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Regular Commission Meeting
1st Monthly Meeting Agenda
Wednesday, September 9, 2026, 1 p.m.
Point Hudson Pavilion Building, 355 Hudson Street, Port Townsend, & via Zoom
https://zoom.us/ – or call (253) 215-8782 – and use Webinar ID: 862 6904 3651, Password: 911887

I. Call to Order / Pledge of Allegiance

II. Approval of Agenda

III. Special Presentation: Recognizing work anniversaries: Chad Tichgelaar (10 years) and Ty Taylor (5 years)

IV. Public Comments

V. Consent Agenda
- A. Approval of Workshop and Business Meeting Minutes from August 12, 2026 3-9
- B. Approval & Ratification of Warrants 10-43
- C. Write Off Register 44
- D. Resolution 883-26 Authorizing Cancellation of Warrants 45
- E. Authorization Marine Resources Consultants, Point Hudson Building Lease 46-73
- F. Authorization of Scow Bay Boats, Boat Haven Ground Lease 74-98
- G. Authorization Haven Boatworks, Boat Haven Building and Land Lease 99-125
- H. Authorization to Execute Boat Haven Building Lease Termination Agreement with Pete's Marine Metal 126-153
- I. Authorization Marine Craft Services, Boat Haven Building Lease 154-177
- J. Resolution 884-26 Delegating Authority to the Executive Director to Finalize, Execute and Implement a Cultural Resources Management Plan for the Port's Boat Haven Property 178-183
- K. Approval of Port of Port Townsend v. Jefferson County - Settlement Agreement & Stipulated Order Correcting Hearing Examiner's Errors on Land Use Petition Act Appeal 184

VI. Second Reading - None

VII. First Reading - None

VIII. Regular Business
- A. Harbormaster Report 185-189
- B. July Year to Date 2026 Financials 190-204
- C. 2nd Draft Proposed Rates and Fees 205-225
- D. 1st Draft of 2027 Preliminary Operating Budget 226-231

The Port of Port Townsend does not discriminate on the basis of disability in its meetings. Anyone who requires an auxiliary aid or service for effective communication, or a modification of policies or procedures should contact the ADA Coordinator at 360-385-0656 or civilrights@portofpt.com

IX. Staff Comments

X. Commissioner Comments

XI. Public Comment

XII. Next Meetings

Friday through Sunday, September 11-13, 2026 Wooden Boat Festival 2026 (potential quorum)
Thursday, September 17, 2026 Port Boat Yard BBQ (potential quorum)
Sunday, September 20, 2026 Short's Farm Tour (potential quorum)
Friday, October 2, 2026 Special Port Commission Meeting – EDC Team Jefferson "Our Economic Future: an Evening with Timothy Egan"
Wednesday, October 14, 2026 Regular Workshop and Business meeting

XIII. Executive Session – None

XIV. Adjournment

Informational Items 232
- Lease Update 233-238
- Commission Meeting Schedule.....239-240

PORT COMMISSION WORKSHOP MEETING – Wednesday, August 12, 2026

The Port of Port Townsend Commission met for a workshop session at the Point Hudson Pavilion Building, 355 Hudson Street, Port Townsend, and also online via Zoom.

Present: Commissioners Petranek, Hasse (Virtual) and Hanke
Executive Director Eron Berg
Director of Capital Projects Dave Nakagawara
Capital Projects Administrator Natalie Toews
Lease and Contracts Administrator Heron Scott
Port Recorder Joanna Sanders

I. CALL TO ORDER (Rec. 00:00:00)

Commissioner Petranek called the meeting to order at 9:30 a.m.

II. BOAT HAVEN MARINA PLAN/C&D DOCK FUNDING PLAN (Rec. 00:00:30)

Director of Capital Projects Dave Nakagawara led the presentation regarding Commercial, C, D, and linear dock rehabilitation, planned funding, and the next steps/timeline. Staff recognized the cost of dredging would be addressed as contingency. They also fielded questions about fuel dock infrastructure, project estimates including current versus new design, engineering and maintenance capacity, the balance between in-house or contract work, and the potential for buying local cement and biochar as cement reinforcement with less toxicity. Follow up discussion is needed on funding with moorage rates versus the IDD.

III. SHORT'S FARM PLANNING (Rec. 00:28:10)

Lease and Contracts Administrator Heron Scott led a presentation of options, stakeholder outreach, and a request for proposal (RFP) process to secure commitments as well as actionable plans. Staff recognized the challenge with ensuring a return on investment and care in capital outlay. The Commission supported an RFP Process, a co-op model, as well as outreach to more stakeholders such as Chimacum Food Stand and Red Dog Farms, and those working on food resiliency. Additional discussion occurred about straightening the stream and consideration of agrivoltaics solar panels as shade.

IV. FUTURE IDD LEVY PROJECT LIST DEVELOPMENT (Rec. 01:13:08)

Executive Director Eron Berg asked for input on further developing the IDD projects before preparing a ballot measure. Projects are: supporting a Boat Haven rehabilitation plan, job creation at JCIA, and a third not-yet identified job creation opportunity. The Port might choose to delay use of any approved IDD dollars until the specific projects are identified. Next month, the Commission might have the authorizing resolution.

V. BOAT HAVEN GARBAGE (Rec. 01:30:00)

Deputy Director Eric Toews led a presentation on options to address the increasing volume and cost. This matter is part of Executive Director delegated authority, however Commission input was requested. There was support for eliminating the enviro centers, but offering a recycling option as well as staffing and charging for accessing the 30-yard dumpster. A pay by the bag system may be possible. A solution at the airport is still under consideration. Some smaller garbage receptables will still be needed for hand trash.

VI. PUBLIC COMMENT (Rec. 01:48:34) - None

VII. ADJOURNMENT (Rec. 01:58:41)

At 11:22 a.m., the meeting adjourned there being no further business before the Commission.

ATTEST:

_____

Carol L. Hasse, Secretary

PORT COMMISSION REGULAR BUSINESS MEETING – Wednesday, August 12, 2026

The Port of Port Townsend Commission met in a regular business session at the Point Hudson Pavilion Building, 355 Hudson Street, Port Townsend, and also online via Zoom.

Present: Commissioners Hanke, Hasse (Virtual) and Petranek
Executive Director Eron Berg
Deputy Director Eric Toews
Director of Finance and Administration Connie Anderson
Director of Capital Projects and Port Engineer Dave Nakagawara
Harbormaster Kristian Ferrero
Lease and Contracts Administrator Heron Scott
Capital Projects Administrator Natalie Toews
Port Recorder Joanna Sanders
Via Zoom: Attorney Seth Woolsen

I. CALL TO ORDER & PLEDGE OF ALLEGIANCE (Rec. 00:01:00)

Commissioner Petranek called the meeting to order at 1:10 p.m.

II. APPROVAL OF AGENDA (Rec. 00:01:00)

There were no changes.

III. SPECIAL PRESENTATION: REMBRANCE OF ROBERT SOKOL (Rec. 00:01:15)

Commissioner Petranek read a published obituary for Bob Sokol reflecting on his extensive public service, including 12 years as Port Commissioner.

Deputy Director Eric Toews recognized work anniversaries celebrated for Chad Tichgelaar ten years and Ty Taylor five years.

IV. PUBLIC COMMENTS – GENERAL (Rec. 00:07:45)

Cindy S. provided a written concern that people in the marina are required to pay for showers. The Port website does not reflect this.

V. CONSENT AGENDA (Rec. 00:08:35)

Attorney Seth Woolsen offered two options for Commissioner Hanke's recusal associated with the disclosure of his conflict associated with Item F.

A. Approval of Workshop and Business Meeting Minutes from June 10, 2026 and Special Meeting Minutes of June 8, 9, and 18, 2026
B. Approval & Ratification of Warrants
   Electronic Debit in amount of $17,773.22
   Electronic Debit in amount of $4.35
   Electronic Debit in amount of $16,762.53
   Warrant #071781 in the amount of $13.12
   Warrant #072153-072180 in the amount of $50,192.18

Warrant #072181 in the amount of $26,870.21
Warrant #072182 in the amount of $8,113.07
Warrant #072183 through #072186 and Electronic Payment in the total amount of $161,633.24
Warrant #072187 through #072209 in the amount of $36,118.88
Warrant #072210 through #072211 in the amount of $706,500.00
Warrant #075145 in the amount of $668.01 is void
Warrants #069595, #069813, and #069869 in the amounts of $20.36, $329.68, and $10 respectively are declared void
Warrants #072212 and #072247 in the amount of $41,460.58
Warrants #070860 in the amount of $104.60
Warrants #072248 through #072254 and electronic payments in the total amount of $292,236.09
Warrant #072255 through #072293 in the amount of $292,501.32
Warrants #068955 and #072240 in the amount of $72.16 and $500 respectively are declared void.
Warrant #072294 in the amount of $4,184.10
Electronic Debit in the amount of $492.75
Warrant #072295 through #072298 in the amount of $25,169.62
Warrant #072299 in the amount of $19,421.21
Electronic Debit in the amount of $695,162.37
Warrant #072300 through #072343 in the amount of $485,727.64
Warrant #072344 through #072347 and Electronic Payments in the total amount of $192,700.55
Electronic debit in the amount of $492.75
Electronic debit in the amount of $18,346.77
Electronic debit in the amount of $53,494.51
Warrant #072348 through #072389 in the amount of $268,470.68
Warrant #072390 through #072421 in the amount of $538,806.32
Warrant #072321 in the amount of $397.82 is void
Warrant #072422 through #072428 and electronic payments in the total amount of $304,238.67

C. Resolution 882-26 - Authorizing Sale of Vessel Isabella (Crews)
D. Authorization of Perpetual Boatworks, Boat Haven Land and Building Lease
E. 2027 Amended Budget Schedule and Process

Unanimous approval of the Consent Agenda items A through E.

F. Authorization of Puget Sound Express, Inc., d/b/a MV Puget Sound Express – Point Hudson Building Lease

There being no objection, a motion to approve the Consent Agenda Item F. was approved. Commissioner Hanke recused.

VI. SECOND READING – None
VII. FIRST READING – None

VIII. REGULAR BUSINESS (Rec. 00:12:10)

A. Harbormaster Report

Harbormaster Kristian Ferrero presented his report noting a downward trend following a successful spring across all lift operations. Point Hudson experienced 300 less nights than anticipated in both RV and moorage and Boat Haven moorage is also slipping with a larger number of cancellations.

B. June Year to Date 2026 Financials (Rec. 00:20:45)

Director of Finance and Administration Connie Anderson gave the staff presentation reviewing the details in her financial memo distributed today. Recognizing the downward trends compared to prior years, the Port remains in a good financial position. There was some discussion about other ways of addressing the $30,000 in debit card fees that cannot be offset with a processing fee. She also fielded questions, including several about the targeted reserve balances. Responding to a question about the anticipated but not realized $78,000 in fuel revenue due to the delay in opening, she reported the airport is still breaking even.

C. 2027 Budget – Discuss 2027 Budget initiatives, issues, goals & assumptions (Rec. 00:57:00)

Director of Finance and Administration Connie Anderson reviewed the revenue forecast. Softening is expected to occur in revenue in the second half of 2027. The Port is expected to come in on budget because of a decrease in expenses (no part-time summer moorage help and an anticipated retirement in maintenance). Some discussion ensued about passing on utility rate increases and currently, electricity is the only item built in to cost recovery. The largest concern is the uncertainty of the global markets. There was some Commission interest in the potential vehicle purchases and a desire for the environmental specialist to have an electric versus diesel. Another suggestion was to increase marketing and collaboration with Main Street to encourage more transient moorage and connect with local events/activities.

D. First Draft of 2027 Proposed Rates and Fees (Rec. 01:26:00)

Director of Finance and Administration Connie Anderson and Harbormaster Ferrero led the discussion of new rates for active versus inactive commercial fishing vessels. The filling of the vacant slip makes up the difference in the decreased rate from June to September. A Commissioner concern was to allow for flexibility in the seasons and for the different types of fishing occurring. Another topic discussed related to Union Wharf cruise ships visits of 40 versus the requested 57 and the potential for that lost revenue of $42,000 to help with future dock repairs. Minimal fees are received when the ships anchor out and ferry passengers to shore. Other rate card changes include a haulout cancellation fee when within two weeks of the scheduled date, a new rate for underwing camping at JCIA, new garbage fee, and exploring fees for garbage service violations.

E. Draft Five-Year 2027-2031 Five-Year Capital Improvement Program (CIP) (Rec. 02:00:00)

Director of Capital Projects and Port Engineer Dave Nakagawara gave a detailed verbal report reviewing the scope, current status, and future phases of the priority projects listed on the CIP across all locations.

F. Economic Development (Rec. 02:34:00)

Commissioner Petranek reviewed the Port mission goals and objectives as outlined in the Port's strategic plan. She spoke highly about the recent Wenatchee WPPA Commissioner

Seminar and recommended inviting Kris Johnson, CEO, Association of Washington Business, to an ICG meeting to speak and/or a Port meeting. Commissioner Hanke spoke about Boise, Idaho and their economic shift due to the development of the Micron AI campus.

IX. STAFF COMMENTS (Rec. 02:42:00)

Eron Berg reported on the delay in the removal of the salmon obstruction in Naylor Creek on the Short's farm due to unanticipated PUD electrical power conduit in the area. The Shoestring Circus at Point Hudson was a great success.

Eric Toews reported on a conversation with Jefferson County about the airport zoning restrictions in Overlay Area 3. Staff will submit proposed Jefferson County code amendments in time for their annual comprehensive plan review cycle, and it is hoped this will clarify the perimeter buffer.

Director of Finance and Administration Connie Anderson said she attended the pre-audit meeting on the financial accountability single audit to be completed by February. An audit kick off meeting invitation will be sent to the commission.

Harbormaster Kristian Ferrero announced the receipt of a grant to locate a spill response trailer at Quilcene.

Lease and Contracts Administrator Heron Scott reported on upcoming lease and license agreement authorizations. The Shoestring Circus sold out all shows and they wish to return for two weeks next year. They will share ticket data/demographics with the Port. Chums is renting the deck space to serve beer and wine. Benedict Spit is being used for Peninsula College mobile welding training.

Director of Capital Projects and Port Engineer Dave Nakagawara gave a roofing update as the construction timeline begins to intersect with the Wooden Boat Festival. Katie Scriver the Port's new capital project engineer will start on Monday.

X. COMMISSIONER COMMENTS (Rec. 02:45:00)

Commissioner Hasse expressed appreciation for the progress report. She hopes to return for Katherine Baril's celebration of life August 25. On September 20, John Cahill is attempting to hold a reunion of the hippie commune who sailed into Point Hudson on the Odyle built in the 70's that began the marine trades presence at Point Hudson. Moclips was another vessel from that era.

Commissioner Hanke congratulated Dave Nakagawara on his promotion. He reported on the success of Airport Days with 1,670 visitors and contributors.

Commissioner Petranek reported on the great presenters at the Wenatchee WPPA Commissioner Seminar on Communicating the Importance of Agriculture in Washington State. The next KPTZ *Working Waterfront* interview yesterday featured shipwright Doug Jones with Traditional Boatworks interviewed Robert D'Arcy on the boat Pacifica. Also interviewed was Chris Velasquez. Chris Bricker of KPTZ is also doing a documentary on Mariners Memorial. A Bellingham newspaper featured four ports Port Townsend, Everett, and Grays

Harbor as well as does the Port of Bellingham want to look like in the future. She attended an EDC Boart meeting.

XI. PUBLIC COMMENT (Rec. 02:58:15)

None

XII. EXECUTIVE SESSION (Rec. 02:58:42) - none

XIII. NEXT PUBLIC WORKSHOP & REGULAR BUSINESS MEETING (Rec. 02:58:48)

Thursday, August 20, 2026 Intergovernmental Collaborative Group Meeting at 5pm
Wednesday, September 9, 2026 Regular Workshop and Business meeting

XIV. ADJOURNMENT (Rec. 03:00:15)

At 4:13 p.m., the meeting adjourned there being no further business before the Commission.

ATTEST:

_____

Carol L. Hasse, Secretary

2701 Jefferson Street
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Port Townsend, WA 98368

PORT OF PORT TOWNSEND
EST. 1924
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WARRANT APPROVAL

We, the undersigned, as Commissioners and Auditing Officer of the Port of Port Townsend, in Jefferson County, Washington, do hereby certify under penalty of perjury that the material has been furnished, the labor performed and the services provided, as described herein, and that these claims are a just and unpaid obligation of the Port of Port Townsend, and that these claims, in Warrant No. **70136** in the amount of **$323.06** is declared ***void*** on this on this **9th** day of **September, 2026**.

For: **Accounts Payable**

_____
Commissioner Carol Hasse

_____
Connie Anderson, Director of
Finance And Administration

Bank: W WARRANTS PAYABLE

Check Number/ Invoice Number	Check Date / Invoice Date	Vendor Number	Invoice Amount	Discount	Distribution Amount	Check Amount
0000070136	REV 4/17/2025	HUD040	Hudson Point Cafe'			323.06-
Check Comment: Lost Warrant CK000007013601						
	4/17/2025		323.06-	0.00		
G/L Account:	582-1000-18		PH PROP LEASE DEPOSITS REFUNDED		323.06-	
		Bank W Total:	323.06-	0.00	323.06-	323.06-
		Report Total:	323.06-	0.00	323.06-	323.06-

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WARRANT APPROVAL

We, the undersigned, as Commissioners and Auditing Officer of the Port of Port Townsend, in Jefferson County, Washington, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, and that the claims is a just, due and unpaid obligation of the Port of Port Townsend, that I am authorized to authenticate and certify to said claim and that this claim, in Warrant No **072429 - 072473** generated on August 11th, 2026 in the amount of **$512,783.29 is ratified.**

Signed and Authenticated on this **9th** day of **September**, **2026**.

For: **Accounts Payable**

_____
Commissioner Carol Hasse,
Secretary

_____
Connie Anderson, Director of
Finance and Administration

Bank Code: W - WARRANTS PAYABLE

Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount
0000072429	8/11/2026	ARR010	Arrow Lumber Port Townsend				**Check Entry Number:** 001
			75080	7/6/2026	74.31	0.00	74.31
			75279	7/10/2026	547.03	0.00	547.03
			75281	7/10/2026	73.06	0.00	73.06
			75489	7/16/2026	953.25	0.00	953.25
			75595	7/21/2026	96.21	0.00	96.21
			75773	7/27/2026	298.07	0.00	298.07
				Check 0000072429 Total:	2,041.93	0.00	2,041.93
0000072430	8/11/2026	AST010	Astound				**Check Entry Number:** 001
			7262026	7/26/2026	150.22	0.00	150.22
0000072431	8/11/2026	BUC010	Richard Buck				**Check Entry Number:** 001
			08032026REFUND	8/3/2026	20,000.00	0.00	20,000.00
0000072432	8/11/2026	CIT001	City Of Port Townsend				**Check Entry Number:** 001
			JULY2026A	7/31/2026	1,854.86	0.00	1,854.86
			JULY2026B	7/31/2026	1,233.51	0.00	1,233.51
			JULY2026C	7/31/2026	510.60	0.00	510.60
			JULY2026D	7/31/2026	143.42	0.00	143.42
			JULY2026E	7/31/2026	1,867.24	0.00	1,867.24
			JULY2026F	7/31/2026	3,294.11	0.00	3,294.11
			JULY2026G	7/31/2026	77.79	0.00	77.79
			JULY2026H	7/31/2026	93.45	0.00	93.45
			JULY2026I	7/31/2026	1,049.58	0.00	1,049.58
			JULY2026J	7/31/2026	982.30	0.00	982.30
			JULY2026K	7/31/2026	824.89	0.00	824.89
			JULY2026L	7/31/2026	2,153.09	0.00	2,153.09
			JULY2026M	7/31/2026	1,850.64	0.00	1,850.64
			JULY2026N	7/31/2026	1,490.88	0.00	1,490.88
				Check 0000072432 Total:	17,426.36	0.00	17,426.36
0000072433	8/11/2026	CLA020	Clarke, White & Veenstra				**Check Entry Number:** 001
			2026-2-135-1	8/7/2026	2,800.00	0.00	2,800.00
0000072434	8/11/2026	COO050	Cooper Fuel				**Check Entry Number:** 001
			2061225A	7/2/2026	287.65	0.00	287.65
			2061225B	7/2/2026	287.66	0.00	287.66
			2062138A	7/17/2026	330.56	0.00	330.56
			2062138B	7/17/2026	330.57	0.00	330.57
			2062364	7/21/2026	2,766.68	0.00	2,766.68
				Check 0000072434 Total:	4,003.12	0.00	4,003.12
0000072435	8/11/2026	DEP002	Department of Health				**Check Entry Number:** 001
			25931U	9/27/2026	342.59	0.00	342.59
0000072436	8/11/2026	DIR070	DirecTV				**Check Entry Number:** 001
			075436554X260728	7/28/2026	455.00	0.00	455.00
0000072437	8/11/2026	DLL010	D L Logos				**Check Entry Number:** 001
			5188	7/31/2026	15.33	0.00	15.33
0000072438	8/11/2026	END040	enduris Washington				**Check Entry Number:** 001
			R27-318-1A	7/21/2026	122,427.92	0.00	122,427.92
			R27-318-1B	7/21/2026	66,979.77	0.00	66,979.77
			R27-318-1C	7/21/2026	56,241.53	0.00	56,241.53
			R27-318-1D	7/21/2026	28,142.96	0.00	28,142.96
			R27-318-1E	7/21/2026	57,090.41	0.00	57,090.41
			R27-318-1F	7/21/2026	9,646.01	0.00	9,646.01

Bank Code: W - WARRANTS PAYABLE

Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount
			R27-318-1G	7/21/2026	27,494.94	0.00	27,494.94
			R27-318-1H	7/21/2026	21,829.99	0.00	21,829.99
			R27-318-1I	7/21/2026	13,450.57	0.00	13,450.57
			R27-318-1J	7/21/2026	12,078.91	0.00	12,078.91
			R27-318-1K	7/21/2026	1,565.77	0.00	1,565.77
			R27-318-1L	7/21/2026	5,574.06	0.00	5,574.06
			R27-318-1M	7/21/2026	5,439.16	0.00	5,439.16
			Check 0000072438 Total:		427,962.00	0.00	427,962.00
0000072439	8/11/2026	FER001	Ferrellgas				**Check Entry Number:** 001
			1134256997	7/9/2026	167.11	0.00	167.11
			1134356406	7/23/2026	141.94	0.00	141.94
			RN11469697	7/24/2026	71.19	0.00	71.19
			Check 0000072439 Total:		380.24	0.00	380.24
0000072440	8/11/2026	GUA080	Guardian Security Systems, Inc.				**Check Entry Number:** 001
			1758600	8/1/2026	197.58	0.00	197.58
			1758601	8/1/2026	123.16	0.00	123.16
			1758602	8/1/2026	279.23	0.00	279.23
			1758603A	8/1/2026	65.70	0.00	65.70
			1758603B	8/1/2026	1,012.88	0.00	1,012.88
			1758604	8/1/2026	204.99	0.00	204.99
			Check 0000072440 Total:		1,883.54	0.00	1,883.54
0000072441	8/11/2026	GUE030	Jose' Guevera-Santiago				**Check Entry Number:** 001
			JULY2026EXP	7/29/2026	147.81	0.00	147.81
0000072442	8/11/2026	HAL010	Mike Hall				**Check Entry Number:** 001
			07302026REFUND	7/30/2026	6.34	0.00	6.34
0000072443	8/11/2026	HAN010	Pete Hanke				**Check Entry Number:** 001
			JULY2026EXP	7/31/2026	14.50	0.00	14.50
			JUNE2026EXP	7/31/2026	123.25	0.00	123.25
			Check 0000072443 Total:		137.75	0.00	137.75
0000072444	8/11/2026	HAN020	Dakota Hankin				**Check Entry Number:** 001
			07242026REFUND	7/24/2026	180.09	0.00	180.09
0000072445	8/11/2026	HEL010	Azariah Helies Waggoner				**Check Entry Number:** 001
			JULY2026EXP	7/29/2026	133.89	0.00	133.89
0000072446	8/11/2026	HIG020	Highway Specialties LLC				**Check Entry Number:** 001
			1015577	8/5/2026	459.90	0.00	459.90
0000072447	8/11/2026	HUD040	Hudson Point Cafe'				**Check Entry Number:** 001
			04032025REFUND	8/10/2026	323.06	0.00	323.06
0000072448	8/11/2026	KEN010	Kendrick Equipment				**Check Entry Number:** 001
			U6127	8/4/2026	175.87	0.00	175.87
0000072449	8/11/2026	KIT030	USA TODAY Media Corp.				**Check Entry Number:** 001
			7745085	6/30/2026	206.28	0.00	206.28
0000072450	8/11/2026	LEA050	Leavitt Machinery USA Inc				**Check Entry Number:** 001
			SPU205107	7/14/2026	1,993.14	0.00	1,993.14
0000072451	8/11/2026	LEM040	Lemay Mobile Shredding				**Check Entry Number:** 001
			4940359S185	8/1/2026	42.15	0.00	42.15
0000072452	8/11/2026	MAL045	Mallory Paint Store				**Check Entry Number:** 001
			Z0252908	7/8/2026	89.12	0.00	89.12
0000072453	8/11/2026	MUR002	Murrey's Disposal Co. Inc.				**Check Entry Number:** 001
			9225100S112	8/1/2026	1,696.48	0.00	1,696.48

Bank Code: W - WARRANTS PAYABLE

Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount
			9225107S112	8/1/2026	5,805.65	0.00	5,805.65
			9225128S112	8/1/2026	3,999.13	0.00	3,999.13
			9225196S112	8/1/2026	56.40	0.00	56.40
			9225246S112	8/1/2026	246.69	0.00	246.69
			9225300S112	8/1/2026	252.30	0.00	252.30
			9225579S112	8/1/2026	123.91	0.00	123.91
			9227674S112	8/1/2026	8,696.04	0.00	8,696.04
			Check 0000072453 Total:		20,876.60	0.00	20,876.60
0000072454	8/11/2026	OLY003	Olympic Springs, Inc.				**Check Entry Number:** 001
			08152026A	7/31/2026	76.27	0.00	76.27
			08152026B	7/31/2026	76.27	0.00	76.27
			08152026C	7/31/2026	10.89	0.00	10.89
			08152026D	7/31/2026	10.90	0.00	10.90
			Check 0000072454 Total:		174.33	0.00	174.33
0000072455	8/11/2026	PAC004	Pacific Office Equipment Co				**Check Entry Number:** 001
			1182677	7/31/2026	503.49	0.00	503.49
			1182678A	7/31/2026	64.93	0.00	64.93
			1182678B	7/31/2026	64.93	0.00	64.93
			1182679A	7/31/2026	16.82	0.00	16.82
			1182679B	7/31/2026	16.82	0.00	16.82
			Check 0000072455 Total:		666.99	0.00	666.99
0000072456	8/11/2026	PET025	Petrick Lock & Safe				**Check Entry Number:** 001
			23248	7/31/2026	72.51	0.00	72.51
0000072457	8/11/2026	PET065	Pam Petranek				**Check Entry Number:** 001
			JULY2026EXP	7/31/2026	563.26	0.00	563.26
			JUNE2026EXP	7/31/2026	47.85	0.00	47.85
			Check 0000072457 Total:		611.11	0.00	611.11
0000072458	8/11/2026	PIN010	Pinnacle Investigations Corp				**Check Entry Number:** 001
			108188	8/2/2026	64.59	0.00	64.59
0000072459	8/11/2026	POR005	Port Townsend Leader				**Check Entry Number:** 001
			120995	7/31/2026	111.75	0.00	111.75
0000072460	8/11/2026	PUD001	Pud District #1				**Check Entry Number:** 001
			8042026	8/4/2026	20.17	0.00	20.17
0000072461	8/11/2026	PUD005	PUD #1 of Jefferson County				**Check Entry Number:** 001
			08052026A	8/5/2026	57.50	0.00	57.50
			08052026B	8/5/2026	57.50	0.00	57.50
			08052026C	8/5/2026	60.00	0.00	60.00
			08052026D	8/5/2026	60.00	0.00	60.00
			08052026E	8/5/2026	115.00	0.00	115.00
			Check 0000072461 Total:		350.00	0.00	350.00
0000072462	8/11/2026	RUS080	Brian Russell				**Check Entry Number:** 001
			07272026REFUND	7/27/2026	154.40	0.00	154.40
0000072463	8/11/2026	SEC010	Security Services				**Check Entry Number:** 001
			151929A	8/1/2026	40.45	0.00	40.45
			151929B	8/1/2026	32.37	0.00	32.37
			151929C	8/1/2026	32.37	0.00	32.37
			151929D	8/1/2026	32.37	0.00	32.37
			151929E	8/1/2026	32.37	0.00	32.37
			151929F	8/1/2026	32.37	0.00	32.37

Bank Code: W - WARRANTS PAYABLE

Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount
			Check 0000072463 Total:		202.30	0.00	202.30
0000072464	8/11/2026	SNE020	S-Net Communications				**Check Entry Number:** 001
			323899A	8/1/2026	188.25	0.00	188.25
			323899B	8/1/2026	152.04	0.00	152.04
			323899C	8/1/2026	14.48	0.00	14.48
			323899D	8/1/2026	7.24	0.00	7.24
			323899E	8/1/2026	159.28	0.00	159.28
			323899F	8/1/2026	7.24	0.00	7.24
			323899G	8/1/2026	28.96	0.00	28.96
			323899H	8/1/2026	130.32	0.00	130.32
			323899I	8/1/2026	36.21	0.00	36.21
			Check 0000072464 Total:		724.02	0.00	724.02
0000072465	8/11/2026	SOR010	Phil Sorum				**Check Entry Number:** 001
			07212026REFUND	7/21/2026	45.10	0.00	45.10
0000072466	8/11/2026	TEN010	Chad Tennyson				**Check Entry Number:** 001
			08042026REFUND	8/4/2026	18.00	0.00	18.00
0000072467	8/11/2026	URS010	William Urschel				**Check Entry Number:** 001
			08042026REFUND	8/4/2026	184.70	0.00	184.70
0000072468	8/11/2026	VEN070	VenTek International				**Check Entry Number:** 001
			155571	8/1/2026	104.03	0.00	104.03
0000072469	8/11/2026	WA0503	State of Washington-Dept.of				**Check Entry Number:** 001
			27-WAG031006-1	8/6/2026	1,350.00	0.00	1,350.00
0000072470	8/11/2026	WAL055	Walter E Nelson CO				**Check Entry Number:** 001
			CMSEA1103684A	3/5/2026	702.89-	0.00	702.89-
			CMSEA1103684B	3/5/2026	361.49-	0.00	361.49-
			CMSEA1103684C	3/5/2026	40.17-	0.00	40.17-
			CMSEA1103684D	3/5/2026	40.17-	0.00	40.17-
			CMSEA1103684E	3/5/2026	60.24-	0.00	60.24-
			CMSEA1103684F	3/5/2026	60.24-	0.00	60.24-
			CMSEA1103684G	3/5/2026	743.06-	0.00	743.06-
			INVSEA1114609	2/20/2026	71.85	0.00	71.85
			INVSEA1136105	5/8/2026	183.14	0.00	183.14
			INVSEA1158349A	7/31/2026	829.20	0.00	829.20
			INVSEA1158349B	7/31/2026	426.44	0.00	426.44
			INVSEA1158349C	7/31/2026	47.38	0.00	47.38
			INVSEA1158349D	7/31/2026	47.38	0.00	47.38
			INVSEA1158349E	7/31/2026	71.07	0.00	71.07
			INVSEA1158349F	7/31/2026	71.07	0.00	71.07
			INVSEA1158349G	7/31/2026	876.59	0.00	876.59
			Check 0000072470 Total:		615.86	0.00	615.86
0000072471	8/11/2026	WAS009	WA ST-Depart of Health				**Check Entry Number:** 001
			62996	7/10/2026	1,964.00	0.00	1,964.00
0000072472	8/11/2026	WES006	Westbay Auto Parts, Inc.				**Check Entry Number:** 001
			293-934590	6/26/2026	206.17	0.00	206.17
			293-934593	6/26/2026	539.75	0.00	539.75
			293-935030	6/29/2026	182.54	0.00	182.54
			293-935033	6/29/2026	122.95	0.00	122.95
			293-935277	7/1/2026	261.18	0.00	261.18
			293-936041	7/7/2026	42.28	0.00	42.28
			293-936096	7/7/2026	771.21	0.00	771.21

Bank Code: W - WARRANTS PAYABLE

Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount
			293-936572	7/10/2026	43.78	0.00	43.78
			293-936580	7/10/2026	232.46	0.00	232.46
			293-937346	7/15/2026	66.78	0.00	66.78
			293-937574	7/17/2026	338.32	0.00	338.32
			293-937922	7/20/2026	22.98	0.00	22.98
			293-938261	7/22/2026	12.03	0.00	12.03
			293-938263	7/22/2026	12.03	0.00	12.03
				Check 0000072472 Total:	2,854.46	0.00	2,854.46
0000072473	8/11/2026	WES075	Erik Westman				**Check Entry Number:** 001
			07232026REFUND	7/24/2026	262.64	0.00	262.64
				Report Total:	512,783.29	0.00	512,783.29

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PORT OF PORT TOWNSEND
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WARRANT APPROVAL

We, the undersigned, as Commissioners and Auditing Officer of the Port of Port Townsend, in Jefferson County, Washington, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, and that the claims is a just, due and unpaid obligation of the Port of Port Townsend, that I am authorized to authenticate and certify to said claim and that this claim, in Warrant No **072474 - 072475** generated on August 13th, 2026 in the amount of **$22,542.84 is ratified.**

Signed and Authenticated on this **9th** day of **September**, **2026**.

For: **Accounts Payable**

_____
Commissioner Carol Hasse,
Secretary

_____
Connie Anderson, Director of
Finance and Administration

Bank Code: W - WARRANTS PAYABLE

Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount
0000072474	8/13/2026	HEN002	Henery Hardware				Check Entry Number: 001
			815263	6/26/2026	37.83	0.00	37.83
			815292	6/26/2026	74.38	0.00	74.38
			815342	6/29/2026	6.11	0.00	6.11
			815350	6/29/2026	19.71	0.00	19.71
			815354	6/29/2026	12.22	0.00	12.22
			815371	6/29/2026	31.43	0.00	31.43
			815383	6/29/2026	25.35	0.00	25.35
			815385	6/29/2026	104.29	0.00	104.29
			815408	6/30/2026	141.18	0.00	141.18
			815409	6/30/2026	77.72	0.00	77.72
			815414	6/30/2026	29.54	0.00	29.54
			815460	6/30/2026	68.66	0.00	68.66
			815512	7/1/2026	15.00	0.00	15.00
			815525	7/1/2026	128.12	0.00	128.12
			815554	7/1/2026	38.95	0.00	38.95
			815564	7/1/2026	3.92	0.00	3.92
			815581	7/2/2026	6.56	0.00	6.56
			815607	7/2/2026	71.16	0.00	71.16
			815615	7/2/2026	42.89	0.00	42.89
			815617	7/2/2026	43.79	0.00	43.79
			815618	7/2/2026	10.50	0.00	10.50
			815735	7/6/2026	132.45	0.00	132.45
			815738	7/6/2026	87.59	0.00	87.59
			815758	7/6/2026	20.36	0.00	20.36
			815763	7/6/2026	13.13	0.00	13.13
			815841	7/7/2026	55.37	0.00	55.37
			815846	7/7/2026	53.96	0.00	53.96
			815858	7/8/2026	32.84	0.00	32.84
			815880	7/8/2026	36.09	0.00	36.09
			815884	7/8/2026	139.17	0.00	139.17
			815926	7/9/2026	44.87	0.00	44.87
			815949	7/9/2026	7.87	0.00	7.87
			815962	7/9/2026	30.65	0.00	30.65
			815963	7/9/2026	57.31	0.00	57.31
			815965	7/9/2026	41.60	0.00	41.60
			816003	7/10/2026	90.58	0.00	90.58
			816006A	7/10/2026	117.06	0.00	117.06
			816006B	7/10/2026	179.54	0.00	179.54
			816006C	7/10/2026	121.81	0.00	121.81
			816027	7/10/2026	8.75	0.00	8.75
			816080	7/13/2026	32.14	0.00	32.14
			816082	7/13/2026	14.21	0.00	14.21
			816116	7/13/2026	21.83	0.00	21.83
			816170	7/14/2026	87.59-	0.00	87.59-
			816171	7/14/2026	87.59	0.00	87.59
			816185	7/14/2026	123.70	0.00	123.70
			816186	7/14/2026	16.41	0.00	16.41
			816243	7/15/2026	75.73	0.00	75.73
			816260	7/15/2026	32.83	0.00	32.83

Bank Code: W - WARRANTS PAYABLE

Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount
			816265	7/15/2026	14.20	0.00	14.20
			816301	7/16/2026	9.99	0.00	9.99
			816313A	7/16/2026	284.69	0.00	284.69
			816313B	7/16/2026	43.28	0.00	43.28
			816314	7/16/2026	43.80-	0.00	43.80-
			816315	7/16/2026	43.79	0.00	43.79
			816319	7/16/2026	332.86	0.00	332.86
			816366	7/17/2026	34.95	0.00	34.95
			816382	7/17/2026	20.79	0.00	20.79
			816470	7/20/2026	48.55	0.00	48.55
			816481	7/20/2026	22.72	0.00	22.72
			816483	7/20/2026	39.39	0.00	39.39
			816488	7/20/2026	38.30	0.00	38.30
			816507	7/20/2026	33.93	0.00	33.93
			816514A	7/20/2026	11.50	0.00	11.50
			816514B	7/20/2026	91.94	0.00	91.94
			816534	7/21/2026	9.59	0.00	9.59
			816543	7/21/2026	199.25	0.00	199.25
			816569	7/21/2026	38.28	0.00	38.28
			816586	7/21/2026	157.63	0.00	157.63
			816606	7/22/2026	10.49	0.00	10.49
			816633	7/22/2026	10.50	0.00	10.50
			816636	7/22/2026	5.46	0.00	5.46
			816641	7/22/2026	49.76	0.00	49.76
			816671	7/23/2026	55.80	0.00	55.80
			816682	7/23/2026	33.92	0.00	33.92
			816706	7/23/2026	69.85	0.00	69.85
			816711	7/23/2026	17.93	0.00	17.93
				Check 0000072474 Total:	4,262.70	0.00	4,262.70
				Report Total:	4,262.70	0.00	4,262.70

Bank Code: W - WARRANTS PAYABLE

Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount
0000072475	8/13/2026	BAN005	Bank of America				Check Entry Number: 001
			01	7/9/2026	26.27	0.00	26.27
			02	7/9/2026	26.27	0.00	26.27
			03	7/9/2026	52.54	0.00	52.54
			04	7/9/2026	26.27	0.00	26.27
			05	7/9/2026	78.80	0.00	78.80
			06	7/26/2026	20.04	0.00	20.04
			07	7/30/2026	78.84	0.00	78.84
			08	7/30/2026	26.81	0.00	26.81
			09	7/30/2026	52.03	0.00	52.03
			10	8/1/2026	1,084.75	0.00	1,084.75
			11	7/3/2026	2,096.94-	0.00	2,096.94-
			12	6/4/2026	3.84	0.00	3.84
			13	6/4/2026	3.83	0.00	3.83
			14	6/4/2026	3.83	0.00	3.83
			15	6/4/2026	3.83	0.00	3.83
			16	7/8/2026	10.82	0.00	10.82
			17	7/8/2026	32.45	0.00	32.45
			18	7/8/2026	32.45	0.00	32.45
			19	7/8/2026	27.36	0.00	27.36
			20	7/8/2026	19.16	0.00	19.16
			21	7/9/2026	10.94	0.00	10.94
			22	7/9/2026	19.68	0.00	19.68
			23	7/9/2026	21.78	0.00	21.78
			24	7/10/2026	39.40	0.00	39.40
			25	7/9/2026	7.00	0.00	7.00
			26	7/9/2026	7.00	0.00	7.00
			27	7/10/2026	448.40	0.00	448.40
			28	7/11/2026	96.72	0.00	96.72
			29	7/13/2026	636.28	0.00	636.28
			30	7/13/2026	4.37	0.00	4.37
			31	7/13/2026	2,451.11	0.00	2,451.11
			32	7/16/2026	505.82	0.00	505.82
			33	7/17/2026	51.84	0.00	51.84
			34	7/17/2026	66.35	0.00	66.35
			35	7/15/2026	1,162.03	0.00	1,162.03
			36	7/16/2026	6,565.28	0.00	6,565.28
			37	7/23/2026	345.98	0.00	345.98
			38	7/23/2026	1,995.00	0.00	1,995.00
			39	7/23/2026	1,995.00	0.00	1,995.00
			40	7/23/2026	26.14	0.00	26.14
			41	7/23/2026	233.81	0.00	233.81
			42	7/23/2026	90.36	0.00	90.36
			43	7/24/2026	993.06	0.00	993.06
			44	7/27/2026	8.74	0.00	8.74
			45	7/28/2026	19.98	0.00	19.98
			46	7/28/2026	21.88	0.00	21.88
			47	7/30/2026	19.44	0.00	19.44
			48	7/31/2026	61.66	0.00	61.66
			49	8/1/2026	61.31	0.00	61.31

Bank Code: W - WARRANTS PAYABLE

Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount
			50	8/2/2026	76.60	0.00	76.60
			51	8/4/2026	50.00	0.00	50.00
			52	8/4/2026	602.40	0.00	602.40
			53	7/22/2026	36.98	0.00	36.98
			54	7/28/2026	25.16	0.00	25.16
			55	8/3/2026	9.39	0.00	9.39
				Check 0000072475 Total:	18,280.14	0.00	18,280.14
				Report Total:	18,280.14	0.00	18,280.14

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WARRANT/ELECTRONIC PAYMENT APPROVAL

We, the undersigned, as Commissioners and Auditing Officer of the Port of Port Townsend, in Jefferson County, Washington, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations against the Port of Port Townsend, that we are authorized to authenticate and certify to said claim and that payment of these claims, in Warrant No **072476** through No. **072479** generated on August 17, 2026 in the amount of **$6,523.18** Electronic Payment in the amount of **$150,343.75**, for a total amount of **$156,866.93 is ratified. Signed and Authenticated** on this **9th** day of **September**, **2026**.

For: **Payroll and Benefits**

_____
Commissioner Carol Hasse

_____
Connie Anderson, Director of
Finance And
Administration

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Port Townsend, WA 98368

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ELECTRONIC DEBIT – Kitsap Bank

We, the undersigned, as Commissioners and Auditing Officer of the Port of Port Townsend, in Jefferson County, Washington, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein and that the claim is a just, due and unpaid obligation of the Port of Port Townsend, that we are authorized to authenticate and certify said claim, and that the Electronic Debit from the Port Checking Account held at Kitsap Bank is approved for payment in the amount of **$17,819.05 is ratified.**

Signed and Authenticated on this **9th** day of **September**, **2026**.

For: Credit Card Fees and Contracted Service Fees in the amount of ***$17,819.05***

_____
Commissioner Carol Hasse

_____
Connie Anderson, Director of
Finance And Administration

Bank: K KITSAP BANK

Check Number/ Invoice Number	Check Date / Invoice Date	Vendor Number	Invoice Amount	Discount	Distribution Amount	Check Amount
W000001387 CKW00000138701	7/31/2026	MOL010	Molo Inc.			13,496.15
	7/31/2026		13,496.15	0.00		
	G/L Account: 761-7700-21		BANK CHARGES: RAMPS		258.97	
	G/L Account: 761-3100-21		RAMPS - CONTRACT SERVICES		21.91	
	G/L Account: 721-7700-02		BANK CHARGES: MOOR		4,796.25	
	G/L Account: 721-3100-02		CONTRACT SERVICES: MOOR		874.98	
	G/L Account: 761-7700-17		BANK CHARGES: PROP RENT		119.29	
	G/L Account: 761-3100-17		CONTRACT SERVICES: PROP RENT		21.76	
	G/L Account: 711-7700-22		BANK CHARGES: JCIA		145.70	
	G/L Account: 711-3100-22		CONTRACT SERVICES: JCIA		26.48	
	G/L Account: 721-7700-05		BANK CHARGES: WORK YARD		5,478.87	
	G/L Account: 721-3100-05		CONTRACT SERVICES: WORK YARD		1,362.91	
	G/L Account: 761-7700-20		BANK CHARGES: QUIL		275.81	
	G/L Account: 761-3100-20		CONTRACT SERVICES: QUIL		113.22	
	Check W000001387 Total:		13,496.15	0.00	13,496.15	13,496.15
W000001388 CKW00000138801	7/31/2026	CAM050	CampLife			4,322.90
	7/31/2026		4,322.90	0.00		
	G/L Account: 761-7700-19		BANK CHARGES:P. H. MARINA & RV		4,322.90	
	Bank K Total:		17,819.05	0.00	17,819.05	17,819.05
	Report Total:		17,819.05	0.00	17,819.05	17,819.05

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ELECTRONIC DEBIT – Kitsap Bank

We, the undersigned, as Commissioners and Auditing Officer of the Port of Port Townsend, in Jefferson County, Washington, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein and that the claim is a just, due and unpaid obligation of the Port of Port Townsend, that we are authorized to authenticate and certify said claim, and that the Electronic Debit from the Port Checking Account held at Kitsap Bank is approved for payment in the amount of **$-269.90 is ratified.**

Signed and Authenticated on this **9th** day of **September**, **2026**.

For: Credit Card Fees and Contracted Service Fees in the amount of***$-269.90***

_____
Commissioner Carol Hasse

_____
Connie Anderson, Director of
Finance And Administration

Bank: K KITSAP BANK

Check Number/ Invoice Number	Check Date / Invoice Date	Vendor Number	Invoice Amount	Discount	Distribution Amount	Check Amount
W000001389	1/31/2026	MOL010	Molo Inc.			269.90-
Check Comment: Correcting 11/2025 CC Fees CKW00000138901						
	1/31/2026		269.90-	0.00		
G/L Account: 761-7700-21			BANK CHARGES: RAMPS		0.57-	
G/L Account: 721-7700-02			BANK CHARGES: MOOR		247.40-	
G/L Account: 761-7700-17			BANK CHARGES: PROP RENT		22.03-	
G/L Account: 721-3100-05			CONTRACT SERVICES: WORK YARD		0.10	
	Check W000001389 Total:		269.90-	0.00	269.90-	269.90-
	Bank K Total:		269.90-	0.00	269.90-	269.90-
	Report Total:		269.90-	0.00	269.90-	269.90-

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ELECTRONIC DEBIT – Kitsap Bank

We, the undersigned, as Commissioners and Auditing Officer of the Port of Port Townsend, in Jefferson County, Washington, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein and that the claim is a just, due and unpaid obligation of the Port of Port Townsend, that we are authorized to authenticate and certify said claim, and that the Electronic Debit from the Port Checking Account held at Kitsap Bank is approved for payment in the amount of **$.83 is ratified.**

Signed and Authenticated on this **9th** day of **September**, **2026**.

For: Bank Fees in the amount of ***$.83***

_____
Commissioner Carol Hasse

_____
Connie Anderson, Director of
Finance And Administration

Bank: K KITSAP BANK

Check Number/ Invoice Number	Check Date / Invoice Date	Vendor Number	Invoice Amount	Discount	Distribution Amount	Check Amount
W000001390	1/31/2026	KIT040	Kitsap Bank			0.83
Check Comment: Correction for 10/2025 CKW00000139001						
	1/31/2026		0.83	0.00		
G/L Account: 721-7700-02			BANK CHARGES: MOOR		0.28	
G/L Account: 721-7700-05			BANK CHARGES: WORK YARD		0.28	
G/L Account: 761-7700-19			BANK CHARGES:P. H. MARINA & RV		0.27	
	Check W000001390 Total:		0.83	0.00	0.83	0.83
	Bank K Total:		0.83	0.00	0.83	0.83
	Report Total:		0.83	0.00	0.83	0.83

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WARRANT APPROVAL

We, the undersigned, as Commissioners and Auditing Officer of the Port of Port Townsend, in Jefferson County, Washington, do hereby certify under penalty of perjury that the material has been furnished, the labor performed and the services provided, as described herein, and that these claims are a just and unpaid obligation of the Port of Port Townsend, and

that these claims: Warrant No. **72150** in the amount of **$ 100.00**
Warrant No. **72443** in the amount of **$ 237.75**

are declared **void** on this **9th** day of **September**, **2026**.

For: **Accounts Payable**

_____
Commissioner Carol Hasse

_____
Connie Anderson, Director of Finance And Administration

Bank: W WARRANTS PAYABLE

Check Number/ Invoice Number	Check Date / Invoice Date	Vendor Number	Invoice Amount	Discount	Distribution Amount	Check Amount
0000072150	REV 6/3/2026	WAS065	Washington Municipal Clerks Assn.			100.00-
Check Comment: CK000007215001	Double Payment					
	6/3/2026		100.00-	0.00		
G/L Account:	781-7500-29		MEMBERSHIP AND DUES: ACCTG		100.00-	
0000072443	REV 8/11/2026	HAN010	Pete Hanke			137.75-
Check Comment: CK000007244301	Wrong Vendor number					
	8/11/2026		137.75-	0.00		
G/L Account:	781-7200-27		TRAVEL: COMMISSION		123.25-	
G/L Account:	781-7200-27		TRAVEL: COMMISSION		14.50-	
	Check 0000072443 Total:		137.75-	0.00	137.75-	137.75-
	Bank W Total:		237.75-	0.00	237.75-	237.75-
	Report Total:		237.75-	0.00	237.75-	237.75-

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WARRANT APPROVAL

We, the undersigned, as Commissioners and Auditing Officer of the Port of Port Townsend, in Jefferson County, Washington, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, and that the claims is a just, due and unpaid obligation of the Port of Port Townsend, that I am authorized to authenticate and certify to said claim and that this claim, in Warrant No **072480 - 072513** generated on August 20th, 2026 in the amount of **$490,106.84 is ratified.**

Signed and Authenticated on this **9th** day of **September**, **2026**.

For: **Accounts Payable**

_____
Commissioner Carol Hasse,
Secretary

_____
Connie Anderson, Director of
Finance and Administration

Check Register
Journal Posting Date: 8/20/2026
Register Number: CD-001297

Port of Port Townsend (PTA)

Bank Code: W - WARRANTS PAYABLE

Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount
0000072480	8/20/2026	48N010	48 North				**Check Entry Number:** 001
			08302026A	8/30/2026	693.31	0.00	693.31
			08302026B	8/30/2026	672.91	0.00	672.91
			08302026C	8/30/2026	672.91	0.00	672.91
			Check 0000072480 Total:		2,039.13	0.00	2,039.13
0000072481	8/20/2026	ADM002	Admiral Ship Supply Inc.				**Check Entry Number:** 001
			433580	7/6/2026	32.85	0.00	32.85
			434435	7/14/2026	175.15	0.00	175.15
			434445	7/14/2026	105.60	0.00	105.60
			434564	7/15/2026	25.29	0.00	25.29
			435215	7/22/2026	40.68	0.00	40.68
			435217	7/22/2026	10.79	0.00	10.79
			Check 0000072481 Total:		390.36	0.00	390.36
0000072482	8/20/2026	AND005	Andersen Machine Shop Inc				**Check Entry Number:** 001
			081726REFUND	8/17/2026	33.86	0.00	33.86
0000072483	8/20/2026	BAD010	Gregg Badger				**Check Entry Number:** 001
			08052026REFUND	8/7/2026	82.00	0.00	82.00
0000072484	8/20/2026	BLU020	Blue Coast Engineering				**Check Entry Number:** 001
			1733	8/14/2026	8,822.00	0.00	8,822.00
0000072485	8/20/2026	CED005	CED				**Check Entry Number:** 001
			5948-1088893	8/5/2026	545.31	0.00	545.31
0000072486	8/20/2026	CEN001	CHS, INC				**Check Entry Number:** 001
			53018/23	7/15/2026	250.00	0.00	250.00
			53074/23	7/22/2026	358.85	0.00	358.85
			53107/23A	7/28/2026	19.70	0.00	19.70
			53107/23B	7/28/2026	309.53	0.00	309.53
			Check 0000072486 Total:		938.08	0.00	938.08
0000072487	8/20/2026	CEN030	CenturyLink				**Check Entry Number:** 001
			8012026	8/1/2026	258.44	0.00	258.44
0000072488	8/20/2026	CEN035	CenturyLink				**Check Entry Number:** 001
			8062026A	8/6/2026	82.95	0.00	82.95
			8062026B	8/6/2026	117.66	0.00	117.66
			8092026	8/9/2026	207.56	0.00	207.56
			Check 0000072488 Total:		408.17	0.00	408.17
0000072489	8/20/2026	DOU010	Double D Electric Inc.				**Check Entry Number:** 001
			602120	8/3/2026	30.58	0.00	30.58
0000072490	8/20/2026	EXA030	Examinetics, Inc				**Check Entry Number:** 001
			509581A	6/24/2026	184.62	0.00	184.62
			509581B	6/24/2026	923.08	0.00	923.08
			509581C	6/24/2026	92.31	0.00	92.31
			509581D	6/24/2026	1,015.38	0.00	1,015.38
			509581E	6/24/2026	92.31	0.00	92.31
			509581F	6/24/2026	92.30	0.00	92.30
			Check 0000072490 Total:		2,400.00	0.00	2,400.00
0000072491	8/20/2026	FEG010	Andrew Fegler				**Check Entry Number:** 001
			08052026A	7/31/2026	234.27	0.00	234.27
			08052026B	7/31/2026	234.27	0.00	234.27
			Check 0000072491 Total:		468.54	0.00	468.54
0000072492	8/20/2026	FIS020	Fish N Hole				**Check Entry Number:** 001

Check Register
Journal Posting Date: 8/20/2026
Register Number: CD-001297

Port of Port Townsend (PTA)

Bank Code: W - WARRANTS PAYABLE

Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount	
			5349051	8/1/2026	32.02	0.00	32.02	
0000072493	8/20/2026	GOO002	Good Man Sanitation					**Check Entry Number:** 001
			I12373	8/17/2026	125.43	0.00	125.43	
0000072494	8/20/2026	GRE015	Greentree Communications Co					**Check Entry Number:** 001
			10738A	8/1/2026	35.45	0.00	35.45	
			10738B	8/1/2026	114.21	0.00	114.21	
			10738C	8/1/2026	23.63	0.00	23.63	
			10738D	8/1/2026	23.63	0.00	23.63	
			10738E	8/1/2026	11.82	0.00	11.82	
			10738F	8/1/2026	122.09	0.00	122.09	
			10738G	8/1/2026	63.01	0.00	63.01	
				Check 0000072494 Total:	393.84	0.00	393.84	
0000072495	8/20/2026	HAN040	Pete Hanke					**Check Entry Number:** 001
			JULY2026EXP	7/31/2026	14.50	0.00	14.50	
			JUNE2026EXP	7/31/2026	123.25	0.00	123.25	
				Check 0000072495 Total:	137.75	0.00	137.75	
0000072496	8/20/2026	INS070	Insight Strategic Partners LLC					**Check Entry Number:** 001
			7207	7/31/2026	6,250.00	0.00	6,250.00	
0000072497	8/20/2026	JC1008	Jefferson County Public Works					**Check Entry Number:** 001
			2365633	8/3/2026	200.96	0.00	200.96	
			2367520	8/3/2026	112.92	0.00	112.92	
			2368416	8/3/2026	76.56	0.00	76.56	
			2370170	8/3/2026	143.55	0.00	143.55	
				Check 0000072497 Total:	533.99	0.00	533.99	
0000072498	8/20/2026	KEN020	Kennedy Jenks					**Check Entry Number:** 001
			189693	8/14/2026	1,777.25	0.00	1,777.25	
0000072499	8/20/2026	MAR096	Marian Roh					**Check Entry Number:** 001
			260805	8/10/2026	285.00	0.00	285.00	
0000072500	8/20/2026	MCK010	Jerry McKay					**Check Entry Number:** 001
			08042026REFUND	8/5/2026	203.03	0.00	203.03	
0000072501	8/20/2026	PEN080	Pens.com					**Check Entry Number:** 001
			114715615A	7/28/2026	304.94	0.00	304.94	
			114715615B	7/28/2026	304.93	0.00	304.93	
				Check 0000072501 Total:	609.87	0.00	609.87	
0000072502	8/20/2026	PRO050	The Production Alliance					**Check Entry Number:** 001
			1060	8/13/2026	2,500.00	0.00	2,500.00	
0000072503	8/20/2026	PUD001	Pud District #1					**Check Entry Number:** 001
			08112026A	8/11/2026	51.96	0.00	51.96	
			08112026B	8/11/2026	51.96	0.00	51.96	
			08112026C	8/11/2026	66.64	0.00	66.64	
			08112026D	8/11/2026	4,034.71	0.00	4,034.71	
			08112026E	8/11/2026	1,051.27	0.00	1,051.27	
			08112026F	8/11/2026	280.04	0.00	280.04	
			08112026G	8/11/2026	137.92	0.00	137.92	
			08112026H	8/11/2026	1,895.51	0.00	1,895.51	
			08112026I	8/11/2026	1,340.78	0.00	1,340.78	
			08112026J	8/11/2026	279.96	0.00	279.96	
			08112026K	8/11/2026	838.70	0.00	838.70	
			08112026L	8/11/2026	2,845.86	0.00	2,845.86	

Check Register
Journal Posting Date: 8/20/2026
Register Number: CD-001297

Port of Port Townsend (PTA)

Bank Code: W - WARRANTS PAYABLE

Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount	
			08112026M	8/11/2026	1,489.70	0.00	1,489.70	
			Check 0000072503 Total:		14,365.01	0.00	14,365.01	
0000072504	8/20/2026	PUD090	Public Utility District of Jefferson County					**Check Entry Number:** 001
			08112026A	8/11/2026	250.00	0.00	250.00	
			08112026B	8/11/2026	250.00	0.00	250.00	
			Check 0000072504 Total:		500.00	0.00	500.00	
0000072505	8/20/2026	QUI001	Quill Corporation					**Check Entry Number:** 001
			49877307	8/6/2026	555.81	0.00	555.81	
			49893084	8/7/2026	224.87	0.00	224.87	
			Check 0000072505 Total:		780.68	0.00	780.68	
0000072506	8/20/2026	SHA030	Charlie Shaw					**Check Entry Number:** 001
			8/2026 EXPENSE	8/19/2026	191.49	0.00	191.49	
0000072507	8/20/2026	SOU070	Sound Storage GC					**Check Entry Number:** 001
			82026	8/12/2026	322.00	0.00	322.00	
0000072508	8/20/2026	SUN020	Sunrise Coffee					**Check Entry Number:** 001
			20260903	8/7/2026	85.96	0.00	85.96	
0000072509	8/20/2026	ULI040	ULINE					**Check Entry Number:** 001
			210777902A	7/17/2026	148.75	0.00	148.75	
			210777902B	7/17/2026	3,520.11	0.00	3,520.11	
			Check 0000072509 Total:		3,668.86	0.00	3,668.86	
0000072510	8/20/2026	VET030	Vet Industrial Inc					**Check Entry Number:** 001
			PAY4JCIAFUEL	8/7/2026	430,971.63	0.00	430,971.63	
0000072511	8/20/2026	WA0503	State of Washington-Dept.of					**Check Entry Number:** 001
			27-WAR000725-1	8/18/2026	2,370.00	0.00	2,370.00	
0000072512	8/20/2026	WA1901	State of Washington					**Check Entry Number:** 001
			L176819	8/11/2026	7,407.75	0.00	7,407.75	
0000072513	8/20/2026	WAL055	Walter E Nelson CO					**Check Entry Number:** 001
			1162449	8/14/2026	178.81	0.00	178.81	
				Report Total:	490,106.84	0.00	490,106.84	

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WARRANT APPROVAL

We, the undersigned, as Commissioners and Auditing Officer of the Port of Port Townsend, in Jefferson County, Washington, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, and that the claims is a just, due and unpaid obligation of the Port of Port Townsend, that I am authorized to authenticate and certify to said claim and that this claim, in Warrant No **072514 - 072530** generated on August 28th, 2026 in the amount of **$161981.91 is ratified.**

Signed and Authenticated on this **9th** day of **September**, **2026**.

