

CONSENT TO THIRD ADDENDUM TO SUBLEASE
(Driscoll Mission Bay: Electric Regatta LLC)

THIS CONSENT TO THIRD ADDENDUM TO SUBLEASE ("Consent") is entered into by and between THE CITY OF SAN DIEGO, a California municipal corporation ("City"), and DRISCOLL MISSION BAY LLC, a California Limited Liability Company ("Lessee"), to be effective upon the respective authorized representatives of City and Lessee all signing this Consent and the form of this Consent being approved by the San Diego City Attorney. This Consent is made and entered into in reference to the following facts:

RECITALS

- A. City and Lessee (as successor in interest to Mission Bay Marina) are parties to that certain CITY OF SAN DIEGO PERCENTAGE LEASE dated March 5, 1979, and filed in the Office of the City Clerk as Document No. 766042, and subsequent amendments thereto (hereinafter, collectively, the "Agreement"), relating to the City-owned property located in a portion of Mission Bay Park, in the City of San Diego, California 92109, consisting of approximately 4.278 acres of land and 8.702 acres of water, commonly known as "Driscoll Mission Bay" and more particularly described in the Agreement ("Premises").
- B. Lessee and Electric Regatta LLC, d.b.a. San Diego Electric Boat Company, a California Limited Liability Corporation ("Sublessee") entered into that certain Sublease dated August 1, 2014 for reference purposes, and subsequent addendums thereto (hereinafter, collectively, the "Sublease"). Lessee and Sublessee now desire to enter to the Third Addendum to Sublease. A true and correct copy of the Third Addendum between Lessee and Sublessee (subject to this Consent being effective) is attached to this Consent as Exhibit "A" ("Third Addendum").
- C. The Agreement requires the City's consent to the license or sublease of any portion of the Premises by Lessee.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are acknowledged, City and Lessee agree as follows:

- 1. City Consent to Sublease. Subject to the terms and conditions of this Consent and the Agreement, City consents to Lessee entering to the Third Addendum to sublease to Sublessee that certain portion of the Premises subject to the Sublease ("Sublease Premises"). All terms and conditions of the Agreement shall control and supersede all inconsistent or contrary provisions in the Third Addendum.
- 2. Sublessee Assumption of Lessee's Obligations. City's consent to the Third Addendum is conditioned upon Sublessee's written agreement in the Third Addendum to perform all obligations of Lessee under the Agreement applicable to the Sublease Premises. Sublessee's failure to perform one or more of these assumed obligations shall be a material default and breach under the Agreement and may subject the Agreement to termination by City.

3. No Effect on Agreement. Notwithstanding any provision of this Consent to the contrary, this Consent does not release, discharge, or modify any obligation of Lessee under the Agreement.
4. Subsequent Subleasing. This Consent does not constitute City's consent to any subsequent assignment, sublease, or license and does not relieve Lessee or any person claiming under or through Lessee of the obligation to obtain City's consent to any future assignment, sublease, or license pursuant to the Agreement.
5. Processing Fees. Lessee agrees to pay City all applicable processing and/or administrative fee(s) charged by City for processing this Consent.
6. Brokerage Commissions or Finder's Fees. Lessee acknowledges and agrees that City will not be liable for any brokerage commission or finder's fee in connection with the consummation of the Third Addendum. Lessee agrees to protect, defend, indemnify, and hold City harmless from any brokerage commission or finder's fee in connection with the consummation of the Third Addendum or this Consent, and from any cost or expense (including attorney fees) incurred by City in resisting any claim for any such brokerage commission or finder's fee. The provisions of this Section 6 shall survive the expiration or earlier termination of the Agreement, the Sublease, the Third Addendum, or this Consent.
7. Consideration for Third Addendum. Lessee represents and warrants to City that a true, correct, and complete copy of the Third Addendum is attached to this Consent as Exhibit "A." Lessee further represents and warrants to City that there are no additional payments of rent or any other consideration of any type that has been paid or is payable by Sublessee or any other person to Lessee in connection with the Third Addendum, Sublease or the Sublease Premises, other than as disclosed in the Sublease and Third Addendum.
8. Subordination. The Third Addendum is subject to and subordinate to the covenants and conditions of the Agreement. The Third Addendum may only be in effect while the Agreement is in effect. Nothing in this Consent modifies the expiration date of the Agreement, Sublease or Third Addendum. Lessee represents and warrants to City that Lessee provided Sublessee a true, correct, and complete copy of the Agreement before Sublessee entered into the Third Addendum.
9. Lessee Estoppels. Lessee certifies the following to City as of the date of this Consent:
 - 9.1 Lessee has not assigned its interest in the Agreement or otherwise transferred its interest in the Agreement.
 - 9.2 City does not owe Lessee any money or other performance under the Agreement.
 - 9.3 City is not in default under the Agreement.
 - 9.4 The Agreement is in full force and effect, there have been no amendments, modifications, changes, or additions to the Agreement since its execution; and
 - 9.5 Lessee is not in default under the Agreement and no event has occurred that would constitute a default under the Agreement by Lessee, without regard for any requirement to give notice and/or for the passage of time.

**EXHIBIT A
TO
CONSENT TO SUBLEASE
(Driscoll Mission Bay: Electric Regatta LLC)**

SUBLEASE

[Attached behind this cover page]

10. No Fee Title Encumbrance. Nothing in this Consent or any document referenced in this Consent is intended to create or authorize the creation of any transfer, lien, or encumbrance affecting the fee title to the Premises.

