

CONSENT TO SUBLEASE

THIS CONSENT TO SUBLEASE (Consent) is provided by THE CITY OF SAN DIEGO, a California municipal corporation (City), to WESCO SALES CORPORATION, a California Corporation, d.b.a. Dana Landing, to be effective upon execution by City and approval by the San Diego City Attorney, as follows:

RECITALS

- A. City, as lessor, and Wesco Sales Corporation, as "Lessee/Sublessor", are parties to that certain THE CITY OF SAN DIEGO, WESCO SALES CORPORATION, PERCENTAGE LEASE, filed in the Office of the City Clerk on July 17, 1995 as Document No. OO-18192, as amended by that certain FIRST AMENDMENT TO LEASE filed on June 8, 1998, as Document No. OO-18527, in the Office of the City Clerk ("Master Lease"), relating to certain City-owned real property in Mission Bay Park, consisting of approximately 3.467 acres of land and 4.127 acres of water ("Premises"), as further identified in the Master Lease.
- B. Lessee/Sublessor now desires to sublease a portion of the Premises to Blue Seas Fabrication, Inc., a California Corporation (Sublessee).
- C. The Master Lease requires City to consent to the sublease of the Premises or any portion of the Premises.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is acknowledged, and with the incorporation of the above-listed Recitals into this Consent, City provides its consent to the sublease of a portion of the Premises, subject to the following:

- 1. City hereby consents to Lessee/Sublessor's request to sublease a portion of its right, title and interest in and to the Master Lease to Sublessee. By giving this Consent, City is merely consenting to the requested sublease. All terms and conditions of the Master Lease shall control and supersede any inconsistent or contrary provisions in the sublease agreement executed between Lessee/Sublessor and Sublessee; and
- 2. City's Consent is conditioned upon Sublessee's written agreement that it will assume all rights and obligations as a "Lessee" under the Master Lease (which rights and obligations include, but are not limited to, the Sublessee's obligation to indemnify the City in the manner set forth in Section 5.1 of the Master Lease, and to comply with all insurance requirements in the manner set forth in Section 5.2 of the Master Lease), as applicable; and
- 3. City does not release, discharge or modify any of Lessee/Sublessor's obligations to City under the Master Lease. As set forth in applicable law, Lessee/Sublessor's obligations under the Master Lease shall continue through the termination date of the Master Lease, as set forth therein; and
- 4. This Consent does not constitute consent to any subsequent subleasing of any interest in and to the Master Lease; and
- 5. Lessee/Sublessor agrees to pay City any applicable processing and/or administrative fee(s) for processing this Consent; and

6. City shall not be liable for any brokerage commission or finder's fee in connection with the consummation of the Sublease. Further, Lessee/Sublessor 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 is executed by City acting by and through its Mayor, or his designee.

THE CITY OF SAN DIEGO, a California municipal corporation

Date: 9/13/16

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

Planning Department - Environmental Clearance:

Environmental Analysis Section Environmental Clearance:

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

Date: 9/1/16

By: [Signature]
Name: Alyssa M. Muto
Title: Deputy Director, Environmental and Policy Analysis,
Planning Department

Approved as to form this 10th
day of October, 2016.

JAN I. GOLDSMITH, City Attorney

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



Date of Notice: August 26, 2016

NOTICE OF RIGHT TO APPEAL

ENVIRONMENTAL DETERMINATION

PLANNING DEPARTMENT

PROJECT NAME/NUMBER: Consent to Sublease, Wesco Sales Corporation, a California Corporation, d.b.a. Dana Landing

COMMUNITY PLAN AREA: Mission Bay Park

COUNCIL DISTRICT: 2

LOCATION: 2610 Ingraham, San Diego, CA 92109

PROJECT DESCRIPTION: Consent to sublease between Wesco Sales Corporation, d.b.a. Dana Landing, and Blue Seas Fabrication, a California Corporation, allowing the subleasing of a portion of the premises leased by Wesco Sales Corporation for fabrication and installation of patented rubber materials on new and used boats.

ENTITY CONSIDERING PROJECT APPROVAL: City of San Diego Mayor-Appointed Designee

ENVIRONMENTAL DETERMINATION: CEQA Exemption Section 15301- Existing Facilities

ENTITY MAKING ENVIRONMENTAL DETERMINATION: City of San Diego Mayor-Appointed Designee, Environment & Policy Analysis, Planning Department

STATEMENT SUPPORTING REASON FOR ENVIRONMENTAL DETERMINATION: This activity has been determined to be exempt from CEQA pursuant to CEQA Section 15301 (Existing Facilities) which allows for the operation, repair, maintenance, permitting, leasing, licensing or minor alterations of existing public or private structures or facilities involving negligible or no expansion of use; and where the exceptions listed in CEQA Section 15300.2 would not apply in that no cumulative impacts were identified; no significant effects on the environment were identified; the project is not adjacent to a scenic highway; no historical resources would be affected by the action, and the project was not identified on a list of hazardous waste sites pursuant to Section 65962.5 of the Government Code.

PROJECT MANAGER: Vladimir Balotsky, SR/WA
Real Estate Assets Department

MAILING ADDRESS: 1200 Third Avenue, Suite 1700, MS 51A
San Diego, CA 92101

PHONE NUMBER: (619) 235-5248

On August 26, 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 Project Manager listed above.

Applications to appeal CEQA determination made by staff (including the City Manager) 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 (**September 12, 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.

POSTED IN THE OFFICE OF DSD

POSTED: 8/26/16

REMOVED: 9/12/2016

POSTED: M. Hermann



BLUES-5

OP ID: LG

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

10/05/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Kennedy Insurance Agency, Inc. 2295 Fletcher Parkway, Ste. 100 El Cajon, CA 92020 House Account		Phone: 619-797-1440 Fax: 619-797-1459	CONTACT NAME: PHONE (A/C, No, Ext): E-MAIL ADDRESS: INSURER(S) AFFORDING COVERAGE INSURER A: Great American Insurance Co. INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	FAX (A/C, No): NAIC # 16691
INSURED	Blue Seas Fabrication, Inc. Ken Gardon 2610 Ingraham St., Ste A San Diego, CA 92109			

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS		
A	GENERAL LIABILITY	X	X	OMH3068375	04/21/2016	04/21/2017	EACH OCCURRENCE \$ 1,000,000		
	☒ COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000		
	☐ CLAIMS-MADE ☒ OCCUR						MED EXP (Any one person) \$ 5,000		
							PERSONAL & ADV INJURY \$ 1,000,000		
							GENERAL AGGREGATE \$ 2,000,000		
							PRODUCTS - COMP/OP AGG \$ 1,000,000		
							Ship Rep. \$ 1,000,000		
	GENL AGGREGATE LIMIT APPLIES PER:						COMBINED SINGLE LIMIT (Ea accident) \$		
	☒ POLICY ☐ PROJECT ☐ LOC						BODILY INJURY (Per person) \$		
								BODILY INJURY (Per accident) \$	
	AUTOMOBILE LIABILITY						PROPERTY DAMAGE (Per accident) \$		
	☐ ANY AUTO								
	☐ ALL OWNED AUTOS						☐ SCHEDULED AUTOS		
	☐ HIRED AUTOS						☐ NON-OWNED AUTOS		
	UMBRELLA LIAB						EACH OCCURRENCE \$		
	☐ EXCESS LIAB						☐ OCCUR	AGGREGATE \$	
	☐ CLAIMS-MADE								
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						WC STATUTORY LIMITS \$		
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) ☐ Y/N ☒ N/A						E.L. EACH ACCIDENT \$		
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$		
							E.L. DISEASE - POLICY LIMIT \$		
A	Bus Pers prop			CPP4843287	04/21/2016	04/21/2017	rc sform 40,000		
A	Stock			CPP4843287	04/21/2016	04/21/2017	rc sform 30,000		

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

All policy terms and conditions apply. Policy form(s) available upon request. Certificate holder is named as additional insured with respect to premise leased at 2610 Ingraham St., Ste A, San Diego CA.

CERTIFICATE HOLDER

CITY-SD

City of San Diego
Real Estate Assets
Department
1200 Third Avenue, Suite 1700
San Diego, CA 92101-4195

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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0506752



Administrative Offices
301 E 4th Street
Cincinnati OH 45202-4201
513 369 5000 ph

GAI 2254 (Ed. 01 01)

Policy: OMH 3068375 00

ADDITIONAL INSURED

It is hereby understood and agreed the following Additional Insureds are added to this Policy as their interests may appear:

Additional Insured Name	Additional Insured Mailing Address
CITY OF SAN DIEGO	REAL ESTATE ASSETS DEPARTMENT 1200 THIRD AVENUE STE 1700 SAN DIEGO, CA 92101

All other terms and conditions of this policy remain unchanged.



Administrative Offices
301 E 4th Street
Cincinnati OH 45202-4201
513 369 5000 ph

GAI 2501 (Ed. 03 13)

**MARINE CRAFTMASTER
BLANKET WAIVER OF SUBROGATION ENDORSEMENT**

We agree to waive any rights of subrogation to which we may be entitled if prior to an "occurrence," the Named Insured has agreed to such waiver in writing, but only to the extent required by said written agreement.

All other terms and conditions of this policy remain unchanged.

SUBLEASE

By this Sublease dated July 19, 2016 for reference purposes only, Sublessor hereby Subleases to Sublessee the Premises, together with the non-exclusive right to use the Common Areas, upon and subject to the following terms, covenants and conditions:

ARTICLE I - BASIC SUBLEASE PROVISIONS

1.1 For purposes of this Sublease, certain provisions are defined as follows:

- (a) Sublessor: WESCO SALES CORP. a California corporation dba DANA LANDING
- (b) Sublessee: BLUE SEAS FABRICATION
- (c) Marina: DANA LANDING, 2620 Ingraham Street, Suite A, San Diego, CA 92109
- (d) Premises: Building (portion) as indicated on the location plan attached hereto as Exhibit "A."
- (e) Anticipated Commencement Date: August 1, 2016
- (f) Anticipated Term: 2 years.
- (g) Permitted Use: Fabricate and install patented rubber material on new and used boats
- (h) Basic Monthly Rent: \$3,400.00
- (i) Initial Security Deposit: 1,400.00
- (j) Proportional Share: Approximately 11.9%
- (k) Base Year: The calendar year 2016
- (l) Procuring Broker: None
- (m) Parking Allotment: Rights to use of parking facilities in common with other tenants (and boats on display subject to Sublessor approval).
- (n) Business Hours: 6:00 AM to 6:00 PM, 365 days a year except Christmas, Easter, or Thanksgiving.

1.2 For purposes of this Sublease, the "Land" shall be defined as the site upon which the Marina, Common Areas and other related improvements, facilities, service areas and equipment are located (as legally described in Exhibit "B" attached hereto).

