



THE CITY OF SAN DIEGO

June 10, 2010

Frank Butler
Wesco Sales Corp.
21200 Victory Blvd.
Woodland Hills, CA 91367

Dear Mr. Butler:

Subject: Consent to Sublease Agreement – Wesco Sales Corp. / Coyote Logistics, LLC

Enclosed for your files is the fully-executed original of the above-referenced consent to sublease. Should you have any questions, please contact me at (619) 235-5248.

Sincerely,

Vladimir Balotsky
Supervising Property Agent

Lease File: Wesco Sales Corp.



Real Estate Assets

1200 Third Avenue, Suite 1700, MS 51A • San Diego, CA 92101-4199

Tel (619) 236-6020 Fax (619) 236-6706



THE CITY OF SAN DIEGO

January 10, 2009

Shai Oved, Esq.
The Law Offices of Shai Oved
20700 Ventura Blvd., Suite 220
Woodland Hills, CA 91364

Dear Mr. Oved:

Subject: Consent to Sublease – Wesco Sales Corp. / Ronald and Debra Lane

Enclosed are three originals of the City's consent. Please have the appropriate parties to sign all originals and mail them to my attention at the address below. Should you have any questions, I can be reached at (619) 235-5248.

Sincerely,

Vladimir Balotsky
Property Agent

Lease File: Wesco Sales Corp.



Real Estate Assets

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

***The Law Offices of
SHAI OVED***

20700 Ventura Blvd., Suite 220
Woodland Hills, California 91364
Tel. (818) 992-6588 Fac. (818) 992-6511
Email - ssoesq@aol.com

January 20, 2009

Attn: Vladimir Balotsky
City of San Diego
Real Estate Assets Department
1200 Third Ave., Suite 1700, MS 51A
San Diego, CA 92101

Re: Request for Approval of Consent to Sublease

Dear Mr. Balotsky:

On December 12, 2008, my office forwarded to you two originally signed sets of a proposed Sublease between Wesco Sale Corp dba Dana Landing and Ronald and Debra Lane dba Fast Lane. They were the former tenants and are continuing to occupy the same premises. A copy of my letter is attached for your ease of reference.

You called my office shortly after receiving the same and requested that a \$600 processing fee be forwarded to your office and that the City would prepare a Consent. Please find the check.

If you have any questions, please feel free to call my office.

Very truly yours,

The Law Offices of Shai Oved



Shai Oved, Esq.

Enclosures

cc: Frank Butler, President
Wesco Sales Corp. dba Dan Landing

**The Law Offices of
SHAI OVED**

20700 Ventura Blvd., Suite 220
Woodland Hills, California 91364
Tel. (818) 992-6588 Fac. (818) 992-6511
Email - ssoesq@aol.com

COPY

December 12, 2008

Attn: Vladimir Balotsky
City of San Diego
Real Estate Assets Department
1200 Third Ave., Suite 1700, MS 51A
San Diego, CA 92101

Re: Request for Approval of Consent to Sublease

Dear Mr. Balotsky:

Please find two originally signed sets of a proposed Sublease between Wesco Sale Corp dba Dana Landing and Ronald and Debra Lane dba Fast Lane. They were the former tenants and are continuing to occupy the same premises.

Please execute the Consent to Sublease and return to my office. Thank you.

If you have any questions, please feel free to call my office.

Very truly yours,

The Law Offices of Shai Oved

COPY

Shai Oved, Esq.

Enclosures

cc: Frank Butler, President
Wesco Sales Corp. dba Dan Landing

**The Law Offices of
SHAI OVED**

20700 Ventura Blvd., Suite 220
Woodland Hills, California 91364
Tel. (818) 992-6588 Fac. (818) 992-6511
Email - ssoesq@aol.com

December 12, 2008

Attn: Vladimir Balotsky
City of San Diego
Real Estate Assets Department
1200 Third Ave., Suite 1700, MS 51A
San Diego, CA 92101

Re: Request for Approval of Consent to Sublease

Dear Mr. Balotsky:

Please find two originally signed sets of a proposed Sublease between Wesco Sale Corp dba Dana Landing and Ronald and Debra Lane dba Fast Lane. They were the former tenants and are continuing to occupy the same premises.

Please execute the Consent to Sublease and return to my office. Thank you.

If you have any questions, please feel free to call my office.

Very truly yours,

The Law Offices of Shai Oved



Shai Oved, Esq.

