

EXHIBIT "A"

CITY OF MORRO BAY - HARBOR DEPARTMENT RULES AND REGULATIONS FOR VESSELS USING CITY PIERS, DOCKS AND OFFSHORE MOORINGS

INTRODUCTION

The City of Morro Bay directly operates 2 piers, approximately 50 slips and 70 individual moorings. The City also provides a floating dock and anchorage area for transient vessels. City-managed individual mooring sites are in the A2, A1-1 and A1-2 mooring areas as shown in the attached map. The City leases out the A1-3 and A1-4 mooring areas to the Morro Bay Yacht Club and Morro Bay Marina respectively which manage individual mooring assignments in those areas. Most Embarcadero slips and the State Park Marina slips are privately operated with rules and regulations set by the operator. Following are rules and regulations for City-managed facilities and general operation of the Harbor within City limits. The Harbor Department shall mean the Harbor Director, or any designated employee of the City of Morro Bay Harbor Department.

1. MORRO BAY HARBOR DEPARTMENT - GENERAL REGULATIONS

No person shall anchor, moor or secure a vessel or any object within the City of Morro Bay except in designated areas and locations set by the Morro Bay Harbor Department and the Morro Bay Municipal Code. Any vessel or object moored, anchored or secured in violation of this section may be declared a hazard pursuant to California Harbor and Navigations Code Section 523 and shall be relocated to a safe anchorage or berthing location by the Harbor Patrol. The owner will be charged for all costs associated with such relocation and may be subject to impoundment at the fee shown in the Master Fee Schedule. No vessel may exceed 5 MPH speed limit within the Morro Bay City limits with the exception of governmental agencies in the performance of duties. Discharge of sewage is strictly prohibited. No person may liveaboard a non-transient vessel in excess of 4 days without first obtaining a permit as provided for in Morro Bay Municipal Code, Section 15.40.

To use or occupy City docks, City moorings, City Piers, the A1-5 anchorage area or City floating dock a vessel must be registered with the Harbor Department including submission of a signed RENTAL AGREEMENT or transient berthing agreement card.

2. CITY SLIPS

A: General

City slips shall be assigned to commercial fishing vessels as defined in Morro Bay Municipal Code 15.04.150 and Resolution 23-91 of the City of Morro Bay. Rental agreements for use of City slips are not transferable. If a vessel is sold or ceases to qualify for a slip, the agreement is terminated. No city slip agreement holder may allow the use of any city slip by another vessel without the prior permission of the Harbor office. The City may rent any unoccupied slip on a temporary basis.

A commercial fisherman with a qualified commercial fishing vessel, as defined, occupying a City slip may, at the fisherman's discretion, occupy said slip with a second qualified commercial fishing vessel owned by the fisherman in place of the first vessel provided that said second vessel is of an appropriate size for said slip, and that both vessels remain qualified commercial fishing vessels as defined. This allowance will in no way be used by said fisherman for the purposes of transfer of the slip to a second owner or owners of either vessel in order to bypass the commercial slip waiting list by the second owner or owners. *(Resolution 60-13)*

Berthing space behind head floats on City slips will be designated as "head float berth" in the City's Master Fee Schedule and may be assigned to qualified commercial fishing vessels which will be charged at the monthly commercial slip rate. Vessels other than skiffs

or qualified commercial fishing vessels desiring to use the “head float berth” will be charged as set forth in the City Master Fee Schedule. This “head float berth rate” may be adjusted annually by the City Council. Head Float Berth spaces will be assigned on a first come, first serve basis with prior approval of the Harbor Department.

B: Waiting List Procedures And Assignment Of Vacant Slips

The City has established a Commercial Slip Waiting List with a refundable fee as set forth in the City Master Fee Schedule and a Recreational Slip Waiting List with a refundable fee as set forth in the City Master Fee Schedule. When a slip vacancy occurs, the slip will be assigned to the next eligible vessel on the commercial slip waiting list. It is the responsibility of all waiting listees to keep the Harbor Office informed of current address and contact numbers. If no response is received after two attempts to contact waiting listee at the address and/or phone number on record with the Harbor Office, then the waiting listee will be passed over until such time as they recontact the Harbor Department.