**SIGNATURE PAGE
TO
CONSENT TO SUBLEASE
(Driscoll Mission Bay: Electric Regatta LLC)**

IN WITNESS WHEREOF, this Consent is made and entered into by and through the signatures of the respective authorized representative(s) of City and Lessee, as set forth below:

THE CITY OF SAN DIEGO, a California
municipal corporation

Date: 11/02/2021

By: 
Penny Maus
Director
Real Estate Assets Department

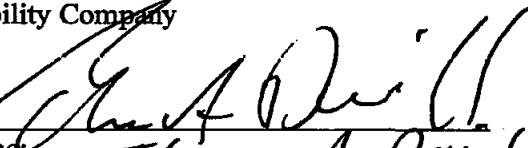
Approved as to form on 11/02/2021,
2021

MARA W. ELLIOTT, City Attorney

By: 
Julie Gough Inman
Deputy City Attorney

Driscoll Mission Bay LLC, a California Limited
Liability Company

Date: 10/15/2021

By: 
Name: Thomas A. Driscoll
Title: Managing Member

Consent to Sublease between Driscoll and Electric Regata

Final Audit Report

2021-11-02

Created:	2021-11-02
By:	Heide Farst (hfarst@sandiego.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAzaMxrvYkaFOSe8vC1rZIkLxXMlx5XV-

"Consent to Sublease between Driscoll and Electric Regata" History

-  Document created by Heide Farst (hfarst@sandiego.gov)
2021-11-02 - 6:31:59 PM GMT- IP address: 156.29.37.124
-  Document emailed to Penny Maus (pmaus@sandiego.gov) for signature
2021-11-02 - 6:34:52 PM GMT
-  Email viewed by Penny Maus (pmaus@sandiego.gov)
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-  Document e-signed by Penny Maus (pmaus@sandiego.gov)
Signature Date: 2021-11-02 - 7:47:14 PM GMT - Time Source: server- IP address: 156.29.37.124- Signature captured from device with phone number XXXXXXXX5640
-  Document emailed to Julie Gough Inman (jinman@sandiego.gov) for signature
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Signature Date: 2021-11-02 - 7:48:43 PM GMT - Time Source: server- IP address: 76.176.17.204
-  Agreement completed.
2021-11-02 - 7:48:43 PM GMT

7/23/2021

Attachment A

Environmental Determination	
Environmental Planner	Tara Ash-Reynolds (tashreynolds@saniego.gov)
Environmental Determination	This activity is not a "Project" pursuant to CEQA Guidelines Section 15060(c)(2) as the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment. Thus, this activity is not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(2).
Date Environmental Determination made	07/23/2021

Driscoll Mission Bay LLC

1500 Quivira Way
San Diego, CA, 92109

(619) 221-8456
tom@driscollinc.com

March 11th, 2021

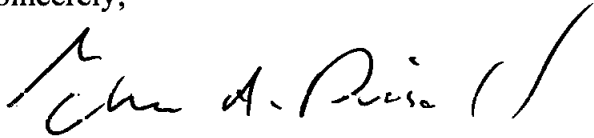
Real Estate Assets Department

1200 Third Avenue STE.1700
San Diego, CA, 92101

To whom it may concern,

I am submitting herewith the following lessee's and sublessee's questionnaire, documents and other information to the City of San Diego. The questionnaire completed on March 11th, 2021 includes accurate information from the lessee Driscoll Mission Bay LLC and the sublessee Electric Regatta LLC. I am sending these documents to the Real Estate Assets Department for further progress in the fulfillment of the formalities required.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Driscoll", followed by a large, stylized flourish or checkmark.

Driscoll Mission Bay LLC

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):

Driscoll Mission Bay, LLC

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

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

Electric Regatta, LLC (dba "Duffy of San Diego," "San Diego Electric Boat Company" and "Mission Bay Watersports")

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

Date this Questionnaire completed: March 10, 2021.

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

Signature: William Gonzalez

Title: Managing Member, CEO

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:

Electric Regatta, LLC

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

2726 Shelter Island Dr. #141

San Diego, CA 92106

Telephone No.: 858-216-6518

Fax. No.: _____

E-mail Address: bill@eduffyboats.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 (X); 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: 04/19/2013
2. Where Organized: California
3. Is the Company authorized to do business in California?
 - a. Yes (☒) No (☐)
 - b. If so, as of what date? 04/19/2013
4. Has the Company conducted business in San Diego County?
 - a. Yes (☒) No (☐)
 - b. If so, when? Continuously since 2013.
 - c. If so, where? Mission Bay
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 %
Managing Member CEO	William Gonzalez	463 Mariners Drive, Kemah, TX 77565	50
Member	Kathleen Gonzalez	463 Mariners Drive, Kemah, TX 77565	50

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.
William Gonzalez; Bankruptcy Court of Orange County, CA, Discharge Date 8/30/2010; ~\$100,000
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: _____

Firm: BlueVine

Title: _____

Address: 401 Warren Street, Redwood City, CA 94063

Telephone: 888-216-9619

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

Formerly extended \$100,000 line of credit to Managing Member; \$0 current balance; fully paid off

REFERENCE NO. 2

Name: Kerry Peters

Firm: Duffield Marine (Duffy Boats)

Title: VP of Sales

Address: 17260 Muskrat Avenue, Adelanto CA 92301

Telephone: 949-650-4633

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

Duffy of San Diego is the exclusive dealer for Duffy Boats in San Diego, and we have done several hundred of thousands of dollars of business with Duffield Marine.

REFERENCE NO. 3

Name: Michael Burnett

Firm: The Burnett Firm

Title: President

Address: 6 Venture, Suite 100, Irvine, CA 92618

Telephone: 949-929-3926

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

The Burnett Firm has been a lender to Duffy of San Diego; current balance of \$0 (all paid off)

REFERENCE NO. 4

Name: Tom Driscoll

Firm: Driscoll Mission Bay LLC

Title: President

Address: 1500 Quivira Way, San Digo CA 92109

Telephone: 619-221-8456

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

Driscoll has been Duffy of San Diego's Sublandlord at Mission Bay Marina since 2015.