1.3 For purposes of this Sublease, the "Common Areas" shall be defined as those interior and exterior portions of the Marina and such other areas, facilities and equipment serving the Marina, which are designated by Sublessor for the common use and benefit of Sublessee, Sublessee's employees, customers and invitees, and all members of the general public. Such areas, facilities and equipment shall include, without limitation: entrances; exits; lobbies; all water based facilities; stairways; corridors; passageways; public washrooms; parking facilities; loading areas; plazas; private sidewalks; landscaped areas; walkways; mechanical, electrical and telephone rooms; utilities and related facilities; electrical, mechanical, sprinkler, fire detection or prevention equipment, security equipment, and related facilities; duct shafts; opening, maintenance and storage areas, and service areas, equipment and facilities.

Initial
Here:
Sublessee
Sublessor

1.4 For purposes of this Sublease, the "Sublessehold Improvements" shall be defined as including, without limitation, partitions within the interior of the Premises and the interior one-half of partitioning denising the Premises from adjacent premises (whether slab-to-slab, ceiling-height or a lesser height), and the fixtures, doors, windows, openings and finishes installed therein or thereon; the interior drywall on exterior walls and partitions denising the Premises from Common Areas; cabinetry, millings, paneling, and woodwork; integrated ceiling systems (including grid, panels and lighting); carpeting and other floor finishes; kitchen facilities (including sinks, appliances and other fixtures) or other similar facilities; rest rooms intended to exclusively serve the Premises (including showers, toilets, basins and other fixtures); the components of the mechanical, heating, ventilation, air-conditioning, electrical, fire-life safety and mechanical systems (collectively "Mechanical Systems") from the common point of distribution on the floor for each such system to and throughout the Premises; any Mechanical Systems or intra-Marina telephone network cabling which are independent of the base-Marina Mechanical Systems and exclusively serve the Premises (whether or not such system is contained entirely within the Premises); and, Alterations which Sublessor has not required Sublessee to remove as a condition of making such Alterations. The Sublessehold Improvements shall include all of the foregoing improvements in or to the Premises regardless of whether such improvements either: existed in the Premises prior to Sublessee's having entered into this Sublease; were paid for by either Sublessor or Sublessee (or a prior Sublessee); were installed by either Sublessee or Sublessor as a condition of this Sublease; were installed by Sublessor during the Term of this Sublease to comply with the requirements or directives of a government, quasi-government or regulatory agency or authority; were installed by Sublessor during the Term of this Sublease with the intent of reducing Operating Expenses; were installed by Sublessor during the Term of this Sublease to maintain the quality, integrity and/or character of the Land, Marina, Common Areas and/or the machinery, equipment and facilities related thereto; or, were installed by Sublessee as an Alteration.

1.5 Notwithstanding the foregoing, those terms defined in Articles 1.1 through 1.4, above are subject to modification, revision or alteration by other terms and conditions of this Sublease, addenda, exhibits and other attachments hereto.

ARTICLE 2 - TERM

- 2.1 The Term of this Sublease shall commence on the Commencement Date, which shall be the earlier of:
- (a) the date upon which Sublessee occupies the Premises for the conduct of business; or
 - (b) the later of
 - (i) The Anticipated Commencement Date; or
 - (ii) The date, as reasonably determined by Sublessor, upon which the Sublessee Improvements are substantially complete and the Premises are available for the use and occupancy of Sublessee (or would have been so available, but for delay caused by Sublessee), and Sublessee has been provided the opportunity to move into the Premises over a weekend, regardless of Sublessee's completion of installation of Sublessee's trade fixtures, work stations, furnishings and telephone, communication or computer systems.

2.2 The "Initial Term" of this Sublease shall commence on the Commencement Date and continue for the Anticipated Term, plus so many additional days as are necessary such that the Sublease terminates on the last day of a calendar month (the "Termination Date"), unless sooner terminated as otherwise provided herein. The "Term" of this Sublease shall include the Initial Term and any other period of Sublessee's occupancy resulting either from Sublessee's holding over with Sublessor's consent (pursuant to Article 23), or from Sublessee's exercise of an express option to renew, re-Sublease or extend the Term, or other express agreement to extend the Term, all made in accordance with this Sublease (or a modification or addendum thereto made in accordance with this Sublease). Unless expressly stated to the contrary herein, any and all references herein to "months" during the Term shall be deemed to refer to full calendar months of the Term, beginning the Commencement Date (if the Commencement Date is the first day of a calendar month) or the first day of the first full calendar month after the Commencement Date (if the Commencement Date is not the first day of a calendar month).

2.3 Sublessor shall tender possession of the Premises to Sublessee and notify Sublessee of the Commencement Date by means of a Notice of Sublease Term Commencement Date ("NL T") indicating the basis for the Commencement Date. Within seven (7) days after receipt of the NL T, Sublessee shall either confirm the Commencement Date by executing and returning the NL T to Sublessor, or notify Sublessor in writing of any objection to the Commencement Date, or the Commencement Date specified in the NL T shall be deemed conclusive as between Sublessor and Sublessee.

Initial
Here
Sublessee
Sublessor

ARTICLE 3 - BASIC MONTHLY RENT

3.1 The first installment of Basic Monthly Rent is due upon Sublessee's execution of this Sublease. All other installments of Basic Monthly Rent are payable in advance on the first day of each calendar month, together with any monthly installments of estimated Tax Rent, Operating Expense Rent and Capital Expense Rent (collectively "Total Monthly Rent"). If the Commencement Date is not the first day of the calendar month, Total Monthly Rent shall be prorated. All amounts due Sublessor relating to this tenancy other than Total Monthly Rent ("Additional Rent"), are due and payable within thirty (30) days after receipt of Sublessor's invoice. All amounts due Sublessor relating to this tenancy are rent, and subject to all remedies of Sublessor for nonpayment of rent. Sublessee's obligation to pay all amounts owing under this Sublease shall survive Sublessee's relinquishment of possession to Sublessor, or the expiration or early termination of this Sublease.

3.2 If Total Monthly Rent is not received by Sublessor by the fifth (5th) day of the month in which it is due, or Additional Rent is not received by Sublessor within thirty (30) days after receipt of Sublessor's invoice, then Sublessee shall pay Sublessor a "Late Charge" of ten percent (10%) of the unpaid amount. Sublessee agrees that Sublessee's late payment causes Sublessor to incur costs which are impracticable or extremely difficult to fix, and that the Late Charge is a fair and reasonable estimate of such costs. Sublessor's acceptance of a Late Charge shall not constitute a waiver of Sublessee's default or interest pursuant to Article 26.8, or prevent Sublessor from exercising any of the other rights and remedies of Sublessor under this Sublease.

3.3 All amounts due Sublessor shall be paid by Sublessee, without deduction or offset, in lawful money of the United States of America at the office of Sublessor or to such other person or at such other place as Sublessor notifies Sublessee. Sublessor reserves the right to require that payments be made by certified check when Sublessee is in default hereunder or if any payment by Sublessor has been returned unpaid.

ARTICLE 4 - TAX RENT

4.1 "Property Taxes" is all costs and expenses which Sublessor incurs for real and personal property taxes, or any other assessments upon Sublessor's legal or equitable interest in the Land, Marina or Common Areas and all or any related facilities and improvements (including, without limitation, Sublessee's taxes, any non-progressive tax on or measured with respect to gross receipts), whether imposed by a governmental authority or agency, or by a special assessment district (including districts established for transportation plans, funds or systems), and any reasonable expenses of Sublessor in successfully contesting any of the foregoing; excepting any net income, franchise, capital stock, estate or inheritance taxes. Any item of cost or expense included in Property Taxes shall not be included in either Operating Expenses or Capital Expenses.

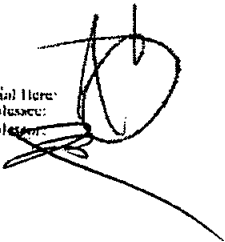
4.2 Each year of the Term, Sublessee shall pay to Sublessor the Proportional Share of the amount of annual Property Taxes which exceed Base Year Property Taxes ("Tax Rent"), as follows. As soon as practical after the beginning of a Year, Sublessor shall estimate Tax Rent for the Year, which Sublessee shall pay in equal monthly installments (underpayment of estimates from the beginning of the Comparison Year to be retroactively due). As soon as practical after the end of a Year, Sublessor shall determine the actual Tax Rent for the Year and either invoice Sublessee for any underpayment, or credit any overpayment to Total Monthly Rent next due (or refund the overpayment to Sublessee, if this Sublease has terminated). If this Sublease does not terminate on the last day of the last Comparison Year, Tax Rent shall be prorated.

4.3 Sublessee shall pay any taxes levied upon the personal property or trade fixtures of Sublessee. Sublessee shall directly and fully reimburse Sublessor for any Property Taxes assessed for Alterations made by Sublessee which are above-Marina standard.

ARTICLE 5 - OPERATING EXPENSE RENT

5.1 "Operating Expenses" is all costs and expenses which Sublessor incurs for operating, maintaining, repairing, improving, managing and administering the Land, Marina and Common Areas, including, without limitation costs of utilities and services provided pursuant to Article 2; costs of maintenance performed pursuant to Article 11; parking facility operation, maintenance and management; business licenses or similar licenses or taxes; insurance Sublessor provides pursuant to Article 15. Any item of cost or expense included in Operating Expenses shall not be included in either Property Taxes or Capital Expenses.

Initial Here:
Sublessee:
Sublessor:



5.2 Any item of operation, maintenance, repair, improvement, management or administration of the Marina provided to or supplied from another Marina owned or operated by Sublessor shall be reasonably allocated between such other Marina and the Marina. Operating Expenses shall not be offset for any revenue derived from operation of the Marina or Common Areas, however, Operating Expenses shall exclude costs and expenses of: obtaining new Sublessees (including leasing commissions, attorneys' fees, and improvements to premises); items for which Sublessor is directly reimbursed pursuant to Sublessee Subleases or insurance policies of Sublessee or Sublessor; depreciation and amortization; special services or benefits provided to other Sublessees and not Sublessee; violations of this Sublease by Sublessor; violations by other Sublessees of their Subleases; overhead and profit paid to subsidiaries or affiliates of Sublessor, to the extent same exceeds same if such services were not rendered by a subsidiary or affiliate, principle or interest on debt, or any mortgage; and, ground Sublease rent (if any).

5.3 For each Year, Sublessee shall pay to Sublessor the Proportional Share of the amount, if any, of Operating Expenses for such Year ("Operating Expense Rent"), as follows. As soon as practical after the beginning of a Comparison Year, Sublessor shall estimate Operating Expense Rent for the Year, which Sublessee shall pay in equal monthly installments (underpayment of estimates from the beginning of the Comparison Year to be retroactively due). As soon as practical after the end of a Year, Sublessor shall determine the actual Operating Expense Rent for the Year and either invoice Sublessee for any underpayment, or credit any overpayment to Total Monthly Rent next due (or refund the overpayment to Sublessee, if this Sublease has terminated). If this Sublease does not terminate on the last day of the Comparison Year, Operating Expense Rent shall be prorated.

