

A
Request For Proposal
for
The Landside Lease
of
Ballast Point
Catalina Harbor
Santa Catalina Island



Presented by
Two Harbors Enterprises
December 15, 2010

Request For Proposal
Ballast Point
Santa Catalina Island

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1 - Introduction

Two Harbors Enterprises is soliciting proposals from qualified parties for the lease of the waterfront and portion of uplands for the location known as Ballast Point. The initial lease will be for a period of one year with the anticipated lease commencement date to occur April 1, 2011.

Those parties interested in submitting a proposal for the lease of Ballast Point must be a marine oriented, established organization with an active membership and the history and financial stability to warrant the exclusive use of such a valuable location.

2 - A Unique Opportunity

Intimate, calm and inviting, Ballast Point is a haven for boaters and divers who wish to put their day-to-day worries behind them and enjoy the serenity Catalina Island is famous for. For decades Catalina Island has been the premier boating destination for Southern Californians. A unique part of Catalina Island's boating history has included the use, by boating groups, of the shoreline and uplands of many of the small coves found on the windward side of the island. These privately operated facilities have allowed thousands of boaters to experience special and unique aspects of Catalina Island and boating on the West Coast. One such location is Ballast Point which is located on the west end of Catalina Island.

Ballast Point has always been visited by boaters but it was not until 1957 that a formal lease was executed for the exclusive use of the site by a local boating club. The successful bidder will have the opportunity and will be encouraged to expand upon the improvements to the site so that its controlled use can be expanded allowing more people to experience this unique part of Catalina Island.

3 - Two Harbors Enterprises

Two Harbors Enterprises (THE), a wholly owned subsidiary of the Santa Catalina Island Company (SCICo), leases from SCICo the property at the Two Harbors region of Santa Catalina Island. THE provides visitors services at Two Harbors to boater, campers, and divers through its operation of a restaurant, general store, a small bed & breakfast hotel, campgrounds and dive center. All infrastructure services at Two Harbors are managed and operated by THE. THE is a member with the Catalina Island Conservancy of Island Recreation Enterprises, LLC (IRE) and as manager of IRE is responsible for providing all harbor services to the boaters and to campers on Conservancy campgrounds operated by IRE.

4 - The Site

Ballast Point is located in Catalina Harbor, on the windward side of the west end of Santa Catalina Island. Catalina Harbor is Catalina Island's most protected harbor and is also a U.S. Coast Guard "Year-round Safe Harbor" of which there are only two so designated natural harbors in Southern California. Del Rey Yacht Club is located directly adjacent to the north. Ballast Point facility sits at the tip of a natural sand spit and it's a twenty minute walk to the amenities of Two Harbors, which is approximately one mile to the north by road or ¼ mile by water. Two Harbors has fuel, a market, a restaurant, laundry & shower facilities, marine services and emergency services.

The waterfront is approximately one hundred forty feet long and has a pebble and sand beach. There is private Pier and Float to access the facility. The lease area is approximately one half acre of useable space (See Exhibit A for an aerial photo of site).

Existing improvements at the site include two floats with ramp access to pier, a 64 ft. by 64 ft. picnic pavilion with tables, benches and shade cover, a bar counter and ice chest cooler, kitchen with oven and refrigerator, lot's of storage and cabinets. The 24 ft. by 24 ft. utility deck has three VIP portable flush restrooms. Propane and water exists at the site in a 500 gallon tanks (water is non-potable). Potable water and sewage connections are located ½ mile down the road. A 15kw generator runs all lighting and appliances. There is no utility supplied electricity at this time, however SCE has a connection approximately a mile away. It would be the sole responsibility of the Tenant to secure this service directly from the utility company.

Catalina Harbor has 117 moorings and anchorage for over 200 boats. The mooring is privately leased (with the submerged lands held through a separate lease with the State of California) but is available, through Two Harbors Harbor Department, on a first come first serve basis if it is not reserved for use by the Lessee. The anchorage is available to the general public however anchored boats may be affected by the use of the mooring depending on sea and weather conditions and the safe buffer area needed between the moored and anchored boats.

5 - Qualifications

Proposals will be accepted from Bidders who:

1. Are licensed to conduct business in the State of California at the time the proposal is submitted;
2. Are an existing marine based organization;
3. Have an active club membership;
4. Can provide documentation of financial stability;
5. Have experience in operating and maintaining a recreational facility;

6. Submit a proposal meeting the guidelines set forth in section 6.

6 - Information for Bidder

RFP Coordination and Communication – All communication relating to this RFP shall be with the RFP Coordinator, Oley Olsen, President of Two Harbors Enterprises. All correspondence during the time period being allotted for the preparation of proposals shall be via e-mail to the following address: WFOlsen@scico.com . Any additionally required correspondence shall be addressed on an as-needed basis. All communication shall be in writing. Any other communication, including any oral representations Bidder may have received, will be considered unofficial and non-binding on the owner. Bidders are to rely on written statements, clarifications and updates issued by the RFP Coordinator only. Communication directed to, or received by parties other than the RFP Coordinator will be considered unofficial and non-binding on the owner.

