

CONSENT TO CONCESSION AGREEMENT

THIS CONSENT TO CONCESSION AGREEMENT ("Consent") is provided by THE CITY OF SAN DIEGO, a California municipal corporation ("City"), to BARTELL HOTELS, a Limited Partnership, d.b.a. DANA INN & MARINA ("Lessee/Concessioner"), to be effective upon execution by City and approval by the San Diego City Attorney, as follows:

RECITALS

- A. City and Lessee/Concessioner entered into a City of San Diego Percentage Lease ("Agreement") filed as document RR-294161 in the Office of the San Diego City Clerk, relating to that certain City-owned real property located in the City of San Diego, County of San Diego, State of California, commonly known as the "Dana Inn and Marina," located in Mission Bay Park ("Property")
- B. Lessee/Concessioner now desires to issue a concession agreement to use a portion of the Property to Adventure Water Sports, a Delaware Limited Liability Company ("Concessionaire").
- C. The Agreement requires City to consent to sublease use by another person of any portion of the Property.

NOW, THEREFORE, for valuable consideration the receipt and sufficiency of which is acknowledged, City provides its Consent subject to the following:

- 1. Subject to the terms and conditions herein, City hereby consents to Lessee/Concessioner's request to issue a concession agreement to use a portion of its right, title and/or interest in and to the Agreement to Concessionaire. By giving this Consent, City is merely consenting to the concession agreement. All terms and conditions of the Agreement shall control and supersede any inconsistent or contrary provisions in any concession agreement executed between Lessee/Concessioner and Concessionaire, except as otherwise approved herein; and
- 2. City's Consent is conditioned upon Concessionaire's written agreement that it will assume all rights and obligations as "Lessee" under the Agreement; and
- 3. City does not release, discharge or modify Lessee/Concessioner's obligations to City under the Agreement. As set forth in applicable law, Lessee/Concessioner's obligations under the Agreement shall survive said concession agreement and shall continue through the termination dates of the Agreement, as set forth therein; and
- 4. This Consent does not constitute consent to any subsequent concession agreement to use of any right, title and/or interest in and to the Agreement.
- 5. Lessee/Concessioner agrees to pay City any applicable processing and/or administrative fee(s) for processing this Consent.
- 6. City shall not be liable for any brokerage commission or finder's fee in connection with the consummation of the concession agreement. Further, Lessee/Concessioner agrees to protect,

defend, indemnify, and hold City, its elected officials, officers, representatives, agents, and employees harmless from and against any claim for any brokerage commission or finder's fee related to the consummation of this Consent, and from and against any cost or expense (including without limitation attorney fees) incurred by City in resisting any claim for any such brokerage commission or finder's fee.

IN WITNESS WHEREOF, this Consent to a concession agreement is executed by City acting by and through its Mayor, or his designee.

THE CITY OF SAN DIEGO, a California municipal corporation

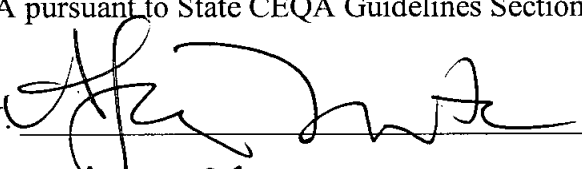
Date: 4/25/16

By: 
Cybele Thompson
Director, Real Estate Assets Department

Planning Department - Environmental Clearance:

This activity is categorically exempt from CEQA pursuant to State CEQA Guidelines Sections 15301 (Existing Facilities).

Date: 4/20/16

BY: 
Name: Alyssa Muto

Title: Deputy Director, Environment & Policy Analysis
Planning Dept.

Approved as to form this 5th
day of May, 2016

JAN I. GOLDSMITH, City Attorney

BY: 
Name: Hilda R. Henderson
Title: Deputy City Attorney



Date of Notice: April 20, 2016

NOTICE OF RIGHT TO APPEAL ENVIRONMENTAL DETERMINATION

PLANNING DEPARTMENT

WBS# OR IO: N/A

PROJECT NAME/NUMBER: CONSENT TO SUBLEASE, THE DANA ON MISSION BAY/N/A

COMMUNITY PLAN AREA: MISSION BEACH

COUNCIL DISTRICT: 2

LOCATION: 1710 WEST MISSION BAY DRIVE, SAN DIEGO, CA 92109

PROJECT DESCRIPTION: Authorization of concession sublease agreements associated with Bartell Hotels (DBA Dana Inn & Marina) for Adventure Water Sports and Kathleen Culora. The sublease with Adventure Water Sports will allow the concessionaire to operate the existing concession of renting motor boats, ski boats, fishing boats, pedal boats, aqua sails, kayaks, personal watercraft, bicycles, roller blades, and scooters at The Dana. The sublease with Kathleen Culora will allow the concessionaire to operate the business of selling goods at the existing gift shop at The Dana.

ENTITY CONSIDERING PROJECT APPROVAL: City of San Diego

ENVIRONMENTAL DETERMINATION: Exempt per CEQA Section 15301

ENTITY MAKING ENVIRONMENTAL DETERMINATION: City of San Diego Planning Department Environmental Designee

STATEMENT SUPPORTING REASON FOR ENVIRONMENTAL DETERMINATION: The City of San Diego conducted an environmental review and determined the project is exempt from CEQA pursuant to State CEQA Guidelines Section 15301, Existing Facilities which allows for, among other activities, the leasing, licensing or minor alteration of existing public or private facilities, involving negligible or no expansion of use; and where the exceptions to the exemptions listed in CEQA Guidelines §15300.2 would not apply. This project would not impact sensitive resources.

CITY CONTACT: Vladimir Balotsky
MAILING ADDRESS: 1200 3rd Avenue, Ste 1700
San Diego, CA 92101
PHONE NUMBER: (619) 235-5248

On April 20, 2016 the City of San Diego made the above-referenced environmental determination pursuant to the California Environmental Quality Act (CEQA). This determination is appealable to the City Council. If you have any questions about this determination, contact the City Contact listed above.

Applications to appeal CEQA determination to the City Council must be filed in the office of the City Clerk within 10 business days from the date of the posting of this Notice (May 4, 2016). The appeal application can be obtained from the City Clerk, 202 'C' Street, Second Floor, San Diego, CA 92101.

This information will be made available in alternative formats upon request.

Concession Agreement

This Agreement made and is effective this 1st of September 2015, by and between the Dana on Mission Bay (herein after called "The Dana") and Adventure Water Sports, a Delaware Limited Liability Company (herein after called "Concessionaire").

Witnesseth

Whereas, the Dana leases from the City of San Diego certain real property located at the 1710 West Mission Bay Drive, San Diego, California 92019, referred to herein as the Dana on Mission Bay ("The Dana")

Whereas, Concessionaire is desirous of obtaining the concession renting of Motor Boats, Ski Boats, Fishing Boats, Pedal Boats, Aqua Cycles, Sail Boats, Kayaks, Personal Watercraft, Bicycles, Roller Blades, and Scooters at The Dana

Now, Therefore, it is here by covenanted and agreed by the parties as follows:

1. Nature of Agreement

This agreement confers a license on the concessionaire to use the portion of the Dana property as is described herein for the purposes of this agreement. This agreement does not constitute a lease of premises.

2. Grant of License

During the term of hereof the Dana grants to concessionaire a license to operate the business of renting, but not limited to Motor Boats, Ski Boats, Fishing Boats, Pedal Boats, Aqua Cycles, Sail Boats, Kayaks, Personal Watercraft, Bicycles, Roller Blades, and Scooters at the Dana within the area designated in Exhibit "A".

3. Maintenance of Improvements

The Dana shall, at its sole cost and expense, maintain all structures and other improvements, which have been constructed for concessionaire to conduct business. The maintenance includes but is not limited to painting, repairing and generally maintaining the improvements and surrounding areas. Concessionaire shall be responsible for keeping the designated area clean and free of any safety hazards.

4. Term

The term of this agreement will be for a period of five (5) years commencing on the 1st day of September 2015.

5. Providing Service

Concessionaire shall at all times during the term of this agreement, at its cost, adequately furnish, stock and equip the designated area with the proper equipment and supplies so as to

meet the demand of the rentals thereof. Such equipment shall include but not be limited to Motor Boats, Ski Boats, Fishing Boats, Pedal Boats, Aqua Cycles, Sail Boats, Kayaks, Personal Watercraft, Bicycles, Roller Blades, and Scooters. Concessionaire agrees to make regular safety checks of the equipment to ensure that it is in proper working order. The Dana shall be responsible for all power and water bills related to the operation of the rental office. This does not include the charging of electric vehicles. Concessionaire shall be responsible for the payment of all costs of the telephone including service and use fees.

Concessionaire shall be solely responsible for all salaries, wages, workmen's compensation insurance, payroll taxes, social security taxes and similar taxes and other compensation. All such employees and personnel shall be employees of concessionaire and shall be required by concessionaire to wear Dana approved uniforms conforming to the Dana standards; the cost of acquiring, furnishing and maintaining such uniforms shall be borne by concessionaire.

Concessionaire hereby agrees to hold harmless and indemnify The Dana, and their respective officers, directors, shareholders, partners, employees, agents and attorneys from any claims for wages or compensation, workmen's compensation insurance payment, and payroll taxes of and connection with the operation of the concession contemplated hereby.

