

**OCEANSIDE HARBOR DISTRICT PROPERTY USE AGREEMENT
WITH OCEANSIDE BAIT CO., INC.
FOR USE OF DISTRICT OWNED PROPERTY**

THIS PROPERTY USE AGREEMENT, hereinafter called "Agreement", is executed between the **OCEANSIDE HARBOR DISTRICT**, hereinafter called "DISTRICT", and James Gardner doing business as **OCEANSIDE BAIT CO., INC.**, hereinafter called "PERMITTEE".

RECITALS

WHEREAS, DISTRICT is the lessee under a ground lease with the City of Oceanside, hereinafter called "CITY" for certain real property in the City of Oceanside, County of San Diego, State of California, commonly known as the Oceanside Harbor; and

WHEREAS, DISTRICT and PERMITTEE entered into a Property Use Agreement dated September 1, 1995, Amendment No. 1 dated March 21, 2001, Amendment No. 2 dated April 20, 2005, Amendment No. 3 dated September 9, 2010, Amendment No. 4 dated May 5, 2015 and Amendment No. 5 dated September 9, 2020 for lease of the premises at the Oceanside Harbor in the City of Oceanside, County of San Diego, State of California, commonly known as the bait receivers ("PREMISES").

WHEREAS, PERMITTEE has been operating bait receiving facilities at the Oceanside Harbor since 1990, and

WHEREAS, DISTRICT AND PERMITTEE are desirous of entering into a Property Use Agreement for the term of September 1, 2025 through August 31, 2030.

WHEREAS, PERMITTEE's use of said real property in accordance with the terms, covenants, conditions and provisions contained hereinbelow are beneficial to overall Oceanside Harbor use.

NOW THEREFORE, THE PARTIES HERETO MUTUALLY AGREE AS FOLLOWS:

AGREEMENT

SECTION 1: USES

1.01 Premises. DISTRICT hereby authorizes PERMITTEE, in accordance with the terms, covenants, conditions and provisions of this Agreement, the non-exclusive use of that certain real property situated in the **Oceanside Harbor District**, City of Oceanside, County of San Diego, State of California, commonly known as bait receiving facilities illustrated in Exhibit "A-1", attached hereto and by this reference made part of this Agreement. Said real property is hereinafter collectively called the "PREMISES". In return for this permission, PERMITTEE hereby agrees to act in accordance with and abide by the terms, covenants, conditions and provisions of this Agreement.

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All equipment installed on the PREMISES by PERMITTEE shall not be considered fixtures and shall remain the property of PERMITTEE. Within thirty (30) days from expiration or termination of this Agreement, PERMITTEE shall remove all of its equipment at PERMITTEE's sole expense without damage to the PREMISES. Any equipment remaining on the PREMISES after thirty (30) days shall become the property of DISTRICT or be disposed of by DISTRICT at PERMITTEE's sole cost and expense, unless DISTRICT agrees to extend the time for removal of the equipment.

1.02 Uses. It is expressly agreed that the PREMISES shall be used by PERMITTEE solely and exclusively for the purpose of **bait receiving facilities and to be used to store live bait to be dispensed commercially to the public and commercial sportfishing boats**, and for such other related or incidental purposes as may be first approved in writing by the District's Administrative Officer or its designees and for no other purpose whatsoever.

PERMITTEE covenants and agrees to use the PREMISES for the above specified purposes and to diligently pursue said purposes throughout the term hereof. In the event that PERMITTEE fails to continuously use the PREMISES for said purposes, or uses the PREMISES for purposes not expressly authorized herein, the PERMITTEE shall be deemed in default under this Agreement.

SECTION 2: TERM

2.01 Commencement. The term of this Agreement shall be for a period of approximately **five (5)** years retroactive to September 1, 2025 and terminating on August 31, 2030.