For: **Accounts Payable**

_____
Commissioner Carol Hasse,
Secretary

_____
Connie Anderson, Director of
Finance and Administration

Bank Code: W - WARRANTS PAYABLE

Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount
0000072514	8/28/2026	BET070	Tracy Betts				**Check Entry Number:** 001
			AUG2026EXP	8/25/2026	500.00	0.00	500.00
0000072515	8/28/2026	CEN030	CenturyLink				**Check Entry Number:** 001
			8142026	8/14/2026	77.31	0.00	77.31
0000072516	8/28/2026	CIT010	City of Port Townsend				**Check Entry Number:** 001
			8252026	8/25/2026	449.43	0.00	449.43
0000072517	8/28/2026	CLO010	Cloise & Mike Construction				**Check Entry Number:** 001
			13427	8/21/2026	46,181.01	0.00	46,181.01
0000072518	8/28/2026	GRA005	Grainger				**Check Entry Number:** 001
			9032759830	8/5/2026	95.86	0.00	95.86
			9034343112	8/6/2026	85.52	0.00	85.52
			Check 0000072518 Total:		181.38	0.00	181.38
0000072519	8/28/2026	HOG040	John Hogan				**Check Entry Number:** 001
			8142026	8/14/2026	2,107.50	0.00	2,107.50
			8152026	8/15/2026	500.00	0.00	500.00
			Check 0000072519 Total:		2,607.50	0.00	2,607.50
0000072520	8/28/2026	HOO030	Hooday Painting				**Check Entry Number:** 001
			60	7/8/2026	30,670.00	0.00	30,670.00
0000072521	8/28/2026	KEN015	Kendrick Equipment (USA) LLC				**Check Entry Number:** 001
			U10021	8/20/2026	68,703.59	0.00	68,703.59
0000072522	8/28/2026	LEA050	Leavitt Machinery USA Inc				**Check Entry Number:** 001
			SPU205107	7/14/2026	1,993.14	0.00	1,993.14
0000072523	8/28/2026	MAS045	Logan Mason				**Check Entry Number:** 001
			AUG2026EXP	8/24/2026	455.11	0.00	455.11
0000072524	8/28/2026	NEL020	Timothy Nelson				**Check Entry Number:** 001
			AUG2026EXP	8/25/2026	81.95	0.00	81.95
0000072525	8/28/2026	PEN060	Peninsula Pest Control, Inc				**Check Entry Number:** 001
			75009	7/24/2026	93.08	0.00	93.08
			77223	7/12/2026	328.50	0.00	328.50
			Check 0000072525 Total:		421.58	0.00	421.58
0000072526	8/28/2026	PUD090	Public Utility District of Jefferson County				**Check Entry Number:** 001
			3148A	7/31/2026	151.99	0.00	151.99
			3148B	7/31/2026	135.10	0.00	135.10
			3148C	7/31/2026	16.89	0.00	16.89
			3148D	7/31/2026	101.32	0.00	101.32
			3148E	7/31/2026	50.66	0.00	50.66
			3148F	7/31/2026	118.21	0.00	118.21
			3148G	7/31/2026	50.66	0.00	50.66
			3148H	7/31/2026	50.66	0.00	50.66
			3148I	7/31/2026	135.10	0.00	135.10
			3148J	7/31/2026	168.88	0.00	168.88
			Check 0000072526 Total:		979.47	0.00	979.47
0000072527	8/28/2026	SAF001	Safeway, Inc.				**Check Entry Number:** 001
			08212026A	8/21/2026	74.45	0.00	74.45
			08212026B	8/21/2026	11.56	0.00	11.56
			08212026C	8/21/2026	3,453.27	0.00	3,453.27
			08212026D	8/21/2026	350.92	0.00	350.92
			08212026E	8/21/2026	60.80	0.00	60.80
			Check 0000072527 Total:		3,951.00	0.00	3,951.00

Check Register
Journal Posting Date: 8/28/2026
Register Number: CD-001298

Port of Port Townsend (PTA)

Bank Code: W - WARRANTS PAYABLE

Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount
0000072528	8/28/2026	SHO060	William Earl Short				**Check Entry Number:** 001
			82626RELEASE	8/26/2026	4,500.00	0.00	4,500.00
0000072529	8/28/2026	TAY040	Justin Taylor				**Check Entry Number:** 001
			AUG2026EXP	8/21/2026	175.09	0.00	175.09
0000072530	8/28/2026	WA0001	Wa Employment Security				**Check Entry Number:** 001
			8312026	8/25/2026	54.35	0.00	54.35
				Report Total:	161,981.91	0.00	161,981.91

2701 Jefferson Street
P.O. Box 1180
Port Townsend, WA 98368

360-385-0656
fax:360-385-3988
info@portofpt.com

www.portofpt.com

ELECTRONIC DEBIT – Kitsap Bank

We, the undersigned, as Commissioners and Auditing Officer of the Port of Port Townsend, in Jefferson County, Washington, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein and that the claim is a just, due and unpaid obligation of the Port of Port Townsend, that we are authorized to authenticate and certify said claim, and that the Electronic Debit from the Port Checking Account held at Kitsap Bank is approved for payment in the amount of **492.75 is ratified.**

Signed and Authenticated on this **9th** day of **September 2026**.

For: Contracted Service Fees in the amount of ***$492.75***

_____
Commissioner Carol Hasse

_____
Connie Anderson, Director of
Finance And Administration

Bank: K KITSAP BANK

Check Number/ Invoice Number	Check Date / Invoice Date	Vendor Number	Invoice Amount	Discount	Distribution Amount	Check Amount
W000001391	8/31/2026	DSD050	DSD Business Systems			492.75
CKW00000139101						
	8/31/2026		492.75	0.00		
G/L Account:	781-3100-29		CONTRACT SERVICES: ACCTG		492.75	
		Bank K Total:	492.75	0.00	492.75	492.75
		Report Total:	492.75	0.00	492.75	492.75

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Signed and Authenticated on this **9th** day of **September**, **2026**.

For: Combined Excise Tax Return – for ***July, 2026***

_____
Commissioner Carol Hasse

_____
Connie Anderson, Director of
Finance and Administration

Bank: K KITSAP BANK

Check Number/ Invoice Number	Check Date / Invoice Date	Vendor Number	Invoice Amount	Discount	Distribution Amount	Check Amount
W000001392 CKW00000139201	8/31/2026	WA0200	Washington State Department of Revenue			22,293.39
	8/31/2026		22,293.39	0.00		
G/L Account:	589-3000-00		SALES/EXCISE TAX REMITTED		16,293.41	
G/L Account:	589-3002-00		HOTEL/MOTEL TAX REMITTED		1,838.16	
G/L Account:	721-9100-02		LEASEHOLD & EXCISE TAX: MOOR		1,295.81	
G/L Account:	721-9100-05		LEASEHOLD & EXCISE TAX: WORK YARD		1,318.29	
G/L Account:	761-9100-17		LEASEHOLD & EXCISE TAX: PROP RENT		12.07	
G/L Account:	761-9100-19		LEASEHOLD & EXCISE TAX: P. H. MARINA & RV		966.90	
G/L Account:	761-9100-20		LEASEHOLD & EXCISE TAX: QUIL		92.30	
G/L Account:	761-9100-21		LEASEHOLD & EXCISE TAX: RAMPS		179.52	
G/L Account:	711-9100-22		LEASEHOLD & EXCISE TAX: JCIA		208.98	
G/L Account:	781-4125-28		OPERATING SUPPLIES: EXEC		8.17	
G/L Account:	783-6300-25		REPAIR/MAINT: MAINT		8.53	
G/L Account:	763-6300-17		REPAIR/MAINT: PROP RENT		71.25	
	Check W000001392 Total:		22,293.39	0.00	22,293.39	22,293.39
	Bank K Total:		22,293.39	0.00	22,293.39	22,293.39
	Report Total:		22,293.39	0.00	22,293.39	22,293.39

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WARRANT/ELECTRONIC PAYMENT APPROVAL

We, the undersigned, as Commissioners and Auditing Officer of the Port of Port Townsend, in Jefferson County, Washington, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations against the Port of Port Townsend, that we are authorized to authenticate and certify to said claim and that payment of these claims, in Warrant No **072531** through No. **072537** generated on September 2, 2026 in the amount of **$43,004.18** Electronic Payment in the amount of **$249,583.16**, for a total amount of **$292,587.34 is ratified.**

Signed and Authenticated on this **9th** day of **September**, **2026**.

For: **Payroll and Benefits**

_____
Commissioner Carol Hasse

_____
Connie Anderson, Director of
Finance And
Administration

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Name, Vessel	Department	Amount	Accounts to Collection – Write off balances
Krueger, Timothy RV Park	Point Hudson	$474.82	Non-Responsive to Port staff. Repeated attempts to contact, voicemail, emails, USPS mail and certified, return receipt letters. Sending account to collections for non-payment
Parker, Ken Koru	Boat Haven	772.94	Non-Responsive to Port staff. Repeated attempts to contact, voicemail, emails, USPS mail and certified, return receipt letters. Sending account to collections for non-payment
Riano, Amanda	Boat Haven	106.10	Non-Responsive to Port staff. Repeated attempts to contact, voicemail, emails, USPS mail and certified, return receipt letters. Sending account to collections for non-payment.
Conn, Greg Dauntless	Boat Yard	11,837.56	Non- Responsive to Port staff. Repeated attempts to contact. Went through the collection of delinquent port charges RCW 53.08.320. Auction held on July 13th at 10am, no bids. Vessel Demolished
	Total	**$13,191.21**	

Approved on Sept. 9, 2026.

Pamela A. Petranek, President

Peter W. Hanke, Vice President

Carol L. Hasse, Secretary

Connie Anderson, Director of Finance and Administration

Eron Berg, Executive Director

RESOLUTION NO. 883-26

A Resolution of the Commission of the Port of Port Townsend

AUTHORIZING WARRANT CANCELLATION

WHEREAS: The Port of Port Townsend issued the following warrant:

Warrant #	Dated	Amount	Issued To:
69451	11/21/2024	$ 918.12	Ron Cameron
69202	9/27/2024	$ 4.07	Erik Wennstrom
69638	1/2/2025	$ 107.25	Tyson Stellrecht
69411	11/14/2024	$ 125.14	Artem Akulov
69047	8/24/2024	$ 301.14	Kevin Watters

WHEREAS: the aforementioned warrants have been lost or destroyed and have not been presented for payment;

NOW, THEREFORE BE IT RESOLVED: that since the aforementioned warrants have not been presented for payment; said warrants are canceled as of this date.

ADOPTED this 9th day of September 2026 by the Commission of the Port of Port Townsend and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the Seal of the Commission duly affixed.

ATTEST:

Carol L. Hasse, Secretary

Pam A. Petranek, President

Pete W. Hanke, Vice President

APPROVED AS TO FORM:

Port Attorney

PORT OF PORT TOWNSEND
AGENDA COVER SHEET

MEETING DATE	September 9, 2026
AGENDA ITEM	☒ Consent ☐ 1st Reading ☐ 2nd Reading ☐ Regular Business ☐ Informational
AGENDA TITLE	V. E. Marine Resources Consultants, Point Hudson Building Lease
STAFF LEAD	Eric Toews, Deputy Director and Heron Scott, Lease Administrator
REQUESTED	☐ Information ☒ Motion/Action ☐ Discussion
ATTACHMENTS	1. Staff Memo 2. Marine Resources Consultants, Point Hudson Building Lease, including Exhibit "A" and "B" consisting of 26 total pages

If adopted as part of the consent agenda, no further action is needed. Approval of this item on the Consent Agenda authorizes the Executive Director to execute the Point Hudson Building Lease with Marine Resources Consultants substantially in the form presented.

Alternative action: Remove from consent for discussion. Move to authorize the Executive Director to execute the Point Hudson Building Lease with Marine Resources Consultants substantially in the form presented.

PORT OF PORT TOWNSEND
INFORMATIONAL MEMO

DATE: 9/9/2026

TO: Port Commission

FROM: Eric Toews, Deputy Director and Heron Scott, Lease & Contracts Administrator

SUBJECT: Marine Resource Consultants Point Hudson Building Lease

---

ISSUE: Should the Commission authorize the Executive Director to execute a new lease agreement with Marine Resources Consultants for a 780-square-foot portion of the Sail Loft building, as set forth in the attached agreement?

BACKGROUND: Marine Resources Consultants has occupied a portion of the Sail Loft/Armory building at Point Hudson under lease agreements since January 2012. The current lease, which runs from October 1, 2024, through September 30, 2026, is set to expire.

DISCUSSION: Marine Resources Consultants operates a consulting business that primarily serves state and federal agencies by conducting marine surveys, mapping, and assessments in the Puget Sound region. In addition to the Sail Loft premises, the business holds a commercial moorage agreement at the Point Hudson marina along the linear dock, where it moors its survey vessel.

The premises is a small, windowless shop space used by Marine Resources Consultants to repair equipment and its vessel, and to store gear for on-the-water operations. The space opens to a common hallway that provides access to the building interior and Brion Toss Rigging. A small loft area is included in the premises and accessible from the Marine Resources Consultants' space. The premises has one exterior entry door. The space is rustic, utilitarian, and in close proximity to the tenant's marine operations.

After internal discussions, Port staff determined that a new lease for the premises is appropriate and that the material terms and conditions from the previous agreements should remain largely unchanged. However, the proposed term has been adjusted to align with Brion Toss Rigging and Best Coast Canvas, the two immediately adjacent tenants in the Sail Loft building. Accordingly, the proposed lease term for Marine Resources Consultants is one three-year term, with one five-year renewal option, for a total possible occupancy of eight years under the proposed agreement.

RECOMMENDATION: Authorize the Executive Director to execute the attached lease agreement with Marine Resources Consultants substantially in the form presented.

MOTION: None required. Approval of this item on the Consent Agenda authorizes the Executive Director to execute the attached lease agreement substantially in the form presented.

ATTACHMENT: Marine Resources Consultants Point Hudson Building Lease Agreement, consisting of 26 pages, including exhibits.

PORT OF PORT TOWNSEND
POINT HUDSON BUILDING LEASE

THIS LEASE AGREEMENT made this _____ day of September 2026, by and between the PORT OF PORT TOWNSEND, a municipal corporation organized and existing under the laws of the State of Washington, Lessor, hereinafter referred to as "the Port," and **MARINE RESOURCES CONSULTANTS, INC.**, a Washington State corporation (UBI #602-975-681), hereinafter referred to as "Lessee,"

WITNESSETH:

That the parties hereto do mutually agree as follows:

1. TERMINATION OF EXISTING AGREEMENT: The Port and Lessee acknowledge and agree that they are parties to that certain unrecorded Point Hudson Building Lease dated September 26, 2024 (the "Existing Agreement"). The parties hereto acknowledge and agree that, notwithstanding any provisions set forth in the Existing Agreement, that the aforesaid Existing Agreement is currently in full force and effect, has continued in full force and effect without interruption since the date Lessee initially took occupancy of the premises described in the Existing Agreement, and that Lessee currently occupies the premises described in the Existing Agreement pursuant to the terms thereof. In addition, notwithstanding any provision to the contrary in the Existing Agreement, effective as of 11:59 p.m. (Pacific Time) on the date immediately preceding the commencement date of this Point Hudson Building Lease (the "Existing Agreement Termination Date") the Existing Agreement shall be terminated and of no further force or effect and the Port and Lessee's rights and obligations with respect to the premises arising or accruing thereafter shall be as set forth in this Point Hudson Building Lease Agreement; PROVIDED, HOWEVER, that the Port and Lessee shall remain liable under the terms of the Existing Agreement with respect to:

a. Any obligations which specifically survive the term of the Existing Agreement; and
b. All obligations under the Existing Agreement accruing prior to the Existing Agreement Termination Date related to Lessee's use, occupancy, or control of the premises during the term of the Existing Agreement, including, without limitation:
    i. Any liability arising from hazardous materials brought onto or about the premises or permitted or suffered to be brought onto or about the premises by Lessee or anyone for whom Lessee may be liable; and
    ii. Lessee's obligation to pay the Port any amounts due under the Existing Agreement.

2. LEASED PREMISES: The Port hereby leases to Lessee, and Lessee hereby hires and leases from the Port, the following described premises situated in the City of Port Townsend, Jefferson County, State of Washington:

> Approximately 780 square feet of workshop/warehouse space located on the ground floor (south end) of the Armory Building (commonly referred to as the "Sail Loft Building"), located at 311 Jackson Street, Port Townsend, WA,

hereinafter referred to as "the premises." All grounds and parking areas surrounding the Armory Building are excluded from the leased premises. The premises are depicted upon Exhibit "A", which is attached hereto and incorporated herein by this reference.

3. COMMON AREAS: The Port hereby grants to Lessee a non-exclusive license to use in common with other tenants, those portions of the Armory Building which are provided, from time to time, for use in common by the Port and other tenants of the building. Common areas shall mean the portions of the building reasonably designated as such by the Port. The manner in which common areas are maintained and operated shall be at the reasonable discretion of the Port, and subject to building rules and regulations as the Port may make from time to time. The Port reserves the right to temporarily close, make alterations or additions to, or change the location of elements of the common areas, provided that, in connection therewith, the Port shall perform such closures, alterations and additions or changes in a commercially reasonable manner and, in connection therewith, shall use commercially reasonable efforts to minimize any material interference with Lessee's use of, and access to, the premises. Armory Building common areas are generally depicted upon Exhibit "A".

4. TERM: The term of this Lease is three (3) years, beginning October 1, 2026, and ending at midnight, September 30, 2029, unless extended or sooner terminated as provided in this Lease. The Lessee shall also have the option to extend the lease term by one (1) additional five (5) year term. Notification to extend the Lease will be done in writing at least ninety (90) days prior to end of the initial lease term. Lessee shall not be entitled to renew this Lease unless the Lease is in good standing at the time of renewal and the Lessee is not in default under the terms of this Lease or any other lease or agreement with the Port. The terms and conditions of any renewal shall be the same as set forth in this Lease, except that rent shall be recalculated as provided in Paragraph 5, below, and the terms of this Lease shall be updated to be consistent with the terms and conditions then existing in the Port's standard form Commercial Lease.

5. RENT:

a. Lessee agrees to pay as rental for the leased premises the sum of **Five Hundred Seventy-Seven Dollars and Twenty Cents ($577.20)** plus all applicable taxes.[1]
b. The rent for each month shall be paid to the Port in advance on or before the first day of each month of the lease term and shall be payable at such place as the Port may hereinafter designate.
c. Beginning in year two (2) the rental rate may be adjusted to the fair market rental rate then prevailing for comparable commercial and/or industrial property in the Western Washington area, bearing in mind all allowable uses of the property and all services and amenities available to the property by virtue of its location.
d. In no event shall any rent adjustment result in a reduction in rent from the rate paid in the prior year.

6. LATE CHARGE: In the event that any installment of rent remains unpaid more than twenty (20) days after it is due, then Lessee shall also be obliged to pay a "late charge" as per the Port of Port Townsend Rate Schedule then in effect.

7. SECURITY DEPOSIT: Upon the execution of this Lease, Lessee shall deposit with the Port security in the amount of **One Thousand Nine Hundred and Fifty-Three Dollars and Ninety-Four Cents ($1,953.94)**.[2] Lessee has an existing deposit of **Six Hundred Dollars and Eleven Cents ($616.11)** currently on file with the Port under the Existing Agreement terminated under Paragraph 1, above. Accordingly, Lessee shall deposit the remaining difference of **One Thousand Three Hundred and Thirty ($1,337.83)** to satisfy the requirements of this paragraph. The deposit shall be held by the Port as security for Lessee's faithful performance of all its obligations under this Lease. Any interest earned on amounts deposited shall be retained by the Port. The deposit shall be returned to Lessee upon termination of this Lease, less any charges owing to the Port, or expenses incurred by the Port in repairing damage caused by Lessee or restoring the leased premises to the condition required upon termination of this Lease. Beginning in year two (2), the amount of such security deposit shall be increased in the same proportion as the annual rental is increased above the basic rent charged during the first (1st) year of the lease term.

8. USE OF PREMISES: Lessee shall use the premises for the purposes of research development and storage of equipment and tools associated with the scientific research vessel, "Brendan D," and shall not use them for any other purposes without the prior written consent of the Port. Lessee shall use the entire premises for the conduct of said

[1] Calculated as follows: 780 sf +/- of interior ground floor interior shop space @ $0.74 psf = $577.20; $577.20 x 12.84% Leasehold Excise Tax = $74.11; $577.20 + $74.11 = $651.31 total rent.

[2] Calculated as follows: $577.20 monthly rent x 3 = $1,731.60; $1,731.60 x 12.84% = $222.34; $1,731.60 + $222.34 = $1,953.94

business in a first-class manner continuously during the entire term of this Lease, except for temporary closures for such periods as may reasonably be necessary for repairs or redecorating or for reasons beyond Lessee's reasonable control. Except for ordinary and routine noises and vibrations associated with the manufacture of canvas products (e.g., pounding, sewing machine vibrations, etc.), Lessee agrees that it will not disturb the Port or any other tenant of the Port's by making or permitting any disturbance or any unusual noise, vibration or other condition on or in the premises.

9. CONDUCT COVENANTS AND WARRANTIES: In addition to all other covenants and warranties set forth herein, Lessee specifically represents to the Port as follows:

a. Quiet Conduct. The conduct of Lessee and such others for whom Lessee is responsible shall not, in any manner, disturb the quiet enjoyment of other tenants, invitees, or visitors, in or near where the premises are located, including common areas.

b. Damage. The conduct of Lessee and such others for whom Lessee is responsible shall not result in or cause destruction or damage to the premises, or any part thereof including, but not limited to all common areas, or the property of other tenants, their invitees, and visitors.

10. UTILITIES: Lessee shall be liable for, and shall pay throughout the term of this Lease, all utility services furnished to the premises, including, but not limited to, light, heat, electricity, gas, water, sewerage, garbage disposal.

11. ACCEPTANCE OF PREMISES: Lessee has examined the leased premises and accepts them in their present condition "as is" and without further maintenance liability on the part of the Port. The Port makes no representations or warranties with respect to the condition, suitability, zoning restrictions, or usability, except the Port's right to grant a lease of the premises. Lessee acknowledges that Lessee has fully inspected the premises and is not relying on any statement or representation made by the Port or the Port's agents with respect to the condition of the premises, and Lessee assumes the responsibility and risks of the same, including any defects or conditions that cannot be observed by casual inspection.

12. MAINTENANCE AND REPAIR: Maintenance and repair of the premises shall be the sole responsibility of Lessee. Accordingly, at the expiration or sooner termination of this Agreement, Lessee shall return the premises to the Port in the same condition in which received (or, if altered by Lessee with the Port's consent, then the premises shall be returned in such altered condition), reasonable wear and tear and damage by fire or unavoidable casualty excepted. Lessee's obligation to make repairs shall not extend to any structural parts of the building, including the foundations, bearing and exterior walls, subflooring and roofs, the unexposed electrical, plumbing and sewerage systems

(including those portions of the systems lying outside the premises), exterior siding, exterior doors, window frames, gutters, downspouts, and the heating, and the ventilation system serving the premises, unless such repairs are necessitated by Lessee's negligence or failure to maintain the interior. Lessee shall, at its' own expense, and at all times:

a. Keep the premises, and the adjoining roadways and sidewalks, neat, clean and in a safe and sanitary condition;
b. Maintain and keep the leased premises in a good state of repair; and
c. Not commit waste of any kind.

13. ALTERATIONS AND IMPROVEMENTS: Lessee shall make no alterations or improvements to or upon the premises or install any fixtures (other than trade fixtures which can be removed without injury to the premises) without first obtaining written approval from the Executive Director of the Port. When seeking the Port's approval, Lessee shall submit full plans and specifications for any proposed alterations and shall furnish proof of compliance with all applicable building codes and other regulations and shall apply for and obtain all necessary permits for such work. If the proposed improvements are estimated to cost more than $25,000, the Port may require the posting of a completion bond as security for the completion of the improvements. Upon conclusion of the alterations, Lessee shall furnish "as-built" drawings of all improvements and alterations.

14. DISPOSITION OF IMPROVEMENTS AT END OF LEASE: At the expiration or earlier termination of this Lease, the Port shall have the option, in its sole and absolute discretion, to direct either: a) that the alterations and other improvements to the premises be surrendered to the Port; or b) that the Lessee remove the alterations and other improvements from the premises. If the Port directs surrender of the alterations and other improvements, all mechanical, electrical and HVAC systems on the premises shall also remain and be surrendered to the Port, but Lessee shall have the right to remove all personal property and trade fixtures, which may have been placed upon the premises by Lessee during the period of this Lease, provided that the same are not necessary to the operation of the altered or improved premises and provided further that they are removed prior to the termination of this Lease. Title to any trade fixtures not removed from the premises within the foregoing period shall, at the Port's option, pass to the Port without additional consideration. If the Port does not direct Lessee to remove the alterations and improvements, they shall become the property of the Port upon termination of this Lease. The premises will be surrendered by Lessee in a good state of repair, normal wear excepted. In the event the Port directs removal of the alterations and improvements from the premises, then title to all said improvements shall remain in and with the Lessee and Lessee shall complete the removal of the same within sixty (60) days after the expiration or sooner termination of this Lease. If the Lessee fails to remove said improvements within the specified time, they may be

removed by the Port and the Lessee agrees to pay the Port for the cost thereof upon demand.

15. INSPECTION - "FOR RENT" SIGNS: The Port reserves the right to inspect the leased premises at any and all reasonable times throughout the term of this Lease, PROVIDED, that it shall not interfere unduly with Lessee's operations. The right of inspection reserved to the Port hereunder shall impose no obligation on the Port to make inspections to ascertain the condition of the premises and shall impose no liability upon the Port for failure to make such inspections. The Port shall have the right to place and maintain "For Rent" signs in conspicuous places on the premises for thirty (30) days prior to the expiration or sooner termination of this Lease.

16. DAMAGE OR DESTRUCTION:

a. Should the premises or the buildings or structures of which the premises are a part be damaged by fire or other casualty, and if the damage is repairable within four (4) weeks from the date of the occurrence (with the repair work and the preparations therefore to be done during regular working hours on regular work days), the premises shall be repaired with due diligence by the Port, and in the meantime the monthly minimum rental shall be abated in the same proportion that the untenantable portion of the premises bears to the whole thereof, for the period from the occurrence of the damage to the completion of the repairs.

b. Should the premises or any buildings or structures of which the premises are a part be completely destroyed by fire or other casualty, or should they be damaged to such an extent that the damage cannot be repaired within four (4) weeks of the occurrence, the Port shall have the option to terminate this Lease on thirty (30) days' notice, effective as of any date not more than sixty (60) days' after the occurrence. If this paragraph shall become applicable, the Port shall advise Lessee within thirty (30) days after the happening of any such damage whether the Port has elected to continue the lease in effect or to terminate it. If the Port shall elect to continue this Lease in effect, it shall commence and prosecute with due diligence any work necessary to restore or repair the premises. If the Port shall fail to notify Lessee of its election within said thirty (30) day period, the Port shall be deemed to have elected to terminate this Lease, and the lease shall automatically terminate sixty (60) days after the occurrence of the damage. For the period from the occurrence of any damage to the premises to the date of completion of the repairs to the premises (or to the date of termination of the lease if the Port shall elect not to restore the premises), the monthly minimum rental shall be abated in the same proportion as the untenantable portion of the premises bears to the whole thereof.

17. INDEMNIFICATION AND HOLD HARMLESS: The Port, its employees and agents shall not be liable for any injury (including death) to any persons or for damage to any property, regardless of how such injury or damage be caused, sustained, or alleged to have been sustained by the Lessee or by others as a result of any condition (including existing or future defects in the premises) or occurrence whatsoever related in any way to the premises and the areas adjacent thereto or related in any way to Lessee's use or occupancy of the premises and of the areas adjacent thereto except to the extent attributable to the negligence or other wrongdoing of the Port or its employees, contractors or agents. Lessee agrees to defend and to hold and save the Port harmless from all liability or expense of litigation in connection with any such items of actual or alleged injury or damage.

18. LIMITED WAIVER OF IMMUNITY UNDER WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51 RCW AND OTHER SIMILAR INDUSTRIAL INSURANCE SCHEMES: For purposes of the indemnification provision set forth in Paragraph 17, above, and only to the extent of claims against Lessee by the Port under such indemnification provision, Lessee specifically waives any immunity it may be granted under the Washington State Industrial Insurance Act, Title 51 RCW, The United States Longshore and Harbor Workers Compensation Act, 33 USC §901-950, or any other similar workers' compensation schemes. The indemnification obligation under this lease shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under workers' compensation acts, disability benefit acts, or other employee benefit acts. The foregoing provision was specifically negotiated and agreed upon by the parties hereto.

19. INSURANCE: Lessee agrees to maintain during the lease term liability insurance as set forth below, at Lessee's sole expense. All such insurance shall name the Port of Port Townsend as an additional insured and shall be with insurance companies acceptable to the Port.

a. Comprehensive General Liability Insurance against claims for injury or death to persons or damage to property with minimum limits of liability of $1,000,000.00 combined single limit for each occurrence. Such insurance shall include but not be limited to bodily injury liability, personal injury liability, property damage liability, broad form property damage liability, contractual liability, and products/completed operations liability.

b. Workers Compensation Insurance as will protect Lessee's employees from claims under Washington Workers Compensation Act as well as all Federal Acts applicable to the Lessee's operations at the site such as but not limited to U.S. Longshore and Harbor Workers' Compensation Act, Jones Act, and Federal Employers Liability section of the Washington Workers Compensation Policy and

all Federal Acts Insurance shall not be less than $1,000,000.00 for each occurrence.

The Lessee agrees to supply the Port with appropriate evidence to establish that its insurance obligations have been met, and that the insurance policy or policies are not subject to cancellation without at least thirty (30) days advance written notice to the Port. The conditions set forth in subparagraphs (a) and (b) of this Paragraph 19 shall be met prior to occupancy.

20. WAIVER OF SUBROGATION: The Port and Lessee hereby mutually release each other from liability and waive all right of recovery against each other for any loss from perils insured against under their respective fire insurance contracts, including any extended coverage endorsements thereto, PROVIDED, that this paragraph shall be inapplicable if it would have the effect, but only to the extent that it would have the effect, of invalidating any insurance coverage of the Port or Lessee.

21. HAZARDOUS SUBSTANCES WARRANTY AND AGREEMENT: Lessee has examined the Hazardous Substance Warranty and Agreement, consisting of six (6) pages, which is attached as Exhibit "B" hereto and which by this reference is incorporated herein as fully set forth herein, and acknowledges full understanding of its obligations under said Hazardous Substances Warranty and Agreement.

22. INCREASE IN COST OF INSURANCE: Lessee shall not use the demised premises in such a manner as to increase the existing rates of insurance applicable to the buildings or structures of which the premises are a part. If it nevertheless does so, then, at the option of the Port, the full amount of any resulting increase in premiums paid by the Port with respect to the buildings or structures of which the leased premises are a part, and to the extent allocable to the term of this Lease, may be added to the amount of rental hereinabove specified and shall be paid by Lessee to the Port upon the monthly rental day next thereafter occurring.

23. TAXES: Lessee shall be liable for, and shall pay throughout the term of this Lease, all license and excise fees and occupation taxes covering the business conducted on the premises, and all taxes on property of Lessee on the leased premises and any taxes on the leased premises or leasehold interest created by this Lease Agreement.

24. COMPLIANCE WITH PORT REGULATIONS AND WITH ALL LAWS: Lessee agrees to comply with all applicable rules and regulations of the Port pertaining to the building or other realty of which the premises are a part now in existence or hereafter promulgated for the general safety and convenience of the Port, its various tenants, invitees, licensees, and the general public. Lessee also agrees to comply with all applicable federal, state, and municipal laws, ordinances, and regulations. Lessee further agrees that all alterations or

improvements, approved by the Port, will be properly permitted by the City of Port Townsend. Any fees for any inspection of the premises during or for the lease term by any federal, state, or municipal officer and the fees for any so-called "Certificate of Occupancy" shall be paid by Lessee.

25. ASSIGNMENT OR SUBLEASE: Lessee shall not assign or transfer this Lease or any interest therein nor sublet the whole or any part of the premises, nor shall this Lease or any interest thereunder be assignable or transferable by operation of law or by any process or proceeding of any court, otherwise, without the written consent of the Port first had and obtained. If Lessee is a corporation, Lessee further agrees that if at any time during the term of this Lease more than one-half (1/2) of the outstanding shares of any class of stock of Lessee corporation shall belong to any stockholders other than those who own more than one-half (1/2) of the outstanding shares of that class of stock at the time of the execution of this Lease or to members of their immediate families, such change in the ownership of the stock of the Lessee shall be deemed an assignment of this Lease within the meaning of this paragraph. If the Port shall give its consent to any assignment or sublease, this paragraph shall nevertheless continue in full force and effect, and no further assignment or sublease shall be made without the Port's consent. The Port's consent will not unreasonably be withheld.

26. DEFAULTS: Time is of the essence of this Lease Agreement, and in the event of the failure of Lessee to pay the rentals or other charges at the time and in the manner herein specified, or to keep any of the covenants or agreements herein set forth to be kept and performed, the Port may elect to terminate this Lease and reenter and take possession of the premises with or without process of law, PROVIDED, however, that Lessee shall be given fifteen (15) days' notice in writing stating the nature of the default in order to permit such default to be remedied by Lessee within said fifteen (15) day period. If upon such reentry there remains any personal property of Lessee or of any other person upon the leased premises, the Port may, but without the obligation so to do, remove said personal property and hold it for the owners thereof or may place the same in a public garage or warehouse, all at the expense and risk of the owners thereof, and Lessee shall reimburse the Port for any expense incurred by the Port in connection with such removal and storage. The Port shall have the right to sell such stored property, without notice to Lessee, after it has been stored for a period of thirty (30) days or more, the proceeds of such sale to be applied first to the cost of such sale, second to the payment of the charges for storage, and third to the payment of any other amounts which may then be due from Lessee to the Port, and the balance, if any, shall be paid to Lessee. Notwithstanding any such reentry, the liability of Lessee for the full rental provided for herein shall not be extinguished for the balance of the term of this Lease, and Lessee shall make good to the Port any deficiency arising from a re-letting of the leased premises at a lesser rental than that hereinbefore agreed upon. Lessee shall pay such deficiency each month as the

amount thereof is ascertained by the Port. Any failure by the owners, officers, or principals of Lessee to pay rentals, storage fees, moorage or any other charges owed to the Port under separate contract shall constitute default under provisions of this Lease Agreement.

27. TERMINATION BY PORT:

a. Nothing in this Lease shall be deemed to be a waiver of the Port's power of eminent domain. In the event that the Port, at its sole discretion, shall require the use of the premises for any purpose for public or private use in connection with the operation of the business of the Port, then this Lease may be terminated by the Port by written notice delivered or mailed by the Port to the Lessee one hundred and eighty (180) or more days before the termination date specified in the notice. In the event of such a termination the Port shall be obligated to compensate the Lessee for the termination of Lessee's leasehold interest in the same manner as in the case of an exercise of the Port's eminent domain power.

b. In the event the term of this Lease or any extended term expires, and an indefinite month-to-month tenancy results, then the resulting tenancy may be terminated by the Port by written notice delivered or mailed by the Port to the Lessee twenty (20) or more days before termination date specified in the notice. In the event of a holdover, month-to-month tenancy, no compensation shall be owed to Lessee for loss of use, cost of relocation, and/or cost of improvement.

28. TERMINATION FOR GOVERNMENT USE: In the event that the United States Government or any agency or instrumentality thereof shall, by condemnation or otherwise, take title, possession or the right to possession of the premises or any part thereof, the Port may, at its option, terminate this Lease as of the date of such taking, and, if Lessee is not in default under any of the provisions of this Lease on said date, any rental prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee.

29. TERMINATION BECAUSE OF COURT DECREE: In the event that any court having jurisdiction in the matter shall render a decision which has become final and which will prevent the performance by the Port of any of its obligations under this Lease, then either party hereto may terminate this Lease by written notice, and all rights and obligations hereunder (with the exception of any undischarged rights and obligations that accrued prior to the effective date of termination) shall thereupon terminate. If Lessee is not in default under any of the provisions of this Lease on the effective date of such termination, any rental prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee.

30. **SIGNS:** No signs or other advertising matter, symbols, canopies, or awnings shall be attached to or painted or within the leased premises, including the windows and doors thereof, without the approval of the Executive Director of the Port first had and obtained. At the termination or sooner expiration of this Lease, all such signs, advertising matter, symbols, canopies, or awnings attached to or painted by Lessee shall be removed by Lessee at its own expense, and Lessee shall repair any damage or injury to the premises, and correct any unsightly condition, caused by the maintenance and removal of said signs, etc.

31. **INSOLVENCY:** If Lessee shall file a petition in bankruptcy, or if Lessee shall be adjudged bankrupt or insolvent by any court, or if a receiver of the property of Lessee shall be appointed in any proceeding brought by or against Lessee, or if Lessee shall make an assignment for the benefit of creditors, or if any proceedings shall be commenced to foreclose any mortgage or any other lien on Lessee's interest in the premises or on any personal property kept or maintained on the premises by Lessee, the Port may at its option, terminate this Lease.

32. **WAIVER:** The acceptance of rental by the Port for any period or periods after a default by Lessee hereunder shall not be deemed a waiver of such default unless the Port shall so intend and shall so advise Lessee in writing. No waiver by the Port of any default hereunder by Lessee shall be construed to be or act as a waiver of any subsequent default by Lessee. After any default shall have been cured by Lessee, it shall not thereafter be used by the Port as a ground for the commencement of any action under the provisions of Paragraph 26 hereof.

33. **PRIOR AGREEMENTS:** This Lease contains all the agreements of the parties with respect to any matter covered or mentioned in this Lease, and no prior agreement, letter of intent or understanding pertaining to any such matter will be effective for any purpose. No provisions of this Lease may be amended or added to, except by an agreement in writing signed by the parties or their respective successors in interest.

34. **ATTORNEYS' FEES AND COSTS:** In the event either party requires the services of an attorney in connection with enforcing or interpreting the terms of this Lease, or in the event suit is brought for the recovery of any sums due under this Lease or for the breach of any covenant or condition of this Lease, or for the restitution of the premises to the Port or eviction of the Lessee during the lease term of after the expiration thereof, the substantially prevailing party is entitled to reasonable attorneys' fees and all costs incurred in connection therewith, including, without limitation, the fees of accountants, appraisers and other professionals, whether at trial, on appeal or without resort to suit. Any action brought under the terms of this Lease shall be maintained in Jefferson County, Washington.

35. PROMOTION OF PORT COMMERCE: Lessee agrees that throughout the term of this Lease it will, insofar as practicable, promote and aid the movement of passengers and freight through facilities within the territorial limits of the Port. Lessee further agrees that all incoming shipments of commodities that it may be able to control or direct shall be made through facilities within the territorial limits of the Port if there will be no resulting cost or time disadvantage to Lessee.

36. VACATION OF PREMISES – HOLDING OVER: In the event that no new lease has been negotiated and executed by the parties (or their successors) prior to the termination of this Lease, and upon written notice from the Port given at any time prior to the expiration of the term, Lessee shall promptly vacate the premises on or before the last day of the term, leaving the premises in the condition described in Paragraph 37, below. If Lessee holds over after the expiration or earlier termination of this Lease without the express written consent of the Port, Lessee will be a tenant at sufferance only and otherwise subject to the terms, covenants and conditions herein specified, insofar as applicable, except that the monthly rent will be one hundred twenty-five percent (125%) of the rent applicable during the last rental period under this Lease. Lessee shall also pay its share of then current additional rent, prorated daily. Acceptance by the Port of rent after the expiration or earlier termination of this Lease will not result in a renewal of this Lease. The forgoing provisions of this section are in addition to and do not affect the Port's right of re-entry or any other rights of the Port hereunder or otherwise provided by law. Lessee hereby indemnifies and agrees to hold the Port harmless from all loss, injury or liability arising from Lessee's failure to surrender the premises upon the expiration or earlier termination of this Lease.

37. SURRENDER OF PREMISES: The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation thereof, will not work a merger, and will, at the option of the Port, operate as an assignment to it of any or all subleases or subtenancies. Upon the expiration or earlier termination of this Lease, Lessee shall peaceably surrender the premises and all alterations and additions thereto, leave the premises clean, in as good order, repair and condition as was provided to Lessee on the commencement date, reasonable wear and tear excepted, and Lessee shall comply with the provisions of Paragraph 12, above. The delivery of keys to any employee of the Port or to the Port's agent or any employee thereof shall not be sufficient to constitute a termination of this Lease or a surrender of the premises.

38. ADVANCES BY PORT FOR LESSEE: If Lessee shall fail to do anything required to be done by it under the terms of this Lease, except to pay rent, the Port may, at its sole option, do such act or thing on behalf of Lessee, and upon notification to Lessee of the cost thereof to the Port, Lessee shall promptly pay the Port the amount of that cost.

39. LIENS AND ENCUMBRANCES: Lessee shall keep the leased premises free and clear of any liens and encumbrances arising or growing out of the use and occupancy of the said premises by Lessee. At the Port's request, Lessee shall furnish the Port with written proof of payment of any item that would or might constitute the basis for such a lien on the leased premises if not paid.

40. NOTICES: All notices hereunder may be delivered or mailed. If mailed, they shall be sent by certified or registered mail to the following respective addresses:

To Lessor:

THE PORT OF PORT TOWNSEND
Attn: Lease & Contracts Administrator
P.O. Box 1180
Port Townsend, Washington 98368

To Lessee:

MARINE RESOURCES CONSULTANTS, INC.
Attn: Jim Norris
PO Box 816
Port Townsend, Washington 98368
360-301-9648

or to such other respective addresses as either party hereto may hereafter from time to time designate in writing. Notices sent by mail shall be deemed to have been given when properly mailed, and the postmark affixed by the United States Post Office shall be conclusive evidence of the date of mailing.

41. JOINT AND SEVERAL LIABILITY: Each and every party who signs this Lease, other than in a representative capacity, as Lessee, shall be jointly and severally liable hereunder.

42. "LESSEE" INCLUDES LESSEE, ETC.: It is understood and agreed that for convenience the word "Lessee" and verbs and pronouns in the singular number and neuter gender are uniformly used throughout this Lease, regardless of the number, gender, or fact of incorporation of the party who is, or of the parties who are, the actual Lessee or Lessee under this Lease Agreement.

43. CAPTIONS: The captions in this Lease are for convenience only and do not in any way limit or amplify the provisions of this Lease.

44. SEVERABILITY: If any term or provision of this Lease Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect.

45. NON-DISCRIMINATION - SERVICES: The Lessee agrees that it will not discriminate by segregation or otherwise against any person or persons because of race, creed, color, sex, sexual orientation, or national origin in furnishing, or by refusing to furnish, to such person, or persons, the use of the facility herein provided, including all services, privileges, accommodations, and activities provided thereby.

It is agreed that the Lessee's noncompliance with the provisions of this clause shall constitute a material breach of this Lease. In the event of such noncompliance, the Port may take appropriate action to enforce compliance, may terminate this Lease, or may pursue such other remedies as may be provided by law.

46. NON-DISCRIMINATION - EMPLOYMENT: The Lessee covenants and agrees that in all matters pertaining to the performance of this Lease, Lessee shall at all times conduct its business in a manner which assures fair, equal and non-discriminatory treatment of all persons without respect to race, creed or national origin and, in particular:

a. Lessee will maintain open hiring and employment practices and will welcome applications for employment in all positions from qualified individuals who are members of racial or other minorities, and

b. Lessee will comply strictly with all requirements of applicable federal, state or local laws or regulations issued pursuant thereto relating to the establishment of non-discriminatory requirements in hiring and employment practices and assuring the service of all patrons or customers without discrimination as to any person's race, creed, color, sex, sexual orientation, or national origin.

47. EASEMENTS:

a. The parties recognize that the Port's facilities are continuously being modified to improve the utilities and services used and provided by the Port. The Port, or its agents, shall have the right to enter the demised premises of the Lessee, and to cross over, construct, move, reconstruct, rearrange, alter, maintain, repair, and operate the sewer, water, and drainage lines, and the electrical service, and all other services required by the Port for its use. The Port is hereby granted a continuous easement or easements that the Port believes is necessary within the premises leased by the Lessee, without any additional cost to the Port for the purposes expressed hereinabove, PROVIDED, HOWEVER, that the Port by virtue of

such use, does not significantly impact or deprive the Lessee from its beneficial use or occupancy of the leased premises.

b. In the event the Port significantly impacts Lessee's beneficial use or occupancy of the leased premises, then there will be an equitable adjustment in rent. In the event the Port permanently deprives Lessee from such beneficial use or occupancy, then the cost required to modify its premises to allow the Lessee to operate its business will be negotiated and paid by the Port to the Lessee. In the event such entry by the Port is temporary in nature, the Port shall reimburse the Lessee for the cost required to modify its premises for the temporary period that Lessee is inconvenienced by such Port entry.

48. LESSEE'S ACKNOWLEDGEMENT OF PRESENCE OF CERTAIN SUBSTANCES: Lessee acknowledges that because the buildings at Point Hudson were constructed many years ago, that they may contain asbestos, creosote, lead paint and other substances that would not be allowed in modern construction. The Port will comply with the directives of any lawful authority that may require the removal or remediation of such substances and will not use any such substances during the renovation or remodeling of the Point Hudson facility, but Lessee agrees not to demand the removal of any such substances which do not impose a hazard to the health of Lessee and its employees, guests and invitees. In the event that any such substances need to be removed from the leased premises, Lessee agrees to cooperate with the Port and allow the removal of such materials, including the temporary cessation of Lessee's business activities, Lessee's rent shall be abated during any such period of disruption, but Lessee shall not be entitled to any damages or compensation for business interruption or loss of revenue, PROVIDED the Port moves expeditiously to complete such activities.

49. ENTIRE AGREEMENT: This Lease Agreement contains all the understandings between the parties. Each party represents that no promises, representations, or commitments have been made by the other as a basis for this Lease which have not been reduced to writing herein. No oral promises or representations shall be binding upon either party, whether made in the past or to be made in the future, unless such promises or representations are reduced to writing in the form of a modification to this Lease executed with all necessary legal formalities by the Commission of the Port of Port Townsend.

Lease Agreement dated this _____ day of _____ 2026 is hereby approved by the Port of Port Townsend and is effective upon the receipt of a deposit and liability insurance documentation from the Lessee.

THIS AGREEMENT HAS BEEN NEGOTIATED BETWEEN THE PARTIES AND CONTAINS A LIMITED WAIVER OF IMMUNITY UNDER TITLE 51 RCW, AND INDEMNIFICATION AND A RELEASE.

LESSEE: MARINE RESOURCES CONSULTANTS, INC.

By: _____
James G. Norris, President

ATTEST:

PORT OF PORT TOWNSEND

_____
Eron Berg, Executive Director

APPROVED AS TO FORM

_____
Port Attorney

STATE OF WASHINGTON

COUNTY OF JEFFERSON

I certify that I know or have satisfactory evidence that JAMES G. NORRIS signed this instrument and that he is authorized to execute the instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: _____

Signature of

Notary Public: _____

My Appointment Expires: _____

STATE OF WASHINGTON

COUNTY OF JEFFERSON

I certify that I know or have satisfactory evidence that ERON BERG signed this instrument and that he is authorized to execute the instrument as Interim Executive Director of the Port of Port Townsend and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____

Signature of

Notary Public: _____

My Appointment Expires: _____

EXHIBIT A

Marine Resources Consultants, Inc. Lease

Point Hudson Armory Building

315 Jackson Street

Approximately 780 square feet



EXHIBIT A

Marine Resources Consultants, Inc. Lease

Point Hudson Armory Building

Ground Floor Common Area

Approx. 780 SF Ground Floor Premises

Common Areas

Premises

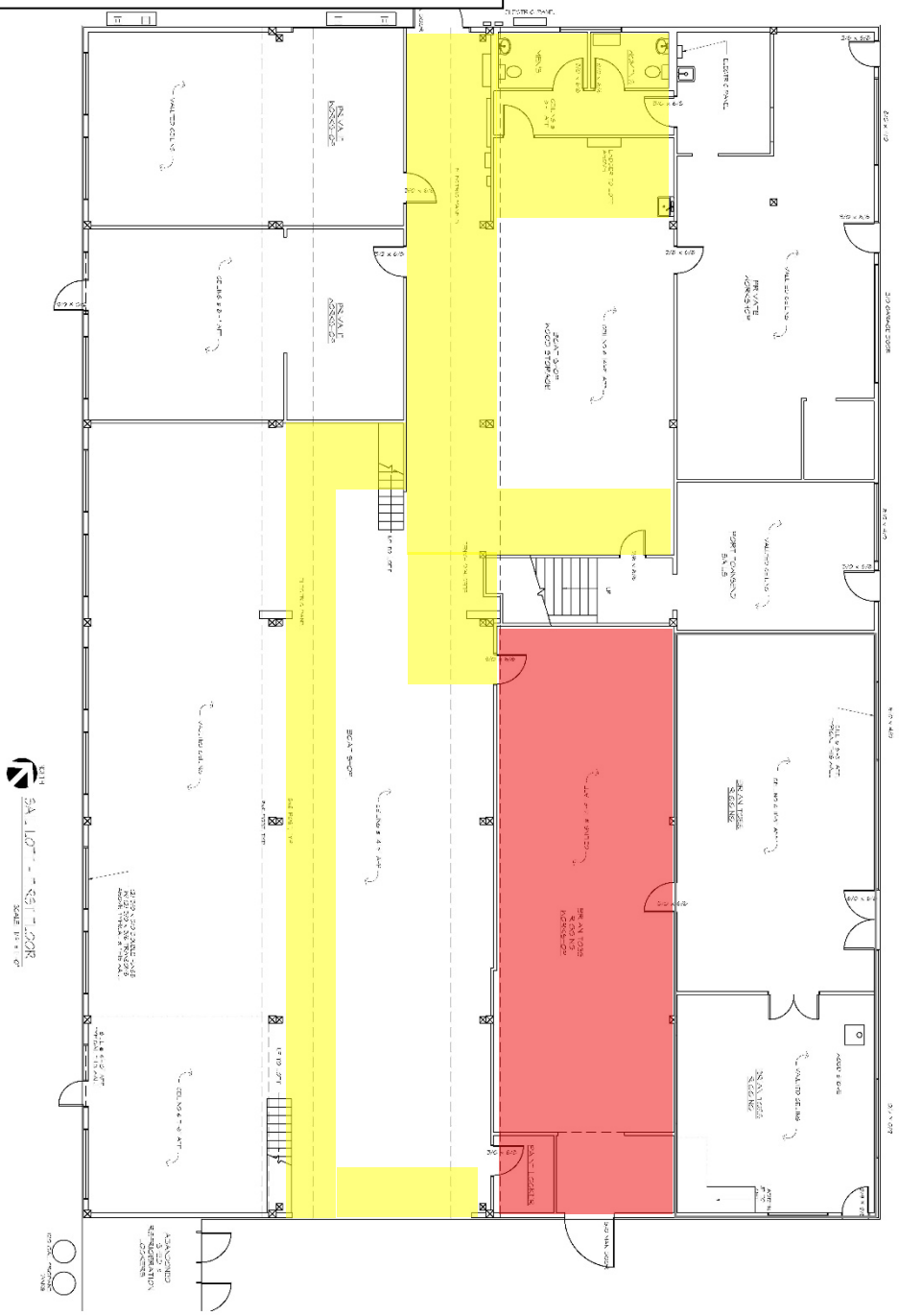


EXHIBIT "B"
HAZARDOUS SUBSTANCES WARRANTY AND AGREEMENT

RIDER TO LEASE AGREEMENT DATED: September ____, 2026, BETWEEN THE PORT OF PORT TOWNSEND and **MARINE RESOURCES CONSULTANTS, INC.** a Washington State corporation.

IT IS HEREBY AGREED THAT THE LEASE AGREEMENT IDENTIFIED ABOVE SHALL BE SUPPLEMENTED AND MODIFIED AS FOLLOWS:

1. **HAZARDOUS SUBSTANCES ON PREMISES.** Without the express written permission of The Port, Tenant shall not store, use or have present on or adjacent to the premises any hazardous or toxic substances, including those substances defined as "hazardous" or "extremely hazardous" under federal or Washington State environmental statutes or regulation (including but not limited to 42 USC 9601 et seq., 40 CFR Part 302, RCW Chapter 70.105D.020 and WAC 173-340-200, and any successor statutes and regulation), except as follows: _____
_____

2. **STORAGE AND USE OF HAZARDOUS SUBSTANCES.** Tenant agrees at all times to restrict its storage and use of substances identified in Paragraph 1 to the inside of the permanent building(s) at the premises, and specifically to those locations within such buildings(s) having concrete flooring or such other impermeable flooring as the Port may in its sole discretion approve in writing upon request by Tenant.

3. **HANDLING AND DISPOSAL.** The Tenant agrees to use said substances identified in paragraph 2 only on areas which have impermeable surfaces and or other means for preventing accidental contract by such substances with the soils upon the leasehold or its surrounding area.

4. **RELEASES OF HAZARDOUS SUBSTANCES PROHIBITED.** Tenant shall not release, dispose of, or permit a release of, any of the substances described or identified in paragraph 1 onto the premises or into the environment surrounding the premises.

5. **REGULATORY COMPLIANCE.** Tenant warrants and agrees that, during the term of this lease and any extensions thereof, it will take all steps necessary to comply with all applicable federal, state and local requirements for the containment, storage, use and disposal of any and all hazardous or toxic substances at the premises, including but not limited to obtaining and maintaining all necessary federal, state and local permits or licenses, and obtaining any required federal or state hazardous waste generator or transporter identification numbers. Tenant shall provide to the Port a copy of each such existing permit, license, and identification number before occupancy, and shall provide a copy of any such permit, license, and identification number which Tenant may obtain in the future within seven days of receipt by Tenant.

6. **DISPOSAL OF HAZARDOUS WASTES.** In the event Tenant has occasion or need to dispose of hazardous or toxic substances or wastes, and unless otherwise agreed in writing, Tenant shall retain an independent hazardous waste disposal firm to dispose of any and all such substances at an off-site facility which has been properly approved, licensed and authorized to accept such substances. Tenant shall ensure that the disposal firm is properly licensed and in good standing with the applicable regulatory authorities for such work, and that it has all required transporter identification numbers.

7. **TENANT'S WARRANTY OF NO CONTAMINATION.** Except as may be disclosed in Attachment No. 1 hereto, Tenant warrants and represents (1) that it has not released any toxic or hazardous substances onto the premises or into the environment in connection with its activities at the premises, (2) that it has inspected the premises and is not aware of any indication that a release of any hazardous substances has ever occurred at the premises, including prior to Tenant's occupancy, (3) that it has never been formally accused or cited, at the premises or elsewhere, for any violation of environmental laws, regulations or any hazardous waste-related governmental permit, and (4) that no claims or litigation have ever been pending against it by any person or governmental agency involving any use, storage, release or disposal of hazardous or toxic waste. If any such releases, formal accusations, citations, claims or litigation against Tenant arise during the term of this lease or any extension thereof, then Tenant shall notify the Port in writing within seven (7) days of such event, and shall provide the Port with a copy of each document reflecting such event.

8. **INDEMNIFICATION AND HOLD HARMLESS.** Tenant shall indemnify and hold the Port harmless with respect to any and all direct or indirect expenses, losses of damages, including all consequential damages, Attorney's fees, and litigation-related expenses and costs, incurred by the Port which result from (1) Tenant's breach of provision of this Rider, (2) claims, actions, suites, proceedings, judgments, fines or remedial orders (including orders to clean up contamination at the premises) which arise because of Tenant's breach of this Rider, (3) Tenant's violation of environment laws or regulations, or (4) Tenant's release of a toxic or hazardous substance onto the premises or into the surrounding environment. This provision shall apply regardless of whether Tenant has been negligent or at fault for such breach, violation, or release. This obligation by the Tenant shall survive the expiration or termination of the lease agreement and the sale of the property. If the Port so requests, Tenant shall accept the tender of defense of, and shall retain counsel of the Port's selection and at Tenant's expense to defend, any third-party claim asserted against the Port in connection with alleged conduct by Tenant which, if true, would be in breach of the provision of this Rider.

9. **NOTIFICATION TO THE PORT OF CHANGES IN OPERATION.** Tenant agrees to notify the Port in writing at least seven (7) days in advance of any previously undisclosed action which the Tenant plans to take which poses a material risk of a release of hazardous substance into the environment, including but not limited to material changes in Tenant's methods of

hazardous waste disposal, material increases in the volume of Tenant's hazardous waste disposal, or material changes in the nature of any hazardous wastes which Tenant anticipates it will generate.

10. **COPIES OF ENVIRONMENTAL CORRESPONDENCE.** Tenant agrees to provide the Port with copies of all past and future correspondence to or form the Washington Department of Ecology, the U.S. Environmental Protection Agency, and any other government agency which has had or may have contact with Tenant regarding environmental concerns pertaining to the premises.

11. **NOTIFICATION OF SPILLS OR RELEASES.** Tenant shall comply with all notification requirements under the applicable federal, state and local environmental statutes and regulations, including but not limited to the timely notification of the appropriate government authorities of any spills or releases of toxic or hazardous substances into the environment or onto the premises. Tenant shall notify the Port within 24 hours of discovery of any such spills or releases and shall provide copies of all correspondence and documents related to such spills or releases to the Port with seven days after receipt or creation, as the case may be.

12. **THE PORT'S REMEDY FOR BREACH OR VIOLATION.** In the event Tenant permits a release of a hazardous substance to occur at or near the premises, or breaches any provision of this Rider, the Port shall be entitled (1) to terminate the lease agreement immediately, (2) to require Tenant to cease all operation which pose a risk of releasing a hazardous substance into the environment, and (3) to require Tenant to begin an immediate cleanup of any and all contamination at the premises to the extent necessary to achieve full compliance with the applicable environmental laws and regulations. The Port shall be entitled to obtain immediate injunctive relief from a court of competent jurisdiction to enforce this provision. These remedies shall be in addition to, and not in substitution for, any other remedies available to the Port under applicable law.

13. **ANNUAL DECLARATION OF COMPLIANCE.** Within ten (10) days of receipt of a written request by the Port, Tenant shall provide to the Port a declaration of Tenant's compliance or non-compliance with the applicable environmental laws and regulations and with the provisions of this Rider, in the form set forth in Attachment No. 2. The Port anticipates that it will request such a declaration annually, approximately on the anniversary date of this Rider.

14. **INSPECTION OF PREMISES.** Tenant agrees to permit and cooperate with any on-site inspections and testing requested by the Port, including inspections and testing conducted by consultants or engineers hired by the Port to evaluate Tenant's compliance with the applicable environmental requirements and the provisions of this Rider. The Port shall provide Tenant within 24 hours advance notice of the Port's intent to conduct such inspection or testing.

15. **DESIGNATED REPRESENTATIVE RESPONSIBLE FOR COMPLIANCE.** Clint Thompson whose cell phone number is 360-821-8536 shall be the Tenant's designated representative who shall be primarily responsible (1) for Tenant's compliance with the provision of this Rider, (2) for handling contact with the Port pertaining to environmental compliance, and (3) for signing on behalf of Tenant the annual declaration of compliance pursuant to Paragraph 12 above. Tenant shall promptly notify the Port of any changes in the identity or telephone numbers of the designated representative.