6. Hours of Operation

Concessionaire shall remain open for operation and stand ready, willing and able to rent equipment during the minimum days and time below:

Seven days a week: Summer Hours 8:00am-6:00pm / Winter Hours: 9:00am- 4:00pm

Concessionaire shall not be required to remain open for operation during times of rain or similar severely adverse weather conditions.

7. Permits and Licenses

Other than the consent of the City of San Diego to this agreement, which the Dana use its best efforts to obtain, solely in its capacity as lessor under the ground lease for the Dana, concessionaire shall obtain and maintain at its sole cost during the term hereof all necessary permits and licenses to conduct the concession.

8. Compliance with the Law

Concessionaire will not conduct nor permit to be conducted any unlawful business, occupation or activity in the designated area and shall at all times comply with all City, County, State and Federal laws, ordinances, rules and regulations.

9. Payment of Concession Fee

Concessionaire shall pay to The Dana a monthly rent fee of \$1,300.00 and a sum equal to then percent (10%) of its gross rental receipts made in, upon or from the concession adjusted on a monthly basis. The Dana is responsible for all fees paid to city specified in their lease. If the City of San Diego increases the percentage rent for the concessionaire or and activities conducted by the concessionaire of the sublease, concessionaire shall be responsible for such increase.

Concessionaire shall present to the Dana on Mission Bay a statement certified by concessionaire to be true and correct and showing the gross rentals on the tenth day of the following month as herein and set forth. Payment shall be made within 10 days after the end of each month during the term of this agreement.

10. Insurance

Concessionaire shall be insured by an insurance carrier acceptable to the LESSEE and CITY against loss from public liability arising from the use or condition of or operation conducted on the license premises. Minimum coverage shall be two million (\$2,000,000.00) COMBINED SINGLE LIMIT LIABILITY. A copy of the policy of insurance shall be filed with CITY and shall name "The City of San Diego, its elected officials, officers, representatives, agents, and employees" as well as the Dana on Mission Bay as additional insured. Said policy shall specify that the policy may not be terminated, altered or canceled without sixty (60) days prior written notice to the CITY and the Dana on Mission Bay by the insurance company.

11. Acts of God

Neither party hereto shall be responsible or deemed in default by reason of and inability to perform its obligations hereto due to acts of God, or the public enemy; epidemics or insurrections or riots; fire, flood, explosions, earthquakes or serious accidents, epidemics or quarantine restrictions.

12. Attorney Fees

In the event of any proceedings by either party hereto to enforce the terms and provisions of this agreement, whether or not suit is instituted in connection therewith the prevailing party shall be entitled, in addition to all other relief granted or awarded in any action or proceedings, to a reasonable sum of attorneys' fees and costs incurred in connection therewith.

13. General Provision

- a) If any term, provision, covenant or condition of this agreement should be held by a court or competent jurisdiction to be invalid, void or unenforceable, the remainder of this agreement shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby.
- b) The laws of the State of California shall govern the validity, construction and effect of this agreement,
- c) It is expressly agreed that there are no oral representations, understanding, stipulations, agreement or promises pertaining to this agreement not incorporated in written herein, shall be of no force or affect; and it is agreed that this agreement shall not be altered, waived, or amended.
- d) The signers of this agreement represent and warrant that they have the authority to enter into this agreement on behalf of the respective parties.

14. Indemnity, Hold Harmless

Concessionaire shall assume the defense of, indemnify and hold harmless LESSEE and CITY from all claims, expenses and liability of every nature, directly or indirectly arising from, or alleged to have arisen from the operations conducted on the licensed premises, the condition of the premises or from any act or omission of the concessionaire, his agents and invitees; provided, however, concessionaires' duty to indemnify and hold harmless shall not include any claims or liability arising from the established active negligence, sole negligence, or sole willful misconduct of the CITY, its agents, officers, or employees.

15. Assignment, Sub-leasing, Early Termination

The Dana on Mission Bay is relying on the experience and goodwill of Jim McCoy, principals of concessionaire, in entering into this agreement. In the event the Mr. McCoy is no longer

actively managing the day to day operations of concessionaire at the Dana on Mission Bay, the Dana on Mission Bay may, as its sole option, terminate this agreement. Furthermore, concessionaire shall not assign the concession agreement, the license granted to concessionaire, or sublet the premises or any part thereof without the prior written consent of LESSEE and the City of San Diego. An assignment by operation of law shall automatically terminate this lease.

16. Assumption of Rights and Obligations

Concessionaire agrees to assume the rights and obligations of the Master Lease pursuant to the Concession Agreement and to perform all contracts, conditions and provisions of the Master Lessee applicable to the rights acquired.

Executed at San Diego, California on the date below written.

The Dana on Mission Bay

By:

Kevin Konopack

Name:

KEVIN KONOPACK

Date:

8/31/15

Adventure Water Sports, A Delaware Limited Liability Company

By:

Jim McCoy

Name:

Jim McCoy

Date:

9-1-15

EXHIBIT C

Water Sport Operating Plan

Adventure Water Sports, LLC www.adventurewatersports.com 1710 West Mission Bay Dr, San Diego, CA 92109 Office Phone Number: 619.226.8611 Email: jim@adventurewatersports.com

Overview of Adventure Water Sports (AWS)

Owned by Jim and Amy McCoy, AWS has successfully operated water sport rental locations on Mission Bay for over 20 years. Operations include:

- The exclusive water sport concessions at The Dana Hotel on Mission Bay and Campland on the Bay
- Wave Runner Rentals
- Aqua Cycle Rentals
- Paddle Board Rentals
- Power Boat Rentals
- Bicycle Rentals

Operational Guidelines

AWS will adhere to all directions provided by lifeguards, other representatives of the CITY of San Diego, or any other officer with authority to enforce local, state or federal law.

Identifying Markers

AWS employees wear a company shirt with a logo in clear view, as authorized employees and/or agents of the company.

Concession Site/Location

All business transactions are conducted at the AWS storefront address. All contracts are completed at the storefront address as well as all safety training.

Water Activity Zones and Areas of Special Interest

All AWS water sport rentals will adhere to San Diego Municipal Code (63.20.9) defining rules for boat beaching and launching.

Equipment

AWS shall maintain all water sport and operational equipment in sound working order and condition.

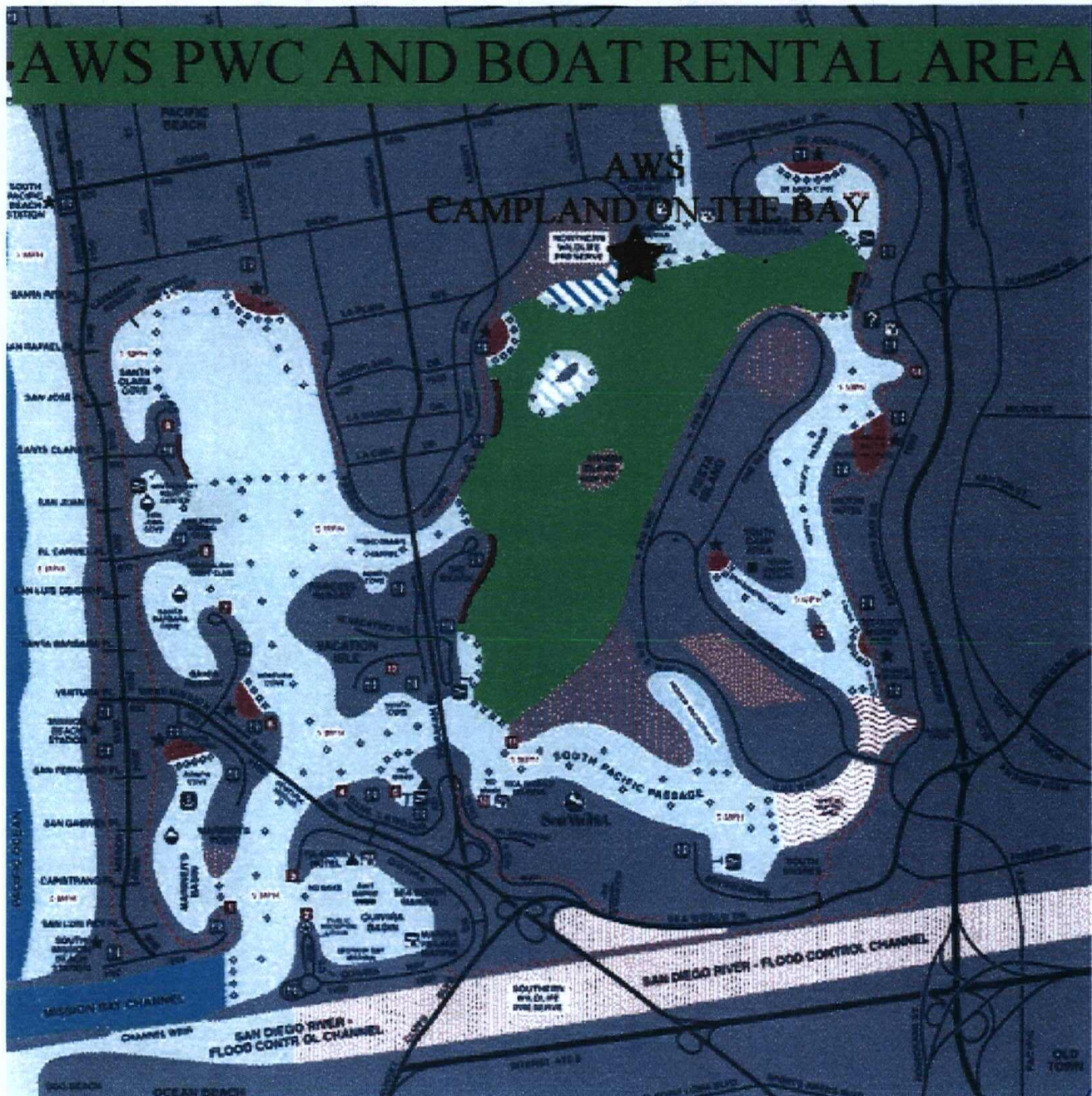
Waivers

AWS will have on file a signed waiver from each participant, or their legal guardian if under 18 years of age, which holds the CITY, its agents, officers and employees harmless and indemnifies the same from any claims relating to the participants' activities on the CITY beach which arise from or are in any manner connected with the services provided to the participants under this Agreement.