A vessel and the vessel's owner must meet the definition for commercial fishing vessels to be placed on the commercial slip waiting list and must qualify for the year in which they are offered a permanent slip. A vessel owner may substitute a different vessel and maintain the same position on the list up to one time in any three-year period. Anyone on the commercial slip waiting list for more than 5 years will have to re-qualify as a commercial vessel to remain on the list. Failure to re-qualify the vessel will result in removal from the list and a refund of the deposit.

The recreational slip waiting list would be used in the event the City develops new slips for recreational boaters.

C: Temporary Cancellation Of City Slips And Slip Subleasing

Any City slip agreement holder may, by giving City notice at the Harbor Office of a pending absence and vacation of the slip in excess of 30 days, have their slip fees reduced to 25% of the regular monthly fees listed in the Master Fee Schedule. If the slip holder returns to the slip in a period less than the 30 days and another vessel is occupying the slip under a sublease, the slip holder will have to dock at the T-Piers as space is available. Vessels on the Commercial Slip Waiting List will have priority for subleases. The City will maintain a slip sublease waiting list and will make the vacated slip available to the next available qualified vessel on the slip sublease waiting list if there is no vessel on the Commercial Slip Waiting List which desires a sublease. If a vessel or person on the sublease waiting list declines a slip sublease assignment or if the City is unable to contact the person after two attempts; then that person's name shall be removed from the waiting list. The City may assign any vessel to a vacated slip on a daily basis at the daily transient fee but no subleases will be allowed for a period less than one month. No vessel will be allowed to use any vacated slip either on a transient daily fee or monthly sublease basis without paying in advance. As long as there are vessels on the sublease waiting list, there will be a 3-month maximum for any one vessel to remain in a sublease slip. If there are no suitable vessels on the sublease waiting list or commercial waiting list, a vessel may remain in a sublease slip in excess of 3 months. If a vessel on temporary cancellation does not occupy the assigned slip for a period of at least 3 months in any 24-month period then the City may terminate the berthing agreement and assign the slip to the next qualified vessel on the commercial slip waiting list.

3. OFFSHORE MOORINGS

A: Moorings - General

Moorings are allowed only in designated locations within the outlined mooring zones or as approved by the Harbor Director and allowed by the Morro Bay Municipal Code. Some mooring locations have tackle and gear owned and installed by the City; most mooring locations have tackle and gear owned and installed by the private party. Each mooring is for

one vessel and its associated tender. Floating docks or arrangements other than mooring tackle and gear as outlined and approved by the Harbor Department are prohibited.

Mooring sites A2-0-21A and A1-2-7A were assigned when previous unpermitted floating docks were removed off these moorings. The Harbor Department at its sole discretion shall set maximum vessel size limits for these moorings. Mooring sites A2-0-21A and A1-2-7A are owned by Jim Entwisle and Associated Pacific Constructors respectively and may not be sold, transferred or assigned to new parties. Should Jim Entwisle or Associated Pacific Constructors no longer desire to use mooring sites A2-0-21A or A1 -2-7A then these moorings shall be removed.

Assigned mooring agreement holders must at all times keep the Harbor Department notified of the vessel which is currently using the mooring site.

If an offshore mooring agreement is terminated for non-payment of rent or failure to inspect mooring gear, the City may take possession of the location and any personal property as outlined in Chapter 15 of the Morro Bay Municipal Code. In such case the Harbor Department may either take the mooring location out of service or install City owned mooring tackle and gear on the location.