Funding – Funding for preparation of any bid documents is the sole responsibility of the proponent. Two Harbors Enterprises (Owner) will not be liable for any costs incurred by the Bidder in preparation of a proposal submitted in response to this RFP, in conduct of a presentation or any other activities or work related to responding to this RFP.

The winning Bidder will be required to accept the site as-is. Any construction or other improvements to the property will also be the sole responsibility of the winning bidder with the Owner having no obligation to participate.

Site Visits – Bidders will be allowed to visit and inspect the site providing they provide at least 48 hours notice to the RFP Coordinator at the e-mail address provided above. Any Bidders wishing to conduct a site visit shall provide their own transportation to the site and shall fully indemnify the Landlord for any accidents or injuries that may occur to any member of the visiting party while on property owned by the Landlord.

Rejection of Proposals – Cancellation / Re-issuance of RFP – Owner reserves the right, at its sole discretion, to reject any and all proposals received and shall not be bound to enter into a contract as a result of this RFP process. The Owner also reserves the right to cancel or reissue this RFP in whole or in part and for any reason whatsoever at its sole discretion and to waive any minor, administrative irregularities contained in any proposal.

Multiple Party Proposals – Proposals being submitted jointly by more than one organization are acceptable. The same requirements to identify responsible parties and all other requirements of this RFP (especially Section 7) shall apply.

Period of Occupancy – The anticipated period of occupancy resulting from the successful execution of a lease is from April 1, 2011 until December 31, 2011. The landlord may, at its option, provide for a longer lease or provide provisions in the lease for extensions if a bidder includes in his proposal significant justification and/or capital improvements to the property that would be in the best interest of Two Harbors Enterprises and its Mission.

Improvements to the Property – Bidder is to include in his proposal a list and brief description of all projected capital improvements for the property including a proposed timeline for the completion of the proposed improvements, even if the time required for some of the improvements extends beyond the initial lease term. Bidders should make themselves aware of the permitting agencies that have jurisdiction over the property ie: Los Angeles County Department of Regional Planning, Building and Safety, Environmental Health, Fire and others. Property taxes are the sole responsibility of the tenant however at this time capital improvements are none and no property tax is due. All future capital improvement assessments will be the responsibility of the tenant unless tenant is able to acquire tax exemption.

Terms and Conditions - The successful Bidder will be expected to enter into a contract with the Owner that includes the Owner's General terms and Conditions. The Owner's General Terms and Conditions must be used and in no event is a Bidder to submit its own standard contract terms and conditions as a response to this RFP. However, the Owner may consider modifications if the Bidder can provide strong reasoning for alternative language.

The Owner reserves the right to make an award without further discussion of the proposal submitted. The RFP Coordinator may contact a Bidder if he feels that the clarification of a portion of the proposal is in the best interest of the RFP process. Therefore, proposals should be submitted initially on the most favorable terms that the Bidder can propose. All or any portion of the RFP response may be incorporated into the contract resulting from this RFP. It is understood that the proposal will become a part of the file on this matter without obligation to the Owner.

Revisions to the RFP – The Owner reserves the right to cancel, reissue or revise the RFP, in whole or in part at any time prior to the execution of a lease. Any revisions, addenda, etc. will be sent to all who received this RFP.

7 - Submission Requirements

Bidders are required to submit six (6) hard copies of their proposal along with an electric copy in PDF format. Both versions of the proposal must arrive no later than 4:00 PM (PST) on March 1, 2011 at:

Two Harbors Enterprises, Inc.
P.O. Box 5086
Avalon, CA 90704
Attention: Ann Luchau - 'Ballast Point Proposal'

All materials submitted shall become the property of Two Harbors Enterprises. Bidders assume all risk for the method of delivery chosen. Late proposals will not be accepted and will be automatically disqualified from further consideration. All proposals and accompanying material will become the property of Two Harbors Enterprises.

Format - All proposals must be on 8 ½ x 11 inch paper, placed in binders and include tabs separating the major sections of the proposal, which shall be:

1. Letter of Submittal
2. Identifying Information
3. Bank and Business References
4. Site Management
5. Lease Proposal
6. Documentation

Letter of Submittal – The Letter of Submittal must be written on the Bidder's official business letterhead and signed by an authorized representative of the Bidder's organization. The letter must include the following, in the order given, but may also include any additional information, related to the topic, that they feel is essential to convey the intent of the proposal:

1. Itemization of all materials being forwarded in response to RFP;
2. Acknowledgement of signed copies of all RFP amendments received by the Bidder. If none received a statement to that effect should be included;
3. Certification that all information in the proposal is correct;
4. A signed copy of the Bidders Certificate (Exhibit B);
5. A statement acknowledging and agreeing to all rights of Two Harbors Enterprises as specified in this RFP;
6. Assurance of the Bidder's willingness, if invited, to enter into a lease agreement with Two Harbors Enterprises.