Safety Precautions/Emergency Response Plan

AWS will maintain a record of the client's name, local contact number and type of equipment rented. AWS will make clients aware of know hazards, off limits areas and CITY of San Diego Municipal Code (63.20.2) Water Activity Zones and that any violations may result in a citation and/or injury. AWS shall provide a properly fitting U.S. Coast Guard approved Type III or Type V personal flotation device to each client as required.

Adventure Water Sports Personal Water Craft and Boat operations area on Mission Bay



CITY OF SAN DIEGO
LESSEE'S AND SUBLESSEE'S QUESTIONNAIRE
FOR ALL LEASES, ASSIGNMENTS AND SUBLEASES

Pursuant to the City of San Diego City Charter Section 225: "Mandatory Disclosure of Business Interests," before the City will process requests to (Sub)Lease, all information requested in this Questionnaire must be completed by the proposed (Sub)Lessee. Even though a proposed Sublessee may complete the Questionnaire, the Questionnaire must be delivered or mailed to the City with a cover letter signed by the City Lessee or proposed Lessee. **THE CITY WILL NOT ACCEPT THE QUESTIONNAIRE, DOCUMENTS, OR OTHER INFORMATION DIRECTLY FROM A SUBLESSEE**

All information furnished in this Questionnaire must be complete and accurate. Omissions, inaccuracies, or misstatements may cause the rejection and/or subsequent revocation of the City's Lease, consent to Sublease, or consent to Assignment of (Sub)Lease.

In submitting this Questionnaire, the proposed (Sub)Lessee completing the Questionnaire authorizes the City to make any inquiry or investigation it believes necessary to substantiate or supplement the information furnished in the Questionnaire, and authorizes others to release such information to the City.

Exact name of existing Lessee (always complete):

The Dana on Mission Bay

Exact name of proposed Lessee (complete only if applicable):

Exact name of existing Sublessee (complete only if applicable):

Adventure Water Sports, LLC

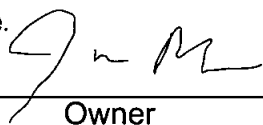
Exact name of proposed Sublessee (complete only if applicable):

Adventure Water Sports, LLC

Date this Questionnaire completed: August 30, 2015.

The information furnished in and with this Questionnaire is true, complete, and correct to the best of my knowledge.

Signature:



Title:

Owner

Thank you for taking the time to complete the Questionnaire. Lessees may contact Real Estate Assets if they have any questions. Please return the completed Questionnaire, with any additional information or documents to:

REAL ESTATE ASSETS DEPARTMENT
1200 THIRD AVENUE STE. 1700
SAN DIEGO, CA 92101
TEL.: (619) 236-6020 FAX: (619) 236-6706

This Questionnaire contains 15 pages.

PROPOSED (SUB)LESSEE

1. Name of proposed (Sub) Lessee exactly as it will appear on the actual tenancy document:

Adventure Water Sports LLC

2. Mailing Address of proposed (Sub)Lessee for purposes of notice or other communication relating to the proposed tenancy:

4503 Kane Street, San Diego, CA 92110

Telephone No.: 619-857-6611 Fax. No.: _____

E-mail Address: jim@adventurewatersports.com

3. Billing Address (***only if different from Mailing Address***):

Telephone No.: 619-226-8611 Fax. No.: _____

4. Proposed (Sub)Lessee intends to operate as a:

Sole Proprietorship (); Partnership (); Corporation ();

Limited Liability Company (☒); Other _____

Explain if necessary:

5. Effective date of assignment (complete only if applicable): _____

PARTNERSHIP STATEMENT

If proposed (Sub)Lessee is a partnership, please answer the following:

1. Date of Organization: _____
2. General Partnership ()
Limited Partnership ()
Other () Explain _____
3. Statement of Partnership recorded: Yes () No ()

Date	Book	Page	County
4. Has the partnership conducted business in San Diego County?
Yes () No () If so, when? _____
If so, where? _____
5. Name, address, and partnership share of each general and limited partner. If a general partner is another partnership, a corporation, or a limited liability company (LLC), please complete separate pages 3; or 4 and 5; or 6, as appropriate for such entity (type proposed [Sub]Lessee name [from page 2] on the top of each page for identification purposes). If a limited partner holding a 10% or greater interest is another partnership, a corporation, or an LLC, pages 3; or 4 and 5; or 6 must also be completed for such entity (type proposed [Sub]Lessee name [from page 2] on the top of each page).

General/Limited	Name	Address	Share %

6. Attach a complete copy of the Partnership Agreement. If a Partnership Agreement has been previously submitted, a new Partnership Agreement need be submitted only if the Partnership Agreement on file with the City is no longer current.

CORPORATION STATEMENT

If proposed (Sub)Lessee is a corporation, please answer the following:

1. Type of corporation: C () Subchapter S ()
2. When incorporated? _____
3. Where incorporated? _____
4. Is the corporation authorized to do business in California? Yes () No ()
If so, as of what date? _____
5. The corporation is held:
 - a. Publicly () Privately ()
 - b. If publicly held, how and where is the stock traded?

6. Please list the following:

	<u>Authorized</u>	<u>Issued</u>	<u>Outstanding</u>
a. Number of voting shares:	_____	_____	_____
b. Number of nonvoting shares:	_____	_____	_____
c. Number of shareholders:			_____
d. Value per share of Common Stock:		Par	\$ _____
		Book	\$ _____
		Market	\$ _____
7. Please furnish the name, title, address, and the number of voting and nonvoting shares of stock owned by each officer and, in addition, the same information for each stockholder owning more than 10% of any class of stock.

Name: _____
Title: _____
Address: _____

No. of Shares: _____

Name:	_____
Title:	_____
Address:	_____

No. of Shares:	_____
Name:	_____
Title:	_____
Address:	_____

No. of Shares:	_____
Name:	_____
Title:	_____
Address:	_____

No. of Shares:	_____
Name:	_____
Title:	_____
Address:	_____

No. of Shares:	_____

(Additional page(s) may be added if needed to complete list of stockholders [type proposed (Sub)Lessee name (from page 2) on the top of each page].)

8. Attach complete copies of the Articles of Incorporation (and any Certificate(s) of Amendment thereto, as the case may be) of the Corporation, and the Bylaws of the Corporation (and any Amended and Restated Bylaws, as the case may be), and any other applicable Corporate documents.

Any partnership, corporation, or LLC owning more than a 10% ownership interest must also complete separate pages 3; or 4 and 5; or 6, as appropriate for each entity (type proposed [Sub]Lessee name [from page 2] on the top of each page for identification purposes). Also, furnish the financial data for such partnership, corporation, or LLC, as required on page 7. If there is an ownership chain of additional partnerships, corporations, or LLCs, the above requirements extend to each such entity having either: (1) a 10% or greater direct, indirect, beneficial ownership, or membership interest in

the proposed (Sub)Lessee; or (2) effective control of the proposed (Sub)Lessee, regardless of the percentage of ownership or membership interest.

LIMITED LIABILITY COMPANY STATEMENT

If the proposed (Sub)Lessee is an LLC, please answer the following:

1. Date of Organization: 1995
2. Where Organized: Delaware
3. Is the Company authorized to do business in California?
 - a. Yes (☒) No (☐)
 - b. If so, as of what date? 1995
4. Has the Company conducted business in San Diego County?
 - a. Yes (☒) No (☐)
 - b. If so, when? 1995
 - c. If so, where? Campland on the Bay and The Dana Hotel
5. Please furnish the name, address, and membership share held by each manager and officer, and each member owning more than a 10% membership interest. If a member is a partnership, corporation, or another LLC, please complete separate pages 3; or 4 and 5; or 6, as appropriate for such entity (type proposed [Sub]Lessee name [from page 2] on the top of each page).

Manager/Officer/ Member	Name	Address	Share %
Officer	Jim McCoy	4503 Kane St, SD, CA 92110	99

6. Attach a complete copy of the Operating Agreement. If an Operating Agreement has been previously submitted, a new Operating Agreement need be submitted only if the Operating Agreement on file with the City is no longer current.