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>William Gonzalez</u>
Date of Birth	<u>8/22/1964</u>
Place of Birth	<u>Hollywood, CA</u>
Social Security Number	<u>560-17-8473</u>
Driver's License Number/State	<u>Texas - 46210793</u>
Home Address	<u>463 Mariners Drive, Kemah, TX 77565</u>
Previous Address	<u>888 Armada Terrace, San Diego CA 92106</u>
Home Telephone No.	<u></u>
Employer	<u>Electric Regatta, LLC</u>
Occupation	<u>Business Owner</u>
Business Address	<u>2726 Shelter Island Dr. #141, San Diego CA 92106</u>
Business Telephone No.	<u>858-216-6518</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 March 10, 2021 Signed

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

Electric Regatta, LLC

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.

Eco-friendly, all electric (a) boat rentals and (b) captained charts (6 passengers or less).

**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.

Not applicable.

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)				
	Rental/Charter				
1	\$ 750,000	\$	\$	\$	\$
2	\$ 1,000,000				
3	\$1,265,000				
4	\$1,390,000				
5	\$1,495,000				

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.

The SubLessee's Managing Member and CEO has successfully managed a rental and charter business in Mission Bay for the past 5 years, growing the business from the startup phase with just one Duffy boat, to now having ten boats, an extremely successful marketing position and a very high demand. We have very optimistic expectations for future growth and being able to provide greater recreational opportunities to the San Diego community with our boat rentals and captained charters.

**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).

Duffy of San Diego

PROFIT AND LOSS

January - December 2019

	TOTAL
Income	
Boat, Part & Service Sales	538,342.80
Discounts given	-21,579.90
Rebates/Cash Back	2,431.15
Rentals/Charters	
Airbnb Deposits	6,402.01
FareHarbor	238,137.85
Groupuri	25,302.75
Viator	3,997.33
Zozi	630.82
Total Rentals/Charters	272,479.76
Sales	83.64
Shipping Income	5,090.51
Total Income	\$796,847.96
Cost of Goods Sold	\$307,614.09
GROSS PROFIT	\$489,233.87
Expenses	\$459,671.15
NET OPERATING INCOME	\$29,562.72
NET INCOME	\$29,562.72

Duffy of San Diego

BALANCE SHEET

As of December 31, 2019

	TOTAL
ASSETS	
Current Assets	\$ -19,530.55
Fixed Assets	\$210,627.05
Other Assets	\$110,000.00
TOTAL ASSETS	\$301,096.50
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	\$66,590.88
Long-Term Liabilities	\$207,283.47
Total Liabilities	\$273,874.35
Equity	\$27,222.15
TOTAL LIABILITIES AND EQUITY	\$301,096.50

Duffy of San Diego

PROFIT AND LOSS

January - December 2020

	TOTAL
Income	
Boat, Part & Service Sales	1,091,501.44
Discounts given	-27,909.02
Rebates/Cash Back	910.04
Rentals/Charters	
Airbnb Deposits	15,813.60
FareHarbor	412,793.50
Groupon	82,471.27
Viator	1,142.35
Total Rentals/Charters	512,221.72
Shipping Income	7,189.62
Total Income	\$1,583,913.20
Cost of Goods Sold	\$565,077.53
GROSS PROFIT	\$1,018,835.67
Expenses	\$524,912.82
NET OPERATING INCOME	\$493,922.85
Other Expenses	
Ask My Accountant	-160,836.64
Total Other Expenses	\$ -160,836.64
NET OTHER INCOME	\$160,836.64
NET INCOME	\$654,759.49

Duffy of San Diego

BALANCE SHEET

As of December 31, 2020

	TOTAL
ASSETS	
Current Assets	\$179,790.78
Fixed Assets	\$645,728.77
Other Assets	\$110,000.00
TOTAL ASSETS	\$935,519.55
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	\$ -11,298.12
Long-Term Liabilities	\$228,897.88
Total Liabilities	\$217,599.76
Equity	\$717,919.79
TOTAL LIABILITIES AND EQUITY	\$935,519.55

THIRD ADDENDUM TO SUBLEASE

This Third Addendum to Sublease ("Third Addendum") is made as of **March**, **2021** by and between **DRISCOLL MISSION BAY LLC**, a California Limited Liability Company ("Sublandlord") **Electric Regatta LLC, DBA San Diego Electric Boat Company** a California Limited Liability Corporation ("Subtenant").

Sublandlord and Subtenant previously entered into that certain Sublease, First Addendum to Sublease and Second Addendum to Sublease (collectively, the "**Sublease**") of even date for the Subleased Premises located in the City of San Diego, California, as more fully described in the Sublease.

Sublandlord and Subtenant agree that notwithstanding anything contained in the Sublease to the contrary, the provisions set forth below shall be deemed to be a part of the Sublease and shall supersede, to the extent appropriate, any contrary provision in the Sublease. References in this Third Addendum to the term "**Sublease**" shall be construed to mean the Sublease as amended and supplemented by this Third Addendum. All capitalized terms used in this Third Addendum, unless specifically defined in this Third Addendum, shall have the same meaning attributed to those terms in the Sublease.

AGREEMENT

- 1) **Master Lease.** As set forth in **Section 27** of the Sublease, Subtenant and Sublandlord agree that the terms and conditions of the Master Lease are incorporated herein by reference, and shall, as between Sublandlord and Subtenant, constitute the terms, covenants, conditions, and provisions of this Sublease, except to the extent that they are inapplicable to, inconsistent with, or modified by the provisions of this Sublease. Subtenant shall strictly comply with each applicable term and condition of the Master Lease. Any breach of any of the terms and conditions of the Master Lease by Subtenant shall be deemed a breach by Subtenant of the Sublease. Without limitation, Subtenant specifically acknowledges that it has reviewed and will comply with the provisions of the Master Lease.
- 2) **Changes to Sublease.** Subtenant and Sublandlord agree that the terms and conditions of the Sublease are hereby amended as follows:

The following provisions of Section 2 of the Sublease are revised to state:

2.1 **Primary Term.** Subject to City of San Diego approval of the Third Addendum to Sublease, the term of this Sublease (the "**Term**") shall commence on **March**, **2021** (the "**Commencement Date**") and shall expire at midnight on **September 30, 2021** (the "**Expiration Date**"), subject to earlier termination as provided in this Sublease. In addition to any other termination right of Subtenant set forth herein, Subtenant may also terminate this agreement for convenience upon at least thirty (30) days written notice to Sublandlord.