ARTICLE 6 - CAPITAL EXPENSE RENT

6.1 "Capital Expenses" is defined as all costs and expenses Sublessor incurs (without offset for any revenue derived from any source whatsoever) for making or installing capital improvements, modifications or additions to the Land, Marina or Common Areas, which are either:

- (a) Required by directive of a government, quasi-government or regulatory agency or authority pursuant to either a law or statute (or interpretation of same) newly enacted or promulgated after the execution of this Sublease; or
- (b) Made after the execution of this Sublease with the intent of reducing Operating Expenses.

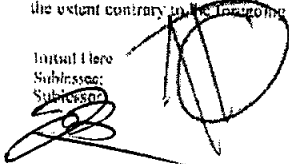
Any item of cost or expense included in Capital Expenses shall not be included in either Property Taxes or Operating Expenses.

6.2 For each calendar year during the Term, Sublessee shall pay to Sublessor the Proportional Share of any Capital Expenses which Sublessor amortizes (with interest pursuant to Article 27.8) in such calendar year ("Capital Expense Rent"), as follows. As soon as practical after the beginning of a calendar year (or the Term, if applicable), Sublessor shall estimate Capital Expense Rent for the calendar year, which Sublessee shall pay in equal monthly installments (underpayment of estimates from the beginning of the calendar year to be retroactively due). As soon as practical after the end of a calendar year, Sublessor shall determine the actual Capital Expense Rent for the calendar year and either invoice Sublessee for any underpayment, or credit any overpayment to Total Monthly Rent next due (or refund the overpayment to Sublessee, if this Sublease has terminated). If this Sublease does not terminate on the last day of the calendar year, Capital Expense Rent shall be prorated.

ARTICLE 7 - SECURITY DEPOSIT

7.1 The Initial Security Deposit is due upon Sublessee's execution of this Sublease. During the Term, Sublessee shall deposit additional amounts with Sublessor so that the total amount held by Sublessor ("Security Deposit") is not less than Sublessee's then current Total Monthly Rent. The Security Deposit shall be held by Sublessor as security for the faithful performance by Sublessee of all of the terms, covenants and conditions of this Sublease to be kept or performed by Sublessee. Sublessor shall not be required to segregate the Security Deposit from its general funds or pay Sublessee any interest thereon. The Security Deposit shall not be used by Sublessee for payment of last month's rent. Sublessor may use, apply or retain all or any part of the Security Deposit for the payment of rent or any other sum in default, or to compensate Sublessor for any loss or damage which Sublessor has suffered or may suffer due to Sublessee's default of this Sublease. If Sublessee fully and faithfully performs every provision of this Sublease to be performed by Sublessee, then Sublessor shall return to Sublessee any Security Deposit which has not been so used, applied or retained within sixty (60) days of the termination of this Sublease; however, Sublessor may retain such Security Deposit as reasonably necessary to secure any remaining obligations of Sublessee under Articles 4, 5 and 6, which Sublessee acknowledges cannot be fully ascertained until as soon as practical after the end of the Comparison Year (or calendar year). Sublessee waives application of the provisions of California Civil Code section 1950.7 to the extent contrary to the foregoing.

Initial Here
Sublessee:
Sublessor:



ARTICLE 8 - USE

8.1 Sublessee shall use the Premises solely for the Permitted Use and shall not use or permit the Premises to be used for any other purpose without the prior written consent of Sublessor. Sublessee shall not use or occupy the Marina, Common Areas or Premises in a manner which: is a violation of any law or certificate of occupancy; is a nuisance; obstructs, injures or interferes with the rights of other Sublessors or occupants of the Marina; invalidates or increases the cost of any insurance policy described in Article 15, or violates rules, orders, regulations and requirements of any insurance fire rating bureau. The Premises shall not be used for any lodging, sleeping or unlawful purpose. Sublessee shall, at Sublessee's sole cost and expense, comply with all directives, orders and regulations of any government authority which concern Sublessee's particular use, design, specification or construction of the Premises (as compared to compliance generally required throughout the Marina, in which case recovery of costs may be subject to Article 6).

ARTICLE 9 - UTILITIES AND SERVICES

9.1 Sublessee shall pay for all utilities furnished the Premises.

9.2 Sublessee shall pay Sublessor's reasonable charge for any Services not required to be provided to the Premises. Modifications to Services or Sublessee's household improvements (including metering) required due to concentration of personnel or office equipment, or the use of office equipment that generates unusual heat or consumes unusual amounts of electricity shall be made at Sublessee's sole cost and expense.

ARTICLE 10- PARKING LICENSE

10.1 Sublessor grants Sublessee a revocable license to park, in common with other Sublessees, up to Sublessee's Parking Allowment of automobiles in the parking facilities of the Marina. Sublessee shall observe all rules and regulations for use of the parking facilities and otherwise use the parking facility in a safe and lawful manner. No estate is conveyed to Sublessee and no lien is created hereunder. Sublessor is not responsible for theft, loss or damage to automobiles or other personal property in connection with Sublessee's use of the parking facility. Sublessor may revoke this license in its entirety if Sublessee is in default of this Sublease. Sublessor may revoke this license with respect to any individual using the parking facility through Sublessee that violates the terms of this Article. Sublessee's license shall otherwise expire upon the termination of this Sublease.

ARTICLE 11-REPAIRS

11.1 Sublessee shall, at Sublessee's sole cost and expense, keep in good condition and repair the Premises (including, without limitation, the interior and exterior walls, roof and foundations, all equipment used in or by the Premises, interior partitions and glass panels, carpeting, wall coverings and kitchen facilities) and any Mechanical Systems which are above Marina standard and installed or exist to exclusively serve the Premises. All work related to (including connections with) Mechanical Systems shall be performed by Sublessor's approved subcontractors. Upon termination of this Sublease, Sublessee shall relinquish possession of the Premises to Sublessor in the same condition as received, ordinary wear and tear excepted, free of all trash and rubbish, and in broom clean condition.

11.2 Sublessor shall repair and maintain the Common Areas, structural portions of the Marina, and Mechanical Systems generally serving the Marina. Provided Sublessor uses commercially reasonable efforts to minimize interference with Sublessee's use of the Premises, Sublessor may install, repair and maintain Mechanical Systems above the ceiling, below the floor, within the walls and central core, and temporarily restrict access to the Marina, Common Areas and Premises to do so. Sublessee waives any right to make repairs at Sublessor's expense pursuant to California Civil Code section 1942 or any similar law, statute or ordinance.

ARTICLE 12 - ENTRY BY SUBLESSOR

12.1 With reasonable prior notice, Sublessor shall have the right to inspect and show the Premises, and enter the Premises to perform Sublessor's duties pursuant to Article 11.2; however, no prior notice shall be required in an Emergency (which is any circumstance which threatens or endangers the Marina, or health or property of Sublessor or any occupant, or may result in material liability or loss to Sublessor) for Sublessor to supply regular Services or to post legal notices. Sublessor shall have keys to all doors in the Premises, and Sublessee shall not change locks on any doors without Sublessor's prior written consent.

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Sublessor
Sublessee

ARTICLE 13 - ALTERATIONS

13.1 "Alterations" is defined as any alteration, addition, decoration or improvement to the Premises made by Sublessee (excepting Sublessee Improvements and hanging of artwork). Sublessor's prior written consent is required for all Alterations. Sublessee shall give Sublessor ten (10) days prior written notice of all proposed Alterations and provide Sublessor with any working drawings or specifications, estimated costs, the identity of the qualified, licensed contractor proposed to perform the work, and said contractor's certificates of insurance (including reasonable amounts of liability/property damage, product liability and Workers Compensation insurance). Sublessor shall, within said ten (10) day period, notify Sublessee if Sublessee will be required to either: remove the proposed Alterations at the end of the Term and restore the Premises; obtain the consent of any lender or ground lessor; provide Sublessor evidence of all required permits; obtain a lien and completion bond; name Sublessor as an additional insured; use another contractor reasonably acceptable to Sublessor (Sublessee to use Sublessor designated contractor for work relating to Mechanical Systems); perform the Alterations at particular times, in a particular manner or under Sublessor supervision; or provide additional information regarding same. All Alterations shall comply with all laws, rules and/or directives of any government or regulatory agency or authority; and, if any such government or regulatory agency or authority requires any improvements, modifications, additions or alterations to any part of the base Marine or Mechanical Systems as a result of the Alterations, then the same shall be made by Sublessee at Sublessee's sole cost and expense. Sublessee shall keep the Land, Marina and Premises free from any liens resulting from work performed, materials furnished or obligations incurred by, or on behalf of Sublessee.

13.2 Sublessor may require Sublessee to immediately remove any Alterations not made in accordance with this Article, and restore the Premises. Unless Sublessor requires Sublessee to do so in accordance with Article 13.1, Sublessee shall not be required to remove Alterations at the end of the Term. All permanent improvements to the Premises, excepting Alterations Sublessor requires Sublessee to remove at the end of the Term and trade fixtures, shall become the property of Sublessor upon the termination of this Sublease and shall be relinquished with the Premises. Sublessee shall reimburse Sublessor for all reasonable costs and expenses of reviewing and/or supervising Alterations (including, without limitation, review of plans or work by Sublessor architect, engineer or other consultant) or removing Alterations on behalf of Sublessee (if Sublessee is required to so remove the Alterations, and fails to do so), plus pay a supervision fee to Sublessor in the amount of ten percent (10%) of the cost of such work.

ARTICLE 14 - HAZARDOUS MATERIALS

14.1 "Hazardous Materials" is defined as any substance, material, emission, discharge or waste defined as "hazardous, toxic," or a "pollutant" or "contaminant" under any local, state or federal government law, statute, code, order or regulation for the protection of health, safety or the environment. Sublessor and Sublessee shall comply with all laws concerning Hazardous Materials and handling, storage and disposal thereof. Sublessee shall neither create, bring into nor store in the Marina, Common Areas or Premises any Hazardous Materials. If the Marina contains asbestos containing materials, a notice is attached hereto as Exhibit "D" in compliance with California Health and Safety Code sections 25315, et seq., which require Sublessee to provide a copy of said notice to Sublessee's employees, contractors, Sublessee's assignees within fifteen (15) days of the earlier of (a) commencing work in the Marina; or (b) contracting with Sublessee to Sublease or assign all or a portion of the Premises.