FINANCIAL AND OTHER BACKGROUND INFORMATION

FINANCIAL STATEMENT

(Sub)Lessee, general partners of (Sub)Lessee, owner-corporations of (Sub)Lessee, members of (Sub)Lessee owning more than a 10% membership interest, and any person or business entity guaranteeing the performance of (Sub)Lessee **must attach a complete report, prepared in accordance with good accounting practice, reflecting current financial condition.** The report **must** include a balance sheet **and** annual income statement. The person or entity covered by the report must be prepared to substantiate all information provided.

OTHER INFORMATION

Each (Sub)Lessee, each general partner of (Sub)Lessee, each owner-corporation of (Sub)Lessee, each member of (Sub)Lessee owning more than a 10% membership interest, any person or business entity guaranteeing the performance of (Sub)Lessee, any person or entity owning more than a 10% interest of (Sub)Lessee, and any guarantor of (Sub)Lessee must answer the following questions:

1. **Surety Information** - Has a surety or bonding company ever been required to perform on the default of any of the individuals or entities?
 - a. Yes () No (☒)
 - b. If yes, please attach a statement naming the surety or bonding company, date, amount of bond, and the circumstances surrounding said default and performance.
2. **Bankruptcy Information** - Have any of the individuals or entities ever been adjudicated bankrupt or are any presently a debtor in a pending bankruptcy action?
 - a. Yes () No (☒)
 - b. If yes, please give dates, court jurisdiction, and amount of liabilities and assets.
3. **Pending Litigation** - Are any of the individuals or entities presently a party to ANY pending litigation?
 - a. Yes () No (☒)
 - b. If yes, please provide detailed information for each action.
4. **Claims, Liens, or Judgments** - Are any of the individuals or entities now subject to any outstanding claims, liens, or judgments?
 - a. Yes () No (☒)
 - b. If yes, please provide detailed information for each claim, lien, or judgment.

REFERENCES FOR PROPOSED (SUB)LESSEE

Please list four persons or firms with whom you have conducted business transactions during the past three years. Two of the references must have knowledge of your debt payment history, with at least one being a financial institution. Two of the references must have knowledge of your business experience.

REFERENCE NO. 1

Name: Chris Craft

Firm: KPMG

Title: Partner

Address: 750 B Street #1500 San Diego, CA 92101

Telephone: 619-818-1500

Nature and magnitude of purchase, sale, loan, business, association, etc.:

Adventure Water Sports Accountant

REFERENCE NO. 2

Name: Wells Fargo Bank

Firm:

Title:

Address: 1302 Garnet Ave SD CA 92109

Telephone: 858-272-8824

Nature and magnitude of purchase, sale, loan, business, association, etc.:

All banking transactions

REFERENCE NO. 3

Name: Bob Vivers

Firm: KHS Bicycles

Title: Account Executive

Address: 2840 East Harcourt St. Rancho Dominguez, CA 90221

Telephone: 760-533-7639

Nature and magnitude of purchase, sale, loan, business, association, etc.:

Annually purchase inventory from KHS.

REFERENCE NO. 4

Name: Ted Zodima

Firm: South Bay Motor Sports

Title: Owner

Address: 1890 Auto Park Place San Diego, CA

Telephone: 619.420.2300

Nature and magnitude of purchase, sale, loan, business, association, etc.:

Purchase wave runners from them.

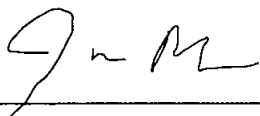
CITY OF SAN DIEGO PERSONAL DESCRIPTION AND RELEASE

PLEASE NOTE: All partners, both general and limited; all stockholders owning more than 10% of any class of stock of corporations; all members of a limited liability company; and sole proprietors requesting to (sub)lease, must each complete this page before the tenancy request can be processed. (You may reproduce and use copies of this page, if necessary.)

The following personal information is required to initiate a credit investigation. The business and personal reputation of principals, partners, and members will be considered in qualifying Lessees or in consenting to Sublessees.

First, Middle, & Last Name	<u>James Colin McCoy</u>
Date of Birth	<u>8/17/69</u>
Place of Birth	<u>San Diego, CA</u>
Social Security Number	<u>570-45-2768</u>
Driver's License Number/State	<u></u>
Home Address	<u>4503 Kane St</u>
	<u>San Diego, CA 92110</u>
Previous Address	<u>2329 Chicago St</u>
	<u>San Diego, CA 92110</u>
Home Telephone No.	<u></u>
Employer	<u>Adventure Water Sports</u>
Occupation	<u>Owner</u>
Business Address	<u>1710 West Mission Bay Dr</u>
Business Telephone No.	<u>619.226.8611</u>
Business Fax No.	<u></u>

The City is hereby authorized to request a credit report and other information covering my financial and business history.

Date 8/30/15 Signed 

Print or type exact name of proposed (Sub)Lessee from page 2 of Questionnaire:

METHOD OF OPERATION

Please describe your proposed business operation on the property to be (Sub)Leased. Discuss any optional services and uses which you propose to provide.

Adventure Water Sports offers boat and bike rentals including; ski boats, a pontoon boat, wave runners, stand up paddle boards, aqua cycles, pedal boats, kayaks and bicycles.

**PROPOSED METHOD OF FINANCING
DEVELOPMENT OR LEASEHOLD PURCHASE**

Describe the method of financing for the Leasehold purchase or any new or additional development on the Leasehold. Include a schedule of approximate dates when construction of each significant improvement is expected to be commenced and completed.

Will pay for any new inventory without financing.

ESTIMATE OF GROSS RECEIPTS

If this Questionnaire is being completed by a prospective Lessee, please show the best estimate of the average annual gross sales for each significant use or service, and for each significant optional use or service which the Lessee and its Sublessees (if any) plan to conduct on or from the property. (If the Questionnaire is being completed by a Sublessee, only the estimate of the Sublessee's gross sales is required.) This data will be used by the City to analyze the proposed Lease or Sublease Consent application. The time periods shown should not be assumed to necessarily represent the term of a (Sub)Lease that may be granted or consented to by the City.

Average annual gross sales for each proposed significant use during each of the first five operating years:

Year of Operation	Uses (Identify Each Use)				
	Rentals				
1	\$ 250,000	\$	\$	\$	\$
2	\$253,000				
3	\$255,000				
4	\$260,000				
5	\$270,000				

EXPERIENCE STATEMENT

Please describe in detail the duration and extent of your business experience, with special emphasis upon experience with the type of business which you propose to conduct on City property. Also state in detail the pertinent experience of the persons who will be directly involved in development and management of the business.

San Diego Native, Jim McCoy has over 25 years experience in the water sport rental industry. While attending San Diego State University, Jim was hired as the manager of the water sport rentals for CP Water Sports at the Hilton (CP is no longer at the Hilton). Upon graduating from SDSU, Jim created Adventure Water Sports and in 1995 opened the first AWS location at Campland on the Bay. By the end of the first year of assuming the management of the watercraft rental operation at Campland on the Bay; AWS achieved a 300% increase in gross revenue over the previous rental operation. Also a San Diego Native and a graduate of UCSD, Amy McCoy joined the AWS team full-time in 1999. Amy has played an integral role in growing AWS into one of the largest rental operations on Mission Bay with two locations; Campland on the Bay and The Dana. The success of AWS can be attributed to Jim and Amy's hands on approach to the business and a dedication to provide our customers with an outstanding experience by offering clean, dependable and affordable equipment with a focus on safety. Amy is able to bring a unique skill set to the water sport rental business as the only women in the industry on Mission Bay. The balance of perspectives and abilities of Jim and Amy offer an additional level of service with a fresh approach to the industry. AWS is a family run business; Jim and Amy are San Diego natives and are deeply rooted in San Diego which means they will be around for the long term to have hands on oversight of the operations.

**TERMS AND CONDITIONS OF PURCHASE, SALE,
OR TRANSFER OF (SUB)LEASEHOLD INTEREST**

(NOTE: Complete this page only if the transaction involves a Lease assignment.)

Please summarize the terms and conditions of the purchase, sale, or transfer of Leasehold interest(s) which requires City consent, as specified in the Assignment-Sublease provisions of the City Lease. Please attach copies of the applicable sales agreement(s), escrow instructions, assignment agreement(s), or other documents in conjunction with the sale, purchase, or transfer of the (Sub)Leasehold interest(s).

CONSENT TO CONCESSION AGREEMENT

THIS CONSENT TO CONCESSION AGREEMENT ("Consent") is provided by THE CITY OF SAN DIEGO, a California municipal corporation ("City"), to BARTELL HOTELS, a Limited Partnership, d.b.a. DANA INN & MARINA ("Lessee/Concessioner"), to be effective upon execution by City and approval by the San Diego City Attorney, as follows:

RECITALS

- A. City and Lessee/Concessioner entered into a City of San Diego Percentage Lease ("Agreement") filed as document RR-294161 in the Office of the San Diego City Clerk, relating to that certain City-owned real property located in the City of San Diego, County of San Diego, State of California, commonly known as the "Dana Inn and Marina," located in Mission Bay Park ("Property").
- B. Lessee/Concessioner now desires to issue a concession agreement to use a portion of the Property to Kathleen Culora ("Concessionaire").
- C. The Agreement requires City to consent to a use by another person of any portion of the Property.