2.2 **Option to Extend.** The Subtenant shall not have the option to extend the Term of this Sublease without the prior written consent of Sublandlord.

(Subtenant Initials _____)

The following provisions of Section 3 of the Sublease are revised to state:

3.1 Base Rent. Subtenant agrees to pay Sublandlord monthly rent ("**Base Rent**") in advance as set forth in **Schedule 3.1 of Schedule A**, which **Schedule A** is attached hereto and fully incorporated by this reference, beginning on the Commencement Date, and continuing the first day of every month thereafter, during the Term of this Sublease. Rent is due on the first day of each month and there is no grace period in the payment of Rent. If the first day falls on a weekend or holiday in which the City closes its non-essential offices, the Rent shall be due on the next business day.

3.2 Percentage Rent. Subtenant acknowledges and agrees that Subtenant shall be subject to the timely payment of percentage rent that arises from Subtenant's operations and use of the Subleased Premises as set forth in the Master Lease (the "**Percentage Rent**"). The Percentage Rent is set forth in **Schedule 3.2 of Schedule A**. In the event any part of **Schedule 3.2** conflicts with this **Section 3.2**, the terms of **Schedule 3.2** shall prevail and control. Subtenant further acknowledges and agrees that the City has the right and authority to increase the Percentage Rent set forth in the Master Lease from time to time. In addition to the Base Rent and Additional Rent, Subtenant shall pay to the Sublandlord the Percentage Rent set forth in **Schedule 3.2** on the tenth (10th) day of the month following the month upon which such Percentage Rent is based (e.g., Percentage Rent for March 2021 shall be paid by April 10, 2021). Any negotiations or discussions of the Percentage Rent under the Master Lease shall be solely between the City and Sublandlord, and Subtenant has no right to participate in such discussions or to contact the City regarding Percentage Rent. The Percentage Rent due from Subtenant under this Sublease is solely the obligation of Subtenant, and Subtenant shall hold harmless, defend, and indemnify the Sublandlord from any Percentage Rent obligation of Subtenant or liability created by Subtenant's failure to pay the Percentage Rent. The Subtenant's obligation to pay Percentage Rent owed under this Sublease shall survive the termination of this Sublease.

3.3 Additional Rent. In addition to Base Rent, Subtenant agrees to pay to Sublandlord as additional rent ("**Additional Rent**"), at times specified in this Sublease: any other amounts that Subtenant assumes or agrees to pay under the provisions of this Sublease that are owed to Sublandlord, including, without limitation, any and all other sums that may become due by reason of any Default of Subtenant or Subtenant's failure to comply with the agreements, terms, covenants and conditions of this Sublease to be performed by Subtenant. It is noted that (a) any increase in the taxes assessed against Sublandlord for the Master Lease, including any real property tax increase assessed against the Master Premises, that is caused by Subtenant's improvements to the Subleased Premises, or (b) any supplemental assessment assessed against Sublandlord in relation to the Master Lease that is caused by the actions or inactions of Subtenant, shall be the sole obligation of Subtenant as Additional Rent (each an "**Additional Assessment**"). If it is not possible for Sublandlord to isolate an Additional Assessment from the Master Lease assessments for the purpose of assigning responsibility for such Additional Assessment solely to Subtenant, Sublandlord shall use a reasonable determination and allocation method, generally accepted in the marina sublease industry, to determine which portion of the Master Lease assessments can properly be allocated to Subtenant for the subject Additional Assessment.

3.5 Rent. Additional Rent and Percentage Rent shall together be referred to in this Sublease as "**Rent**". Rent shall be paid to Sublandlord in lawful money of the United States of America at the office of Sublandlord or to such other person or at such other place as Sublandlord may from time to time designate in writing. All Rent and other monetary obligations shall be paid by Subtenant without

notice or demand and without set-off, counterclaim, recoupment, abatement, suspension, deferment, diminution, deduction, reduction, or defense.

(Subtenant Initials _____)

The following provisions of Section 6 of the Sublease are revised to state:

6.1 Use. Subtenant shall use the Subleased Premises for boat charter operations (6 or less passengers) and boat rental operations, and shall not use the Subleased Premises or permit or suffer the Subleased Premises to be used, for any other purpose without the prior written consent of Sublandlord, which consent may be withheld in Sublandlord's sole and unfettered discretion. Providing food and alcohol as part of a boat charter package sale is permitted. The on-site sale of alcohol is strictly prohibited.

(Subtenant Initials _____)

The following provisions of Section 7 of the Sublease are revised to state:

7.4 Parking. Under the condition that Subtenant is not in default or breach of this Sublease, Subtenant shall be entitled to the non-exclusive use of the non-reserved vehicle parking spaces, on a non-exclusive, unreserved, and unassigned basis, on those portions of the Common Area designated by Sublandlord for parking purposes from time to time. Subtenant shall not use more parking spaces than specifically allotted to Subtenant hereunder. Subtenant may not use more than **two (2) parking spaces at any one time**. Sublandlord may charge for parking, set up a parking control and/or validation system, restrict the use of parking and determine rules for parking.