16. **ADDITIONAL PROVISIONS.**

_____

_____

_____

PORT OF PORT TOWNSEND:	**TENANT:**
_____	_____
Eron Berg	James G. Norris
Title: Executive Director	Title: President
Date: _____	Date: _____

(Attachment No. 1 to Hazardous Substances Rider)

DISCLOSURE BY TENANT

The Tenant makes the following disclosure pursuant to Paragraph 6 of the Hazardous Substances Warranty and Agreement (Attach Additional page(s) if necessary):

1. Release(s) of Hazardous Substances by Tenant:
   (If none, initial here:_____)

2. Indication(s) of Contamination at Premises:
   (If none, initial here:_____)

3. Tenant Violation(s) of Environmental Regulations:
   (If none, initial here:_____)

4. Environmental Claims or Litigation Against Tenant:
   (If none, initial here:_____)

Tenant: Marine Resources Consultants, Inc.

By: _____/_____
(Signature)

Title: _____/Date: _____

(Attachment No. 2 to Hazardous Substances Rider)

DECLARATION OF COMPLIANCE

Clint Thompson, as the designated Tenant representative primarily responsible for environmental compliance pursuant to Paragraph 12 of the Hazardous Substances Warranty and Agreement dated: September____, 2026 hereby declare and represent as follows on behalf of Tenant:

1. I have read, and am familiar with, Tenant's obligations and representations as set forth in the Hazardous Substances Warranty and Agreement applicable to Tenant.

2. I am not aware of, and do not believe there have been any violations by Tenant of any of the provisions in the Hazardous Substances Warranty and Agreement, or of any requirements imposed on Tenant by federal, state or local environment laws and regulations.

3. I have no reason to believe, and do not believe, that any of the representations in Paragraph 6 of the Hazardous Substances Warranty and Agreement are inaccurate as of the date indicated below.

4. Tenant has not stored, used or had present on or adjacent to the premises any hazardous or toxic substances except those that have been disclosed in writing to the Port.

5. Tenant has not released, disposed of, or permitted the release of any hazardous or toxic substances onto the premises or into the environment surrounding the premises, except as has been disclosed in writing to the Port.

Tenant: Marine Resources Consultants, Inc.

By: _____
Signature

Title: _____/Date:_____

PORT OF PORT TOWNSEND
AGENDA COVER SHEET

MEETING DATE	September 9, 2026
AGENDA ITEM	☒ Consent ☐ 1st Reading ☐ 2nd Reading ☐ Regular Business ☐ Informational
AGENDA TITLE	V. F. Authorization of Scow Bay Boats, Boat Haven Ground Lease
STAFF LEAD	Eric Toews, Deputy Director and Heron Scott, Lease Administrator
REQUESTED	☐ Information ☒ Motion/Action ☐ Discussion
ATTACHMENTS	1. Staff Memo 2. Scow Bay Boats, Boat Haven Ground Lease, including Exhibits "A" and "B" consisting of 23 total pages

If adopted as part of the consent agenda, no further action is needed. Approval of this item on the Consent Agenda authorizes the Executive Director to execute the Boat Haven Ground Lease with Scow Bay Boats substantially in the form presented.

Alternative action: Remove from consent for discussion. Move to authorize the Executive Director to execute the Boat Haven Ground Lease with Scow Bay Boats substantially in the form presented.

PORT OF PORT TOWNSEND
INFORMATIONAL MEMO

DATE: 9/9/2026

TO: Port Commission

FROM: Eric Toews, Deputy Director and Heron Scott, Lease & Contracts Administrator

SUBJECT: Scow Bay Boats Boat Haven Land Lease

ISSUE: Should the Commission authorize the Executive Director to execute the attached land lease agreement with Mark Stout d/b/a Scow Bay Boats for a 3,063-square-foot area in Boat Haven?

BACKGROUND: Scow Bay Boats has leased space in Boat Haven from the Port since September 2014. Its current lease runs from October 1, 2020, through September 30, 2026, and is set to expire.

DISCUSSION: Mark Stout d/b/a Scow Bay Boats operates a small marine repair shop at Boat Haven, primarily focused on wooden vessel repair. The leased ground is used for a small, theoretically removable structure that serves as the base of his operations, along with appurtenant areas used for storage and occasional projects such as spar repair. The Port provides power to the structure for marine repair equipment, including thickness planers, bandsaws, and related equipment.

The Port has no ownership stake in, or maintenance obligation for, the structure described above. Under the lease agreement, Scow Bay Boats must return the leased Boat Haven land to its original condition at the end of the lease by removing all structures, equipment, and materials from the premises.

Mark Stout has been a paradigmatic Port tenant. His business, Scow Bay Boats, is a vital member of the local marine trades economy and culture. The proposed lease terms reflect a desire from all parties to continue Scow Bay Boats operations uninterrupted and is generally unchanged from the previous lease agreement. The proposed lease term for Scow Bay Boats is one three-year term, with one three-year renewal option, for a total possible occupancy of six years.

RECOMMENDATION: Authorize the Executive Director to execute the attached lease agreement with Scow Bay Boats substantially in the form presented.

MOTION: None required. Approval of this item on the Consent Agenda authorizes the Executive Director to execute the attached lease agreement substantially in the form presented.

ATTACHMENT: Scow Bay Boats Boat Haven Land Lease Agreement, consisting of 23 pages, including exhibits.

PORT OF PORT TOWNSEND
BOAT HAVEN LAND LEASE

THIS LEASE AGREEMENT made this ____ day of _____ 2026, by and between the PORT OF PORT TOWNSEND, a municipal corporation organized and existing under the laws of the State of Washington, Lessor, hereinafter referred to as "the Port," and SCOW BAY BOATS, a Washington sole proprietorship (UBI #603-276-532), hereinafter referred to as "Lessee,"

WITNESSETH:

That the parties hereto do mutually agree as follows:

1. **LEASED PREMISES:** The Port hereby leases to Lessee, and Lessee hereby hires and leases from the Port, the following described premises situated in Jefferson County, State of Washington:

> A 3,063 square foot area located adjacent and to the former Moderate Waste Disposal (MRW) site at the Port's Boat Haven facility in Port Townsend, as more fully described and graphically depicted on Exhibit "A",

hereinafter referred to as "the premises." Exhibit "A" is attached hereto, and by this reference is incorporated herein as if fully set forth herein.

2. **TERM:** This Lease shall be for a term of three (3) years, beginning on October 1, 2026, and ending on September 30, 2029, unless extended or sooner terminated as provided in this Lease. The Lessee shall also have an option to extend the lease term by one (1) additional three (3) year term. Notification to extend the Lease will be done in writing 90 days prior to end of the initial or any extended lease term.

3. **RENT:** Lessee agrees to pay as rental for the leased premises $0.21 per square foot at lease inception, with step increases to reach $0.30 by the beginning of month thirteen (13), together with Leasehold Excise Tax (LET), as follows:

<u>Months 1-6: October 1, 2026 – March 31, 2027:</u>
3,063 sf x $0.21/sf = $643.23 + $82.59 LET= $725.82

<u>Months 7-12: April 1, 2027 – September 30, 2027:</u>
3,063 sf x $0.25/sf = $765.75 + $98.32 LET = $864.07

<u>Beginning: October 1, 2027:</u>
3,063 sf x $0.30/sf = $918.90 + 117.99 LET = $1,036.89

The rent for each month shall be paid to the Port in advance on or before the first day of each and every month of the lease term and shall be payable at such place as the Port may hereinafter designate.

a. Beginning in year three (3) and every three (3) years thereafter, the rental rate may be adjusted to the fair market rental rate than prevailing for comparable commercial and/or industrial property in the Western Washington area, bearing in mind all allowable uses of the property and all services and amenities available to the property by virtue of its location.

b. The rental rate beginning in year two (2) and annually throughout the term of the lease will be adjusted by an amount equal to the accumulative amount found on the Consumer Price Index for all urban consumers (CPI-U) for Seattle-Tacoma-Bellevue, which is compiled by the Department of Labor, Bureau of Statistics.

c. In no event shall any rent adjustment result in a reduction in rent from the rate paid in the prior year.

4. LATE CHARGE: In the event that any installment of rent remains unpaid more than twenty (20) days after it is due, then Lessee shall also be obliged to pay a "late charge" as per the Port of Port Townsend Rate Schedule then in effect.

5. DEPOSIT: Lessee shall deposit with the Port security in the amount of **Three Thousand One Hundred and Ten Dollars and Sixty-Six Cents ($3,110.66.).**[1] Lessee has an existing deposit of **One Thousand Six Hundred and Fifty-Nine Dollars and Two Cents ($1,659.02)** currently on file with the Port under an agreement now superseded by this Lease. Accordingly, Lessee shall deposit an additional **One Thousand Four Hundred and Fifty-One Dollars and Sixty-Four Cents ($1,451.64)** in order to satisfy the requirements of this Paragraph 5 ("the additional deposit"). The additional deposit shall be made in eighteen (12) equal monthly installment payments of **One Hundred Dollars and Ninety-Seven Cents ($120.97)** concurrent with the monthly rental payments set forth in Paragraph 3, above. The deposit shall be held by the Port as security for Lessee's faithful performance of all its obligations under this Lease. Any interest earned on amounts deposited shall be retained by the Port. The deposit shall be returned to Lessee upon termination of this Lease, less any charges owing to the Port or expenses incurred by the Port in repairing damage caused by Lessee or restoring the leased premises to the condition required upon termination of this Lease.

6. USE OF PREMISES: Lessee shall use the premises for boat building, repair and maintenance and shall not use them for any other purpose without the prior written consent of the Port. Lessee shall use the entire premises for the conduct of said business in a first-class manner continuously during the entire term of this Lease, except for temporary closures for such

[1] Required security for all Port leases is three (3) months (minimum + LET, calculated as follows: $918.90 per month x 3 = $2,756.70; $2,756.70 x 12.84% LET = $353.96 = $2,756.70 + $353.96 = $3,110.66.

periods as may reasonably be necessary for repairs or redecorating or for reasons beyond Lessee's reasonable control. Lessee agrees that it will not disturb the Port or any other tenant of the Port's by making or permitting any disturbance or any unusual noise, vibration or other condition on or in the premises inconsistent with normal boat repair work.

7. CONDUCT COVENANTS AND WARRANTIES: In addition to all other covenants and warranties set forth herein, Lessee specifically represents to the Port as follows:

a. Quiet Conduct: The conduct of Lessee and such others for whom Lessee is responsible shall not, in any manner, disturb the quiet enjoyment of other tenants, invitees, or visitors, in or near where the premises are located, including common areas.

b. Damage: The conduct of Lessee and such others for whom Lessee is responsible shall not result in or cause destruction or damage to the premises, or any part thereof including, but not limited to any and all common areas, or the property of other tenants, their invitees, and visitors.

8. UTILITIES: Lessee shall be liable for, and shall pay throughout the term of this Lease, all utility services furnished to the premises, including but not limited to light, heat, electricity, gas, water, sewerage, garbage disposal.

9. LESSEE INSPECTION - CONDITION OF PROPERTY: Lessee accepts the premises, including all existing improvements thereon, "as is" without further liability for maintenance or repair on the part of the Port, and is not relying on any representations of the Port as to the condition, suitability, zoning restrictions, or usability, except as specifically noted herein. Lessee further agrees to keep the premises and all improvements thereon continually in good condition throughout the term of the Lease. Lessee shall not allow any portion of the premises to remain in a damaged, unworkable or other condition which compromises the condition of any portion of the premises. Lessee further agrees to maintain the exterior appearance of all buildings, structures, temporary shelters, storage containers or improvements on the premises during the term of the Lease in as good a condition as they existed at the inception of this agreement.

10. MAINTENANCE AND REPAIR: At the expiration or sooner termination of this Lease, Lessee shall return the premises to the Port in the same condition in which received (or, if altered by Lessee with the Port's consent, then the premises shall be returned in such altered condition), reasonable wear and tear and damage by fire or unavoidable casualty excepted. Lessee shall, at its' own expense, and at all times:

a. Keep the premises and the adjoining roadways neat, clean and in a safe and sanitary condition;

b. Maintain and keep the leased premises in a good state of repair; and

c. Not commit waste of any kind.

11. ALTERATIONS AND IMPROVEMENTS: Lessee shall make no alterations or improvements to or upon the premises without first obtaining written approval from the Executive Director of the Port. Such written approval shall also include agreement for disposition of the improvements upon termination of this Lease.

12. INSPECTION - "FOR RENT" SIGNS: The Port reserves the right to inspect the leased premises at all reasonable times throughout the term of this Lease, PROVIDED, that it shall not interfere unduly with Lessee's operations. The right of inspection reserved to the Port hereunder shall impose no obligation on the Port to make inspections to ascertain the condition of the premises and shall impose no liability upon the Port for failure to make such inspections. The Port shall have the right to place and maintain "For Rent" signs in conspicuous places on the premises for thirty (30) days prior to the expiration or sooner termination of this Lease.

13. POSSESSION: If the Port shall be unable for any reason to deliver possession of the premises, or any portion thereof, at the time of the commencement of the term of this Lease, the Port shall not be liable for any damage caused thereby to Lessee, nor shall this Lease thereby become void or voidable, nor shall the term specified herein be in any way extended, but in such event Lessee shall not be liable for any rent until such time as the Port can deliver possession, PROVIDED, that if Lessee shall, in the interim, take possession of any portion of the premises, it shall pay as rental the full rental specified herein reduced pro rata for the portion of the premises not available for possession by Lessee, AND PROVIDED FURTHER, that if the Port shall be unable to deliver possession of the premises at the commencement of the term of this Lease, Lessee shall have the option to terminate this Lease by at least thirty (30) days written notice, unless the Port shall deliver possession of the premises prior to the effective date of termination specified in such notice. If Lessee shall, with the Port's consent, take possession of all or any part of the premises prior to the commencement of the term of this Lease, all of the terms and conditions of this Lease shall immediately become applicable.

14. DAMAGE OR DESTRUCTION:

a. Casualty Loss of Lessee: The parties agree that the Port, its commissioners and employees, the Port's insurance carrier and the Port's casualty policy shall not be responsible to the Lessee for any property loss or damage done to the Lessee's property, whether real, personal or mixed, occasioned by reason of any fire, storm or other casualty whatsoever. It shall be the Lessee's sole responsibility to provide its own protection against casualty losses of whatsoever kind or nature, regardless of whether such loss is occasioned by the acts or omissions of the Port, Lessee, third party, or act of nature. Lessee hereby releases and discharges the Port its commissioners and employees, the Port's insurance carrier and the Port's casualty policy from any claims for loss or damage to Lessee's property.

b. Casualty – Option to Terminate: Should the premises or any buildings, structures, temporary shelters, storage containers or improvements on the premises be completely

destroyed by fire or other casualty, or should they be damaged to such an extent that the damage cannot be repaired by Lessee within four (4) weeks of the occurrence, the Port shall have the option to terminate this Lease on thirty (30) days' notice, effective as of any date not more than sixty (60) days' after the occurrence.

15. INDEMNIFICATION AND HOLD HARMLESS: The Port, its employees and agents shall not be liable for any injury (including death) to any persons or for damage to any property, regardless of how such injury or damage be caused, sustained, or alleged to have been sustained by the Lessee or by others as a result of any condition (including existing or future defects in the premises) or occurrence whatsoever related in any way to the premises and the areas adjacent thereto or related in any way to Lessee's use or occupancy of the premises and of the areas adjacent thereto. Lessee agrees to defend and to hold and save the Port harmless from all liability or expense of litigation) in connection with any such items of actual or alleged injury or damage.

16. LIMITED WAIVER OF IMMUNITY UNDER WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51 RCW AND OTHER SIMILAR INDUSTRIAL INSURANCE SCHEMES: For purposes of the indemnification provision set forth in Paragraph 15, above, and only to the extent of claims against Lessee by the Port under such indemnification provision, Lessee specifically waives any immunity it may be granted under the Washington State Industrial Insurance Act, Title 51 RCW, The United States Longshore and Harbor Workers Compensation Act, 33 USC §901-950, or any other similar workers' compensation schemes. The indemnification obligation under this lease shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under workers' compensation acts, disability benefit acts, or other employee benefit acts. The foregoing provision was specifically negotiated and agreed upon by the parties hereto.

17. INSURANCE: Lessee agrees to maintain during the lease term liability insurance as set forth below, at Lessee's sole expense. All such insurance shall name the Port of Port Townsend as an additional insured and shall be with insurance companies acceptable to the Port.

a. Comprehensive General Liability Insurance against claims for injury or death to persons or damage to property with minimum limits of liability of $1,000,000 combined single limit for each occurrence. Such insurance shall include but not be limited to bodily injury liability, personal injury liability, property damage liability, broad form property damage liability, contractual liability, and products/completed operations liability.

b. Comprehensive Business Automobile Liability Insurance against claims for injury or death to persons or damage to property with minimum limits of liability of $1,000,000 combined single limit for each occurrence. Such insurance shall include but not be limited to bodily injury liability, property damage liability, hired car liability, and non-owned auto liability.

c. Workers Compensation Insurance as will protect Lessee's employees from claims under Washington Workers Compensation Act as well as all Federal Acts applicable to the Lessee's operations at the site such as but not limited to U.S. Longshore and Harborworkers' Compensation Act, Jones Act, and Federal Employers Liability section of the Washington Workers Compensation Policy and all Federal Acts Insurance shall not be less than $1,000,000 for each occurrence.

The Lessee agrees to supply the Port with appropriate evidence to establish that its insurance obligations have been met, and that the insurance policy or policies are not subject to cancellation without at least thirty (30) days advance written notice to the Port. The conditions set forth in subparagraphs a, b and c of this Paragraph 17 shall be met prior to occupancy.

18. WAIVER OF SUBROGATION: The Port and Lessee hereby mutually release each other from liability and waive all right of recovery against each other for any loss from perils insured against under their respective fire insurance contracts, including any extended coverage endorsements thereto, PROVIDED, that this Paragraph 18 shall be inapplicable if it would have the effect, but only to the extent that it would have the effect, of invalidating any insurance coverage of the Port or Lessee.

19. INCREASE IN COST OF INSURANCE: Lessee shall not use the demised premises in such a manner as to increase the existing rates of insurance applicable to the buildings or structures of which the premises are a part. If it nevertheless does so, then, at the option of the Port, the full amount of any resulting increase in premiums paid by the Port with respect to the buildings or structures of which the leased premises are a part, and to the extent allocable to the term of this Lease, may be added to the amount of rental hereinabove specified and shall be paid by Lessee to the Port upon the monthly rental day next thereafter occurring.

20. HAZARDOUS SUBSTANCES WARRANTY AND AGREEMENT: Lessee has examined the Hazardous Substances Warranty and Agreement, consisting of six (6) pages, which is attached hereto and which by this reference is incorporated herein as Exhibit "B" as fully set forth herein, and acknowledges full understanding of its obligations under said Hazardous Substances Warranty and Agreement.

21. TAXES: Lessee shall be liable for, and shall pay throughout the term of this Lease, all license and excise fees and occupation taxes covering the business conducted on the premises, and all taxes on property of Lessee on the leased premises and any taxes on the leased premises or leasehold interest created by this Lease Agreement.

22. COMPLIANCE WITH PORT REGULATIONS AND WITH ALL LAWS: Lessee agrees to comply with all applicable rules and regulations of the Port pertaining to the realty of which the premises are a part now in existence or hereafter promulgated for the general safety and convenience of the Port, its various tenants, invitees, licensees and the general public. Lessee also agrees to comply with all applicable federal, state, and municipal laws, ordinances, and regulations. Lessee further agrees that all buildings, structures or other

improvements, approved by the Port, will be properly permitted by the City and/or County. Any fees for any inspection of the premises during or for the lease term by any federal, state or municipal officer and the fees for any so-called "Certificate of Occupancy" shall be paid by Lessee.

23. ASSIGNMENT OR SUBLEASE: Lessee shall not assign or transfer this Lease or any interest therein nor sublet the whole or any part of the premises, nor shall this Lease or any interest thereunder be assignable or transferable by operation of law or by any process or proceeding of any court, otherwise, without the written consent of the Port first had and obtained. If Lessee is a corporation, Lessee further agrees that if at any time during the term of this Lease more than one-half (1/2) of the outstanding shares of any class of stock of Lessee corporation shall belong to any stockholders other than those who own more than one-half (1/2) of the outstanding shares of that class of stock at the time of the execution of this Lease or to members of their immediate families, such change in the ownership of the stock of the Lessee shall be deemed an assignment of this Lease within the meaning of this paragraph. If the Port shall give its consent to any assignment or sublease, this paragraph shall nevertheless continue in full force and effect, and no further assignment or sublease shall be made without the Port's consent. The Port's consent will not unreasonably be withheld.

24. DEFAULTS: Time is of the essence of this Lease Agreement, and in the event of the failure of Lessee to pay the rentals or other charges at the time and in the manner herein specified, or to keep any of the covenants or agreements herein set forth to be kept and performed, the Port may elect to terminate this Lease and reenter and take possession of the premises with or without process of law, PROVIDED, however, that Lessee shall be given fifteen (15) days' notice in writing stating the nature of the default in order to permit such default to be remedied by Lessee within said fifteen (15) day period. If upon such reentry there remains any personal property of Lessee or of any other person upon the leased premises, the Port may, but without the obligation so to do, remove said personal property and hold it for the owners thereof or may place the same in a public garage or warehouse, all at the expense and risk of the owners thereof, and Lessee shall reimburse the Port for any expense incurred by the Port in connection with such removal and storage. The Port shall have the right to sell such stored property, without notice to Lessee, after it has been stored for a period of thirty (30) days or more, the proceeds of such sale to be applied first to the cost of such sale, second to the payment of the charges for storage, and third to the payment of any other amounts which may then be due from Lessee to the Port, and the balance, if any, shall be paid to Lessee. Notwithstanding any such reentry, the liability of Lessee for the full rental provided for herein shall not be extinguished for the balance of the term of this Lease, and Lessee shall make good to the Port any deficiency arising from a re-letting of the leased premises at a lesser rental than that hereinbefore agreed upon. Lessee shall pay such deficiency each month as the amount thereof is ascertained by the Port. Any failure by the owners, officers, or principals of Lessee to pay rentals, storage fees, moorage or any other charges owed to the Port under separate contract shall constitute default under provisions of this Lease Agreement.

25. TERMINATION OF LEASE OR CHANGE IN LOCATION OF PREMISES BY PORT:

a. In the event that the Port, at its sole discretion, shall require the use of the premises for any purpose for public or private use in connection with the operation of the business of the Port, then this Lease may be terminated by the Port by written notice delivered or mailed by the Port to the Lessee sixty (60) or more days before the termination date specified in the notice. Compensation to Lessee for loss of use, cost of relocation, and/or cost of improvement, will be agreed by Lessee and the Port Executive Director.

b. In lieu of exercising the termination authority set forth in subparagraph a, immediately above, the Port, in its sole discretion, should it require relocation of the premises to another site within the facility for any purpose in connection with the business of the Port, may relocate the premises described in Paragraph 1, above, by written notice delivered or mailed by the Port to the Lessee sixty (60) or more days before the premises described in Paragraph 1, above, are required for Port use. In the event this subparagraph b is exercised by the Port, Lessee agrees that the Port shall not be required to compensate Lessee for loss of use or cost of relocation. Any modification to the location of the premises described herein shall be memorialized in writing and signed by both parties.

26. TERMINATION FOR GOVERNMENT USE: In the event that the United States Government or any agency or instrumentality thereof shall, by condemnation or otherwise, take title, possession or the right to possession of the premises or any part thereof, the Port may, at its option, terminate this Lease as of the date of such taking, and, if Lessee is not in default under any of the provisions of this Lease on said date, any rental prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee.

27. TERMINATION BECAUSE OF COURT DECREE: In the event that any court having jurisdiction in the matter shall render a decision which has become final and which will prevent the performance by the Port of any of its obligations under this Lease, then either party hereto may terminate this Lease by written notice, and all rights and obligations hereunder (with the exception of any undischarged rights and obligations that accrued prior to the effective date of termination) shall thereupon terminate. If Lessee is not in default under any of the provisions of this Lease on the effective date of such termination, any rental prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee.

28. SIGNS: No signs or other advertising matter, symbols, canopies or awnings shall be attached to or painted or within the leased premises, including the windows and doors thereof, without the approval of the Executive Director of the Port first had and obtained. At the termination or sooner expiration of this Lease, all such signs, advertising matter, symbols, canopies or awnings attached to or painted by Lessee shall be removed by Lessee at its own

expense, and Lessee shall repair any damage or injury to the premises, and correct any unsightly condition, caused by the maintenance and removal of said signs, etc.

29. INSOLVENCY: If Lessee shall file a petition in bankruptcy, or if Lessee shall be adjudged bankrupt or insolvent by any court, or if a receiver of the property of Lessee shall be appointed in any proceeding brought by or against Lessee, or if Lessee shall make an assignment for the benefit of creditors, or if any proceedings shall be commenced to foreclose any mortgage or any other lien on Lessee's interest in the premises or on any personal property kept or maintained on the premises by Lessee, the Port may at its option, terminate this Lease.

30. WAIVER: The acceptance of rental by the Port for any period or periods after a default by Lessee hereunder shall not be deemed a waiver of such default unless the Port shall so intend and shall so advise Lessee in writing. No waiver by the Port of any default hereunder by Lessee shall be construed to be or act as a waiver of any subsequent default by Lessee. After any default shall have been cured by Lessee, it shall not thereafter be used by the Port as a ground for the commencement of any action under the provisions of Paragraph 24 hereof.

31. PROMOTION OF PORT COMMERCE: Lessee agrees that throughout the term of this Lease it will, insofar as practicable, promote and aid the movement of passengers and freight through facilities within the territorial limits of the Port. Lessee further agrees that all incoming shipments of commodities that it may be able to control or direct shall be made through facilities within the territorial limits of the Port if there will be no resulting cost or time disadvantage to Lessee.

32. SURRENDER OF PREMISES: The voluntary or other surrender of this Lease by Lessee, or a mutual cancelation thereof, will not work a merger, and will, at the option of the Port, operate as an assignment to it or any of all subleases or subtenancies. Upon the expiration or earlier termination of this Lease, Lessee shall peaceably surrender the premises and all of the alterations and additions thereto, leave the premises clean, in as good order, repair and condition as was provided to Lessee on the commencement date, reasonable wear and tear excepted, and Lessee shall comply with the provisions of Paragraphs 10 and 11, above.

33. ATTORNEY'S FEES AND COSTS: In the event either party requires the services of an attorney in connection with enforcing or interpreting the terms of this Lease, or in the event suit is brought for the recovery of any sums due under this Lease or for the breach of any covenant or condition of this Lease, or for the restitution of the premises to the Port or eviction of the Lessee during the lease term or after the expiration thereof, the substantially prevailing party is entitled to reasonable attorney fees and all costs incurred in connection therewith, including, without limitation, the fees of accountants, appraisers and other professionals, whether at trial, on appeal or without the resort to suit.

34. HOLDING OVER: Any holding over by the Lessee after the expiration of this Lease shall be construed as a tenancy at sufferance (unless such occupancy is with the written consent of the Port) in which event the Lessee will be a tenant from month to month, upon the same terms and conditions of this Lease, except at a rent for such holdover period of 125% of the rental rate in effect for the month preceding such holdover. Acceptance by the Port of rent after such termination shall not constitute a renewal.

35. ADVANCES BY PORT FOR LESSEE: If Lessee shall fail to do anything required to be done by it under the terms of this Lease, except to pay rent, the Port may, at its sole option, do such act or thing on behalf of Lessee, and upon notification to Lessee of the cost thereof to the Port, Lessee shall promptly pay the Port the amount of that cost.

36. LIENS AND ENCUMBRANCES: Lessee shall keep the leased premises free and clear of any liens and encumbrances arising or growing out of the use and occupancy of the said premises by Lessee. At the Port's request, Lessee shall furnish the Port with written proof of payment of any item which would or might constitute the basis for such a lien on the leased premises if not paid.

37. NOTICES: All notices hereunder may be delivered or mailed. If mailed, they shall be sent by certified or registered mail to the following respective addresses:

To Lessor:
THE PORT OF PORT TOWNSEND
Sue Nelson, Lease & Contracts Administrator
P.O. Box 1180
Port Townsend, Washington 98368
(360) 385-0410

To Lessee:
SCOW BAY BOATS
Mark Stout
PO Box 1403
Port Townsend, WA 98368
(907) 299-9663 (cell)

or to such other respective addresses as either party hereto may hereafter from time to time designate in writing. Notices sent by mail shall be deemed to have been given when properly mailed, and the postmark affixed by the United States Post Office shall be conclusive evidence of the date of mailing.

38. JOINT AND SEVERAL LIABILITY: Each and every party who signs this Lease, other than in a representative capacity, as Lessee, shall be jointly and severally liable hereunder.

39. "LESSEE" INCLUDES LESSEE, ETC.: It is understood and agreed that for convenience the word "Lessee" and verbs and pronouns in the singular number and neuter gender are uniformly used throughout this Lease, regardless of the number, gender or fact of incorporation of the party who is, or of the parties who are, the actual Lessee or Lessee under this Lease Agreement.

40. CAPTIONS: The captions in this Lease are for convenience only and do not in any way limit or amplify the provisions of this Lease.

41. SEVERABILITY: If any term or provision of this Lease Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect.

42. NON-DISCRIMINATION SERVICES: The Lessee agrees that it will not discriminate by segregation or otherwise against any person or persons because of race, creed, color, sex, sexual orientation, or national origin in furnishing, or by refusing to furnish, to such person, or persons, the use of the facility herein provided, including any and all services, privileges, accommodations, and activities provided thereby.

It is agreed that the Lessee's noncompliance with the provisions of this clause shall constitute a material breach of this Lease. In the event of such noncompliance, the Port may take appropriate action to enforce compliance, may terminate this Lease, or may pursue such other remedies as may be provided by law.

43. NON-DISCRIMINATION EMPLOYMENT: The Lessee covenants and agrees that in all matters pertaining to the performance of this Lease, Lessee shall at all times conduct its business in a manner which assures fair, equal and non-discriminatory treatment of all persons without respect to race, creed or national origin and, in particular:

a. Lessee will maintain open hiring and employment practices and will welcome applications for employment in all positions from qualified individuals who are members of racial or other minorities, and

b. Lessee will comply strictly with all requirements of applicable federal, state or local laws or regulations issued pursuant thereto relating to the establishment of non-discriminatory requirements in hiring and employment practices and assuring the service of all patrons or customers without discrimination as to any person's race, creed, color, sex, sexual orientation, or national origin.

44. EASEMENTS: The Parties recognize that the Port facilities are continuously being modified to improve the utilities and services used and provided by the Port. The Port or its agents shall have the right to enter the demised premises of the Lessee, and to cross over, construct, move, reconstruct, rearrange, alter, maintain, repair and operate the sewer, water, and

drainage lines, and the electrical service, and all other services required by the Port for its use. The Port is hereby granted a continuous easement or easements that the Port believes is necessary within the lease premises of the Lessee, without any additional cost to the Port for the purposes expressed hereinabove; PROVIDED however, that the Port by virtue of such use does not permanently deprive the Lessee from its beneficial use or occupancy of its leased area.

In the event that the Port does permanently deprive the Lessee from such beneficial use or occupancy, then an equitable adjustment in rent or in the cost required to modify its premises to allow the Lessee to operate its business, will be negotiated and paid by the Port to the Lessee. In the event that such entry by the Port is temporary in nature, then the Port shall reimburse the Lessee for the cost required to modify its premises for the temporary period that the Lessee is inconvenienced by such Port entry. The Port will not be responsible to the Lessee for any reduced efficiency, or loss of business occasioned by such entry.

45. **ENTIRE AGREEMENT:** This Lease Agreement contains all the understandings between the parties. Each party represents that no promises, representations or commitments have been made by the other as a basis for this Lease which have not been reduced to writing herein. No oral promises or representations shall be binding upon either party, whether made in the past or to be made in the future, unless such promises or representations are reduced to writing in the form of a modification to this Lease executed with all necessary legal formalities by the Commission of the Port of Port Townsend.

Lease Agreement dated this _____ day of _____ 2026 is hereby approved by the Port of Port Townsend, on this ____ day of _____ 2026 and effective upon the receipt of a deposit and liability insurance documentation from the Lessee.

THIS AGREEMENT HAS BEEN NEGOTIATED BETWEEN THE PARTIES AND CONTAINS A LIMITED WAIVER OF IMMUNITY UNDER TITLE 51 RCW, AN INDEMNIFICATION AND A RELEASE.

LESSEE – SCOW BAY BOATS

_____

Mark Stout, Owner

ATTEST:

PORT OF PORT TOWNSEND	**APPROVED AS TO FORM**
_____	_____
Eron Berg, Executive Director	Port Attorney

STATE OF WASHINGTON
COUNTY OF JEFFERSON

I certify that I know or have satisfactory evidence that MARK STOUT signed this instrument and that he is authorized to execute the instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: _____

Signature of
Notary Public: _____

My Appointment Expires: _____

STATE OF WASHINGTON
COUNTY OF JEFFERSON

I certify that I know or have satisfactory evidence that ERON BERG signed this instrument and that he is authorized to execute the instrument as Executive Director of the Port of Port Townsend and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____

Signature of
Notary Public: _____

My Appointment Expires: _____

EXHIBIT A

LEGAL DESCRIPTION
SCOW BAY BOATS – BOAT HAVEN LAND LEASE

The premises identified in paragraph #2 of this Lease Agreement are located on a portion of Tax 35 (APN 001104002) at the Port's Boat Haven facility, 2601 Washington Street, in the Railroad Addition to the City of Port Townsend lying in Section 10, Township 30 North, Range 1 West of the Willamette Meridian, as per Volume 2, page 78, records of Jefferson County, Washington.

EXHIBIT A

Scow Bay Boats

Boat Haven Ground Lease

Approximately 3,063 square feet



EXHIBIT "B"

HAZARDOUS SUBSTANCES WARRANTY AND AGREEMENT

RIDER TO LEASE AGREEMENT DATED: _____, 2026 BETWEEN THE PORT OF PORT TOWNSEND and SCOW BAY BOATS.

IT IS HEREBY AGREED THAT THE LEASE AGREEMENT IDENTIFIED ABOVE SHALL BE SUPPLEMENTED AND MODIFIED AS FOLLOWS:

1. **HAZARDOUS SUBSTANCES ON PREMISES.** Without the express written permission of Lessor, Lessee shall not store, use or have present on or adjacent to the premises any hazardous or toxic substances, including those substances defined as "hazardous" or "extremely hazardous" under federal or Washington State environmental statutes or regulation (including but not limited to 42 USC 9601 et seq., 40 CFR Part 302, RCW Chapter 70.105D.020 and WAC 173-340-200, and any successor statutes and regulation), except as follows: _____
_____

2. **STORAGE AND USE OF HAZARDOUS SUBSTANCES.** Lessee agrees at all times to restrict its storage and use of substances identified in Paragraph 1 to the inside of the permanent building(s) at the premises, and specifically to those locations within such buildings(s) having concrete flooring or such other impermeable flooring as Lessor may in its sole discretion approve in writing upon request by Lessee.

3. **HANDLING AND DISPOSAL.** The Lessee agrees to use said substances identified in paragraph 2 only on areas which have impermeable surfaces and or other means for preventing accidental contract by such substances with the soils upon the leasehold or its surrounding area.

4. **RELEASES OF HAZARDOUS SUBSTANCES PROHIBITED.** Lessee shall not release, dispose of, or permit a release of, any of the substances described or identified in paragraph 1 onto the premises or into the environment surrounding the premises.

5. **REGULATORY COMPLIANCE.** Lessee warrants and agrees that, during the term of this lease and any extensions thereof, it will take all steps necessary to comply with all applicable federal, state and local requirements for the containment, storage, use and disposal of any and all hazardous or toxic substances at the premises, including but not limited to obtaining and maintaining all necessary federal, state and local permits or licenses, and obtaining any required federal or state hazardous waste generator or transporter identification numbers. Lessee shall provide to Lessor a copy of each such existing permit, license, and identification number before occupancy, and shall provide a

copy of any such permit, license, and identification number which Lessee may obtain in the future within seven days of receipt by Lessee.

6. **DISPOSAL OF HAZARDOUS WASTES.** In the event Lessee has occasion or need to dispose of hazardous or toxic substances or wastes, and unless otherwise agreed in writing, Lessee shall retain an independent hazardous waste disposal firm to dispose of any and all such substances at an off-site facility which has been properly approved, licensed and authorized to accept such substances. Lessee shall ensure that the disposal firm is properly licensed and in good standing with the applicable regulatory authorities for such work, and that it has all required transporter identification numbers.

7. **LESSEE'S WARRANTY OF NO CONTAMINATION.** Except as may be disclosed in Attachment No. 1 hereto, Lessee warrants and represents (1) that it has not released any toxic or hazardous substances onto the premises or into the environment in connection with its activities at the premises, (2) that it has inspected the premises and is not aware of any indication that a release of any hazardous substances has ever occurred at the premises, including prior to Lessee's occupancy, (3) that it has never been formally accused or cited, at the premises or elsewhere, for any violation of environmental laws, regulations or any hazardous waste-related governmental permit, and (4) that no claims or litigation have ever been pending against it by any person or governmental agency involving any use, storage, release or disposal of hazardous or toxic waste. If any such releases, formal accusations, citations, claims or litigation against Lessee arise during the term of this lease or any extension thereof, then Lessee shall notify Lessor in writing within seven (7) days of such event, and shall provide Lessor with a copy of each document reflecting such event.

8. **INDEMNIFICATION AND HOLD HARMLESS.** Lessee shall indemnify and hold Lessor harmless with respect to any and all direct or indirect expenses, losses of damages, including all consequential damages, Attorney's fees, and litigation-related expenses and costs, incurred by Lessor which result from (1) Lessee's breach of provision of this Rider, (2) claims, actions, suites, proceedings, judgments, fines or remedial orders (including orders to clean up contamination at the premises) which arise because of Lessee's breach of this Rider, (3) Lessee's violation of environment laws or regulations, or (4) Lessee's release of a toxic or hazardous substance onto the premises or into the surrounding environment. This provision shall apply regardless of whether Lessee has been negligent or at fault for such breach, violation, or release. This obligation by the Lessee shall survive the expiration or termination of the lease agreement and the sale of the property. If Lessor so requests, Lessee shall accept the tender of defense of, and shall retain counsel of Lessor's selection and at Lessee's expense to defend, any third-party claim asserted against Lessor in connection with alleged conduct by Lessee which, if true, would be in breach of the provision of this Rider.

9. **NOTIFICATION TO LESSOR OF CHANGES IN OPERATION.** Lessee agrees to notify Lessor in writing at least seven (7) days in advance of any previously undisclosed action which the

Lessee plans to take which poses a material risk of a release of hazardous substance into the environment, including but not limited to material changes in Lessee's methods of hazardous waste disposal, material increases in the volume of Lessee's hazardous waste disposal, or material changes in the nature of any hazardous wastes which Lessee anticipates it will generate.

10. **COPIES OF ENVIRONMENTAL CORRESPONDENCE.** Lessee agrees to provide Lessor with copies of all past and future correspondence to or form the Washington Department of Ecology, the U.S. Environmental Protection Agency, and any other government agency which has had or may have contact with Lessee regarding environmental concerns pertaining to the premises.

11. **NOTIFICATION OF SPILLS OR RELEASES.** Lessee shall comply with all notification requirements under the applicable federal, state and local environmental statutes and regulations, including but not limited to the timely notification of the appropriate government authorities of any spills or releases of toxic or hazardous substances into the environment or onto the premises. Lessee shall notify Lessor within 24 hours of discovery of any such spills or releases and shall provide copies of all correspondence and documents related to such spills or releases to Lessor with seven days after receipt or creation, as the case may be.

12. **LESSOR'S REMEDY FOR BREACH OR VIOLATION.** In the event Lessee permits a release of a hazardous substance to occur at or near the premises, or breaches any provision of this Rider, Lessor shall be entitled (1) to terminate the lease agreement immediately, (2) to require Lessee to cease all operation which pose a risk of releasing a hazardous substance into the environment, and (3) to require Lessee to begin an immediate cleanup of any and all contamination at the premises to the extent necessary to achieve full compliance with the applicable environmental laws and regulations. Lessor shall be entitled to obtain immediate injunctive relief from a court of competent jurisdiction to enforce this provision. These remedies shall be in addition to, and not in substitution for, any other remedies available to Lessor under applicable law.

13. **ANNUAL DECLARATION OF COMPLIANCE.** Within ten (10) days of receipt of a written request by Lessor, Lessee shall provide to lessor a declaration of Lessee's compliance or non-compliance with the applicable environmental laws and regulations and with the provisions of this Rider, in the form set forth in Attachment No. 2. Lessor anticipates that it will request such a declaration annually, approximately on the anniversary date of this Rider.

14. **INSPECTION OF PREMISES.** Lessee agrees to permit and cooperate with any on-site inspections and testing requested by Lessor, including inspections and testing conducted by consultants or engineers hired by Lessor to evaluate Lessee's compliance with the applicable environmental requirements and the provisions of this Rider. Lessor shall

provide Lessee within 24 hours advance notice of Lessor's intent to conduct such inspection or testing.

15. **DESIGNATED REPRESENTATIVE RESPONSIBLE FOR COMPLIANCE.** Mark Stout whose work telephone number is (907) 299-9663 shall be the Lessee's designated representative who shall be primarily responsible (1) for Lessee's compliance with the provision of this Rider, (2) for handling contact with Lessor pertaining to environmental compliance, and (3) for signing on behalf of Lessee the annual declaration of compliance pursuant to Paragraph 12 above. Lessee shall promptly notify Lessor of any changes in the identity or telephone numbers of the designated representative.

16. **ADDITIONAL PROVISIONS.**

_____

_____

_____

LESSOR: **LESSEE:**

_____ _____

Eron Berg, Executive Director
Port of Port Townsend

Mark Stout, Owner
Scow Bay Boats

Date: _____ Date: _____

(Attachment No. 1 to Hazardous Substances Rider)

DISCLOSURE BY LESSEE

The Lessee makes the following disclosure pursuant to Paragraph 6 of the Hazardous Substances Warranty and Agreement (Attach Additional page(s) if necessary):

1. Release(s) of Hazardous Substances by Lessee:
   (If none, initial here:_____)

2. Indication(s) of Contamination at Premises:
   (If none, initial here:_____)

3. Lessee Violation(s) of Environmental Regulations:
   (If none, initial here:_____)

4. Environmental Claims or Litigation Against Lessee:
   (If none, initial here:_____)

Lessee: Scow Bay Boats

By: Mark Stout, owner Scow Bay Boats

_____
(signature)

Date:_____

(Attachment No. 2 to Hazardous Substances Rider)

DECLARATION OF COMPLIANCE

Mark Stout, as the designated representative of Lessee primarily responsible for environmental compliance pursuant to Paragraph 12 of the Hazardous Substances Warranty and Agreement dated: _____, 2020, hereby declare and represent as follows on behalf of Lessee:

1. I have read, and am familiar with, Lessee's obligations and representations as set forth in the Hazardous Substances Warranty and Agreement applicable to Lessee.

2. I am not aware of, and do not believe there have been any violations by Lessee of any of the provisions in the Hazardous Substances Warranty and Agreement, or of any requirements imposed on Lessee by federal, state or local environment laws and regulations.

3. I have no reason to believe, and do not believe, that any of the representations in Paragraph 6 of the Hazardous Substances Warranty and Agreement are inaccurate as of the date indicated below.

4. Lessee has not stored, used or had present on or adjacent to the premises any hazardous or toxic substances except those that have been disclosed in writing to Lessor.

5. Lessee has not released, disposed of, or permitted the release of any hazardous or toxic substances onto the premises or into the environment surrounding the premises, except as has been disclosed in writing to Lessor.

Lessee: Mark Stout, Owner Scow Bay Boats

By: _____
(signature)

Date:_____

PORT OF PORT TOWNSEND
AGENDA COVER SHEET

MEETING DATE	September 9th, 2026
AGENDA ITEM	☒ Consent ☐ 1st Reading ☐ 2nd Reading ☐ Regular Business ☐ Informational
AGENDA TITLE	V. G Haven Boatworks, Boat Haven Building and Land Lease
STAFF LEAD	Eric Toews, Deputy Director and Heron Scott, Lease Administrator
REQUESTED	☐ Information ☒ Motion/Action ☐ Discussion
ATTACHMENTS	1. Staff Memo 2. Haven Boatworks, Boat Haven Building and Land Lease, including Exhibit "A" and "B" consisting of 25 total pages

If adopted as part of the consent agenda, no further action is needed. Approval of this item on the Consent Agenda authorizes the Executive Director to execute the Boat Haven Building and Land Lease with Haven Boatworks, substantially in the form presented.

Alternative action: Remove from consent for discussion. Move to authorize the Executive Director to execute the Boat Haven Building and Ground Lease with Haven Boatworks.

PORT OF PORT TOWNSEND
INFORMATIONAL MEMO

DATE: 9/9/2026

TO: Port Commission

FROM: Eric Toews, Deputy Director and Heron Scott, Lease & Contracts Administrator

SUBJECT: Haven Boatworks Boat Haven Building and Land Lease

ISSUE: Should the Commission authorize the Executive Director to execute the attached lease agreement with Haven Boatworks, LLC, for the J & S Building and adjacent land in Boat Haven?

BACKGROUND: Haven Boatworks has occupied the J & S Building under month-to-month rental agreements since 2020. In 2026, owner Blaise Holly requested a long-term lease for the premises.

DISCUSSION: Haven Boatworks is an anchor marine employer in Boat Haven, specializing in wooden vessel repair, systems repair, welding, and aquaculture equipment manufacturing. The company employs more than 30 people and supports active use of Port facilities.

The proposed lease would consolidate two existing month-to-month rentals into one agreement covering the full 5,626-square-foot J & S Building and adjacent land. Haven Boatworks' adjacent property makes the location a practical fit for its operations.

The building has historically functioned as front and back sections. The back section, approximately 3,226 square feet, is near the lowest elevation in Boat Haven and is prone to flooding. The Port has installed electric pumps in the nearby stormwater drain to route stormwater to the treatment center.

Under the proposed lease, standard maintenance and liability obligations apply to the front section. For the flood-prone back section, the Port disclaims maintenance responsibility and liability for flood damage, with lease rates adjusted accordingly. The term is five years, with one option to renew for an additional five years.

RECOMMENDATION: Authorize the Executive Director to execute the attached lease agreement with Haven Boatworks, substantially in the form presented.

MOTION: None required. Approval of this item on the Consent Agenda authorizes the Executive Director to execute the attached lease agreement substantially in the form presented.

ATTACHMENT: Haven Boatworks Boat Haven Building and Ground Lease, consisting of 25 pages, including exhibits.

PORT OF PORT TOWNSEND
BOAT HAVEN BUILDING AND LAND LEASE

THIS BOAT HAVEN BUILDING AND LAND LEASE AGREEMENT made this ___ day of September 2026, by and between the PORT OF PORT TOWNSEND, a municipal corporation organized and existing under the laws of the State of Washington, Lessor, hereinafter referred to as "the Port," and **HAVEN BOATWORKS, LLC** a Washington limited liability corporation (UBI #: 602-439-573), hereinafter referred to as "Lessee," and collectively referred to as “the parties.”

WITNESSETH:

FOR AND IN CONSIDERATION of the mutual promises, covenants, and conditions hereinafter set forth, the parties agree as follows:

1. TERMINATION OF EXISTING AGREEMENTS: The Port and Lessee acknowledge and agree that they are parties to that certain unrecorded Boat Haven Building Rental Agreement dated November 23rd, 2020, and that certain unrecorded Boat Haven Building and Land Rental Agreement dated July 10th, 2023 (collectively, the "Existing Agreements"). The parties hereto acknowledge and agree that, notwithstanding any provisions set forth in the Existing Agreements, that the aforesaid Existing Agreements are currently in full force and effect, have continued in full force and effect without interruption since the dates Lessee initially took occupancy of the premises described in the Existing Agreements, and that Lessee currently occupies the premises described in the Existing Agreements pursuant to the terms thereof. In addition, notwithstanding any provisions to the contrary in the Existing Agreements, effective as of 11:59 p.m. (Pacific Time) on the date immediately preceding the commencement date of this Boat Haven Land and Building Lease Agreement (the "Existing Agreements Termination Date") the Existing Agreements shall be terminated and of no further force or effect and the Port and Lessee's rights and obligations with respect to the premises arising or accruing thereafter shall be as set forth in this Boat Haven Building & Land Lease Agreement; PROVIDED, HOWEVER, that the Port and Lessee shall remain liable under the terms of the Existing Agreements with respect to:

a. Any obligations which specifically survive the term of the Existing Agreements; and
b. All obligations under the Existing Agreements accruing prior to the Existing Agreements Termination Date related to Lessee's use, occupancy, or control of the premises during the terms of the Existing Agreements, including, without limitation:
    i. Any liability arising from hazardous materials brought onto or about the premises or permitted or suffered to be brought onto or about the premises by Lessee or anyone for whom Lessee may be liable; and
    ii. Lessee's obligation to pay the Port any amounts due under the Existing Agreements.

2. LEASED PREMISES: The Port hereby leases to Lessee, and Lessee hereby hires and leases from the Port, the following described premises situated in Port Townsend, Jefferson County, State of Washington:

> Building #13, an approximately 5,626 square foot marine industrial building commonly known as the J&S Building, consisting of a front half of approximately 2,400 square feet and a back half of approximately 3,226 square feet, an approximately 880 square foot fenced parcel of land located immediately east of the building, and approximately 324 square feet of land located immediately south of the building (i.e., two (2) 9'x18' parking spaces), all located in the Port's Boat Haven facility at 2601 Washington Street, Port Townsend, WA

hereinafter referred to as "the premises." The premises are legally described and depicted on Exhibit "A" which is attached hereto and which by this reference is incorporated herein as if fully set forth herein.

3. TERM: The term of this Lease is five (5) years, beginning October 1, 2026, and ending at midnight, September 30, 2031, unless sooner terminated as provided in this Lease. The Lessee shall also have an option to extend the lease term by one (1) five (5) year term. Notification to extend the Lease to be done in writing ninety (90) days prior to the end of the initial term.

4. RENT:

a. Lessee agrees to pay as rental for the leased premises the sum of **Three Thousand Nine Hundred and Fifty-One Dollars and Twenty-Four Cents ($3,951.24)**[1] per month plus all applicable taxes**.**

b. Beginning on October 1, 2029, and every three (3) years thereafter, the rental rate may be adjusted to the fair market rental rate then prevailing for comparable commercial and/or industrial property in the Western Washington area, bearing in mind all allowable uses of the property and all services and amenities available to the property by virtue of its location.

c. Except in years when a fair market rate adjustment is made as set forth in Subparagraph (b) of this Paragraph 5, above, the rental rate beginning in year two (2) and annually throughout the term of the lease will be adjusted by an amount equal to the accumulative amount found on the Consumer Price Index for all urban consumers (CPI-U) for Seattle-Tacoma-Bellevue, which is compiled by the Department of Labor, Bureau of Statistics.

d. In no event shall any rent adjustment result in a reduction in rent from the rate paid in the prior year.

[1] Calculated as follows: 2,400 sf front half @ $0.825/sf = $1,980.00; 3,226 sf back half @ $0.54/sf = $1,742.04; 324 sf land for parking @ $0.30/sf= $97.20; and 880 sf of fenced land @ $0.15/sf = $132.00; $1,980.00 + $1,742.04 + $97.50 + $132.00 = $3,951.24.

e. The rent for each month shall be paid to the Port in advance on or before the first day of each month of the lease term and shall be payable at such place as the Port may hereinafter designate.

5. LATE CHARGE: In the event that any installment of rent remains unpaid more than twenty (20) days after it is due, then Lessee shall also be obliged to pay a "late charge" as per the Port of Port Townsend Rate Schedule then in effect.

6. SECURITY DEPOSIT:

a. Lessee shall deposit with the Port security in the amount of **Thirteen Thousand Three Hundred and Seventy-Five Dollars and Seventy-Four Cents ($13,375.74).**[2] Lessee has an existing deposit of **Three Thousand Three Hundred and Twenty-Seven Dollars and Ninety-Nine Cents ($3,327.99)** under agreements now superseded by this Lease. Accordingly, Lessee shall deposit an additional **Ten Thousand and Forty-Seven Dollars and Seventy-Five Cents ($10,047.75)** to satisfy the requirements of this Paragraph 6 ("the additional deposit"). The additional deposit shall be made in twelve (12) equal monthly installment payments of **Eight Hundred Thirty-Seven Dollars and Thirty-One Cents ($837.31)** concurrent with the monthly rental payments set forth in Paragraph 4, above.

b. If Lessee defaults in any particular the Port may use, apply, or retain, all or any part of the security to the extent of any sum due to the Port, or to make any required payment on Lessee's behalf, or to compensate the Port for any expense or damage caused by Lessee's default. On the Port's demand, Lessee shall promptly pay to the Port a sum equivalent to the amount by which the security was so depleted.

c. On October 1, 2029, and every three (3) years thereafter, the amount of such security deposit shall be increased in the same proportion as the annual rental is increased above the basic rent charged during the first (1st) year of the lease term.

7. USE OF PREMISES: Lessee shall use the building premises for the purpose of boat and aquaculture equipment fabrication, maintenance and repair and shall not use them for any other purpose without the prior written consent of the Port. Lessee shall use the entire premises for the conduct of said business in a first-class manner continuously during the entire term of this Lease except for temporary closures for such periods as may reasonably be necessary for repairs or redecorating or for reasons beyond Lessee's reasonable control. Lessee agrees that it will not disturb the Port or any other tenant of the Port's by making or permitting any disturbance or any unusual noise, vibration, or other condition on or in the premises.

8. CONDUCT COVENANTS AND WARRANTIES: In addition to all other covenants and warranties set forth herein, Lessee specifically represents to the Port as follows:

[2] Calculated as follows: $3,951.24 x 3 = $11,853.72; $11,853.72 x 12.84% Leasehold Excise Tax (LET) = $1,522.02; $11,853.72 + $1,522.02 = $13,375.74.

a. Quiet Conduct. The conduct of Lessee and such others for whom Lessee is responsible shall not, in any manner, disturb the quiet enjoyment of other tenants, invitees, or visitors, in or near where the Premises are located, including common areas.

b. Damage. The conduct of Lessee and such others for whom Lessee is responsible shall not result in or cause destruction or damage to the Premises, or any part thereof including, but not limited to all common areas, or the property of other tenants, their invitees, and visitors.

9. UTILITIES: Lessee shall be liable for, and shall pay throughout the term of this Lease, all utility services furnished to the premises, including, but not limited to light, heat, electricity, gas, water, sewerage, garbage disposal, and communications. Wi-Fi and/or fiber services are not included in the rent. In the event that the Premises are part of any larger Premises to which any utility services are furnished on a consolidated or joint basis, Lessee agrees to pay to the Port its (Lessee's) pro rata share of the cost of any such utility services, and Lessee's pro rata share of any such services may be computed by the Port on any reasonable basis, and separate metering or other exact segregation of costs shall not be required.

10. ACCEPTANCE OF PREMISES: Lessee has examined the leased premises and accepts them in their present condition "as is" and without further maintenance liability on the part of the Port, except for the following conditions which the Port agrees to address at its own expense by December 31, 2026:

a. Replacement of the main rollup door on the front half of the J&S Building;
b. Replacement of the man door on the front half of the J&S Building;
c. Repair of the roof leak on the back half of the J&S Building;
d. Replacement of the clear roofing panels on the front half of the J&S Building; and
e. Upgrade of interior electrical wiring.

The Port makes no representations or warranties with respect to the condition, suitability, zoning restrictions, or usability, except the Port's right to grant a lease of the premises. Lessee acknowledges that Lessee has fully inspected the premises and is not relying on any statement or representation made by the Port or the Port's agents with respect to the condition of the premises, and Lessee assumes the responsibility and risks of the same, including any defects or conditions that cannot be observed by casual inspection.

11. LIMITED WAIVER OF PORT LIABILITY: The waiver of Port liability described in this paragraph shall be limited to the back half of the building (i.e., 3,226 square feet) and appurtenant fenced land area (i.e., 880 square feet) described in Paragraph 2, above. The Port shall not be liable to Lessee for any loss or damage which may be sustained by Lessee or to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the above-described portion of the Premises from any cause whatsoever, including, but not limited to, the following: any loss or damage from any burst, stopped or leaking

water, gas, sewer or other pipes or plumbing fixtures or equipment; stormwater system pump failures; or from any failure of or defect in any lighting or electrical components, circuits, facilities or systems, whether said injury or damage results from conditions arising upon the above-described portion of the Premises or upon other portions of the Building of which the Premises are a part, from other sources or places, and regardless of whether the cause of such damage or injury or the means of preparing the same is accessible or not. The Port shall not be liable for any damages arising from any act or neglect of any other tenant of the Port nor from the failure by the Port to enforce the provisions of any other lease in the Boat Haven Industrial Park.

12. MAINTENANCE AND REPAIR:

a. J&S Building – Front Half and Appurtenant Land: Maintenance and repair of the front half of the building (i.e., 2,400 square feet) and appurtenant land (i.e., 324 square feet) described in Paragraph 2, above, shall be the sole responsibility of Lessee. Accordingly, at the expiration or sooner termination of this Agreement, Lessee shall return that portion of the premises described in this Subparagraph (a) to the Port in the same condition in which received (or, if altered by Lessee with the Port's consent, then returned in such altered condition), reasonable wear and tear and damage by fire or unavoidable casualty excepted. Lessee's obligation to make repairs to that portion of the premises described in this Subparagraph (a) shall not extend to any structural parts of the building, including the foundations, bearing and exterior walls, subflooring and roofs, the unexposed electrical, plumbing and sewerage systems (including those portions of the systems lying outside the premises), exterior siding, exterior doors, window frames, gutters, downspouts, and the heating, and the ventilation system serving the premises, unless such repairs are necessitated by Lessee's negligence or failure to maintain the interior.

b. J&S Building – Back Half and Appurtenant Land: The Port expressly disclaims all maintenance and repair responsibilities for the back half of the building (i.e., 3,226 square feet) and appurtenant land (i.e., 880 square feet) described in Paragraph 2, above, which shall be the sole responsibility of Lessee. Accordingly, at the expiration or sooner termination of this Agreement, Lessee shall return that portion of the Premises described in this Subparagraph (b) to the Port in the same condition in which received (or, if altered by Lessee with the Port's consent, then returned in such altered condition), reasonable wear and tear and damage by fire or unavoidable casualty excepted. Lessee's obligation to make repairs to that portion of the premises described in this Subparagraph (b) extends to all structural parts of the building, including the foundations, bearing and exterior walls, subflooring and roofs, the unexposed electrical, plumbing and sewerage systems, exterior siding, doors, window frames, gutters, downspouts, and the heating, and the ventilation system serving the Premises.

c. In addition to the forgoing, Lessee shall, at its' own expense, and at all times:
   i. Keep the entire premises, and the adjoining roadways and sidewalks, neat, clean and in a safe and sanitary condition;

ii. Maintain and keep the entire leased premises in a good state of repair; and
iii. Not commit waste of any kind.

13. ALTERATIONS AND IMPROVEMENTS: Lessee shall make no alterations or improvements to or upon the premises or install any fixtures (other than trade fixtures which can be removed without injury to the premises) without first obtaining written approval from the Executive Director of the Port. When seeking the Port's approval, Lessee shall submit full plans and specifications for any proposed alterations and shall furnish proof of compliance with all applicable building codes and other regulations and shall apply for and obtain all necessary permits for such work. If the proposed improvements are estimated to cost more than $25,000, the Port may require the posting of a completion bond as security for the completion of the improvements. Upon conclusion of the alterations, Lessee shall furnish "as-built" drawings of all improvements and alterations.