NOW, THEREFORE, for valuable consideration the receipt and sufficiency of which is acknowledged, City provides its Consent subject to the following:

- 1. Subject to the terms and conditions herein, City hereby consents to Lessee/Concessioner's request to issue a concession agreement to use a portion of its right, title and/or interest in and to the Agreement to Concessionaire. By giving this Consent, City is merely consenting to the concession agreement. All terms and conditions of the Agreement shall control and supersede any inconsistent or contrary provisions in any concession agreement executed between Lessee/Concessioner and Concessionaire, except as otherwise approved herein; and
- 2. City's Consent is conditioned upon Concessionaire's written agreement that it will assume all rights and obligations as "Lessee" under the Agreement; and
- 3. City does not release, discharge or modify Lessee/Concessioner's obligations to City under the Agreement. As set forth in applicable law, Lessee/Concessioner's obligations under the Agreement shall survive said concession agreement and shall continue through the termination dates of the Agreement, as set forth therein; and
- 4. This Consent does not constitute consent to any subsequent concession of any right, title and/or interest in and to the Agreement.
- 5. Lessee/Concessioner agrees to pay City any applicable processing and/or administrative fee(s) for processing this Consent.
- 6. City shall not be liable for any brokerage commission or finder's fee in connection with the consummation of the concession agreement. Further, Lessee agrees to protect, defend, indemnify, and hold City, its elected officials, officers, representatives, agents, and

employees harmless from and against any claim for any brokerage commission or finder's fee related to the consummation of this Consent, and from and against any cost or expense (including without limitation attorney fees) incurred by City in resisting any claim for any such brokerage commission or finder's fee.

IN WITNESS WHEREOF, this Consent to a concession agreement is executed by City acting by and through its Mayor, or his designee.

THE CITY OF SAN DIEGO, a California municipal corporation

Date: 4/25/16

By: [Signature]
Cybele Thompson
Director, Real Estate Assets Department

Planning Department - Environmental Clearance:

This activity is categorically exempt from CEQA pursuant to State CEQA Guidelines Sections 15301 (Existing Facilities).

Date: 4/20/16

BY: [Signature]

Name: Alyssa Muto

Title: Deputy Director, Environment & Policy Analysis
Planning Dept

Approved as to form this 5th
day of May, 2016

JAN I. GOLDSMITH, City Attorney

BY: [Signature]
Name: Hilda R. Mendoza
Title: Deputy City Attorney



Date of Notice: April 20, 2016

NOTICE OF RIGHT TO APPEAL ENVIRONMENTAL DETERMINATION

PLANNING DEPARTMENT

WBS# OR IO: N/A

PROJECT NAME/NUMBER: CONSENT TO SUBLEASE, THE DANA ON MISSION BAY/N/A

COMMUNITY PLAN AREA: MISSION BEACH
COUNCIL DISTRICT: 2

LOCATION: 1710 WEST MISSION BAY DRIVE, SAN DIEGO, CA 92109

PROJECT DESCRIPTION: Authorization of concession sublease agreements associated with Bartell Hotels (DBA Dana Inn & Marina) for Adventure Water Sports and Kathleen Culora. The sublease with Adventure Water Sports will allow the concessionaire to operate the existing concession of renting motor boats, ski boats, fishing boats, pedal boats, aqua sails, kayaks, personal watercraft, bicycles, roller blades, and scooters at The Dana. The sublease with Kathleen Culora will allow the concessionaire to operate the business of selling goods at the existing gift shop at The Dana.

ENTITY CONSIDERING PROJECT APPROVAL: City of San Diego

ENVIRONMENTAL DETERMINATION: Exempt per CEQA Section 15301

ENTITY MAKING ENVIRONMENTAL DETERMINATION: City of San Diego Planning Department
Environmental Designee

STATEMENT SUPPORTING REASON FOR ENVIRONMENTAL DETERMINATION: The City of San Diego conducted an environmental review and determined the project is exempt from CEQA pursuant to State CEQA Guidelines Section 15301, Existing Facilities which allows for, among other activities, the leasing, licensing or minor alteration of existing public or private facilities, involving negligible or no expansion of use; and where the exceptions to the exemptions listed in CEQA Guidelines §15300.2 would not apply. This project would not impact sensitive resources.

CITY CONTACT: Vladimir Balotsky
MAILING ADDRESS: 1200 3rd Avenue, Ste 1700
San Diego, CA 92101
PHONE NUMBER: (619) 235-5248

On April 20, 2016 the City of San Diego made the above-referenced environmental determination pursuant to the California Environmental Quality Act (CEQA). This determination is appealable to the City Council. If you have any questions about this determination, contact the City Contact listed above.

Applications to appeal CEQA determination to the City Council must be filed in the office of the City Clerk within 10 business days from the date of the posting of this Notice (May 4, 2016). The appeal application can be obtained from the City Clerk, 202 'C' Street, Second Floor, San Diego, CA 92101.

This information will be made available in alternative formats upon request.

Concession Agreement

This Agreement made and is effective this 1st of September 2015, by and between the Dana on Mission Bay ("The Dana") and Kathleen Culora ("Concessionaire").

Witnesseth

Whereas, the Dana leases from the City of San Diego certain real property located at the 1710 West Mission Bay Drive, San Diego, California 92019, referred to herein as the Dana on Mission Bay ("The Dana")

Whereas, Concessionaire is desirous of obtaining the concession for selling of goods at the gift shop located at the Dana

Now, Therefore, it is here by covenanted and agreed by the parties as follows:

1. Nature of Agreement

This agreement confers a license on the concessionaire to use the portion of the Dana property as is described herein for the purposes of this agreement. This agreement does not constitute a lease of premises.

2. Grant of License

During the term of hereof the Dana grants to concessionaire a license to operate the business of selling goods at the Dana gift shop within the area designated in Exhibit "A".

3. Maintenance of Improvements

The Dana shall, at its sole cost and expense, maintain all structures and other improvements, which have been constructed for concessionaire to conduct business. The maintenance includes but is not limited to painting, repairing and generally maintaining the improvements and surrounding areas. Concessionaire shall be responsible for keeping the designated area clean and free of any safety hazards.

4. Term

The term of this agreement will be for a period of five (5) years commencing on the 1st day of September 2015.

5. Providing Service

Concessionaire shall operate a first-class hotel gift shop and, at its cost, adequately furnish, stock and equip the designated area with the proper equipment and supplies so as to meet the demand of the Gift Shop thereof. Concessionaire agrees to make regular safety checks of the equipment to ensure that it is in proper working order. The Dana shall be responsible for all power and water bills related to the operation of the gift shop. Concessionaire shall be responsible for the payment of all costs of the telephone including service and use fees.

Concessionaire shall be solely responsible for all salaries, wages, workmen's compensation insurance, payroll taxes, social security taxes and similar taxes and other compensation. All such employees and personnel shall be employees of concessionaire and shall be required by concessionaire to wear Dana approved uniforms conforming to the Dana standards; the cost of acquiring, furnishing and maintaining such uniforms shall be borne by concessionaire.

6. Hours of Operation

Concessionaire shall remain open for a minimum of 7:00am to 4:00pm, seven days a week and longer hours in the concessionaire sole discretion based on hotel occupancy, events on property and groups in house.

7. Permits and Licenses

Other than the consent of the City of San Diego to this agreement, which the Dana use its best efforts to obtain, solely in its capacity as lessor under the ground lease for the Dana, concessionaire shall obtain and maintain at its sole cost during the term hereof all necessary permits and licenses to conduct the concession.

8. Compliance with the Law

Concessionaire will not conduct nor permit to be conducted any unlawful business, occupation or activity in the designated area and shall at all times comply with all City, County, State and Federal laws, ordinances, rules and regulations.

9. Payment of Concession Fee

Concessionaire shall pay the Dana on a monthly basis an amount equal to 7.5% of all gift shop items sold and 3.5% of all food items sold. Concessionaire shall also pay to the Dana on Mission Bay a sum equal to one percent (1%) of its gross sales receipts after \$5,000.00 made in, upon or from the concession, adjusted on a monthly basis and two percent (2%) after \$15,000.00. If the City of San Diego increases the percentage rent for the concessionaire or and activities conducted by the concessionaire of the sublease, concessionaire shall be responsible for such increase. Concessionaire shall present to the Dana on Mission Bay a statement certified by concessionaire to be true and correct and showing the gross sales on the tenth day of the following month as herein and set forth,. Payment shall be made within 10 days after the end of each month during the term of the agreement,

10. Insurance

Concessionaire shall be insured by an Insurance carrier acceptable to the LESSEE and CITY against loss from public liability arising from the use or condition of or operation conducted on the license premises. Minimum coverage shall be two million (\$2,000,000.00) COMBINED SINGLE LIMIT LIABILITY. A copy of the policy of insurance shall be filed with CITY and shall name "The City of San Diego, its elected officials, officers, representatives, agents, and employees" as well as the Dana on Mission Bay as additional insured. Said policy shall specify that the policy may not be terminated, altered or canceled without sixty (60) days prior written notice to the CITY and the Dana on Mission Bay by the insurance company.

11. Acts of God

Neither party hereto shall be responsible or deemed in default by reason of and inability to perform its obligations hereto due to acts of God, or the public enemy; epidemics or

insurrections or riots; fire, flood, explosions, earthquakes or serious accidents, epidemics or quarantine restrictions.