- a) Parking spaces shall be used only for parking by vehicles no larger than full size passenger automobiles, SUVs, or pickup trucks.
- b) Subtenant shall not permit or allow any vehicles that belong to or that are controlled by Subtenant or Subtenant's employees, suppliers, shippers, customers, or invitees to be loaded, unloaded, or parked in areas other than those designated by Sublandlord for such activities. As such designation exists and it may be reasonably amended from time to time by Sublandlord upon fourteen (14) days advance written notice. If Subtenant permits or allows any such activities other than in the spaces designated for the same, then Sublandlord shall have the right, without notice, and in addition to such other rights and remedies that it might have under this Sublease or at law, to remove or tow away the vehicle involved and charge the cost thereof to Subtenant, which cost shall be immediately payable upon demand by Sublandlord as Additional Rent.
- c) Sublandlord has made no representation or guaranty of any parking availability except as specifically set forth in this Sublease.
- d) Sublandlord assumes no liability or responsibility for any damage or loss to any vehicle parked in the Common Area or any off-site property.

(Subtenant Initials _____)

The following provisions of Section 9 of the Sublease are revised to state:

9.1 Utilities Provided. Sublandlord shall furnish to the Subleased Premises reasonable quantities of water and electricity (the "**Utilities**") as required for Subtenant's use of waterside improvements as part of the Base Rent.

- a) Notwithstanding the foregoing, if Sublandlord determines in Sublandlord's reasonable discretion that Subtenant is utilizing the Utilities in an inordinate amount, Sublandlord may charge the Subtenant Additional Rent in an amount reasonably determined by Sublandlord to cover the inordinate usage; provided, however, that in the event that Sublandlord reasonably decides to impose such Additional Rent for such inordinate use of Utilities by Subtenant, Sublandlord shall provide in writing and prior to such Additional Rent coming due for payment all of the following (collectively, the "**Notice of Utilities Additional Rent**"): (i) the method of calculation of such Additional Rent, which method shall be reasonable determination and generally accepted in the marina sublease industry; (ii) evidence of the historical usage (starting from the Commencement Date of this sublease) of Utilities by Subtenant; (iii) evidence of the additional usage of Utilities by Subtenant that caused Landlord to reasonably determine that Subtenant's total, current usage is inordinate;; and (iv) all other documentation and evidence that would reasonably be expected to be provided with such a demand for Additional Rent attributable to an inordinate increase in the use of by a sublease tenant.
- b) Provided that Sublandlord has complied with all provisions of **Section 9.1(a)** above, Subtenant shall have fifteen (15) days from the date of receipt of a Notice of Utilities Additional Rent to reasonably object, in writing, to any portion of such Notice of Utilities Additional Rent. Following any such objection by Subtenant, Subtenant and Sublandlord hereby agree to use best efforts to mutually determine if such Additional Rent for the purported increase in Utilities is appropriate.
- c) Should Subtenant refuse to pay Additional Rent properly allocated and noticed to Subtenant in accordance with **Section 9.1(a)**, and if Subtenant has not reasonably and properly objected to the subject Notice of Utilities Additional Rent, Subtenant will be deemed to be in breach of this Sublease, and Sublandlord shall have all legal rights and remedies to enforce such breach in accordance with the applicable terms and conditions of this Sublease.

9.2 Utilities and Services Not Provided. Trash removal service is not provided under the Sublease, but Sublandlord will provide Subtenant with (a) at least one (1) large (i.e., 55-gallon) portable trashcan ("**Subtenant Trashcan**"), (b) at least one (1) commercial (i.e., 3 yard or greater) dumpster for Subtenant's exclusive use ("**Subtenant Dumpster**"), and (c) on-site trash service to regularly transfer waste from Subtenant Trashcan to Subtenant Dumpster. Subtenant will be required to pay for waste removal service to empty Subtenant Dumpster; provided, however, that Sublandlord and Subtenant may mutually agree to an alternative arrangement for payment of costs to empty Subtenant Dumpster. Sublandlord will provide space for subtenant's trash bin in a designated area in the parking lot at no charge to Subtenant. Landside Utilities are not provided under the Sublease. Sublandlord will provide Subtenant access to existing landside utility improvements. Subtenant is responsible for all costs associated with connecting Subtenant's restrooms and office to Sublandlord's existing landside utility improvements; a reasonable, mutually agreed upon

“Landside Utility Charge” will be assessed for any such utility usage. Subtenant shall arrange, and pay the supplier directly, for all telephone, CATV, internet and (except as provided in **Section 9.1** above) all other utilities and services supplied to the Subleased Premises, together with any connection charges and taxes thereon. Subtenant shall not install any antenna or dish-type receiver on the Building or the roof of the Building or in the Common Area without the expressed consent of the Sublandlord in the Sublandlord's sole and unfettered discretion. Subtenant shall not install any wireless or remote receivers in the Subleased Premises that interfere with the wireless or remote systems of any other subtenant in the Master Premises or outside of the Master Premises. The foregoing restrictions shall not apply to Sublandlord or any subtenant who has a system approved by the Sublandlord. Any and all wiring, conduits and cables permitted to be placed upon the Subleased Premises shall be at the end of the Term the property of the Sublandlord unless the Sublandlord notifies Subtenant to remove the same at the end of the Term. Any such removal by Subtenant shall be at the sole cost and risk of Subtenant who shall hold harmless, defend and indemnify Sublandlord from any cost, claim, expense, liability or charge arising from or due to the removal of the wiring, conduits, or cables.

(Subtenant Initials _____)

The following provisions of Section 14 of the Sublease are revised to state:

14.2 Liability Insurance. Subtenant, at Subtenant's own cost, shall procure and continue in effect, from the Commencement Date or at such time as Subtenant occupies the Subleased Premises, whichever first occurs, and continuing throughout the Term and thereafter until Subtenant has fully and finally surrendered the Subleased Premises to Sublandlord, comprehensive public liability insurance with limits of not less than Two Million Dollars (\$2,000,000) per occurrence for death, bodily injury or property damage with respect to the Subleased Premises and insurance on all of its personal property.