ARTICLE 15 - INSURANCE

15.1 Sublessor shall, throughout the Term, provide, maintain and keep in force: (a) commercial general liability insurance; (b) all risk insurance or fire insurance (with standard extended coverage endorsement perils, leakage from fire protection devices and water damage) covering the Marina and all fixed improvements therein; the Sublessorhold Improvements and Marina standard Alterations (excepting those items Sublessee is required to insure pursuant to Article 15.2, subparagraphs (b) 1 through (d)); (c) insurance for loss of rental income or insurable gross profits in such amounts as Sublessor prudently elects to maintain; and (d) such other insurance (including boiler and machinery insurance) as Sublessor prudently elects to maintain. Insurance under subparagraphs (a), (c) and (d) shall be in such amounts, with such deductibles and exclusions and/or such other terms and conditions as Sublessor prudently determines to be commercially reasonable and sufficient.

15.2 Sublessee shall, during the Term, provide, maintain and keep in force: (a) commercial general liability insurance with respect to Sublessee's use and occupancy of the Premises, Common Areas and Marina, and the business carried on by Sublessee therein, with limits of not less than One Million Dollars (\$1,000,000.00) for anyone accident or occurrence; with Sublessor and the City of San Diego named as additional insureds; (b) all risk or fire insurance (with standard extended coverage endorsement perils, theft, vandalism, explosion, falling plaster, steam, gas, electricity, water, rain, elements of nature, water damage or dampness, and leakage from any part of the Marina or Land, including fire protection devices, pipes, appliances and other plumbing) covering the full replacement cost of Sublessee's trade fixtures, furnishings, equipment, inventory, stock-in-trade, personal property and above-Marina standard Alterations; (c) insurance for loss of income or insurable gross profits in such amounts as Sublessee prudently determines is commercially reasonable and sufficient; and (d) workers' compensation insurance.

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Sublessor:
Sublessee:

15.3 With regards to insurance coverage required pursuant to Article 15.1(b), (c) and (d), and Article 15.2(h) and (e): each such policy of Sublessor or Sublessee shall include a clause or endorsement whereby the insurer waives its right of subrogation against the other party; and, Sublessor and Sublessee waive any rights of recovery against each other for injury or loss due to hazards required to be covered by such insurance. On or before use or occupancy of the Premises for any purpose, and from time to time during the Term, Sublessee shall provide Sublessor and the City of San Diego with certificates or other proof necessary to verify that all required insurance clauses and endorsements have been obtained and are in full force and effect. Each of Sublessee's policies shall contain an undertaking by the insurer to advise Sublessor and the City of San Diego prior to any material change, reduction or cancellation thereof.

ARTICLE 16 - INDEMNIFICATION

16.1 Subject to the waivers of subrogation and liability set forth in Article 15.3, Sublessee shall indemnify and hold Sublessor and the City of San Diego harmless from and against any and all liability, loss, claims, demands, damages or expenses, including attorneys' fees, whether for personal injury, theft, property damage or otherwise, due to or arising from: the negligence or willful misconduct of Sublessee, its servants, employees, agents, contractors, invitees, concessionaires or licensees, or those over whom Sublessee would normally be expected to exercise control, whether in or about the Land, Marina, Common Areas, Premises, or parking facility; any claim that may be asserted against Sublessor by any person or entity other than Procuring Broker who claims a right to compensation for brokerage services in regards to Sublessee; and Sublessee's breach or non-performance of any provision of this Sublease. If any action or proceeding is brought against Sublessor by reason of any such claim, Sublessee, upon notice from the Sublessor, shall defend the same at Sublessor's expense by counsel reasonably satisfactory to Sublessor.

16.2 Subject to the waivers of subrogation and liability set forth in Article 15.3, Sublessor shall indemnify and hold Sublessee harmless from and against any and all liability, loss, claims, demands, damages or expenses, including attorneys' fees, whether for personal injury, theft, property damage or otherwise, due to or arising from the negligence or willful misconduct of Sublessor, its servants, employees, agents, contractors, invitees, concessionaires or licensees, or those over whom Sublessor would normally be expected to exercise control, whether in or about the Land, Marina, Common Areas, Premises, or parking facility; or Sublessor's breach or non-performance of any provision of this Sublease. If any action or proceeding is brought against Sublessee by reason of any such claim, then Sublessor, upon notice from Sublessee, shall defend the same at Sublessor's expense by counsel reasonably satisfactory to Sublessee.

ARTICLE 17 - DAMAGE OR DESTRUCTION

17.1 If any portion of the Land, Marina, Common Areas or Premises reasonably necessary for Sublessee's access, use or occupancy of the Premises is damaged or destroyed by any cause (the "Damage Event"), then within thirty (30) days after the Damage Event, Sublessor shall reasonably estimate how long repairs will take and notify Sublessee of same. If in Sublessor's reasonable opinion repairs can be completed within one hundred twenty (120) days after the Damage Event and the Damage Event occurred prior to the last year of the Term, Sublessor shall repair same during which time this Sublease shall remain in full force and effect (subject to Article 19). If in Sublessor's reasonable opinion repairs cannot be completed within one hundred twenty (120) days after the Damage Event, the Damage Event occurred during the last year of the Term, or the Damage Event is not insured, Sublessor may either repair same during which time this Sublease shall remain in full force and effect (subject to Article 19) or terminate this Sublease upon at least thirty (30) days' prior written notice to Sublessee (subject to Article 19). Sublessor's obligation to repair the Premises shall only extend those items required to be insured by Sublessor pursuant to Article 15.1 (b), unless Sublessee assigns to Sublessor the proceeds of any insurance required pursuant to Article 15.2(b) with respect to above-Marina standard Alterations and pays to Sublessor any deductible under such policy. Sublessee hereby waives application of California Civil Code sections 1932(2) and 1933(4).

ARTICLE 18 - EMINENT DOMAIN

18.1 If all or any portion of the Land, Marina, Common Areas or Premises is taken for any public or quasi-public purpose by any lawful power or authority by exercise of the right of appropriation, condemnation or eminent domain, or sold in lieu of such taking ("Taking"), then if the Taking substantially interferes with Sublessee's use and occupancy of the Premises, this Sublease shall terminate on the date of Taking. If the Taking does not substantially interfere with Sublessee's use and occupancy of the Premises, Sublessor may either terminate this Sublease or, after the Taking, restore the Premises to substantially the same condition prior thereto. Sublessee shall not assert any claim for any interest in this Sublease; however, Sublessee shall be entitled to bring a separate action for relocation expenses, and damages to Sublessee's personal property, trade fixtures and goodwill. Sublessee hereby waives application of California Code of Civil Procedure sections 726.130.

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Sublessee:
Sublessor:

ARTICLE 19 - INTERRUPTION OF USE

19.1 If a Damage Event (under Article 17), Taking (under Article 18), failure of Sublessor to provide Services (under Article 9), or failure of Sublessor to repair or maintain the Marina or Common Areas (under Article 11), or failure of Sublessor to comply with Article 14 (collectively "Interruption") substantially adversely affects Sublessee's use or prevents reasonable access to the Premises for a period greater than five (5) consecutive business days, then Sublessee's Total Monthly Rent shall be abated to the extent that the Premises is rendered unusable for the conduct of Sublessee's business therein, for the period of time so rendered unusable, unless the Premises has been rendered unusable due to Sublessee's failure to comply with this Sublease. If the Interruption is reasonably estimated by Sublessor to exceed one hundred eighty (180) days, then Sublessee may, within thirty (30) days after the Interruption, elect to terminate the Sublease upon thirty (30) days' prior written notice. Notwithstanding the foregoing, this Sublease shall not be terminated if Sublessor takes action within said thirty (30) days' notice period which will result in the restoration of Sublessee's reasonable access to, and use of the Premises within said one hundred eighty (180) days' period.

ARTICLE 20 - SUBORDINATION

20.1 This Sublease shall be subject and subordinate to all present and future ground or underlying losses of the Marina or Project and to the lien of any mortgage, trust deed or other encumbrances now or hereafter in force against the Marina or Project or any part thereof, and to any and all renewals, modifications, consolidations, replacements, substitutions and extensions thereof as if the mortgage, trust deed or other encumbrance and all of its renewals, modifications, consolidations, replacements, substitutions and extensions had been executed, delivered and recorded prior to execution of this Sublease.

20.2 In the event of the termination of the Master Lease or the foreclosure of any mortgage, trust deed or other encumbrance, or upon a transfer or conveyance in lieu of such foreclosure, then so long as the Sublease is then in full force and effect and Sublessee is not in default under any of the terms, covenants or conditions of the Sublease, Sublessee agrees to attorn to and accept any such successor owner as lessor under the Sublease and to be bound by and perform all of the obligations imposed by the Sublease, and successor owner will not disturb the possession of Sublessee and will be bound by and perform all of the obligations of Sublessor, except that successor owner will not be liable for any act, omission or default of Sublessor, or be subject to any claims, offsets, defenses, credits or deductions which Sublessee might have against Sublessor; any rent, additional rent or other sum Sublessee paid to Sublessor more than one (1) month in advance, or by any security deposit, cleaning deposit or other prepaid charge Sublessee paid to Sublessor and not held by or paid over to successor owner; any conflict between the provisions of the Sublease and any other Sublease affecting the Marina or Project, or, constructing or completing any improvements to the Premises, Marina or Project required under this Sublease, whether prior to or during the Term, or in connection with any renewal, extension or expansion hereof.

20.3 Sublessee shall, within five (5) business days after receipt of Sublessor's written request, execute such further instruments or assurances as Sublessor may reasonably deem necessary to evidence or confirm the subordination, non-disturbance and attornment pursuant to this Article. Sublessee waives the provisions of any current or future statute, rule or law contrary to the provisions of this Article which may give Sublessee any right or election to terminate or otherwise adversely affect this Sublease and the obligations of the Sublessee hereunder in the event of any the foreclosure of any mortgage, trust deed or other encumbrance, or upon a transfer or conveyance in lieu of such foreclosure.

ARTICLE 21 - MARINA PLANNING

21.1 Intentionally omitted.

ARTICLE 22 - ASSIGNMENT AND SUBLETTING

22.1 Sublessee shall not Assign this Sublease without the prior written consent of Sublessor and the City of San Diego, which shall not be unreasonably withheld, conditioned or delayed. "Assign" or "Assignment" is defined to include: an assignment of the Sublease; a subSublease of all or any part of the Premises; any permitted occupancy or conduct of business in any or all of the Premises by anyone other than Sublessee; Sublessee's pledging, sale, transfer, hypothecation or encumbrance of the Sublease; Sublessee's change in business status or organization; Sublessee's dissolution, merger, consolidation or other reorganization; Sublessee's sale or other transfer of a controlling share of the voting capital stock of, Sublessee; and, the sale of fifty-one percent (51%) or more of the interests of Sublessee. "Assignment" is defined to include: an assignee; subSublessee; or any other person or entity which may claim a right in possession of the Premises by or through Sublessee.