12. Attorney Fees

In the event of any proceedings by either party hereto to enforce the terms and provisions of this agreement, whether or not suit is instituted in connection therewith the prevailing party shall be entitled, in addition to all other relief granted or awarded in any action or proceedings, to a reasonable sum of attorneys' fees and costs incurred in connection therewith.

13. General Provision

- a) If any term, provision, covenant or condition of this agreement should be held by a court or competent jurisdiction to be invalid, void or unenforceable, the remainder of this agreement shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby.
- b) The laws of the State of California shall govern the validity, construction and effect of this agreement,
- c) It is expressly agreed that there are no oral representations, understanding, stipulations, agreement or promises pertaining to this agreement not incorporated in written herein, shall be of no force or affect; and it is agreed that this agreement shall not be altered, waived, or amended.
- d) The signers of this agreement represent and warrant that they have the authority to enter into this agreement on behalf of the respective.

14. Indemnity, Hold Harmless

Concessionaire shall assume the defense of, indemnify and hold harmless LESSEE and CITY from all claims, expenses and liability of every nature, directly or indirectly arising from, or alleged to have arisen from the operations conducted on the licensed premises, the condition of the premises or from any act or omission of the concessionaire, his agents and invitees; provided, however, concessionaires' duty to indemnify and hold harmless shall not include any claims or liability arising from the established active negligence, sole negligence, or sole willful misconduct of the CITY, its agents, officers, or employees.

15. Assignment, Sub-leasing, Early Termination

The Dana on Mission Bay is relying on the experience and goodwill of Kathleen Culora, principals of concessionaire, in entering into this agreement. In the event the Ms. Culora is no longer actively managing the day to day operations of concessionaire at the Dana on Mission Bay, the Dana on Mission Bay may, as its sole option, terminate this agreement. Furthermore, concessionaire shall not assign the concession agreement, the license granted to concessionaire, or sublet the premises or any part thereof without the prior written consent of LESSEE and the City of San Diego. An assignment by operation of law shall automatically terminate this lease.

16. Assumption of Rights and Obligations

Concessionaire agrees to assume the rights and obligations of the Master Lease pursuant to the Concession Agreement and to perform all contracts, conditions and provisions of the Master Lessee applicable to the rights acquired.

Executed at San Diego, California on the date below written.

The Dana on Mission Bay //

By:

Kevin Konopasek

Name:

KEVIN KONOPASEK

Date:

8/31/15

Kathleen Culora

By:

Kathleen Culora

Name:

Kathleen Culora

Date:

8/31/15

CITY OF SAN DIEGO

**LESSEE'S AND SUBLESSEE'S QUESTIONNAIRE
FOR ALL LEASES, ASSIGNMENTS AND SUBLEASES**

Pursuant to the City of San Diego City Charter Section 225: "Mandatory Disclosure of Business Interests," before the City will process requests to (Sub)Lease, all information requested in this Questionnaire must be completed by the proposed (Sub)Lessee. Even though a proposed Sublessee may complete the Questionnaire, the Questionnaire must be delivered or mailed to the City with a cover letter signed by the City Lessee or proposed Lessee. **THE CITY WILL NOT ACCEPT THE QUESTIONNAIRE, DOCUMENTS, OR OTHER INFORMATION DIRECTLY FROM A SUBLESSEE**

All information furnished in this Questionnaire must be complete and accurate. Omissions, inaccuracies, or misstatements may cause the rejection and/or subsequent revocation of the City's Lease, consent to Sublease, or consent to Assignment of (Sub)Lease.

In submitting this Questionnaire, the proposed (Sub)Lessee completing the Questionnaire authorizes the City to make any inquiry or investigation it believes necessary to substantiate or supplement the information furnished in the Questionnaire, and authorizes others to release such information to the City.

Exact name of existing Lessee (always complete): Bartell Hotel

Exact name of proposed Lessee (complete only if applicable): _____

Exact name of existing Sublessee (complete only if applicable): Kathleen Culora

Exact name of proposed Sublessee (complete only if applicable): _____

Date this Questionnaire completed: 8/31/2015

The information furnished in and with this Questionnaire is true, complete, and correct to the best of my knowledge.

Signature: Kathleen Culora
Title: owner

Thank you for taking the time to complete the Questionnaire. Lessees may contact Real Estate Assets if they have any questions. Please return the completed Questionnaire, with any additional information or documents to:

REAL ESTATE ASSETS DEPARTMENT
1200 THIRD AVENUE STE. 1700
SAN DIEGO, CA 92101
TEL.: (619) 236-6020 FAX: (619) 236-6706

This Questionnaire contains 15 pages.

PROPOSED (SUB)LESSEE

1. Name of proposed (Sub) Lessee exactly as it will appear on the actual tenancy document:

Kathleen Culora

2. Mailing Address of proposed (Sub)Lessee for purposes of notice or other communication relating to the proposed tenancy:

1710 W. Mission Bay Dr, San Diego
CA, 92109

Telephone No.: (619) 865-5526 Fax. No.: —
E-mail Address: giftshop@san.fr.com

3. Billing Address (only if different from Mailing Address):

/

Telephone No.: _____ Fax. No.: _____

4. Proposed (Sub)Lessee intends to operate as a:

Sole Proprietorship (☒); Partnership (☐); Corporation (☐);
Limited Liability Company (☐); Other _____

Explain if necessary:

5. Effective date of assignment (complete only if applicable): _____

PARTNERSHIP STATEMENT

N/A

If proposed (Sub)Lessee is a partnership, please answer the following:

1. Date of Organization: _____
2. General Partnership ()
Limited Partnership ()
Other () Explain _____

3. Statement of Partnership recorded: Yes () No ()

Date Book Page County
4. Has the partnership conducted business in San Diego County?
Yes () No () If so, when? _____
If so, where? _____
5. Name, address, and partnership share of each general and limited partner. If a general partner is another partnership, a corporation, or a limited liability company (LLC), please complete separate pages 3; or 4 and 5; or 6, as appropriate for such entity (type proposed [Sub]Lessee name [from page 2] on the top of each page for identification purposes). If a limited partner holding a 10% or greater interest is another partnership, a corporation, or an LLC, pages 3; or 4 and 5; or 6 must also be completed for such entity (type proposed [Sub]Lessee name [from page 2] on the top of each page).

General/Limited	Name	Address	Share %

6. Attach a complete copy of the Partnership Agreement. If a Partnership Agreement has been previously submitted, a new Partnership Agreement need be submitted only if the Partnership Agreement on file with the City is no longer current.

CORPORATION STATEMENT

N/A

If proposed (Sub)Lessee is a corporation, please answer the following:

1. Type of corporation: C () Subchapter S ()
2. When incorporated? _____
3. Where incorporated? _____
4. Is the corporation authorized to do business in California? Yes () No ()
If so, as of what date? _____

5. The corporation is held:
 - a. Publicly () Privately ()
 - b. If publicly held, how and where is the stock traded?

- | | | | |
|-------------------------------------|-------------------|---------------|--------------------|
| 6. Please list the following: | <u>Authorized</u> | <u>Issued</u> | <u>Outstanding</u> |
| a. Number of voting shares: | _____ | _____ | _____ |
| b. Number of nonvoting shares: | _____ | _____ | _____ |
| c. Number of shareholders: | | | _____ |
| d. Value per share of Common Stock: | | Par | \$ _____ |
| | | Book | \$ _____ |
| | | Market | \$ _____ |

7. Please furnish the name, title, address, and the number of voting and nonvoting shares of stock owned by each officer and, in addition, the same information for each stockholder owning more than 10% of any class of stock.

Name: _____

Title: _____

Address: _____

No. of Shares: _____

Name:	_____
Title:	_____
Address:	_____

No. of Shares:	_____
Name:	_____
Title:	_____
Address:	_____

No. of Shares:	_____
Name:	_____
Title:	_____
Address:	_____

No. of Shares:	_____
Name:	_____
Title:	_____
Address:	_____

No. of Shares:	_____

(Additional page(s) may be added if needed to complete list of stockholders [type proposed (Sub)Lessee name (from page 2) on the top of each page].)

8. Attach complete copies of the Articles of Incorporation (and any Certificate(s) of Amendment thereto, as the case may be) of the Corporation, and the Bylaws of the Corporation (and any Amended and Restated Bylaws, as the case may be), and any other applicable Corporate documents.

Any partnership, corporation, or LLC owning more than a 10% ownership interest must also complete separate pages 3; or 4 and 5; or 6, as appropriate for each entity (type proposed [Sub]Lessee name [from page 2] on the top of each page for identification purposes). Also, furnish the financial data for such partnership, corporation, or LLC, as required on page 7. If there is an ownership chain of additional partnerships, corporations, or LLCs, the above requirements extend to each such entity having either: (1) a 10% or greater direct, indirect, beneficial ownership, or membership interest in

the proposed (Sub)Lessee; or (2) effective control of the proposed (Sub)Lessee, regardless of the percentage of ownership or membership interest.

LIMITED LIABILITY COMPANY STATEMENT

N/A

If the proposed (Sub)Lessee is an LLC, please answer the following:

1. Date of Organization: _____
2. Where Organized: _____
3. Is the Company authorized to do business in California?
 - a. Yes () No ()
 - b. If so, as of what date? _____
4. Has the Company conducted business in San Diego County?
 - a. Yes () No ()
 - b. If so, when? _____
 - c. If so, where? _____
5. Please furnish the name, address, and membership share held by each manager and officer, and each member owning more than a 10% membership interest. If a member is a partnership, corporation, or another LLC, please complete separate pages 3; or 4 and 5; or 6, as appropriate for such entity (type proposed [Sub]Lessee name [from page 2] on the top of each page).