The Letter of Submittal, RFP amendments and Bidders Certificate must all be signed by a person authorized to legally bind the Bidder to a contractual relationship.

Identifying Information – Bidders must provide the following information. Only if absolutely necessary should Bidder include any additional information:

1. State the business name, address (if mailing address differs from physical address, please include both), e-mail address, web site, principal place of

- business, telephone number and FAX number of the legal entity with whom the contract would be written.
2. Provide the names, addresses, telephone numbers and fax numbers of the principal officers (president, vice president and treasurer) or other persons representing the Bidder during the RFP process.
 3. Specify the legal status of the Bidder (corporation, partnership, non-profit, etc.) and the year the entity was organized to conduct business as it now exists.
 4. Include the F.E.I.N. or Social Number of the bidding entity.
 5. If the Bidder or any party named has contracted with Two Harbors Enterprises in the past sixty (60) months please indicate the name of the party, the contract number and description and/or any other information available to identify the contract.

Bank and Business References – The Bidder must provide the company names, addresses, telephone numbers and contact persons of three (3) bank or financial references maintained by the Bidder. If unable to provide three references, please explain.

Site Management – Please provide the following:

1. Example(s) or evidence of the Bidder's ability to manage and maintain a recreational or similarly used facility;
2. Provide an organizational chart indicating the lines of authority for persons that would be involved with the management, maintenance and use oversight of the Ballast Point facility;
3. Identify the individual(s) that would have final authority for the use and management of the facility.

Lease Proposal – Exhibit C must be used for the submittal of the lease proposal. Additional information related to the topic may be included if it is essential to convey the intent of the proposal. As noted in Section 6 - Terms and Conditions, the Owner's General terms and Conditions must be used and in no event is a Bidder to submit its own standard contract terms and conditions as a response to this RFP. However, the Owner may consider modifications if the Bidder can provide strong reasoning for alternative language.

Documentation – The following documents are required:

1. Verification that you are a marine based operation.
2. Show active Club membership including % of members that own marine vessels and % of members that have a Catalina Island Conservancy membership.
3. Past three (3) years financial statements or other acceptable proof of financial stability.
4. Provide a brief historical overview of the Club including but not limited to:

- a) Clubs Founders
 - b) When and where the Club began
 - c) Clubs location(s) (pictures will be accepted)
 - d) Statistics on membership growth
 - e) Clubs achievements
 - f) Clubs Mission
5. Current certificates of liability and workers compensation insurance.

8 - Selection Process and Notification

Evaluation – All proposals received by the stated deadline will be reviewed to ensure the Bidders meet the minimum requirements and that the proposals contain all of the information requested in this RFP. Any Bidder / proposal that does not meet the requirements set forth in the RFP will be rejected as non-responsive and the Bidder will be notified in writing the week of March 14, 2011, via certified letter at the business address required in Section 7 of this RFP. Those proposals that meet the requirements will be forwarded to a selection committee for further review.

The selection committee will evaluate and rank the proposals based on the requirements set forth in the RFP and any addenda that have been issued.

Notification – Two Harbors Enterprises will make the award decision within thirty (30) days of the submittal date. All Bidders will be notified in writing the week of March 14, 2011, via certified letter at the business address required in Section 7 of this RFP.

Confidentiality – The parties agree to keep the name, negotiations and agreements related to the terms of any proposal and any subsequent arrangements strictly confidential unless mutually and specifically agreed to otherwise.

9 - Joint Use

The Ballast Point facility has five one time only reserved weekends on it's books. The new tenant has the right to charge a minimal fee for the usage of the facility to other yacht clubs or boating originations excluding the noted reserved dates. The landlord would like to reserve the right to rent the facility when it is not in use by the bidder for special events.