2.02 Renewal Option. The PERMITTEE shall have the option to extend the term of this Agreement for **one (1)** additional **five (5)** year term under the terms and conditions of this Agreement at the DISTRICT's calculated fair market property use payment rate of similar businesses and storage uses, provided that the PERMITTEE is not in default of this Agreement.

The PERMITTEE may request not more than one (1) five-year extension of term by providing the City's Property Management Division Manager ("Real Estate manager") with its written request no later than **one hundred eighty (180) days** prior to the expiration of the term of this Agreement. The Real Estate Manager or Real Estate Manager's designee shall notify the PERMITTEE not later than **sixty (60) days** after receipt of such request whether such request will be recommended to the Harbor Board for approval, at which time the Real Estate Manager shall provide PERMITTEE with DISTRICT's calculated fair market rent value and rental amount that the DISTRICT is willing to accept for PERMITTEE's use and occupation of the PREMISES

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during the extension term. In no event shall the rental rate be less than that required during the preceding term. Real Estate Manager's failure to provide the new rental amount within said time-frame shall not defeat DISTRICT's ability to make adjustments to the rental rate. Recommendation by the Real Estate Manager does not constitute DISTRICT approval of the extension request. The Administrative Officer, in his or her capacity as the DISTRICT's authorized representative, shall, in his sole discretion, have the authority to deny any such request. Any such denial shall be sent to PERMITTEE not later than **thirty (30) days** from receipt of the request for extension. The Harbor Board, at its sole discretion, may approve or deny any extension of the term of this Lease. In the event the Harbor Board is unable to consider the renewal request in sufficient time as to provide PERMITTEE with **thirty (30) days'** notice of termination in the case of denial, the Lease shall be extended for a period not to exceed thirty days, to allow for such **thirty (30) day** notice of termination.

In no event shall the term of this Lease be extended in excess of five (5) years beyond the expiration of the initial term of this Agreement without the mutual written agreement of the Parties.

2.03 Termination Provisions. Notwithstanding any other provisions contained in this Agreement, either party may terminate this Agreement by giving the other party at least **thirty (30) days** prior written notice of such termination.

2.04 Hours of Operation. PERMITTEE shall maintain the following minimum hours of operation:

- From Memorial Day to Labor Day, 5 AM to 5 PM, 7 days a week
- WINTER, 6 AM to 11 AM, 7 days a week

2.05 Prices. Bait prices charged by PERMITTEE to its customers shall be reasonable and fair

2.06 Parking. PERMITTEE shall have use of one parking stall located in lot #11A, northeast corner, which accommodates two (2) employee vehicles. PERMITTEE is allotted two (2) temporary parking passes every six (6) months.

2.07 Bait Supplies PERMITTEE is required to provide adequate supply of bait to all persons desiring to purchase live bait. If PERMITTEE fails to provide adequate supply of bait, the DISTRICT will issue a thirty (30) day stop work notice to PERMITTEE

2.08 Equipment and Supply Storage. PERMITTEE owned equipment or supplies of any kind shall not be permitted to be stored on the PREMISES at any time, excepting the use of said equipment and supplies while carrying out PERMITTEE'S operations under this Agreement

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2.09 Business License. PERMITTEE agrees to obtain and maintain, at its sole cost, a current Business License issued from the City of Oceanside during the full term of this Agreement.

SECTION 3: PROPERTY USE PAYMENT

3.01 Time and Place of Payment. The PERMITTEE shall make all payments monthly in advance on or before the 1st day of each month. Checks should be made payable to the **Oceanside Harbor District** and mailed to: City of Oceanside, Central Cashiering, 300 N. Coast Highway, Oceanside, CA 92054. The place and time of payment may be changed at any time by DISTRICT upon thirty (30) days' written notice to PERMITTEE. PERMITTEE assumes all risk of loss and responsibility for late payment charges.

