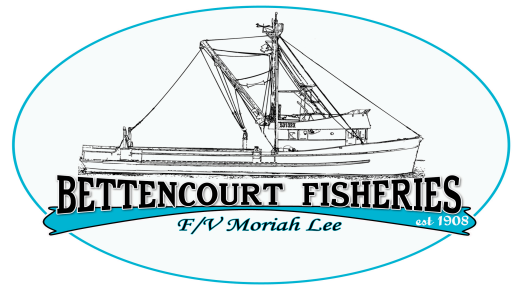


# Bettencourt Fisheries

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September 10, 2012

Dear Mr Grenell:

This letter is to follow up to our letter of 8/8/12 and the proposal by Bettencourt Fisheries for a fourth Johnson Pier lease that was submitted on 8/22/12. Please inform us in writing within one week whether or not you intend to enter into negotiations to finalize a lease.

It has been more than ten years since the San Mateo County Civil Grand jury recommended that the harbor seek opportunities to improve the terms of its leases to generate more income. The final 2001 Grand jury report included the following:

*"There is, however, major dissension among the Commissioners. There has been refusal to participate in discussion of, and vote upon, some issues, and frequent airing of complaints outside Commission meetings. This dissension distracts the Commissioners and the District Manager from properly conducting District business. For example, some of the District leases, entered into some years ago, are not providing optimum revenue."*

Frankly, it seems that nothing has changed since the last Grand Jury investigation. It appears that the district waited 10 years to post a public notice that would implement the Grand Jury recommendation that *"The District should seek opportunities to improve terms of its leases to generate more income"* and then the District did not adhere to the terms of that public notice, or make the most economically sound choice for awarding leases.

We have consistently offered better economics and terms, and continue to offer an enhanced opportunity for a fourth revenue generating location, to which you have so far refused to respond to. Neither we, nor the public has ever been given any substantial reason for the refusal to award a lease, which is clearly in the best interests of the County.

We remain willing and interested to negotiate and finalize a lease and to execute a full and complete release of all claims against all persons and public entities connected with this matter.

Please give us your prompt response.

Very truly yours,

Geoff Bettencourt and Lisa Bettencourt-Damrosch  
Bettencourt Fisheries