Enclosures

cc: Frank Butler, President
Wesco Sales Corp. dba Dan Landing

RECEIVED
CITY OF SAN DIEGO
08 DEC 15 PM 12:11
ESTATE ASSETS DEPT.

CONSENT TO SUBLEASE

This Consent to Sublease is made with reference to that certain Lease dated July 17, 1995, by and between the City of San Diego ("Landlord"), and Wesco Sales Corp., ("Tenant"), concerning Dana Marina located at 2590 Ingraham Street, San Diego, California 92109, (hereinafter referred to as the "Master Lease.")

RECITALS

WHEREAS, Tenant has requested that Landlord consent to the subletting of the Premises to Ronald and Debra Lane dba Fast Lane (hereinafter "Subtenant") upon the terms contained in that certain Sublease dated August 1, 2008, a copy of which is attached hereto and by this reference made a part hereof; and

WHEREAS, Landlord will consent to such subletting upon the express terms and conditions hereinafter set forth;

NOW, THEREFORE, THE PARTIES AGREE:

1. Effective August 1, 2008, Landlord, hereby consents to the subletting by Tenant to Subtenant of the Premises covered by the attached Sublease upon the terms and conditions contained herein.
2. This Consent shall not, in any manner, be construed as a modification or waiver of any term, condition, covenant or provision of the Master Lease or a consent to such subletting other than upon the terms contained in the attached Sublease.
3. This Consent shall not be deemed to be consent to any subsequent assignment of the Master Lease or subletting of the Premises.
4. This Consent shall not in any manner serve to release or discharge Tenant from any obligations, liabilities or duties under the terms of the Master Lease.
5. It is expressly understood that the Sublease shall at all times remain subject to and subordinate to the Master Lease. Subtenant, by executing this Consent, agrees that Subtenant shall be fully and completely bound by each and every term of the Master Lease insofar as Subtenants occupancy and use of the sublet Premises, Common Areas and Building is concerned. Any breach of the Master Lease by either Tenant or Subtenant shall likewise constitute a breach of the attached Sublease and shall entitle Landlord, to avail itself of any remedy set forth in the Master Lease or otherwise available at law to Landlord.
6. Subtenant, by the execution of this Consent, acknowledges that Subtenant has examined and is familiar with all of the terms, provisions and conditions of the Master Lease.
7. Tenant and Subtenant acknowledge and agree that in accordance with the Master Lease, in the event of a default by Tenant, Landlord has the right, power and authority, but not the obligation, to collect rents due Tenant from Subtenant and apply said rents toward any and all amounts due Landlord, upon written notice to Tenant and Subtenant.

8. It is covenanted and agreed that Landlord shall not be liable under any circumstances for any brokerage commission or other charge or expense in connection with the Sublease, and that Tenant and Subtenant shall indemnify and hold Landlord harmless from all damages, costs and expenses, including attorneys' fees, resulting from any claims that may be asserted against Landlord by any broker, agent, finder, person or entity who claims a right to compensation with respect to this Sublease.

9. Tenant and Subtenant agree that to the extent any terms, conditions, covenants or provisions of the Sublease are contrary to any terms, conditions, covenants or provisions of the Master Lease, the contrary terms, conditions and provisions of the Sublease are deemed revoked as to Landlord, and the terms, conditions, covenants and provisions of the Master Lease shall govern.

10. All signs shall be in compliance with the sign policy for Mission Bay Park and be subject to the MINIMUM STANDARD SUBLEASE CONDITIONS in effect.

THE PARTIES HERETO HAVE EXECUTED THIS CONSENT ON THE DATES INDICATED ABOVE.

TENANT

WESCO SALES CORP

By: [Signature]

Title: President

SUBTENANT

Ronald and Debra Lane dba Fast Lane

By: Ronald K Lane

Title: owner

By: Debra Lane

Title: owner

LANDLORD

THE CITY OF SAN DIEGO

By: _____

Title: _____

By: _____

Title: _____

WESCO SALES CORP. & RONALD AND DEBRA LANE DBA FAST LANE
SUBLEASE OF SHOWROOM/STORE AT 2610 INGRAHAM STREET,
SAN DIEGO, CALIFORNIA