3.02 Property Use Payment. The Minimum Annual Property Use Payment, effective September 1, 2025, shall be **Nine Thousand Nine Hundred Twenty-Four Dollars (\$9,924)** which shall be payable monthly in advance at the rate of **Eight Hundred Twenty-Seven Dollars (\$827.00)** on or before the first (1st) day of each month.

b. Minimum Annual Rent Adjustment Date. The Minimum Annual Rent Adjustment Date shall be each one (1)-year anniversary of the date of commencement as defined in Section 2.01 of this Agreement. The Minimum Annual Rent amount, and the corresponding prorated monthly payments, under this Agreement shall be adjusted on each Minimum Rent Adjustment Date as set forth below.

Adjustment Index. The index will be the semi-annual Consumer Price Index for "All Urban Consumers" for San Diego, California. If this index is no longer published, the index for adjustment will be the U.S. Department of Labor's Comprehensive Official Index" most comparable to the aforesaid index.

If the Department of Labor indices are no longer published, another index generally recognized as authoritative will be substituted by Lease of DISTRICT and PERMITTEE. If the parties cannot agree within sixty (60) days after demand by either party, a substitute index will be selected by the Chief Officer of the Regional Office of the Bureau of Labor Statistics or its successor. Any reference in this Lease to "CPI" or "index" shall mean the index used in accordance with this Subsection 3.02b.

Regardless of the index publication dates, the Minimum Rent Adjustment Dates shall be on the dates defined by Subsection 3.02b above. Until the minimum rent adjustment can be actually calculated in accordance with this Agreement, PERMITTEE shall continue to make payments at the existing rental rate. When the adjustment is calculated, the balance of rents due at the adjusted rate, from the rental adjustment date through the date of calculation, will be paid to DISTRICT within thirty **(30) days** of written notice by the DISTRICT. In no event shall the adjusted rent as established by the CPI be less than the rent in existence immediately prior to the adjustment date.

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c. Minimum Annual Rent Adjustment Computation. The Minimum Annual Rent adjustment shall be computed in accordance with the following definitions and formulas:

Definitions:

Initial Minimum Annual Rent: The Minimum Annual Rent at the commencement of this Lease as listed in Subsection 3.02.b above.

Existing Minimum Annual Rent: The existing minimum annual rent shall be the minimum annual rent amount in effect on the date preceding the rental adjustment date.

Percent change in the CPI: The percent change in the CPI shall be the percent change in the San Diego All Consumer Index over the preceding **twelve (12) month** period covered by the most recent publication of the Index.

Rent Adjustment Formulas:

First Adjustment: Initial Minimum Annual Rent + (Initial Minimum Annual Rent x the percent change in the CPI) = New Minimum Annual Rent.

For example: $\$100 + (\$100 \times 5\%) = \$105$

Subsequent Adjustments: Existing Minimum Annual Rent + (Existing Minimum Annual Rent x the percent change in the CPI) = New Minimum Annual Rent.

For example: $\$105 + (\$105 \times 5\%) = \$110.25$

However, in no event shall the adjusted rent increase be less than **five percent (5%)** or more than **ten percent (10%)** per year.

d. Percentage Rent. The monthly percentage rent shall be **six percent (6%)** of the gross income, (as defined in subsection 3.02.e), less the monthly minimum rent paid by PERMITTEE for the month during which the monthly gross income was calculated. The monthly percentage rent shall be payable to DISTRICT monthly in arrears not later than **fifteen (15) days** following the end of each calendar month of the term of this Agreement.

e. Gross Income. Gross income as used herein shall mean all income received by PERMITTEE from the sale of goods or services on or from the PREMISES or any other income received by PERMITTEE as a result of occupancy of the PREMISES. Gross income shall include the amount of any manufacturer's or importer's excise tax included in the price of any property or material sold, even though the manufacturer or importer is also the retailer thereof, and it is immaterial whether the amount of such excise tax is stated as a separate charge. Gross income shall not include federal, state or municipal taxes collected from the consumer regardless of whether the amount thereof is stated to the consumer as a separate charge and