14. DISPOSITION OF IMPROVEMENTS AT END OF LEASE: At the expiration or earlier termination of this Lease, the Port shall have the option, in its sole and absolute discretion, to direct either: a) that the alterations and other improvements on the premises be surrendered to the Port; or b) that the Lessee remove the alterations and other improvements from the premises. If the Port directs surrender of the alterations and other improvements, all mechanical, electrical and HVAC systems on the premises shall also remain and be surrendered to the Port, but Lessee shall have the right to remove all personal property and trade fixtures, which may have been placed upon the premises by Lessee during the period of this Lease, provided that the same are not necessary to the operation of the altered or improved premises and provided further that they are removed prior to the termination of this Lease. Title to any trade fixtures not removed from the premises within the foregoing period shall, at the Port's option, pass to the Port without additional consideration. If the Port does not direct Lessee to remove the alterations and improvements, they shall become the property of the Port upon termination of this Lease. The premises will be surrendered by Lessee in a good state of repair, normal wear excepted. In the event the Port directs removal of the alterations and improvements from the premises, then title to all said improvements shall remain in and with the Lessee and Lessee shall complete the removal of the same within sixty (60) days after the expiration or sooner termination of this Lease. If the Lessee fails to remove said improvements within the specified time, they may be removed by the Port and the Lessee agrees to pay the Port for the cost thereof upon demand.

15. INSPECTION - "FOR RENT" SIGNS: The Port reserves the right to inspect the leased premises at any and all reasonable times throughout the term of this Lease, PROVIDED, that it shall not interfere unduly with Lessee's operations. The right of inspection reserved to the Port hereunder shall impose no obligation on the Port to make inspections to ascertain the condition of the premises and shall impose no liability upon the Port for failure to make such inspections. The Port shall have the right to place and maintain "For

Rent" signs in conspicuous places on the premises for thirty (30) days prior to the expiration or sooner termination of this Lease.

16. DAMAGE OR DESTRUCTION:

a. Should the premises or the buildings or structures of which the premises are a part be damaged by fire or other casualty, and if the damage is repairable within four (4) weeks from the date of the occurrence (with the repair work and the preparations therefore to be done during regular working hours on regular work days), the premises shall be repaired with due diligence by the Port, and in the meantime the monthly minimum rental shall be abated in the same proportion that the untenantable portion of the premises bears to the whole thereof, for the period from the occurrence of the damage to the completion of the repairs.

b. Should the premises or any buildings or structures of which the premises are a part be completely destroyed by fire or other casualty, or should they be damaged to such an extent that the damage cannot be repaired within four (4) weeks of the occurrence, the Port shall have the option to terminate this Lease on thirty (30) days' notice, effective as of any date not more than sixty (60) days after the occurrence. If this paragraph shall become applicable, the Port shall advise Lessee within thirty (30) days after the happening of any such damage whether the Port has elected to continue the lease in effect or to terminate it. If the Port shall elect to continue this Lease in effect, it shall commence and prosecute with due diligence any work necessary to restore or repair the premises. If the Port shall fail to notify Lessee of its election within said thirty (30) day period, the Port shall be deemed to have elected to terminate this Lease, and the lease shall automatically terminate sixty (60) days after the occurrence of the damage. For the period from the occurrence of any damage to the premises to the date of completion of the repairs to the premises (or to the date of termination of the lease if the Port shall elect not to restore the premises), the monthly minimum rental shall be abated in the same proportion as the untenantable portion of the premises bears to the whole thereof.

17. INDEMNIFICATION AND HOLD HARMLESS: Lessee agrees that it will defend (with legal counsel acceptable to the Port), indemnify and hold harmless the Port, its officers, employees, and agents from any and all demands, claims, judgments or liability for loss or damage arising as a result of accidents, injuries or other occurrences on the Premises or on the Port's property that are:

a. Occasioned by either the negligent or willful conduct of the Lessee and/or its agents; and/or;

b. Made by any person or entity holding under the Lessee; and/or

c. Made by any person or entity on the Premises or on the Port's property as a result of Lessee's activity, regardless of who the injured party may be.

This indemnification and hold harmless shall not apply to the extent the damages were caused by the gross negligence or willful misconduct of the Port.

18. LIMITED WAIVER OF IMMUNITY UNDER WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51 RCW AND OTHER SIMILAR INDUSTRIAL INSURANCE SCHEMES: For purposes of the indemnification provision set forth in Paragraph 17, above, and only to the extent of claims against Lessee by the Port under such indemnification provision, Lessee specifically waives any immunity it may be granted under the Washington State Industrial Insurance Act, Title 51 RCW, The United States Longshore and Harbor Workers Compensation Act, 33 USC §901-950, or any other similar workers' compensation schemes. The indemnification obligation under this lease shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under workers' compensation acts, disability benefit acts, or other employee benefit acts. The foregoing provision was specifically negotiated and agreed upon by the parties hereto.

19. INSURANCE: Lessee agrees to maintain during the lease term liability insurance as set forth below, at Lessee's sole expense.

a. Comprehensive General Liability Insurance against claims for injury or death to persons or damage to property with minimum limits of liability of $1,000,000.00 per occurrence and $2,000,000 in the annual aggregate. Such insurance shall include but not be limited to bodily injury liability, personal injury liability, property damage liability, broad form property damage liability, contractual liability, and products/completed operations liability. The policy of insurance required under this Subparagraph 17(a) shall:
   i. Be written as a primary policy; and
   ii. Expressly provide that the defense and indemnification of the Port as an "additional insured" will not be affected by any act or omission by Lessee which might otherwise result in a forfeiture of said insurance; and
   iii. Contain a separation of insureds provision such that the policy applies separately to each insured that is the subject of a claim or suit; and
   iv. Not contain a crossclaim, cross-suit, or other exclusion that eliminates coverage by one insured against another; and
   v. Provide for coverage for damage to the Port's property caused by the Lessee.

b. Workers Compensation Insurance as will protect Lessee's employees from claims under Washington Workers Compensation Act as well as all Federal Acts applicable to the Lessee's operations at the site such as but not limited to U.S. Longshore and Harbor Workers' Compensation Act, Jones Act, and Federal Employers Liability section of the Washington Workers Compensation Policy and all Federal Acts Insurance shall not be less than $1,000,000.00 for each occurrence.

c. The Lessee agrees to supply the Port with appropriate evidence to establish that its insurance obligations have been met, and that the insurance policy or policies are not subject to cancellation without at least thirty (30) days advance written notice to the Port. The conditions set forth in Subparagraphs (a), (b) and (c) of this Paragraph 19 shall be met prior to inception of this Lease Agreement.

20. WAIVER OF SUBROGATION: The Port and Lessee hereby mutually release each other from liability and waive all right of recovery against each other for any loss from perils insured against under their respective fire insurance contracts, including any extended coverage endorsements thereto, PROVIDED, that this Paragraph 20 shall be inapplicable if it would have the effect, but only to the extent that it would have the effect, of invalidating any insurance coverage of the Port or Lessee.

21. INCREASE IN COST OF INSURANCE: Lessee shall not use the demised premises in such a manner as to increase the existing rates of insurance applicable to the buildings or structures of which the premises are a part. If it nevertheless does so, then, at the option of the Port, the full amount of any resulting increase in premiums paid by the Port with respect to the buildings or structures of which the leased premises are a part, and to the extent allocable to the term of this Lease, may be added to the amount of rental hereinabove specified and shall be paid by Lessee to the Port upon the monthly rental day next thereafter occurring.

22. TAXES: Lessee shall be liable for, and shall pay throughout the term of this Lease, all license and excise fees and occupation taxes covering the business conducted on the premises, and all taxes on property of Lessee on the leased premises and any taxes on the leased premises or leasehold interest created by this Lease Agreement.

23. COMPLIANCE WITH PORT REGULATIONS AND WITH ALL LAWS: Lessee agrees to comply with all applicable rules and regulations of the Port pertaining to the building or other realty of which the premises are a part now in existence or hereafter promulgated for the general safety and convenience of the Port, its various tenants, invitees, licensees, and the general public. Lessee also agrees to comply with all applicable federal, state, and municipal laws, ordinances, and regulations. Lessee further agrees that all buildings, structures, or other improvements, approved by the Port, will be properly permitted by the City of Port Townsend. Any fees for any inspection of the premises during or for the lease term by any federal, state, or municipal officer and the fees for any so-called "Certificate of Occupancy" shall be paid by Lessee.

24. ASSIGNMENT OR SUBLEASE: Lessee shall not assign or transfer this Lease or any interest therein nor sublet the whole or any part of the premises, nor shall this Lease or any interest thereunder be assignable or transferable by operation of law or by any process or proceeding of any court, otherwise, without the written consent of the Port first had and obtained. If Lessee is a corporation, Lessee further agrees that if at any time during the term of this Lease more than one-half (1/2) of the outstanding shares of any class of stock of Lessee corporation shall belong to any stockholders other than those who own more than one-half (1/2) of the outstanding shares of that class of stock at the time of the execution of this Lease or to members of their immediate families, such change in the ownership of the stock of the Lessee shall be deemed an assignment of this Lease within the meaning of this paragraph. If the Port shall give its consent to any assignment or

sublease, this paragraph shall nevertheless continue in full force and effect, and no further assignment or sublease shall be made without the Port's consent.

25. DEFAULTS: Time is of the essence of this Lease Agreement, and in the event of the failure of Lessee to pay the rentals or other charges at the time and in the manner herein specified, or to keep any of the covenants or agreements herein set forth to be kept and performed, the Port may elect to terminate this Lease and reenter and take possession of the premises with or without process of law, PROVIDED, however, that Lessee shall be given fifteen (15) days' notice in writing stating the nature of the default in order to permit such default to be remedied by Lessee within said fifteen (15) day period. If upon such reentry there remains any personal property of Lessee or of any other person upon the leased premises, the Port may, but without the obligation so to do, remove said personal property and hold it for the owners thereof or may place the same in a public garage or warehouse, all at the expense and risk of the owners thereof, and Lessee shall reimburse the Port for any expense incurred by the Port in connection with such removal and storage. The Port shall have the right to sell such stored property, without notice to Lessee, after it has been stored for a period of thirty (30) days or more, the proceeds of such sale to be applied first to the cost of such sale, second to the payment of the charges for storage, and third to the payment of any other amounts which may then be due from Lessee to the Port, and the balance, if any, shall be paid to Lessee. Notwithstanding any such reentry, the liability of Lessee for the full rental provided for herein shall not be extinguished for the balance of the term of this Lease, and Lessee shall make good to the Port any deficiency arising from a re-letting of the leased premises at a lesser rental than that hereinbefore agreed upon. Lessee shall pay such deficiency each month as the amount thereof is ascertained by the Port. Any failure by the owners, officers, or principals of Lessee to pay rentals, storage fees, moorage or any other charges owed to the Port under separate contract shall constitute default under provisions of this Lease Agreement.

26. TERMINATION BY PORT:

a. In the event that the Port, at its sole discretion, shall require the use of the premises for any purpose for public or private use in connection with the operation of the business of the Port, then this Lease may be terminated by the Port by written notice delivered or mailed by the Port to the Lessee one hundred and eighty (180) or more days before the termination date specified in the notice. Lessee and the Port Executive Director will agree upon compensation to Lessee for loss of use, cost of relocation, and/or cost of improvement.

b. In the event the term of this Lease or any extended term expires, and an indefinite month-to-month tenancy results, then the resulting tenancy may be terminated by the Port by written notice delivered or mailed by the Port to the Lessee twenty (20) or more days before termination date specified in the notice. In the event of a holdover, month-to-month tenancy, no compensation shall be owed to Lessee for loss of use, cost of relocation, and/or cost of improvement.

27. **TERMINATION FOR GOVERNMENT USE:** In the event that the United States Government or any agency or instrumentality thereof shall, by condemnation or otherwise, take title, possession or the right to possession of the premises or any part thereof, the Port may, at its option, terminate this Lease as of the date of such taking, and, if Lessee is not in default under any of the provisions of this Lease on said date, any rental prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee.

28. **TERMINATION BECAUSE OF COURT DECREE:** In the event that any court having jurisdiction in the matter shall render a decision which has become final and which will prevent the performance by the Port of any of its obligations under this Lease, then either party hereto may terminate this Lease by written notice, and all rights and obligations hereunder (with the exception of any undischarged rights and obligations that accrued prior to the effective date of termination) shall thereupon terminate. If Lessee is not in default under any of the provisions of this Lease on the effective date of such termination, any rental prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee.

29. **SIGNS:** No signs or other advertising matter, symbols, canopies, or awnings shall be attached to or painted or within the leased premises, including the windows and doors thereof, without the approval of the Executive Director of the Port first had and obtained. At the termination or sooner expiration of this Lease, all such signs, advertising matter, symbols, canopies, or awnings attached to or painted by Lessee shall be removed by Lessee at its own expense, and Lessee shall repair any damage or injury to the premises, and correct any unsightly condition, caused by the maintenance and removal of said signs, etc.

30. **INSOLVENCY:** If Lessee shall file a petition in bankruptcy, or if Lessee shall be adjudged bankrupt or insolvent by any court, or if a receiver of the property of Lessee shall be appointed in any proceeding brought by or against Lessee, or if Lessee shall make an assignment for the benefit of creditors, or if any proceedings shall be commenced to foreclose any mortgage or any other lien on Lessee's interest in the premises or on any personal property kept or maintained on the premises by Lessee, the Port may at its option, terminate this Lease.

31. **WAIVER:** The acceptance of rent by the Port for any period or periods after a default by Lessee hereunder shall not be deemed a waiver of such default unless the Port shall so intend and shall so advise Lessee in writing. No waiver by the Port of any default hereunder by Lessee shall be construed to be or act as a waiver of any subsequent default by Lessee. After any default shall have been cured by Lessee, it shall not thereafter be used by the Port as a ground for the commencement of any action under the provisions of Paragraph 25 hereof.

32. PROMOTION OF PORT COMMERCE: Lessee agrees that throughout the term of this Lease it will, insofar as practicable, promote and aid the movement of passengers and freight through facilities within the territorial limits of the Port. Lessee further agrees that all incoming shipments of commodities that it may be able to control or direct shall be made through facilities within the territorial limits of the Port if there will be no resulting cost or time disadvantage to Lessee.

33. SURRENDER OF PREMISES – ATTORNEY'S FEES:

a. At the expiration or earlier termination of the term, Lessee shall surrender to the Port the possession of the premises and all improvements. Surrender or removal of fixtures, trade fixtures and improvements shall be as directed in Paragraph 14 of this Lease on ownership of improvements at termination. Lessee shall leave the surrendered premises and any other property in broom-clean condition except as provided to the contrary in provisions of this Lease on maintenance and repair of improvements. All property that Lessee is required to surrender shall become the Port's property at termination of this Lease. All property that Lessee is not required to surrender but that Lessee does abandon shall, at the Port's election, become the Port's property at termination. If Lessee fails to surrender the premises at the expiration or sooner termination of this Lease, Lessee shall defend and indemnify the Port from all liability and expense resulting from the delay or failure to surrender, including, without limitation, claims made by any succeeding tenant founded on or resulting from Lessee's failure to surrender.

b. If either party shall commence legal action to interpret or to enforce any of the provisions of this Lease, the substantially prevailing party shall be entitled to an award for all reasonable costs and attorney fees incurred in any such action. Any action brought under the terms of this Lease shall be maintained in Jefferson County, Washington.

34. HOLDING OVER: Any holding over by the Lessee after the expiration of this Lease shall be construed as a tenancy at sufferance (unless such occupancy is with the written consent of the Port) in which event the Lessee will be a tenant from month to month, upon the same terms and conditions of this Lease, except that:

a. The rent for such holdover period shall be 125% of the rental rate in effect for the month preceding such holdover;

b. Acceptance by the Port of rent after such termination shall not constitute a renewal;

c. The resulting month to month tenancy may be terminated by the Port by written notice delivered or mailed by the Port to the Lessee twenty (20) or more days before termination date specified in the notice; and

d. No compensation shall be owed to Lessee for loss of use, cost of relocation, and/or cost of improvement.

35. ADVANCES BY PORT FOR LESSEE: If Lessee shall fail to do anything required to be done by it under the terms of this Lease, except to pay rent, the Port may, at its sole option, do such act or thing on behalf of Lessee, and upon notification to Lessee of the cost thereof to the Port, Lessee shall promptly pay the Port the amount of that cost.

36. LIENS AND ENCUMBRANCES: Lessee shall keep the leased premises free and clear of any liens and encumbrances arising or growing out of the use and occupancy of the said premises by Lessee. At the Port's request, Lessee shall furnish the Port with written proof of payment of any item which would or might constitute the basis for such a lien on the leased premises if not paid.

37. NOTICES: All notices hereunder may be delivered or mailed. If mailed, they shall be sent by certified or registered mail to the following respective addresses:

To Lessor:

THE PORT OF PORT TOWNSEND
Attn: Lease & Contracts Administrator
P.O. Box 1180
Port Townsend, Washington 98368
(360) 385-0656

To Lessee:

HAVEN BOATWORKS, LLC
Attn: Blaise Holly
P.O. Box 1430
Port Townsend, WA 98368
360-385-5727

or to such other respective addresses as either party hereto may hereafter from time to time designate in writing. Notices sent by mail shall be deemed to have been given when properly mailed, and the postmark affixed by the United States Post Office shall be conclusive evidence of the date of mailing.

38. JOINT AND SEVERAL LIABILITY: Each and every party who signs this Lease, other than in a representative capacity, as Lessee, shall be jointly and severally liable hereunder.

39. "LESSEE" INCLUDES "LESSEES", ETC.: It is understood and agreed that for convenience the word "Lessee" and verbs and pronouns in the singular number and neuter gender are uniformly used throughout this Lease, regardless of the number, gender, or fact of incorporation of the party who is, or of the parties who are, the actual Lessee or Lessees under this Lease Agreement.

40. **CAPTIONS:** The captions in this Lease are for convenience only and do not in any way limit or amplify the provisions of this Lease.

41. **SEVERABILITY:** If any term or provision of this Lease Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect.

42. **NON-DISCRIMINATION SERVICES:** The Lessee agrees that it will not discriminate by segregation or otherwise against any person or persons because of race, creed, color, sex, sexual orientation, or national origin in furnishing, or by refusing to furnish, to such person, or persons, the use of the facility herein provided, including any and all services, privileges, accommodations, and activities provided thereby.

It is agreed that the Lessee's noncompliance with the provisions of this clause shall constitute a material breach of this Lease. In the event of such noncompliance, the Port may take appropriate action to enforce compliance, may terminate this Lease, or may pursue such other remedies as may be provided by law.

43. **NON-DISCRIMINATION EMPLOYMENT:** The Lessee covenants and agrees that in all matters pertaining to the performance of this Lease, Lessee shall at all times conduct its business in a manner which assures fair, equal and non-discriminatory treatment of all persons without respect to race, creed or national origin and, in particular:

a. Lessee will maintain open hiring and employment practices and will welcome applications for employment in all positions from qualified individuals who are members of racial or other minorities, and

b. Lessee will comply strictly with all requirements of applicable federal, state, or local laws or regulations issued pursuant thereto relating to the establishment of non-discriminatory requirements in hiring and employment practices and assuring the service of all patrons or customers without discrimination as to any person's race, creed, color, sex, sexual orientation, or national origin.

44. **EASEMENTS:** The Parties recognize that the Port facilities are continuously being modified to improve the utilities and services used and provided by the Port. The Port or its agents shall have the right to enter the demised premises of the Lessee, and to cross over, construct, move, reconstruct, rearrange, alter, maintain, repair, and operate the sewer, water, and drainage lines, and the electrical service, and all other services required by the Port for its use. The Port is hereby granted a continuous easement or easements that the Port believes is necessary within the lease premises of the Lessee, without any additional cost to the Port for the purposes expressed hereinabove; PROVIDED however, that the Port by virtue of such use does not permanently deprive the Lessee from its beneficial use or occupancy of its leased area.

In the event that the Port does permanently deprive the Lessee from such beneficial use or occupancy, then an equitable adjustment in rent or in the cost required to modify its premises to allow the Lessee to operate its business, will be negotiated and paid by the Port to the Lessee. In the event that such entry by the Port is temporary in nature, then the Port shall reimburse the Lessee for the cost required to modify its premises for the temporary period that the Lessee is inconvenienced by such Port entry. The Port will not be responsible to the Lessee for any reduced efficiency, or loss of business occasioned by such entry.

45. ENTIRE AGREEMENT: This Lease Agreement contains all of the understandings between the parties. Each party represents that no promises, representations, or commitments have been made by the other as a basis for this Lease which have not been reduced to writing herein. No oral promises or representations shall be binding upon either party, whether made in the past or to be made in the future, unless such promises or representations are reduced to writing in the form of a modification to this Lease executed with all necessary legal formalities by the Commission of the Port of Port Townsend.

Lease Agreement dated this ___ day September 2026 as approved by the Port of Port Townsend Port Commission, on the _____ day of September 2026 and effective upon the receipt of a deposit and liability insurance documentation from the Lessee.

THIS AGREEMENT HAS BEEN NEGOTIATED BETWEEN THE PARTIES AND CONTAINS A LIMITED WAIVER OF IMMUNITY UNDER TITLE 51 RCW, AN INDEMNIFICATION AND A RELEASE.

LESSEE – HAVEN BOATWORKS, LLC

_____
Blaise Holly, Managing Party

ATTEST:

LESSOR - PORT OF PORT TOWNSEND

_____
Eron Berg, Executive Director

APPROVED AS TO FORM

_____
Port Attorney

STATE OF WASHINGTON
COUNTY OF JEFFERSON

I certify that I know or have satisfactory evidence that BLAISE HOLLY signed this instrument and that he is authorized to execute the instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: _____

_____
Signature

_____
Printed Name

NOTARY PUBLIC in and for the State of Washington,
residing at Port Townsend

My commission expires: _____

STATE OF WASHINGTON
COUNTY OF JEFFERSON

I certify that I know or have satisfactory evidence that ERON BERG signed this instrument and that he is authorized to execute the instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: _____

_____
Signature

_____
Printed Name

NOTARY PUBLIC in and for the State of Washington,
residing at Port Townsend

My commission expires: _____

EXHIBIT A

LEGAL DESCRIPTION
HAVEN BOATWORKS, LLC – BOAT HAVEN BUILDING & LAND LEASE

The premises identified in paragraph #2 of this Lease Agreement are located on a portion of Tax 35 (APN 001104002) at the Port's Boat Haven facility, 2601 Washington Street, immediately adjacent and to the north of Tax 36 (APN 001104018) and lying in Section 10, Township 30 North, Range 1 West of the Willamette Meridian, Port Townsend, Jefferson County, Washington.

Exhibit A

Have Boatworks Building and Land Lease

810 Haines Street – J & S Building

Areas:

A- Front half J&S, approx. 2,400 square feet

B- Back half J&S, approx. 3,226 square feet

C- Fenced yard, approx. 880 square feet

D- Exclusive parking, approx. 324 square feet



EXHIBIT "B"

HAZARDOUS SUBSTANCES WARRANTY AND AGREEMENT

RIDER TO RENTAL AGREEMENT DATED: September __, 2026, BETWEEN THE PORT OF PORT TOWNSEND and **HAVEN BOATWORKS, LLC** a Washington limited liability company.

IT IS HEREBY AGREED THAT THE LEASE AGREEMENT IDENTIFIED ABOVE SHALL BE SUPPLEMENTED AND MODIFIED AS FOLLOWS:

1. **HAZARDOUS SUBSTANCES ON PREMISES.** Without the express written permission of The Port, Tenant shall not store, use or have present on or adjacent to the premises any hazardous or toxic substances, including those substances defined as "hazardous" or "extremely hazardous" under federal or Washington State environmental statutes or regulation (including but not limited to 42 USC 9601 et seq., 40 CFR Part 302, RCW Chapter 70.105D.020 and WAC 173-340-200, and any successor statutes and regulation), except as follows: _____
_____

2. **STORAGE AND USE OF HAZARDOUS SUBSTANCES.** Tenant agrees at all times to restrict its storage and use of substances identified in Paragraph 1 to the inside of the permanent building(s) at the premises, and specifically to those locations within such buildings(s) having concrete flooring or such other impermeable flooring as the Port may in its sole discretion approve in writing upon request by Tenant.

3. **HANDLING AND DISPOSAL.** The Tenant agrees to use said substances identified in paragraph 2 only on areas which have impermeable surfaces and or other means for preventing accidental contract by such substances with the soils upon the leasehold or its surrounding area.

4. **RELEASES OF HAZARDOUS SUBSTANCES PROHIBITED.** Tenant shall not release, dispose of, or permit a release of, any of the substances described or identified in paragraph 1 onto the premises or into the environment surrounding the premises.

5. **REGULATORY COMPLIANCE.** Tenant warrants and agrees that, during the term of this lease and any extensions thereof, it will take all steps necessary to comply with all applicable federal, state and local requirements for the containment, storage, use and disposal of any and all hazardous or toxic substances at the premises, including but not limited to obtaining and maintaining all necessary federal, state and local permits or licenses, and obtaining any required federal or state hazardous waste generator or transporter identification numbers. Tenant shall provide to the Port a copy of each such existing permit, license, and identification number before occupancy, and shall provide a copy of any such permit, license, and identification number which Tenant may obtain in the future within seven days of receipt by Tenant.

6. **DISPOSAL OF HAZARDOUS WASTES.** In the event Tenant has occasion or need to dispose of hazardous or toxic substances or wastes, and unless otherwise agreed in writing, Tenant shall retain an independent hazardous waste disposal firm to dispose of any and all such substances at an off-site facility which has been properly approved, licensed and authorized to accept such substances. Tenant shall ensure that the disposal firm is properly licensed and in good standing with the applicable regulatory authorities for such work, and that it has all required transporter identification numbers.

7. **TENANT'S WARRANTY OF NO CONTAMINATION.** Except as may be disclosed in Attachment No. 1 hereto, Tenant warrants and represents (1) that it has not released any toxic or hazardous substances onto the premises or into the environment in connection with its activities at the premises, (2) that it has inspected the premises and is not aware of any indication that a release of any hazardous substances has ever occurred at the premises, including prior to Tenant's occupancy, (3) that it has never been formally accused or cited, at the premises or elsewhere, for any violation of environmental laws, regulations or any hazardous waste-related governmental permit, and (4) that no claims or litigation have ever been pending against it by any person or governmental agency involving any use, storage, release or disposal of hazardous or toxic waste. If any such releases, formal accusations, citations, claims or litigation against Tenant arise during the term of this lease or any extension thereof, then Tenant shall notify the Port in writing within seven (7) days of such event, and shall provide the Port with a copy of each document reflecting such event.

8. **INDEMNIFICATION AND HOLD HARMLESS.** Tenant shall indemnify and hold the Port harmless with respect to any and all direct or indirect expenses, losses of damages, including all consequential damages, Attorney's fees, and litigation-related expenses and costs, incurred by the Port which result from (1) Tenant's breach of provision of this Rider, (2) claims, actions, suites, proceedings, judgments, fines or remedial orders (including orders to clean up contamination at the premises) which arise because of Tenant's breach of this Rider, (3) Tenant's violation of environment laws or regulations, or (4) Tenant's release of a toxic or hazardous substance onto the premises or into the surrounding environment. This provision shall apply regardless of whether Tenant has been negligent or at fault for such breach, violation, or release. This obligation by the Tenant shall survive the expiration or termination of the lease agreement and the sale of the property. If the Port so requests, Tenant shall accept the tender of defense of, and shall retain counsel of the Port's selection and at Tenant's expense to defend, any third-party claim asserted against the Port in connection with alleged conduct by Tenant which, if true, would be in breach of the provision of this Rider.

9. **NOTIFICATION TO THE PORT OF CHANGES IN OPERATION.** Tenant agrees to notify the Port in writing at least seven (7) days in advance of any previously undisclosed action which the Tenant plans to take which poses a material risk of a release of hazardous substance into the environment, including but not limited to material changes in Tenant's methods of hazardous waste disposal, material increases in the volume of Tenant's hazardous waste

disposal, or material changes in the nature of any hazardous wastes which Tenant anticipates it will generate.

10. **COPIES OF ENVIRONMENTAL CORRESPONDENCE.** Tenant agrees to provide the Port with copies of all past and future correspondence to or form the Washington Department of Ecology, the U.S. Environmental Protection Agency, and any other government agency which has had or may have contact with Tenant regarding environmental concerns pertaining to the premises.

11. **NOTIFICATION OF SPILLS OR RELEASES.** Tenant shall comply with all notification requirements under the applicable federal, state and local environmental statutes and regulations, including but not limited to the timely notification of the appropriate government authorities of any spills or releases of toxic or hazardous substances into the environment or onto the premises. Tenant shall notify the Port within 24 hours of discovery of any such spills or releases and shall provide copies of all correspondence and documents related to such spills or releases to the Port with seven days after receipt or creation, as the case may be.

12. **THE PORT'S REMEDY FOR BREACH OR VIOLATION.** In the event Tenant permits a release of a hazardous substance to occur at or near the premises, or breaches any provision of this Rider, the Port shall be entitled (1) to terminate the lease agreement immediately, (2) to require Tenant to cease all operation which pose a risk of releasing a hazardous substance into the environment, and (3) to require Tenant to begin an immediate cleanup of any and all contamination at the premises to the extent necessary to achieve full compliance with the applicable environmental laws and regulations. The Port shall be entitled to obtain immediate injunctive relief from a court of competent jurisdiction to enforce this provision. These remedies shall be in addition to, and not in substitution for, any other remedies available to the Port under applicable law.

13. **ANNUAL DECLARATION OF COMPLIANCE.** Within ten (10) days of receipt of a written request by the Port, Tenant shall provide to the Port a declaration of Tenant's compliance or non-compliance with the applicable environmental laws and regulations and with the provisions of this Rider, in the form set forth in Attachment No. 2. The Port anticipates that it will request such a declaration annually, approximately on the anniversary date of this Rider.

14. **INSPECTION OF PREMISES.** Tenant agrees to permit and cooperate with any on-site inspections and testing requested by the Port, including inspections and testing conducted by consultants or engineers hired by the Port to evaluate Tenant's compliance with the applicable environmental requirements and the provisions of this Rider. The Port shall provide Tenant within 24 hours advance notice of the Port's intent to conduct such inspection or testing.

15. **DESIGNATED REPRESENTATIVE RESPONSIBLE FOR COMPLIANCE.** Clint Thompson whose cell phone number is 360-821-8536 shall be the Tenant's designated representative who shall be primarily responsible (1) for Tenant's compliance with the provision of this Rider, (2) for handling contact with the Port pertaining to environmental compliance, and (3) for signing on behalf of Tenant the annual declaration of compliance pursuant to Paragraph 12 above. Tenant shall promptly notify the Port of any changes in the identity or telephone numbers of the designated representative.

16. **ADDITIONAL PROVISIONS.**

_____

_____

_____

PORT OF PORT TOWNSEND:	**TENANT:**
_____	_____
Eron Berg	Blaise Holly
Title: Executive Director	Title: Governing Member
Date: _____	Date: _____

(Attachment No. 1 to Hazardous Substances Rider)

DISCLOSURE BY TENANT

The Tenant makes the following disclosure pursuant to Paragraph 6 of the Hazardous Substances Warranty and Agreement (Attach Additional page(s) if necessary):

1. Release(s) of Hazardous Substances by Tenant:
   (If none, initial here:_____)

2. Indication(s) of Contamination at Premises:
   (If none, initial here:_____)

3. Tenant Violation(s) of Environmental Regulations:
   (If none, initial here:_____)

4. Environmental Claims or Litigation Against Tenant:
   (If none, initial here:_____)

Tenant: Perpetual Boatworks, LLC

By: _____/_____
(Signature)

Title: _____/Date: _____

(Attachment No. 2 to Hazardous Substances Rider)

DECLARATION OF COMPLIANCE

Blaise Holly, as the designated Tenant representative primarily responsible for environmental compliance pursuant to Paragraph 12 of the Hazardous Substances Warranty and Agreement dated: September ___, 2026, hereby declare and represent as follows on behalf of Tenant:

1. I have read, and am familiar with, Tenant's obligations and representations as set forth in the Hazardous Substances Warranty and Agreement applicable to Tenant.

2. I am not aware of, and do not believe there have been any violations by Tenant of any of the provisions in the Hazardous Substances Warranty and Agreement, or of any requirements imposed on Tenant by federal, state or local environment laws and regulations.

3. I have no reason to believe, and do not believe, that any of the representations in Paragraph 6 of the Hazardous Substances Warranty and Agreement are inaccurate as of the date indicated below.

4. Tenant has not stored, used or had present on or adjacent to the premises any hazardous or toxic substances except those that have been disclosed in writing to the Port.

5. Tenant has not released, disposed of, or permitted the release of any hazardous or toxic substances onto the premises or into the environment surrounding the premises, except as has been disclosed in writing to the Port.

Tenant: HAVEN BOATWORKS, LLC

By: _____
Signature

Title: _____/Date:_____

PORT OF PORT TOWNSEND
AGENDA COVER SHEET

MEETING DATE	September 9, 2026
AGENDA ITEM	☒ Consent ☐ 1st Reading ☐ 2nd Reading ☐ Regular Business ☐ Informational
AGENDA TITLE	V. H. Authorization to Execute Boat Haven Building Lease Termination Agreement with Pete's Marine Metal
STAFF LEAD	Eric Toews, Deputy Director and Heron Scott, Lease Administrator
REQUESTED	☐ Information ☒ Motion/Action ☐ Discussion
ATTACHMENTS	1. Staff Memo 2. Pete's Marine Metal, Boat Haven Building Lease Termination Agreement consisting of 3 total pages

If adopted as part of the consent agenda, no further action is needed. Approval of this item on the Consent Agenda authorizes the Executive Director to execute the Boat Haven Building Lease Termination Agreement with Pete's Marine Metal.

Alternative action: Remove from consent for discussion. Move to authorize the Executive Director to execute the Boat Haven Building Lease Termination Agreement with Pete's Marine Metal.

PORT OF PORT TOWNSEND
INFORMATIONAL MEMO

DATE: 9/9/2026

TO: Port Commission

FROM: Eric Toews, Deputy Director, and Heron Scott, Lease and Contracts Administrator

SUBJECT: Pete's Marine Metal – Boat Haven Building Lease Termination

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ISSUE: Should the Commission authorize the Executive Director to execute an agreement to early terminate the Boat Haven Building Lease with Pete's Marine Metal for approximately 1,580 square feet of industrial floor space in the building located at 315 10th Street?

BACKGROUND & DISCUSSION: Pete Chaffee, doing business as Pete's Marine Metal, holds a building lease for approximately 1,580 square feet in the Boat Haven building located at 315 10th Street. He has operated from this location since 2009, using the space for marine-related fabrication, equipment servicing, and associated office functions. The current lease was executed in June 2025 for a term beginning August 1, 2025, and ending July 31, 2027, with two two-year options to extend.

On August 1, 2026, Pete Chaffee approached Port staff to request a change to his lease agreement. He plans to retire and sell his business to Marine Craft Services, another Boat Haven operator. After discussions among Port staff, Marine Craft Services, and Pete Chaffee, the parties determined that early termination of Pete's Marine Metal's lease, coordinated with a synchronous lease agreement with Marine Craft Services, would provide a mutually agreeable path for the transition.

FISCAL IMPACT: None. The proposed new lease with Marine Craft Services would be effective on October 1, 2026. Thus, no interruption in lease revenue would occur.

RECOMMENDATION: Motion to authorize the Executive Director to execute the Pete's Marine Metal Boat Haven Building Lease Termination Agreement.

ATTACHMENT: Boat Haven Building Lease Termination Agreement consisting of three pages.

PORT OF PORT TOWNSEND
BOAT HAVEN BUILDING LEASE TERMINATION AGREEMENT

THIS BOAT HAVEN BUILDING LEASE TERMINATION AGREEMENT (Agreement) made this _____day of September 2026, by and between the PORT OF PORT TOWNSEND, a municipal corporation organized and existing under the laws of the State of Washington, Lessor, hereinafter referred to as "the Port," and WARREN P. CHAFFEE, d/b/a PETE'S MARINE METAL (UBI 601-117-999), a Washington sole proprietor, hereinafter referred to as "Lessee." The Port and Lessee will sometimes be referred to within this Agreement as the "Parties".

WITNESSETH:

That the Parties mutually agree as follows:

1. The Port and Lessee acknowledge and agree that they are parties to that certain unrecorded Boat Haven Building Lease dated June 12th, 2025 (the "Lease"). The Parties hereto acknowledge and agree that, notwithstanding any provisions set forth in the Lease, that the aforesaid Lease is currently in full force and effect, has continued in full force and effect without interruption since the date Lessee initially took possession of the Premises described in the Lease, and that Lessee currently possesses the Premises described in the Lease pursuant to the terms thereof.

2. On August 1, 2026, Lessee provided a verbal notice indicating its desire to cancel the Lease as soon as practicable.

3. The Parties have agreed to an early termination of the Lease which shall be effective at 11:59 p.m. (Pacific Time), September 30, 2026 ("Termination Date"), subject to the terms and conditions set forth in this Lease Termination Agreement.

4. The Parties desire to enter into this Lease Termination Agreement for the purposes of agreeing to the Termination Date set forth above, establishing their relative rights, duties and obligations under the Lease up through and including the Lease Termination Date, establishing their relative rights, duties and obligations following the termination of the Lease.

Unless otherwise defined herein, Capitalized terms shall have the meaning ascribed to such terms in the Lease.

NOW, THEREFORE, the Parties hereby acknowledge and agree as follows:

1. RETURN OF POSSESSION OF PREMISES: Lessee will surrender and return possession of the Premises to the Port on or prior to midnight, September 30, 2026, in the same condition as they existed at Lease inception, ordinary wear and tear excepted, and free

and clear of all of Lessee's personal property, trash and other removable items and free and clear of any other leasehold occupants. Lessee shall not remove any Lessee Owned Alterations, remove or replace any Utility Installations, or remove any other improvements to the Premises.

2. LEASE TERMINATION: In addition, notwithstanding any provision to the contrary in the Lease, effective as of 11:59 p.m. (Pacific Time) on September 30, 2026 (the "Termination Date"), the Lease shall be terminated and of no further force or effect and the Port and Lessee's rights and obligations with respect to the Premises arising or accruing thereafter shall be as set forth in this Lease Termination Agreement.

3. DISPOSTION OF SECURITY DEPOSIT: The Parties agree that Lessee's security deposit in the amount of $4,171.92 will be refunded in compliance with the provisions of Paragraph 6 of the Lease.

4. BINDING EFFECT: This Lease Termination Agreement shall be binding upon and inure to the benefit of the respective heirs, successors, assigns, estates and personal representatives of Lessee.

5. ENTIRE AGREEMENT: This Lease Termination Agreement is entered into by each of the Parties without reliance upon any statement, representation, promise, inducement, or agreement not expressly contained within this agreement. This Lease Termination Agreement constitutes the entire agreement between the Parties and supersedes all prior oral or written agreements.

6. MODIFICATIONS: This Agreement shall not be amended or modified except in a writing signed by each of the Parties affected by such amendment or modification.

7. APPLICABLE LAW, VENUE & LEGAL FEES: This Agreement shall be governed by the laws of the State of Washington. Any dispute relating to this Agreement must be litigated in Jefferson County, Washington, with the substantially prevailing party entitled to recover its legal fees and costs.

8. NEGOTIATED TRANSACTION: The drafting and negotiation of this Lease Termination Agreement have been participated in by each of the Parties. For all purposes, this Agreement shall be deemed to have been drafted jointly by the Parties.

9. COUNTERPARTS/ELECTRONIC PDF FILE TRANSMISSION:

a. This Lease Termination Agreement may be executed in counterparts, each of which shall be deemed to be an original. Such counterparts, when taken together, shall constitute but one Agreement.

b. This Lease Termination Agreement may be executed and transmitted by electronic transmission of a PDF file and, if so executed and transmitted this will be for all purposes as effective as if the parties had delivered an executed original.

IN WITNESS WHEREOF, the Parties have executed this Lease Termination Agreement as of the date first above written.

LESSEE: WARREN P. CHAFFEE, d/b/a PETE'S MARINE METAL

By: _____
Warren Peter Chaffee, Sole Proprietor

ATTEST:

LESSOR: PORT OF PORT TOWNSEND

_____
Eron Berg, Executive Director

APPROVED AS TO FORM

_____
Eric Toews, Port Attorney

PORT OF PORT TOWNSEND
INFORMATIONAL MEMO

DATE: 9/9/2026

TO: Port Commission

FROM: Eric Toews, Deputy Director and Heron Scott, Lease & Contracts Administrator

SUBJECT: Marine Craft Services Boat Haven Building Lease

ISSUE: Should the Commission authorize the Executive Director to execute the attached lease agreement with Marine Craft Services for a 1,580-square-foot portion of the building located at 315 10th Street at Boat Haven, substantially in the form presented?

BACKGROUND: The premises have been occupied by Peter Chaffee d/b/a Pete's Marine Metal since 2009. Peter Chaffee and Marine Craft Services have co-operated at this location since 2024 and seek to terminate the existing Pete's Marine Metal lease so the Port may execute a new lease with Marine Craft Services. A separate motion will be required to approve early termination of the Pete's Marine Metal lease for the premises.

DISCUSSION: Marine Craft Services is a family-operated business that performs systems repair, welding, and engine repair. The business has operated out of the Pete's Marine Metal location since 2024, with Peter Chaffee serving as the primary point of contact. The proposed lease would be executed in conjunction with early termination of the Pete's Marine Metal lease for the same premises. This transition will mark Peter Chaffee's official retirement from his Boat Haven operations.

Since beginning operations at Boat Haven, Marine Craft Services has thrived. The business reports a strong book of work and a recently increased employee count. For example, it recently hired a graduate of the Northwest School of Wooden Boatbuilding's nine-month systems program.

The proposed lease agreement with Marine Craft Services is materially the same as the agreement under which Pete's Marine Metal has operated. The premises would remain unchanged, and the proposed rate is consistent with the escalation schedule under the existing lease. The lease term is a standard five years, beginning October 1, 2026, and ending at midnight on September 30, 2031. The lessee would also have the option to extend the lease for one additional five-year term.

RECOMMENDATION: Authorize the Executive Director to execute the attached lease agreement with Marine Craft Services.

MOTION: None required. Approval of this item on the Consent Agenda authorizes the Executive Director to execute the attached lease agreement substantially in the form presented.

ATTACHMENT: Marine Craft Services Boat Haven Building Lease, consisting of 25 pages, including exhibits.

PORT OF PORT TOWNSEND
BOAT HAVEN BUILDING LEASE

THIS BOAT HAVEN BUILDING LEASE AGREEMENT made this ___ day of _____ 2026, by and between the PORT OF PORT TOWNSEND, a municipal corporation organized and existing under the laws of the State of Washington, Lessor, hereinafter referred to as "the Port," and MARINECRAFT d/b/a MARINE CRAFT SERVICES (UBI #: 605-657-234), a Washington State Limited Liability Corporation, hereinafter referred to as "Lessee,"

WITNESSETH:

FOR AND IN CONSIDERATION of the mutual promises, covenants, and conditions hereinafter set forth, the parties agree as follows:

1. **PREMISES:** The Port hereby leases to Lessee, and Lessee hereby hires and leases from the Port, the following described premises situated in Jefferson County, State of Washington:

Approximately 1,580 square feet of industrial floor space in the building located at 315 10th Street, Port Townsend, WA 98368 in the Boat Haven Industrial Park

hereinafter referred to as "the Premises." The Premises are depicted in Exhibit "A" which is attached hereto and which by this reference is incorporated herein as if fully set forth herein.

2. **TERM:** The term of this is five (5) years, beginning October 1, 2026, and ending at midnight, September 30, 2031. The Lessee shall also have the option to extend the lease term by one (1) additional five (5) year term.

3. **RENT:** It is agreed that Lessee shall pay rent for use of the premises as follows:

a. The sum of **One Thousand Two hundred and Sixty-One Dollars and Ninety-Five Cents ($1,261.95**)[1] per month plus hold Excise Tax (LET), to the Port on or before the first business day of each and every month and shall be payable at such place as the Port may hereinafter designate.
b. In no event shall any rent adjustment result in a reduction in rent from the rate paid in the prior period.
c. The Lease rate beginning in year two (2) and annually throughout the initial or any extended term of this will be adjusted by an amount equal to the percentage change over the prior year found on the Consumer Price Index for all urban consumers (CPI-U) for Seattle Tacoma-Bellevue, which is compiled by the Department of Labor, Bureau of Statistics.

[1] Calculated as follows: a) 1,580 sf +/- of building space assessed at $0.7987/sf = $1,261.95

d. Beginning on October 1, 2029, and no more frequently than once every three (3) years thereafter, the Lease rate may be adjusted to the fair market Lease rate for the premises based on the fair market Lease rate then prevailing for comparable commercial and/or industrial premises in the Western Washington area, bearing in mind all allowable uses of the property and all services and amenities available to the premises by virtue of its location. In the event that the parties are unable to reach agreement on the fair market rate adjustment, the rate shall be determined by arbitration before a single arbitrator who shall be jointly selected by the parties or by the Jefferson County Superior Court if the parties cannot agree.

4. LATE CHARGE: In the event that any rent remains unpaid more than twenty (20) days after it is due, Lessee shall also be obligated to pay a "late charge" as per the Port of Port Townsend Rate Schedule then in effect.

5. DEPOSIT: Lessee shall deposit with the Port at the inception of this agreement, three-month's security in the amount of **Four Thousand Two Hundred and Seventy-One Dollars and Ninety-Four Cents ($4,271.94)**[2]. The security deposit shall be adjusted annually to ensure that an amount equivalent to three (3) months' then current rent plus all applicable taxes is maintained with the Port. The deposit shall be held by the Port as security for Lessee's faithful performance of all its obligations under this Lease Agreement. Any interest earned on amounts deposited shall be retained by the Port. The deposit shall be returned to Lessee upon termination of this Lease Agreement, less any charges owing to the Port or expenses incurred by the Port in repairing damage caused by Lessee or restoring the Premises to the condition required upon termination of this Lease Agreement.

6. USE OF PREMISES: Lessee shall use the premises for manufacturing space for fabrication, and servicing marine-related equipment, along with associated office space and shall not use them for any other purpose without the prior written consent of the Port. Lessee shall use the entire premises for the conduct of said activity in a first-class manner continuously during the entire term of this Agreement, except for temporary closures for reasons beyond Lessee's reasonable control.

7. CONDUCT COVENANTS AND WARRANTIES: In addition to all other covenants and warranties set forth herein, Lessee specifically represents to the Port as follows:

a. Quiet Conduct. The conduct of Lessee and such others for whom Lessee is responsible shall not, in any manner, disturb the quiet enjoyment of other Lessees, invitees, or visitors, in or near where the Premises are located, including common areas.

b. Damage. The conduct of Lessee and such others for whom Lessee is responsible shall not result in or cause destruction or damage to the Premises, or any part thereof

[2] Calculated as follows: $1,261.95 x 3 = $3,785.84; $3,785.84 x 12.84% = $486.10; $3,785.84 + $486.10 = $4,271.94 total deposit

including, but not limited to any and all common areas, or the property of other Lessees, their invitees, and visitors.

8. UTILITIES: Lessee shall be liable for and shall pay throughout the term of this Lease Agreement, all utility services furnished to the Premises, including, but not limited to light, heat, electricity, gas, water, sewerage, stormwater, garbage disposal, and communications. Wi-Fi and/or fiber services are not included in the rent.

9. ACCEPTANCE OF PREMISES: Lessee has examined the Premises and accepts them in their present condition "as is" and without further maintenance liability on the part of the Port. The Port makes no representations or warranties with respect to the condition, suitability, zoning restrictions, or usability, except the Port's right to grant a Lease Agreement for the Premises. Lessee acknowledges that it has fully inspected the Premises and is not relying on any statement or representation made by the Port or the Port's agents with respect to the condition of the Premises, and Lessee assumes the responsibility and risks of the same, including any defects or conditions that cannot be observed by casual inspection.

10. MAINTENANCE AND REPAIR: Maintenance and repair of the premises shall be the sole responsibility of Lessee. Lessee's obligation to make repairs shall not extend to any structural parts of the building, including the foundations, bearing and exterior walls, subflooring and roofs, the unexposed electrical, plumbing and sewerage systems (including those portions of the systems lying outside the premises), exterior siding, exterior doors, window frames, gutters, downspouts, and the heating, and the ventilation system serving the premises, unless such repairs are necessitated by Lessee's negligence or failure to maintain the interior. Lessee shall, at its' own expense, and at all times:

a. Keep the premises, and the adjoining roadways and sidewalks, neat, clean and in a safe and sanitary condition;
b. Maintain and keep the leased premises in a good state of repair; and
c. Not commit waste of any kind.

11. ALTERATIONS AND IMPROVEMENTS: Lessee shall make no alterations or improvements to or upon the Premises without first obtaining written approval from the Executive Director of the Port. When seeking the Port's approval, Lessee shall submit full plans and specifications for any proposed alterations and shall furnish proof of compliance with all applicable codes and regulations and shall apply for and obtain all necessary permits for such work. If the proposed improvements are estimated to cost more than $25,000, the Port may require the posting of a completion bond as security for the completion of the improvements. Upon conclusion of the alterations, Lessee shall furnish "as-built" drawings of all improvements and alterations. The Port's approval of alterations shall also include agreement for disposition of the improvements upon termination of this Lease.

12. DISPOSITION OF IMPROVEMENTS AT END OF LEASE: At the expiration or earlier termination of this Lease, the Port shall have the option, in its sole and absolute discretion, to direct either: a) that the alterations and other improvements to the premises be surrendered to the Port; or b) that the Lessee remove the alterations and other improvements from the premises. If the Port directs surrender of the alterations and other improvements, all mechanical, electrical and HVAC systems on the premises shall also remain and be surrendered to the Port, but Lessee shall have the right to remove all personal property and trade fixtures, which may have been placed upon the premises by Lessee during the period of this Lease, provided that the same are not necessary to the operation of the altered or improved premises and provided further that they are removed prior to the termination of this Lease. Title to any trade fixtures not removed from the premises within the foregoing period shall, at the Port's option, pass to the Port without additional consideration. If the Port does not direct Lessee to remove the alterations and improvements, they shall become the property of the Port upon termination of this Lease. The premises will be surrendered by Lessee in a good state of repair, normal wear excepted. In the event the Port directs removal of the alterations and improvements from the premises, then title to all said improvements shall remain in and with the Lessee and Lessee shall complete the removal of the same within sixty (60) days after the expiration or sooner termination of this Lease. If the Lessee fails to remove said improvements within the specified time, they may be removed by the Port and the Lessee agrees to pay the Port for the cost thereof upon demand.

13. DAMAGE OR DESTRUCTION:

a. Should the Premises or the buildings or structures of which the Premises are a part be damaged by fire or other casualty, and if the damage is repairable within four (4) weeks from the date of the occurrence (with the repair work and the preparations therefore to be done during regular working hours on regular work days), the Premises shall be repaired with due diligence by the Lessee, and in the meantime the monthly minimum rental shall be abated in the same proportion that the untenantable portion of the Premises bears to the whole thereof, for the period from the occurrence of the damage to the completion of the repairs.

b. Should the Premises or any buildings or structures of which the Premises are a part be completely destroyed by fire or other casualty, or should they be damaged to such an extent that the damage cannot be repaired by Lessee within four (4) weeks of the occurrence, Lessee shall have the option to terminate this Lease on thirty (30) days' notice, effective as of any date not more than sixty (60) days after the occurrence. If this paragraph shall become applicable, the Lessee shall advise the Port within thirty (30) days after the happening of any such damage whether Lessee has elected to continue the lease in effect or to terminate it. If the Lessee shall elect to continue this Lease in effect, it shall commence and prosecute with due diligence any work necessary to restore or repair the Premises. If the Lessee shall fail to notify the Port of its election within said thirty (30) day period, Lessee shall be deemed to have elected to terminate this Lease, and the lease shall automatically terminate sixty (60) days after

the occurrence of the damage. For the period from the occurrence of any damage to the Premises to the date of completion of the repairs to the Premises (or to the date of termination of the lease if the Lessee shall elect not to restore the Premises), the monthly minimum rental shall be abated in the same proportion as the untenantable portion of the Premises bears to the whole thereof.

14. INSPECTION - "FOR RENT" SIGNS: The Port reserves the right to inspect the rented Premises at any and all reasonable times throughout the term of this Lease Agreement, provided that it shall not interfere unduly with Lessee's operations. The right of inspection reserved to the Port hereunder shall impose no obligation on the Port to make inspections to ascertain the condition of the Premises and shall impose no liability upon the Port for failure to make such inspections. The Port shall have the right to place and maintain "For Rent" signs in conspicuous places on the Premises for thirty (30) days prior to the expiration or sooner termination of this Lease Agreement.

15. INDEMNIFICATION AND HOLD HARMLESS: The Port, its employees and agents shall not be liable for any injury (including death) to any persons or for damage to any property, regardless of how such injury or damage be caused, sustained, or alleged to have been sustained by the Lessee or by others as a result of any condition (including existing or future defects in the Premises) or occurrence whatsoever related in any way to the Premises and the areas adjacent thereto or related in any way to Lessee's use or occupancy of the Premises and of the areas adjacent thereto. Lessee agrees to defend and to hold and save the Port harmless from all liability or expense of litigation) in connection with any such items of actual or alleged injury or damage.

16. LIMITED WAIVER OF IMMUNITY UNDER WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51 RCW AND OTHER SIMILAR INDUSTRIAL INSURANCE SCHEMES: For purposes of the indemnification provision set forth in Paragraph 15, above, and only to the extent of claims against Lessee by the Port under such indemnification provision, Lessee specifically waives any immunity it may be granted under the Washington State Industrial Insurance Act, Title 51 RCW, The United States Longshore and Harbor Workers Compensation Act, 33 USC §901-950, or any other similar workers' compensation schemes. The indemnification obligation under this Lease Agreement shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under workers' compensation acts, disability benefit acts, or other employee benefit acts. The foregoing provision was specifically negotiated and agreed upon by the parties hereto.

17. INSURANCE: Lessee agrees to maintain during the term of this Lease Agreement liability insurance as set forth below, at Lessee's sole expense. All such insurance shall name the Port of Port Townsend as an additional insured and shall be with insurance companies acceptable to the Port.

a. Comprehensive General Liability Insurance against claims for injury or death to persons or damage to property with minimum limits of liability of $1,000,000.00 combined single limit for each occurrence. Such insurance shall include but not be limited to bodily injury liability, personal injury liability, property damage liability, broad form property damage liability, contractual liability, and products/completed operations liability.
b. Workers Compensation Insurance as will protect Lessee's employees from claims under Washington Workers Compensation Act as well as all Federal Acts applicable to the Lessee's operations at the site such as but not limited to U.S. Longshore and Harborworkers' Compensation Act, Jones Act, and Federal Employers Liability section of the Washington Workers Compensation Policy.

The Lessee agrees to supply the Port with appropriate evidence to establish that its insurance obligations have been met, and that the insurance policy or policies are not subject to cancellation without at least thirty (30) days advance written notice to the Port. The conditions set forth in subparagraphs a and b of this Paragraph 17 shall be met prior to inception of this Lease Agreement.

18. WAIVER OF SUBROGATION: The Port and Lessee hereby mutually re each other from liability and waive all right of recovery against each other for any loss from perils insured against under their respective fire insurance contracts, including any extended coverage endorsements thereto, PROVIDED, that this Paragraph 17 shall be inapplicable if it would have the effect, but only to the extent that it would have the effect, of invalidating any insurance coverage of the Port or Lessee.

19. INCREASE IN COST OF INSURANCE: Lessee shall not use the demised Premises in such a manner as to increase the existing rates of insurance applicable to the improvements of which the Premises are a part. If it nevertheless does so, then, at the option of the Port, the full amount of any resulting increase in premiums paid by the Port with respect to the leased Premises, and to the extent allocable to the term of this Lease, may be added to the amount of rental hereinabove specified and shall be paid by Lessee to the Port upon the monthly rental day next thereafter occurring.

20. HAZARDOUS SUBSTANCES WARRANTY AND AGREEMENT: Lessee has examined the Hazardous Substance Warranty and Agreement, consisting of six (6) pages, which is attached as Exhibit "B" hereto and which by this reference is incorporated herein as fully set forth herein, and acknowledges full understanding of its obligations under said Hazardous Substances Warranty and Agreement.

21. TAXES: Lessee shall be liable for, and shall pay throughout the term of this Agreement, all license and excise fees and occupation taxes covering the business conducted on the premises, and all taxes on property of Lessee on the premises and any taxes on the

premises or hold interest created by this Agreement, including the Washington State hold Tax (currently 12.84% of rents paid) levied under RCW 82.29A.030.

22. COMPLIANCE WITH PORT REGULATIONS AND WITH ALL LAWS: Lessee agrees to comply with all applicable rules and regulations of the Port pertaining to the building or other realty of which the Premises are a part now in existence or hereafter promulgated for the general safety and convenience of the Port, its various Lessees, invitees, licensees, and the general public. Lessee also agrees to comply with all applicable federal, state, and municipal laws, ordinances, and regulations. Lessee further agrees that all buildings, structures, or other improvements, approved by the Port will be properly permitted by the City of Port Townsend. Any fees for any inspection of the Premises during or for the term of this Lease Agreement by any federal, state, or municipal officer and the fees for any so-called "Certificate of Occupancy" shall be paid by Lessee.

23. ASSIGNMENT OR SUBLEASE: Lessee shall not assign or transfer this Lease or any interest herein, nor sublet the whole or any part of the Premises, nor shall this Lease or any interest hereunder be assignable or transferable by operation of law or by any process or proceeding of any court, without the written consent of the Port first had and obtained. If Lessee is a corporation, Lessee further agrees that if at any time during the term of this Lease more than one-half (1/2) of the outstanding shares of any class of stock of Lessee shall belong to any stockholders other than those who own more than one-half (1/2) of the outstanding shares of that class of stock at the time of the execution of this Lease or to members of their immediate families, such change in the ownership of the stock of the Lessee shall be deemed an assignment of this Lease within the meaning of this paragraph. If the Port shall give its consent to any assignment or sublease, this paragraph shall nevertheless continue tin full force and effect, and no further assignment or sublease shall be made without the Port's consent.

24. EASEMENTS:

a. The parties recognize that the Port's facilities are continuously being modified to improve the utilities and services used and provided by the Port. The Port, or its agents, shall have the right to enter the demised Premises of the Lessee, and to cross over, construct, move, reconstruct, rearrange, alter, maintain, repair, and operate the sewer, water, and drainage lines, and the electrical service, and all other services required by the Port for its use. The Port is hereby granted a continuous easement or easements that the Port believes is necessary within the Premises leased by the Lessee, without any additional cost to the Port for the purposes expressed hereinabove, PROVIDED, HOWEVER, that the Port by virtue of such use, does not significantly impact or deprive the Lessee from its beneficial use or occupancy of the leased Premises.

b. In the event the Port significantly impacts Lessee's beneficial use or occupancy of the leased Premises, then there will be an equitable adjustment in rent. In the

event the Port permanently deprives Lessee from such beneficial use or occupancy, then the cost required to modify its Premises to allow the Lessee to operate its business will be negotiated and paid by the Port to the Lessee. In the event such entry by the Port is temporary in nature, the Port shall reimburse the Lessee for the cost required to modify its Premises for the temporary period that Lessee is inconvenienced by such Port entry.