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Sublessee:
Sublessor:



22.2 Sublessee shall give Sublessor thirty (30) days' prior written notice of any proposed Assignment, including the proposed Assignee's name and address, the proposed terms, the proposed use, the proposed Assignee's financial statements, bank and credit references, and such additional information as Sublessor may reasonably require. Within said thirty (30) days, Sublessor shall notify Sublessee of Sublessor's approval or disapproval of the proposed Assignment. Sublessor shall also have the right to terminate this Sublease either in its entirety or with respect to only that portion of the Premises which Sublessee has proposed to Assign (the "Proposed Portion"). If Sublessor elects to terminate the Proposed Portion, then Sublessee's Total Monthly Rent and Proportional Share shall be reduced accordingly as of the proposed date of the Assignment. Sublessor shall make such permanent improvements as may be reasonably necessary to demise the Proposed Portion from the remaining Premises Sublessee shall not be entitled to any portion of the profit which Sublessor may realize as a result of any such termination and reletting of the Proposed Portion or the Premises.

22.3 Sublessee may retain all rents and other consideration from any permitted Assignment; however, Sublessee or any subsequent assignor or Sublessor shall not be released from any liability under this Sublease as the result of any Assignment. Sublessee shall cause Assignee to execute an agreement with Sublessor upon a form furnished by Sublessor binding Assignee to all the non-monetary terms of this Sublease (excepting rights to extend this Sublease or expand the Premises, unless so granted by Sublessee), and as security for Sublessee's obligations under this Sublease, Sublessee assigns to Sublessor the right to collect all rent resulting from any Assignment in the event of Sublessee's default and apply such rent in the satisfaction of Sublessee's obligations under this Sublease. Sublessee shall pay a reasonable processing fee to Sublessor for each Assignment, not to exceed Five Hundred Dollars (\$500.00).

ARTICLE 23 - HOLDING OVER

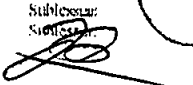
23.1 Sublessee's failure to restore possession of the Premises to Sublessor at the end of the Term will cause damage to Sublessor which is impracticable or extremely difficult to ascertain. If Sublessee holds over after the Term without the prior written consent of Sublessor (which Sublessor may withhold in its sole discretion, without regard to Article 27.1), then Sublessee shall be a Sublessee-at-sufferance. Sublessee shall perform each and every term, condition and covenant of this Sublease during any such holding over except that: Sublessee shall not be entitled to any parking discounts or special modes of parking during such holding over; and, in lieu of Total Monthly Rent or Additional Rent due under the Sublease, for each month or portion thereof which Sublessee holds over Sublessee shall pay Sublessor liquidated damages of two hundred percent (200%) of the Total Monthly Rent payable by Sublessee to Sublessor in the last full month of the Term. Nothing herein shall prevent Sublessor from exercising any other rights under this Sublease or the law to regain possession of the Premises. Acceptance of any payment from Sublessee after expiration of this Sublease shall not constitute a renewal or extension thereof.

ARTICLE 24 - DEFAULTS

24.1 Sublessee shall be in default of this Sublease if Sublessee fails to pay, within three (3) business days after receipt of written notice from Sublessor, any Basic Monthly Rent or Additional Rent, or fails to cure, within thirty (30) days after receipt of notice from Sublessor. Sublessee's failure to observe any other term of this Sublease (however, Sublessee shall cure in such shorter time as reasonably necessary due to an Emergency, and if more than thirty (30) days are reasonably required to cure, then no default will have occurred if Sublessee commences to cure within the thirty (30) day period and diligently prosecutes same to completion). Sublessor may give Sublessee a single notice of default inclusive of the requirements of California Code of Civil Procedure section 1161, et. seq.

24.2 Sublessor shall not be in default or liable to Sublessee under this Sublease for any failure to observe any term of this Sublease, unless Sublessor notifies Sublessor of such default and Sublessor fails to cure same within thirty (30) days after receipt Sublessor's notice (however, Sublessor shall cure in such shorter time as reasonably necessary due to an Emergency, and if more than thirty (30) days are reasonably required to cure, then no default will have occurred if Sublessor commences to cure within the thirty (30) day period and diligently prosecutes same to completion).

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Sublessor:
Sublessee:



ARTICLE 25 - REMEDIES, ATTORNEYS' FEES & WAIVER OF JURY TRIAL

25.1 If Sublessee defaults under this Sublease, Sublessor may avail itself of any remedy available under law in Sublessor's sole discretion (without obligation under Article 27.1). No remedy or election hereunder shall be deemed exclusive and, wherever possible, each remedy shall be cumulative with all other remedies. If Sublessee abandons the Premises, or Sublessor's right to possession is terminated by the Sublessor because of a default, and Sublessor proceeds under California Civil Code section 1931.2, this Sublease shall terminate, and Sublessor shall be entitled to recover from Sublessee; the worth at the time of award of the unpaid rent which had been earned at time of termination; the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Sublessee proves could have been reasonably avoided; the worth at the time of award of the amount by which the unpaid rent for the balance of the Term after the time of award exceeds the amount of such rental loss that Sublessee proves could be reasonably avoided; and any other amount necessary to compensate Sublessor for damage caused by Sublessee's failure to observe this Sublease (or which, in the ordinary course of things would be likely to result therefrom), including, without limitation, any costs of obtaining mitigating rental income, such as excused rent, brokerage commissions, Sublessee improvements, parking concessions, Sublease takeovers, cash payments, advertising, moving costs or any other cost or Sublessee concession related to the releasing of the Premises upon the default of Sublessee). The "worth at the time of award" shall be computed by allowing interest at ten percent (10%) per annum on amounts due prior to award, and discounting amounts due after award at the discount rate of the Federal Reserve Bank of San Francisco at the time of award, plus one percent (1%).

25.2 In any action brought by either Sublessor or Sublessee against the other to enforce or interpret any provision of this Sublease (including any claim in a bankruptcy or an assignment for the benefit of creditors), the prevailing party shall recover from the other party all reasonable costs and attorneys' fees of such action (including those incurred either prior to such action in the proposed resolution or contemplation of such action, in a prior unlawful detainer action rendered moot by Sublessee's vacancy, in the maintenance or enforcement of any judgment resulting from said action, or in the appeal from any such judgment), whether such costs were incurred or services were performed by in-house or outside counsel.

25.3 Sublessor and Sublessee each hereby waive their respective rights to trial by jury of any cause of action, claim, counterclaim or cross-complaint in any action, proceeding and/or hearing brought by either Sublessor against Sublessee, or Sublessee against Sublessor, as to any matter whatsoever arising out of or in any way connected with this Sublease, the relationship of Sublessor and Sublessee, Sublessee's use or occupancy of the Premises, any claim of injury or damage, or the enforcement of any remedy under any law, statute, or regulation, emergency or otherwise, now or hereafter in effect. Notwithstanding the foregoing, Sublessor and Sublessee agree that this waiver shall not be effective where the legal effect of such waiver would be to invalidate in whole or in part, or to limit or impair in any manner any policy of insurance in force for the benefit of Sublessor or Sublessee or to limit or impair any rights, remedies or coverage afforded thereunder.

ARTICLE 26 - NOTICE

26.1 Notice shall be given to Sublessee at the Premises or at 1536 Bonera Vista, San Clemente, CA 92672. Notice shall be given to Sublessor at 21200 Victory Blvd., Woodland Hills, CA 91367 Attention: Frank Butler with copy to The Law Offices of Shah Oved at 20700 Ventura Blvd., Suite 210, Woodland Hills, CA 91364. Either party may, by written notice to the other, specify a different address for notice purposes. Any requirement under this Sublease to give "notice" or "notify" shall require a writing, delivery thereof evidenced by signed receipt (whether personally delivered, or sent by certified mail or a nationally recognized overnight courier service). Notice given by facsimile transmission shall not be valid unless the party to whom the transmission is addressed acknowledges timely receipt of the transmission in writing. If either party refuses to sign a receipt acknowledging delivery, notice may be given by first-class mail and shall be deemed effective two (2) business days after mailing. Notice from or to any single person or entity executing this Sublease as Sublessee shall be deemed effective as to all persons or entities executing this Sublease as Sublessee.

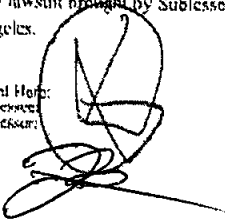
ARTICLE 27 - GENERAL PROVISIONS

27.1 Reasonableness. Except as provided to the contrary herein, if Sublessor's or Sublessee's discretion or consent is required, such discretion will be reasonably exercised and such consent will not be unreasonably withheld, conditioned or delayed.

27.2 Rules and Regulations. Intentionally omitted.

27.3 Conflict of Laws; Venue. This Sublease shall be governed by and construed under the laws of the State of California. Any lawsuit brought by Sublessee against Sublessor shall be filed in a court of competent jurisdiction in the County of Los Angeles.

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Sublessee:
Sublessor:



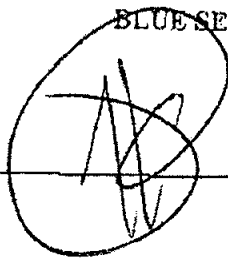
27.13 Confidentiality. Sublessee agrees to keep the terms of this Sublease confidential and shall not disclose same to any other person not a party hereto without the prior written consent of Sublessor. Sublessee shall not record this Sublease or a short form memorandum thereof.

WHEREUPON, THE PARTIES HERETO HAVE EXECUTED THIS SUBLEASE
ON THE DATES INDICATED

SUBLESSEE

BLUE SEAS FABRICATION

BY: _____



SUBLESSOR

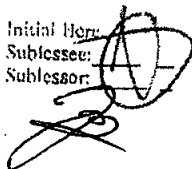
WESCO SALES CORP., dba DANA LANDING

BY: _____



FRANK BUTLER, ITS PRESIDENT

Initial Here:
Sublessee:
Sublessor:



Addendum No.1 to Marina Sublease dated July 19, 2016, between Wescó Sales Corp. dba Dana Landing, Sublessor, and Blue Seas Fabrication, Sublessee, regarding the portions of Building 6 at Dana Marina, 2610 Ingraham Street, San Diego, CA 92109.

Article 28.

In addition to all other rent payable pursuant to this sublease (Basic Monthly Rent, tax rent, operating expense rent, percentage rent and capital expense rent) Sublessee shall pay Percentage Rent due the City of San Diego on Sublessee's Gross Sales pursuant to the schedule attached hereto, marked Exhibit "C" and by this reference and incorporated herein. The City percentage rent shall be paid on or before the 21st day of each month after the month in which this sublease commences. Sublessor and the City of San Diego shall have the right at any Time to inspect and/or audit Sublessee's books and records. Should the results of any such audit reveal an underpayment of the percentage rent due for the audit period of 3% or more, Sublessee shall pay all sums found due immediately, together with all costs of the audit and legal fees and costs incurred by Sublessor and the City of San Diego.

