



THE CITY OF SAN DIEGO

October 28, 2014

Ocean Industries, Inc.
Attn: Christopher Chase, General Counsel
2716 Ocean Park Boulevard, Suite 2025
Santa Monica, CA 90405

Reference: CORPORATION GRANT DEED – Ocean Industries, Inc., successor by merger to WISD, Inc., formerly known as Watt Industries/San Diego, Inc., to The City of San Diego; San Diego Recorder's Document No. 83-382964 on October 24, 1983 ("Deed")

Dear Mr. Chase:

This letter is requesting the cooperation of Ocean Industries, Inc. ("Ocean") in making a restatement of its approved exceptions to the property-use restrictions contained in the above-referenced Deed.

As you know, the Deed granted The City of San Diego ("City") certain land in the Fairbanks Ranch area for use as a country club, golf course and open space. The City has been leasing a portion of the land, referred to in the Deed as the "Affected Land," for equestrian, polo, soccer and other purposes allowed under the Deed and by that certain letter ("Letter") dated August 5, 2002, from Christopher Chase to Tim C. Rothans, the City's Deputy Director of Real Estate Assets at the time. I have enclosed copies of the Deed and the Letter for your reference.

The City now intends to issue a Request for Proposals and negotiate a long-term lease of the Affected Land.

Ocean has represented to the City that Ocean is the successor in interest to Watt Industries/San Diego, Inc., the Grantor under the Deed. Accordingly, for clarity moving forward and to allow some latitude in the use of the Affected Land, the City would like to establish certain Ocean-approved exceptions to the Deed's use restrictions without being tenant-specific. This will greatly facilitate the Request for Proposals and futures lease transactions.

Pursuant to Deed section 5 (which allows the Grantor to consent to otherwise prohibited uses occurring on the Affected Land), the City proposes the following list of allowed uses of the Affected Land, which shall supersede the Letter:

1. Exhibitions (e.g., horse shows, dog shows, sports equipment testing/exhibitions/shows) and consecutive-day sporting/athletic tournaments ("Events"); provided that there shall be no more than twenty-five (25) such Events per calendar year cumulatively (not each).
2. Soccer, polo, lacrosse, and other sports practice and play, youth sports practice and competitions, and single-day sporting tournaments.
3. Seasonal holiday sales (e.g., Christmas tree and pumpkin sales).

Real Estate Assets Department

1200 Third Avenue, Suite 1700, MS 51A • San Diego, CA 92101-4199
Tel (619) 236-6020 Fax (619) 236-6706

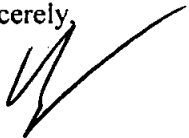
4. Parking and restrooms for uses such as those stated above and other incidental support facilities as reasonably required.
5. Up to (but not exceeding) six (6) livestock superintendents/groundskeepers living on site.

Ocean's consent to the foregoing will be subject to the following:

- A. Ocean's permission for the above uses, notwithstanding the Deed, will be valid until expressly revoked by Ocean or its successor-in-interest as "Grantor" under the Deed by written notice to City or its successor-in-interest as "Grantee" under the Deed, and need not be renewed annually or otherwise.
- B. City or City's tenant, whichever is in possession of the Affected Land at any time and from time to time, may decide (with whatever review/approval the City wants to maintain) the dates, terms, sponsors and organizers of each of the above allowed uses consistent with such entity's financial needs.
- C. The consent will be valid only for the Affected Land.

If Ocean agrees with this proposal, please have an authorized officer of the corporation sign below and return this letter to me for the City's records. Your assistance and cooperation with this matter is greatly appreciated.

Sincerely,

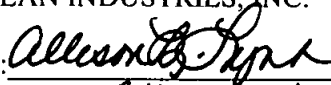

Cybele Thompson
Director, Real Estate Assets

Enclosures

cc: Kristi Geitz, Deputy Director
Heide E. Farst, Property Agent

THE UNDERSIGNED CONSENTS TO THE FOREGOING
AND AGREES TO AND ACCEPTS THE TERMS OF THIS
LETTER:

OCEAN INDUSTRIES, INC.

BY:  DATE: 11/3/14
NAME: Allison M. Lynch
TITLE: V.P.