25. DEFAULTS – TERMINATION FOR CAUSE:

a. Time is of the essence of this Agreement. In the event of the failure of Lessee to pay the Lease amount plus late charges as specified under Paragraphs 3 and 4, above, this Lease Agreement shall automatically terminate, and the Port shall reenter and take possession of the premises with or without due process of law.

b. In the event of the failure of Lessee to keep any of the covenants or agreements herein set forth that are unrelated to payment of rent or late charges specified under Paragraphs 3 and 4, above, the Port may elect to terminate this Agreement and reenter and take possession of the premises with or without process of law, PROVIDED, however, that Lessee shall be given fifteen (15) days' notice in writing stating the nature of the default in order to permit such default to be remedied by Lessee within said fifteen (15) day period. If upon reentry by the Port there remains any personal property of Lessee or of any other person upon the rented premises, the Port may, but without the obligation so to do, remove said personal property and hold it for the owners thereof or may place the same in a public garage or warehouse, all at the expense and risk of the owners thereof, and Lessee shall reimburse the Port for any expense incurred by the Port in connection with such removal and storage. The Port shall have the right to sell such stored property, without notice to Lessee, after it has been stored for a period of thirty (30) days or more, the proceeds of such sale to be applied first to the cost of such sale, second to the payment of the charges for storage, and third to the payment of any other amounts which may then be due from Lessee to the Port, and the balance, if any, shall be paid to Lessee. Any failure by the owners, officers, or principals of Lessee to pay Leases, storage fees, moorage or any other charges owed to the Port under separate contract shall constitute default under provisions of this Lease Agreement.

26. TERMINATION BY PORT:

a. Nothing in this Lease shall be deemed to be a waiver of the Port's power of eminent domain. In the event that the Port, at its sole discretion, shall require the use of the Premises for any purpose for public or private use in connection with the operation of the business of the Port, then this Lease may be terminated by the Port by written notice delivered or mailed by the Port to the Lessee one hundred and eighty (180) or more days before the termination date specified in the notice. In the event of such a termination the Port shall be

obligated to compensate the Lessee for the termination of Lessee's leasehold interest in the same manner as in the case of an exercise of the Port's eminent domain power.

b. In the event the term of this Lease or any extended term expires, and an indefinite month-to-month tenancy results, then the resulting tenancy may be terminated by the Port by written notice delivered or mailed by the Port to the Lessee twenty (20) or more days before termination date specified in the notice. In the event of a holdover, month-to-month tenancy, no compensation shall be owed to Lessee for loss of use, cost of relocation, and/or cost of improvement.

27. TERMINATION FOR GOVERNMENT USE: In the event that the United States Government or any agency or instrumentality thereof shall, by condemnation or otherwise, take title, possession or the right to possession of the premises or any part thereof, the Port may, at its option, terminate this Lease as of the date of such taking, and, if Lessee is not in default under any of the provisions of this Lease on said date, any rental prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee.

28. TERMINATION BECAUSE OF COURT DECREE: In the event that any court having jurisdiction in the matter shall render a decision which has become final and which will prevent the performance by the Port or Lessee of any of their obligations under this Lease, then either party hereto may terminate this Lease by written notice, and all rights and obligations hereunder (with the exception of any undischarged rights and obligations that accrued prior to the effective date of termination) shall thereupon terminate. If Lessee is not in default under any of the provisions of this Lease on the effective date of such termination, any rental prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee.

29. INSOLVENCY: If Lessee shall file a petition in bankruptcy, or if Lessee shall be adjudged bankrupt or insolvent by any court, or if a receiver of the property of Lessee shall be appointed in any proceeding brought by or against Lessee, or if Lessee shall make an assignment for the benefit of creditors, or if any proceedings shall be commenced to foreclose any mortgage or any other lien on Lessee's interest in the Premises or on any personal property kept or maintained on the Premises by Lessee, the Port may at its option, terminate this Lease.

30. WAIVER: The acceptance of Lease by the Port for any period or periods after a default by Lessee hereunder shall not be deemed a waiver of such default unless the Port shall so intend and shall so advise Lessee in writing. No waiver by the Port of any default hereunder by Lessee shall be construed to be or act as a waiver of any subsequent default by Lessee. After any default shall have been cured by Lessee, it shall not thereafter be

used by the Port as a ground for the commencement of any action under the provisions of Paragraph 25 hereof.

31. ATTORNEYS' FEES AND COSTS: In the event either party requires the services of an attorney in connection with enforcing or interpreting the terms of this Lease, or in the event suit is brought for the recovery of any sums due under this Lease or for the breach of any covenant or condition of this Lease, or for the restitution of the Premises to the Port or eviction of the Lessee during the lease term of after the expiration thereof, the substantially prevailing party is entitled to reasonable attorneys' fees and all costs incurred in connection therewith, including, without limitation, the fees of accountants, appraisers and other professionals, whether at trial, on appeal or without resort to suit.

32. PROMOTION OF PORT COMMERCE: Lessee agrees that it will, insofar as practicable, promote and aid the movement of passengers and freight through facilities within the territorial limits of the Port. Lessee further agrees that all incoming shipments of commodities that it may be able to control or direct shall be made through facilities within the territorial limits of the Port if there will be no resulting cost or time disadvantage to Lessee.

33. VACATION OF PREMISES – HOLDING OVER: In the event that no new lease has been negotiated and executed by the parties (or their successors) prior to the termination of this Lease, and upon written notice from the Port given at any time prior to the expiration of the term, Lessee shall promptly vacate the Premises on or before the last day of the term, leaving the Premises in the condition described in Paragraph 34, below. If Lessee holds over after the expiration or earlier termination of this Lease without the express written consent of the Port, Lessee will be a tenant at sufferance only and otherwise subject to the terms, covenants and conditions herein specified, insofar as applicable, except that the monthly rent will be one hundred twenty-five percent (125%) of the rent applicable during the last rental period under this Lease. Lessee shall also pay its share of then current additional rent, prorated daily. Acceptance by the Port of rent after the expiration or earlier termination of this Lease will not result in a renewal of this Lease. The forgoing provisions of this section are in addition to and do not affect the Port's right of re-entry or any other rights of the Port hereunder or otherwise provided by law. Lessee hereby indemnifies and agrees to hold the Port harmless from all loss, injury or liability arising from Lessee's failure to surrender the Premises upon the expiration or earlier termination of this Lease.

34. SURRENDER OF PREMISES: The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation thereof, will not work a merger, and will, at the option of the Port, operate as an assignment to it of any or all subleases or subtenancies. Upon the expiration or earlier termination of this Lease, Lessee shall peaceably surrender the Premises and all alterations and additions thereto, leave the Premises clean, in as good order, repair and

condition as was provided to Lessee on the commencement date, reasonable wear and tear excepted, and Lessee shall comply with the provisions of Paragraph 12, above. The delivery of keys to any employee of the Port or to the Port's agent or any employee thereof shall not be sufficient to constitute a termination of this Lease or a surrender of the Premises.

35. ADVANCES BY PORT FOR LESSEE: If Lessee shall fail to do anything required to be done by it under the terms of this Lease Agreement, except to pay rent, the Port may, at its sole option, do such act or thing on behalf of Lessee, and upon notification to Lessee of the cost thereof to the Port, Lessee shall promptly pay the Port the amount of that cost.

36. LIENS AND ENCUMBRANCES: Lessee shall keep the rented Premises free and clear of any liens and encumbrances arising from or growing out of the use and occupancy of the said Premises by Lessee. At the Port's request, Lessee shall furnish the Port with written proof of payment of any item which would or might constitute the basis for such a lien on the rented Premises if not paid.

37. NOTICES: All notices hereunder may be delivered or mailed. If mailed, they shall be sent by certified or registered mail to the following respective addresses:

To Landlord:
THE PORT OF PORT TOWNSEND
Attn: Lease & Contracts Administrator
P.O. Box 1180
Port Townsend, Washington 98368
(360) 385-0656

To Lessee:
MARINE CRAFT SERVICES
Attn: Terry Stoeser
141 Old Ferry Road
Port Hadlock, WA 98339
(206) 755-5374

or to such other respective addresses as either party hereto may hereafter from time to time designate in writing. Notices sent by mail shall be deemed to have been given when properly mailed, and the postmark affixed by the United States Post Office shall be conclusive evidence of the date of mailing.

38. SIGNS: No signs or other advertising matter, symbols, canopies, or awnings shall be attached to or painted or within the rented Premises, including the windows and doors thereof, without the approval of the Executive Director of the Port first had and obtained.

At the termination or sooner expiration of this Lease Agreement, all such signs, advertising matter, symbols, canopies, or awnings attached to or painted by Lessee shall be removed by Lessee at its own expense, and Lessee shall repair any damage or injury to the Premises, and correct any unsightly condition, caused by the maintenance and removal of said signs, etc.

39. "LESSEE" INCLUDES "LESSEES", ETC.: It is understood and agreed that for convenience the word "Lessee" and verbs and pronouns in the singular number and neuter gender are uniformly used throughout this Lease Agreement, regardless of the number, gender, or fact of incorporation of the party who is, or of the parties who are, the actual Lessee or Lessees under this Lease Agreement.

40. CAPTIONS: The captions in this Lease Agreement are for convenience only and do not in any way limit or amplify the provisions of this agreement.

41. JOINT AND SEVERAL LIABILITY: Each and every party who signs this Lease Agreement, other than in a representative capacity, as Lessee, shall be jointly and severally liable hereunder.

42. SEVERABILITY: If any term or provision of this Lease Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect.

43. NON-DISCRIMINATION SERVICES: The Lessee agrees that it will not discriminate by segregation or otherwise against any person or persons because of race, creed, color, sex, sexual orientation, or national origin in furnishing, or by refusing to furnish, to such person, or persons, the use of the facility herein provided, including any and all services, privileges, accommodations, and activities provided thereby.

It is agreed that the Lessee's noncompliance with the provisions of this clause shall constitute a material breach of this Lease Agreement. In the event of such noncompliance, the Port may take appropriate action to enforce compliance, may terminate this agreement, or may pursue such other remedies as may be provided by law.

44. NON-DISCRIMINATION EMPLOYMENT: Lessee covenants and agrees that in all matters pertaining to the performance of this Lease Agreement, Lessee shall at all times conduct its business in a manner which assures fair, equal and non-discriminatory treatment of all persons without respect to race, creed or national origin and, in particular:

a. Lessee will maintain open hiring and employment practices and will welcome applications for employment in all positions from qualified individuals who are members of racial or other minorities; and
b. Lessee will comply strictly with all requirements of applicable federal, state, or local laws or regulations issued pursuant thereto relating to the establishment of non-discriminatory requirements in hiring and employment practices and assuring the service of all patrons or customers without discrimination as to any person's race, creed, color, sex, sexual orientation, or national origin.

45. ENTIRE AGREEMENT: This Lease Agreement contains all understandings between the parties. Each party represents that no promises, representations, or commitments have been made by the other as a basis for this Lease Agreement which has not been reduced to writing herein. No oral promises or representations shall be binding upon either party, whether made in the past or to be made in the future, unless such promises or representations are reduced to writing in the form of a modification to this Lease Agreement executed by the parties.

THIS AGREEMENT HAS BEEN NEGOTIATED BETWEEN THE PARTIES AND CONTAINS A LIMITED WAIVER OF IMMUNITY UNDER TITLE 51 RCW, AN INDEMNIFICATION AND A RELEASE.

WHEREFORE, this Lease Agreement has been executed on the date first written above and will become effective upon the receipt of a deposit and liability insurance documentation from the Lessee.

LESSEE – MARINE CRAFT SERVICES

_____
Terry Stoeser, Responsible Party

ATTEST:

LANDLORD - PORT OF PORT TOWNSEND

_____
Eron Berg, Executive Director

APPROVED AS TO FORM

_____
Port Attorney

STATE OF WASHINGTON
COUNTY OF JEFFERSON

I certify that I know or have satisfactory evidence that TERRY STOESER signed this instrument and that he is authorized to execute the instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: _____

Signature of

Notary Public: _____

My Appointment Expires: _____

STATE OF WASHINGTON
COUNTY OF JEFFERSON

I certify that I know or have satisfactory evidence that ERON BERG signed this instrument and that he is authorized to execute the instrument as Executive Director of the Port of Port Townsend and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____

Signature of

Notary Public: _____

My Appointment Expires: _____

Exhibit A
Marine Craft Services
2026 Boat Haven Lease
315 10th Street
Approximately 1,580 square feet

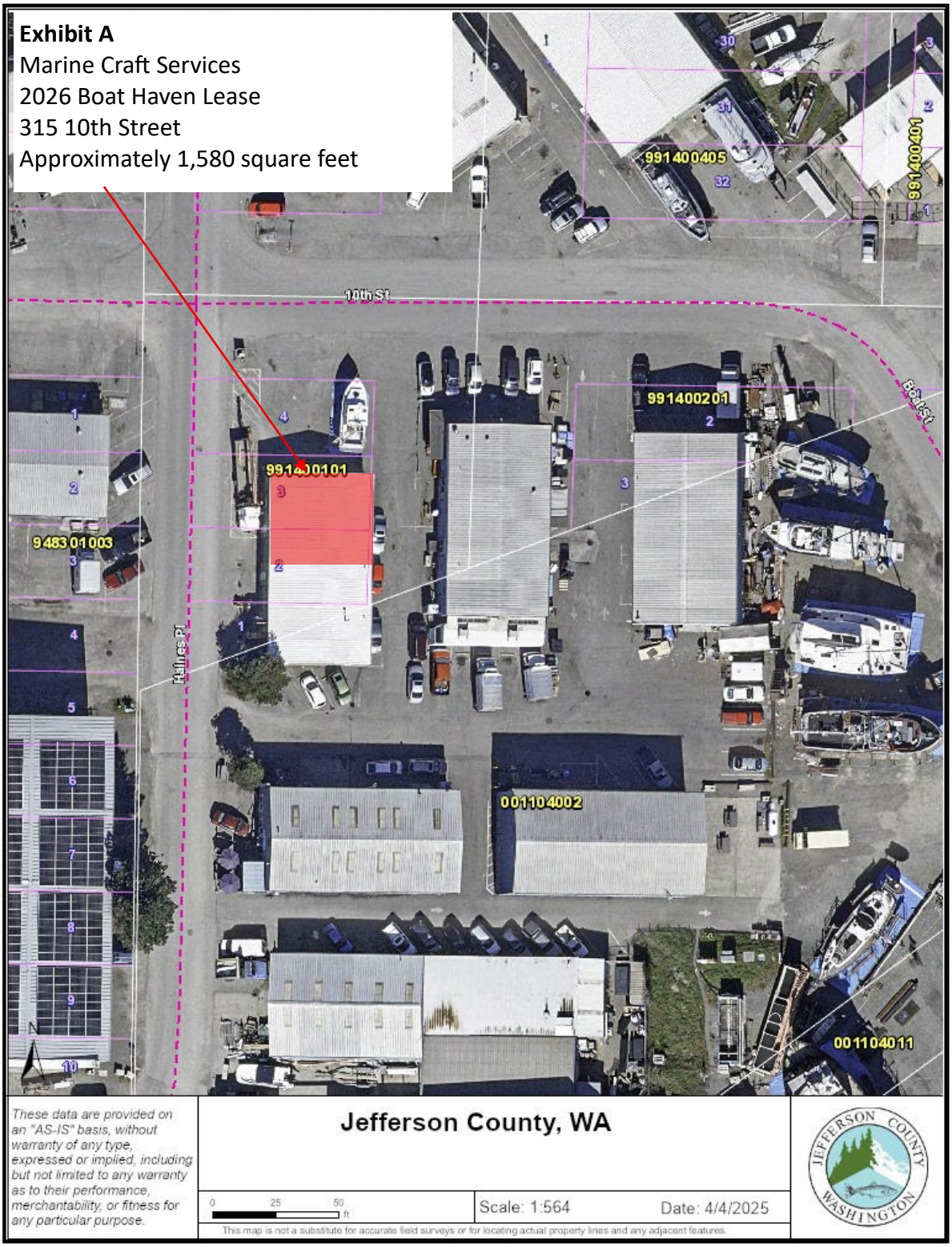


EXHIBIT "B"
HAZARDOUS SUBSTANCES WARRANTY AND AGREEMENT

RIDER TO RENTAL AGREEMENT DATED: August __, 2026, BETWEEN THE PORT OF PORT TOWNSEND and **MARINE CRAFT SERVICES** a Washington Limited Liability Company.

IT IS HEREBY AGREED THAT THE LEASE AGREEMENT IDENTIFIED ABOVE SHALL BE SUPPLEMENTED AND MODIFIED AS FOLLOWS:

1. **HAZARDOUS SUBSTANCES ON PREMISES.** Without the express written permission of The Port, Tenant shall not store, use or have present on or adjacent to the premises any hazardous or toxic substances, including those substances defined as "hazardous" or "extremely hazardous" under federal or Washington State environmental statutes or regulation (including but not limited to 42 USC 9601 et seq., 40 CFR Part 302, RCW Chapter 70.105D.020 and WAC 173-340-200, and any successor statutes and regulation), except as follows: _____
_____

2. **STORAGE AND USE OF HAZARDOUS SUBSTANCES.** Tenant agrees at all times to restrict its storage and use of substances identified in Paragraph 1 to the inside of the permanent building(s) at the premises, and specifically to those locations within such buildings(s) having concrete flooring or such other impermeable flooring as the Port may in its sole discretion approve in writing upon request by Tenant.

3. **HANDLING AND DISPOSAL.** The Tenant agrees to use said substances identified in paragraph 2 only on areas which have impermeable surfaces and or other means for preventing accidental contract by such substances with the soils upon the leasehold or its surrounding area.

4. **RELEASES OF HAZARDOUS SUBSTANCES PROHIBITED.** Tenant shall not release, dispose of, or permit a release of, any of the substances described or identified in paragraph 1 onto the premises or into the environment surrounding the premises.

5. **REGULATORY COMPLIANCE.** Tenant warrants and agrees that, during the term of this lease and any extensions thereof, it will take all steps necessary to comply with all applicable federal, state and local requirements for the containment, storage, use and disposal of any and all hazardous or toxic substances at the premises, including but not limited to obtaining and maintaining all necessary federal, state and local permits or licenses, and obtaining any required federal or state hazardous waste generator or transporter identification numbers. Tenant shall provide to the Port a copy of each such existing permit, license, and identification number before occupancy, and shall provide a copy of any such permit, license, and identification number which Tenant may obtain in the future within seven days of receipt by Tenant.

6. **DISPOSAL OF HAZARDOUS WASTES.** In the event Tenant has occasion or need to dispose of hazardous or toxic substances or wastes, and unless otherwise agreed in writing, Tenant shall retain an independent hazardous waste disposal firm to dispose of any and all such substances at an off-site facility which has been properly approved, licensed and authorized to accept such substances. Tenant shall ensure that the disposal firm is properly licensed and in good standing with the applicable regulatory authorities for such work, and that it has all required transporter identification numbers.

7. **TENANT'S WARRANTY OF NO CONTAMINATION.** Except as may be disclosed in Attachment No. 1 hereto, Tenant warrants and represents (1) that it has not released any toxic or hazardous substances onto the premises or into the environment in connection with its activities at the premises, (2) that it has inspected the premises and is not aware of any indication that a release of any hazardous substances has ever occurred at the premises, including prior to Tenant's occupancy, (3) that it has never been formally accused or cited, at the premises or elsewhere, for any violation of environmental laws, regulations or any hazardous waste-related governmental permit, and (4) that no claims or litigation have ever been pending against it by any person or governmental agency involving any use, storage, release or disposal of hazardous or toxic waste. If any such releases, formal accusations, citations, claims or litigation against Tenant arise during the term of this lease or any extension thereof, then Tenant shall notify the Port in writing within seven (7) days of such event, and shall provide the Port with a copy of each document reflecting such event.

8. **INDEMNIFICATION AND HOLD HARMLESS.** Tenant shall indemnify and hold the Port harmless with respect to any and all direct or indirect expenses, losses of damages, including all consequential damages, Attorney's fees, and litigation-related expenses and costs, incurred by the Port which result from (1) Tenant's breach of provision of this Rider, (2) claims, actions, suites, proceedings, judgments, fines or remedial orders (including orders to clean up contamination at the premises) which arise because of Tenant's breach of this Rider, (3) Tenant's violation of environment laws or regulations, or (4) Tenant's release of a toxic or hazardous substance onto the premises or into the surrounding environment. This provision shall apply regardless of whether Tenant has been negligent or at fault for such breach, violation, or release. This obligation by the Tenant shall survive the expiration or termination of the lease agreement and the sale of the property. If the Port so requests, Tenant shall accept the tender of defense of, and shall retain counsel of the Port's selection and at Tenant's expense to defend, any third-party claim asserted against the Port in connection with alleged conduct by Tenant which, if true, would be in breach of the provision of this Rider.

9. **NOTIFICATION TO THE PORT OF CHANGES IN OPERATION.** Tenant agrees to notify the Port in writing at least seven (7) days in advance of any previously undisclosed action which the Tenant plans to take which poses a material risk of a release of hazardous substance into the environment, including but not limited to material changes in Tenant's methods of hazardous waste disposal, material increases in the volume of Tenant's hazardous waste

disposal, or material changes in the nature of any hazardous wastes which Tenant anticipates it will generate.

10. **COPIES OF ENVIRONMENTAL CORRESPONDENCE.** Tenant agrees to provide the Port with copies of all past and future correspondence to or form the Washington Department of Ecology, the U.S. Environmental Protection Agency, and any other government agency which has had or may have contact with Tenant regarding environmental concerns pertaining to the premises.

11. **NOTIFICATION OF SPILLS OR RELEASES.** Tenant shall comply with all notification requirements under the applicable federal, state and local environmental statutes and regulations, including but not limited to the timely notification of the appropriate government authorities of any spills or releases of toxic or hazardous substances into the environment or onto the premises. Tenant shall notify the Port within 24 hours of discovery of any such spills or releases and shall provide copies of all correspondence and documents related to such spills or releases to the Port with seven days after receipt or creation, as the case may be.

12. **THE PORT'S REMEDY FOR BREACH OR VIOLATION.** In the event Tenant permits a release of a hazardous substance to occur at or near the premises, or breaches any provision of this Rider, the Port shall be entitled (1) to terminate the lease agreement immediately, (2) to require Tenant to cease all operation which pose a risk of releasing a hazardous substance into the environment, and (3) to require Tenant to begin an immediate cleanup of any and all contamination at the premises to the extent necessary to achieve full compliance with the applicable environmental laws and regulations. The Port shall be entitled to obtain immediate injunctive relief from a court of competent jurisdiction to enforce this provision. These remedies shall be in addition to, and not in substitution for, any other remedies available to the Port under applicable law.

13. **ANNUAL DECLARATION OF COMPLIANCE.** Within ten (10) days of receipt of a written request by the Port, Tenant shall provide to the Port a declaration of Tenant's compliance or non-compliance with the applicable environmental laws and regulations and with the provisions of this Rider, in the form set forth in Attachment No. 2. The Port anticipates that it will request such a declaration annually, approximately on the anniversary date of this Rider.

14. **INSPECTION OF PREMISES.** Tenant agrees to permit and cooperate with any on-site inspections and testing requested by the Port, including inspections and testing conducted by consultants or engineers hired by the Port to evaluate Tenant's compliance with the applicable environmental requirements and the provisions of this Rider. The Port shall provide Tenant within 24 hours advance notice of the Port's intent to conduct such inspection or testing.

15. **DESIGNATED REPRESENTATIVE RESPONSIBLE FOR COMPLIANCE.** Clint Thompson whose cell phone number is 360-821-8536 shall be the Tenant's designated representative who shall be primarily responsible (1) for Tenant's compliance with the provision of this Rider, (2) for handling contact with the Port pertaining to environmental compliance, and (3) for signing on behalf of Tenant the annual declaration of compliance pursuant to Paragraph 12 above. Tenant shall promptly notify the Port of any changes in the identity or telephone numbers of the designated representative.

16. **ADDITIONAL PROVISIONS.**

_____

_____

_____

PORT OF PORT TOWNSEND:	**TENANT:**
_____	_____
Eron Berg	Terry Stoeser
Title: Executive Director	Title: [TBD]
Date: _____	Date: _____

(Attachment No. 1 to Hazardous Substances Rider)

DISCLOSURE BY TENANT

The Tenant makes the following disclosure pursuant to Paragraph 6 of the Hazardous Substances Warranty and Agreement (Attach Additional page(s) if necessary):

1. Release(s) of Hazardous Substances by Tenant:
   (If none, initial here:_____)

2. Indication(s) of Contamination at Premises:
   (If none, initial here:_____)

3. Tenant Violation(s) of Environmental Regulations:
   (If none, initial here:_____)

4. Environmental Claims or Litigation Against Tenant:
   (If none, initial here:_____)

Tenant: Perpetual Boatworks, LLC

By: _____/_____
(Signature)

Title: _____/Date: _____

(Attachment No. 2 to Hazardous Substances Rider)

DECLARATION OF COMPLIANCE

Terry Stoeser, as the designated Tenant representative primarily responsible for environmental compliance pursuant to Paragraph 12 of the Hazardous Substances Warranty and Agreement dated: February ___, 2024, hereby declare and represent as follows on behalf of Tenant:

1. I have read, and am familiar with, Tenant's obligations and representations as set forth in the Hazardous Substances Warranty and Agreement applicable to Tenant.

2. I am not aware of, and do not believe there have been any violations by Tenant of any of the provisions in the Hazardous Substances Warranty and Agreement, or of any requirements imposed on Tenant by federal, state or local environment laws and regulations.

3. I have no reason to believe, and do not believe, that any of the representations in Paragraph 6 of the Hazardous Substances Warranty and Agreement are inaccurate as of the date indicated below.

4. Tenant has not stored, used or had present on or adjacent to the premises any hazardous or toxic substances except those that have been disclosed in writing to the Port.

5. Tenant has not released, disposed of, or permitted the release of any hazardous or toxic substances onto the premises or into the environment surrounding the premises, except as has been disclosed in writing to the Port.

Tenant: MARINE CRAFT SERVICES

By: _____
Signature

Title: _____/Date:_____

PORT OF PORT TOWNSEND
AGENDA COVER SHEET

MEETING DATE	September 9, 2026
AGENDA ITEM	☒ Consent ☐ 1st Reading ☐ 2nd Reading ☐ Regular Business ☐ Informational
AGENDA TITLE	V. I. Marine Craft Services, Boat Haven Building Lease
STAFF LEAD	Eric Toews, Deputy Director and Heron Scott, Lease Administrator
REQUESTED	☐ Information ☒ Motion/Action ☐ Discussion
ATTACHMENTS	1. Staff Memo 2. Marine Craft Services, Boat Haven Building Lease, including Exhibit "A" and "B" consisting of 25 total pages

If adopted as part of the consent agenda, no further action is needed. Approval of this item on the Consent Agenda authorizes the Executive Director to execute the Boat Haven Building Lease with Marine Craft Services, substantially in the form presented.

Alternative action: Remove from consent for discussion. Move to authorize the Executive Director to execute the Boat Haven Building Lease with Marine Craft Services, substantially in the form presented.

PORT OF PORT TOWNSEND
INFORMATIONAL MEMO

DATE: 9/9/2026

TO: Port Commission

FROM: Eric Toews, Deputy Director and Heron Scott, Lease & Contracts Administrator

SUBJECT: Marine Craft Services Boat Haven Building Lease

ISSUE: Should the Commission authorize the Executive Director to execute the attached lease agreement with Marine Craft Services for a 1,580-square-foot portion of the building located at 315 10th Street at Boat Haven, substantially in the form presented?

BACKGROUND: The premises have been occupied by Peter Chaffee d/b/a Pete's Marine Metal since 2009. Peter Chaffee and Marine Craft Services have co-operated at this location since 2024 and seek to terminate the existing Pete's Marine Metal lease so the Port may execute a new lease with Marine Craft Services. A separate motion will be required to approve early termination of the Pete's Marine Metal lease for the premises.

DISCUSSION: Marine Craft Services is a family-operated business that performs systems repair, welding, and engine repair. The business has operated out of the Pete's Marine Metal location since 2024, with Peter Chaffee serving as the primary point of contact. The proposed lease would be executed in conjunction with early termination of the Pete's Marine Metal lease for the same premises. This transition will mark Peter Chaffee's official retirement from his Boat Haven operations.

Since beginning operations at Boat Haven, Marine Craft Services has thrived. The business reports a strong book of work and a recently increased employee count. For example, it recently hired a graduate of the Northwest School of Wooden Boatbuilding's nine-month systems program.

The proposed lease agreement with Marine Craft Services is materially the same as the agreement under which Pete's Marine Metal has operated. The premises would remain unchanged, and the proposed rate is consistent with the escalation schedule under the existing lease. The lease term is a standard five years, beginning October 1, 2026, and ending at midnight on September 30, 2031. The lessee would also have the option to extend the lease for one additional five-year term.

RECOMMENDATION: Authorize the Executive Director to execute the attached lease agreement with Marine Craft Services.

MOTION: None required. Approval of this item on the Consent Agenda authorizes the Executive Director to execute the attached lease agreement substantially in the form presented.

ATTACHMENT: Marine Craft Services Boat Haven Building Lease, consisting of 25 pages, including exhibits.

PORT OF PORT TOWNSEND
BOAT HAVEN BUILDING LEASE

THIS BOAT HAVEN BUILDING LEASE AGREEMENT made this ___ day of _____ 2026, by and between the PORT OF PORT TOWNSEND, a municipal corporation organized and existing under the laws of the State of Washington, Lessor, hereinafter referred to as "the Port," and MARINECRAFT d/b/a MARINE CRAFT SERVICES (UBI #: 605-657-234), a Washington State Limited Liability Corporation, hereinafter referred to as "Lessee,"

WITNESSETH:

FOR AND IN CONSIDERATION of the mutual promises, covenants, and conditions hereinafter set forth, the parties agree as follows:

1. **PREMISES:** The Port hereby leases to Lessee, and Lessee hereby hires and leases from the Port, the following described premises situated in Jefferson County, State of Washington:

Approximately 1,580 square feet of industrial floor space in the building located at 315 10th Street, Port Townsend, WA 98368 in the Boat Haven Industrial Park

hereinafter referred to as "the Premises." The Premises are depicted in Exhibit "A" which is attached hereto and which by this reference is incorporated herein as if fully set forth herein.

2. **TERM:** The term of this is five (5) years, beginning October 1, 2026, and ending at midnight, September 30, 2031. The Lessee shall also have the option to extend the lease term by one (1) additional five (5) year term.

3. **RENT:** It is agreed that Lessee shall pay rent for use of the premises as follows:

a. The sum of **One Thousand Two hundred and Sixty-One Dollars and Ninety-Five Cents ($1,261.95**)[1] per month plus hold Excise Tax (LET), to the Port on or before the first business day of each and every month and shall be payable at such place as the Port may hereinafter designate.
b. In no event shall any rent adjustment result in a reduction in rent from the rate paid in the prior period.
c. The Lease rate beginning in year two (2) and annually throughout the initial or any extended term of this will be adjusted by an amount equal to the percentage change over the prior year found on the Consumer Price Index for all urban consumers (CPI-U) for Seattle Tacoma-Bellevue, which is compiled by the Department of Labor, Bureau of Statistics.

[1] Calculated as follows: a) 1,580 sf +/- of building space assessed at $0.7987/sf = $1,261.95

d. Beginning on October 1, 2029, and no more frequently than once every three (3) years thereafter, the Lease rate may be adjusted to the fair market Lease rate for the premises based on the fair market Lease rate then prevailing for comparable commercial and/or industrial premises in the Western Washington area, bearing in mind all allowable uses of the property and all services and amenities available to the premises by virtue of its location. In the event that the parties are unable to reach agreement on the fair market rate adjustment, the rate shall be determined by arbitration before a single arbitrator who shall be jointly selected by the parties or by the Jefferson County Superior Court if the parties cannot agree.

4. LATE CHARGE: In the event that any rent remains unpaid more than twenty (20) days after it is due, Lessee shall also be obligated to pay a "late charge" as per the Port of Port Townsend Rate Schedule then in effect.

5. DEPOSIT: Lessee shall deposit with the Port at the inception of this agreement, three-month's security in the amount of **Four Thousand Two Hundred and Seventy-One Dollars and Ninety-Four Cents ($4,271.94)**[2]. The security deposit shall be adjusted annually to ensure that an amount equivalent to three (3) months' then current rent plus all applicable taxes is maintained with the Port. The deposit shall be held by the Port as security for Lessee's faithful performance of all its obligations under this Lease Agreement. Any interest earned on amounts deposited shall be retained by the Port. The deposit shall be returned to Lessee upon termination of this Lease Agreement, less any charges owing to the Port or expenses incurred by the Port in repairing damage caused by Lessee or restoring the Premises to the condition required upon termination of this Lease Agreement.

6. USE OF PREMISES: Lessee shall use the premises for manufacturing space for fabrication, and servicing marine-related equipment, along with associated office space and shall not use them for any other purpose without the prior written consent of the Port. Lessee shall use the entire premises for the conduct of said activity in a first-class manner continuously during the entire term of this Agreement, except for temporary closures for reasons beyond Lessee's reasonable control.

7. CONDUCT COVENANTS AND WARRANTIES: In addition to all other covenants and warranties set forth herein, Lessee specifically represents to the Port as follows:

a. Quiet Conduct. The conduct of Lessee and such others for whom Lessee is responsible shall not, in any manner, disturb the quiet enjoyment of other Lessees, invitees, or visitors, in or near where the Premises are located, including common areas.

b. Damage. The conduct of Lessee and such others for whom Lessee is responsible shall not result in or cause destruction or damage to the Premises, or any part thereof

[2] Calculated as follows: $1,261.95 x 3 = $3,785.84; $3,785.84 x 12.84% = $486.10; $3,785.84 + $486.10 = $4,271.94 total deposit

including, but not limited to any and all common areas, or the property of other Lessees, their invitees, and visitors.

8. UTILITIES: Lessee shall be liable for and shall pay throughout the term of this Lease Agreement, all utility services furnished to the Premises, including, but not limited to light, heat, electricity, gas, water, sewerage, stormwater, garbage disposal, and communications. Wi-Fi and/or fiber services are not included in the rent.

9. ACCEPTANCE OF PREMISES: Lessee has examined the Premises and accepts them in their present condition "as is" and without further maintenance liability on the part of the Port. The Port makes no representations or warranties with respect to the condition, suitability, zoning restrictions, or usability, except the Port's right to grant a Lease Agreement for the Premises. Lessee acknowledges that it has fully inspected the Premises and is not relying on any statement or representation made by the Port or the Port's agents with respect to the condition of the Premises, and Lessee assumes the responsibility and risks of the same, including any defects or conditions that cannot be observed by casual inspection.

10. MAINTENANCE AND REPAIR: Maintenance and repair of the premises shall be the sole responsibility of Lessee. Lessee's obligation to make repairs shall not extend to any structural parts of the building, including the foundations, bearing and exterior walls, subflooring and roofs, the unexposed electrical, plumbing and sewerage systems (including those portions of the systems lying outside the premises), exterior siding, exterior doors, window frames, gutters, downspouts, and the heating, and the ventilation system serving the premises, unless such repairs are necessitated by Lessee's negligence or failure to maintain the interior. Lessee shall, at its' own expense, and at all times:

a. Keep the premises, and the adjoining roadways and sidewalks, neat, clean and in a safe and sanitary condition;
b. Maintain and keep the leased premises in a good state of repair; and
c. Not commit waste of any kind.

11. ALTERATIONS AND IMPROVEMENTS: Lessee shall make no alterations or improvements to or upon the Premises without first obtaining written approval from the Executive Director of the Port. When seeking the Port's approval, Lessee shall submit full plans and specifications for any proposed alterations and shall furnish proof of compliance with all applicable codes and regulations and shall apply for and obtain all necessary permits for such work. If the proposed improvements are estimated to cost more than $25,000, the Port may require the posting of a completion bond as security for the completion of the improvements. Upon conclusion of the alterations, Lessee shall furnish "as-built" drawings of all improvements and alterations. The Port's approval of alterations shall also include agreement for disposition of the improvements upon termination of this Lease.

12. DISPOSITION OF IMPROVEMENTS AT END OF LEASE: At the expiration or earlier termination of this Lease, the Port shall have the option, in its sole and absolute discretion, to direct either: a) that the alterations and other improvements to the premises be surrendered to the Port; or b) that the Lessee remove the alterations and other improvements from the premises. If the Port directs surrender of the alterations and other improvements, all mechanical, electrical and HVAC systems on the premises shall also remain and be surrendered to the Port, but Lessee shall have the right to remove all personal property and trade fixtures, which may have been placed upon the premises by Lessee during the period of this Lease, provided that the same are not necessary to the operation of the altered or improved premises and provided further that they are removed prior to the termination of this Lease. Title to any trade fixtures not removed from the premises within the foregoing period shall, at the Port's option, pass to the Port without additional consideration. If the Port does not direct Lessee to remove the alterations and improvements, they shall become the property of the Port upon termination of this Lease. The premises will be surrendered by Lessee in a good state of repair, normal wear excepted. In the event the Port directs removal of the alterations and improvements from the premises, then title to all said improvements shall remain in and with the Lessee and Lessee shall complete the removal of the same within sixty (60) days after the expiration or sooner termination of this Lease. If the Lessee fails to remove said improvements within the specified time, they may be removed by the Port and the Lessee agrees to pay the Port for the cost thereof upon demand.

13. DAMAGE OR DESTRUCTION:

a. Should the Premises or the buildings or structures of which the Premises are a part be damaged by fire or other casualty, and if the damage is repairable within four (4) weeks from the date of the occurrence (with the repair work and the preparations therefore to be done during regular working hours on regular work days), the Premises shall be repaired with due diligence by the Lessee, and in the meantime the monthly minimum rental shall be abated in the same proportion that the untenantable portion of the Premises bears to the whole thereof, for the period from the occurrence of the damage to the completion of the repairs.

b. Should the Premises or any buildings or structures of which the Premises are a part be completely destroyed by fire or other casualty, or should they be damaged to such an extent that the damage cannot be repaired by Lessee within four (4) weeks of the occurrence, Lessee shall have the option to terminate this Lease on thirty (30) days' notice, effective as of any date not more than sixty (60) days after the occurrence. If this paragraph shall become applicable, the Lessee shall advise the Port within thirty (30) days after the happening of any such damage whether Lessee has elected to continue the lease in effect or to terminate it. If the Lessee shall elect to continue this Lease in effect, it shall commence and prosecute with due diligence any work necessary to restore or repair the Premises. If the Lessee shall fail to notify the Port of its election within said thirty (30) day period, Lessee shall be deemed to have elected to terminate this Lease, and the lease shall automatically terminate sixty (60) days after

the occurrence of the damage. For the period from the occurrence of any damage to the Premises to the date of completion of the repairs to the Premises (or to the date of termination of the lease if the Lessee shall elect not to restore the Premises), the monthly minimum rental shall be abated in the same proportion as the untenantable portion of the Premises bears to the whole thereof.

14. INSPECTION - "FOR RENT" SIGNS: The Port reserves the right to inspect the rented Premises at any and all reasonable times throughout the term of this Lease Agreement, provided that it shall not interfere unduly with Lessee's operations. The right of inspection reserved to the Port hereunder shall impose no obligation on the Port to make inspections to ascertain the condition of the Premises and shall impose no liability upon the Port for failure to make such inspections. The Port shall have the right to place and maintain "For Rent" signs in conspicuous places on the Premises for thirty (30) days prior to the expiration or sooner termination of this Lease Agreement.

15. INDEMNIFICATION AND HOLD HARMLESS: The Port, its employees and agents shall not be liable for any injury (including death) to any persons or for damage to any property, regardless of how such injury or damage be caused, sustained, or alleged to have been sustained by the Lessee or by others as a result of any condition (including existing or future defects in the Premises) or occurrence whatsoever related in any way to the Premises and the areas adjacent thereto or related in any way to Lessee's use or occupancy of the Premises and of the areas adjacent thereto. Lessee agrees to defend and to hold and save the Port harmless from all liability or expense of litigation) in connection with any such items of actual or alleged injury or damage.

16. LIMITED WAIVER OF IMMUNITY UNDER WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51 RCW AND OTHER SIMILAR INDUSTRIAL INSURANCE SCHEMES: For purposes of the indemnification provision set forth in Paragraph 15, above, and only to the extent of claims against Lessee by the Port under such indemnification provision, Lessee specifically waives any immunity it may be granted under the Washington State Industrial Insurance Act, Title 51 RCW, The United States Longshore and Harbor Workers Compensation Act, 33 USC §901-950, or any other similar workers' compensation schemes. The indemnification obligation under this Lease Agreement shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under workers' compensation acts, disability benefit acts, or other employee benefit acts. The foregoing provision was specifically negotiated and agreed upon by the parties hereto.

17. INSURANCE: Lessee agrees to maintain during the term of this Lease Agreement liability insurance as set forth below, at Lessee's sole expense. All such insurance shall name the Port of Port Townsend as an additional insured and shall be with insurance companies acceptable to the Port.

a. Comprehensive General Liability Insurance against claims for injury or death to persons or damage to property with minimum limits of liability of $1,000,000.00 combined single limit for each occurrence. Such insurance shall include but not be limited to bodily injury liability, personal injury liability, property damage liability, broad form property damage liability, contractual liability, and products/completed operations liability.
b. Workers Compensation Insurance as will protect Lessee's employees from claims under Washington Workers Compensation Act as well as all Federal Acts applicable to the Lessee's operations at the site such as but not limited to U.S. Longshore and Harborworkers' Compensation Act, Jones Act, and Federal Employers Liability section of the Washington Workers Compensation Policy.

The Lessee agrees to supply the Port with appropriate evidence to establish that its insurance obligations have been met, and that the insurance policy or policies are not subject to cancellation without at least thirty (30) days advance written notice to the Port. The conditions set forth in subparagraphs a and b of this Paragraph 17 shall be met prior to inception of this Lease Agreement.

18. WAIVER OF SUBROGATION: The Port and Lessee hereby mutually re each other from liability and waive all right of recovery against each other for any loss from perils insured against under their respective fire insurance contracts, including any extended coverage endorsements thereto, PROVIDED, that this Paragraph 17 shall be inapplicable if it would have the effect, but only to the extent that it would have the effect, of invalidating any insurance coverage of the Port or Lessee.

19. INCREASE IN COST OF INSURANCE: Lessee shall not use the demised Premises in such a manner as to increase the existing rates of insurance applicable to the improvements of which the Premises are a part. If it nevertheless does so, then, at the option of the Port, the full amount of any resulting increase in premiums paid by the Port with respect to the leased Premises, and to the extent allocable to the term of this Lease, may be added to the amount of rental hereinabove specified and shall be paid by Lessee to the Port upon the monthly rental day next thereafter occurring.

20. HAZARDOUS SUBSTANCES WARRANTY AND AGREEMENT: Lessee has examined the Hazardous Substance Warranty and Agreement, consisting of six (6) pages, which is attached as Exhibit "B" hereto and which by this reference is incorporated herein as fully set forth herein, and acknowledges full understanding of its obligations under said Hazardous Substances Warranty and Agreement.

21. TAXES: Lessee shall be liable for, and shall pay throughout the term of this Agreement, all license and excise fees and occupation taxes covering the business conducted on the premises, and all taxes on property of Lessee on the premises and any taxes on the

premises or hold interest created by this Agreement, including the Washington State hold Tax (currently 12.84% of rents paid) levied under RCW 82.29A.030.

22. COMPLIANCE WITH PORT REGULATIONS AND WITH ALL LAWS: Lessee agrees to comply with all applicable rules and regulations of the Port pertaining to the building or other realty of which the Premises are a part now in existence or hereafter promulgated for the general safety and convenience of the Port, its various Lessees, invitees, licensees, and the general public. Lessee also agrees to comply with all applicable federal, state, and municipal laws, ordinances, and regulations. Lessee further agrees that all buildings, structures, or other improvements, approved by the Port will be properly permitted by the City of Port Townsend. Any fees for any inspection of the Premises during or for the term of this Lease Agreement by any federal, state, or municipal officer and the fees for any so-called "Certificate of Occupancy" shall be paid by Lessee.

23. ASSIGNMENT OR SUBLEASE: Lessee shall not assign or transfer this Lease or any interest herein, nor sublet the whole or any part of the Premises, nor shall this Lease or any interest hereunder be assignable or transferable by operation of law or by any process or proceeding of any court, without the written consent of the Port first had and obtained. If Lessee is a corporation, Lessee further agrees that if at any time during the term of this Lease more than one-half (1/2) of the outstanding shares of any class of stock of Lessee shall belong to any stockholders other than those who own more than one-half (1/2) of the outstanding shares of that class of stock at the time of the execution of this Lease or to members of their immediate families, such change in the ownership of the stock of the Lessee shall be deemed an assignment of this Lease within the meaning of this paragraph. If the Port shall give its consent to any assignment or sublease, this paragraph shall nevertheless continue tin full force and effect, and no further assignment or sublease shall be made without the Port's consent.

24. EASEMENTS:

a. The parties recognize that the Port's facilities are continuously being modified to improve the utilities and services used and provided by the Port. The Port, or its agents, shall have the right to enter the demised Premises of the Lessee, and to cross over, construct, move, reconstruct, rearrange, alter, maintain, repair, and operate the sewer, water, and drainage lines, and the electrical service, and all other services required by the Port for its use. The Port is hereby granted a continuous easement or easements that the Port believes is necessary within the Premises leased by the Lessee, without any additional cost to the Port for the purposes expressed hereinabove, PROVIDED, HOWEVER, that the Port by virtue of such use, does not significantly impact or deprive the Lessee from its beneficial use or occupancy of the leased Premises.

b. In the event the Port significantly impacts Lessee's beneficial use or occupancy of the leased Premises, then there will be an equitable adjustment in rent. In the

event the Port permanently deprives Lessee from such beneficial use or occupancy, then the cost required to modify its Premises to allow the Lessee to operate its business will be negotiated and paid by the Port to the Lessee. In the event such entry by the Port is temporary in nature, the Port shall reimburse the Lessee for the cost required to modify its Premises for the temporary period that Lessee is inconvenienced by such Port entry.

25. DEFAULTS – TERMINATION FOR CAUSE:

a. Time is of the essence of this Agreement. In the event of the failure of Lessee to pay the Lease amount plus late charges as specified under Paragraphs 3 and 4, above, this Lease Agreement shall automatically terminate, and the Port shall reenter and take possession of the premises with or without due process of law.

b. In the event of the failure of Lessee to keep any of the covenants or agreements herein set forth that are unrelated to payment of rent or late charges specified under Paragraphs 3 and 4, above, the Port may elect to terminate this Agreement and reenter and take possession of the premises with or without process of law, PROVIDED, however, that Lessee shall be given fifteen (15) days' notice in writing stating the nature of the default in order to permit such default to be remedied by Lessee within said fifteen (15) day period. If upon reentry by the Port there remains any personal property of Lessee or of any other person upon the rented premises, the Port may, but without the obligation so to do, remove said personal property and hold it for the owners thereof or may place the same in a public garage or warehouse, all at the expense and risk of the owners thereof, and Lessee shall reimburse the Port for any expense incurred by the Port in connection with such removal and storage. The Port shall have the right to sell such stored property, without notice to Lessee, after it has been stored for a period of thirty (30) days or more, the proceeds of such sale to be applied first to the cost of such sale, second to the payment of the charges for storage, and third to the payment of any other amounts which may then be due from Lessee to the Port, and the balance, if any, shall be paid to Lessee. Any failure by the owners, officers, or principals of Lessee to pay Leases, storage fees, moorage or any other charges owed to the Port under separate contract shall constitute default under provisions of this Lease Agreement.

26. TERMINATION BY PORT:

a. Nothing in this Lease shall be deemed to be a waiver of the Port's power of eminent domain. In the event that the Port, at its sole discretion, shall require the use of the Premises for any purpose for public or private use in connection with the operation of the business of the Port, then this Lease may be terminated by the Port by written notice delivered or mailed by the Port to the Lessee one hundred and eighty (180) or more days before the termination date specified in the notice. In the event of such a termination the Port shall be

obligated to compensate the Lessee for the termination of Lessee's leasehold interest in the same manner as in the case of an exercise of the Port's eminent domain power.

b. In the event the term of this Lease or any extended term expires, and an indefinite month-to-month tenancy results, then the resulting tenancy may be terminated by the Port by written notice delivered or mailed by the Port to the Lessee twenty (20) or more days before termination date specified in the notice. In the event of a holdover, month-to-month tenancy, no compensation shall be owed to Lessee for loss of use, cost of relocation, and/or cost of improvement.

27. TERMINATION FOR GOVERNMENT USE: In the event that the United States Government or any agency or instrumentality thereof shall, by condemnation or otherwise, take title, possession or the right to possession of the premises or any part thereof, the Port may, at its option, terminate this Lease as of the date of such taking, and, if Lessee is not in default under any of the provisions of this Lease on said date, any rental prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee.

28. TERMINATION BECAUSE OF COURT DECREE: In the event that any court having jurisdiction in the matter shall render a decision which has become final and which will prevent the performance by the Port or Lessee of any of their obligations under this Lease, then either party hereto may terminate this Lease by written notice, and all rights and obligations hereunder (with the exception of any undischarged rights and obligations that accrued prior to the effective date of termination) shall thereupon terminate. If Lessee is not in default under any of the provisions of this Lease on the effective date of such termination, any rental prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee.

29. INSOLVENCY: If Lessee shall file a petition in bankruptcy, or if Lessee shall be adjudged bankrupt or insolvent by any court, or if a receiver of the property of Lessee shall be appointed in any proceeding brought by or against Lessee, or if Lessee shall make an assignment for the benefit of creditors, or if any proceedings shall be commenced to foreclose any mortgage or any other lien on Lessee's interest in the Premises or on any personal property kept or maintained on the Premises by Lessee, the Port may at its option, terminate this Lease.

30. WAIVER: The acceptance of Lease by the Port for any period or periods after a default by Lessee hereunder shall not be deemed a waiver of such default unless the Port shall so intend and shall so advise Lessee in writing. No waiver by the Port of any default hereunder by Lessee shall be construed to be or act as a waiver of any subsequent default by Lessee. After any default shall have been cured by Lessee, it shall not thereafter be

used by the Port as a ground for the commencement of any action under the provisions of Paragraph 25 hereof.

31. ATTORNEYS' FEES AND COSTS: In the event either party requires the services of an attorney in connection with enforcing or interpreting the terms of this Lease, or in the event suit is brought for the recovery of any sums due under this Lease or for the breach of any covenant or condition of this Lease, or for the restitution of the Premises to the Port or eviction of the Lessee during the lease term of after the expiration thereof, the substantially prevailing party is entitled to reasonable attorneys' fees and all costs incurred in connection therewith, including, without limitation, the fees of accountants, appraisers and other professionals, whether at trial, on appeal or without resort to suit.

32. PROMOTION OF PORT COMMERCE: Lessee agrees that it will, insofar as practicable, promote and aid the movement of passengers and freight through facilities within the territorial limits of the Port. Lessee further agrees that all incoming shipments of commodities that it may be able to control or direct shall be made through facilities within the territorial limits of the Port if there will be no resulting cost or time disadvantage to Lessee.

33. VACATION OF PREMISES – HOLDING OVER: In the event that no new lease has been negotiated and executed by the parties (or their successors) prior to the termination of this Lease, and upon written notice from the Port given at any time prior to the expiration of the term, Lessee shall promptly vacate the Premises on or before the last day of the term, leaving the Premises in the condition described in Paragraph 34, below. If Lessee holds over after the expiration or earlier termination of this Lease without the express written consent of the Port, Lessee will be a tenant at sufferance only and otherwise subject to the terms, covenants and conditions herein specified, insofar as applicable, except that the monthly rent will be one hundred twenty-five percent (125%) of the rent applicable during the last rental period under this Lease. Lessee shall also pay its share of then current additional rent, prorated daily. Acceptance by the Port of rent after the expiration or earlier termination of this Lease will not result in a renewal of this Lease. The forgoing provisions of this section are in addition to and do not affect the Port's right of re-entry or any other rights of the Port hereunder or otherwise provided by law. Lessee hereby indemnifies and agrees to hold the Port harmless from all loss, injury or liability arising from Lessee's failure to surrender the Premises upon the expiration or earlier termination of this Lease.

34. SURRENDER OF PREMISES: The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation thereof, will not work a merger, and will, at the option of the Port, operate as an assignment to it of any or all subleases or subtenancies. Upon the expiration or earlier termination of this Lease, Lessee shall peaceably surrender the Premises and all alterations and additions thereto, leave the Premises clean, in as good order, repair and

condition as was provided to Lessee on the commencement date, reasonable wear and tear excepted, and Lessee shall comply with the provisions of Paragraph 12, above. The delivery of keys to any employee of the Port or to the Port's agent or any employee thereof shall not be sufficient to constitute a termination of this Lease or a surrender of the Premises.

35. ADVANCES BY PORT FOR LESSEE: If Lessee shall fail to do anything required to be done by it under the terms of this Lease Agreement, except to pay rent, the Port may, at its sole option, do such act or thing on behalf of Lessee, and upon notification to Lessee of the cost thereof to the Port, Lessee shall promptly pay the Port the amount of that cost.

36. LIENS AND ENCUMBRANCES: Lessee shall keep the rented Premises free and clear of any liens and encumbrances arising from or growing out of the use and occupancy of the said Premises by Lessee. At the Port's request, Lessee shall furnish the Port with written proof of payment of any item which would or might constitute the basis for such a lien on the rented Premises if not paid.

37. NOTICES: All notices hereunder may be delivered or mailed. If mailed, they shall be sent by certified or registered mail to the following respective addresses:

To Landlord:
THE PORT OF PORT TOWNSEND
Attn: Lease & Contracts Administrator
P.O. Box 1180
Port Townsend, Washington 98368
(360) 385-0656

To Lessee:
MARINE CRAFT SERVICES
Attn: Terry Stoeser
141 Old Ferry Road
Port Hadlock, WA 98339
(206) 755-5374

or to such other respective addresses as either party hereto may hereafter from time to time designate in writing. Notices sent by mail shall be deemed to have been given when properly mailed, and the postmark affixed by the United States Post Office shall be conclusive evidence of the date of mailing.

38. SIGNS: No signs or other advertising matter, symbols, canopies, or awnings shall be attached to or painted or within the rented Premises, including the windows and doors thereof, without the approval of the Executive Director of the Port first had and obtained.

At the termination or sooner expiration of this Lease Agreement, all such signs, advertising matter, symbols, canopies, or awnings attached to or painted by Lessee shall be removed by Lessee at its own expense, and Lessee shall repair any damage or injury to the Premises, and correct any unsightly condition, caused by the maintenance and removal of said signs, etc.

39. "LESSEE" INCLUDES "LESSEES", ETC.: It is understood and agreed that for convenience the word "Lessee" and verbs and pronouns in the singular number and neuter gender are uniformly used throughout this Lease Agreement, regardless of the number, gender, or fact of incorporation of the party who is, or of the parties who are, the actual Lessee or Lessees under this Lease Agreement.

40. CAPTIONS: The captions in this Lease Agreement are for convenience only and do not in any way limit or amplify the provisions of this agreement.

41. JOINT AND SEVERAL LIABILITY: Each and every party who signs this Lease Agreement, other than in a representative capacity, as Lessee, shall be jointly and severally liable hereunder.

42. SEVERABILITY: If any term or provision of this Lease Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect.

43. NON-DISCRIMINATION SERVICES: The Lessee agrees that it will not discriminate by segregation or otherwise against any person or persons because of race, creed, color, sex, sexual orientation, or national origin in furnishing, or by refusing to furnish, to such person, or persons, the use of the facility herein provided, including any and all services, privileges, accommodations, and activities provided thereby.

It is agreed that the Lessee's noncompliance with the provisions of this clause shall constitute a material breach of this Lease Agreement. In the event of such noncompliance, the Port may take appropriate action to enforce compliance, may terminate this agreement, or may pursue such other remedies as may be provided by law.

44. NON-DISCRIMINATION EMPLOYMENT: Lessee covenants and agrees that in all matters pertaining to the performance of this Lease Agreement, Lessee shall at all times conduct its business in a manner which assures fair, equal and non-discriminatory treatment of all persons without respect to race, creed or national origin and, in particular:

a. Lessee will maintain open hiring and employment practices and will welcome applications for employment in all positions from qualified individuals who are members of racial or other minorities; and
b. Lessee will comply strictly with all requirements of applicable federal, state, or local laws or regulations issued pursuant thereto relating to the establishment of non-discriminatory requirements in hiring and employment practices and assuring the service of all patrons or customers without discrimination as to any person's race, creed, color, sex, sexual orientation, or national origin.

45. ENTIRE AGREEMENT: This Lease Agreement contains all understandings between the parties. Each party represents that no promises, representations, or commitments have been made by the other as a basis for this Lease Agreement which has not been reduced to writing herein. No oral promises or representations shall be binding upon either party, whether made in the past or to be made in the future, unless such promises or representations are reduced to writing in the form of a modification to this Lease Agreement executed by the parties.

THIS AGREEMENT HAS BEEN NEGOTIATED BETWEEN THE PARTIES AND CONTAINS A LIMITED WAIVER OF IMMUNITY UNDER TITLE 51 RCW, AN INDEMNIFICATION AND A RELEASE.

WHEREFORE, this Lease Agreement has been executed on the date first written above and will become effective upon the receipt of a deposit and liability insurance documentation from the Lessee.

LESSEE – MARINE CRAFT SERVICES

_____
Terry Stoeser, Responsible Party

ATTEST:

LANDLORD - PORT OF PORT TOWNSEND

_____
Eron Berg, Executive Director

APPROVED AS TO FORM

_____
Port Attorney

STATE OF WASHINGTON
COUNTY OF JEFFERSON

I certify that I know or have satisfactory evidence that TERRY STOESER signed this instrument and that he is authorized to execute the instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: _____

Signature of

Notary Public: _____

My Appointment Expires: _____

STATE OF WASHINGTON
COUNTY OF JEFFERSON

I certify that I know or have satisfactory evidence that ERON BERG signed this instrument and that he is authorized to execute the instrument as Executive Director of the Port of Port Townsend and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____

Signature of

Notary Public: _____

My Appointment Expires: _____

Exhibit A
Marine Craft Services
2026 Boat Haven Lease
315 10th Street
Approximately 1,580 square feet

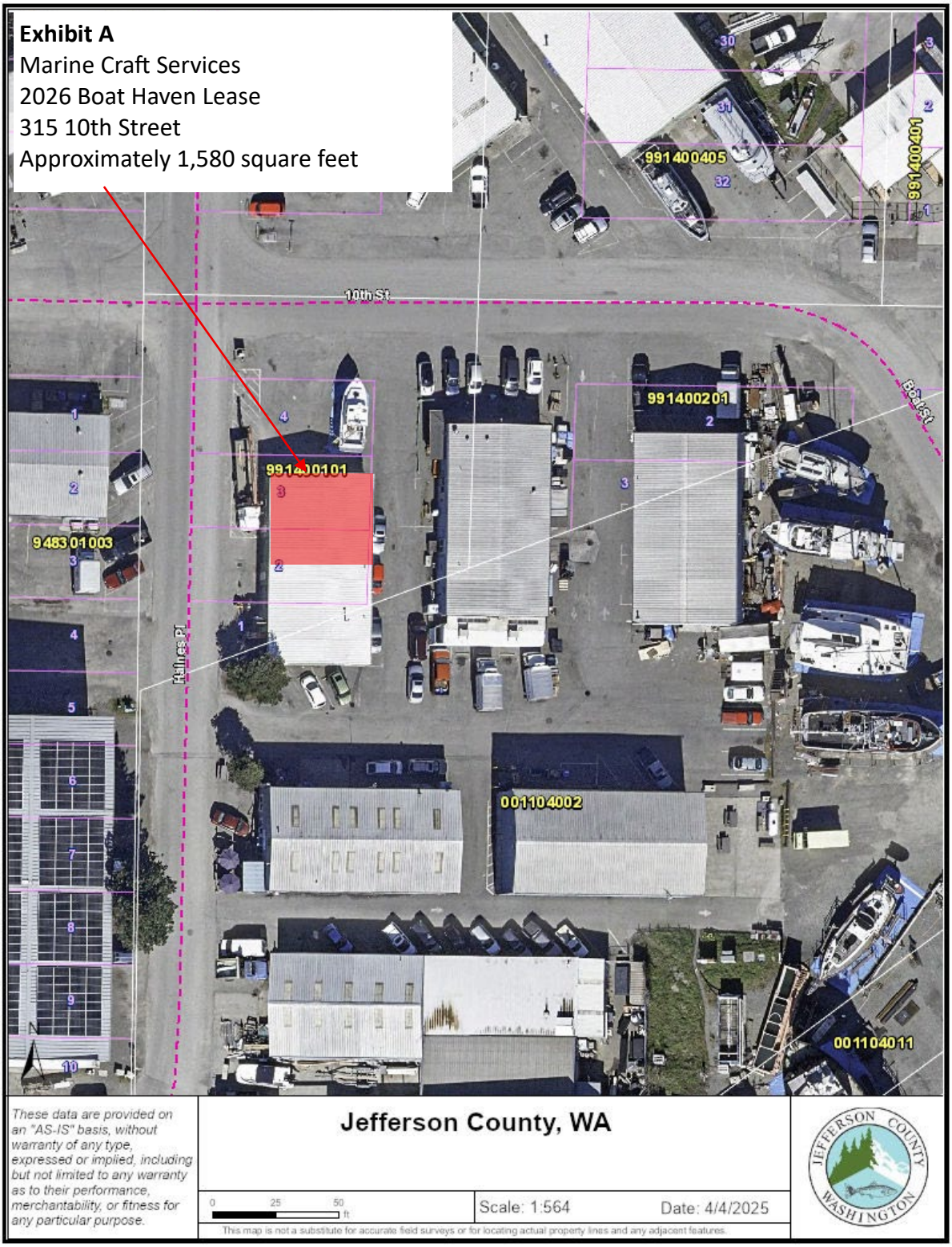


EXHIBIT "B"
HAZARDOUS SUBSTANCES WARRANTY AND AGREEMENT

RIDER TO RENTAL AGREEMENT DATED: August __, 2026, BETWEEN THE PORT OF PORT TOWNSEND and **MARINE CRAFT SERVICES** a Washington Limited Liability Company.