Article 29

Sublessee acknowledge that Sublessor does not provide any security for the marina and, consequently, Sublessee assumes all responsibility for vandalism, damages to or theft from the subleased improvements and will hold Sublessor and the City of San Diego free and harmless from any claims in connection therewith.

Article 30

Cost of living adjustments ("COL"). On August 1 of each year commencing August 1, 2009, the Basic Monthly Rent payable in accordance with Article 1.1(h) shall be adjusted by the change, if any, in the Consumer Price Index of the Bureau of Labor Statistics of the US Department of Labor of Urban Wage Earners and Clerical Workers for San Diego, California. Irrespective of anything to the contrary herein contained annual increases shall be no less than 3% per year. The adjustments shall be made each 12 months of this Lease and any extensions.

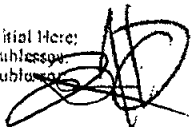
In the event the compilation and/or publication of the C.P.I. shall be transferred to any other governmental department or bureau or agency or shall be discontinued, then the index most nearly the same as the C.P.I. shall be used to make such calculation.

Article 31

This Sublease is subject and subordinate to the Master Lease with the City of San Diego.

Sublessor agrees to be bound by and to perform all acts required of Sublessee under the terms of said Master Lease. Should the Master lease be terminated for any reason while this Sublease is in effect this Sublease shall terminate and Sublessor shall have no liability to Sublessee as a result of such termination.

Initial Here:
Sublessor
Sublessee



Article 32

Except as modified by this Addendum, the parties reaffirm each and every provision of the Sublease. In the event of any conflict between the Sublease and this Addendum, the terms of this Addendum shall control.

Article 33

A default in any other obligation owed by Sublessee to Lessor shall likewise constitute a default under the provisions of this Sublease and shall entitle Lessor to avail itself at its option, of all remedies available under this Sublease in the event of default hereunder.

Article 34

Sublessee acknowledges possession of the premises in their present condition and confirms that Sublessee previously occupied said premises pursuant to a substantially similar Sublease agreement which was thereafter extended for a month-to-month term pending the approval of the present Sublease.

Article 35

Provided Sublessee has not defaulted on any terms of the lease herein, Lessor grants to Sublessee a one option to extend the Term for an additional period of one (1) year on the same terms and conditions as set forth herein except that Basic Monthly Rent shall be at the then prevailing market rate but in no event less than the current rate. Said option shall be deemed automatically exercised by Sublessee unless Sublessee shall give notice to Landlord at least three (3) months before the expiration of the term or renewal period then in effect of Sublessee's desire to terminate said Sublease. In the event of a default in any term of the Sublease, these options will be cancelled.

Fourth Here
Sublessee
Sublessee



Frank,

Below is a letter of intent for Blue Seas Fabrication to rent the vacant Fast Lane Sailing location at Dana Landing. I have spoken with Ron and he supports this venture being located next door. The businesses should work well together.

Letter of Intent

Date: February 16, 2016

Sublessor: Wesco Sales Corp.

Sublesee: Blue Seas Fabrication

Location: 2610 Ingraham St. San Diego, Ca 92109

Commencement Date: April 1st 2016

Lease term: Two years with an option for sublesee to have two one year extensions

Monthly Rent: \$3000. Blue Seas asks for two free months of Rent while building improvements are made.

Proportional Share: 11.9% used to calculate CAM expenses.

Parking: Blue Seas will work with Fast Lane so both can share the lot between the buildings.

Indented Use: Blue Seas will fabricate and install a patented rubber material on new and boats.

Steven Pinard

2580 Ingraham St

San Diego, CA 92109



5/2/2016

Steven Pinard
Dana Landing
2580 Ingraham St
San Diego, CA 92109

Re: 2610 Ingraham St. Suite A, San Diego, CA 92109

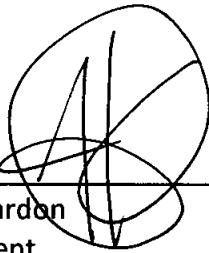
Mr. Pinard,

Attached please find our completed lease application for the above referenced property. As per our discussions we would like to move in immediately and begin conduction business from the new location.

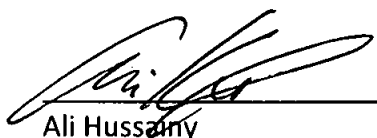
We feel we are a strong candidate for lease approval based upon our past small business experience. We have also seeded the new business with \$100,000 in personal funds in addition to a credit line of \$250,000.

Please review the attached application and let us know if you need any more information.

We look forward to a prompt approval.



Ken Gardon
President



Ali Hussany
Secretary

Enclosure:

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):

Blue Seas Fabrication, Inc

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

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

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

Date this Questionnaire completed: 4/19/2016, _____.

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

Signature: _____

Title: _____

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:

Blue Seas Fabrication

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

Telephone No.: 858-232-4188

Fax. No.: _____

E-mail Address: info@blueseasfabrication.com

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

SAME

Telephone No.: 858-232-4188

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? FEB 2016
3. Where incorporated? California
4. Is the corporation authorized to do business in California? Yes (☒) No ()
If so, as of what date? FEB 2016
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: | <u>1000</u> | <u>1000</u> | <u>0</u> |
| b. Number of nonvoting shares: | <u></u> | <u></u> | <u></u> |
| c. Number of shareholders: | <u></u> | <u></u> | <u></u> |
| d. Value per share of Common Stock: | | Par | \$ <u>100</u> |
| | | Book | \$ <u>100</u> |
| | | Market | \$ <u>100</u> |

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: Joseph K Gardon

Title: President

Address: 8316 Via Sonoma #123
La Jolla, CA 92037

No. of Shares: 500

Name:	Ali Hussainy
Title:	Secretary
Address:	474 Stableridge Street
	El Cajon, CA 92019
No. of Shares:	500
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: _____
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 (☒)
 - 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 () 9/9/09
 - 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: Steve Pinard

Firm: Dana Landing

Title: _____

Address: _____

Telephone: 619-246-6346

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

REFERENCE NO. 2

Name: Jason Hayashi

Firm: BD Outdoors

Title: Partner

Address: _____

Telephone: 619-885-1715

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

REFERENCE NO. 3

Name: Pam Mosler

Firm: Boldwater, Inc

Title: Secretary

Address: 3732 US-1, Cocoa, FL 32926

Telephone: (321) 868-5090

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

Vendor for web production and custom programming. Average yearly spend of \$150,000

since 2014.

REFERENCE NO. 4

Name: Chase Bank Kearny Mesa Branch

Firm: Chase Bank

Title:

Address: 5303 Ruffin Rd, San Diego, CA 92123

Telephone: (858) 277-7271

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

Business Bank for BD Outdoors for past 12 years. Average monthly balance of approximately

\$60,000. Also corporate credit cards with \$28,000 limit.

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	Joseph K Gardon
Date of Birth	12-04-1961
Place of Birth	NJ, USA
Social Security Number	417-96-3056
Driver's License Number/State	CDL C0792625
Home Address	8316 Via Sonoma #123
	La Jolla, CA 92037
Previous Address	
Home Telephone No.	
Employer	
Occupation	
Business Address	
Business Telephone No.	
Business Fax No.	

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

Date 04/15/16 Signed JK Gardon

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

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>Ali A Hussainy</u>
Date of Birth	<u>06/26/1973</u>
Place of Birth	<u>San Diego</u>
Social Security Number	<u>614-24-3107</u>
Driver's License Number/State	<u>A4849350</u>
Home Address	<u>474 Stableridge St.</u>
	<u>El Cajon, CA 92123</u>
Previous Address	<u></u>
	<u></u>
Home Telephone No.	<u>619-277-1978</u>
Employer	<u>BD Outdoors</u>
Occupation	<u>Sales and Marketing</u>
Business Address	<u>3954 Murphy Canyon Rd. #D104, San Diego, CA 92123</u>
Business Telephone No.	<u>619-277-1978</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 _____ 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.

Blue Seas Fabrication will sell and install EVA foam deck covering for boats and watercraft.

**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.

Any improvements will be cash improvements with no loans.

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)				
	2	0	1	6	
1	\$	\$	\$	\$	\$
2	200,000				
3	200,000				
4	200,000				
5	250,000				

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.

Joseph Gardon operating Partner has 30 years of Experience in Automotive Service, Sales and Parts. The last 15 years as the General Manager of an Automotive Dealership with over 100 employees.

Ali Hussainy, Partner is a Licenced Captain and owner of the Largest Fishing and Boating Related Web Site. In addition, he operated BD Outdoors, a Marketing, and Media Company that specializes in Outdoor Lifestyle.

**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).



JPMorgan Chase Bank, N.A.
P O Box 659754
San Antonio, TX 78265 - 9754

April 01, 2016 through April 29, 2016

Account Number: 000000811150726

CUSTOMER SERVICE INFORMATION

Web site: Chase.com
Service Center: 1-800-242-7338
Deaf and Hard of Hearing: 1-800-242-7383
Para Espanol: 1-888-622-4273
International Calls: 1-713-262-1679



00084597 DRE /03 210 12116 NNNNNYNNNNY 1 000000000 60 0000

BLUE SEAS FABRICATION, INC.
3954 MURPHY CANYON RD STE D104
SAN DIEGO CA 92123-4419

CHECKING SUMMARY

Chase Total Business Checking

	INSTANCES	AMOUNT
Beginning Balance		\$23,346.36
Deposits and Additions	2	25,059.00
Checks Paid	1	- 960.00
ATM & Debit Card Withdrawals	3	- 135.86
Electronic Withdrawals	8	- 16,048.94
Fees	2	- 27.50
Ending Balance	16	\$31,233.06

DEPOSITS AND ADDITIONS

DATE	DESCRIPTION	AMOUNT
04/25	ATM Check Deposit 04/25 2644 Jamacha Rd El Cajon CA Card 9655	\$25,000.00
04/25	Online Transfer 5342368782 From Gctech #####1580 Transaction #: 5342368782	59.00
Total Deposits and Additions		\$25,059.00

CHECKS PAID

CHECK NO.	DESCRIPTION	DATE PAID	AMOUNT
1003 ^		04/08	\$960.00
Total Checks Paid			\$960.00

If you see a description in the Checks Paid section, it means that we received only electronic information about the check, not the original or an image of the check. As a result, we're not able to return the check to you or show you an image.

^ An image of this check may be available for you to view on Chase.com.