B: Moorings - Tackle And Gear Privately Owned

Mooring locations where a private party owns the mooring tackle and gear shall be held under a monthly rental agreement. Said agreement may be assigned to another party, subject to approval of the City of Morro Bay, by making written request to the Harbor Department. The City reserves the right of approval of any assignment and may not approve such assignment if the mooring agreement holder or assignee is in violation of these rules and regulations or has a past due account with the City or if the proposed use of the mooring will violate these rules and regulations or the Morro Bay Municipal Code or safe boating practices as determined by the Harbor Director. The rental agreement shall have a month-to-month term and fees shall be set forth in the Master Fee Schedule under Offshore Moorings.

C: Moorings - Tackle And Gear City Owned

The City will rent City owned moorings on a daily or monthly agreement at fees set forth in the Master Fee Schedule under City Owned Moorings. City owned mooring agreements are not assignable or transferable or to be subleased.

The City may set up a waiting list for City moorings with no fee or deposit required. It is the responsibility of the person on the waiting list to provide the City with a current mailing address and phone number at all times. If a phone number is disconnected and/or the mail comes back as undeliverable, the person shall be removed from the waiting list. If a person is offered a mooring and refuses it, they shall be removed from the waiting list.

D: Mooring Tackle And Gear Maintenance

The offshore mooring holder shall maintain the tackle and gear to the specifications set by the Harbor Department including biennial inspections meeting the requirements set by the Chief Harbor Patrol Officer. The City will maintain and inspect City owned moorings. Moorings leased to the Morro Bay Yacht Club and Morro Bay Marina will be maintained and inspected by those lessees to meet the specifications set by the Harbor Department.

4. T-PIERS, FLOATING DOCK OR ANCHORAGE AREA

The T-Piers, floating dock or anchorage area shall be available to registered transient vessels on a first come first serve daily basis at fees established in the Master Fee Schedule, except that no vessel may use the anchorage area or floating dock for more than 30 days in any six-month period.

To maintain safe and efficient Harbor operations, the Harbor Department may relocate vessels or designate specific sites for certain vessels at these facilities at any time.

5. HARBOR DEPARTMENT RESPONSIBILITY TO PROTECT SAFE AND EFFICIENT OPERATION OF CITY-MANAGED FACILITIES

When a vessel enters a mooring or docking facility or anchorage area in the waters of the City of Morro Bay, it immediately comes under the jurisdiction of the City and may be moored or docked or anchored at the direction of the Harbor Department. The Harbor Department may refuse use of City-managed facilities to any vessel or vessel operator who represents, in the opinion of the Harbor Department, a potential to pollute or that potentially threatens the safety and security of City facilities.

When a vessel or vessel operator, who has been denied use of City facilities, continues to use those facilities without permission, that vessel or vessel operator shall be subject to impoundment under Morro Bay Municipal Code 15.56.010 and/or fines for violation of Section 525 of the Harbor and Navigations Code.

Any vessel using City-managed facilities shall operate under its own power and be seaworthy and maintained in good and safe condition as determined by the Harbor Department. Any vessel that requires Harbor Patrol emergency assistance to pump out, take under tow or otherwise care for the vessel more than once in any 12-month period will be subject to termination of its use of City facilities and/or its berthing agreement.

All vessels at City-managed facilities including piers, moorings, docks and wharves must be operable and seaworthy.

Operable means capable of maneuvering under a vessel's own power to the Harbor entrance or to an inspection site designated by the Harbor Director and back to its berthing location.

Seaworthy shall mean the vessel's hull, keel decking, cabin, and mast are structurally sound and generally free from structural rusting, delamination, or dry rot.

If a vessel at any City-managed facility is determined to potentially be not seaworthy or inoperable, at the sole determination of the Harbor Department, then the Harbor Department shall provide the owner of the vessel a 30-day written notice. The notice will either require the owner to prove the vessel is operable as described above, or it may require the owner to prove the vessel is seaworthy by obtaining the opinion of a qualified independent marine surveyor as to the seaworthiness of the vessel at the owner's expense.