IT IS HEREBY AGREED THAT THE LEASE AGREEMENT IDENTIFIED ABOVE SHALL BE SUPPLEMENTED AND MODIFIED AS FOLLOWS:

1. **HAZARDOUS SUBSTANCES ON PREMISES.** Without the express written permission of The Port, Tenant shall not store, use or have present on or adjacent to the premises any hazardous or toxic substances, including those substances defined as "hazardous" or "extremely hazardous" under federal or Washington State environmental statutes or regulation (including but not limited to 42 USC 9601 et seq., 40 CFR Part 302, RCW Chapter 70.105D.020 and WAC 173-340-200, and any successor statutes and regulation), except as follows: _____
_____

2. **STORAGE AND USE OF HAZARDOUS SUBSTANCES.** Tenant agrees at all times to restrict its storage and use of substances identified in Paragraph 1 to the inside of the permanent building(s) at the premises, and specifically to those locations within such buildings(s) having concrete flooring or such other impermeable flooring as the Port may in its sole discretion approve in writing upon request by Tenant.

3. **HANDLING AND DISPOSAL.** The Tenant agrees to use said substances identified in paragraph 2 only on areas which have impermeable surfaces and or other means for preventing accidental contract by such substances with the soils upon the leasehold or its surrounding area.

4. **RELEASES OF HAZARDOUS SUBSTANCES PROHIBITED.** Tenant shall not release, dispose of, or permit a release of, any of the substances described or identified in paragraph 1 onto the premises or into the environment surrounding the premises.

5. **REGULATORY COMPLIANCE.** Tenant warrants and agrees that, during the term of this lease and any extensions thereof, it will take all steps necessary to comply with all applicable federal, state and local requirements for the containment, storage, use and disposal of any and all hazardous or toxic substances at the premises, including but not limited to obtaining and maintaining all necessary federal, state and local permits or licenses, and obtaining any required federal or state hazardous waste generator or transporter identification numbers. Tenant shall provide to the Port a copy of each such existing permit, license, and identification number before occupancy, and shall provide a copy of any such permit, license, and identification number which Tenant may obtain in the future within seven days of receipt by Tenant.

6. **DISPOSAL OF HAZARDOUS WASTES.** In the event Tenant has occasion or need to dispose of hazardous or toxic substances or wastes, and unless otherwise agreed in writing, Tenant shall retain an independent hazardous waste disposal firm to dispose of any and all such substances at an off-site facility which has been properly approved, licensed and authorized to accept such substances. Tenant shall ensure that the disposal firm is properly licensed and in good standing with the applicable regulatory authorities for such work, and that it has all required transporter identification numbers.

7. **TENANT'S WARRANTY OF NO CONTAMINATION.** Except as may be disclosed in Attachment No. 1 hereto, Tenant warrants and represents (1) that it has not released any toxic or hazardous substances onto the premises or into the environment in connection with its activities at the premises, (2) that it has inspected the premises and is not aware of any indication that a release of any hazardous substances has ever occurred at the premises, including prior to Tenant's occupancy, (3) that it has never been formally accused or cited, at the premises or elsewhere, for any violation of environmental laws, regulations or any hazardous waste-related governmental permit, and (4) that no claims or litigation have ever been pending against it by any person or governmental agency involving any use, storage, release or disposal of hazardous or toxic waste. If any such releases, formal accusations, citations, claims or litigation against Tenant arise during the term of this lease or any extension thereof, then Tenant shall notify the Port in writing within seven (7) days of such event, and shall provide the Port with a copy of each document reflecting such event.

8. **INDEMNIFICATION AND HOLD HARMLESS.** Tenant shall indemnify and hold the Port harmless with respect to any and all direct or indirect expenses, losses of damages, including all consequential damages, Attorney's fees, and litigation-related expenses and costs, incurred by the Port which result from (1) Tenant's breach of provision of this Rider, (2) claims, actions, suites, proceedings, judgments, fines or remedial orders (including orders to clean up contamination at the premises) which arise because of Tenant's breach of this Rider, (3) Tenant's violation of environment laws or regulations, or (4) Tenant's release of a toxic or hazardous substance onto the premises or into the surrounding environment. This provision shall apply regardless of whether Tenant has been negligent or at fault for such breach, violation, or release. This obligation by the Tenant shall survive the expiration or termination of the lease agreement and the sale of the property. If the Port so requests, Tenant shall accept the tender of defense of, and shall retain counsel of the Port's selection and at Tenant's expense to defend, any third-party claim asserted against the Port in connection with alleged conduct by Tenant which, if true, would be in breach of the provision of this Rider.

9. **NOTIFICATION TO THE PORT OF CHANGES IN OPERATION.** Tenant agrees to notify the Port in writing at least seven (7) days in advance of any previously undisclosed action which the Tenant plans to take which poses a material risk of a release of hazardous substance into the environment, including but not limited to material changes in Tenant's methods of hazardous waste disposal, material increases in the volume of Tenant's hazardous waste

disposal, or material changes in the nature of any hazardous wastes which Tenant anticipates it will generate.

10. **COPIES OF ENVIRONMENTAL CORRESPONDENCE.** Tenant agrees to provide the Port with copies of all past and future correspondence to or form the Washington Department of Ecology, the U.S. Environmental Protection Agency, and any other government agency which has had or may have contact with Tenant regarding environmental concerns pertaining to the premises.

11. **NOTIFICATION OF SPILLS OR RELEASES.** Tenant shall comply with all notification requirements under the applicable federal, state and local environmental statutes and regulations, including but not limited to the timely notification of the appropriate government authorities of any spills or releases of toxic or hazardous substances into the environment or onto the premises. Tenant shall notify the Port within 24 hours of discovery of any such spills or releases and shall provide copies of all correspondence and documents related to such spills or releases to the Port with seven days after receipt or creation, as the case may be.

12. **THE PORT'S REMEDY FOR BREACH OR VIOLATION.** In the event Tenant permits a release of a hazardous substance to occur at or near the premises, or breaches any provision of this Rider, the Port shall be entitled (1) to terminate the lease agreement immediately, (2) to require Tenant to cease all operation which pose a risk of releasing a hazardous substance into the environment, and (3) to require Tenant to begin an immediate cleanup of any and all contamination at the premises to the extent necessary to achieve full compliance with the applicable environmental laws and regulations. The Port shall be entitled to obtain immediate injunctive relief from a court of competent jurisdiction to enforce this provision. These remedies shall be in addition to, and not in substitution for, any other remedies available to the Port under applicable law.

13. **ANNUAL DECLARATION OF COMPLIANCE.** Within ten (10) days of receipt of a written request by the Port, Tenant shall provide to the Port a declaration of Tenant's compliance or non-compliance with the applicable environmental laws and regulations and with the provisions of this Rider, in the form set forth in Attachment No. 2. The Port anticipates that it will request such a declaration annually, approximately on the anniversary date of this Rider.

14. **INSPECTION OF PREMISES.** Tenant agrees to permit and cooperate with any on-site inspections and testing requested by the Port, including inspections and testing conducted by consultants or engineers hired by the Port to evaluate Tenant's compliance with the applicable environmental requirements and the provisions of this Rider. The Port shall provide Tenant within 24 hours advance notice of the Port's intent to conduct such inspection or testing.

15. **DESIGNATED REPRESENTATIVE RESPONSIBLE FOR COMPLIANCE.** Clint Thompson whose cell phone number is 360-821-8536 shall be the Tenant's designated representative who shall be primarily responsible (1) for Tenant's compliance with the provision of this Rider, (2) for handling contact with the Port pertaining to environmental compliance, and (3) for signing on behalf of Tenant the annual declaration of compliance pursuant to Paragraph 12 above. Tenant shall promptly notify the Port of any changes in the identity or telephone numbers of the designated representative.

16. **ADDITIONAL PROVISIONS.**

_____

_____

_____

PORT OF PORT TOWNSEND:	**TENANT:**
_____	_____
Eron Berg	Terry Stoeser
Title: Executive Director	Title: [TBD]
Date: _____	Date: _____

(Attachment No. 1 to Hazardous Substances Rider)

DISCLOSURE BY TENANT

The Tenant makes the following disclosure pursuant to Paragraph 6 of the Hazardous Substances Warranty and Agreement (Attach Additional page(s) if necessary):

1. Release(s) of Hazardous Substances by Tenant:
   (If none, initial here:_____)

2. Indication(s) of Contamination at Premises:
   (If none, initial here:_____)

3. Tenant Violation(s) of Environmental Regulations:
   (If none, initial here:_____)

4. Environmental Claims or Litigation Against Tenant:
   (If none, initial here:_____)

Tenant: Perpetual Boatworks, LLC

By: _____/_____
(Signature)

Title: _____/Date: _____

(Attachment No. 2 to Hazardous Substances Rider)

DECLARATION OF COMPLIANCE

Terry Stoeser, as the designated Tenant representative primarily responsible for environmental compliance pursuant to Paragraph 12 of the Hazardous Substances Warranty and Agreement dated: February ___, 2024, hereby declare and represent as follows on behalf of Tenant:

1. I have read, and am familiar with, Tenant's obligations and representations as set forth in the Hazardous Substances Warranty and Agreement applicable to Tenant.

2. I am not aware of, and do not believe there have been any violations by Tenant of any of the provisions in the Hazardous Substances Warranty and Agreement, or of any requirements imposed on Tenant by federal, state or local environment laws and regulations.

3. I have no reason to believe, and do not believe, that any of the representations in Paragraph 6 of the Hazardous Substances Warranty and Agreement are inaccurate as of the date indicated below.

4. Tenant has not stored, used or had present on or adjacent to the premises any hazardous or toxic substances except those that have been disclosed in writing to the Port.

5. Tenant has not released, disposed of, or permitted the release of any hazardous or toxic substances onto the premises or into the environment surrounding the premises, except as has been disclosed in writing to the Port.

Tenant: MARINE CRAFT SERVICES

By: _____
Signature

Title: _____/Date:_____

PORT OF PORT TOWNSEND
AGENDA COVER SHEET

MEETING DATE	September 9, 2026
AGENDA ITEM	☒ Consent ☐ 1st Reading ☐ 2nd Reading ☐ Regular Business ☐ Informational
AGENDA TITLE	V. J. Resolution 884-26 Delegating Authority to the Executive Director of the Port of Port Townsend to Finalize, Execute and Implement a Cultural Resources Management Plan for the Port's Boat Haven Property
STAFF LEAD	Eric Toews, Deputy Director
REQUESTED	☐ Information ☒ Motion/Action ☐ Discussion
ATTACHMENT	1. Resolution No. 884-26

If adopted as part of the consent agenda, no further action is needed. Approval of this item on the Consent Agenda authorizes the Executive Director to finalize, execute, and implement the Cultural Resources Management Plan.

RESOLUTION NO. 884-26

A Resolution of the Commission of the Port of Port Townsend

DELEGATING AUTHORITY TO THE EXECUTIVE DIRECTOR OF THE PORT OF PORT TOWNSEND TO FINALIZE, EXECUTE AND IMPLEMENT A CULTURAL RESOURCES MANAGEMENT PLAN FOR THE PORT'S BOAT HAVEN PROPERTY

WHEREAS, the Port of Port Townsend (the "Port") is a municipal corporation established in 1924 under Title 53 of the Revised Code of Washington; and

WHEREAS, under RCW 53, the Port is responsible for developing and maintaining infrastructure that fosters economic development, providing transportation facilities that support commerce and communities within Jefferson County; and

WHEREAS, RCW §§53.08.020 and 53.08.040 authorize the Port to acquire, improve and operate properties and facilities for commercial and industrial purposes subject to all applicable state and federal laws; and

WHEREAS, the Port of Port Townsend is committed to the protection, preservation, and responsible management of cultural, historical, and archaeological resources within its jurisdiction and project areas; and

WHEREAS, in advancing capital projects at the Port Townsend Boat Haven facility, a Native American midden site has been discovered that necessitates protection and management; and

WHEREAS, the Port has collaborated closely with the Jamestown S'Klallam Tribe in the development of a draft Cultural Resources Management Plan ("CRMP") to protect, preserve and effectively manage cultural resources at the Port's Boat Haven facility; and

WHEREAS, finalizing, executing and implementing the CRMP is necessary to protect, preserve and effectively manage cultural resources at the Port's Boat Haven facility, ensure compliance with local, state, and federal preservation laws, and to guide the Port's ongoing operations at Boat Haven; and

WHEREAS, the draft CRMP has been reviewed by Port staff and has been found to align with the strategic goals and obligations of the Port; and

WHEREAS, the Port is prohibited or exempted from disclosing sensitive information regarding cultural resources and archaeological sites under state and federal

preservation laws and disclosure exemptions to prevent looting, vandalism, and the disruption of tribal practices; and

WHEREAS, RCW 42.56.300 specifically exempts the Port from disclosing records, maps and information regarding archaeological and cultural resource sites under RCW 42.56.300; and

WHEREAS, the CRMP contains records, maps, geographic information system data and other information regarding cultural resources located at the Port's Boat Haven site and consistent with state and federal law, may not be made available to the public; and

WHEREAS, the Port Commission desires to delegate the authority to the Executive Director to finalize, execute, and implement the CRMP to ensure operational efficiency and compliance with state and federal laws regarding archaeological and cultural resource sites;

NOW, THEREFORE, BE IT RESOLVED by the Port Commission of the Port of Port Townsend, as follows:

1. **Delegation of Authority:** Port Executive Director, Eron Berg, is authorized, empowered and directed in the name, and on behalf, of the Port of Port Townsend, to finalize, execute and implement the Boat Haven Cultural Resources Management Plan (CRMP). The CRMP shall address the topic areas broadly outlined in Exhibit "A," which is attached hereto.

2. **Authorized Actions:** The Executive Director is authorized to execute any subsequent amendments, addenda, or related instruments required to fulfill the intent of the CRMP, provided they do not materially change the financial obligations of the Port without prior Port Commission authorization.

3. **Effectiveness:** This Resolution shall take effect immediately upon its adoption.

ADOPTED this 9th day of September 2026, by the Commission of the Port of Port Townsend and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the Seal of the Commission duly affixed.

ATTEST:

_____ _____

Pamela A. Petranek, President Peter W. Hanke, Vice President

_____
Carol L. Hasse, Secretary

APPROVED AS TO FORM:

_____
Port Attorney

EXHIBIT "A":

OUTLINE - BOAT HAVEN CULTURAL RESOURCE MANAGEMENT PLAN (CRMP)

Title Page

Table of Contents

List of Tables

List of Figures

List of Appendices

List of Acronyms and Abbreviations

Executive Summary

1. **Introduction:** Overview and organization of document; project location; affected Tribes (Figure 1).
2. **Purpose of CRMP:** Process of development; contributors; frequency of updates (living document); limitations of CRMP.
3. **Regulatory Context:** Governing law/regulatory framework(s); Tribal and Agency Partners.
4. **Geologic Context:** Maps/Figures depicting formation of landform.
5. **Plants and Animals**
6. **Precontact Context:** Figures depicting archaeological sites/district.
7. **Ethnographic Context**
8. **Historic Era Context:** Figures – Historic Maps; Historic structures.
9. **Modern Development:** Figures depicting current built environment.
10. **Expectations for Cultural Resources on Port Property:** Based on geology, environment, cultural context, historic and modern development.
11. **Guidance from Affected Tribes Regarding Treatment of Archaeological Sites**
12. **CRMP Specifications:** Identification of areas where no archaeological work is needed, where monitoring is needed, where SP survey or test excavation is needed prior to ground disturbance; figure(s) showing management areas based on geoarchaeological investigation.

13. **General Monitoring and Inadvertent Discovery Plan (MIDP) Requirements**

14. **Protocol for Impacting Cultural Resources During an Emergency**

15. **Spill Plan**

16. **Survey, Directed Trenching, Testing and Data Recovery Requirements**

17. **CRMP Management Structure and Logistics:** Responsibility for implementing CRMP; personnel qualifications; schedule for trainings.

18. **Curation Plan**

19. **Damage Assessment & Mitigation Plan:** Protocol(s) if cultural resources are impacted by Port activities.

20. **Public Education Plan**

References

PORT OF PORT TOWNSEND
AGENDA COVER SHEET

MEETING DATE	September 9, 2026
AGENDA ITEM	☒ Consent ☐ 1st Reading ☐ 2nd Reading ☐ Regular Business ☐ Informational
AGENDA TITLE	V. K. Approval of Port of Port Townsend v. Jefferson County - Settlement Agreement & Stipulated Order Correcting Hearing Examiner's Errors
STAFF LEAD	Eric Toews, Deputy Director
REQUESTED	☐ Information ☒ Motion/Action ☐ Discussion
ATTACHMENTS	1. Settlement Agreement - to be provided later 2. Stipulated Order - to be provided later

If adopted as part of the consent agenda, no further action is needed. Approval of this item on the Consent Agenda adopts and approves the Settlement Agreement as presented.

On September 14, 2026, the Jefferson County Board of County Commissioners is expected to take similar action. Thereafter, the Settlement Agreement approved by both the Port and County will be presented to Kitsap County Superior Court for approval via the Stipulated Order.

The Court's approval of the Stipulated Order will conclusively resolve the Port's appeal under the Land Use Petition Act (LUPA).

Alternative action: Remove from consent for further discussion.

PORT OF PORT TOWNSEND
AGENDA COVER SHEET

MEETING DATE	September 9, 2026
AGENDA ITEM	☐ First Reading ☐ Second Reading ☒ Regular Business
AGENDA TITLE	VIII. A Harbormaster Report
STAFF LEAD	Kristian Ferrero, Harbormaster
REQUESTED	☒ Information ☐ Motion/Action ☐ Discussion
ATTACHMENTS	2026 Marina & Yard Data

75T

Through the end of August, year-to-date 75T haul activity totaled 562 lifts, above the five-year average of approximately 530 to date. August hauls fell short of the average of 80. Currently scheduled hauls for September total 64, below the average of 75. Yard occupancy decreased to 85% but remained consistent with recent years. The first available haul out is currently September 22nd.

	75T (Small Yard) Hauls and Occupancy					
	Year					
Year	2021	2022	2023	2024	2025	2026
Jan Hauls	45	22	41	33	32	25
Feb Hauls	33	38	32	31	29	38
Mar Hauls	44	58	65	55	64	73
Apr Hauls	91	77	82	96	100	97
May Hauls	66	75	95	102	90	83
Jun Hauls	74	40	99	78	101	90
Jul Hauls	52	80	72	72	84	90
Aug Hauls	56	93	88	78	89	66
Sep Hauls	66	100	61	81	69	
Oct Hauls	56	72	65	61	74	
Nov Hauls	35	39	31	42	38	
Dec Hauls	30	15	28	23	27	
Year Total	648	709	759	752	797	562
Year to Date	461	483	574	545	589	562

Year	2021		2022		2023		2024		2025		2026	
Jan Occ	109	86%	112	88%	126	99%	102	70%	107	73%	110	75%
Feb Occ	124	98%	126	99%	126	99%	111	76%	115	79%	111	76%
Mar Occ	127	100%	127	100%	132	104%	124	85%	123	84%	131	90%
Apr Occ	127	100%	124	98%	143	98%	130	89%	130	89%	132	90%
May Occ	126	99%	127	100%	134	92%	130	89%	130	89%	130	89%
Jun Occ	127	100%	124	98%	136	93%	128	88%	130	89%	128	88%
Jul Occ	118	93%	122	96%	136	93%	123	84%	127	87%	130	89%
Aug Occ	100	79%	124	98%	130	89%	123	84%	126	86%	124	85%
Sep Occ	102	80%	128	101%	126	86%	124	85%	123	84%	0	
Oct Occ	126	99%	130	102%	124	85%	123	84%	124	85%	0	
Nov Occ	124	98%	124	98%	117	80%	114	78%	120	82%	0	
Dec Occ	109	86%	113	89%	111	76%	105	72%	112	77%	0	

300T

Through the end of August, year-to-date haul activity totaled 99 lifts, slightly above the five-year average of 93 for the same period. All scheduled August hauls were completed with no cancellations.

Yard occupancy remained at 67% during August, while overall haul activity continues to track consistently with recent years. September currently has 19 vessels scheduled for haul-out, in line with historical traffic. The first available haul-out appointment is currently October 26.

	300T (Big Yard) Hauls and Occupancy					
	Year					
Year	2021	2022	2023	2024	2025	2026
Jan Hauls	10	10	9	14	8	14
Feb Hauls	17	7	13	12	8	11
Mar Hauls	12	20	17	15	10	15
Apr Hauls	13	13	11	18	8	16
May Hauls	12	18	19	14	14	14
Jun Hauls	12	7	13	12	6	8
Jul Hauls	12	8	10	10	10	12
Aug Hauls	6	12	9	8	7	9
Sep Hauls	10	20	17	15	22	
Oct Hauls	12	13	15	16	11	
Nov Hauls	8	9	7	9	9	
Dec Hauls	4	12	3	10	14	
Year Total	128	149	143	153	127	99
Year to Date	94	95	101	103	71	99
Year	2021	2022	2023	2024	2025	2026
Jan Occ	74%	72%	72%	72%	72%	79%
Feb Occ	76%	76%	77%	70%	76%	81%
Mar Occ	74%	88%	82%	68%	75%	86%
Apr Occ	62%	84%	86%	79%	90%	95%
May Occ	62%	82%	85%	74%	93%	77%
Jun Occ	53%	77%	75%	63%	79%	67%
Jul Occ	60%	56%	61%	62%	69%	67%
Aug Occ	48%	63%	85%	67%	65%	67%
Sep Occ	57%	72%	77%	70%	77%	
Oct Occ	79%	75%	88%	72%	84%	
Nov Occ	74%	79%	80%	72%	86%	
Dec Occ	67%	68%	61%	70%	79%	

Point Hudson Nightly RV

Nightly RV and moorage reservations continued to increase, with an additional 548 moorage nights and 385 RV nights reserved through the end of the year. August RV activity was particularly strong, totaling 1,286 nights, above the five-year average and exceeding each of the previous two years.

The marina recorded 877 nights of moorage in August, just two nights below last year and 15 below the five-year average. An additional 338 moorage nights are needed to match last year's annual total and 370 to reach the five-year average. The RV Park needs an additional 1,014 nights to match its 2025 total and 1,322 to reach the five-year average.

Nightly RV

Year	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Total
2021	220	251	477	693	906	1223	1381	1301	1112	821	360	169	8914
2022	180	371	454	596	736	1000	1194	1242	416	507	353	146	7195
2023	145	257	534	669	878	1183	1402	1300	768	517	309	206	8168
2024	78	207	393	613	814	1018	1283	1249	930	554	404	199	7742
2025	165	165	271	487	788	1071	1287	1275	935	639	356	181	7620
2026	188	165	305	421	837	909	1248	1286	801	317	74	55	6606
Variance from Avg	30	-85	-121	-191	13	-190	-61	13	-31	-291	-282	-125	-1322
5 year average	158	250	426	612	824	1099	1309	1273	832	608	356	180	7928

Nightly Moorage

Year	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Total
2021	65	52	64	159	488	753	1038	1005	697	119	54	24	4518
2022	31	29	57	155	550	647	886	863	147	0	0	0	3365
2023	2	37	84	204	481	606	963	779	161	0	0	0	3317
2024	0	0	86	200	397	551	927	933	522	149	78	34	3877
2025	36	12	81	217	398	585	898	879	461	70	57	35	3729
2026	66	33	54	128	397	601	884	877	328	20	2	1	3391
Variance from Avg	39	7	-20	-59	-66	-27	-58	-15	-70	-48	-36	-18	-370
5 year average	27	26	74	187	463	628	942	892	398	68	38	19	3761

2024 Transient Nights			2025 Transient Nights			2026 Transient Nights		
	RV	Moorage		RV	Moorage		RV	Moorage
Jan	0	0	Jan	3300	261	Jan	3353	394
Feb	4686	984	Feb	4311	499	Feb	3942	655
Mar	5143	1199	Mar	4835	836	Mar	4415	951
Apr	5466	1469	Apr	5230	1174	Apr		
May	6033	1975	May	5757	1821	May	5456	1610
Jun	6344	2412	Jun	6133	2334	Jun	5848	2211
Jul	6600	2952	Jul			Jul	6221	2843
Aug	7014	3451	Aug	6807	3282	Aug	6606	3391
Sep	7269	3687	Sep	7016	3498	Sep		
Oct	7515	3798	Oct			Oct		
Nov	7695	3851	Nov	7576	3687	Nov		
Dec	7742	3877	Dec	7620	3729	Dec		

Boat Haven Moorage

Long-term moorage increased slightly and is expected to continue rising as end-of-summer slip assignments are completed. Transient nightly moorage increased by approximately 500 nights, bringing the year-to-date total to 3,572, which remains 1,121 nights below last year's total.

With increased haul-out activity expected in September and October, transient moorage should continue to gain ground and move closer in line with previous years.

	Boat Haven Permanents Assigned/Occupancy, Transient Nights Sold and Assignments from the Waitlist									
Year	2022		2023		2024		2025		2026	
Jan	277	93%	302	101%	279	93%	296	99%	280	94%
Feb	276	92%	281	94%	286	96%	295	99%	280	94%
Mar	277	93%	279	93%	279	93%	292	98%	286	96%
Apr	280	94%	274	92%	281	94%	299	100%	289	97%
May	275	92%	279	93%	283	95%	295	99%	282	94%
Jun	277	93%	274	92%	277	93%	292	98%	279	93%
Jul	274	92%	270	90%	272	91%	291	97%	274	92%
Aug	270	90%	265	89%	276	92%	291	97%	275	92%
Sep	289	97%	284	95%	278	93%	292	98%		0%
Oct	290	97%	282	94%	284	95%	289	97%		0%
Nov	289	97%	285	95%	283	95%	291	97%		0%
Dec	294	98%	283	95%	299	100%	294	98%		0%

Year	2022	2023	2024	2025	2026
Total Transient Nights Billed (ytd)	5088	5273	4271	4693	3572

PORT OF PORT TOWNSEND
AGENDA COVER SHEET

MEETING DATE	September 9, 2026
AGENDA ITEM	☐ First Reading ☐ Second Reading ☒ Regular Business
AGENDA TITLE	VIII. B. July 2026 Year-to-Date Financial Report
STAFF LEAD	Connie Anderson, Director of Finance & Administration
REQUESTED	☐ Motion ☐ Action ☒ Discussion
ATTACHMENTS	1. July 2026 Consolidated Financial Report 2. July 2026 Informational Memo, YTD Financial Report 3. July 2026 YTD Capital Project Expense Report 4. July 2026 Detailed Financial Report

Port of Port Townsend
2026 Summary of Fund Resources & Uses with Comparison to Prior Year and Budget

	YTD JULY 2025	YTD JULY 2026	Variance to prior year	YTD 2026 Budget	2026 Budget	% of Budget
	58%	58%		58%	100%	
OPERATING REVENUES						
Boat Haven Moorage	1,337,590	1,525,299	187,709	1,403,484	2,396,483	64%
Combined Yard Operations (75t & 300t)	1,727,190	1,866,568	139,378	1,853,519	3,038,670	61%
Boat Haven Properties	729,003	770,972	41,969	831,429	1,427,385	54%
Point Hudson Properties	358,184	366,529	8,345	406,567	695,822	53%
Pt. Hudson Marina & RV Park	808,529	814,097	5,568	869,076	1,403,495	58%
Quilcene Marina & Prop	110,243	117,798	7,554	122,271	202,492	58%
Water Access	54,108	80,459	26,350	62,115	111,399	72%
Jeff Co Intl Airport	152,814	169,002	16,189	276,500	474,949	36%
Short's Farm	27,336	29,391	2,056	31,925	48,300	61%
Misc. Operational Revenue	1,107	540	(567)	-	-	
Total Operating Revenues	**5,306,104**	**5,740,655**	**434,551**	**5,856,886**	**9,798,995**	59%
OPERATING EXPENDITURES						
Salary and Benefits	2,741,615	2,804,143	62,528	3,106,673	5,324,120	53%
Contracted Services	333,000	237,124	(95,876)	413,255	698,504	34%
Facilities & Operations-Materials, Repair and Maintenance	449,193	434,884	(14,309)	602,296	1,029,609	42%
Utilities	512,570	467,831	(44,739)	483,991	832,948	56%
Legal, Audit & Insurance Services	31,915	35,602	3,687	74,949	704,777	5%
Marketing & Promotion	74,842	65,599	(9,244)	74,118	129,397	51%
Travel, Training, Recognition and Dues	69,288	46,429	(22,859)	63,591	110,777	42%
Economic Development	31,827	32,782	955	52,121	71,633	46%
Community Relations	18,552	22,592	4,039	35,642	66,413	34%
Total Operating Expenditures	**4,262,802**	**4,146,986**	**(115,816)**	**4,906,636**	**8,968,178**	46%
Net Operating Income (Expense)	**1,043,302**	**1,593,670**	**550,367**	**950,250**	**830,817**	192%
Operating Margin	**20%**	**28%**	53%		**8%**	
Other Increases in Fund Resources						
(Incr.)/Decr. In Accounts Receivable	278,470	292,684	14,214	-	-	
Deposits & Retainage Collected	104,859	146,635	41,777	55,110	80,303	183%
Taxes Collected	509,527	542,845	33,317	496,000	849,000	64%
Capital Contibutions/Grants	2,744,825	2,698,526	(46,299)	3,972,070	6,203,460	44%
Debt Proceeds - Line of Credit	-	-	-	-	-	
Debt Proceeds - Brownsfield Revolving Loan Fund	-	-	-	-	-	
Interest	352,868	280,267	(72,601)	140,000	240,000	117%
Property & other taxes	2,272,541	2,361,196	88,654	2,082,188	3,883,361	61%
Misc Other Incr. in Fund Resources	34,885	26,840	(8,046)	46,302	75,000	36%
Total Other Incr. in Fund Resources	**6,297,976**	**6,056,308**	**(241,668)**	**6,791,669**	**11,331,124**	**53%**
Other Decr. In Fund Resources						
Deposits & Retainage Paid	135,113	238,266	103,153	51,000	77,500	307%
Taxes Remitted	605,077	660,759	55,681	592,030	827,630	80%
Debt Principal & Interest	1,274,457	665,276	(609,181)	666,200	1,332,200	50%
State & Local Vessel Programs	224,113	88,019	(136,094)	-	-	
Equipment, Vehicles & Land Purchases	813,053	1,418,689	605,636	1,450,000	1,615,000	88%
Capital Project Expenses	3,287,902	2,816,048	(471,854)	7,342,887	12,420,664	23%
		-				
Debt Mgmt, Issuance & Misc Exp	30,531	22,977	(7,554)	20,790	30,295	76%
Election Expense	-	25,888	25,888	50,000	50,000	52%
Total Other Decr. In Fund Resources	**6,370,247**	**5,935,921**	**(903,868)**	**10,172,907**	**16,353,289**	**36%**
Incr. (Decr.) in Other Fund Resources	**(72,271)**	**120,386**	**662,200**	**(3,381,238)**	**(5,022,165)**	**-2%**
Change in Cash - Increase/(Decrease)	**971,031**	**1,714,056**	**1,212,567**	**(2,430,988)**	**(4,191,348)**	**-41%**

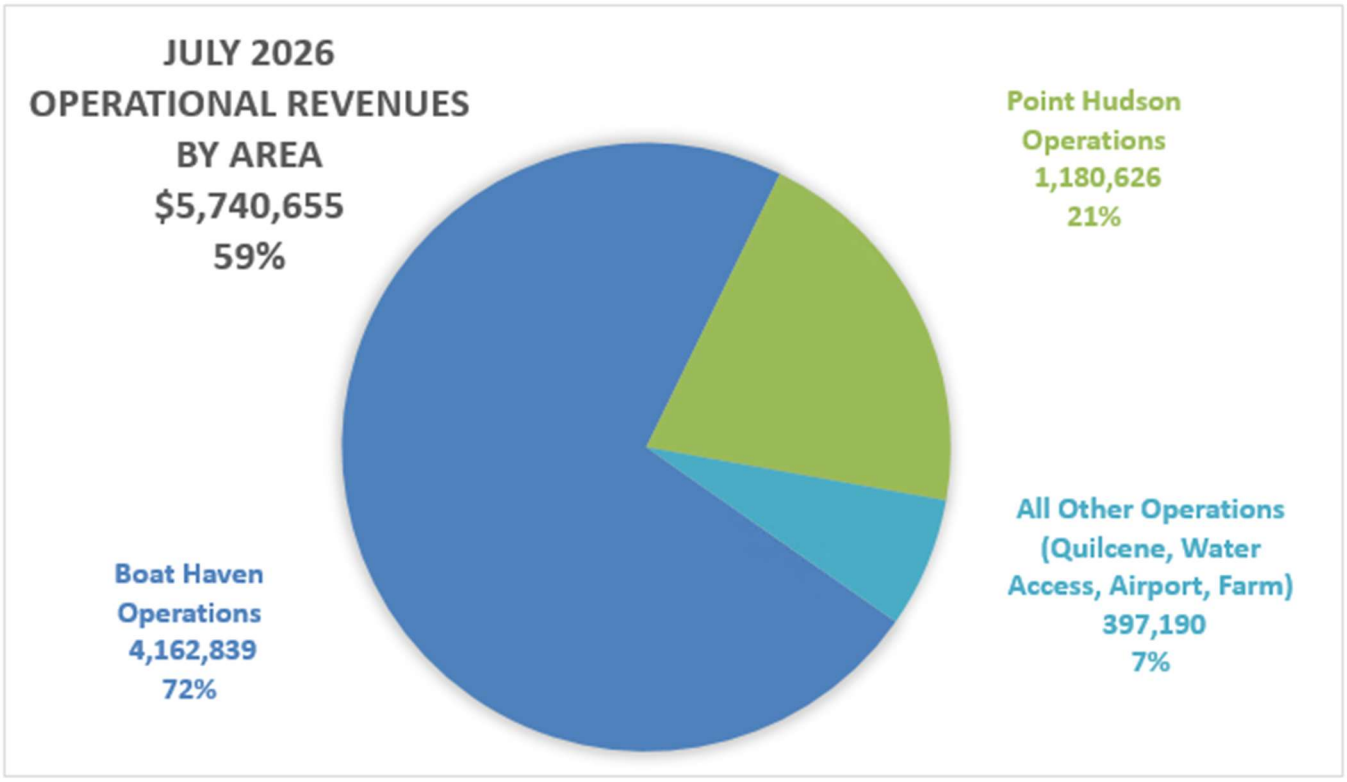
Accompanying information memo and reports are an integral part of this statement.

DATE: 9/9/2026
TO: Commission, Executive Staff
FROM: Connie Anderson, Director of Finance & Administration
SUBJECT: July 2026 YTD Financial Report

Attached are some of the highlights of the July 2026 financial report on Port activities. The consolidated report shows the variance between the current period as compared to the prior year (July 2025) and the % of budget for 2026. July 2026 represents 58% of the budget.

Notes to the Financial Statements:

Operating Revenues



2026 revenues through July were reported at $5,740,655, $434k higher than 2025 and 59% of the 2026 operating budget. Combined Boat Haven operations (moorage, yard, and properties) are the largest sources of revenue for the Port, bringing in $4,162,839, 72% of the YTD overall revenue. Point Hudson Operations reports at $1,180,626 21% of the overall revenue. The remaining combined operating units reported $397,190, 7% of the YTD overall revenue.

Operating Expenditures

July 2026 operating expenses are $4,146,986, $115k lower than 2025 and 46% of the 2026 operating budget. Salaries and benefits reported at $2,804,143, 53% of budget. Salaries and benefits represent the largest share of expenses, reporting $302k below the 2026 budget.

Not yet reflected in the 2026 YTD financials is the annual insurance cost, which has been budgeted for $600k. Premiums are typically paid in August and September. General liability insurance will be $428k for the upcoming insurance period, a 9% increase from the 2025-2026 policy year. In addition to increasing costs, the premium reflects building improvements at Point Hudson as well as the acquired hangar at the airport. The Marine Operators Liability insurance will be $137,725, a 15% increase. The premium increase is primarily due to increased costs and increased activity in the marina and boatyard. We are still waiting for notification of the airport liability.

With the insurance premiums factored into YTD expenditures, we are roughly 53% of budget.

Net Operating Income (NOI)

July Net Operating Income (NOI) is $1,593,670, 192% of the 2026 budget. July NOI includes the remaining 5 months of the 5% prepaid moorage for $127,710. After the 5% prepaid moorage is subtracted, and the annual insurance costs are paid, NOI is approximately $883k and would be about 106% of budget. The current report indicates we are on target to end the year in line with budget.

Other Increases and Decreases in Fund Resources

Other Increases

Total **Grant Reimbursements and Government Payments** YTD July 2026 are $32,589

July reimbursements were received for the following projects:

Project	July 2026	Grant Type / Agency
Sims Gateway	20,365	Jefferson County PIF Grant
JCIA Pavement Preservation	2,250	WA State Dept of Transportation
JCIA Master Plan	2951	WA State Dept of Transportation
DNR Vessel Destruction	7,023	WA State Dept of Natural Resources
Total Grant Reimbursements	**$32,589**	

Tax Receipts of $56,799 are recorded for the month of July; YTD tax receipts equal $2,361,196. Tax receipts include General Operating and IDD property taxes, associated State Forest revenues and State Timber taxes as well as Leasehold Excise tax.

Investment Interest of $43,313 is recorded for the month of July, YTD interest equals $280,267, 117% of budget. Interest earnings are ($72,601) less than July 2025 which reflects the lowered federal funds rate monitored by the Federal Reserve board. Investment interest is recorded separately between Reserved / UnReserved cash & investments and IDD cash & investments. Details are listed below.

Investment Interest	YTD July 2026	2026 Budget	% of Budget
Investment Interest - Reserved / UnReserved Cash & Investments	71,182	80,000	
Investment Interest – IDD Cash & Investments	209,085	160,000	
Total Interest Earned	**$280,267**	**$240,000**	**117%**

Cash and investments are invested in the WA State Local Government Investment Pool (LGIP), with an average interest rate of 3.709% before investment fees. Interest rates remain steady. Funds invested with the LGIP are readily available for operational use with proper notice given to the County Treasurer.

Other Decreases

Capital Project work for the year has been focused on the final closeout for the BH Stormwater Improvement Project, the JCIA Fueling System, JCIA pavement preservation and continued work at Point Hudson on the Duplex and Building Weatherization projects. July capital project expenses totaled $1,203,769; YTD total of $2,816,048, approximately 23% of the total 2026 capital budget. July YTD capital equipment including the airport hangar purchase expenses were $1,418,689. Total capital project work, capital equipment and property equaled $4,234,737 through the end of July.

The capital project expenses can be categorized as indicated in the table below. Port salaries and benefits directly related to capital projects are charged to individual projects and are on target as estimated for the year.

Capital Expense	YTD July 2026	% of Capital Expense
Port Labor	359,662	13%
Port Benefits	81,582	3%
Materials	256,218	9%
Contract Services	2,118,586	75%
Total Capital Expenses	**$2,816,048**	**100%**

Debt Service for 2026

2021 LTGO Line of Credit – Cashmere Valley Bank

Issue	Draw Date	Maturity Date	Interest Rate	Balance	Draw Amount	Redemption Principal	Redemption Interest	Ending Principal Balance	Available Credit	Notes
LOC 2021		Mar-27	1.55%						7,000,000	Line of Credit
1st draw	Nov-22			-	2,633,967	-	-	2,633,967	4,366,033	
2nd draw	Dec-22			2,633,967	1,189,677	-	-	3,823,644	3,176,356	
LOC payment	Mar-23			3,823,644	-	423,734	16,481	3,399,910	3,600,090	
Pay Down	Aug-23			3,399,910	-	3,399,910	26,057	-	7,000,000	
3rd draw	Oct-23			-	335,000	-	-	335,000	6,665,000	
4th draw	Nov-23			335,000	1,000,000			1,335,000	5,665,000	
5th draw	Dec-23			1,335,000	1,317,000			2,652,000	4,348,000	
6th draw	Jan-24			2,652,000	888,000			3,540,000	3,460,000	
7th draw	Feb-24			3,540,000	849,000			4,389,000	2,611,000	
LOC payment	Feb-24			4,389,000		506,705	13,071	3,882,295	3,117,705	
LOC payment	Sep-24			3,882,295		635,079	30,197	3,247,216	3,752,784	
LOC payment	Mar-25			3,247,216		640,110	25,166	2,607,106	4,392,894	
LOC payment	Sep-25			2,607,106		643,767	21,507	1,963,339	5,036,661	
Interest Adjustment			1.65%							
LOC payment	Mar-26			1,963,339		649,078	16,198	1,314,260	5,685,740	
8th draw	Aug-26			1,314,260	1,000,000			2,314,260	4,685,740	
LOC payment	*Sep-26*			*2,314,260*		*654,433*	*10,843*	*1,659,827*	5,340,173	*per CVB Schedule*
LOC payment	*Mar-27*			*1,659,827*		*659,827*	*5,444*	*1,000,000*	6,000,000	*per CVB Schedule*
LOC final pmt	*Mar-27*			*1,000,000*		*1,000,000*	*10,000*	*(0)*	7,000,000	*estimated*
2021 LTGO Line of Credit Available Balance as of August 2026								**$4,685,740**		

An additional draw for $1,000,000 was requested at the end of August to cover capital project expenses while waiting for grant reimbursements and IDD levy match reconciliation. The balance owing after the September 2026 payment will be $1,659,827. The balance will be due in full March 2027.

The 2021 LTGO LOC's required debt redemptions are due in March, and September each year until the end of the bond term, March 1, 2027. This debt instrument serves as a bridge between project expenditure payments, grant reimbursements, and reconciliations with the IDD Levy Reserve, as applicable. An estimated repayment schedule has been included, based on the additional draw request on August 31, 2026, for $1,000,000. The LOC can be paid in full at any time; there are no penalties for pre-payment. The interest rate on the LOC is 1.65% through the end of bond term.

Year to Date Cash Balances

The overall change in cash position compared to Year End 2025 has increased by $1.8. The change in cash position is due to the timing of payments for capital project expenses, prepaid moorage rates, property tax receipts as well as the receipt of grant reimbursements for previous expenses incurred.

Ending Cash Balances		**YE 2025 Actuals**	**2026 YTD**
Reserved Cash & Investments – IDD		9,094,287	9,891,794
Reserved Cash & Investments – Other (* see detail below)		1,684,690	2,515,185
Unreserved Cash & Investments		1,362,915	1,602,960
Total Cash & Investments		$12,141,892	$14,009,939
***Other Reserves detail:**	**Target balance**	**YE 2025 Actuals**	**2026 YTD**
Unemployment Reserve	NA	10,000	10,000
Operating Reserve (a)		23,405	
Econ. Dvlp. Initiatives & Emergency Reserve (a)	1,000,000	500,000	1,000,000
Property Tax Reserve (b)			673,298
Boat Haven Renovation Reserve (c)	NA	436,068	
Port-Wide Capital Reserve (c)	NA	806,746	831,887
Total Other Reserves		$1,684,690	$2,515,185

Reserve Policies were updated April 8, 2026, at the commission business meeting.

**** Other Reserves detail:***

(a) The Economic Development Initiatives & Emergency Reserve was established in April 2026 with a target balance of $1,000,000. This reserve account replaced the prior Operating Reserve and Emergency Reserve.

(b) The Property Tax Reserve was established in resolution 863-25 in 2025.

(c) The Port-Wide Capital Reserve was combined with the Boat Haven Moorage Renovation Reserve in April 2026.

Staff Recommended Liquid Cash Reserve – (Unreserved Cash & Investments)

Maintain cash liquidity in the Port's Unreserved Cash & Investments sufficient to pay an average of two and a half months of operating expenses and one month of capital budget to outside vendors and employees plus one month of required annual debt obligations.

The Liquid Cash Reserve represents cash available to pay operating and capital expenses during the period. The balance will fluctuate depending on the timing of seasonal work, capital project expenses as well as the receipt of grant reimbursements for previous expenses incurred. The cash liquidity allows the Port to use available cash balances to pay expenses as they are incurred.

When the Unreserved Cash & Investments are under the recommended balance, the Executive Director will direct staff to provide a plan to return the Liquid Cash Reserve to its recommended balance.

The ($1,353,686) under the recommended Liquid Cash Reserve as of July 30, 2026, will be replenished by $1,296,188 requested in grant reimbursements from FAA, WA State Department of Commerce, and the WA State Historical Capital Program (HCP). In addition, the IDD will reimburse the Port $1,014,981 for the budgeted Port share of capital project expenses. The Line of Credit will also be utilized to ensure adequate funds to cover the operational and capital expenses.

2026 Liquid Cash Reserve	
2026 Operating Budget	*$ 8,697,932*
2026 Capital Budget	*12,420,664*
2026 Debt (LOC)	*1,314,260*
2.5 mos. Operating Expense	*1,812,069*
1 mo. Capital budget	*1,035,055*
1 mo. Annual debt obligation	*109,522*
Recommended 2026 Liquid Cash Reserve	***$ 2,956,646***
Unreserved Cash & Investments	*1,602,960*
Over / Under Liquid Cash Reserve as of July 30, 2026	***($1,353,686)***

DISCUSSION

As requested by the Commission.

FISCAL IMPACT

NA

RECOMMENDATIONS

For discussion only.

Port of Port Townsend
2026 YTD Capital Project Expenses
July 2026

Capital Projects	2026 Capital Plan	Year-to-date
Boat Haven		
Main Breakwater Project	2,800,000	53,516
Marina Dredging	150,000	
Sea Level Rise Project	25,000	835
Sims Gateway & North Boatyard Expansion	1,900,000	29,018
Stormwater Improvement Project	2,800,000	448,997
West Boatyard Expansion	705,000	23,814
BH Microgrid Feasibility		1,064
PT Bay Estuary Restoration Project		3,397
BH Larry Scott Trail Connector		1,745
Maintenance / Yard Upgrade		11,169
Yard Electrical Upgrades	100,000	
Puget Sound to Pacific (PS2P) Trail Project	10,000	
Building/Facility Preservation (Interior Refurbishment, Exterior Improvements)	100,000	
Point Hudson		
Sail Loft Building Structural Repairs	100,000	-
Mariners' Memorial	100,000	20,077
Roof Replacement/Weatherization (Standing Seam Metal Roof)	2,005,000	972,239
Building/Facility Preservation & Energy Efficiency Improvement	645,000	
- PH Cupola Building Remodel		239
- PH Duplex Remodel		292,274
- PH Building #15 Remodel		3,875
- PH Linear Dock Repair-Materials		42,924
- PH Armory Building		2,389
- PH Commander's Beach House		20,736
JCIA		
JCIA Airport Wide Rehabilitation Apron, Taxiways, and Taxilanes (Crack/Slurry Seal)	573,899	
- 2025-2026 JCIA Pavement Preservation		35,503
JCIA 2nd CONN. TXWY 2022		6,598
JCIA Fuel System Improvement	911,133	465,360
JCIA Master Plan Update	229,632	127,471
Airport Pilot Center	300,000	2,382
Hangar Purchase		700,000
Stormwater Management	25,000	
Rural Light Industrial Park (24 acres)	775,000	35,589
JTC Industrial Symbiosis		7,498
Quilcene		
Campground	20,000	-
Herb Beck Boat Launch & Facility Improvements	1,065,000	67,687
Short's Family Farm		
Farm Property/Facility Maintenance	150,000	
- Short Farm - Projects		1,186
Water Access		

Port of Port Townsend
2026 YTD Capital Project Expenses
July 2026

Capital Projects	2026 Capital Plan	Year-to-date
Gardiner Launch Ramp with Seasonal Float		7,533
Other		
Comprehensive Routine Maintenance & Repair Program (CRAMP)		16,385
Port Wide Dock Renovations		9,508
Port Wide - Yard/Parking/RV Resurfacing [a]	25,000	
Small Capital Projects	100,000	
- Port-Wide Storage Facilities		20,956
- Port-Wide Coin Box Rplmnt		1,755
Unplanned / Emergency		
Boat Haven Bulkhead Repair/Replacement	100,000	
Boat Haven Pavement Repair	20,000	-
City Dock Repair	200,000	25,166
Point Hudson FEMA 4682 DR Emergency Repair/Centennial Trail	250,000	20,672
Total Capital Projects	**16,184,664**	**3,479,559**
Port Equipment / Vehicle Replacement		
Port Equipment/Vehicle Replacement [c]	1,565,000	692,707
- Electric 75 Ton Assembly		180
- Computer /Network Equipment		25,982
- Records Management Project		36,309
Grand Total (Capital Projects and Equipment)	**$ 17,749,664**	**$ 4,234,737**

2026 Capital Funding Budget			
Anticipated Grant	$	287,000	
Secured Grant	$	5,916,460	
Port Wide Capital Reserve	$	270,000	
Boat Haven Reserve	$	200,000	
IDD Levy	$	5,371,222	
NOI (net operating income)	$	1,190,982	
Mitigation Credits	$	800,000	
Total Funding Sources Secured	**$**	**14,035,664**	**79%**
Unsecured grants & other funding	$	3,714,000	
Total Funding Sources Secured & Unsecured	**$**	**17,749,664**	**100%**

(a) This is a capital "program" that includes any port-wide parking & resurfacing projects as needed each year. This program has $25,000 budgeted annually for the next 5 years.

(b) Authorized the advance of $80,000 project expense from 2026 to 2025 for electrical service to the RV Loop at Point Hudson. (April 3, 2025 Business Meeting) $48,081 capital project work completed in 2025.