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SUBLEASE

By this Sublease dated August 1, 2008, 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 1 — 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: Ronald and Debra Lane dba Fast Lane
- (c) Marina: DANA LANDING, 2610 Ingraham Street, San Diego, CA 92109
- (d) Premises: Building 6 (portion) as indicated on the location plan attached hereto as Exhibit "A."
- (e) Anticipated Commencement Date: August 1, 2008
- (f) Anticipated Term: Five (5) years.
- (g) Permitted Use: Sale and rental of boats and watercraft. No sale of food products, fuel, beer, wine, soft drinks, ice, cigarettes, bait, tackle, candy, oil, bikes, roller blades, fishing and ski equipment.
- (h) Basic Monthly Rent: \$3,455
- (i) Initial Security Deposit: \$1,000
- (j) Proportional Share: Approximately 11.9%
- (k) Base Year: The calendar year 2002.
- (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 Sublessees, Sublessees' 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; operating, maintenance and storage areas; and service areas, equipment and facilities.

Initial Here:
Sublessee:
Sublessor:



1.4 For purposes of this Sublease, the "Subleasehold Improvements" shall be defined as including, without limitation, partitions within the interior of the Premises and the interior one-half of partitioning demising 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 demising the Premises from Common Areas; cabinetry, railings, 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 Subleasehold 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 ("NLT") indicating the basis for the Commencement Date. Within seven (7) days after receipt of the NLT, Sublessee shall either confirm the Commencement Date by executing and returning the NLT to Sublessor, or notify Sublessor in writing of any objection to the Commencement Date, or the Commencement Date specified in the NLT 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, Subleasehold taxes, any non-progressive tax on or measured with respect to gross receipts), whether imposed by a government 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.

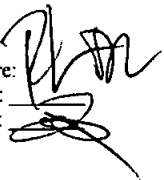
4.2 Each year of the Term, Sublessee shall pay to Sublessor the Proportional Share of the amount of annual Property Taxes which exceed Base Year Property Taxes ("Tax Rent"), as follows. As soon as practical after the beginning of a Year, Sublessor shall estimate Tax Rent for the Year, which Sublessee 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 g; costs of maintenance performed pursuant to Article II; 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 Sublessees 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.

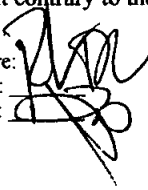
Any item of cost or expense included in Capital Expenses shall not be included in either Property Taxes or Operating Expenses.

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 Sublessees 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 Subleasehold 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 Allotment 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 bailment 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

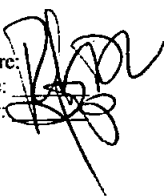
11.1 Sublessee shall, at Sublessee's sole cost and expense, keep in good condition and repair the Premises (including, without limitation, the interior and exterior walls, roof and foundations, all equipment used in or by the Premises, interior partitions and glass panels, carpeting, wall coverings and 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 a 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.

Initial Here:
Sublessee:
Sublessor:



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 contractors 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 Marina 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

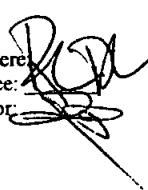
14.1 "Hazardous Materials" is defined as any substance, material, emission, discharge or waste defined as "hazardous, toxic", or a "pollutant" or "contaminant" under any local, state or federal government law, statute, code, order or regulation for the protection of health, safety or the environment. 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 "0" in compliance with California Health and Safety Code sections 25g15, et seq., which require Sublessee to provide a copy of said notice to Sublessee's employees, contractors, subSublessees or assignees within fifteen (15) days of the earlier of (a) commencing work in the Marina, or (b) contracting with Sublessee to subSublease 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 Subleasehold Improvements and Marina standard Alterations (excepting those items Sublessee is required to insure pursuant to Article 15.2, subparagraphs [b] 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 any one 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.

Initial Here:
Sublessee:
Sublessor:



15.3 With regards to insurance coverage required pursuant to Article 15.1(b), (c) and (d), and Article 15.2(b) and (c): 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 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, invites, 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 Sublessee'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, invites, 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.

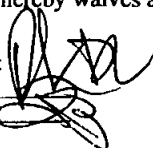
ARTICLE 17 — DAMAGE OR DESTRUCTION

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 ("Faking"), 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 section 1265.130.

Initial Here:
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 Subject to the provisions of Article 23.2, this Sublease shall be subject and subordinate to all present and future ground or underlying leases 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 transferor 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, nondisturbance 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.