- a) The deductible amounts of such policy of insurance shall not exceed Five Thousand Dollars (\$5,000) (the **“Required Insurance”**). Subtenant shall provide Sublandlord a full copy of the Required Insurance policy(ies) obtained by Subtenant. The form and contents of the Required Insurance policy(ies) are subject to Sublandlord's approval.
- b) Furthermore, it is specifically noted that if the Subtenant sells, provides, or allows the use of any alcoholic beverages at the Subleased Premises, the Subtenant, at the Subtenant's own cost, shall obtain and carry liquor liability insurance coverage in the form and amount reasonably acceptable to Sublandlord. It is further agreed by Subtenant that, if Subtenant sells, provides, or allows the use of any alcoholic beverages at the Subleased Premises, the City may impose additional insurance requirements for the Master Premises as a result of such sale, provision or allowance, and, therefore, if such additional insurance requirements are imposed by the City, Subtenant shall acquire any such additional coverage required by the City.

14.8 Workers Compensation Insurance. Subtenant, at Subtenant's own cost, shall procure and continue in effect, from the Commencement Date or at such time as Subtenant employs any person for work at the Subleased Premises, whichever first occurs, and continuing throughout the Term and

thereafter until Subtenant no longer employs any person for work at the Subleased Premises, worker's compensation insurance in amounts required by applicable law.

Subtenant Initials _____)

- 3) Effectiveness of Sublease. Except as and to the extent modified by this Third Addendum, all the provisions of the Sublease shall remain in full force and effect.

Date of Execution: March ____, 2021

Sublandlord:

DRISCOLL MISSION BAY LLC,
a California Limited Liability Company

By:

Name: Thomas A. Driscoll, a Member

Date of Execution: March ____, 2021

Subtenant:

ELECTRIC REGATTA, LLC
a California Limited Liability Company

By:

Name: Bill Gonzalez, a Member

Exhibit and Schedule List

Exhibit A Subleased Premises

Schedule A

Schedule 3.1 Base Rent

Schedule 3.2 Percentage Rent

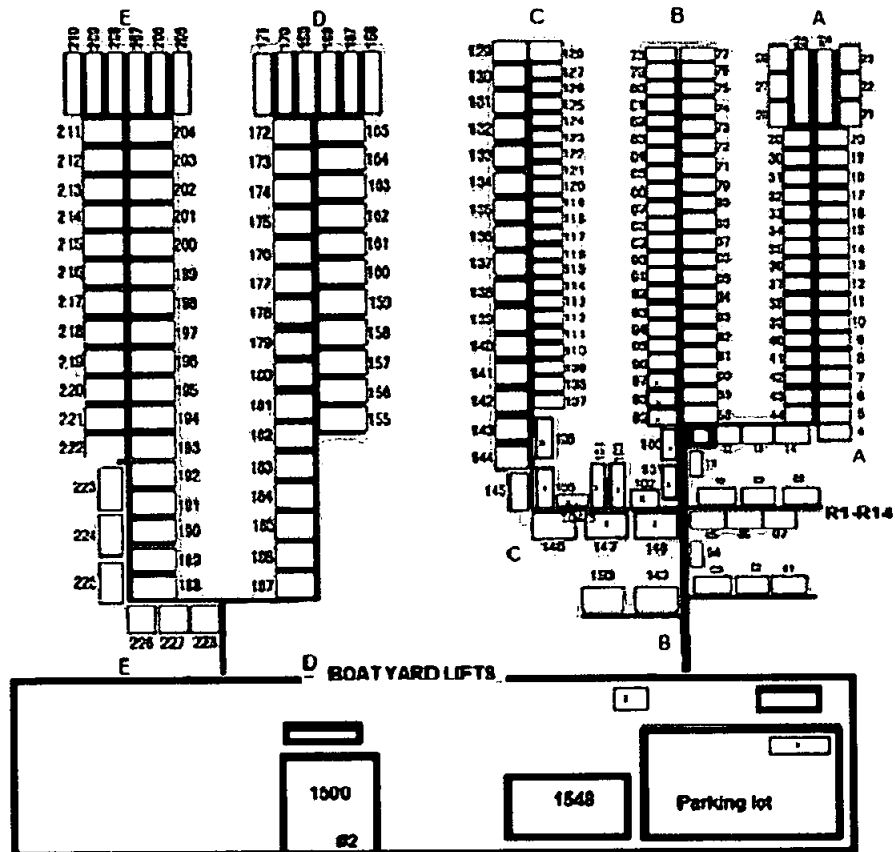
Schedule 3.3 Additional Rent

Exhibit B Additional Terms and Conditions

EXHIBIT A

Site Plan

Areas identified with a red boarder and "x" below are allocated for Subtenant's exclusive use. In addition to the areas identified below, locker number LL-15 is also allocated for Subtenant's exclusive use.



SCHEDULE A

Schedule 3.1 Base Rent

- 1) Land Area for Office.....\$1 per square foot per month, as required based on size of office utilized by Subtenant at the Subleased Premises, with a minimum of \$200 per month for 200 square feet.
- 2) Water Area\$3,671 per month for 287 linear feet of water space, which linear feet of water space shall include the dock spaces and locker identified in red on Exhibit A to the Sublease
- 3) Parking Spaces for Portable Restrooms\$150 per month for each dedicated parking space utilized by Subtenant for the provision of portable restrooms.