ATM & DEBIT CARD WITHDRAWALS

DATE	DESCRIPTION	AMOUNT
04/14	Non-Chase ATM Withdraw 04/14 301 Tucker Lane Cocoa FL Card 9630	\$103.00
04/22	Recurring Card Purchase 04/21 Intuit *Qb Online 800-286-6800 CA Card 9630	10.36
04/28	Recurring Card Purchase 04/27 Intuit *Qb Online 800-286-6800 CA Card 9630	22.50
Total ATM & Debit Card Withdrawals		\$135.86



April 01, 2016 through April 29, 2016
Account Number: 000000811150726

ATM & DEBIT CARD SUMMARY

Joseph K Gardon Card 9630

Total ATM Withdrawals & Debits	\$103.00
Total Card Purchases	\$32.88
Total Card Deposits & Credits	\$0.00

Ali A Hussainy Card 9655

Total ATM Withdrawals & Debits	\$0.00
Total Card Purchases	\$0.00
Total Card Deposits & Credits	\$25,000.00

ATM & Debit Card Totals

Total ATM Withdrawals & Debits	\$103.00
Total Card Purchases	\$32.88
Total Card Deposits & Credits	\$25,000.00

ELECTRONIC WITHDRAWALS

DATE	DESCRIPTION	AMOUNT
04/01	04/01 Online Payment 5299561184 To Chase Cardmember Services	\$100.00
04/04	Paymentech Fee 6015685 CCD ID: 1020401225	1.61
04/08	04/08 Online Payment 5315288449 To Sdg&E	396.00
04/18	04/18 Payment To Chase Card Ending IN 6788	3,496.33
04/21	Chase Quickpay Electronic Transfer 5342380397 To Jason Jones	4,750.00
04/22	04/22 Online Wire Transfer Via: Wells Fargo NA/121000248 A/C: Prodim USA, LLC Fort Pierce FL 34951 US Ref: Blue Seas Fabrication/Bnf/Prodim USA Recipient Imad: 0422B1Qgc01C005995 Trn: 3206600113Es	7,146.00
04/27	04/27 Online Transfer 5354714406 To Gctech #####1580 Transaction #: 5354714406	59.00
04/29	04/29 Online Payment 5315297482 To Chase Cardmember Services	100.00
Total Electronic Withdrawals		\$16,048.94

FEES

DATE	DESCRIPTION	AMOUNT
04/14	Non-Chase ATM Fee-With	\$2.50
04/22	Online Domestic Wire Fee	25.00
Total Fees		\$27.50

DAILY ENDING BALANCE

DATE	AMOUNT	DATE	AMOUNT	DATE	AMOUNT
04/01	\$23,246.36	04/18	18,286.92	04/27	31,355.56
04/04	23,244.75	04/21	13,536.92	04/28	31,333.06
04/08	21,888.75	04/22	6,355.56	04/29	31,233.06
04/14	21,783.25	04/25	31,414.56		

SERVICE CHARGE SUMMARY

TRANSACTIONS FOR SERVICE FEE CALCULATION

Checks Paid / Debits
Deposits / Credits
Deposited Items
Transaction Total

NUMBER OF TRANSACTIONS

7
1
1
9



April 01, 2016 through April 29, 2016
Account Number: 000000811150726

SERVICE CHARGE SUMMARY *(continued)*

SERVICE FEE CALCULATION	AMOUNT
Service Fee	\$0.00
Service Fee Credit	\$0.00
Net Service Fee	\$0.00
Excessive Transaction Fees (Above 200)	\$0.00
Total Service Fees	\$0.00

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC FUNDS TRANSFERS: Call or write us at the phone number or address on the front of this statement (non-personal accounts contact Customer Service) if you think your statement or receipt is incorrect or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent you the FIRST statement on which the problem or error appeared. Be prepared to give us the following information:

- Your name and account number
- The dollar amount of the suspected error
- A description of the error or transfer you are unsure of, why you believe it is an error, or why you need more information.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days (or 20 business days for new accounts) to do this, we will credit your account for the amount you think is in error so that you will have use of the money during the time it takes us to complete our investigation.

IN CASE OF ERRORS OR QUESTIONS ABOUT NON-ELECTRONIC TRANSACTIONS: Contact the bank immediately if your statement is incorrect or if you need more information about any non-electronic transactions (checks or deposits) on this statement. If any such error appears, you must notify the bank in writing no later than 30 days after the statement was made available to you. For more complete details, see the Account Rules and Regulations or other applicable account agreement that governs your account.



JPMorgan Chase Bank, N.A. Member FDIC



April 01, 2016 through April 29, 2016

Account Number: **000000811150726**

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JPMorgan Chase Bank, N.A.
P O Box 659754
San Antonio, TX 78265 - 9754

March 08, 2016 through March 31, 2016

Account Number: 000000811150726



00079076 DRE 703 210 09216 NNNNNNNNNN 1 000000000 60 0000

BLUE SEAS FABRICATION, INC.
3954 MURPHY CANYON RD STE D104
SAN DIEGO CA 92123-4419

CUSTOMER SERVICE INFORMATION

Web site:	Chase.com
Service Center:	1-800-242-7338
Deaf and Hard of Hearing:	1-800-242-7383
Para Espanol:	1-888-622-4273
International Calls:	1-713-262-1679

WE ARE CHANGING THE FEE ON OUTGOING WIRE TRANSFERS NOT REQUESTED ONLINE

Your relationship is important to us, and we are committed to keeping you informed about changes that may affect you.

Starting March 22, 2016:

For outgoing wire transfers NOT requested online (for example, in a branch) the fee will increase to:

- Domestic Wire Fee: \$35 per transfer
- International Wire Fee: \$50 per transfer

The fee for outgoing wires made via Chase Online(SM) and Chase Mobile(R) (only available for domestic wires) remains the same. Transfer limits apply. Savings accounts cannot be used to fund wire transfers initiated on Chase Online(SM) and Chase Mobile(R). Incoming wire transfer fees remain the same.

These fees are waived for the following products:

- Chase Client Funds Checking(SM)
- Trust accounts for lawyers and realtors (names vary by market)

All other terms and conditions of your Deposit Account Agreement still apply. If you have any questions, please call the number listed at the top of this statement.

We are changing our Overdraft Protection service in August 2016

We will simplify Overdraft Protection, a service that allows enrolled customers to avoid overdrawing a checking account by transferring money from a linked account.

Starting August 20:

- **Only a Chase business savings account or business line of credit** will be able to provide Overdraft Protection to a business checking account. A credit card cannot be used.
- **We will transfer the exact amount** needed to cover the transaction instead of multiples of \$50.
- **We will no longer charge the \$10 Overdraft Protection Transfer fee.**

As a reminder, a **\$5 Savings Withdrawal Limit Fee** may apply for each withdrawal or transfer over six per monthly statement period from your savings account, including withdrawals at a branch or at an ATM. *For Chase Business Select High Yield SavingsSM this fee is waived if there is a balance of \$15,000 or more in the account at the time of the withdrawal or transfer.*

If you have a credit card linked for Overdraft Protection, you have two options:

1. **Link to a business savings account or business line of credit instead**. Visit chase.com or talk to a banker to learn more. OR,
2. **Keep your current settings**, knowing that this could cause declined transactions and you may pay more fees when we remove the link to your credit card.



March 08, 2016 through March 31, 2016
Account Number: 000000811150726

- Starting August 17, unless you have instructed us not to approve debit card purchases that overdraw your business account, you may have to pay a **\$34 Insufficient Funds Fee** each time we approve an everyday debit card transaction if your checking account can't cover your purchase. Through August 19, we will continue to transfer funds for transactions that would overdraw your account.
- Keep in mind our **Standard Overdraft Practice** will apply if your checking account does not have enough money available to cover a transaction. In that case, we may charge you a \$34 Insufficient Funds Fee or \$34 Returned Item Fee for each check, recurring payment or other transfer that is for more than the amount available in your account. Refer to your Deposit Account Agreement at chase.com for details on how your transactions work.

We waive one Insufficient Funds Fee or Returned Item Fee per monthly statement cycle for Chase Platinum Business CheckingSM accounts.

If you have questions, please visit chase.com or call the number listed at the top of your statement.

CHECKING SUMMARY

Chase Total Business Checking

	INSTANCES	AMOUNT
Beginning Balance		\$0.00
Deposits and Additions	5	43,006.00
Checks Paid	1	- 2,000.00
ATM & Debit Card Withdrawals	10	- 1,852.63
Electronic Withdrawals	6	- 15,795.04
Fees	2	- 11.97
Ending Balance	24	\$23,346.36

DEPOSITS AND ADDITIONS

DATE	DESCRIPTION	AMOUNT
03/08	Deposit 784272973	\$12,000.00
03/09	Deposit 784422638	11,000.00
03/14	Paymentech Deposit 6015685 CCD ID: 1020401225	1.00
03/21	Paymentech Deposit 6015685 CCD ID: 1020401225	5.00
03/30	ATM Check Deposit 03/30 8807 Villa LA Jolla DR LA Jolla CA Card 9630	20,000.00
Total Deposits and Additions		\$43,006.00

CHECKS PAID

CHECK NO.	DESCRIPTION	DATE PAID	AMOUNT
1001 ^		03/29	\$2,000.00
Total Checks Paid			\$2,000.00

If you see a description in the Checks Paid section, it means that we received only electronic information about the check, not the original or an image of the check. As a result, we're not able to return the check to you or show you an image.

^ An image of this check may be available for you to view on Chase.com.