If the vessel owner fails to successfully respond to the notice within the 30-day period, the vessel owner will be granted an additional 120 days to make repairs for seaworthiness or to prove the vessel is operable as defined above.

If after this period of time the vessel cannot successfully complete the required test, the mooring or slip agreement shall be terminated or the vessel will be denied further use of City-managed facilities and the vessel may be subject to citation and impoundment as outlined herein or in Morro Bay Municipal Code, Section 15.56.

6. FEES

Fees for use of City-managed facilities shall be set in the City's Master Fee Schedule. All fees are due and must be paid in advance. The Harbor Department may allow billings for qualified and registered vessels with current account status at the discretion of the Harbor Department. Transient fees must be paid in advance provided that the Harbor Department may allow 48 hours

after arrival for any vessel to make payment or acceptable arrangements for payment. Transient Vessels not complying with this section within 48 hours of arrival shall be subject to impoundment as specified in Chapter 15, Section 15.56 of the Morro Bay Municipal Code.

The City will refund upon request any prepaid unused transient fees in excess of \$20. Unused prepaid transient fees of less than \$20 may be held as a credit to payee's account. City slips and moorings will be billed on a monthly basis in advance, will be delinquent and subject to a late payment penalty if not paid by the 10th day of the month, whether the tenant receives a bill or not. After a City slip or offshore mooring assignment is made and until the mooring or slip agreement is cancelled or assigned with prior approval of the Harbor Department, the agreement holder shall be responsible for payment of all fees whether the agreement holder occupies the slip or mooring or not. All fees will be adjusted annually as set forth in the Master Fee Schedule. Slip fees shall include electricity services but T-Pier fees shall not and the harbor patrol will limit electric service on the piers to those vessels, which pay the daily use fees. The established electric use fee will be for one vessel only and must be paid prior to use.

The Harbor Department may terminate any vessel's use of City-managed facilities and/or their berthing rental agreement for violation of these requirements or of any other section hereof.

7. DAMAGE TO CITY PROPERTY

Any vessel that causes damage to City property will be responsible for repaying the cost of repair to such damage as determined by the Harbor Department and submitted in a written statement itemizing costs.

8. EMERGENCY MEASURES, CITY HELD HARMLESS

In the event of severe storm or tidal wave, the vessel owner, operator and/or agreement holder will provide preparation and damage prevention protection for their property. The vessel owner or their agent is solely responsible to take all emergency measures possible, and the City does not assume any responsibility for said protection and or damages to the vessel from storm or tidal wave action. The City assumes no responsibility for the safety of any vessel using City-managed facilities, and will not be liable for fires, theft, loss or damage to said vessel, its equipment, or any property in or on said vessel.

Tenant expressly and by their use of City-managed facilities agrees to hold City and its officers and employees harmless from any claim tenant or any of tenant's crew, guests or agents have against City for damage to the vessel or other property or for personal injury arising from tenant's use of City property or facilities.

9. STORAGE AND SECURING OF VESSELS

Tenders and skiffs will be stored on board larger vessels when possible and are not allowed at City slips and docks except as designated by the Harbor Department personnel. The water space between the shore and City docks shall be used primarily for the storage of tenders, skiffs or dinghies used to serve vessels occupying moorings in a non-commercial mooring zone. Each City mooring holder may berth one tender or skiff (as defined by the Harbor Department) in this manner at no charge. Other users may store tenders skiffs or dinghies on City docks at designated locations with the prior approval of the Harbor Department at a fee of \$1.00 per day. No dock boxes, steps or any other installations may be made to City slips, moorings or other facilities without prior permission from the City. No rafting or storage of more than one vessel on any slip, mooring or anchorage is allowed without the permission of the Harbor Department. Temporary storage of crab or fish receivers may be allowed with the prior written permission of the City. It is the responsibility of each vessel owner or operator to safely secure that vessel to its berthing. Vessels shall be secured in their berths, moorings or anchorage in a manner acceptable to the City or the Harbor Department personnel may adequately secure the vessel and assess a service fee.