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paid over periodically by PERMITTEE to a governmental agency accompanied by a tax return or statement as required by law. PERMITTEE shall not deduct possessory interest taxes or other property taxes in computing gross income. Gross income shall not include refunds for goods returned for resale on the PREMISES or refunds of deposits. The amount of such taxes and refunds shall be clearly shown on the books and records of PERMITTEE. Gross income shall include income received by PERMITTEE or by any sublessee, permittee or licensee, or their agents, and all gross income received by any sublessee, permittee, licensee, or other party as a result of occupancy of said PREMISES or the operation. The monthly gross income shall be calculated at the end of each month of the term of this Agreement. The first monthly gross income calculation shall be made one month after the commencement date of this Agreement.

3.03 Inspection of Records. PERMITTEE agrees to make any and all records and accounts available to DISTRICT for inspection at all reasonable times, so that DISTRICT can determine PERMITTEE'S compliance with this Agreement. These records and accounts will be made available by PERMITTEE at the PREMISES and will be complete and accurate showing all income and receipts from use of the PREMISES. PERMITTEE'S failure to keep and maintain such records and make them available for inspection by DISTRICT shall be deemed a default of this Agreement. PERMITTEE shall maintain all such records and accounts for a minimum period of five (5) years.

3.04 Delinquent Rent. If PERMITTEE fails to pay the rent when due, PERMITTEE will pay in addition to the unpaid rents, **five percent (5%)** of the delinquent rent. If the rent is still unpaid at the end of **fifteen (15) days**, PERMITTEE shall pay an additional **five percent (5%)** (being a total of **ten percent (10%)**) which is hereby mutually agreed by the parties to be appropriate to compensate DISTRICT for loss resulting from rental delinquency, including lost interest, opportunities, legal costs, and the cost of servicing the delinquent account.

In the event that the DISTRICT audit, if applicable, discloses that the rent for the audited period has been underpaid in excess of five percent (5%) of the total required rent, then PERMITTEE shall pay DISTRICT the cost of the audit plus ten percent (10%) per year on the amount by which said rent was underpaid in addition to the unpaid rents as shown to be due DISTRICT as compensation to DISTRICT for administrative costs and loss of interest as previously described herein. PERMITTEE agrees to pay such amount and further agrees that the specific late charges represent a fair and reasonable estimate of the costs that DISTRICT will incur from PERMITTEE'S late payment. Acceptance of late charges and any portion of the late payment by DISTRICT shall in no event constitute a waiver by DISTRICT of PERMITTEE default with respect to late payment, nor prevent DISTRICT from exercising any of the other rights and remedies granted in this Agreement.

3.05 Rent Abatement. Due to the 2024 Rockfish closures imposed by the California Department of Fish and Wildlife which take place annually from January 1st through March 31st, the Minimum Monthly Rent shall be further abated by Two Hundred Dollars (\$200) of existing rent during the months of January, February and March of each calendar year during the term of this Agreement. If at any time the Rockfish closures are lifted, Permittee shall resume paying the total existing minimum rent for the months of January, February and March and the rent abatement will be null and void.

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SECTION 4: INSURANCE RISKS/SECURITY

4.01 Indemnity. PERMITTEE shall indemnify and hold harmless the DISTRICT and its officers, agents and employees against all claims for damages to persons or property arising out of the conduct of the PERMITTEE or its employees, agents, or others in connection with its use and occupation of the PREMISES under this Agreement, except only for those claims arising from the sole negligence or sole willful misconduct of the DISTRICT, its officers, agents, or employees. PERMITTEE's indemnification shall include any and all costs, expenses, attorneys' fees and liability incurred by the DISTRICT, its officers, agents, or employees in defending against such claims, whether the same proceed to judgment or not. Further, PERMITTEE at its own expense shall, upon written request by the DISTRICT, defend any such suit or action brought against the DISTRICT, its officers, agents, or employees.