Manager/Officer/ Member	Name	Address	Share %

6. Attach a complete copy of the Operating Agreement. If an Operating Agreement has been previously submitted, a new Operating Agreement need be submitted only if the Operating Agreement on file with the City is no longer current.

FINANCIAL AND OTHER BACKGROUND INFORMATION

FINANCIAL STATEMENT

(Sub)Lessee, general partners of (Sub)Lessee, owner-corporations of (Sub)Lessee, members of (Sub)Lessee owning more than a 10% membership interest, and any person or business entity guaranteeing the performance of (Sub)Lessee **must attach a complete report, prepared in accordance with good accounting practice, reflecting current financial condition.** The report **must** include a balance sheet and annual income statement. The person or entity covered by the report must be prepared to substantiate all information provided.

OTHER INFORMATION

Each (Sub)Lessee, each general partner of (Sub)Lessee, each owner-corporation of (Sub)Lessee, each member of (Sub)Lessee owning more than a 10% membership interest, any person or business entity guaranteeing the performance of (Sub)Lessee, any person or entity owning more than a 10% interest of (Sub)Lessee, and any guarantor of (Sub)Lessee must answer the following questions:

1. **Surety Information** - Has a surety or bonding company ever been required to perform on the default of any of the individuals or entities?
 - a. Yes () No (X)
 - b. If yes, please attach a statement naming the surety or bonding company, date, amount of bond, and the circumstances surrounding said default and performance.
2. **Bankruptcy Information** - Have any of the individuals or entities ever been adjudicated bankrupt or are any presently a debtor in a pending bankruptcy action?
 - a. Yes () No (X)
 - b. If yes, please give dates, court jurisdiction, and amount of liabilities and assets.
3. **Pending Litigation** - Are any of the individuals or entities presently a party to **ANY** pending litigation?
 - a. Yes () No (X)
 - b. If yes, please provide detailed information for each action.
4. **Claims, Liens, or Judgments** - Are any of the individuals or entities now subject to any outstanding claims, liens, or judgments?
 - a. Yes () No (X)
 - b. If yes, please provide detailed information for each claim, lien, or judgment.

REFERENCES FOR PROPOSED (SUB)LESSEE

Please list four persons or firms with whom you have conducted business transactions during the past three years. Two of the references must have knowledge of your debt payment history, with at least one being a financial institution. Two of the references must have knowledge of your business experience.

REFERENCE NO. 1

Name: Union Bank
Firm: Bank
Title: Any Merchant Service Rep.
Address: 4771 Spring St. La Mesa, CA 91942.
Telephone: (619) 667-3206.

Nature and magnitude of purchase, sale, loan, business, association, etc.:

All Business Accts, personal accts
since 2004

REFERENCE NO. 2

Name: Aaron or John
Firm: California Seashell Company
Title: Sales / owner
Address: 125 Main Street, Seal Beach, CA 90740
Telephone: (714) 596-7636

Nature and magnitude of purchase, sale, loan, business, association, etc.:

Vendor of 1st seashells + souvenirs.
Sales totally about 5000 annually.

REFERENCE NO. 3

Name: michele morris
Firm: Lakeshirts, Inc.
Title: Sales Rep.
Address: P.O. Box 52, Detroit Lakes MN. 56502.
Telephone: 800-627-2780

Nature and magnitude of purchase, sale, loan, business, association, etc.:

Vendor of t-shirts & sweatshirts
Sales of 5,000 annually

REFERENCE NO. 4

Name: Cap Depot Inc/ Jin
Firm: _____
Title: Sales Rep.
Address: 1515 S. Main St. #A, Los Angeles CA 90015
Telephone: 213-746-1273

Nature and magnitude of purchase, sale, loan, business, association, etc.:

Vendor of hats & scarves
Sales of 7,000 annually

CITY OF SAN DIEGO PERSONAL DESCRIPTION AND RELEASE

PLEASE NOTE: All partners, both general and limited; all stockholders owning more than 10% of any class of stock of corporations; all members of a limited liability company; and sole proprietors requesting to (sub)lease, must each complete this page before the tenancy request can be processed. (You may reproduce and use copies of this page, if necessary.)

The following personal information is required to initiate a credit investigation. The business and personal reputation of principals, partners, and members will be considered in qualifying Lessees or in consenting to Sublessees.

First, Middle, & Last Name Kathleen Culora
Date of Birth 2.26.1963
Place of Birth Garden Grove CA.
Social Security Number 566.39.7025
Driver's License Number/State CA N6695985
Home Address 8127 Fairview Ave
LA MESA CA 91941
Previous Address 2832 Plantino Circle
San Diego, CA 92108
Home Telephone No. (619) 865.5526 (cell)
Employer SELF
Occupation SALES
Business Address 1710 W. Mission Bay Dr. San Diego
Business Telephone No. (619) 222.6440. CA 92109
Business Fax No. —

The City is hereby authorized to request a credit report and other information covering my financial and business history.

Date 8/31/15 Signed Kathleen Culora

Print or type exact name of proposed (Sub)Lessee from page 2 of Questionnaire:

KATHLEEN CULORA

METHOD OF OPERATION

Please describe your proposed business operation on the property to be (Sub)Leased.
Discuss any optional services and uses which you propose to provide.

Operate a First Class hotel gift shop
furnish + Stock and maintain
all operations of a souvenir shop -
Supply all goods to accommodate
all hotel guests needs.'

**PROPOSED METHOD OF FINANCING
DEVELOPMENT OR LEASEHOLD PURCHASE**

Describe the method of financing for the Leasehold purchase or any new or additional development on the Leasehold. Include a schedule of approximate dates when construction of each significant improvement is expected to be commenced and completed.

N/A

ESTIMATE OF GROSS RECEIPTS

If this Questionnaire is being completed by a prospective Lessee, please show the best estimate of the average annual gross sales for each significant use or service, and for each significant optional use or service which the Lessee and its Sublessees (if any) plan to conduct on or from the property. (If the Questionnaire is being completed by a Sublessee, only the estimate of the Sublessee's gross sales is required.) This data will be used by the City to analyze the proposed Lease or Sublease Consent application. The time periods shown should not be assumed to necessarily represent the term of a (Sub)Lease that may be granted or consented to by the City.

Average annual gross sales for each proposed significant use during each of the first five operating years:

Year of Operation	Uses (Identify Each Use)				
1	\$135 K	\$	\$	\$	\$
2	167 K				
3	168 K				
4	185 K.				
5	180 K.				

EXPERIENCE STATEMENT

Please describe in detail the duration and extent of your business experience, with special emphasis upon experience with the type of business which you propose to conduct on City property. Also state in detail the pertinent experience of the persons who will be directly involved in development and management of the business.

I have been operating this Retail Store within the Dana Hotel for the last eleven years. All sales + merchandising, stocking of a successful Souvenir store! Prior to the Hotel gift shop I was a buyer for the Naval Hospital Giftshop! I have worked in Sales/Retail for over 30 years.

**TERMS AND CONDITIONS OF PURCHASE, SALE,
OR TRANSFER OF (SUB)LEASEHOLD INTEREST**

(NOTE: Complete this page only if the transaction involves a Lease assignment.)

Please summarize the terms and conditions of the purchase, sale, or transfer of Leasehold interest(s) which requires City consent, as specified in the Assignment-Sublease provisions of the City Lease. Please attach copies of the applicable sales agreement(s), escrow instructions, assignment agreement(s), or other documents in conjunction with the sale, purchase, or transfer of the (Sub)Leasehold interest(s).