Schedule 3.2 Percentage Rent

- 1) Boat Charter Sales6% of all Gross Sales from all boat chartering activities to the City; and 4% of all Gross Sales from all boat chartering activities to Sublandlord
- 2) Boat Rental Sales6 % of all Gross Sales from all boat rental activities to the City; and 4% of all Gross Sales from all boat rental activities to Sublandlord

Schedule 3.3 Additional Rent

- 1) Non-Permitted Uses: 25% of all sales generated from any business activity that is not specially listed as a Use under this Sublease.
- 2) Subtenant will be charged for Land Area Utilities based on the month's measured usage or a rate negotiated by the Sublandlord and Subtenant.

EXHIBIT B

Additional Terms and Conditions

1. **Restrooms**. Subtenant acknowledges they will provide adequate restroom facilities for their employees and customers. Other restrooms on site are not available for Subtenant use. Subtenant will be responsible for all charges related to the connection, if any, of restrooms to existing onsite utility improvements.
2. **Accounting Requirements**. Monthly reports with Yearly Audit.

ELECTRIC REGATTA, LLC
2021 OPERATING PLAN
DUFFY BOAT RENTALS AND CAPTAINED CHARTERS
for
MISSION BAY MARINA

February 10, 2021

Introduction

Electric Regatta, LLC is an eco-friendly boat rental and captained charter company. We provide our customers with 100% electric boats that do not utilize fuel or oil, thereby protecting the precious and delicate ecosystem of our beloved Mission Bay. Our boats travel less than 6 miles per hour, creating little to no wake, protecting our Mission Bay Marina neighbor's slips and water craft, and other vessels in Mission Bay.

In addition to being eco-friendly, we provide our customers with clean and extremely well-maintained boats, and our operations adhere to all applicable COVID-19 and Harbor Patrol safety guidelines. Protecting the health and safety of our customers, crew and neighbors is our top priority. We also take great pride in constantly striving to provide the highest level of customer service of any boat rental or captained charter service in Mission Bay.

As the COVID-19 crisis continues into 2021, we are proud to offer individuals, families and members of households a comfortable place to get together, at a socially-safe distance from others, to enjoy some much-needed recreation time outdoors on the beautiful Mission Bay.

Operating Plan

The following is Electric Regatta, LLC's Operating Plan ("Plan") for the calendar year 2021, as operated out of Mission Bay Marina.

We are committed to executing this Plan with focus and detailed boat safety and customer instructions, including specific instructions for safe operation, safety equipment, departing and returning to the rental area, navigation basics (e.g., operating speed, rights of way, maintaining distance from other vessels, etc.), and other essential information (e.g., navigation map, emergency services contact information, real-time customer service support by telephone, etc.).

We create value for Mission Bay Marina, Mission Bay, the surrounding communities and the City of San Diego as a whole by providing essential recreational activities and supporting other businesses in the area. Our customers regularly frequent other businesses in the area before, during and after their boat rental or captained charter experience.

1) Area of Planned Operation

- a) Our boat rentals and captained charters operate only within Mission Bay. Under no circumstances are our boats to leave the protected waters of the bay. Operation in the Pacific Ocean and/or the channel leading into the Pacific Ocean is prohibited and this is made clear to all rental and charter customers.

2) Hours of Operation

- a) Days of Operation:
 - i) Before Memorial Day weekend: Tuesday thru Sunday
 - ii) Memorial Day weekend through Labor Day weekend: Monday through Sunday
 - iii) After Labor Day weekend: Tuesday thru Sunday
- b) Hours of Operation:
 - i) Rental Boats: during daylight hours only; all rentals are required to back to the rental dock before sunset
 - ii) Captained Charters: between 9:00 A.M. and 9:00 P.M. local time
- c) Scheduled Departures:
 - i) Rental Boats: rental boat departures/returns are scheduled at minimum 15-minute increments in order to allow our crew to properly brief customers on operations and safety, and to minimize traffic at Mission Bay Marina.
 - ii) Captained Charters: departure and return times vary by demand.

3) Total Boats Planned in Operation

- a) Rental Boats:
 - i) 1 - 2014 18' Snug Harbor (11 person capacity)
 - ii) 1 - 2014 21' Sun Cruiser (12 person capacity)
 - iii) 1 - 2015 21' Sun Cruiser (12 person capacity)
 - iv) 1 - 2017 21' Sun Cruiser (12 person capacity)
 - v) 1 - 2014 21' Sun Cruiser (12 person capacity)
 - vi) 1 - 2018 21' Sun Cruiser (12 person capacity)
 - vii) 2 - 2020 21' Sun Cruiser (12 person capacity)
 - viii) 2 - 2021 21' Sun Cruiser (12 person capacity)
- b) Captained Charter Boats
 - i) 1 - 2014 22' Bay Island (6 passenger capacity, plus Captain)
 - ii) 1 - 2021 22' Bay Island (6 passenger capacity, plus Captain)

4) Rental Periods and Base Pricing

- a) Rental Boats:
 - i) 1.5 hours: \$189.00 - \$209.00 (per boat)
 - ii) 3 hours: \$309.00 - \$339.00 (per boat)
- b) Captained Charters:
 - i) 1.5 hours: \$49.00 - \$99.00 (per person)

5) Safety Protocols

- a) Basic Safety and Operation Instruction: ALL primary boat "captains" (primary driver) and elected "co-captains" are briefed on onboard detailed map, basic navigation and harbor rules, location of first aid kit and onboard safety equipment, including proper emergency anchor deployment and boat operation. In

addition, ALL “captains” and “co-captains” are carefully briefed on properly departing and returning to the rental dock, and carefully checking for potential marina traffic. Any “captain” not feeling fully comfortable with initial boat operation and/or dock departure/return procedure is given a “hands on” test run with a crew member before being approved to begin the rental.

b) Coordination with Lifeguard Services (Harbor Patrol):