4.02 Insurance. PERMITTEE shall take out and maintain at all times during the term of this Agreement the following insurance at its sole expense:

- a. PERMITTEE shall maintain the following minimum limits:

General Liability

Combined Single Limit Per Occurrence	\$1,000,000
General Aggregate	\$2,000,000

b. All insurance companies affording coverage to the PERMITTEE shall be required to add the DISTRICT and the City of Oceanside as "additional insured" under the insurance policy(s) required in accordance with this Agreement.

c. All insurance companies affording coverage to the PERMITTEE shall be insurance organizations acceptable to the DISTRICT, and authorized by the Insurance Commissioner of the State Department of Insurance to transact business of insurance in the State of California.

d. All insurance companies affording coverage shall provide thirty (30) days written notice to the DISTRICT should the policy be cancelled before the expiration date. For the purposes of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation.

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e. PERMITTEE shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance, in a form satisfactory to the City Attorney, concurrently with the submittal of this Agreement.

f. PERMITTEE shall provide a substitute certificate of insurance no later than **thirty (30) days** prior to the policy expiration date. Failure by the PERMITTEE to provide such a substitution and extend the policy expiration date shall be considered a default by PERMITTEE and may subject the PERMITTEE to a termination of this Agreement.

g. Maintenance of insurance by the PERMITTEE as specified in this Agreement shall in no way be interpreted as relieving the PERMITTEE of any responsibility whatever and the PERMITTEE may carry, at its own expense, such additional insurance as it deems necessary.

h. If PERMITTEE fails or refuses to take out and maintain the required insurance, or fails to provide the proof of coverage, DISTRICT has the right to obtain the insurance. PERMITTEE shall reimburse DISTRICT for the premiums paid with interest at the maximum allowable legal rate then in effect in California. DISTRICT shall give notice of the payment of premiums within **thirty (30) days** of payment stating the amount paid names of the insurer and rate of interest. Said reimbursement and interest shall be paid by PERMITTEE on the **first (1st) day** of the month following the notice of payment by DISTRICT.

Notwithstanding the preceding provisions of this Subsection, any failure or refusal by PERMITTEE to take out or maintain insurance as required in this Agreement, or failure to provide the proof of insurance, shall be deemed a default under this Agreement.

i. DISTRICT, at its discretion, may require the revision of amounts and coverage at any time during the term of this Agreement by giving PERMITTEE **sixty (60) days** prior written notice. DISTRICT'S requirements shall be designed to assure protection from and against the kind and extent of risk existing on the PREMISES. PERMITTEE also agrees to obtain any additional insurance required by DISTRICT for new improvements, in order to meet the requirements of this Agreement.

4.03 Accident Reports. PERMITTEE shall, within **seventy-two (72) hours** after occurrence, report to DISTRICT any accident on the PREMISES causing any property damage or serious injury to persons. This report shall contain the names and addresses of the parties involved, a statement of the circumstances, the date and hour, the names and addresses of any witnesses and other pertinent information.

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SECTION 5: GENERAL PROVISIONS

5.01 Maintenance. With respect to PERMITTEE's operations at or on the PREMISES, PERMITTEE shall assume all responsibility and make all repairs and replacements at Permittees cost as necessary to maintain and preserve the PREMISES in a decent, safe, healthy, and sanitary condition satisfactory to DISTRICT and in compliance with all applicable laws.

In the event that the PREMISES are not in a decent, safe, healthy, and sanitary condition, DISTRICT shall have the right, upon written notice to PERMITTEE, to have any necessary maintenance work done at the expense of PERMITTEE, and PERMITTEE shall promptly pay any and all costs incurred by DISTRICT in having such necessary maintenance work done, in order to keep said PREMISES in a decent, safe, healthy, and sanitary condition. PERMITTEE shall make payment no later than **thirty (30) days** after written notice from the DISTRICT. Further, if at any time DISTRICT determines that said PREMISES are not in a decent, safe, healthy, and sanitary condition, DISTRICT may at its sole option, upon written notice, require PERMITTEE to file with DISTRICT a faithful performance bond to assure prompt correction of any condition which is not decent, safe, healthy, and sanitary. Said bond shall be in an amount adequate in the opinion of DISTRICT to correct the said unsatisfactory condition. PERMITTEE shall pay the cost of said bond. The rights reserved in this section shall not create any obligations on DISTRICT or increase obligations elsewhere in this Agreement imposed on DISTRICT.