(c) Authorized the purchase of 75T Electric Travelift

Port of Port Townsend
2026 Summary of Fund Resources & Uses with Comparison to Prior Year and Budget

	YTD JULY 2025	YTD JULY 2026	Variance to prior year		YTD 2026 Budget	2026 Budget	% of Budget
	58%	58%			58%	100%	
OPERATING REVENUES							
MOORAGE - PERMANENT	867,076	940,022	72,946		908,180	1,556,884	60%
MOORAGE - LIVEABOARD FEE	18,383	24,099	5,716		17,374	29,784	81%
MOORAGE - LIVEABOARD BCKGRD CHECK	260	140	(120)		175	300	47%
LIFT PIER USAGE	12,848	7,838	(5,010)		7,703	13,352	59%
MOORAGE - MONTHLY GUEST	153,016	202,350	49,334		164,304	281,669	72%
MOORAGE - NIGHTLY GUEST	181,587	226,208	44,622		196,000	336,000	67%
MOORAGE - MONTHLY GUEST (Non L/H Taxable)	3,533	9,069	5,536		-	-	
MOORAGE - KAYAK RACKS	9,616	11,495	1,879		7,583	13,000	88%
MOORAGE - CREDIT CARD FEES	-	18,153	18,153		-	-	
MOORAGE - ELECTRIC BASE FEE	26,767	20,529	(6,238)		82,800	130,831	16%
MOORAGE - ELECTRIC KWH CHARGES	36,181	44,877	8,695		-	-	
MOORAGE - MISCELL REVENUE	-	100	100		6,572	12,170	1%
PTBH MOORAGE - WAIT LIST FEE	13,540	4,710	(8,830)		-	-	
PTBH MOORAGE - PROMOTIONAL SALES	2,322	1,160	(1,162)		2,100	3,600	32%
MOORAGE - PORT LABOR	187	870	683		630	1,070	81%
MOORAGE - SHOWERS	7,577	9,234	1,656		5,833	10,000	92%
MOORAGE - BH Restroom Key Fobs	55	-	(55)		70	120	0%
MOORAGE - LAUNDRY	4,642	4,385	(257)		4,159	7,703	57%
MOORAGE - PASSENGER FEE	-	61	61		-	-	
Boat Haven Moorage	1,337,590	1,525,299	187,709		1,403,484	2,396,483	64%
70/75T BOAT YARD - LIVEABOARD FEE	-	-	-		12,600	21,600	0%
70/75T BOAT YARD - LIVEABOARD BCKGRD CHECK	-	-	-		350	600	0%
300T BOAT YARD-BMP ENVIRO INFRACTIONS	-	220	220		-	-	
70/75T BOAT YARD - ENVIRONMENTAL FEE	55,940	55,756	(184)		51,865	87,807	63%
70/75T BOAT YARD - HOIST REVENUE	269,819	281,153	11,335		241,430	413,880	68%
70/75T BOAT YARD - STORAGE REVENUE	823,099	820,287	(2,812)		867,815	1,403,903	58%
BOAT YARD - CREDIT CARD FEES	-	23,713	23,713		-	-	
70/75T BOAT YARD - ELECTRIC BASE FEE	35,664	36,680	1,017		38,010	65,190	56%
70/75T BOAT YARD - BLOCKING RENT	19,101	19,292	191		16,871	31,807	61%
70/75T BOAT YARD - OWNER WASHDOWN	35,604	37,553	1,949		41,546	62,019	61%
70/75T BOAT YARD - PORT WASHDOWN	11,286	10,170	(1,116)		14,877	21,418	47%
70/75T BOAT YARD - MISCELL REVENUE	1,939	-	(1,939)		1,050	1,800	0%
70/75T BOAT YARD - PORT LABOR	6,519	8,168	1,649		7,000	12,000	68%
70/75T BOAT YARD - TARP POOL FEE	3,584	2,688	(896)		3,500	6,000	45%
300T BOAT YARD - ENVIRONMENTAL FEE	12,606	14,634	2,028		12,766	21,695	67%
300T BOAT YARD - HOIST REVENUE	113,068	163,548	50,481		177,159	278,923	59%
300T BOAT YARD - STORAGE REVENUE	283,333	324,808	41,474		281,912	474,988	68%
300T BOAT YARD - ELECTRIC BASE FEE	14,085	15,370	1,285		21,630	37,080	41%
300T BOAT YARD - ELECTRIC KWH CHARGES	5,782	12,939	7,157		3,500	6,000	216%
300T BOAT YARD - OWNER WASHDOWN	13,863	18,414	4,551		32,570	44,831	41%
300T BOAT YARD - PORT WASHDOWN	4,165	5,377	1,212		2,917	5,000	108%
300T BOAT YARD - BLOCKING RENT	9,782	9,231	(551)		13,045	26,398	35%
300T BOAT YARD - BILGE WATER REVENUE	2,653	2,494	(160)		3,398	6,163	40%
300T BOAT YARD - PORT LABOR	5,111	3,805	(1,306)		7,358	8,968	42%
300T BOAT YARD - TARP POOL FEE	188	269	81		350	600	45%
Combined Yard Operations (75t & 300t)	1,727,190	1,866,568	139,378		1,853,519	3,038,670	61%
PTBH PROP - GARBAGE	938	420	(518)		2,478	4,250	10%
PTBH PROP - LEASE REVENUE	665,732	692,591	26,859		775,833	1,330,000	52%
PTBH PROP - STORAGE UNIT REVENUE	8,350	8,802	452		7,798	13,319	66%
PTBH PROP - FUEL DOCK LEASE REVENUE	7,575	5,747	(1,829)		11,317	20,943	27%
PTBH PROP - WATER	19,923	33,292	13,369		23,772	40,764	82%
PTBH PROP - ELECTRIC	2,613	2,265	(348)		3,500	6,000	38%
PTBH PROP - STORMWATER FEES-PROP	4,832	4,776	(56)		6,011	10,717	45%
PTBH PROP - PORT LABOR	18,929	22,967	4,038		-	-	

	YTD JULY 2025	YTD JULY 2026	Variance to prior year	YTD 2026 Budget	2026 Budget	% of Budget
PTBH PROP - MISCEL REVENUE	110	113	3	720	1,392	8%
Boat Haven Properties	729,003	770,972	41,969	831,429	1,427,385	54%
PT HUDSON PROP - LANDFALL DAILY/WEEKLY PARKING	7,967	8,683	716	13,609	23,110	38%
PT HUDSON PROP - MONTHLY PARKING	2,100	1,400	(700)	2,160	3,754	37%
PT HUDSON PROP - ARMORY DAILY/WEEKLY PARKING	1,935	2,546	612	13,609	23,110	11%
PT HUDSON PROP - BACK 40 DAILY/WEEKLY PARKING	2,451	2,171	(280)	5,390	9,240	23%
PT HUDSON PROP - CUPOLA DAILY/WEEKLY PARKING	1,978	2,915	936	-	-	
PT HUDSON PROP - WATER	9,824	9,601	(223)	11,711	20,072	48%
PT HUDSON PROP - SEWER	7,836	8,888	1,052	7,518	12,120	73%
PT HUDSON PROP - STORMWATER	7,115	8,290	1,175	3,381	5,795	143%
PT HUDSON PROP - JANITORIAL	8,932	8,980	48	9,689	16,621	54%
PT HUDSON PROP - BLDG LEASE	303,489	312,942	9,453	339,500	582,000	54%
PT HUDSON PROP - MISC REVENUE	4,556	113	(4,443)	-	-	
Point Hudson Properties	358,184	366,529	8,345	406,567	695,822	53%
PT HUDSON - PERM MOORAGE	125,656	149,860	24,205	109,667	188,000	80%
PT HUDSON - LIVEABOARD FEE	4,681	4,838	156	8,730	8,730	55%
PT HUDSON - LIVEABOARD BCKGRD CHECK	567	210	(357)	2,157	2,157	10%
PT HUDSON - MONTHLY GUEST MOORAGE	65,512	66,406	894	66,756	112,972	59%
PT HUDSON - NIGHTLY MOORAGE	180,353	178,062	(2,291)	182,293	271,954	65%
PT HUDSON - MONTHLY R.V.	45,820	25,707	(20,113)	45,046	77,221	33%
PT HUDSON - NIGHTLY R.V.	285,429	278,543	(6,886)	322,479	477,556	58%
PT HUDSON - RV Cancellation Fee	5,102	3,643	(1,458)	4,375	7,500	49%
PT HUDSON - KAYAK RACKS	13,047	10,792	(2,255)	13,867	21,591	50%
PT HUDSON - ELECTRIC KWH CHARGES	10,919	11,614	695	8,750	15,000	77%
PT HUDSON - CREDIT CARD FEE	-	19,900	19,900	-	-	
PT HUDSON - RESERVATION FEE	42,110	39,821	(2,289)	43,750	75,000	53%
PT HUDSON MARINA/RV - PROMOTIONAL SALES	951	647	(304)	2,100	3,600	18%
PT HUDSON MARINA/RV - PORT LABOR	1,403	-	(1,403)	-	-	
PT HUDSON- SHOWERS	2,514	3,341	827	3,617	6,211	54%
PT HUDSON - KEY FOBS	22	33	11	156	208	16%
PT HUDSON - LAUNDRY	6,328	4,281	(2,047)	5,250	9,000	48%
PT HUDSON - PASSENGER FEE	5,227	11,484	6,257	21,055	46,217	25%
PT HUDSON - EVENT FACILITY REV	9,925	1,400	(8,525)	6,985	49,675	3%
PT HUDSON - ELECTRIC	2,731	3,179	448	21,120	29,302	11%
PT HUDSON - MISCEL REVENUE	232	335	103	924	1,601	21%
Pt. Hudson Marina & RV Park	808,529	814,097	5,568	869,076	1,403,495	58%
QUILCENE - PERMANENT MOORAGE	37,708	43,789	6,082	47,243	75,252	58%
QUILCENE - NIGHTLY MOORAGE	2,498	1,872	(626)	2,621	4,296	44%
QUILCENE - COMMERCIAL RAMP FEE	2,860	4,130	1,270	2,500	2,500	165%
QUILCENE - ELECTRIC BASE FEE	396	737	341	1,148	1,977	37%
QUILCENE - ELECTRIC KWH CHARGES	640	310	(330)	434	744	42%
QUILCENE - SHOWERS	1,253	817	(436)	1,506	2,889	28%
QUILCENE - KEY FOBS	-	110	110	-	-	
QUILCENE - KAYAK RACK STORAGE - MONTHLY	72	-	(72)	-	-	
QUILCENE - RAMPS	7,249	6,678	(571)	5,833	10,000	67%
QUILCENE - LEASE REV	50,556	52,426	1,871	51,917	89,000	59%
QUILCENE - EMPTY TRAILER STRG - DAILY/WKLY	112	-	(112)	70	120	0%
QUILCENE - CREDIT CARD FEES	-	585	585	-	-	
QUILCENE - WATER	6,900	6,229	(671)	8,999	15,508	40%
QUILCENE - MISCELL REV	-	114	114	-	206	55%
Quilcene Marina & Prop	110,243	117,798	7,554	122,271	202,492	58%
RAMPS - COMMERCIAL USER FEES	228	8,850	8,622	2,568	8,217	108%
DOCKS: Wharf Usage - Cruise Ship	26,605	38,105	11,500	23,533	40,500	94%
DOCKS: Union Wharf Nightly Moorage	-	180	180	-	-	
DOCKS: City Dock Nightly Moorage	-	270	270	-	-	
RAMPS - REC RAMP/PARK FEE	26,495	30,475	3,980	34,920	61,082	50%
RAMPS - CREDIT CARD FEES	-	24	24	-	-	
RAMPS - GARDINER	-	1,095	1,095	-	-	
RAMPS - MATS MATS	-	211	211	-	-	

	YTD JULY 2025	YTD JULY 2026	Variance to prior year	YTD 2026 Budget	2026 Budget	% of Budget
RAMPS - PT HADLOCK	-	769	769	-	-	
DINGHY FLOAT REVENUE - HADLOCK	780	480	(300)	1,094	1,600	30%
Water Access	54,108	80,459	26,350	62,115	111,399	72%
JCIA - LEASE REVENUE	123,837	135,441	11,604	151,667	260,000	52%
JCIA - HANGAR REVENUE	25,120	22,265	(2,855)	29,167	50,000	45%
JCIA - VEHICLE PARKING REVENUE	249	85	(164)	411	1,439	6%
JCIA - AIRCRAFT PARKING	1,787	1,265	(522)	2,450	4,200	30%
JCIA - AIRCRAFT TIE DOWN FEES	-	131	131	-	-	
JCIA - CREDIT CARD FEES	-	840	840	-	-	
JCIA - MISCELL REVENUE	275	-	(275)	417	932	0%
JCIA - WAIT LIST FEE	150	100	(50)	-	-	
JCIA - PORT LABOR-JCIA	255	-	(255)	-	-	
JCIA - FUEL LEASE REVENUE	1,141	-	(1,141)	1,242	2,128	0%
JCIA - FUEL SALES REVENUE	-	8,876	8,876	91,146	156,250	6%
Jeff Co Intl Airport	152,814	169,002	16,189	276,500	474,949	36%
SHORT FARM - Land & Bldg Lease / Rental	9,291	8,240	(1,051)	8,750	15,000	55%
SHORT FARM - Bldg Lease / Rental	1,407	1,631	224	3,500	6,000	27%
SHORT FARM - Bldg Non Taxable	-	180	180	-	-	
SHORT FARM - Land Lease / Rental	7,409	6,714	(695)	10,500	18,000	37%
SHORT FARM - Lease / Rental-Non LET	1	3,066	3,065	-	-	
SHORT FARM - License Fees	9,000	9,000	-	9,000	9,000	100%
SHORT FARM - Electric	228	560	332	175	300	187%
Short's Farm	27,336	29,391	2,056	31,925	48,300	61%
Wholesale Promotional Sales-EXEC	1,107	540	(567)	-	-	
Misc. Operational Revenue	1,107	540	(567)	-	-	
Total Operating Revenues	**5,306,104**	**5,740,655**	**434,551**	**5,856,886**	**9,798,995**	59%
OPERATING EXPENDITURES						
Salaries & Wages	1,979,927	2,053,923	73,996	2,189,365	3,753,786	55%
Payroll Taxes	201,360	215,601	14,241	279,850	477,717	45%
Employee Benefits	552,256	529,395	(22,861)	629,990	1,079,383	49%
Uniform Expense	8,072	5,223	(2,849)	7,468	13,234	39%
Salary and Benefits	2,741,615	2,804,143	62,528	3,106,673	5,324,120	53%
Contract Services	187,149	124,129	(63,021)	272,008	464,278	27%
Enviro Contract Services	31,582	15,856	(15,726)	27,533	47,200	34%
Bank Charges	114,269	97,140	(17,129)	113,714	187,026	52%
Contracted Services	333,000	237,124	(95,876)	413,255	698,504	34%
Office/Computer Supplies	3,345	2,216	(1,129)	10,340	17,490	13%
Operating Supplies	73,176	68,451	(4,725)	79,978	137,464	50%
Enviro Materials/Supplies	768	3,364	2,596	7,259	12,259	27%
Tarp Pool Expense	11,055	13,297	2,242	25,200	43,200	31%
Postage	3,024	2,947	(77)	3,462	6,532	45%
Janitorial Supplies	20,516	14,831	(5,686)	18,252	36,655	40%
Fuel & Lubricants	44,363	46,614	2,251	46,954	78,695	59%
Cost of AV Fuel Sold: JCIA	-	33,733	33,733	72,917	125,000	27%
Permits & Licenses	4,272	6,729	2,457	7,018	12,197	55%
Equipment Purchase & Rental	55,700	13,715	(41,985)	58,863	90,083	15%
Excise Tax	15,922	18,509	2,587	20,061	38,121	49%
Miscellaneous Expense	1,203	1,405	202	1,509	2,513	56%
Repair & Maintenance Supplies	215,849	209,073	(6,776)	250,483	429,400	49%
Facilities & Operations-Materials, Repair and Maintenance	449,193	434,884	(14,309)	602,296	1,029,609	42%
Utilities - Water	58,178	39,593	(18,584)	55,526	98,167	40%
Utilities - Electricity	193,027	207,924	14,897	205,374	350,886	59%
Utilities - Sewer	98,576	61,588	(36,988)	69,200	121,917	51%
Utilities - Stormwater	10,208	13,825	3,617	-	-	
Utilities - Garbage	105,357	95,590	(9,767)	102,910	175,200	55%
Utilities - Fuels	21,542	20,821	(720)	21,244	35,759	58%
Utilities - Telephone	19,071	23,065	3,994	22,806	39,129	59%
Utilities - Cable	6,611	5,424	(1,186)	6,931	11,890	46%

	YTD JULY 2025	YTD JULY 2026	Variance to prior year	YTD 2026 Budget	2026 Budget	% of Budget
Utilities	512,570	467,831	(44,739)	483,991	832,948	56%
Legal & Fire Fees	31,915	25,308	(6,607)	34,349	51,060	50%
Audit	-	6,279	6,279	20,600	46,200	14%
Insurance	-	4,015	4,015	20,000	607,517	1%
Legal, Audit & Insurance Services	31,915	35,602	3,687	74,949	704,777	5%
Advertising (Legal)	3,740	1,753	(1,987)	5,475	9,371	19%
Marketing	65,156	58,818	(6,338)	56,138	98,248	60%
Promotion	5,947	5,028	(919)	12,505	21,778	23%
Marketing & Promotion	74,842	65,599	(9,244)	74,118	129,397	51%
Empl Recog/Relations	5,501	799	(4,702)	7,416	11,742	7%
Travel & Training	28,410	19,962	(8,448)	30,070	53,061	38%
Membership & Dues	35,377	25,668	(9,708)	26,105	45,974	56%
Travel, Training, Recognition and Dues	69,288	46,429	(22,859)	63,591	110,777	42%
Economic Development	31,827	32,782	955	52,121	71,633	46%
Community Relations	18,552	22,592	4,039	35,642	66,413	34%
Total Operating Expenditures	**4,262,802**	**4,146,986**	**(115,816)**	**4,906,636**	**8,968,178**	46%
Net Operating Income (Expense)	**1,043,302**	**1,593,670**	**550,367**	**950,250**	**830,817**	192%
Other Increases in Fund Resources						
(Incr.)/Decr. In Accounts Receivable	278,470	292,684	14,214	-	-	
Retainage Collected	97	-	(97)	2,000	9,414	0%
Yard Deposits Collected	-	35,000	35,000	18,110	32,389	108%
PTBH Prop Lease Deposits Collected	20,765	21,314	549	15,000	15,000	142%
PH Prop Lease Deposits Collected	68,464	89,391	20,927	20,000	23,500	380%
JCIA Prop Lease Deposits Collected	10,632	-	(10,632)	-	-	
Quilcene Lease Deposits Collected	-	931	931	-	-	
Short Farm Lease Deposits Collected	4,901	-	(4,901)	-	-	
Deposits & Retainage Collected	104,859	146,635	41,777	55,110	80,303	183%
Sales Tax Collected	65,440	72,243	6,803	76,000	129,000	56%
Leasehold Tax Collected	438,380	465,031	26,651	413,000	708,000	66%
Hotel/Motel Tax Collected	5,707	5,571	(136)	7,000	12,000	46%
Taxes Collected	509,527	542,845	33,317	496,000	849,000	64%
Federal Direct Grants	1,011,895	220,089	(791,806)	1,500,000	2,286,820	10%
Federal InDirect Grants	275,595	1,068,078	792,484	150,000	200,000	534%
State Grants	805,405	1,104,031	298,626	1,769,671	2,769,671	40%
Local Grants, Entitlements, and Other Payments	651,931	306,328	(345,603)	552,399	946,969	32%
Capital Contibutions/Grants	2,744,825	2,698,526	(46,299)	3,972,070	6,203,460	44%
Debt Proceeds - Line of Credit	-	-	-	-	-	
Debt Proceeds - Brownsfield Revolving Loan Fund	-	-	-	-	-	
ARRA Bond Interest Subsidy	16,476	-	(16,476)	-	-	
Investment Interest	145,541	71,182	(74,359)	140,000	240,000	30%
Investment Interest-IDD	190,851	209,085	18,233	-	-	
Interest	352,868	280,267	(72,601)	140,000	240,000	117%
Operating Tax Levy	664,509	679,723	15,214	668,000	1,167,000	58%
IDD Tax Levy	1,584,959	1,639,561	54,601	1,366,361	2,634,289	62%
State Forest Revenues	337	34,042	33,706	28,000	48,000	71%
State Timber Excise Tax	19,799	4,614	(15,185)	15,000	25,000	18%
Leasehold Excise Tax	2,936	3,255	318	4,827	9,072	36%
Property & other taxes	2,272,541	2,361,196	88,654	2,082,188	3,883,361	61%
Insurance Recovery	15,815	1,776	(14,039)	-	-	
Donation: Mariner's Memorial Donation Fund	-	3,750	3,750	29,167	50,000	8%
Finance Charges	6,886	10,145	3,259	3,500	6,000	169%
Other Non-Operating Revenues	12,185	11,169	(1,016)	13,635	19,000	59%
Misc Other Incr. in Fund Resources	34,885	26,840	(8,046)	46,302	75,000	36%
Total Other Incr. in Fund Resources	**6,297,976**	**6,056,308**	**(241,668)**	**6,791,669**	**11,331,124**	**53%**
Other Decr. In Fund Resources						
Retainage Paid	755	24,439	23,684	22,500	25,000	98%

	YTD JULY 2025	YTD JULY 2026	Variance to prior year		YTD 2026 Budget	2026 Budget	% of Budget
Yard Deposits Refunded	32,338	60,016	27,678		13,000	25,000	240%
PTBH Prop Lease Deposits Returned	64,613	7,890	(56,723)		10,000	15,000	53%
PH Prop Lease Dep. Returned	37,407	145,017	107,611		5,500	12,500	1160%
JCIA Prop Lease Dep. Refunded	-	903	903		-	-	
Deposits & Retainage Paid	135,113	238,266	103,153		51,000	77,500	307%
Sales Tax Remitted	54,988	61,262	6,274		62,500	118,500	52%
Leasehold Tax Remitted	545,982	595,548	49,566		525,000	700,000	85%
Hotel/Motel Tax Remitted	4,108	3,949	(158)		4,530	9,130	43%
Taxes Remitted	605,077	660,759	55,681		592,030	827,630	80%
Principal Pmt - 2010 LTGO Bond	-	-	-		-	-	
Interest Pmt - 2010 LTGO Bond	58,131	-	(58,131)		-	-	
Principal Pmt - 2015 LTGO Rfdg Bond	535,000	-	(535,000)		-	-	
Interest Pmt - 2015 LTGO Rfdg Bond	16,050	-	(16,050)		-	-	
Principal Pmt - 2021 Line of Credit	640,110	649,078	8,968		650,000	1,305,000	50%
Interest Pmt - 2021 Line of Credit	25,166	16,198	(8,968)		16,200	27,200	60%
Debt Principal & Interest	1,274,457	665,276	(609,181)		666,200	1,332,200	50%
Vessel Destruction	202,380	57,868	(144,512)		-	-	
Clean Vessel	21,733	30,151	8,418		-	-	
State & Local Vessel Programs	224,113	88,019	(136,094)		-	-	
Equipment, Vehicles & Land Purchases	813,053	1,418,689	605,636		1,450,000	1,615,000	88%
Capital Project Expenses-Labor	301,968	359,662	57,694		385,000	660,000	54%
Capital Project Expenses-Benefits	76,146	81,582	5,436		60,000	100,000	82%
Capital Project Expenses-Materials	482,403	256,218	(226,185)		650,000	950,000	27%
Capital Project Expenses-Contract Services	2,427,385	2,118,586	(308,799)		6,247,887	10,710,664	20%
Capital Project Expenses	3,287,902	2,816,048	(471,854)		7,342,887	12,420,664	23%
Investment Fees	700	700	-		700	1,200	58%
Claims & Damages	29,831	20,995	(8,837)		7,940	15,345	137%
Other Non-Oper Exp	-	1,282	1,282		12,150	12,150	11%
Debt Mgmt, Issuance & Misc Exp	30,531	22,977	(7,554)		20,790	30,295	76%
Election Expense	-	25,888	25,888		50,000	50,000	52%
Total Other Decr. In Fund Resources	**6,370,247**	**5,935,921**	**(903,868)**		**10,172,907**	**16,353,289**	**36%**
Incr. (Decr.) in Other Fund Resources	**(72,271)**	**120,386**	**662,200**		**(3,381,238)**	**(5,022,165)**	**-2%**
Change in Cash - Increase/(Decrease)	**971,031**	**1,714,056**	**1,212,567**		**(2,430,988)**	**(4,191,348)**	**-41%**

PORT OF PORT TOWNSEND
AGENDA COVER SHEET

MEETING DATE	September 9, 2026
AGENDA ITEM	☐ Consent ☐ 1st Reading ☐ 2nd Reading ☒ Regular Business ☐ Informational
AGENDA TITLE	VIII. C. 2nd Draft of 2027 Proposed Rates and Fees
STAFF LEAD	Connie Anderson, Director of Finance and Administration
REQUESTED	☐ Information ☐ Motion/Action ☒ Discussion
ATTACHMENTS	1. Informational Memo 2. 2nd Draft Proposed Rates and Fees 3. CPI – 10 Year Rolling Average 4. Port of Bellingham – Survey of Marina Rates 2-5-2026

DATE: 9/9/2026

TO: Port Commission

FROM: Connie Anderson, Director of Finance & Administration & Eron Berg, Executive Director

SUBJECT: 2nd Draft of 2027 Proposed Rate Cards

ISSUE

What direction does the Commission have following its review of the proposed 2027 Rate Cards?

BACKGROUND

The adopted 2027 Budget schedule includes the 2nd review of the proposed 2027 rate cards on 9/09/2026. The review process allows time for commission to provide feedback on the proposed rates as well as allowing time for public input.

PORT RATES DISCUSSION

In the packet are the comparative rate cards for all Port locations that show the current rates alongside the proposed 2027 rates. Most rates have been increased by the June-to-June CPI increase of 4.5%. There are some exceptions where rates are recommended to either hold at the 2026 rate or have a fixed rate increase for administrative ease. On the rate cards we've highlighted **new or additions to current rates in blue** and **rates that are proposed for removal in ~~red~~**. **Proposed or recommended changes incorporated into the 2nd draft are listed in orange.** All formatting will be addressed in the final printing of the 2027 rate cards.

The following are the changes by location:

BOAT HAVEN:

1. ~~Active Commercial Fishing versus Non-Active Commercial Fishing rates~~
2. **Removed Non-Active Commercial Fishing rate**
3. Business Rafting rates
4. Added additional rate to temporary tie-up to accommodate Dingy (15' or less) size boat
5. **Increased Live-aboard fee an additional $20/month to include 10-50 gallon garbage bags**
6. **Long Term Parking – weekly & monthly rates in designated areas only**

YARD:

1. Added $250 Booking Deposit
    - **Request clarification on rescheduling options outlined on the rate card**
2. **Added Non-Port Demolition Rate $1,000 per vessel**

POINT HUDSON

1. Recommend holding 2026 rates in the RV park; no increase calculated.

2. Added additional RV rate options to encourage RV Park use during non-peak periods. Also, incorporated plan to "Sprinkle" site availability during winter monthly season to allow for more enticing parking options for winter monthly guests.
3. Added special use permit parking that will be administered by the PH Moorage office. Examples of special use permit parking include winter monthly moorage occupants and port employees.
4. Eliminate No Charge parking in the Back 40.
5. Reinstate year-round parking rates to all PH parking lots.

HERB BECK MARINA

1. No recommended rate additions or deletions.

JCIA

1. **Wing Camping nightly rate for pilots and their passengers in designated areas only.**

UNION WHARF, CITY DOCK & EVENT FACILITIES

1. Recommend an increase to $2,500 / day for cruise ship docking fees, approximately $25 per passenger.
2. Added Seasonal Monthly Moorage
3. Added tenants to the Pavilion rental 50% discount rate.

MISCELLANEOUS RATES & FEES

1. Added additional labor rate categories for ease of application and billing
2. Added new fees to cover the costs associated with collection costs on delinquent accounts
    a. Certified Collection Fees
    b. Posting Notice Fees
    c. Auction Fee
3. **Garbage Fees - Garbage per bag**

COMPARABLE RATES

Staff are not proposing to perform a rate study or to use a rate study to establish marina rates, it is however helpful to have a sense of rates in the regional marketplace. For an FYI, here are a few of the proposed rate increases from other ports for 2027:

Comparable Ports Proposed Increases 2027 Rates & Fees	
Anacortes	CPI + 1.0%
Edmonds	CPI + 1.0% (4.5%)
Everett	4.5%
Bellingham	3%-6% per Year for 4 years Increase based on slip size
Port Angeles	CPI + 3% (max 6%), under 50' CPI + 4% (max 7%), over 50'

We have both the Port of Bellingham's 2026 rate study and WPPA's rate study available for review. The Port of Bellingham's study is attached to this memo for your reference and shows that the Port of Port Townsend's rates are in the middle of the pack.

Of key concern in establishing moorage rates is the strong desire to balance accessibility to the marina as an essential component of this place's unique maritime culture, with the need to generate revenue to operate, maintain and effect the upcoming Boat Haven Reconstruction Project. The Commission and moorage community will have much to discuss in coming months as that plan begins to take shape and we all work together to fund a $35,000,000 project.

Finally, a note on CPI. The Commission has heard from moorage tenants a strong desire to flatten increases and create predictability over time (e.g., use a 3.0% annual increase or a rolling 10-year average of CPI versus actual CPI). The following table shows those options and is illustrative. Over the past decade the cumulative increase from inflation was 40.7%. Using a rolling 10-year average would have resulted in a 28.9% increase and an annual 3.0%, a 30% increase. That 10% spread between actual reflects more than $200,000 in decreased annual revenue in the 11th year (and every year thereafter) and squeezes the budget as the increase is intended to keep up with inflation and does not result in a true increase in net revenue. In the context of the Boat Haven Reconstruction Plan, this "lost" revenue represents more than $4,000,000 in a 20-year period.

CPI for BLS-Seattle-Tacoma
12-Month Percent Change

https://www.bls.gov/data/
https://data.bls.gov/toppicks?survey=r9

Series Id: CUURS49DSA0
Not Seasonally Adjusted
Series Title: All items in Seattle-Tacoma-Bellevue, WA, all urban
Area: Seattle-Tacoma-Bellevue WA
Item: All items
Base Period: 1982-84=100

Years: 2006-2026

The Federal Reserve (the Fed) started controlling interest rates, specifically through the federal funds rate, in 1942 when it agreed to maintain a low interest rate peg on government bonds at the request of the Treasury to finance World War II.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2	Jun-Jun 10 yr avg	over/under Actual June	Jun-Jun hold at 3%	over/under Actual June
2006		3.0		3.0		4.2		4.9		3.2		4.2	3.7	3.3	4.1				
2007		4.0		4.0		3.5		3.0		4.1		4.6	3.9	3.9	3.8				
2008		4.7		3.4		5.8		5.4		3.4		1.7	4.2	4.6	3.8				
2009		1.4		1.2		-0.4		-0.3		0.2		1.4	0.6	0.9	0.3				
2010		0.6		0.3		-0.5		0.2		0.4		0.6	0.3	0.3	0.3				
2011		1.5		2.1		3.2		2.7		3.8		3.5	2.7	2.0	3.3				
2012		2.7		2.9		2.7		2.7		2.3		1.4	2.5	2.8	2.2				
2013		1.8		1.2		1.4		1.1		0.6		1.3	1.2	1.4	1.0				
2014		1.2		2.4		2.0		1.8		2.1		1.7	1.8	1.8	1.9				
2015		1.1		0.4		**1.6**		1.8		1.2		2.2	1.4	1.0	1.7				
2016		2.2		2.5		**1.8**		2.1		2.4		2.6	2.2	2.2	2.2				
2017		3.4		3.1		**3.0**		2.5		3.0		3.5	3.1	3.0	3.1	**2.1**	**(0.9)**	3.0	0.0
2018		3.3		3.3		**3.3**		3.1		3.1		2.8	3.2	3.4	3.0	**1.8**	**(1.5)**	3.0	(0.3)
2019		2.7		2.4		**2.3**		3.2		2.2		2.2	2.5	2.5	2.6	**2.1**	**(0.2)**	3.0	0.7
2020		2.5		1.3		**0.9**		1.6		2.1		1.4	1.7	1.8	1.6	**2.2**	**1.3**	3.0	2.1
2021		1.7		3.4		**5.5**		5.2		6.5		7.6	4.6	3.0	6.1	**2.5**	**(3.1)**	3.0	(2.5)
2022		8.1		9.1		**10.1**		9.0		8.9		8.4	9.0	8.9	9.1	**3.2**	**(6.9)**	3.0	(7.1)
2023		8.0		6.9		**4.6**		5.4		4.8		4.4	5.8	6.8	4.8	**3.5**	**(1.1)**	3.0	(1.6)
2024		4.3		4.4		**3.8**		3.1		3.0		2.7	3.7	4.2	3.2	**3.7**	**(0.1)**	3.0	(0.8)
2025		2.5		1.7		**2.7**		2.8		*		3.1	2.4	2.3	2.7	**3.8**	**1.1**	3.0	0.3
2026		3.9		4.9		**4.5**								4.4		**4.1**	**(0.4)**	3.0	(1.5)
Total CPI Change						**40.7**										**28.9**	**(11.8)**	**30.0**	**(10.7)**

10 Years - 2017 - 2026
June to June

* October 2025
data unavailable due to the 2025 lapse in appropriations

Moorage Rate Survey

2026 Rates

Blaine
Squalicum

Rate Survey done Feb 5, 2026 *** 2025 Rates**

Recreation Rates

26'	$/ft
Fishermen's Terminal 2026 no chg	$16.78
Shilshole Bay Marina 2026 no chg	$16.33
Port of Edmonds-inc fees	$16.03
Port of Edmonds-base	$14.66
Port of Friday Harbor	$13.08
Semiahmoo*	$12.29
Port Townsend BH	$11.06
Port Angeles John Wayne*	$11.02
Port of Bremerton*	$10.76
Port of Olympia	$10.40
LaConner Marina*	$10.36
Squalicum 2026	**$10.16**
Port of Everett	$10.12
Squalicum 2025	**$9.86**
Blaine 2026	**$9.76**
Port Angeles Boat Haven*	$9.58
Port of Anacortes	$9.57
Blaine 2025	**$9.48**
Point Roberts*	$9.38
Port Orchard Marina*	$8.46

30'	$/ft
Shilshole Bay Marina	$17.84
Port of Edmonds-inc fees	$16.93
Fishermen's Terminal 2026 no char	$16.78
Port of Edmonds-base	$15.71
Port of Friday Harbor	$13.08
Semiahmoo*	$12.29
Port Angeles John Wayne*	$12.03
Port of Everett	$11.76
Port of Olympia	$11.62
Port Townsend BH	$11.25
Port of Anacortes	$10.87
Port of Bremerton*	$10.76
LaConner Marina*	$10.36
Squalicum 2026	**$10.35**
Squalicum 2025	**$10.05**
Blaine 2026	**$9.96**
Blaine 2025	**$9.67**
Port Angeles Boat Haven*	$9.58
Point Roberts*	$9.38
Port Orchard Marina*	$8.46

36'	$/ft
Shilshole Bay Marina	$20.75
Port of Edmonds-inc fees	$18.35
Fishermen's Terminal	$17.79
Port of Edmonds-base	$17.28
Port of Everett -N.	$16.41
Port of Friday Harbor	$13.46
Port of Everett	$13.40
Semiahmoo*	$13.03
Port of Anacortes	$13.03
Port Angeles John Wayne*	$12.03
Port Townsend BH	$11.78
Port of Olympia	$11.62
Squalicum 2026	**$11.51**
Blaine 2026	**$11.07**
Squalicum 2025	**$10.96**
Port of Bremerton*	$10.76
LaConner Marina*	$10.72
Blaine 2025	**$10.54**
Point Roberts*	$10.41
Port Angeles Boat Haven*	$10.18
Port Orchard Marina*	$9.38

44'	$/ft
Shilshole Bay Marina	$20.52
Fishermen's Terminal	$19.85
Port of Edmonds-inc fees	$18.72
Port of Anacortes	$18.57
Port of Edmonds-base	$17.84
Port of Everett -N.	$16.41
Port of Everett	$15.87
Port of Friday Harbor	$13.99
Semiahmoo*	$13.57
Squalicum 2026	**$12.80**
Port Angeles John Wayne*	$12.64
Port Townsend BH	$12.50
Blaine 2026	**$12.32**
Port of Olympia	$12.29
Squalicum 2025	**$12.08**
LaConner Marina*	$11.81
Blaine 2025	**$11.62**
Port of Bremerton*	$11.50
Port Angeles Boat Haven*	$10.99
Point Roberts*	$10.41
Port Orchard Marina*	$10.26

45'	$/ft
Shilshole Bay Marina	$23.74
Fishermen's Terminal	$19.85
Port of Edmonds-inc fees	$18.72
Port of Anacortes	$18.57
Port of Edmonds-base	$17.84
Port of Everett -N.	$17.23
Port of Everett	$15.87
Port of Friday Harbor	$13.99
Semiahmoo*	$13.57
Squalicum 2026	**$13.31**
Blaine 2026	**$12.80**
Port Angeles John Wayne*	$12.64
Squalicum 2025	**$12.56**
Port Townsend BH	$12.50
Port of Olympia	$12.29
Blaine 2025	**$12.08**
LaConner Marina*	$11.81
Port of Bremerton*	$11.68
Port Angeles Boat Haven*	$10.99
Point Roberts*	$10.41
Port Orchard Marina*	$10.26

56'	$/ft
Shilshole Bay Marina	$26.76
Port of Edmonds-inc fees	$23.70
Port of Edmonds-base	$22.90
Port of Anacortes	$21.58
Fishermen's Terminal	$21.56
Port of Everett -N.	$19.69
Port of Everett	$17.78
Semiahmoo*	$17.45
Port of Friday Harbor	$14.45
LaConner Marina*	$13.99
Port Angeles John Wayne*	$13.83
Port Townsend BH	$13.47
Squalicum 2026	**$13.31**
Port of Olympia	$13.15
Blaine 2026	**$12.80**
Port of Bremerton*	$12.64
Squalicum 2025	**$12.56**
Blaine 2025	**$12.08**
Port Angeles Boat Haven*	$11.52
Point Roberts*	$10.70
Port Orchard Marina*	$10.29

60'	$/ft
Shilshole Bay Marina	$25.09
Port of Anacortes	$23.48
Port of Edmonds-inc fees	$22.75
Port of Edmonds-base	$21.56
Fishermen's Terminal	$20.52
Port of Everett -N.	$17.45
Semiahmoo*	$14.52
Port Angeles John Wayne*	$14.45
Port of Friday Harbor	$13.99
LaConner Marina*	$13.47
Port Townsend BH	$13.15
Port of Olympia	$13.15
Port of Bremerton*	$13.02
Port Angeles Boat Haven*	$11.52
Point Roberts*	$10.88
Port Orchard Marina*	$10.29

70'	$/ft
Shilshole Bay Marina	$27.01
Port of Anacortes	$25.09
Fishermen's Terminal	$23.12
Port of Edmonds-inc fees	$23.11
Port of Edmonds-base	$22.49
Port of Everett -N.	$21.34
Port of Everett	$20.79
Squalicum 2026	**$15.77**
Blaine 2026	**$15.16**
Port of Friday Harbor	$14.75
Port Angeles John Wayne*	$14.52
Squalicum 2025	**$13.54**
Port of Bremerton*	$13.17
Port of Olympia	$13.15
Pt Townsend BH	$13.12
Blaine 2025	**$13.03**
Port Angeles Boat Haven*	$12.36
Point Roberts*	$12.08
Port Orchard Marina*	$12.07

Port of Port Townsend
2026 Rate Schedule
BOAT HAVEN
360.385.6211

Service Rates – Effective January 1, 2026
Approved by Port Commission on November 12, 2025

MOORAGE RATE IS BASED ON OVERALL LENGTH OR SLIP LENGTH, WHICHEVER IS GREATER.

	2026 Rates
NIGHTLY MOORAGE	
Vessels Under 18' Wide	$ 2.05 /ft/nt
LONG-TERM MOORAGE	
25' slip	$ 269.51 /mo*
27' slip	$ 298.62 /mo*
30' slip	$ 337.51 /mo*
34' slip	$ 382.50 /mo*
35' slip	$ 412.46 /mo*
40' slip	$ 472.40 /mo*
42' slip	$ 496.35 /mo*
45' slip	$ 562.34 /mo*
50' slip	$ 625.47 /mo*
Linear Rate Under 25'	$ 10.78 /ft/mo*
Linear rate 51'+	$ 13.47 /ft/mo*

Note: Receive 5% discount on annual long-term license if total year is prepaid in cash or check between Jan 2 - Jan 16, 2026

ACTIVE COMMERCIAL FISHING	
Up to 70'	$ 9.06 /ft/mo*
71'+	$ 10.31 /ft/mo*
OTHER MOORAGE / STORAGE	
Limited Access	$ 9.74 /ft/mo*
Undesirable	$ 7.92 /ft/mo*
Business	same as perm. rate/ft/mo*
Kayak or rowing shell storage	$ 35.00 /mo*
Top rack kayak storage	$ 25.00 /mo*

Port of Port Townsend
2027 Rate Schedule
BOAT HAVEN
360.385.6211

Service Rates – Effective January 1, 2027
Approved by Port Commission on XXXXXXXX

MOORAGE RATE IS BASED ON OVERALL LENGTH OR SLIP LENGTH, WHICHEVER IS GREATER.

CPI - SEA-TAC-BEL, June to June
4.5%

	2027 Rates	increase
NIGHTLY MOORAGE (*Electric Included*)		
Vessels	$ 2.05 /ft/nt	$ -
LONG-TERM MOORAGE		
25' slip	$ 281.64 /mo*	$ 12.13
27' slip	$ 312.05 /mo*	$ 13.44
30' slip	$ 352.70 /mo*	$ 15.19
34' slip	$ 399.71 /mo*	$ 17.21
35' slip	$ 431.02 /mo*	$ 18.56
40' slip	$ 493.66 /mo*	$ 21.26
42' slip	$ 518.69 /mo*	$ 22.34
45' slip	$ 587.64 /mo*	$ 25.31
50' slip	$ 653.62 /mo*	$ 28.15
Linear Rate Under 25'	$ 11.26 /ft/mo*	$ 0.48
Linear rate 51'+	$ 14.08 /ft/mo*	$ 0.61

Note: Receive 5% discount on annual long-term license if total year is prepaid in cash or check between ~~Jan 2 - Jan 16, 2026~~ Jan 4 - Jan 18

ACTIVE COMMERCIAL FISHING ~~(Out 2 months between June and September)~~		
Up to 70'	$ 9.47 /ft/mo*	$ 0.41
71'+	$ 10.78 /ft/mo*	$ 0.46
~~Non Active Commercial~~	~~Same as Long-term Rate~~	
OTHER MOORAGE / STORAGE		
Limited Access	$ 10.17 /ft/mo*	$ 0.44
Undesirable	$ 8.27 /ft/mo*	$ 0.36
Business Non-Rafting	same as perm. rate/ft/mo*	
Business Rafting	150% of Long-term Rate	
Kayak or rowing shell storage	$ 35.00 /mo*	$ -
Top rack kayak storage	$ 25.00 /mo*	$ -

Port of Port Townsend
2026 Rate Schedule
BOAT HAVEN

360.385.6211

Service Rates – Effective January 1, 2026
Approved by Port Commission on November 12, 2025

MOORAGE RATE IS BASED ON OVERALL LENGTH OR SLIP LENGTH, WHICHEVER IS GREATER.

	2026 Rates		
Wherry parking	$ 55.00	/mo*	
Mast-up on trailer storage	$ 110.00	/mo*	
FEES w/ AGREEMENT			
Live-aboard Fee	$ 150.00	/mo*	
Live-aboard Background Check Fee	$ 70.00		
Electric Connect Fee	$ 35.00		
Metered Electric/Base Fee	$ 12.00		
Electric Charges @	$ 0.1193	per KWH	
(subject to change with utility increases)			
Non-metered Electrical	$ 1.92	ft/mo	
TEMPORARY TIE-UP (up to 4 hours)			
Under 35' length	$ 15.00		
Over 35' length	$ 25.00		
WINTER GUEST MONTHLY, based on availability	***(Oct. 1 – Apr. 30:)***		
25’ slip	$ 324.00	/month*	
27’ slip	$ 358.13	/month*	
30’ slip	$ 404.96	/month*	
34’ slip	$ 458.95	/month*	
35’ slip	$ 491.98	/month*	
40’ slip	$ 565.97	/month*	
42’ slip	$ 594.30	/month*	
45’ slip	$ 670.59	/month*	
50’ slip	$ 778.14	/month*	
Linear Rate Under 25’	$ 12.95	/ft/mo*	
Linear Rate 51’+	$ 16.80	/ft/mo*	

Port of Port Townsend
2027 Rate Schedule
BOAT HAVEN

360.385.6211

Service Rates – Effective January 1, 2027
Approved by Port Commission on XXXXXXXX

MOORAGE RATE IS BASED ON OVERALL LENGTH OR SLIP LENGTH, WHICHEVER IS GREATER.

CPI - SEA-TAC-BEL, June to June

4.5%

	2027 Rates			increase
Wherry parking	$ 60.00	/mo*		$ 5.00
Mast-up on trailer storage	$ 115.00	/mo*		$ 5.00
FEES w/ AGREEMENT				
Live-aboard Fee	**$ 170.00**	**/mo***		$ 20.00
Live-aboard Background Check Fee	$ 70.00			$ -
Electric Connect Fee	$ 35.00			$ -
Metered Electric/Base Fee	$ 12.00			$ -
Electric Charges @	$ 0.1345	per KWH		$ 0.02
(subject to change with utility increases)				$ -
Non-metered Electrical	$ 2.01	ft/mo		$ 0.09
TEMPORARY TIE-UP (up to 4 hours)				
15' or less	$ 15.00			
~~Under 35' length~~ 16' to 35'	$ 25.00			$ 10.00
36' +	$ 35.00			
WINTER GUEST MONTHLY, based on availability	***(Slips Oct. 1 – Apr. 30)***	***Linear Oct. 1 - March 30***		
25’ slip	$ 338.58	/mo*		$ 14.58
27’ slip	$ 374.25	/mo*		$ 16.12
30’ slip	$ 423.19	/mo*		$ 18.22
34’ slip	$ 479.60	/mo*		$ 20.65
35’ slip	$ 514.12	/mo*		$ 22.14
40’ slip	$ 591.44	/mo*		$ 25.47
42’ slip	$ 621.04	/mo*		$ 26.74
45’ slip	$ 700.77	/mo*		$ 30.18
50’ slip	$ 813.15	/mo*		$ 35.02
Linear Rate Under 25’	$ 13.54	/ft/mo*		$ 0.58
Linear Rate 51’+	$ 17.56	/ft/mo*		$ 0.76

Port of Port Townsend

2026 Rate Schedule

BOAT HAVEN

360.385.6211

Service Rates – Effective January 1, 2026
Approved by Port Commission on November 12, 2025

MOORAGE RATE IS BASED ON OVERALL LENGTH OR SLIP LENGTH, WHICHEVER IS GREATER.

SUMMER GUEST MONTHLY (Non-Recreational)	2026 Rates *(May 1 – Sept. 30:)*
25’ slip	$ 394.69 /month*
27’ slip	$ 434.81 /month*
30’ slip	$ 491.84 /month*
34’ slip	$ 557.55 /month*
35’ slip	$ 600.17 /month*
40’ slip	$ 686.07 /month*
42’ slip	$ 720.79 /month*
45’ slip	$ 818.04 /month*
50’ slip	$ 909.59 /month*
Linear Rate Under 25’	$ 15.78 /ft/mo*
Linear Rate 51’+	$ 20.32 /ft/mo*

* 12.84% WA State Leasehold Excise Tax (LHT) assessed in addition to Port charges for stays of 30 days or more. If stay exceeds 30 days, the LHT will be added to the first 29 days.

** Subject to Current Sales Tax Rate

Credit Card Transactions are subject to a 3% Processing Fee

See Miscellaneous Rates and Fees for other fees that apply.

Port of Port Townsend

2027 Rate Schedule

BOAT HAVEN

360.385.6211

Service Rates – Effective January 1, 2027
Approved by Port Commission on XXXXXXXX

MOORAGE RATE IS BASED ON OVERALL LENGTH OR SLIP LENGTH, WHICHEVER IS GREATER.

SUMMER GUEST MONTHLY (Non-Recreational)	2027 Rates *(May 1 – Sept. 30:)*	increase
25’ slip	$ 412.45 /mo*	$ 17.76
27’ slip	$ 454.38 /mo*	$ 19.57
30’ slip	$ 513.98 /mo*	$ 22.13
34’ slip	$ 582.64 /mo*	$ 25.09
35’ slip	$ 627.18 /mo*	$ 27.01
40’ slip	$ 716.95 /mo*	$ 30.87
42’ slip	$ 753.23 /mo*	$ 32.44
45’ slip	$ 854.85 /mo*	$ 36.81
50’ slip	$ 950.52 /mo*	$ 40.93
Linear Rate Under 25’	$ 16.49 /ft/mo*	$ 0.71
Linear Rate 51’+	$ 21.23 /ft/mo*	$ 0.91
Long-Term Parking (in designated areas only)		
Weekly	**$ 40.00 /week****	$ 40.00
Monthly	**$ 100.00 /mo***	$ 100.00

* 12.84% WA State Leasehold Excise Tax (LHT) assessed in addition to Port charges for stays of 30 days or more. If stay exceeds 30 days, the LHT will be added to the first 29 days.

** Subject to Current Sales Tax Rate

Credit Card Transactions are subject to a 3% Processing Fee

See Miscellaneous Rates and Fees for other fees that apply.

CPI - SEA-TAC-BEL, June to June

4.5%

Port of Port Townsend

2026 Rate Schedule - Revised May 2026

YARD RATES

360.385.6211

Service Rates – Effective May 1, 2026

Approved by Port Commission on April 8, 2026

	2026 Rates	
70/75 TON LIFTS		
31' or less	$ 11.50	/ft**
32'-41'	$ 12.79	/ft**
42'-51'	$ 14.07	/ft**
52'-61'	$ 15.34	/ft**
62'+	$ 17.91	/ft**
Minimum Hoist	$ 280.00	**
Owner Wash Down	$ 2.84	/ft/30 minutes
Port Wash Down	$ 3.00	/ft/30 minutes** + Labor
70/75 TON REPAIR STORAGE		
Daily	$ 0.92	/ft/day
Monthly	$ 0.74	/ft/day*
Electrical Rate	$ 2.25	/day
(applicable year-round)	$ 43.13	/mo*
Stay on Boat Fee (Authorization Requirec	$ 6.00	per night
Background Check Fee	$ 70.00	
Off-Port Blocking (subject to Tarp Fee)	$ 0.10	/ft/day*, **
Trailer Vessel (w/agreement)	$ 10.66	/ft/mo*, **
300 TON TRAVEL LIFT		
70' or less	$ 22.84	/ft**
71'-89'	$ 24.59	/ft**
90' or over	$ 30.38	/ft**
Minimum Hoist	$ 1,100.00	**
Owner Wash Down	$ 4.06	/ft/hr.
Port Wash Down	$ 4.20	/ft/hr. ** Labor

Port of Port Townsend

2027 Rate Schedule

YARD RATES

360.385.6211

Service Rates – Effective January 1, 2027

Approved by Port Commission on XXXXXXXX

CPI - SEA-TAC-BEL, June to June

4.5%

	2027 Rates		increase
70/75 TON LIFTS			
31' or less	$ 12.02	/ft**	$ 0.52
32'-41'	$ 13.37	/ft**	$ 0.58
42'-51'	$ 14.70	/ft**	$ 0.63
52'-61'	$ 16.03	/ft**	$ 0.69
62'+	$ 18.72	/ft**	$ 0.81
Minimum Hoist	$ 280.00	**	$ -
Owner Wash Down	$ 2.96	/ft/30 minutes	$ 0.13
Port Wash Down	$ 3.14	/ft/30 minutes** + Labor	$ 0.14
70/75 TON REPAIR STORAGE			
Daily	$ 0.96	/ft/day	$ 0.04
Monthly	$ 0.77	/ft/day*	$ 0.03
Electrical Rate	$ 2.25	/day	$ -
(applicable year-round)	$ 45.00	/mo*	$ 1.87
Stay on Boat Fee (Authorization Required)	$ 6.00	per night	$ -
Background Check Fee	$ 70.00		$ -
Off-Port Blocking (subject to Tarp Fee)	$ 0.11	/ft/day*, **	
Trailer Vessel (w/agreement)	$ 11.14	/ft/mo*, **	$ 0.48
300 TON TRAVEL LIFT			
70' or less	$ 23.87	/ft**	$ 1.03
71'-89'	$ 25.69	/ft**	$ 1.11
90' or over	$ 31.75	/ft**	$ 1.37
Minimum Hoist	$ 1,100.00	**	$ -
Booking Deposit (300T)	$ 250.00		
Marine Trades, 1 week notice, reschedule required			
All Others, 2 week notice, reschedule required			$ -
Non-refundable without reschedule			$ -
Owner Wash Down	$ 4.24	/ft/hr.	$ 0.18
Port Wash Down	$ 4.39	/ft/hr. ** + Labor	$ 0.19

Port of Port Townsend 2026 Rate Schedule - Revised May 2026 YARD RATES 360.385.6211 Service Rates – Effective May 1, 2026 Approved by Port Commission on April 8, 2026	2026 Rates	Port of Port Townsend 2027 Rate Schedule YARD RATES 360.385.6211 Service Rates – Effective January 1, 2027 Approved by Port Commission on XXXXXXXX	2027 Rates	CPI - SEA-TAC-BEL, June to June 4.5% increase
300 TON REPAIR YARD		**300 TON REPAIR YARD**		
Daily (minimum 58 ft.)	$ 1.46 /ft/day	Daily (minimum 58 ft.)	$ 1.52 /ft/day	$ 0.07
Monthly (minimum 58 ft.)	$ 1.18 /ft/day*	Monthly (minimum 58 ft.)	$ 1.23 /ft/day*	$ 0.05
Electrical Rate:		**Electrical Rate:**		
Metered Electric	$ 5.00 /day + KWH	Metered Electric	$ 5.00 /day + KWH	$ -
KWH (subject to utility increases)	0.1193 per KWH	KWH (subject to utility increases)	0.1345 per KWH	$ 0.02
Off-Port Block *(subject to Tarp Fee)*	$ 0.12 /ft/day	Off-Port Block *(subject to Tarp Fee)*	$ 0.13 /ft/day	$ 0.01
ALL YARDS		**ALL YARDS**		
Environmental Fee	$ 1.00 /ft/haul/mo or min. $25	Environmental Fee	$ 1.50 /ft/haul/mo or min. $25	$ 0.50
Inspections	Roundtrip Rate **	Inspections	Roundtrip Rate **	
Re-block Fee	75% RT or Min. Hoist **	Re-block Fee	75% RT or Min. Hoist **	
One-way Haul Out	75% RT or Min. Hoist **	One-way Haul Out	75% RT or Min. Hoist **	
One-way Launch from Yard	50% RT or Min. Hoist **	One-way Launch from Yard	50% RT or Min. Hoist **	
Hang Overnight	Roundtrip Rate + $150.00 **	Hang Overnight (75T)	Roundtrip Rate + $150.00 **	
	Roundtrip Rate + $250.00 **	Hang Overnight (300T)	Roundtrip Rate + $250.00 **	
Delay of Lift	$ 90.00 /half hour	Delay of Lift	$ 90.00 /half hour	$ -
Labor Rate	$ 90.00 /person/hour **	Labor Rate	$ 95.00 /person/hour **	$ 5.00
Overtime Rate & Call-in Labor Rate	$ 130.00 /person/hour **	Overtime Rate & Call-in Labor Rate	$ 142.50 /person/hour **	$ 12.50
Misc. Workyard Storage	$ 1.10 /sq ft/mo*	Misc. Workyard Storage (lift accessible)	$ 1.15 /sq ft/mo*	$ 0.05
Mast Storage	$ 0.96 /sq ft/mo*	Mast Storage	$ 1.00 /sq ft/mo*	$ 0.04
Bilge Water	$ 1.34 /gallon	Bilge Water	$ 1.50 /gallon	$ 0.16
Petroleum Tote Storage	$ 10.00 /day **	Petroleum Tote Storage	$ 10.45 /day **	
		Demolition Rate (Non-Port)	**$ 1,000.00 per vessel**	
Demolition Rate	estimate required **	Demolition Rate (Port Operated)	estimate required **	
TARP FEES (Off Port Property)		**TARP FEES (Off Port Property)**		
16 x 20	$ 29.84	16 x 20	$ 32.00	$ 2.16
20 x 30	$ 45.84	20 x 30	$ 48.00	$ 2.16
20 x 40	$ 57.56	20 x 40	$ 61.00	$ 3.44

Port of Port Townsend

2026 Rate Schedule - Revised May 2026

YARD RATES

360.385.6211

Service Rates – Effective May 1, 2026

Approved by Port Commission on April 8, 2026

	2026 Rates
30 x 40	$ 89.54
30 x 50	$ 128.99
40 x 60	$ 174.83

* 12.84% WA State Leasehold Excise Tax (LHT) assessed in addition to Port charges for stays of 30 days or more. If stay exceeds 30 days, the LHT will be added to the first 29 days.

** Subject to Current Sales Tax Rate

Credit Card Transactions are subject to a 3% Processing Fee

See Miscellaneous Rates and Fees for other fees that apply.

Port of Port Townsend

2027 Rate Schedule

YARD RATES

360.385.6211

Service Rates – Effective January 1, 2027

Approved by Port Commission on XXXXXXXX

	2027 Rates	increase
30 x 40	$ 94.00	$ 4.46
30 x 50	$ 135.00	$ 6.01
40 x 60	$ 183.00	$ 8.17

* 12.84% WA State Leasehold Excise Tax (LHT) assessed in addition to Port charges for stays of 30 days or more. If stay exceeds 30 days, the LHT will be added to the first 29 days.

** Subject to Current Sales Tax Rate

Credit Card Transactions are subject to a 3% Processing Fee

See Miscellaneous Rates and Fees for other fees that apply.

CPI - SEA-TAC-BEL, June to June

4.5%

Port of Port Townsend
2026 Rate Schedule
POINT HUDSON

360.385.2828
Service Rates – Effective January 1, 2026
Approved by Port Commission on November 12,2025

MOORAGE RATE IS BASED ON OVERALL LENGTH OR SLIP LENGTH, WHICHEVER IS GREATER.

	2026 Rates	
YEAR-ROUND NIGHTLY MOORAGE (*Electric Included*)		
Vessels under 18' in width	$ 2.05	/ft/nt
Overwide Vessels (18'+)	$ 2.72	/ft/nt
TEMPORARY TIE-UP (up to 4 hours)		
Boats 35' and under	$ 15.00	
Boats over 35'	$ 25.00	
WINTER MONTHLY MOORAGE *(October 1 – April 30)*		
32' slip	$ 431.98	/mo*
40' slip	$ 565.97	/mo*
50' slip	$ 778.13	/mo*
Linear Rate Under 25'	$ 12.94	/ft/mo*
Linear Rate 51'+	$ 16.80	/ft/mo*
OTHER MOORAGE		
Limited Access	$ 9.74	/ft/mo*
Undesirable	$ 7.92	/ft/mo*
BUSINESS *same as Boat Haven permanent rate /ft/mo**		
STORAGE ONLY		
Kayak or rowing shell storage	$ 33.19	/mo*
Top rack kayak storage	$ 24.59	/mo*
Dory on dock	$ 79.91	/mo*
FEES		
Reservation Fee	$ 11.81	/reservation
Live-aboard Fee	$ 150.00	/mo*
Live-aboard Background Check Fee	$ 70.00	
Commercial Vessel Passenger Fee - *See Miscellaneous Rates*		

Port of Port Townsend
2027 Rate Schedule
POINT HUDSON

360.385.2828
Service Rates – Effective January 1, 2027
Approved by Port Commission on XXXXXXXX

MOORAGE RATE IS BASED ON OVERALL LENGTH OR SLIP LENGTH, WHICHEVER IS GREATER.

CPI - SEA-TAC-BEL, June to June
4.5%

	2027 Rates		increase
YEAR-ROUND NIGHTLY MOORAGE (*Electric Included*)			
Vessels under 18'	$ 2.15	/ft/nt	$ 0.09
Overwide Vessels (18'+ beam)	$ 2.75	/ft/nt	$ 0.03
TEMPORARY TIE-UP (up to 4 hours)			
15' or less	$ 15.00		
~~Under 35' length~~ 16' to 35'	$ 25.00		$ 10.00
36' +	$ 35.00		$ 10.00
WINTER MONTHLY MOORAGE *(October 1 – April 30)*			
32' slip	$ 451.42	/mo*	$ 19.44
40' slip	$ 591.44	/mo*	$ 25.47
50' slip	$ 813.14	/mo*	$ 35.02
Linear Rate Under 25'	$ 13.52	/ft/mo*	$ 0.58
Linear Rate 51'+	$ 17.56	/ft/mo*	$ 0.76
OTHER MOORAGE			
Limited Access	$ 10.17	/ft/mo*	$ 0.44
Undesirable	$ 8.27	/ft/mo*	$ 0.36
BUSINESS *same as Boat Haven long-term rate /ft/mo**			
STORAGE ONLY			
Kayak or rowing shell storage	$ 35.00	/mo*	$ 1.81
Top rack kayak storage	$ 25.00	/mo*	$ 0.41
Dory on dock	$ 85.00	/mo*	$ 5.09
FEES			
Reservation Fee	$ 12.00	/reservation	$ 0.19
Live-aboard Fee	$ 150.00	/mo*	$ -
Live-aboard Background Check Fee	$ 70.00		$ -
Commercial Vessel Passenger Fee - *See Miscellaneous Rates*			

Port of Port Townsend
2026 Rate Schedule
POINT HUDSON
360.385.2828
Service Rates – Effective January 1, 2026
Approved by Port Commission on November 12,2025

MOORAGE RATE IS BASED ON OVERALL LENGTH OR SLIP LENGTH, WHICHEVER IS GREATER.

	2026 Rates		
ELECTRICAL FEES			
Electric Connect Fee	$ 35.00		
Electric Base Fee + KWHs Used	$ 12.00	/mo	
Electric Charges @	$ 0.1193	/KWH	
(subject to change w/utility rate increases)			
Non-metered Electrical	$ 2.00	/ft/mo	
PARKING - BACK 40			
First 9 hours	No Charge		
Daily Overnight Parking	$ 10.00	/day**	
Weekly	$ 40.00	/week**	
Monthly	$ 100.00	/mo*	
Boat on Trailer	$ 100.00	/mo*	
"Landfall Site" Parking (next to Puget Sound Express):			
Half day, up to 5 hours	$ 7.50	/half day**	
Daily year-round	$ 12.00	/day**	
See Miscellaneous Rates and Fees for other fees that apply.			
Landfall/ Armory			
Half day, up to 5 hours	$ 7.50	/half day**	
Daily year-round	$ 12.00	/day**	
Cupola			
Half day, up to 5 hours	$ 7.50	/half day**	
Daily year-round	$ 12.00	/day**	

Port of Port Townsend
2027 Rate Schedule
POINT HUDSON
360.385.2828
Service Rates – Effective January 1, 2027
Approved by Port Commission on XXXXXXXX

MOORAGE RATE IS BASED ON OVERALL LENGTH OR SLIP LENGTH, WHICHEVER IS GREATER.

	2027 Rates			increase
ELECTRICAL FEES				
Electric Connect Fee	$ 35.00			$ -
Electric Base Fee + KWHs Used	$ 12.00	/mo		$ -
Electric Charges @	$ 0.1345	/KWH		
(subject to change w/utility rate increases)				
Non-metered Electrical	$ 2.00	/ft/mo		$ -
PARKING				
Special Use Permit Parking	See PH Moorage Office for details			
				$ -
BACK 40				
~~First 9 hours~~	~~No Charge~~			
Half day, up to 5 hours	$ 5.00	/half day**		$ 5.00
Daily Overnight Parking	$ 10.00	/day**		$ -
Weekly	$ 40.00	/week**		$ -
Monthly	$ 100.00	/mo*		$ -
Boat on Trailer	$ 100.00	/mo*		$ -
"Landfall Site" Parking (next to Puget Sound Express):				
Half day, up to 5 hours	$ 7.50	/half day**		$ -
Daily year-round	$ 12.00	/day**		$ -
See Miscellaneous Rates and Fees for other fees that apply.				
Armory ~~***(May 1 – September 30)***~~				
Half day, up to 5 hours	$ 7.50	/half day**		$ -
Daily year-round	$ 12.00	/day**		$ -
Cupola ~~***(May 1 – September 30)***~~				
Half day, up to 5 hours	$ 7.50	/half day**		$ -
Daily year-round	$ 12.00	/day**		$ -

CPI - SEA-TAC-BEL, June to June
4.5%

Port of Port Townsend
2026 Rate Schedule
POINT HUDSON
360.385.2828
Service Rates – Effective January 1, 2026
Approved by Port Commission on November 12,2025

MOORAGE RATE IS BASED ON OVERALL LENGTH OR SLIP LENGTH, WHICHEVER IS GREATER.

	2026 Rates
RV PARK - SUMMER *(May 1 – September 30)*	
Nightly – Premium Waterfront	$80.00
Nightly - Hookup	$68.00
Nightly - Partial Hookup	$60.00
Nightly - Holiday (includes holiday, 2 days prior and 1 day after holiday)	Add'l 10% per night
RV PARK – WINTER *(October 1 – April 30)*	
Nightly – Premium Waterfront (range)	$62.00
Nightly - Hookup (range)	$53.00
Nightly - Partial Hookup	$45.00
Nightly - Holiday (includes holiday, 2 days prior and 1 day after holiday)	Add'l 10% per night

RV PARK – WINTER GUEST MONTHLY *(October 1 – April 30)*			
Back row loop	$ 760.00	/mo*	
Front row loop	$ 860.00	/mo*	
RV PARK – YEAR ROUND			
Overflow Space	$ 40.00	/night	
Extra Vehicle in RV Space	$ 7.61	/night	
RV Holding Tank Dump Fee	$ 15.00		

* 12.84% WA State Leasehold Excise Tax (LHT) assessed in addition to Port
** Subject to Current Sales Tax Rate
Credit Card Transactions are subject to a 3% Processing Fee
See Miscellaneous Rates and Fees for other fees that apply.

Port of Port Townsend
2027 Rate Schedule
POINT HUDSON
360.385.2828
Service Rates – Effective January 1, 2027
Approved by Port Commission on XXXXXXXX

MOORAGE RATE IS BASED ON OVERALL LENGTH OR SLIP LENGTH, WHICHEVER IS GREATER.

CPI - SEA-TAC-BEL, June to June
4.5%

	2027 Rates	increase
RV PARK - SUMMER *(May 1 – September 30)*		
Nightly – Premium Waterfront	$80.00	
Nightly - Hookup	$68.00	
Nightly - Partial Hookup	$60.00	
Nightly - Holiday (includes holiday, 2 days prior and 1 day after holiday)	Add'l 10% per night	
Early Season Midweek Nightly (Monday - Thursday, non premium, May 1 to June 30)	75% of normal rate	
RV PARK – WINTER *(October 1 – April 30)*		
Nightly – Premium Waterfront (range)	$62.00	
Nightly - Hookup (range)	$53.00	
Nightly - Partial Hookup	$45.00	
Nightly - Holiday (includes holiday, 2 days prior and 1 day after holiday)	Add'l 10% per night	
Weekly - Monday to Sunday non premium sites	215.00/week	

RV PARK – WINTER GUEST MONTHLY				
Back row loop (October 1 – May 31st)	$ 760.00	/mo*	$	-
Front row loop (October 1 – April 30)	$ 860.00	/mo*	$	-
RV PARK – YEAR ROUND				
Overflow Space	$ 40.00	/night	$	-
Extra Vehicle in RV Space	$ 8.00	/night	$	0.39
RV Holding Tank Dump Fee	$ 15.00		$	-

* 12.84% WA State Leasehold Excise Tax (LHT) assessed in addition to Port
** Subject to Current Sales Tax Rate
Credit Card Transactions are subject to a 3% Processing Fee
See Miscellaneous Rates and Fees for other fees that apply.