- i) Electric Regatta, LLC is 100% committed to working with Mission Bay Harbor Patrol (Fire-Rescue / Lifeguard Services), to optimize the safety of our customers, our Mission Bay Marina neighbors, and everyone enjoying recreational activities on Mission Bay. To that end, our management team has communicated with the City of San Diego, including Boating Safety Lieutenant, Rich Romero, about how to help prevent the unlawful or unsafe operation of our rental boats on Mission Bay, including helping to make sure our customers comply with alcohol laws applicable to boating. Based on those discussions and related research, our safety protocols with regard to alcohol have been revised as set forth in Section 5(c) below.
- ii) Our Contacts at City of San Diego, Lifeguard Services
 - (1) Lt. Rich Romero (Boating Safety)
 - (2) Cpt. Maureen Hodges (Marine Safety)

c) Alcohol-Specific Safety Protocols for Customers

i) Rental Boats

- (1) All rental boat customers are informed at the time of rental that operating a rental boat under the influence of alcohol and certain other substances (e.g., marijuana) is illegal and should be viewed and treated the same as if the customer were operating a motor vehicle on a public road or highway.
- (2) The person renting the boat is required to sign an agreement at the time of rental that acknowledges that operating a rental boat under the influence of alcohol is prohibited and that doing so is subject to applicable law.
 - (a) Under California law it is not illegal to drink alcohol on a boat, and, therefore, rental boat customers are permitted to bring their own alcohol on the rental boat for personal consumption. However, it is against the law to operate a vessel while under the influence of intoxicating liquor or drugs (Harbors & Navigation Code Section 655). The blood alcohol limit for boating is the same as that for driving a car: 0.08%. A person convicted of Boating Under the Influence (BUI) may receive a fine of up to \$1,000 and six months in jail.
 - (b) For additional information, see:
 - (i) City of San Diego, Lifeguard Services Boating Regulations webpage.
 - (ii) California State Parks, Division of Boating & Waterways Laws & Regulations webpage.
 - (iii) California Department of Parks and Recreation, Boating Safety & General Information webpage.
- (3) All rental boat customers are informed at the time of rental check in that a rental boat cannot be operated by any person under the influence of alcohol, and are briefed regarding hazards, risks and potential consequences for consuming alcohol or certain other substances (e.g., marijuana) while operating a rental boat.

ii) Captained Charters

- (1) Alcohol may be served to and consumed by customers on our Captained Charters, but such service and consumption shall be controlled and monitored by the assigned Charter Captain and permitted only in accordance with the requisite California Department of Alcoholic Beverage Control beer/wine license (the "ABC License") issued to Electric Regatta, LLC.
 - (a) ABC License: alcohol will only be served on a Captained Charter pursuant to a current ABC License. Written evidence of such license will be provided to Driscoll Marina management.
 - (b) Alcohol Liability Insurance: Electric Regatta, LLC maintains Commercial Marine Liability Insurance (as required by the City of San Diego for marina sublessees), and will obtain and maintain additional insurance in accordance with California Department of Alcoholic Beverage Control regulations. Electric Regatta, LLC will also obtain and maintain a separate alcohol liability insurance policy.
- (2) Non-alcoholic beverages and appetizers (e.g., cheese and crackers, etc.) are provided to all Captained Charter customers free of charge.

6) Boat Safety Equipment

- a) Rental Boats all have:
 - i) Detailed onboard waterproof Mission Bay map: detailing any potential hazards, approximate location of buoys and areas to not enter
 - ii) Emergency customer service contact number for crew
 - iii) Type III PFD (for adults and kids)
 - iv) Anchor with chain and 100' line
 - v) Safety Flares
 - vi) Sound device
 - vii) Fire extinguisher
 - viii) First aid kit
- b) Captained Charter Boats have:
 - i) Type I PFD (for adults and kids)
 - ii) Type IV 20" Lifesaving ring with 25' line
 - iii) Anchor with chain and 100' line
 - iv) Flares
 - v) Sound device
 - vi) Fire extinguisher
 - vii) First aid kit

7) Emergency Procedures

- a) Emergency Response Plan for Captained Charters
 - i) Each Captained Charter Boat has a posted Emergency Response Plan, which includes emergency contact information for our crew, Harbor Patrol and the U.S. Coast Guard.
- b) Boat Accident:

- i) ALL "captains" and "co-captains" are briefed to locate the first aid kit, seek the nearest dock detailed on the onboard map, call 911 and alert 911 of the then-current location.
- ii) Any boat accidents shall be reported immediately to Harbor Patrol.
- c) Sick Person:
 - i) Any passenger seeking emergency medical services, shall be directed to locate the first aid kit, seek the nearest dock detailed on the onboard map, call 911 and alert 911 of then-current location.
 - ii) A crew member will alert Lifeguard Services for assistance, as necessary.

8) Boat Maintenance Plan

- a) ALL boats are on a comprehensive weekly and monthly maintenance schedule.
- b) Weekly Maintenance shall include:
 - i) Inner and outer hull inspection
 - ii) Electrical systems inspection
 - iii) Propeller and propeller shaft inspection
 - iv) Windows and enclosure inspection
 - v) Steering inspection
- c) Monthly maintenance shall include:
 - i) Battery inspection and testing
 - ii) Battery fluid level inspection
 - iii) Hull cleaning
 - iv) Electric motor and cable inspection and testing

9) Captained Charters:

- a) All Captained Charters have a credentialed and experienced boat captain at the helm
 - i) Minimum License: US Coast Guard Merchant Mariner Credential (for 6-Pack operation)

10) Insurance

- a) All rental boats and captained chartered boats are covered by required insurance, including:
 - i) Rental Boats: Liability Insurance (as required by the City of San Diego)
 - ii) Captained Charters: Commercial Marine Liability Insurance (as required by the City of San Diego)
- b) Electric Regatta, LLC maintains workers compensation insurance for all Rental Boat and Chartered Captain employees in accordance with the California Labor Code and applicable California Department of Industrial Relations regulations.