N/A

DANA Hotel gift Shop. 2015

	Gross Sales	Gifts Gross Sales	Taxes	F&B Gross Sales	Gift Shop Charge 1	Gift Shop Charge 2	City Rent Cost 7.5%	City Rent Cost 3%	Total Land Rent Cost
1-Feb	85.98	71.91	5.76	8.25	77.73	0.00	5.39	0.25	5.64
2-Feb	179.24	132.19	10.58	36.47	182.03	2.70	9.91	1.09	11.01
3-Feb	277.67	226.09	18.10	33.48	166.76	31.80	16.96	1.00	17.96
4-Feb	103.89	52.44	4.20	47.25	0.00	0.00	3.93	1.42	5.35
5-Feb	294.18	220.11	17.66	56.42	0.00	0.00	16.51	1.69	18.20
6-Feb	217.36	118.66	9.50	89.20	76.38	11.25	8.80	2.68	11.58
7-Feb	270.05	183.64	14.70	71.71	137.38	51.59	13.77	2.15	15.92
8-Feb	835.89	737.03	58.99	39.97	292.00	300.02	55.28	1.20	56.48
9-Feb	238.77	204.87	16.40	17.50	184.92	45.33	15.37	0.53	15.89
10-Feb	308.05	260.95	20.88	26.22	272.12	0.00	19.57	0.79	20.36
11-Feb	211.82	178.39	14.28	19.25	62.93	4.00	13.38	0.58	13.96
12-Feb	536.88	423.35	33.89	79.44	352.55	25.16	31.75	2.38	34.13
13-Feb	879.90	766.79	61.38	51.73	637.98	1.35	57.51	1.55	59.06
14-Feb	578.30	476.43	38.14	63.73	365.54	6.22	35.73	1.91	37.64
15-Feb	670.21	571.03	45.71	53.47	560.12	219.72	42.83	1.80	44.43
16-Feb	324.27	265.06	21.22	37.99	147.15	95.21	19.88	1.14	21.02
17-Feb	248.85	205.39	16.52	25.80	170.91	0.00	15.48	0.77	16.25
18-Feb	412.55	349.61	25.00	34.94	168.20	73.39	26.22	1.05	27.27
19-Feb	142.83	109.19	8.74	25.00	109.56	1.25	8.19	0.75	8.94
20-Feb	200.78	138.91	11.12	50.75	89.61	8.72	10.42	1.52	11.94
21-Feb	459.21	343.24	27.48	88.49	183.50	55.22	25.74	2.65	28.40
22-Feb	198.89	165.63	13.63	20.00	109.19	56.50	12.42	0.60	13.02
23-Feb	518.74	466.19	37.32	15.23	384.82	62.60	34.96	0.46	35.42
24-Feb	131.77	104.89	8.46	18.48	71.60	20.35	7.87	0.55	8.42
25-Feb	385.97	320.82	25.67	40.15	344.38	68.32	24.06	1.20	25.27
26-Feb	593.79	438.71	35.12	119.96	500.30	12.80	32.90	3.60	36.50
27-Feb	312.42	233.08	18.66	60.68	184.61	3.00	17.48	1.82	19.30
28-Feb	282.13	187.86	15.04	79.23	165.50	30.80	14.09	2.38	16.47
00Feb	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
00Feb	0.00	0.00	0.00	60.62	0.00	0.00	0.00	1.82	1.82
00Feb	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	9,901.30	7,953.53	634.15	1,371.41	5,997.77	1,187.30	596.51	41.14	637.65

9,324.87 Revenue Gross Sales

-5,000.00 Adjustments based on Contract

4,324.87 1% \$43.25 GS writes Check Payable to Dana Inn for Rent Due

637.65 GS writes Check Payable to Dana Inn for GS portion of City Rent

Dana Inn posts Room Charges to Misc. Other and codes to 2020.00.06 as they come in. 1,187.30

Dana Inn receives check and posts to Rental Income 4507.50.06

Dana Inn receives check and posts to 8920.95.06

2015

	Gross Sales	Gifts Gross Sales	Taxes	F&B Gross Sales	Gift Shop Charge 1	Gift Shop Charge 2	City Rent Cost 7.5%	City Rent Cost 3%	Total Land Rent Cost
1-Jan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2-Jan	157.77	117.37	9.40	31.00	92.45	101.26	8.80	0.93	9.73
3-Jan	285.84	236.62	18.94	40.28	199.99	25.90	17.75	1.21	18.96
4-Jan	114.01	85.42	6.84	21.75	36.70	14.03	6.41	0.65	7.06
5-Jan	27.74	21.98	1.76	4.00	42.10	0.00	1.65	0.12	1.77
6-Jan	145.89	124.66	9.98	11.25	51.53	267.75	9.35	0.34	9.69
7-Jan	149.58	104.95	8.40	39.00	98.79	0.00	7.87	1.17	9.04
8-Jan	107.97	72.67	5.82	29.48	31.30	15.11	5.45	0.88	6.33
9-Jan	159.85	125.66	10.66	24.23	134.90	9.99	9.42	0.73	10.15
10-Jan	204.93	143.91	11.52	49.50	122.37	1.25	10.79	1.49	12.28
11-Jan	139.84	89.43	7.16	43.25	70.89	5.75	8.71	1.30	8.00
12-Jan	297.19	162.64	13.02	121.53	142.29	9.50	12.20	3.65	15.84
13-Jan	213.68	113.62	9.06	91.20	72.49	52.55	8.52	2.74	11.26
14-Jan	164.03	78.98	6.32	78.73	96.70	152.50	5.92	2.36	8.29
15-Jan	474.19	350.26	28.04	95.86	282.36	26.01	26.27	2.88	29.15
16-Jan	160.76	94.92	7.60	58.24	102.36	43.54	7.12	1.75	8.87
17-Jan	320.08	260.03	20.81	39.24	231.28	10.00	19.50	1.18	20.68
18-Jan	310.92	244.83	19.60	46.49	238.05	0.00	18.36	1.39	19.76
19-Jan	82.59	60.96	4.88	26.75	15.10	12.49	4.57	0.80	5.37
20-Jan	182.17	127.95	10.24	23.98	116.52	4.90	9.60	0.72	10.32
21-Jan	85.19	43.97	3.52	37.70	22.17	0.00	3.30	1.13	4.43
22-Jan	369.73	304.85	24.40	41.58	0.00	84.00	22.86	1.25	24.11
23-Jan	118.16	77.94	6.24	31.98	88.79	0.00	5.85	0.96	6.80
24-Jan	208.97	157.65	12.62	38.00	140.59	95.00	11.82	1.14	12.96
25-Jan	89.14	61.95	4.96	23.00	0.00	0.00	4.65	0.69	5.34
26-Jan	103.68	55.99	4.48	40.00	71.41	80.00	4.20	1.20	5.40
27-Jan	130.15	87.42	7.00	35.73	62.37	3.50	6.56	1.07	7.63
28-Jan	145.34	89.91	7.20	48.31	100.32	0.00	6.74	1.45	8.19
29-Jan	301.84	244.77	19.59	37.48	152.37	4.50	18.36	1.12	19.48
30-Jan	81.11	27.96	2.24	50.91	0.00	16.50	2.10	1.53	3.62
31-Jan	466.61	357.76	28.63	80.22	349.60	57.21	26.83	2.41	29.24
	5,797.26	4,127.03	330.93	1,340.67	3,165.79	1,093.24	309.53	40.22	349.75

5,467.70 Revenue Gross Sales

-5,000.00 Adjustments based on Contract

467.70 1% \$4.68 GS writes Check Payable to Dana Inn for Rent Due349.75 GS writes Check Payable to Dana Inn for GS portion of City RentDana Inn posts Room Charges to Misc. Other and codes to 2020.00.06 as they come in. 1,093.24

Dana Inn receives check and posts to Rental Income 4507.50.06

Dana Inn receives check and posts to 8920.95.06

Income Statement

Kathleen Culora (sole prop)

Jan 1 - June 30 2015

Financial Statements in U.S. Dollars

Revenue

Gross Sales
Less: Sales Returns and Allowances
Net Sales

79336	
180	
	79156

Cost of Goods Sold

Beginning Inventory
Add: Purchases
Freight-in
Direct Labor
Indirect Expenses
Inventory Available
Less: Ending Inventory
Cost of Goods Sold

39385	
12800	
0	
0	
0	
51985	
	51985

Gross Profit (Loss)

27171

Expenses

Advertising
Amortization
Bad Debts
Bank Charges
Charitable Contributions
Commissions
Contract Labor
Depreciation
Dues and Subscriptions
Employee Benefit Programs
Insurance
Interest
Legal and Professional Fees
Licenses and Fees
Miscellaneous
Office Expense
Payroll Taxes
Postage
Rent
Repairs and Maintenance
Supplies
Telephone
Travel
Utilities
Vehicle Expenses
Wages
Total Expenses

0
0
0
1500
0
0
0
0
0
0
0
300
0
175
48
0
180
2208
70
5384
0
275
450
275
0
870
9800
21635

Net Operating Income

5636

Other Income

Gain (Loss) on Sale of Assets
Interest Income
Total Other Income

0

Net Income (Loss)

5636

Kathleen Culora (sole prop)
For the Period Ending [August 31, 2015]
Stated in 000s
ASSETS
% of ASSETS
Current assets

Cash and cash equivalents [D]	8,500	9.6%
Short-term investments	-	0.0%
Accounts receivable [I]	-	0.0%
Inventories [C]	62,000	70.1%
Deferred income taxes	-	0.0%
Prepaid expenses and other current assets	-	0.0%
Total current assets [A]	\$ 70,500	79.7%

Fixed assets

Property, plant and equipment at cost	4,000	4.5%
Less accumulated depreciation	-	0.0%
Total fixed assets	\$ 4,000	4.5%

Other assets

Long-term cash investments	14,000	15.8%
Equity investments	-	0.0%
Deferred income taxes	-	0.0%
Other assets	-	0.0%
Total other assets	\$ 14,000	15.8%
Total assets [E]	\$ 88,500	100.0%

LIABILITIES & OWNERS' EQUITY
% of ASSETS
Current liabilities

Loans payable and current portion long-term debt [H]	-	0.0%
Accounts payable and accrued expenses	4,300	4.9%
Income taxes payable	1,500	1.7%
Accrued retirement and profit-sharing contributions	-	0.0%

Total current liabilities [B]	\$ 5,800	6.6%
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Other liabilities

Long-term debt [G]	-	0.0%
Accrued retirement costs	-	0.0%
Deferred income taxes	-	0.0%
Deferred credits and other liabilities	-	0.0%

Total other liabilities	\$ -	0.0%
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Total liabilities	\$ 5,800	6.6%
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Total owners' equity [F]	\$ 82,700	93.4%
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Total liabilities + owners' equity	\$ 88,500	100.0%
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