March 08, 2016 through March 31, 2016
Account Number: 000000811150726

ATM & DEBIT CARD WITHDRAWALS

DATE	DESCRIPTION	AMOUNT
03/17	Card Purchase 03/16 Fred Hall Shows Inc Irvine CA Card 9630	\$1,100.00
03/21	Card Purchase 03/18 Blue Seas Fabrication, San Diego CA Card 9630	5.00
03/23	Card Purchase 03/22 Dropbox*M864P3Bh2Vzc Db.Tl/Cchelp CA Card 9630	99.00
03/23	Recurring Card Purchase 03/22 Intuit *Qb Online 800-286-6800 CA Card 9630	10.36
03/25	Card Purchase 03/23 Grafix And Grafix Plas 216-5819050 OH Card 9630	448.46
03/25	Card Purchase 03/24 SD Btax Applicat 3688 619-615-1500 CA Card 9630	52.00
03/28	Card Purchase 03/25 Laz Parking 640431 San Diego CA Card 9630	4.00
03/28	Non-Chase ATM Withdraw 03/26 Sports-Arena NA BI San Diego CA Card 9630	43.00
03/29	Card Purchase 03/28 Perry's Cafe San Diego CA Card 9630	30.81
03/30	ATM Withdrawal 03/30 8807 Villa LA Jolla DR LA Jolla CA Card 9630	60.00
Total ATM & Debit Card Withdrawals		\$1,852.63

ATM & DEBIT CARD SUMMARY

Joseph K Gardon Card 9630

Total ATM Withdrawals & Debits	\$103.00
Total Card Purchases	\$1,749.63
Total Card Deposits & Credits	\$20,000.00

ATM & Debit Card Totals

Total ATM Withdrawals & Debits	\$103.00
Total Card Purchases	\$1,749.63
Total Card Deposits & Credits	\$20,000.00

ELECTRONIC WITHDRAWALS

DATE	DESCRIPTION	AMOUNT
03/10	Professional Plo Payment CCD ID: 9775071990	\$8,650.00
03/11	Chase Quickpay Electronic Transfer 5251942943 To Jason Jones	5,000.00
03/11	Chase Quickpay Electronic Transfer 5254352982 To Jason Jones	2,000.00
03/15	Paymentech Fin ADJ 6015685 CCD ID: 1020401225	63.00
03/15	Paymentech Fin ADJ 6015685 CCD ID: 1020401225	5.04
03/28	03/28 Online Transfer 5289149175 To Gctech #####1580 Transaction #: 5289149175	77.00
Total Electronic Withdrawals		\$15,795.04

FEES

DATE	DESCRIPTION	AMOUNT
03/15	Check OR Supply Order PPD ID: 1410216800	\$9.47
03/28	Non-Chase ATM Fee-With	2.50
Total Fees		\$11.97

DAILY ENDING BALANCE

DATE	AMOUNT	DATE	AMOUNT	DATE	AMOUNT
03/08	\$12,000.00	03/15	7,273.49	03/25	5,563.67
03/09	23,000.00	03/17	6,173.49	03/28	5,437.17
03/10	14,350.00	03/21	6,173.49	03/29	3,406.36
03/11	7,350.00	03/23	6,064.13	03/30	23,346.36
03/14	7,351.00				



March 08, 2016 through March 31, 2016
Account Number: 000000811150726

SERVICE CHARGE SUMMARY

TRANSACTIONS FOR SERVICE FEE CALCULATION	NUMBER OF TRANSACTIONS
Checks Paid / Debits	15
Deposits / Credits	5
Deposited Items	2
Transaction Total	22

SERVICE FEE CALCULATION	AMOUNT
Service Fee	\$0.00
Service Fee Credit	\$0.00
Net Service Fee	\$0.00
Excessive Transaction Fees (Above 200)	\$0.00
Total Service Fees	\$0.00

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC FUNDS TRANSFERS: Call or write us at the phone number or address on the front of this statement (non-personal accounts contact Customer Service) if you think your statement or receipt is incorrect or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent you the FIRST statement on which the problem or error appeared. Be prepared to give us the following information:

- Your name and account number
- The dollar amount of the suspected error
- A description of the error or transfer you are unsure of, why you believe it is an error, or why you need more information.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days (or 20 business days for new accounts) to do this, we will credit your account for the amount you think is in error so that you will have use of the money during the time it takes us to complete our investigation.

IN CASE OF ERRORS OR QUESTIONS ABOUT NON-ELECTRONIC TRANSACTIONS: Contact the bank immediately if your statement is incorrect or if you need more information about any non-electronic transactions (checks or deposits) on this statement. If any such error appears, you must notify the bank in writing no later than 30 days after the statement was made available to you. For more complete details, see the Account Rules and Regulations or other applicable account agreement that governs your account.



JPMorgan Chase Bank, N.A. Member FDIC

Blue Seas Fabrication Inc.

Opening Balance Equity Ending Balance: \$32,063.92

Date	Ref No.	Payee	Memo	Increase	Decrease	Stat	Balance
Type	Account					Auto	
04/21/2016				\$18,286.92			n/a
	CC-Credit	TOTAL BUS CHK (0726)					
04/26/2016	START		23mm Seadek - Opening inventory and value		\$0.00	R	n/a
	Inventory Starting Value	Inventory Asset					
04/26/2016	START		20mm Seadek (split) - Opening inventory and value	\$410.58		R	n/a
	Inventory Starting Value	Inventory Asset					
04/26/2016	START		20mm Seadek (solid) - Opening inventory and value	\$821.16		R	n/a
	Inventory Starting Value	Inventory Asset					
04/26/2016	START		20mm Seadek (low density) - Opening inventory and value	\$821.16		R	n/a
	Inventory Starting Value	Inventory Asset					
04/26/2016	START		13mm Seadek - Opening inventory and value		\$0.00	R	n/a
	Inventory Starting Value	Inventory Asset					
04/26/2016	START		10mm Seadek (Spit) - Opening inventory and value		\$0.00	R	n/a
	Inventory Starting Value	Inventory Asset					
			10mm Seadek (solid) -				

04/26/2016 START		Opening inventory and value	\$0.00	R	n/a
	Inventory Starting Value	Inventory Asset			
04/26/2016 START		8mm Seadek (2-layer) - Opening inventory and value	\$0.00	R	n/a
	Inventory Starting Value	Inventory Asset			
04/26/2016 START		6mm Seadek - Opening inventory and value	\$8,800.00	R	n/a
	Inventory Starting Value	Inventory Asset			
04/26/2016 START		3mm Seadek - Opening inventory and value	\$0.00	R	n/a
	Inventory Starting Value	Inventory Asset			
04/25/2016 START		5mm Seadek - Opening inventory and value	\$2,924.10	R	n/a
	Inventory Starting Value	Inventory Asset			



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
CINCINNATI OH 45999-0023

Employer Identification Number:
81-1553196

Form: SS-4

Number of this notice: CP 575 A

BLUE SEAS FABRICATION INC
3954 MURPHY CANYON RD STE D104
SAN DIEGO, CA 92123

For assistance you may call us at:
1-800-829-4933

IF YOU WRITE, ATTACH THE
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 81-1553196. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

Based on the information received from you or your representative, you must file the following form(s) by the date(s) shown.

Form 1120

03/15/2017

If you have questions about the form(s) or the due date(s) shown, you can call us at the phone number or write to us at the address shown at the top of this notice. If you need help in determining your annual accounting period (tax year), see Publication 538, *Accounting Periods and Methods*.

We assigned you a tax classification based on information obtained from you or your representative. It is not a legal determination of your tax classification, and is not binding on the IRS. If you want a legal determination of your tax classification, you may request a private letter ruling from the IRS under the guidelines in Revenue Procedure 2004-1, 2004-1 I.R.B. 1 (or superseding Revenue Procedure for the year at issue). Note: Certain tax classification elections can be requested by filing Form 8832, *Entity Classification Election*. See Form 8832 and its instructions for additional information.

IMPORTANT INFORMATION FOR S CORPORATION ELECTION:

If you intend to elect to file your return as a small business corporation, an election to file a Form 1120-S must be made within certain timeframes and the corporation must meet certain tests. All of this information is included in the instructions for Form 2553, *Election by a Small Business Corporation*.

BLUE B 9999999999 SS-4

CP 575 A (Rev. 7-2007)

CP 575 A

EMPLOYER IDENTIFICATION NUMBER: 81-1553196
FORM: SS-4 NOBOD

BLUE SEAS FABRICATION INC
3954 MURPHY CANYON RD STE D104
SAN DIEGO, CA 92123

If you are required to deposit for employment taxes (Forms 941, 943, 940, 944, 945, CT-1, or 1042), excise taxes (Form 720), or income taxes (Form 1120), you will receive a Welcome Package shortly, which includes instructions for making your deposits electronically through the Electronic Federal Tax Payment System (EFTPS). A Personal Identification Number (PIN) for EFTPS will also be sent to you under separate cover. Please activate the PIN once you receive it, even if you have requested the services of a tax professional or representative. For more information about EFTPS, refer to Publication 966, *Electronic Choices to Pay All Your Federal Taxes*. If you need to make a deposit immediately, you will need to make arrangements with your Financial Institution to complete a wire transfer.

The IRS is committed to helping all taxpayers comply with their tax filing obligations. If you need help completing your returns or meeting your tax obligations, Authorized e-file Providers, such as Reporting Agents (payroll service providers) are available to assist you. Visit the IRS Web site at www.irs.gov for a list of companies that offer IRS e-file for business products and services. The list provides addresses, telephone numbers, and links to their Web sites.

To obtain tax forms and publications, including those referenced in this notice, visit our Web site at www.irs.gov. If you do not have access to the Internet, call 1-800-829-3676 (TTY/TDD 1-800-829-4059) or visit your local IRS office.

IMPORTANT REMINDERS:

- * Keep a copy of this notice in your permanent records. This notice is issued only one time and the IRS will not be able to generate a duplicate copy for you. You may give a copy of this document to anyone asking for proof of your EIN.
- * Use this EIN and your name exactly as they appear at the top of this notice on all your federal tax forms.
- * Refer to this EIN on your tax-related correspondence and documents.

If you have questions about your EIN, you can call us at the phone number or write to us at the address shown at the top of this notice. If you write, please tear off the stub at the bottom of this notice and send it along with your letter. If you do not need to write us, do not complete and return the stub.

Your name control associated with this EIN is BLUE. You will need to provide this information, along with your EIN, if you file your returns electronically.

Thank you for your cooperation.

3873555

FILED
SECRETARY OF STATE
STATE OF CALIFORNIA

FEB -9 2016

ARTICLES OF INCORPORATION

OF

BLUE SEAS FABRICATION, INC.

I

The name of this Corporation is BLUE SEAS FABRICATION, INC.

II

The purpose of this Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business, or the practice of a profession permitted to be incorporated by the California Corporations Code.

III

The name and address of this Corporation's initial agent for service of process in the State of California is:

Drew M. Bouchard, Esq.
McDevitt & Pribyl, A.P.L.C.
3550 Camino Del Rio North, Suite 200
San Diego, CA 92108

IV

The initial street and mailing address of this Corporation is:

3550 Camino Del Rio North #200
San Diego, CA 92108

V

This Corporation is authorized to issue only one class of shares of stock and the total number of shares which this Corporation is authorized to issue is Ten Thousand (10,000).

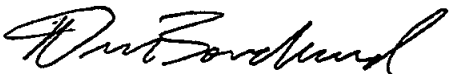
VI

The liability of the directors of the corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

VII

The corporation is authorized to provide indemnification of agents (as defined in Section 317 of the Corporations Code) for breach of duty to the corporation and its stockholders through bylaw provisions or through agreements with the agents, or both, in excess of the indemnification otherwise permitted by Section 317 of the Corporations Code, subject to the limits on such excess indemnification set forth in Section 204 of the Corporations Code.

Dated: February 9, 2016



DREW M. BOUCHARD, Incorporator

The incorporator hereby declares that he is the person who has executed these Articles of Incorporation, and further declares that this instrument is the act and deed of the undersigned.



DREW M. BOUCHARD, Incorporator



I hereby certify that the foregoing
transcript of 2 page(s)
is a full, true and correct copy of the
original record in the custody of the
California Secretary of State's office.

FEB 12 2016 IMC

Date: _____

Alex Padilla

ALEX PADILLA, Secretary of State