



MARK SCHEER
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January 8, 2015

VIA E-MAIL AND U.S. MAIL

Steven D. Miller
Partner
Hanson Bridgett, LLP
425 Market Street, 26th floor
San Francisco, CA 94105

Re: *Three Captain Sea Products, Inc.*

Dear Mr. Miller:

Thank you very much for taking my call today. As we discussed, Young deNormandie, P.C. represents Three Captains Sea Products, Inc., the ("Tenant"). I appreciate the frank discussion regarding the hoist installation on Johnson Pier in Half Moon Bay ("Hoist").

As you stated in your September 24, 2014 letter (a copy of which is attached for your ease of reference):

The placement of the additional hoist --- which Three Captains Sea Products, like Pillar Point Seafood, has a right to under Section 9.0(b)(i) of the Lease -- was approved by the District's Harbor Master after careful consideration of the location of the existing fire protection equipment, the location of existing freezers, and the needs of the work dark. Locating the hoist and any other location would have required impractical relocation of other facilities, to the detriment of all lessees, including Pillar Point Seafood.

As we discussed, Tenant is a party to a valid and enforceable lease. Under that lease, Tenant is entitled to a second hoist. The installation and location of the Hoist was approved by the San Mateo County Harbor District (the "Landlord"). As your September 24, 2014 letter acknowledges, Pillar Point is a tenant of Landlord's, just like Three Captains. Pillar Point Seafood is in an adjacent space to that that is subject to the space held by Tenant.

Sabrina Brennen is a member, and now the President, of the San Mateo County Harbor District Board of Harbor Commissioners ("Commission") – and therefore a representative the Landlord.

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As we discussed, Ms. Brennan is engaged in actions which appear to be actionable, acting in a fashion which is a direct conflict of interest between the Landlord and Tenant, is in bad faith and breaches the lease between Tenant and Landlord:

First, as you can see in the attached correspondence, Ms. Brennan, in her official capacity, is actively attempting to block the approval of Coast Development Permit Waiver 2-14-1592-W ("Waiver") which is currently pending before the California Coastal Commission ("Coastal Commission") See the attached Notice of Proposed Permit Waiver dated October 30, 2014 in which states, in relevant part:

Pursuant to Title 14, Section 13238 of the California code of regulations, and based on project plans and information submitted by the applicants regarding the proposed development, executive director of the California coastal commission hereby waives the requirement for it CDP for the following reasons:

The proposed project will facilitate existing marine use by allowing for ongoing operations in support of commercial fishing. It will ensure the economic and commercial use of the harbor and reduce congestion at Johnson pier during periods seasonal, high volume, fish-loads. The site does not contain sensitive habitat and the proposed project includes best management practices to avoid and minimize potential impacts to the water quality of the harbor in coastal waters. The project will not have a significant impact on visual resources, public access, or biological resources. For all the above reasons, the proposed project is consistent with chapter 3 of the Coastal Act. . . . [t]his waiver is proposed to be reported to the Commission on November 13, 2014, in Half Moon Bay.

Ms. Brennan's impermissible actions are evidenced by the attached correspondence which reflects that:

- She uses the same email address (Sabrina@dfm.com) to correspond with the Coastal Commission that she utilizes to conduct official business of the Commission (see correspondence from 2014 related to the "Morning Star Hoist" – also attached).
- She met with representatives of the Coastal Commission on November 6, 2014. Not coincidentally, later the same day, the Coastal Commission issued a Notice of Executive Director's Changed Recommendations, removing the Waiver from the November 13, 2014 Coastal Commission agenda; and
- The Coastal Commission response to the public records request was directed and addressed to Ms. Sabrina Brennen in her capacity as a member of the "San Mateo County Harbor District Board of Harbor Commissioners" (a copy of that correspondence is attached).

Steven D. Miller
January 8, 2015
Page 3

Secondly, Ms. Brennan's actions are intended to be to the direct benefit of Pillar Point Seafoods, Michael McHenry and Porter McHenry. It is a conflict of interest and is in bad faith for Landlord's representative (Ms. Brennan) to promote the financial interests of one tenant at the detriment of the financial interests of another tenant.

Finally, because Tenant is entitled to the Hoist under its lease and now the Landlord's representative is actively working to deprive Three Captain of a benefit that it is admittedly entitled to, and the installation and location of which was expressly approved by the Landlord, Landlord is in breach of the lease with Three Captains.

Tenant has suffered significant damages as a result of the breach of contract, the bad faith and conflict of interest actions of Ms. Brennan. The commercial Dungeness crab fishery opened on November 15, 2014. The Waiver was going to be approved at the November 13, 2014. As a result of Ms. Brennan's actions which resulted in the removal of the Waiver from the Coast Commission's November 13 agenda, Tenant was not able to utilize the Hoist during the 2014-2015 season and, as a consequence, lost thousands in additional profits and will continue to lose revenue so long as Tenant is unable to use the Hoist.

Tenant demands that Ms. Brennan immediately cease and desist with any actions which may be detrimental to the interests of Three Captains under its lease with Landlord, including any action which may have the result of limiting or impeding the approval of the Waiver before the Coastal Commission. Should Ms. Brennan, or any of the Commissioners, continue to act in a way that is in bad faith and violates the terms of the lease, Three Captains will have no choice but to seek redress in the Courts and an award of damages, cost and attorney fees. Three Captains Seafood Products reserves all rights in law and equity. Thank you.

Sincerely,

YOUNG deNORMANDIE, P.C.



Mark Scheer

With Exhibits.