5.02 Improvements/Alterations. No improvements, structures, or installations shall be constructed on the PREMISES, and PERMITTEE may not alter the PREMISES without prior written approval by the Real Estate Manager. Further, PERMITTEE agrees that major structural or architectural design alterations to approved improvements, structures, or installations may not be made on the PREMISES without proper permits and prior written approval by the Real Estate Manager and that such approval shall not be unreasonably withheld. This provision shall not relieve PERMITTEE of any obligation under this Agreement to maintain the PREMISES in a decent, safe, healthy, and sanitary condition, including structural repair and restoration or replacement of damaged or worn improvements, equipment, or fixtures. DISTRICT shall not be obligated by this Agreement to make or assume any expense for any improvements or alterations.

5.03 Utilities. PERMITTEE agrees to order, obtain, and pay for all utilities and service, if any, and installation charges in connection with its occupation and operations on the Premises.

5.04 Sign. PERMITTEE shall not erect or display any banners, pennants, flags, posters, signs, decorations, marquees, awnings, or similar devices or advertising without the

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prior written consent of DISTRICT. If any such unauthorized item is found on the PREMISES, PERMITTEE shall remove the item at its expense within twenty-four (24) hours of written notice thereof by DISTRICT, or DISTRICT may thereupon remove the item at PERMITTEE's cost.

5.05 Taxes. PERMITTEE shall pay, before delinquency, all taxes, assessments, and fees assessed or levied upon PERMITTEE or the PREMISES, including the water, any buildings, structures, machines, equipment, appliances, or other improvements or property of any nature whatsoever erected, installed, or maintained by PERMITTEE or levied by reason of the business or other PERMITTEE activities related to the PREMISES, including any licenses or permits.

PERMITTEE recognizes and agrees that this Agreement may create a possessory interest subject to property taxation, and that PERMITTEE may be subject to the payment of taxes levied on such interest, and that PERMITTEE shall pay all such possessory interest taxes.

5.05 Notices. All notices, demands, requests, consents or other communications which this Agreement contemplates or authorizes, or requires or permits either party to give to the other, shall be in writing and shall be personally delivered or mailed to the respective party as follows:

To DISTRICT:

City of Oceanside
Property Management
300 North Coast Highway
Oceanside, CA 92054

To PERMITTEE:

Oceanside Bait Co., Inc.
Attn: James Gardner
1636 James Drive
Carlsbad, CA 92008

Either party may change its address by notice to the other party as provided herein.

Communications shall be deemed to have been given and received on the first to occur of (i) actual receipt at the offices of the party to whom the communication is to be sent, as designated above, or (ii) three (3) working days following the deposit in the United States Mail of registered or certified mail, postage prepaid, return receipt requested, addressed to the offices of

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the party to whom the communication is to be sent, as designated above.

5.06 DISTRICT Approval. The City Manager shall be the DISTRICT's authorized representative in the interpretation and enforcement of all services performed in connection with this Agreement. The City Manager may delegate authority in connection with this Agreement to the City Manager's designee(s). For the purposes of directing PERMITTEE in accordance with this Agreement, which does not result in a change to this Agreement, the City Manager delegates authority to the Real Estate Manager of the Property Management Division.

5.07 Entire Agreement. This Agreement comprises the entire integrated understanding between DISTRICT and PERMITTEE concerning the use and occupation of the PREMISES and supersedes all prior negotiations, representations, or agreements. Each party has relied on its own examination of the PREMISES, advice from its own attorneys, and the warranties, representations, and covenants of the Agreement itself.

The interpretation, validity and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. The Agreement does not limit any other rights or remedies available to DISTRICT.