Weekends previously booked for 2011 are:

1. June 10, 11, 12
2. July 14, 15, 16, 17
3. August 19, 20, 21

4. September 9, 10, 11
5. October 14, 15, 16

10 - Exhibits

Photos

Bidder's Certificate (Exhibit A)

Lease Proposal (Exhibit B)

Sample of Comparable Lease (electronic PDF available upon request)

**View from road
above**





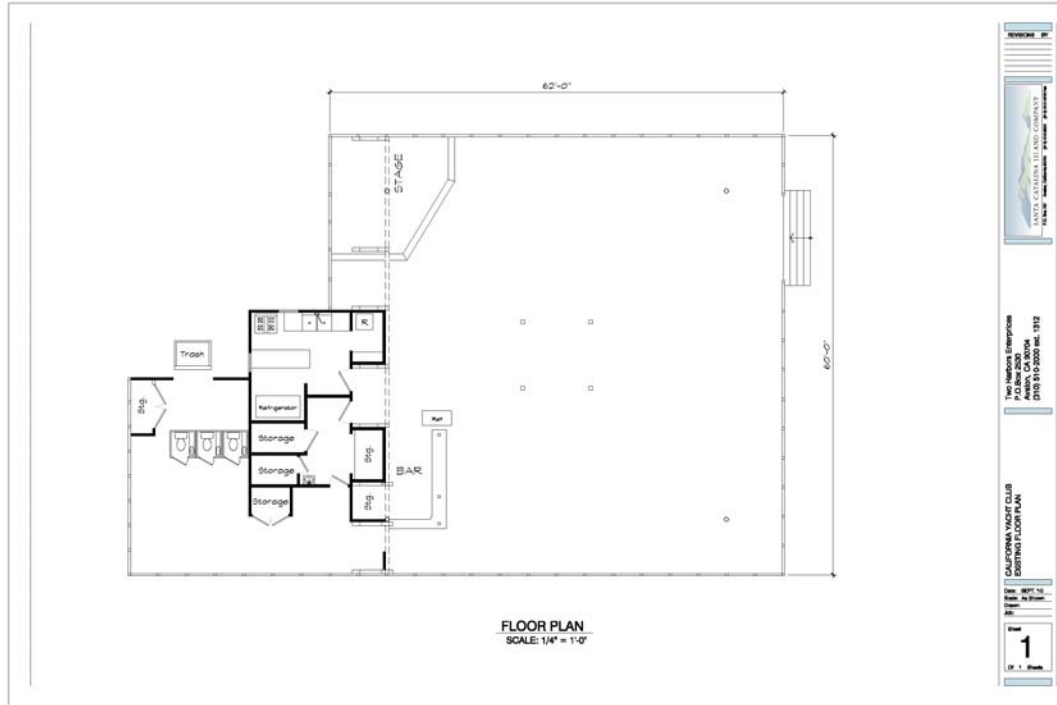
Deck and BBQ area



Pier and Dinghy Dock



Site Plan



View from Deck to the Cove



EXHIBIT A
Bidders Certificate

On the behalf of the Bidder named herein, I, as and individual authorized by said Bidder to make binding agreements, make the following statement of assurances as a required element of the proposal to which it is attached, understanding that the truthfulness of the facts affirmed here and the continuing compliance with these requirements are conditions precedent to the award or continuation of any related contract(s):

1. The Bidder warrants that, in connection with this procurement:
 - All information presented in this proposal is true, correct and complete to the best of the Bidder's knowledge.
 - No attempt has been made or will be made by the bidder to induce any other person or firm to submit or not to submit a proposal for the purpose of restricting competition.
2. The Bidder agrees that the attached proposal is a firm offer for a period of 60-days following receipt, and it may be accepted by Two HARBORS ENTERPRISES without further negotiation, at any time within the 60-day period.
3. The Bidder agrees that this proposal is a binding and enforceable commitment of the Bidder's plan to perform according to the terms of this RFP and the proposal submitted in response to the RFP.
4. The Bidder understands that TWO HARBORS ENTERPRISES will not reimburse the Bidder for any costs incurred in the preparation of this proposal or participation in an oral presentation.
5. The Bidder agrees that the proposal submitted in response to the RFP becomes the property of TWO HARBORS ENTERPRISES and the bidder claims no proprietary right to the ideas, writings, items, or samples.
6. The Bidder grants permission to Two HARBORS ENTERPRISES to contact all business references provided in this proposal, or others that may have pertinent information.
7. By signing this form, the Bidder certifies agreement to all of the terms and conditions contained in the RFP and contract.

Signature

Date

Title

Mailing Address

Bidder

e-mail

Exhibit C
Lease Proposal

Attachments will be accepted. Add or omit numbered lines as necessary.

Explain your Clubs vision of Ballast Point:

List of Proposed Capital Improvements:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____

Value of Capital Improvements:

1. \$ _____	5. \$ _____
2. \$ _____	6. \$ _____
3. \$ _____	7. \$ _____
4. \$ _____	8. \$ _____

Timeline for Capital Improvements:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____

List of Proposed Programs (if any) you plan to implement at Ballast Point:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____

Other Offerings:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____

Explain why your organization is the strongest tenant candidate for Ballast Point:

Estimate Annual Lease Value to your Club: \$ _____/year.

Long-term Lease Requested: _____ years.