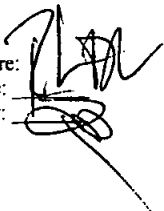
ARTICLE 21 — MARINA PLANNING

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. "Assignee" is defined to include: an assignee; subSublessee; or any other person or entity which may claim a right to possession of the Premises by or through Sublessee.

Initial Here:
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 to 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 Sublessee notifies Sublessor of such default and Sublessor fails to cure same within thirty (30) days after receipt Sublessee'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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Sublessee:
Sublessor:

The block contains two handwritten signatures. The first signature, corresponding to the 'Sublessee' line, is written in dark ink and appears to be 'R. J. [unclear]'. The second signature, corresponding to the 'Sublessor' line, is also in dark ink and appears to be 'B. [unclear]'. Both signatures are written over the respective lines of the signature block.

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 Sublessee's right to possession is terminated by the Sublessor because of a default, and Sublessor proceeds under California Civil Code section 1951.2, 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 defamer 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 Bunena Vista, San Clemente, CA 92672. Notice shall be given to Sublessor at 21500 Nordoff Street, Chatsworth, CA 91311 Attention: Frank Butler with copy to The Law Offices of Shai Oved at 20700 Ventura Blvd., Suite 220, 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.

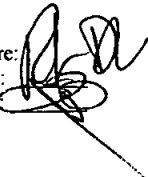
ARTICLE 27 — GENERAL PROVISIONS

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.

Initial Here:
Sublessee:
Sublessor:



27.4 Joint and Several Liability. If more than one person or entity executes this Sublease as Sublessee: each shall be jointly and severally liable for all obligations of Sublessee hereunder; any act or signature by one shall be binding upon all persons or entities constituting Sublessee; and, any refund or payment to one shall be effective as to all persons or entities constituting Sublessee.

27.5 Successors and Assigns. Except as provided to the contrary herein, each covenant, condition and provision of this Sublease shall be binding upon and shall inure to the benefit of the parties hereto, their respective heirs, personal representatives, successors and permissible assigns.

27.6 Definition of Sublessor. "Sublessor" is defined as and is limited to only the lessee at the time in question under the Master Lease of the Marina (whether pursuant to a fee interest or Subleasehold interest under a ground Sublease of the Land). If Sublessor transfers, assigns or conveys its interest, Sublessor shall be automatically freed and relieved of all liability with respect to the performance of any covenants or obligations in this Sublease to be performed from and after the date of such transfer, assignment or conveyance (including return of Security Deposit, provided Sublessor transfers all Security Deposit which has not been used, applied or retained prior to such conveyance to Sublessor's successor in interest).

27.7 Waiver Time of the Essence. A party's waiver of any breach of this Sublease shall not be deemed a waiver of any other breach. No custom or practice which develops between the parties shall be deemed a waiver of either party's right to require strict performance hereunder. Time is of the essence.

27.8 Interest. Wheresoever interest is required under this Sublease, and in lieu of the legal rate to be used in the computation of any interest owed Sublessor in any judgment or award of the court, interest shall be charged at the rate of ten percent (10%) per annum.

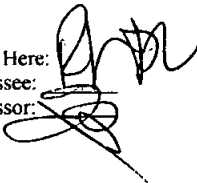
27.9 Entire Agreement; Severability. Except as expressly set forth herein, neither Sublessor nor its employees, agents or contractors have made any representation or warranty concerning the Land, Marina, Common Areas or Premises, or the suitability of either for the conduct of Sublessee's business. This Sublease contains the entire agreement of the parties hereto with respect to the tenancy created hereunder and no prior agreement or understanding (whether oral or written, expressed or implied) pertaining to same shall be effective, and this agreement shall be deemed integrated. This Sublease may only be modified, amended or added to by an agreement in writing executed by the parties hereto. The use of boldface, italics or underlining are for convenience only, and shall have no effect upon the construction or interpretation of this Sublease. If any part of this Sublease is declared invalid, void or illegal, the remaining portions of this Sublease shall not be impaired or invalidated, and this Sublease shall otherwise remain in full force and effect.

27.10 Marina Name; Advertising. Sublessor shall have the right to change the name or street address of the Marina upon reasonable prior notice to Sublessee. All advertisements or other public solicitations concerning the Premises shall require Sublessor's prior written approval.

27.11 Quiet Possession. Except as provided to the contrary herein, upon paying the rents reserved hereunder and otherwise observing this Sublease, Sublessee shall have quiet possession of the Premises for the Term.