The PERMITTEE shall be responsible for complying with all Local, State, and Federal laws whether or not said laws are expressly stated or referred to herein.

Should any provision herein be found or deemed to be invalid, the Agreement shall be construed as not containing such provision, and all other provisions which are otherwise lawful shall remain in full force and effect, and to this end the provisions of this Agreement are severable.

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

5.08 Agreement Modification. This Agreement may not be modified orally or in any manner other than by an Agreement in writing signed by the parties hereto.

5.09 Assignment and Subletting-No Encumbrance. This Agreement and any portion thereof shall not be assigned, transferred, or sublet, nor shall any of the PERMITTEE's duties be delegated, without the express written consent of DISTRICT. Any attempt to assign or delegate this Agreement without the express written consent of DISTRICT shall be void and of no force or effect. A consent by DISTRICT to one assignment, transfer, sublease, or delegation shall not be deemed to be a consent to any subsequent assignment, transfer, sublease, or

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delegation.

5.10 Defaults and Termination. If either party ("demanding party") has a good faith belief that the other party ("defaulting party") is not complying with the terms of this Agreement, the demanding party shall give written notice of the default (with reasonable specificity) to the defaulting party and demand the default to be cured within thirty (30) days of the notice.

If the defaulting party is actually in default of this Agreement and fails to cure the default within thirty (30) days of the notice, or, if more than thirty (30) days are reasonably required to cure the default and the defaulting party fails to give adequate assurance of due performance within ten (10) days of the notice, the demanding party may terminate this Agreement upon written notice to the defaulting party.

DISTRICT may also terminate this Agreement upon written notice to PERMITTEE in the event that:

☐ PERMITTEE has previously been notified by DISTRICT of PERMITTEE's default under this Agreement and PERMITTEE, after beginning to cure the default, fails to diligently pursue the cure of the default to completion, or

☐ PERMITTEE shall voluntarily file or have involuntarily filed against it any petition under any bankruptcy or insolvency act or law, or

☐ PERMITTEE shall be adjudicated a bankruptcy, or

☐ PERMITTEE shall make a general assignment for the benefit of creditors.

Upon termination, DISTRICT may immediately enter and take possession of the PREMISES.

5.10 Other Regulations. All use of the PREMISES under this Agreement shall be in accordance with the laws of the United States of America, the State of California and the Rules and Regulations promulgated by their authority with reference to boating and navigational waters and in accordance with all applicative regulations and ordinances of the District and the City of Oceanside now in force, or hereinafter prescribed or promulgated by resolution or ordinance or by State or Federal law.

In all activities on or in connection with the use for which this Agreement is given, the PERMITTEE shall abide by and conform to all rules and regulations prescribed by the OCEANSIDE HARBOR DISTRICT, any ordinance of the City of Oceanside, and any applicable

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laws whether municipal, federal or state, as to any of the same that may now exist or be hereafter issued, enacted or amended.

SECTION 6: SPECIAL PROVISIONS

6.01 Ancillary Uses and Services. No additional uses or services, other than those provided for under Section 1.02 of this Agreement, shall be provided by PERMITTEE from or at the demised PREMISES.

6.02 Standards of Operation. PERMITTEE agrees that it shall operate and manage the services and facilities offered upon or from the PREMISES in a first-class manner and comparable to other similar facilities within the San Diego County and Southern California areas which provide like products and services.

6.03 Hazardous Substance. No goods, merchandise or material shall be kept, stored or sold in or on the PREMISES which are in any way explosive or hazardous, except that ordinary business materials that may be classified as hazardous may be kept in or on the PREMISES if such materials are stored and disposed of in accordance with all applicable laws; and no offensive or dangerous trade, business or occupation shall be carried on therein or thereon, and nothing shall be done on said PREMISES, which will cause an increase in the rate of or cause a suspension or cancellation of the insurance upon the demised PREMISES or other premises and the improvements thereon; provided, however, that if anything done by PERMITTEE causes an increase in the rate of insurance on the PREMISES, PERMITTEE may, at its option, pay such increase and PERMITTEE shall not thereafter be considered in default under this Agreement.