10. FISH UNLOADING OR SALES

Fish may be unloaded off City piers and slips only by the owner or operator of the commercial fishing vessel which caught the fish. Operations including commercial truck loading by fish processors or fish buyers are prohibited from City piers and docks, including the boat launch ramp. Commercial unloading of any cargo or materials (including kelp) requiring special heavy vehicles (such as crane, boom or stake bed trucks) is prohibited without the prior permission of the Harbor Department. Permission by the Harbor Department may be contingent on provision of an insurance certificate and payment of a fee.

Commercial fishermen may sell their catch only from their vessels at city slips and docks provided they are in conformance with these rules and regulations, State and Federal law, providing that such sales shall not negatively impact the safe or efficient operation of the harbor, at the discretion of the Harbor Department. Signage shall be minimal, and fish sold from vessels must be fish that was caught by the vessel owner.

11. VIOLATIONS OF THE MORRO BAY MUNICIPAL CODE OR OF THE RULES AND REGULATIONS

Violations of Chapter 15 of the Morro Bay Municipal Code, the Harbor and Navigations Code or these Rules and Regulations are punishable by fines as follows:

1. Violation of MBMC 15.12.010, prohibiting operation of a vessel in excesses of 5 MPH, or in a manner which causes damaging wake within Morro Bay Harbor. \$100 first offense, \$200 second offense and each offense thereafter.
2. Violation of MBMC 15.24.010, prohibiting discharge of waste or refuse from vessels and prohibiting allowing vessels materials waste or refuse to remain on shorelines within City limits. \$200 first offense, \$500 second offense and each offense thereafter.
3. Violation of MBMC,15.32.010, establishing rules and regulations for City wharves, piers and docks by resolution of the City Council. Violation of Harbor Rules and Regulations: first offense \$100 second offense and each offense thereafter \$200.
4. Violation of MBMC 15.40.030, requiring a permit for occupying or owning a liveboard vessel in Morro Bay Harbor. First offense \$100, second offense and each offense thereafter \$200.
5. Violation of Harbor and Navigations Code Section 525, prohibiting abandoning a vessel without the facility owner's permission: \$500 first offense, \$1500 second offense and each offense thereafter.

For any violation of the Morro Bay Municipal Code or these Rules and Regulations for which a citation is not issued, or for which a vessel is not impounded, the City may provide written notice to tenant to correct such violation. Failure to comply with such written notice may subject the tenant or violator to suspension of future use of City-managed facilities and or termination or cancellation of a mooring or berthing agreement. For example: use of sub standard electrical cords or equipment after one warning may result, at a minimum, in suspension from use of City-managed facilities for 30 days.

12. STORAGE AND ELECTRICAL SERVICE

No storage of supplies, materials, accessories, fishing gear or debris will be allowed on piers or slips. No charcoal fires or open fires of any kind will be allowed on any City-managed facility. Electrical power cords must meet the standards of NFPA and the National Electric Code as determined by the Harbor Department. The Harbor Department may make exceptions during temporary supervised projects. No doubling off a unit is allowed.

13. OPERATIONS FROM CITY FACILITIES

No sport fishing, tour boat, charter boat or rental business operation shall be conducted from any City slip, pier, street end dock, mooring, anchorage or other City facility or beach except as specifically allowed under a lease or license agreement. Occasional charters for environmental research or commercial fishing research related purposes by qualified commercial fishing vessels in an assigned City slip may be allowed only by prior approval of the Harbor Department and at the Harbor Department's sole discretion.

