

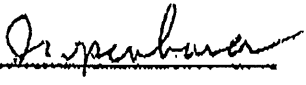
17. Facsimile Signatures. Facsimile signatures on this Agreement shall be construed as original signatures.

18. Legal Representation. It is understood between the parties that the law firm of Snow & Snow of Astoria, Oregon, representing Seller has drawn these documents, and Purchaser is and has been advised that he can and should seek his own independent legal advice as to this Agreement and other documents connected with the transaction and his legal rights and obligations arising therefrom.

SIGNATURES:

SELLER:

DANIEL J. FISHERIES, INC.,
An Oregon Corporation
Tax ID #: 93-0999145



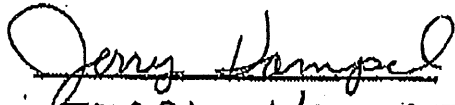
JAMES G. COPENHAVER,
President

Dated: 11-26, 2013

PURCHASER:

PACIFIC FISHING, LLC.,

Tax ID #: 30-1109725


JERRY HAMPTEL
Title: SM

Dated: 11-7, 2013