No machinery or apparatus shall be used or operated on or about the PREMISES which will in any way injure the PREMISES or improvements thereon, or adjacent properties or improvements thereon, or persons on or near the PREMISES; provided, however, that nothing contained in this section shall preclude PERMITTEE from bringing, keeping or using on or about the PREMISES such materials, supplies, equipment and machinery as are appropriate or customary in carrying on its said business, or from carrying on its business in all usual respects.

Open flame welding or burning, gasoline, or other fuel storage is expressly prohibited without prior written consent of the DISTRICT.

6.04 Continued Occupancy. PERMITTEE covenants and agrees to, and it is the intent of this Agreement that the PERMITTEE shall, continuously and uninterruptedly during the term of the Agreement, occupy and use the PREMISES for the purposes hereinabove specified, except while PREMISES are untenable by reason of fire, flood, or other unavoidable casualty,

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and, in that event, DISTRICT shall be promptly notified by PERMITTEE.

6.05 Entire Agreement. This Agreement comprises the entire integrated understanding between DISTRICT and PERMITTEE concerning the use and occupation of the PREMISES and supersedes all prior negotiations, representations, or Agreements. Each party has relied on its own examination of the PREMISES, advice from its own attorneys, and the warranties, representations, and covenants of the Agreement itself.

6.06 Interpretation of the Agreement. The interpretation, validity and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. The venue of any judicial action brought to enforce any condition, covenant or provision of this Agreement shall be in Superior Court of San Diego County, North County Branch. The Agreement does not limit any other rights or remedies available to DISTRICT.

The PERMITTEE shall be responsible for complying with all Local, State, and Federal laws whether or not said laws are expressly stated or referred to herein.

Should any provision herein be found or deemed to be invalid, the Agreement shall be construed as not containing such provision, and all other provisions that are otherwise lawful shall remain in full force and effect, and to this end the provisions of this Agreement are severable.

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors, and assigns.

6.07 Agreement Modification. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto.

REMAINDER OF PAGE BLANK

**OCEANSIDE HARBOR DISTRICT PROPERTY USE AGREEMENT
WITH OCEANSIDE BAIT CO., INC.
FOR USE OF DISTRICT OWNED PROPERTY**

SECTION 7: SIGNATURES

7.01 Signature Page. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the PERMITTEE and the DISTRICT.

IN WITNESS WHEREOF, the parties hereto for themselves, their heirs, executors, administrators, successors, and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Property Use Agreement to be executed by setting hereunto their signatures on the day and year respectively written hereinbelow.

DISTRICT

The Oceanside Harbor District

Date _____

By _____

Jonathan Borrego
Administrative Officer

APPROVED AS TO FORM:

By 
Harbor District Attorney

PERMITTEE

James Gardner
dba Oceanside Bait Co., Inc.

Date 9-12-2025

By 
President

NOTARY ACKNOWLEDGMENTS OF PERMITTEE'S SIGNATURE(S) MUST BE ATTACHED

**OCEANSIDE HARBOR DISTRICT PROPERTY USE AGREEMENT
WITH OCEANSIDE BAIT CO., INC.
FOR USE OF DISTRICT OWNED PROPERTY**

EXHIBITS

Exhibit "A-1". A sketch of the PREMISES attached hereto and incorporated herein by reference.



OCEANSIDE HARBOR

LEASED PREMISES

BAIT RECEIVERS

Parking
Lot 11B

HARBOR OVERALL VIEW

OCEANSIDE HARBOR DISTRICT
Sketch of Leased Premises
Oceanside Bait Co.

EXHIBIT

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of San Diego

On September 12, 2025 before me, Candice Diaz, Notary Public
(insert name and title of the officer)

personally appeared James Gardner,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Candice Diaz (Seal)