14. SOUTH T-PIER HOIST

A. No fish, shellfish or seafood products are to be unloaded with the hoist except in the following cases:

1. All other commercial fish unloading facilities in the Morro Bay area are closed, overloaded, or unable to off-load the boat of the requesting party.
2. That the unloading by one of the commercial unloaders, in the Morro Bay area, would be untimely and cause extreme hardship or loss to the requesting party.

B. A key deposit of \$20 or a valid driver's license may be required.

C. A fee set by the Master Fee Schedule shall be by the hour for any part of an hour with a one-hour minimum.

D. No overweight use of the hoist is allowed, and the Harbor Department may refuse use of the hoist to any party for any reason to insure proper safe and efficient use of Harbor facilities.

15. TIDELANDS PARK SIDE TIE DOCK, STREET END DOCKS AND BOAT LAUNCH RAMP

The Launch Ramp boarding floats are for temporary tie-up while launching and retrieving a vessel only. The Tidelands Park side tie dock shall be a 3 hour maximum tie up in any 24 hour period facility and may not be used for tie up from 10:00 p.m. through 4:00 a.m.. Vessels which exceed the three hour tie up limit in any 24 hour period, or are tied up to the Tidelands Park side tie dock between the hours of 10:00 p.m. through 4:00 a.m., shall be in violation of these Rules and Regulations and subject to citation and fines as outlined in Section 11 hereof. Tenders and skiffs assigned the inside portion of the Tidelands Park side tie dock under Section 9 hereof shall be exempt from the time limits above.

In an emergency or when all other available facilities are occupied, the City may, at the sole discretion of the Harbor Department, waive the 3-hour time limit on the Tidelands Park side tie dock. In that case, the Harbor Department shall issue a special permit at fees established in the City Master Fee Schedule for a period not to exceed 7 continuous days and said permit shall be displayed in open view on the permitted vessel.

No vehicle shall park or use any parking space in the boat Launch Ramp in excess of 72 hours. The Harbor Patrol shall monitor and enforce rules and regulation for the boat Launch Ramp parking lot to ensure that it is available for boaters. No storage or haul out is allowed in the Launch Ramp parking lot. Repairs and mechanical work are not allowed in the Launch Ramp parking lot except those minor immediately necessary jobs which will not result in any discharge or disposal of contaminants, as approved by the Harbor Patrol. Double stalls at the boat Launch Ramp are for trailers and towing vehicles only. Single vehicles without trailers attached using the double stalls shall be in violation of these Rules and Regulations. Double stalls shall be painted yellow. Parking time limits and regulations within the parking lot shall be appropriately signed and designated.

Use of floating docks at the end of Morro Bay Blvd., Harbor St. and Anchor St. and the Launch Ramp shall be limited to transient tie-ups by recreational boats. No overnight tie-ups will be

permitted. Maximum duration of tie-ups at these docks shall be for a period not to exceed 3 hours per day. Shore fishing and angling shall not be permitted from the viewing platforms or the floating dock at the ends of Harbor St., Morro Bay Blvd., Marina St. and Anchor St.

The launch ramp docks are for temporary tie-up while launching and retrieving a vessel only. No vehicle shall park or use any parking space in the boat launch ramp in excess of 72 hours. The Harbor Patrol shall monitor and enforce rules and regulations in the boat launch ramp parking lot to ensure it is available for boaters. No storage or haul out is allowed.

16. PRIOR CITY RESOLUTIONS

A. Incorporation of Prior Resolutions:

City of Morro Bay Resolutions #112-89, 23-91 and 60-13 are incorporated into these rules and regulations by reference.

B. Rescinding of Prior City Resolutions:

Adoption of these rules and regulations shall serve to rescind City of Morro Bay Resolutions # 115-67, #30-74, #1-75, #66-78, #85-80, #86-80, #09-81, #27-82, #72-82, #123-82 #124-82, #19-83, #58-83, #59-83, #60-83, #95-83, #122-83, #8-84, #125-84, #90-85, #61-86, #85-87, #11-89, #76-89, #104-92, #83-97, #115-98.