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VIA EMAIL smcgrath@smharbor.com

San Mateo County Harbor Board of Commissioners c/o Steve McGrath General Manager San Mateo County Harbor District P.O. Box 1449 El Granada, CA 94019

Re: Three Captains' demand for mediation as required before arbitration

## Dear Commissioners:

Three Captains demands mediation under Sections 34.2 and 34.3 of your lease with Three Captains. This is the required first step before Three Captains may arbitrate its claims for breach of contract, breach of the covenant of good faith and fair dealing, and unfair business practices resulting from the Harbor District's refusal to provide Three Captains with its second hoist. Under the lease terms, the mediation should be conducted in the next 30 days.

I have suggestions for mediators, but welcome your suggestions so that we can select a mediator who has credibility with you.

Very truly yours,

George Wailes

**Enclosures**