Port of Port Townsend
2026 Rate Schedule
HERB BECK MARINA - QUILCENE
360.765.3131 or 360.385.6211

Service Rates – Effective January 1, 2026
Approved by Port Commission on November 12, 2025
MOORAGE RATE IS BASED ON OVERALL LENGTH
OR SLIP LENGTH, WHICHEVER IS GREATER.

	2026 Rates		
NIGHTLY MOORAGE	$ 1.07	ft/nt	
TEMPORARY TIE-UP	$ 7.00		
	$ 13.00	over 35’	
LONG-TERM MOORAGE	*6 month Minimum*		
Up to 26 ft.	$ 8.42	ft/mo*	
27-29 ft.	$ 9.07	ft/mo*	
30-34 ft.	$ 9.71	ft/mo*	
35-40 ft.	$ 10.38	ft/mo*	
Limited Access – Up to 18’	$ 5.84	ft/mo*	
GUEST MONTHLY	*1 mo. min. - 6 month max*		
Up to 26 ft.	$ 10.43	ft/mo*	
27-29 ft.	$ 11.24	ft/mo*	
30-34 ft.	$ 12.02	ft/mo*	
35-39 ft.	$ 12.86	ft/mo*	
40-50 ft.	$ 14.46	ft/mo*	
ELECTRICAL FEES			
Nightly Electric	$ 6.00		
Connect Fee	$ 35.00		
Base Electric Fee	$ 11.00	/mo	
Metered Electric @	$ 0.1193	per KWH	
(subject to change with utility rate increase)			
WATER FEES			
Residential			
Base	$ 42.61		
Usage - Tier I (0-5,000 gal.)	$ 0.38	/100 gallons	

Port of Port Townsend
2027 Rate Schedule
HERB BECK MARINA - QUILCENE
360.765.3131 or 360.385.6211

Service Rates – Effective January 1, 2027
Approved by Port Commission on XXXXXXXX
MOORAGE RATE IS BASED ON OVERALL LENGTH
OR SLIP LENGTH, WHICHEVER IS GREATER.

CPI - SEA-TAC-BEL, June to June

4.5%

	2027 Rates			increase	
NIGHTLY MOORAGE	$ 1.10	ft/nt		$	0.03
TEMPORARY TIE-UP	$ 10.00			$	3.00
	$ 15.00	over 35’		$	2.00
LONG-TERM MOORAGE	*6 month Minimum*				
Up to 26 ft.	$ 8.80	ft/mo*		$	0.38
27-29 ft.	$ 9.48	ft/mo*		$	0.41
30-34 ft.	$ 10.14	ft/mo*		$	0.44
35-40 ft.	$ 10.85	ft/mo*		$	0.47
Limited Access – Up to 18’	$ 6.11	ft/mo*		$	0.26
GUEST MONTHLY	*1 mo. min. - 6 month max*				
Up to 26 ft.	$ 10.89	ft/mo*		$	0.47
27-29 ft.	$ 11.74	ft/mo*		$	0.51
30-34 ft.	$ 12.57	ft/mo*		$	0.54
35-39 ft.	$ 13.43	ft/mo*		$	0.58
40-50 ft.	$ 15.11	ft/mo*		$	0.65
ELECTRICAL FEES					
Nightly Electric	$ 6.00			$	-
Connect Fee	$ 35.00			$	-
Base Electric Fee	$ 12.00	/mo		$	1.00
Metered Electric @	$ 0.1345	per KWH		$	0.02
(subject to change with utility rate increase)					
WATER FEES					
Residential					
Base	$ 42.61			$	-
Usage - Tier I (0-5,000 gal.)	$ 0.38	/100 gallons		$	-

2026 Rate Schedule

HERB BECK MARINA - QUILCENE

360.765.3131 or 360.385.6211

Service Rates – Effective January 1, 2026

Approved by Port Commission on November 12, 2025

MOORAGE RATE IS BASED ON OVERALL LENGTH OR SLIP LENGTH, WHICHEVER IS GREATER.

	2026 Rates		
Usage - Tier II (5,001-10,000 gal.)	$	0.52	/100 gallons
Commercial			
Base	$	42.61	
Usage	$	0.52	/100 gallons
(subject to change with utility rate increase)			
STORAGE			
Empty Boat Trailer			
Daily	$	8.50	/day
Weekly	$	42.00	/week
Monthly	$	105.00	/month

* 12.84% WA State Leasehold Excise Tax (LHT) assessed in addition

** Subject to Current Sales Tax Rate

Credit Card Transactions are subject to a 3% Processing Fee

See Miscellaneous Rates and Fees for other fees that apply.

2027 Rate Schedule

HERB BECK MARINA - QUILCENE

360.765.3131 or 360.385.6211

Service Rates – Effective January 1, 2027

Approved by Port Commission on XXXXXXXX

MOORAGE RATE IS BASED ON OVERALL LENGTH OR SLIP LENGTH, WHICHEVER IS GREATER.

	2027 Rates			increase	
Usage - Tier II (5,001-10,000 gal.)	$	0.52	/100 gallons	$	-
Commercial					
Base	$	42.61		$	-
Usage	$	0.52	/100 gallons	$	-
(subject to change with utility rate increase)					
STORAGE					
Empty Boat Trailer					
Daily	$	10.00	/day	$	1.50
Weekly	$	45.00	/week	$	3.00
Monthly	$	110.00	/month	$	5.00

* 12.84% WA State Leasehold Excise Tax (LHT) assessed in addition

** Subject to Current Sales Tax Rate

Credit Card Transactions are subject to a 3% Processing Fee

See Miscellaneous Rates and Fees for other fees that apply.

CPI - SEA-TAC-BEL, June to June

4.5%

Port of Port Townsend
2026 Rate Schedule
JEFFERSON COUNTY INTERNATIONAL AIRPORT
360.385.6211

Service Rates – Effective January 1, 2026

Approved by Port Commission on November 12,2025

	2026 Rates
Prevailing Ground Lease Rate	$ 0.0747 /sq ft/mo*
TIE-DOWNS	
Overnight	$ 10.00
Monthly Grass	$ 55.00 / mo*
Annual Grass (*must pay in advance*)	$ 510.00 / year*
Monthly Paved	$ 75.00 / mo*
Monthly Hangar	$ 285.45 / mo*
VEHICLE PARKING	
Weekly (7 or more days) *(rate includes Current Sales Tax Rate)*	$ 36.00 / week **
Monthly *(rate includes Leasehold Tax)*	$ 85.00 / mo*
Annual	$ 445.00 / year*

* 12.84% WA State Leasehold Excise Tax (LHT) assessed in addition to

** Subject to Current Sales Tax Rate

See Miscellaneous Rates and Fees for other fees that apply.

Port of Port Townsend
2027 Rate Schedule
JEFFERSON COUNTY INTERNATIONAL AIRPORT
360.385.6211

Service Rates – Effective January 1, 2027

Approved by Port Commission on XXXXXXXX

	2027 Rates	increase
Prevailing Ground Lease Rate	$ 0.0780 /sq ft/mo*	0.00336
TIE-DOWNS		
Overnight	$ 10.00 / night	$ -
Wing Camping *(pilots & their passengers in designated areas only)*	**$ 25.00 / night**	$ 25.00
Monthly Grass	$ 55.00 / mo*	$ -
Annual Grass (*must pay in advance*)	$ 510.00 / year*	$ -
Monthly Paved	$ 75.00 / mo*	$ -
Monthly Hangar	$ 285.45 / mo*	$ -
VEHICLE PARKING		
Underwing Camping	$ 40.00 / week **	$ 40.00
VEHICLE PARKING		
Weekly (7 or more days) *(rate includes Current Sales Tax Rate)*	$ 40.00 / week **	$ 4.00
Monthly *(rate includes Leasehold Tax)*	$ 90.00 / mo*	$ 5.00
Annual	$ 450.00 / year*	$ 5.00

* 12.84% WA State Leasehold Excise Tax (LHT) assessed in addition to

** Subject to Current Sales Tax Rate

Credit Card Transactions are subject to a 3% Processing Fee

See Miscellaneous Rates and Fees for other fees that apply.

CPI - SEA-TAC-BEL, June to **4.5%**

Port of Port Townsend
2026 Rate Schedule
UNION WHARF, CITY DOCK & EVENT FACILITIES
360-385-2828

Service Rates – Effective January 1, 2026

Approved by Port Commission on November 12, 2025

	2026 Rates		
NIGHTLY MOORAGE (3 night maximum stay)			
Vessels under 35'	$ 35.00	/night	
Vessels 35'-79'	$ 50.00	/night	
Vessels over 80'	$ 2.34	/ft/nt	
(Union Wharf only, advance notice required)			
TEMPORARY TIE-UP (up to 4 hours)			
Under 35' length	$ 10.00		
Over 35' length	$ 20.00		
COMMERCIAL VESSEL PASSENGER FEES - *See Miscellaneous Rates*			
EVENT FACILITIES RENTAL – UNION WHARF & CITY DOCK			
Daily Rental Fee (8am - 11pm)	$ 375.00	/day	
EVENT FACILITIES -POINT HUDSON MARINA ROOM			
Daily Rental Fee (8am - 11pm)	$ 160.00	/day	
EVENT FACILITIES - Point Hudson Pavilion			
5 Hour Rental	$ 500.00		
Full Day 8am-11pm	$ 1,000.00		
Damage & Cleaning Deposit (refundable)	$ 500.00		
(All Pavilion rental rates for RV groups & Yacht clubs 50%)			
CRUISE SHIP			
Docking Fee	$ 2,000.00	/night	

* 12.84% WA State Leasehold Excise Tax (LHT) assessed in addition to Port

** Subject to Current Sales Tax Rate

Port of Port Townsend
2027 Rate Schedule
UNION WHARF, CITY DOCK & EVENT FACILITIES
360-385-2828

Service Rates – Effective January 1, 2027

Approved by Port Commission on XXXXXXXX

	2027 Rates			increase
NIGHTLY MOORAGE (3 night maximum stay)				
Vessels under 35'	$ 35.00	/night		$ -
Vessels 35'-79'	$ 50.00	/night		$ -
Vessels over 80'	$ 2.45	/ft/nt		$ 0.11
(Union Wharf only, advance notice required)				
SEASONAL MONTHLY MOORAGE				
BH & PH moorage rates apply	$ -	/month		$ -
- advance notice & agreement required	$ -	/month		$ -
TEMPORARY TIE-UP (up to 4 hours)				
Under 35' length	$ 10.00			$ -
Over 35' length	$ 20.00			$ -
COMMERCIAL VESSEL PASSENGER FEES - *See Miscellaneous Rates*				
EVENT FACILITIES RENTAL – UNION WHARF & CITY DOCK				
Daily Rental Fee (8am - 11pm)	$ 375.00	/day		$ -
EVENT FACILITIES -POINT HUDSON MARINA ROOM				
Daily Rental Fee (8am - 11pm)	$ 160.00	/day		$ -
EVENT FACILITIES - POINT HUDSON PAVILION				
5 Hour Rental	$ 500.00			$ -
Full Day 8am-11pm	$ 1,000.00			$ -
Damage & Cleaning Deposit (refundable)	$ 500.00			$ -
(All Pavilion rental rates for tenants, RV groups & Yacht clubs 50%)				
CRUISE SHIP				
Docking Fee	$ 2,500.00	/night		$ 500.00

* 12.84% WA State Leasehold Excise Tax (LHT) assessed in addition to Port

** Subject to Current Sales Tax Rate

CPI - SEA-TAC-BEL, June to June

4.5%

Port of Port Townsend

2026 Rate Schedule - Revised May 2026

MISCELLANEOUS RATES & FEES

360-385-2828 or 360-385-6211

Service Rates – Effective May 1, 2026

Approved by Port Commission on April 8, 2026

	2026 Rates	
PORT LABOR RATES & FEES		
Port Labor Rate	$ 90.00	/hr/person**
Overtime Labor Rate	$ 130.00	/hr/person**
Relocate Vessel by Hand	$ 100.00	+ Port Labor cost
Relocate Vessel w/ Port Skiff	$ 200.00	+ Port Labor cost
Emergency Pumps	$ 165.00	+ Port Labor cost
Bail Skiff Fee	$ 65.00	+ Port Labor cost
WAIT LIST FEES		
25' Slip	$ 250.00	
30' - 34' Slip	$ 360.00	
35' Slip	$ 390.00	
40' - 42' Slip	$ 470.00	
45' Slip	$ 530.00	
50' Slip	$ 590.00	
Renewal Fee	$ 50.00	
MISCELLANEOUS RATES & FEES		
Miscellaneous Storage (with agreement)	$ 0.30	/sq ft*
Mini Storage Units	$ 1.30	/sq ft/mo*
1st Fob access issued	First Fob included	
2nd Fob issued (max. of 2)	$ 27.50	each
Replacement Fob, Additional bldg. keys	$ 27.50	each
Commercial Vessel Pass. Fee *(payable monthly in season)*	$ 1.36	/person
Food Truck Rate (may be subject to tax)		
Daily	$ 40.00	
Weekly	$ 160.00	
Monthly	$ 550.00	
Credit Card Transaction Fee	3.00%	per transaction
COMMERCIAL TRUCK FEE		
Daily	$ 235.00	**
Monthly	$ 700.00	**
Annual (Rolling Calendar)	$ 1,780.00	**
EQUIPMENT RATES		
Forklift	$ 100.00	/hr/**
Backhoe	$ 200.00	/hr/**
Skidsteer	$ 275.00	/hr/**

Port of Port Townsend

2027 Rate Schedule

MISCELLANEOUS RATES & FEES

360-385-2828 or 360-385-6211

Service Rates – Effective January 1, 2027

Approved by Port Commission on XXXXXXXX

	2027 Rates		increase
PORT LABOR RATES & FEES			
Port Labor Rate	$ 95.00	/hr/person**	$ 5.00
Overtime Labor Rate	$ 142.50	/hr/person**	$ 12.50
Port Janitorial Labor Rate	$ 50.00	/hr/person**	$ 50.00
Port Administrative Labor Rate	$ 75.00	/hr/person**	
Relocate Vessel by Hand	$ 100.00	+ Port Labor cost	$ -
Relocate Vessel w/ Port Skiff	$ 200.00	+ Port Labor cost	$ -
Emergency Pumps	$ 165.00	+ Port Labor cost	$ -
Bail Skiff Fee	$ 65.00	+ Port Labor cost	$ -
WAIT LIST FEES			
25' Slip	$ 250.00		$ -
30' - 34' Slip	$ 360.00		$ -
35' Slip	$ 390.00		$ -
40' - 42' Slip	$ 470.00		$ -
45' Slip	$ 530.00		$ -
50' Slip	$ 590.00		$ -
Renewal Fee	$ 50.00		$ -
MISCELLANEOUS RATES & FEES			
Miscellaneous Storage (with agreement)	$ 0.31	/sq ft*	$ 0.01
Mini Storage Units	$ 1.36	/sq ft/mo*	$ 0.06
1st Fob access issued	First Fob included		
2nd Fob issued (max. of 2)	$ 27.50	each	$ -
Replacement Fob, Additional bldg. keys	$ 27.50	each	$ -
Commercial Vessel Pass. Fee *(payable monthly in season)*	$ 1.42	/person	$ 0.06
Food Truck Rate (may be subject to tax)			
Daily	$ 40.00		$ 40.00
Weekly	$ 160.00		
Monthly	$ 550.00		
Credit Card Transaction Fee	3.00%	per transaction	
COMMERCIAL TRUCK FEE			
Daily	$ 235.00	**	$ -
Monthly	$ 700.00	**	$ -
Annual (Rolling Calendar)	$ 1,780.00	**	$ -
EQUIPMENT RATES			
Forklift	$ 100.00	/hr/**	
Backhoe	$ 200.00	/hr/**	
Skidsteer	$ 275.00	/hr/**	

CPI - SEA-TAC-BEL, June to June

4.5%

Port of Port Townsend

2026 Rate Schedule - Revised May 2026

MISCELLANEOUS RATES & FEES

360-385-2828 or 360-385-6211

Service Rates – Effective May 1, 2026

Approved by Port Commission on April 8, 2026

	2026 Rates
Excavator (Mini)	$ 275.00 /hr/**
Excavator (MidSize)	$ 325.00 /hr/**
Dump Truck	$ 200.00 /hr/**
Vac Truck	$ 200.00 /hr/**
Sweeper Attachment	$ 100.00 /hr/**
Skiff	$ 100.00 /hr/**
WORK FLOAT MOORAGE/LIFT PIER ACCESS	*(Reserve with Yard Office)*
Daily Rate, includes Top Side Access	$ 2.64 /ft/day, $50 min
Lift Pier Access/Top Side Usage	$ 61.48 2 hours
TEMPORARY TIE-UP - up to 4 hours (incl. Gardiner, Hadlock, MatsMats & Quilcene)	
Under '35	$ 10.00
35' and over	$ 20.00
LAUNCH RAMP (incl. Gardiner, Hadlock, MatsMats & Quilcene)	
Daily Pass *(includes 1 day of boat trailer parking)*	$ 15.00
Annual Pass (Rolling Calendar)	$ 105.00 /year

PORT HADLOCK DOCK-DINGHY/SKIFF TIE-UP	Monthly	Annual
Dock	$ 30.00	$ 175.00
Beach	$ 25.00	$ 110.00
Temporary Tie Up Under 35'	$ 10.00	(up to 4 hours)

VIOLATION FEES	1st	2nd	3rd
Best Management Practices	$ 220.00	$ 550.00	$ 1,100.00
Chain-up Fee	$ 165.00	$ 275.00	$ 440.00
Impound Fee	$ 220.00	$ 330.00	$ 550.00
Illegal Garbage Dump	$ 375.00 /occurrence		
Late Payment	$ 5.00 min. or 1.5%, whichever higher		
NSF Check	$ 50.00 /occurrence		

LEASE & LICENSE FEES	
Lease Assignment Review & Approval	$ 321.94

Port of Port Townsend

2027 Rate Schedule

MISCELLANEOUS RATES & FEES

360-385-2828 or 360-385-6211

Service Rates – Effective January 1, 2027

Approved by Port Commission on XXXXXXXX

	2027 Rates	CPI - SEA-TAC-BEL, June to June: 4.5%
Excavator (Mini)	$ 275.00 /hr/**	
Excavator (MidSize)	$ 325.00 /hr/**	
Dump Truck	$ 200.00 /hr/**	
Vac Truck	$ 200.00 /hr/**	
Sweeper Attachment	$ 100.00 /hr/**	
Skiff	$ 100.00 /hr/**	
WORK FLOAT MOORAGE/LIFT PIER ACCESS	*(Reserve with Yard Office)*	
Daily Rate, includes Top Side Access	$ 2.76 /ft/day, $50 min	$ 0.12
Lift Pier Access/Top Side Usage	$ 64.24 2 hours	$ 2.77
TEMPORARY TIE-UP - up to 4 hours (incl. Gardiner, Hadlock, MatsMats & Quilcene)		
Under '35	$ 10.00	$ -
35' and over	$ 20.00	$ -
LAUNCH RAMP (incl. Gardiner, Hadlock, MatsMats & Quilcene)		
Daily Pass *(includes 1 day of boat trailer parking)*	$ 15.00	$ -
Annual Pass (Rolling Calendar)	$ 105.00 /year	$ -

PORT HADLOCK DOCK-DINGHY/SKIFF TIE-UP	Monthly	Annual	
Dock	$ 30.00	$ 175.00	$ -
Beach	$ 25.00	$ 110.00	$ -
Temporary Tie Up Under 35'	$ 10.00	(up to 4 hours)	

GARBAGE FEES	1-50 gallon	10-50 gallon	20-50 gallon	
Garbage per bag (Non-Refundable)	$ 5.00	$ 45.00	$ 90.00	$ 5.00
Available during business hours (xx - xx, Monday - Saturday)				

VIOLATION FEES	1st	2nd	3rd	
Best Management Practices	$ 220.00	$ 550.00	$ 1,100.00	$ -
Chain-up Fee	$ 165.00	$ 275.00	$ 440.00	$ -
Impound Fee	$ 220.00	$ 330.00	$ 550.00	$ -
Illegal Garbage Dump	$ 375.00 /occurrence + tipping fees			$ -
Late Payment	$ 5.00 min. or 1.5%, whichever is			$ -
NSF Check	$ 50.00 /occurrence			$ -
Certified Collection Fees	$ 25.00 /occurrence			$ 25.00
Posting Notice Fee	$ 25.00 /occurrence			$ 25.00
Auction Fee	$ 500.00 /occurrence			$ 500.00

LEASE & LICENSE FEES		
Lease Assignment Review & Approval	$ 336.43	$ 14.49

Port of Port Townsend

2026 Rate Schedule - Revised May 2026

MISCELLANEOUS RATES & FEES

360-385-2828 or 360-385-6211

Service Rates – Effective May 1, 2026

Approved by Port Commission on April 8, 2026

	2026 Rates
Use License preparation fee	$ 112.97
Use License	*Varies by location, space & duration*
Pay or Vacate Legal Notices	$ 260.00
Notary Service	$ 13.00
Legal Documentation Preparation Fee	$ 150.00 /hour
PUBLIC RECORDS FEES	
Standard black and white Copies	$ 0.15 /page
Documents scanned into electronic format	$ 0.10 /page
Files or attachments in electronic delivery	$ 0.05 /every 4 files
Electronic records transmission	$ 0.10 /per gigabyte
Digital storage/ media devices	Actual cost of device
Postage	Actual cost of supplies
Customized service charges	Actual cost of service

-A 10% deposit may be required prior to the duplication of records or customized services

-Copy charges above may be combined to the extent more than one type of charge applies to copies responsive to a

* 12.84% WA State Leasehold Excise Tax (LHT) assessed in addition to Port charges for stays

** Subject to Current Sales Tax Rate

Credit Card Transactions are subject to a 3% Processing Fee

Port of Port Townsend

2027 Rate Schedule

MISCELLANEOUS RATES & FEES

360-385-2828 or 360-385-6211

Service Rates – Effective January 1, 2027

Approved by Port Commission on XXXXXXXX

	2027 Rates	
Use License preparation fee	$ 118.05	$ 5.08
Use License	*Varies by location, space & duration*	
Pay or Vacate Legal Notices	$ 260.00	$ -
Notary Service	$ 13.00	$ -
Legal Documentation Preparation Fee	$ 150.00 /hour	$ -
PUBLIC RECORDS FEES		
Standard black and white Copies	$ 0.15 /page	$ -
Documents scanned into electronic format	$ 0.10 /page	$ -
Files or attachments in electronic delivery	$ 0.05 /every 4 files	$ -
Electronic records transmission	$ 0.10 /per gigabyte	$ -
Digital storage/ media devices	Actual cost of device	
Postage	Actual cost of supplies	
Customized service charges	Actual cost of service	

-A 10% deposit may be required prior to the duplication of records or customized services

-Copy charges above may be combined to the extent more than one type of charge applies to copies responsive to a

* 12.84% WA State Leasehold Excise Tax (LHT) assessed in addition to Port charges for stays

** Subject to Current Sales Tax Rate

Credit Card Transactions are subject to a 3% Processing Fee

CPI - SEA-TAC-BEL, June to June

4.5%

PORT OF PORT TOWNSEND
AGENDA COVER SHEET

MEETING DATE	September 9, 2026
AGENDA ITEM	☐ Consent ☐ 1st Reading ☐ 2nd Reading ☒ Regular Business ☐ Informational
AGENDA TITLE	VIII. D. 1st Draft of 2027 Preliminary Operating Budget
STAFF LEAD	Connie Anderson, Director of Finance and Administration
REQUESTED	☐ Information ☐ Motion/Action ☒ Discussion
ATTACHMENTS	1. Information Memo 2. 2027 Operating Budget with Comparison to Prior Years

DATE: 9/9/2026

TO: Port Commission

FROM: Connie Anderson, Director of Finance & Administration & Eron Berg, Executive Director

SUBJECT: 1st Draft of 2026 Consolidated Operating Budget

ISSUE

What direction does the Commission have following its review of the first draft of the 2027 Budget, including assumptions, the 5-Year CIP, and the proposed 2027 Rate Cards?

BACKGROUND

The Commission adopted the revised 2027 Budget schedule, which included a subsequent workshop to discuss potential issues, goals, and assumptions to consider when developing the 2027 budget. The approved schedule included the 1st Draft of the 2027 Operating Budget to be presented at this meeting. Underlying assumptions and key objectives were discussed at previous Commission meetings.

DISCUSSION

2027 BUDGET ASSUMPTIONS:

The first draft of the 2027 Operating budget was prepared using a conservative approach as discussed in August. The June-to-June CPI for this region was reported with a 4.5% increase. Multi-year activity trends will be utilized to forecast revenues along the 2026 Forecast as a template and planned rate increases. Additionally, overall consideration will be given to economic conditions. Outside resources will be monitored and incorporated into forecasting the 2027 budget.

We are fortunate to report 100% staffing levels. The Port has one anticipated key retirement in the maintenance department; the maintenance lead position. The 2027 budget includes cross-over time to ensure efficiency in supporting the Operations Manager as well as performing work on capital projects. Full staffing is essential to maintain operational service levels and push forward with planned capital project work. To fill open positions, our strategy has been to promote from within our ranks when possible. We have been fortunate to find quality external candidates when needed as well as seeing a continued increase in applicant pools. We will continue with this strategy for the upcoming year.

In addition, focus will remain on the continuity of operations, remaining mindful of limited time and resources available. The Port has been building a workplace culture of trust and value for employees. This is achieved by recognizing employees for the work that is accomplished and providing them with the tools that are needed to get the work done.

OPERATING BUDGET

The 1st draft of the operating budget shows the 5-year history including actual activity for 2023-2025, the 2026 Forecast as presented in August 2026, the 2026 budget, and the 2027 projections.

OPERATING REVENUES:

As discussed at previous Commission meetings, an approximate 4.5% increase has been applied to the Port's rate & fees. We maintain a low vacancy rate in our buildings and marinas. Any tenant rate increases will be based on the 2026 Annual CPI adjustment, which will be published in January 2027. Estimates have been prepared using 4%, based on review of Half1 CPI average for Seattle-Tacoma-Bellevue index. The new fueling center at the airport has been incorporated into the 2027 budget as well as income from a contract establishing short-term rentals in the newly remodeled PH Duplex facility. Revenue projections include the return to normal operations in the Boat Yard following the completion of the stormwater treatment project and the early surge in activity this year. The West Boat Yard expansion project may have some impact on the large vessel storage area, but the impact should be less than we experienced during the construction phase of the BH Stormwater project. The proposed increases provide an overall 4.3% increase in operating revenue when compared to the 2026 budget.

PORT RATES

The Port Rates have been included under separate cover and identify suggested updates from the 1st Draft rate card. Overall rate increases are proposed to include a 4.5% increase based on the June-to-June CPI.

OPERATING EXPENSES:

Overall, staffing is proposed to remain flat for 2027. A few adjustments are recommended to the current staffing allocations to provide service and support where they are needed within the Port organization. The Maintenance Lead will be retiring in early 2027. Crossover time is planned to cover both the Lead role and maintenance specialist-carpentry work role. The 1st draft of the budget includes seasonal and temporary staff to fill roles at the farm, moorage, docks and manning the pump out boat. The inclusion of these positions will be analyzed in further iterations of the budget and may be suspended if needed to balance the 2027 budget. Regular full-time employees will be utilized to cover work at the farm, moorage office, and docks.

The Teamster contract is in Year 3 of 3. The 2027 budget will include anticipated performance steps as well as a COLA increase based on the June-to-June CPI of 4.5% as indicated in Appendix A of the 2025-2027 Teamsters Local 589 contract agreement. The COLA will be effective January 1, 2027. Tax and benefit costs include anticipated cost increases for health insurance, L&I insurance and paid family medical leave costs. We anticipate 7%-8% increases in health insurance and other employee benefits. In addition, the Port anticipates union negotiations to begin mid-year 2027 regarding a new agreement beginning January 2028.

Increased costs across the board are anticipated for regular and recurring operating costs, as well as capital costs driven by new tariffs, global supply chain volatility and elevated energy prices. Increased costs are anticipated in energy, fuel and utilities (7%-13%), construction materials, operating supplies, shipping materials, and travel costs for contractors. In general, operational expenses will be estimated to increase by 5-7%.

The insurance premiums for general liability/property, the MOLL (Marina Operators Legal Liability) insurance, and airport liability are 9% higher than 2025-2026. Additional airport liability insurance

was obtained for the new aviation fueling system. Acquiring insurance for the above ground storage tank is in process; actual cost is not yet known. The 2027 budget will reflect premiums approximately 10% higher than the 2026 budget.

The proposed operating expenses represent a 4.3% cost increase when compared to the 2026 Budget.

NET OPERATING INCOME:

The 2027 operating budget projects the net operating income (NOI) to be in line with the 2026 budget at $874k, above Commission's recommended minimum level of $600k.

CAPITAL PROJECTS:

The updated capital program was presented separately is attached and includes the estimated projects and costs for 2027 to 2031 as well as the anticipated funding of those projects. Funding sources for the upcoming year have been identified for most projects, but funding sources for future years remain unsecured. Port staff are pushing forward diligently and consistently with obtaining future funding dollars. Specific questions regarding any of these project costs, and/or funding can be addressed by other executive staff.

EQUIPMENT/VEHICLES:

The capital equipment and vehicle requests have been incorporated in Year 1 (2027) of the 5-year CIP.

1	$50,000	SUV/Truck for Environmental or Operations Manager
2	$50,000	SUV/Van for Administrative Vehicle
3	$50,000	Electronic Records Management Project
	Possible WA State Archive grant available to use for technology, organization or digital imaging of records.	
4	$10,000	Planned Computer Replacement, Port wide
5	$100,000	Misc. Port wide projects
	$260,000	Total Capital Equipment & Small Capital Projects

POLICY CONSIDERATIONS

In addition to the reserve policies that were updated in early 2026, Port staff recommend continued work on a broader Financial Management Guideline that will provide further directions on recommended cash liquidity policy, maintaining a line of credit as well as other prudent financial management policies.

2027 INITIATIVES

1. Actively pursue the third and final Industrial Development District (IDD 3) levy to continue funding critical capital improvements and economic development. This tool would follow the completion of IDD 2, which generated roughly $16.9 million to help advance $60+ million in regional projects without issuing new long-term debt.
2. Capital project work focuses on the west end of the Boat Haven Boatyard as well as work at Herb Beck Marina. Building improvements will continue at the Point Hudson campus. Capital work will be supported by our Engineering team, internal maintenance team as well as contracted work with external contractors.
3. Phase II of the records management project is underway. A system is being developed to archive and digitize the Port's current records and implement an electronic records management system which will include a public portal.
4. Continue work on an electronic asset management system to include a record of port assets as well as a work order system to manage maintenance and upkeep of all assets.

RECOMMENDATION

Please provide any feedback on the 1st draft of the 2027 operating budget to incorporate into the next draft of the consolidated operating and capital budget.

Port of Port Townsend
SOURCES AND USES OF CASH
2027 Budget with Comparison to Prior Years
Proposed Budget as of September 9, 2026

	2023 Actual	2024 Actual	2025 Actual	2026 Forecast 08/12/2026	2026 Budget	2027 Budget	2027 Bdgt-2026 Forecast Variance	% incr.	2027 Bdgt-2026 Bdgt Variance	% incr.
OPERATING REVENUES										
Boat Haven Moorage	2,134,590	2,164,523	2,311,192	2,396,880	2,396,483	2,507,157	110,277	7.4%	110,674	4.6%
Yard Operations	2,772,630	2,726,844	2,928,570	3,050,995	3,038,670	3,170,389	119,394	9.6%	131,719	4.3%
Boat Haven Properties	1,011,207	1,134,013	1,254,444	1,295,710	1,427,385	1,450,891	155,181	15.4%	23,506	1.6%
Point Hudson Marina, RV & Prop.	1,543,207	1,818,137	2,086,572	1,779,903	2,099,317	2,177,497	397,594	15.1%	78,180	3.7%
Quilcene Herb Beck Marina	186,274	177,848	182,389	190,019	202,492	212,382	22,363	14.4%	9,890	4.9%
Water Access	66,713	72,442	91,178	133,860	111,399	175,617	41,757	20.2%	64,218	57.6%
Jefferson County Intl Airport	198,345	218,725	269,645	378,868	474,949	482,570	103,702	47.8%	7,621	1.6%
Short Farm Property	-	6,284	42,333	42,651	48,300	50,769	8,118	19.5%	2,469	5.1%
Misc. Operational Revenue	-	4,833	1,467	495	-	-			-	
Total Operating Revenues	**$ 7,912,967**	**$ 8,323,650**	**$ 9,167,791**	**$ 9,269,381**	**$ 9,798,995**	**$ 10,227,272**	**$ 957,891**	**12.7%**	**$ 428,278**	**4.4%**
OPERATING EXPENDITURES										
Salary & Benefits	4,075,452	4,664,561	4,787,230	5,009,581	5,324,120	5,712,812	703,231	13.3%	388,692	7.3%
Contracted Services	616,902	529,238	708,432	545,683	698,504	613,972	68,289	20.2%	(84,532)	-12.1%
Facilities & Operations	675,765	679,695	870,992	921,089	1,029,609	1,017,955	96,866	21.4%	(11,654)	-1.1%
Utilities	664,656	645,607	805,022	858,658	832,948	899,637	40,979	9.6%	66,689	8.0%
Legal, Audit & Insurance Services	573,563	634,862	624,789	702,581	704,777	736,488	33,907	4.3%	31,711	4.5%
Marketing & Advertising	128,522	113,009	115,623	125,008	129,397	135,230	10,222	21.0%	5,833	4.5%
Travel, Training, Recognition and Dues	70,121	72,279	99,971	103,247	110,777	115,792	12,545	30.4%	5,015	4.5%
Economic Development	40,045	41,200	42,436	71,855	71,633	74,857	3,002	32.1%	3,224	4.5%
Community Relations	15,649	49,137	35,550	65,592	66,413	46,488	(19,104)	-1.6%	(19,925)	-30.0%
Total Operating Expenditures	**$ 6,860,676**	**$ 7,429,587**	**$ 8,090,045**	**$ 8,403,294**	**$ 8,968,178**	**$ 9,353,231**	**1,131,480**	**13.8%**	**385,053**	**4.3%**
NET OPERATING INCOME	**$ 1,052,291**	**$ 894,062**	**$ 1,077,746**	**$ 866,087**	**$ 830,817**	**$ 874,041**	**$ 21,006**	2.5%	**$ 43,225**	5.2%
OPERATING MARGIN	**13%**	**11%**	**12%**	**9%**	**8%**	**9%**				

Accompanying information memo is an integral part of this statement.

PORT OF PORT TOWNSEND
AGENDA COVER SHEET

MEETING DATE	September 9, 2026
AGENDA ITEM	☐ Consent ☐ 1st Reading ☐ 2nd Reading ☐ Regular Business ☒ Informational
AGENDA TITLE	Informational Items
STAFF LEAD	Eron Berg, Executive Director
REQUESTED	☒ Information ☐ Motion/Action ☐ Discussion
ATTACHMENTS	• Lease Brief • Commission Meeting Schedule

PORT OF PORT TOWNSEND
AGENDA MEMO

DATE: 9/9/2026

TO: Commission

FROM: Heron Scott, Lease & Contracts Administrator

SUBJECT: September 9, 2026 Lease Update

ISSUE

The purpose of this memo is to keep the Commission informed about existing, planned, and potential leases.

BACKGROUND

As of the beginning of this month the Port has 54 land leases, 38 building leases, and 64 rental agreements.

DISCUSSION

New Agreements:

- Hall, Jason – Main Building Office #8. Business office for a graphic design company.
- Puget Sound Express – Armory Building Sail Loft. Expansion of leasehold to support operations.

New License & Use Agreements: None

Lease/Rental Amendments: None

Exercising Options: None

Assignments/Assumptions: None

Lease/Rental Termination/Vacation:

- Short, William – Expiration of term for residential lease at Short's Farm
- Anderson Machine Shop – Vacated Boat Haven land used for storage of a shipping container

September Rent Increases:

- ***CPI Increase (2.4%):*** The Shop Cooperative; Key City Fish Company; Impact Naval Architects; Heather Johnson Photography; Eagle Harbor Marine
- ***Market Rate Increase:*** None
- ***Step Increase:*** None

2026 Expiring Leases:

- Scow Bay Boats, exp 9/30/2026
- Marine Resources Consultants Inc., exp 9/30/2026
- Jochems Property Management, exp 10/31/2026

- Shanghai Restaurant, exp 10/31/2026
- Jefferson County, exp 10/31/2026
- The Artful Sailor, exp 11/30/2026
- Marina Café, exp 12/31/2026

Available Properties:

- Pad sites #1, 2, 3, and P at JCIA ($0.0727/sf)
- Hangar #103, #203, & #207, JCIA @ $285.45/month
- 2503 Washington Street, 2,500 sf @ TBD price
- 333 Benedict Street, 1,300 SF @ $2,015/month

ATTACHMENTS

1. September 1st, 2026 Lease List

RECOMMENDATIONS

For information only

SHORTS FARM - PROPERTY	SEPTEMBER 2026			
LEASE NAME	Lease Amount	Lease Expiration	NEXT CPI/ Step Incr.	REMARKS
Community Wellness Project	180.25	Mo/Mo	12/1/2026	
CZK9	224.00	Mo/Mo	7/1/2027	Month to month land use for dog training
Finnriver d/b/a The Grainery	396.31	10/31/2026	11/1/2026	*Two 1-yr options, CPI at beginning of each term. Added field 19 and barn Aug 25.
Flying Knucklehead Ranch	$ 110.18	11/30/2027	12/1/2026	Two 2-yr options, CPI at beginning of each term. Amended in Aug 25 to exclude field #19 and barn. CPI
Jefferson Co. Conservation District	1.00	Mo/Mo	n/a	On-site water quality monitoring services provided by tenant to the Port
One Straw Ranch, Inc.	26.00	10/31/2027	11/1/2026	*Two 1-yr terms, CPI at beginning of each term. Excercised option 1 2025.
One Straw Ranch, Inc.	786.40	10/31/2027	11/1/2026	*Two 1-yr terms, CPI at beginning of each term. Excercised option 1 2025.
Puget Sound Voyaging Society, Inc.	485.87	Mo/Mo	3/1/2027	Mo-Mo agreement. Applied for WA State tax exemption 2/4/25.

QUILCENE - PROPERTY	SEPTEMBER 2026			
LEASE NAME	Lease Amount	Lease Expiration	NEXT CPI/ Step Incr.	REMARKS
Coast Seafoods	6,873.60	12/31/2039	1/1/2027	Bond-annual renewal. $2708.16 cash dep as well. MR every 3-years.
Quilcene Harbor Yacht Club	615.88	10/31/2027	11/1/2026	Tax based on market value.Rent + 106/hrs in-kind labor/yr. Non-exclusive use of deck.

Boat Haven - PROPERTY	SEPTEMBER 2026			
LEASE NAME	Lease Amount	Lease Expiration	NEXT CPI/MR STEP Incr.	REMARKS
Admiral Ship Supply	2,727.94	1/31/2030	2/1/2027	Exercised last option, lease expires 1/31/2030. Amend 2 increases premises to 3000 sf.
Andersen Machine Shop. Inc.	344.65	9/30/2027	10/1/2027	Rate adj. 2005 & every 3 yrs thereafeter/CPI due yearly.
Armstrong Consolidated, LLC	18,648.75	Mo/Mo	12/1/2026	Rental agreement.
Armstrong Consolidated, LLC	4,543.45	9/30/2024	10/1/2027	Assignment. Exercised last one-year option, exp 8/31/24. *HOLDOVER RENT APPLIED 10/1/24
Blue Moose Café	921.36	10/31/2031	11/1/2026	5 +5 yr lease. CPI @ mo 25/ MR beg yr 5 (11/1/25). Last of steps 5/1/23.
Crown Castle	1,459.41	6/30/2030	6/1/2027	*See Lease Sect 11.2 for CPI rate instructions. **Annual payment.** 5th 5-yr option 7/1/25-6/30/30
Crown Castle - AT&T Sub-lease	1,158.52	6/30/2030	5/1/2027	Annual escalation rate 6.5% 2018-22-Decreases to 3% in 2023.
Eagle Harbor Marine	291.58	Mo/Mo	9/1/2027	From yard tenant @ high rate to mo-mo tenant @ $0.25/sf.
EDC Team Jefferson	835.90	Mo/Mo	6/1/2027	TJ is searching for compatible tenants for upstairs offices.
Fine Yacht Interiors	1,576.70	5/31/2028	6/1/2027	**4% max CPI,per lease.** All options have been exercised.
Flye, Todd dba On The Flye	446.11	1/31/2028*	2/1/2027	New lease. 3-yr + two 1-yr options.
Haven Boatworks, LLC	1,700.33	Mo/Mo	1/1/2027	Agrmnt for bldg improvements 11/23/20-12/31/20. Rent begins 1/1/21.
Haven Boatworks, LLC	1,911.37	Mo/Mo	8/1/2027	M/M-took over Johnson Fab space. CPI
Heather Johnson Photography	210.06	Mo/Mo	9/1/2027	Mo-to-mo. Marine trades photographer.
Jefferson County	2,208.07	9/30/2026	n/a	1-mo deposit/180 day notice "terminable at will"-tenant or landlord.
Jefferson Healthcare	4,012.00	3/31/2027	4/1/2027	Ops taken over from Skookum.
Jochems Property Management	355.85	10/31/2026	N/A	CPI every 2 yrs, per Amend dated Jan 2004.
Katz, Alan	1,214.85	Mo/Mo	6/1/2027	Land rental agreement-5,517 sf, tenant doing active work in a temporary structure-Yard.
Key City Fish Co.	983.21	11/30/2029	12/1/2026	5 yr with two 5-yr options.
Key City Fish Co.	2,886.99	8/31/2028*	9/1/2027	Commercial space/industrial space/land. Annual CPI/MR every three years.
Key City Fish Co.	783.69	9/31/2028	10/1/2027	New lease for office space. 3 year plus one 5 year option to match lease terms for other premises
Kimmel's Crab Shack	2,777.26	4/30/2049	5/1/2027	Land lease. Beginning year 2 annual CPI. MR every 3-yrs.
Marine Surveys & Assessments Co-op	1,799.48	1/31/2028	3/1/2027	Builidng + 2 car spaces.
North Olympic Salmon Coalition	225.75	Mo/Mo	12/1/2026	New month-to-month rental agreement.
NW Maritime Center (marine thrift)	747.47	1/31/2030*	2/1/2027	New 5-yr lease + one 5-yr option.
Olympic Crane	61.47	Mo/Mo	2/1/2027	Relocated crane only to Pete's Marine Metals.
Olympic Neighbors	156.09	Mo/Mo	1/1/2027	Non-profit
Peninsula College	127.10	Mo/Mo	8/1/2027	Month to month.
Perpetual Boatworks, LLC	1,310.55	Mo/Mo	1/1/2027	Month to month.
Pete Stein & Compass Woodwork	120.41	Mo/Mo	6/1/2027	40x8' spot for storage container & 7'x8' spot for planer.
Pete's Marine Metal	1,261.98	7/31/2027	8/1/2027	New 2+2 year lease in Aug 2025
Port Townsend Sailing Association	768.23	12/31/2027	12/1/2026	5-yr + 5-yr, includes 50% kitchen use. Annual CPI, MR beg. year 3. CPI
Port Townsend School District	2314.20	5/31/2027	6/1/2027	
PT Brewing Sands, Guy & Kim	4,208.65	5/31/2031	6/1/2027	Exercising second of three 5-yr options 6/1/26 thru 5/31/31.
PT Brewing, Sands, Guy & Kim	198.38	Mo/Mo	10/1/2027	Mo-to-mo. Outdoor dining area.
PT Fuel Dock LLC	915.65	6/30/2029	N/A	Bldg.& flowage fee.Rate adjmt after 10yr. Exercised last remaining option.
PT Furniture Clinic	750.70	1/31/2030*	2/1/2027	5 yr + one 5-yr option.
PT Rigging, Inc.	611.50	3/31/2030	4/1/2027	Port Adjustment every 3 yrs/CPI annually.
PT Rigging, Inc.	825.09	Mo/Mo	10/1/2027	2,720 additional sq ft land for rigging related work & storage.
PT Shipwrights, Inc.	9,105.34	7/31/2050&2058	8/1/2027	CPI begins year 7. MR incr 8/1/30-every 10 yrs. Deposit increase @16 yrs/then every 10 yrs. CPI
Revision Marine, LLC	2,676.70	12/31/2029	1/1/2027	New lease/ 5-yr + one 5-yr option.
Sail Port Townsend	236.82	Mo/Mo	5/1/2027	New month-to-month rental agreement.
Scow Bay Boats	623.47	9/30/2026	N/A	Special adopted rate-marine trades, land rental-temporary buildings. Renewed last option.
Sea J's Café, Jevne, Florence (Estate of)	1,371.47	Mo/Mo	6/1/2027	NOW A MONTH-MONTH BUILDING & LAND LEASE.
Sitewise Design, PLLC	191.62	Mo/Mo	6/1/2027	Mo-to-mo. Civil engineering firm.
Stephen's Marine	63.10	Mo/Mo	2/1/2027	Temporary storage - moving into Jochems building.
Sunrise Coffee Co.	2,333.08	9/30/2031	10/1/2027	Ann. CPI/MR every 5 yrs. 10-yr w/ two 5-yr options.
Takaki, Jennifer Alys	788.34	12/31/2026	1/1/2027	Garbage $60 per Mo. New 5-year lease.
Takaki, Jennifer Alys	130.93	Mo/Mo	10/1/2027	Month-to-month. Outdoor dining area.
The Shop Cooperative	92.92	Mo/Mo	9/1/2027	Land for placement of 8'x40' contianer.
The Shop Cooperative	1,242.95	Mo/Mo	11/1/2026	Bldg. 1 rental agreement. Will add to lease in the spring.
Marine Services)	6,560.75	5/31/2031	6/1/2027	Lease Assignment from Stein/Compass.
U. S. Coast Guard	6,360.68	8/31/2026	N/A	Lease No.: HSCG89-25-1-0035.

Point Hudson - PROPERTY	SEPTEMBER 2026			
LEASE NAME	**Lease Amount**	**Lease Expiration**	**NEXT CPI/ STEP Incr.**	**REMARKS**
Best Coast Canvas	796.42	9/30/2029	10/1/2027	SW end,ground floor. New lease. Ann. CPI/MR beg yr 3, every 3 yrs (deposit follows MR schedule)
Brion Toss Yacht Rigging	1,999.75	9/30/2029	10/1/2027	New 5 + 5 lease. 1154 sf marina-facing; 1246 sf int floor space; 43 sf paint locker. Ann CPI/MR-3yr
Brooks, Cindy	48.17	Mo/Mo	7/1/2027	Month to month storage for wherry.
Cashin, Andrew	304.02	Mo/Mo	2/1/2027	Mo/Mo. 30-day notice for increases. Office #11.
Chapin, Steve	214.08	Mo/Mo	5/1/2027	Mo/Mo, continued rental of land in Back 40 for storage containers.
Chums A Shop by the Sea	701.01	11/30/2026	12/1/2026	1 year lease with 1 year option.
Chums A Shop by the Sea	38.40	Mo/Mo	7/1/2027	Month to month used for sales
Commanders Beach House	2,877.18	4/30/2030	5/1/2027	108 hrs in-kind labor/yr (yard maintenance), value deducted from market rent value. **LET based on market rent.** In-kind report turned in quarterly. CPI
Hall, Jason	304.13	Mo/Mo	9/1/2027	
Hudson Point Café	26.40	Mo/Mo	5/1/2027	Seasonal rental
Hudson Point Café-(Flanigan)	1,940.41	6/30/2030	7/1/2027	CPI/MR increases. Assigned to Laura Flanigan & Luke Flanigan 4/1/24. Exercised option 3/11/25.
Impact Naval Architects, LLC	319.58	Mo/Mo	9/1/2027	Office #1, Main Bldg. CPI/MR w/30 days' notice. Moved from Duplex office.
Klontz Engineering	1,240.00	Mo/Mo	9/1/2027	
Lilac & Fig LLC	428.67	Mo/Mo	7/1/2027	
Marine Resources Consultants Inc.	566.20	9/30/2026	N/A	Leased space reduced in size for Brion Toss restroom access. New lease 10/1/24.
Mark Kielty Design	319.00	Mo/Mo	8/1/2027	Rental agreement for PH water-viw office. CPI Annually.
Northwest Maritime Center	95.15	Mo/Mo	6/1/2027	Temporary storage of Conexbox for WBF items.
Northwest Maritime Center	1,584.83	6/30/2051	7/1/2027	Amend 1: commence building structure by 6/30/2031, complete w/I 12 mos.
Northwest Maritime Center	435.54	Mo/Mo	10/1/2027	Fenced storage space, ground floor of Armory Bldg.
OM LLC	319.00	Mo/Mo	6/1/2027	Small office, Main Building.
Puget Sound Express	2,402.27	5/1/2034	6/1/2027	1600 sf Carpenter's Bdg; 850 sf shop in Armory Bdg; 4 car spaces.
Puget Sound Express	2,818.08	9/1/2031	9/1/2027	
Salish Grill / TNT Restaurants LLC	43.20	Mo/Mo	4/1/2027	Month to month agreement for a parking spot next to Salish Grill
Salish Grill / TNT Restaurants LLC	3,765.04	4/30/2027	5/1/2027	Two 5-yr options: Exercised last opt 5/1/2022-4/30/2027. Name change from Doc's 1/1/2025.
Schooner Martha Foundation	966.53	12/31/2029	1/1/2027	Market rate beg year 3. Land for storage only. Exercised last option, extends to 12/31/2029.
Seaside Sauna	600.00	Mo/Mo	5/1/2027	Month to month agreement for suana operation
Shanghai Restaurant	3,092.24	10/31/2026	11/1/2026	MR every 3yrs. Annual CPI. Exercised last 5-yr option 11/1/21-10/31/26.
Shannon Partners LLC/SEA Green Partners	4,035.46	9/30/2038	10/1/2027	***7/1/27 rent incr to $5,090.71**.Ann CPI. Beg 7/1/2032 and every 5 yrs after market rent incr.
The Artful Sailor	1,031.30	11/30/2026	12/1/2026	Combined 2 agreements into one lease. 1+1+1.
University of WA - Sea Grant	692.22	1/31/2030	2/1/2027	5 year lease. CPI/MR.
Washington Dept. Fish & Wildlife	19.81	Mo/Mo	6/1/2027	Storage of spare boat motor in a crate.
Washington Dept. Fish & Wildlife	34.19	Mo/Mo	7/1/2027	Strip of land on N side of Cupola Annex for crab pot, tool, misc storage.
Washington Dept. Fish & Wildlife	163.92	Mo/Mo	8/1/2027	Old Customs fenced storage area

JCIA - PROPERTY	SEPTEMBER 2026			
LEASE NAME	Lease Amount	Lease Expiration	NEXT CPI/ Step Incr.	REMARKS
A Hangar Condo Association	1451.22	11/20/2045	11/20/2045	E & F Condos/Hangars. Amend 2 corrected 'E' land to 10,112 sf & 'F' land to 9,880 sf (19.992 sf
Aurora Aircraft Maint. & Restoration	654.83	10/31/2031	10/31/2031	*Option 1: 11/1/21 thru 10/31/26(exercised). Option 2: 11/1/26 thru 10/31/31.
Coote, Norman	72.59	Mo/Mo	Mo/Mo	Purchased from Dennis Broderson estate.
Dow, Jeffery	443.50	12/31/2028	12/31/2028	11/2010 Assumed lease. Port Policy Adj./CPI Annually.
Eber, Lorenz	80.00	Mo/Mo	Mo/Mo	Purchased hangar from Tom Brotherton. Month-to-month land agrmnt.
Erickson, Warren & Karen	238.46	7/26/2057	7/26/2057	Port Adjustment every 3 yrs/CPI annually (Ins w/Grandy & Piper)
G Hangar Condo Assoc.	764.88	6/30/2047	6/30/2047	Port Policy Adj./CPI Annually. Replacement issued as Amend 1 never notarized.
Grandy, Richard	238.46	7/26/2057	7/26/2057	Port Adjustment every 3 yrs/CPI annually (Ins w/Erickson & Piper)
Hangar C Group LLC	796.81	4/30/2053	04/30/2053	MR every 3 yrs/ann CPI/term extended to2053. Amend #6. CPI
H-Hangar Corp. @ JCIA	733.21	6/22/2049	6/22/2049	Port Adjustment every 3 yrs/CPI annually.
Islam, Marc	72.70	Mo/Mo	Mo/Mo	Purchased t-hangar from Garth Roethle.
JCIA PORT-OWNED HANGAR #101	285.45	Mo/Mo	Mo/Mo	Port-owned hangar
JCIA PORT-OWNED HANGAR #102	285.45	Mo/Mo	Mo/Mo	Port-owned hangar
JCIA PORT-OWNED HANGAR #107	285.45	Mo/Mo	Mo/Mo	Port-owned hangar
JCIA PORT-OWNED HANGAR #108	285.45	Mo/Mo	Mo/Mo	Port-owned hangar
JCIA PORT-OWNED HANGAR #201	285.45	Mo/Mo	Mo/Mo	Port-owned hangar
JCIA PORT-OWNED HANGAR #202	285.45	Mo/Mo	Mo/Mo	Port-owned hangar
JCIA PORT-OWNED HANGAR #203	285.45	Mo/Mo	Mo/Mo	Port-owned hangar
JCIA PORT-OWNED HANGAR #205	285.45	Mo/Mo	Mo/Mo	Port-owned hangar
JCIA PORT-OWNED HANGAR #206	285.45	Mo/Mo	Mo/Mo	Port-owned hangar
JCIA PORT-OWNED HANGAR #207	285.45	Mo/Mo	Mo/Mo	Port-owned hangar
JCIA PORT-OWNED HANGAR #208	285.45	Mo/Mo	Mo/Mo	Port-owned hangar
Jeffco Flyers	1176.53	12/31/2075	12/31/2075	Port adjustments every 3 yrs/CPI annually. Deposit increase every 3 yrs.
JEFFCO Hangar Assoc., Inc.	853.30	11/30/2041	11/30/2041	New 20-yr lease. Annual CPI, MR every 5-years.
Jefferson Co Airport Condo Owners Assoc	2443.67	7/26/2057	7/26/2057	Assigned from NW Hangars, LLC. MR every 3 years/annual CPI.
Jefferson County Fire District #6	N/A	7/29/2017	07/29/2017	Land in exchange for fire protection services. IN HOLD OVER
Jefferson Timber Cooperative	3140.85	3/31/2055	03/31/2055	30-yr lease, one 10-yr option. MR adj beg yr three/annual CPI.
K-Hangar Assoc. @ JCIA	723.77	12/9/2049	12/09/2049	Port Adjustment every 3 yrs/CPI annually.
L Hangar Condo Assoc @JCIA	725.56	10/31/2048	10/31/2048	Port Adjustment every 3 yrs/CPI annually.
Lemanski, Tom & Linda	70.00	Mo/Mo	Mo/Mo	Purchased from Brendon Townshend
Lemanski, Tom & Linda	80.00	Mo/Mo	Mo/Mo	
Morrison, Neil	218.54	4/30/2053	4/30/2053	Port Adjustment every 3 yrs/CPI annually.
Morrison, Neil	218.54	4/30/2053	4/30/2053	Port Adjustment every 3 yrs/CPI annually.
Piper, James E.	238.46	7/26/2057	7/26/2057	Port Adjust every 3 yrs/CPI annually (Ins w/Erickson & Grandy). Assignment 9-13-24. $302 fee.
Port Townsend Aero Museum	1327.53	7/31/2052	07/31/2052	3 Amendments. MR every 3 years.
Port Townsend Aero Museum	317.03	4/30/2053	04/30/2053	Port Adjustment every 3 yrs/CPI annually.
Port Townsend Aero Museum	80.00	Mo/Mo	Mo/Mo	7/01/2013 Bought T-Hangar next to his bldg.

Port of Port Townsend
Upcoming Commission Meetings Calendar 2026 (Tentative Agenda Items)

Sept.11-13		**Wooden Boat Festival (potential quorum)**		
Thurs., Sept. 17 4-9pm		Port Boat Yard BBQ (potential quorum)	8th Street Boatyard	
Sun., Sept. 20 9:30-4:30		Short's Farm Tour (potential quorum of Port Commission)	1594 Center Rd Chimacum	
Fri., Oct. 2 5:30 p.m.	Spec. Mtg	EDC Team Jefferson "Our Economic Future: An Evening with Timothy Egan	Ft. Worden Commons	PH
Wed., Oct. 14 9:30 am	Workshop	2026 Capital Project Update	Pav	
Wed., Oct. 14 1 pm	Meeting	Public Hearing: Resolution Establishing an Industrial Development District 2nd Draft 2027-2031 Five-Year Capital Improvement Project Review 2nd Draft of 2027 Budget with 2027-2031 Capital Improvement Program (CIP) and Proposed Rates Harbormaster Report 2026 Financials Contract/Lease Update	Pav	
Thurs., Oct. 15 5pm	Spec. Meeting	Intergovernmental Collaborative Group	Pav	
Wed., Oct. 28 1pm	Spec. Meeting	**Public Hearings:** 2027 Rate Cards Draft 2027 Operating & Capital Budget Resolution Resolution fixing the amount of general property tax to be levied for collection in the year 2027 (adoption) Resolution fixing the amount of IDD tax to be levied for collection in the year 2027 (adoption) **Public Hearing** on Resolution Amending the Port of Port Townsend's Comprehensive Scheme of Harbor Improvements to Incorporate the Capital Projects Contained in the 2027 Operating & Capital Budget, including JCIA Master Plan Update		
Tues., Nov. 10 9:30 am	Workshop		Pav	
Tues., Nov. 10 1:00 pm	Meeting	**Public Hearings (Continued):** 2027 Rate Cards (Adoption)	Pav	

Port of Port Townsend
Upcoming Commission Meetings Calendar 2026 (Tentative Agenda Items)

		Draft 2027 Operating & Capital Budget Resolution Resolution Amending the Port of Port Townsend's Comprehensive Scheme of Harbor Improvements to Incorporate the Capital Projects Contained in the 2027 Operating & Capital Budget, including JCIA Master Plan Update Quarterly Capital Project Report Update 2027 Legislative Agenda/Priorities with Insight Strategies Harbormaster Report 2026 Financials Contract/Lease Update		
Wed., Nov. 11		*Holiday -Port Offices Closed - Veteran's Day*		
Tues., Nov. 24 1 pm	Spec. Mtg.	Hold for Special Meeting (if needed) to Adopt 2027 Budget	Pav	
Thurs.Nov.26-27		*Holiday -Port Offices Closed*		
Thurs., Dec. 3 5pm	Mtg.	Intergovernmental Collaborative Group	Pav	
Wed., Dec. 16 9:30 am	Workshop	2027 Committee Assignments	Pav	
Wed., Dec. 16 1 pm	Meeting	Harbormaster Report 2026 Financials Contract/Lease Update	Pav	
Wed-Fri. Dec.9-11		WPPA Annual Meeting	Hilton Vancouver WA	
Thurs., Dec. 17 5pm	Spec. Meeting	Intergovernmental Collaborative Group	Pav	

Not Yet Scheduled Topics:

Economic Development Strategy	Ongoing/TBD
Energy Resilience	TBD
Manufacturing hub	TBD
Future industrial land opportunities	TBD
Skills & trade training	TBD