27.12 Examination and Delivery by Sublessee. Submission of this Sublease for examination or signature by Sublessee does not constitute a reservation of or option to Sublease, and shall not be effective as a Sublease or binding legal document until execution and delivery by all parties hereto.

Initial Here:
Sublessee:
Sublessor:

The image shows two handwritten signatures. The top signature is for the Sublessee and the bottom signature is for the Sublessor. Both signatures are in black ink and appear to be stylized, cursive-style names.

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

RONALD AND DEBRA LANE DBA FAST LANE

Copy Attached
RONALD LANE

DEBRA LANE

SUBLESSOR

WESCO SALES CORP., DBA DANA LANDING

BY: _____
FRANK BUTLER, ITS PRESIDENT

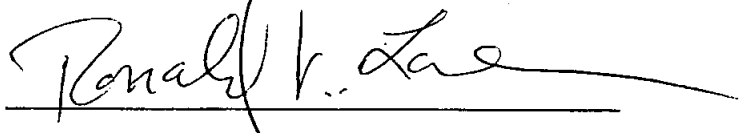
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WHEREUPON, THE PARTIES HERETO HAVE EXECUTED THIS SUBLEASE
ON THE DATES INDICATED

SUBLESSEE

RONALD AND DEBRA LANE DBA FAST LANE



RONALD LANE



DEBRA LANE

SUBLESSOR

WESCO SALES CORP., DBA DANA LANDING

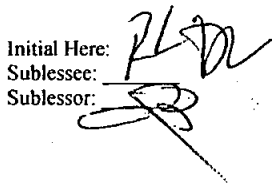
BY: 

FRANK BUTLER, ITS PRESIDENT

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Sublessee:

Sublessor:



Addendum No. 1 to Marina Sublease dated August 1, 2008, between Wesco Sales Corp. dba Dana Landing, Sublessor, and Ronald and Debra Lane dba Fast Lane, Sublessee, regarding the portions of Building 6 at Dana Marina, 2590 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 for 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.

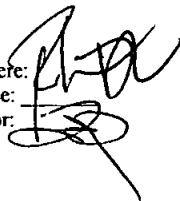
In the event the compilation and/or publication of the C.P.I. shall be transferred to any other governmental department or bureau or agency or shall be discontinued, then the index most nearly the same as the C.P.I. shall be used to make such calculation.

Article 31

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

Sublessee 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:
Sublessee:
Sublessor:

The block contains two handwritten signatures. The first signature, corresponding to the 'Sublessee' line, is written in dark ink and appears to be 'R. Lane'. The second signature, corresponding to the 'Sublessor' line, is also in dark ink and appears to be 'W. Sales'.

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 Sublessor shall likewise constitute a default under the provisions of this Sublease and shall entitle Sublessor 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, Sublessor grants to Sublessee a two consecutive options to extend the Term for an additional period of five (5) years each 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.

Initial Here:
Sublessee:
Sublessor:

The block contains two handwritten signatures. The first signature, corresponding to the 'Sublessee' line, is a stylized, cursive signature in dark ink. The second signature, corresponding to the 'Sublessor' line, is also a stylized, cursive signature in dark ink, appearing slightly more compact than the first.

CONSENT TO SUBLEASE AGREEMENT

THIS CONSENT TO SUBLEASE AGREEMENT ("Consent") is entered into by and between THE CITY OF SAN DIEGO, a California municipal corporation ("CITY"), WESCO SALES CORPORATION, doing business as DANA LANDING ("WESCO"), and RONALD LANE and DEBRA LANE, individuals doing business as FAST LANE ("FAST LANE"), to be effective upon execution by CITY (the "Effective Date") and approval by the San Diego City Attorney, as follows:

RECITALS

- A. WESCO is the "LESSEE," under that certain LEASE AGREEMENT dated July 24, 1995, as amended, filed as document No.00-18527 in the Office of the City Clerk of CITY, by and between CITY, as lessor, and WESCO SALES CORPORATION, ("Master Lease"), relating to certain real property ("Master Lease Property") more particularly described in Section 9.1, Legal Description – Exhibit A, of the Master Lease.
- B. The Master Lease requires CITY'S consent to any sublease of the Master Lease Property.
- C. RONALD LANE and DEBRA LANE have executed that certain WESCO SALES CORP. & RONALD AND DEBRA LANE DBA FAST LANE SUBLEASE OF SHOWROOM/STORE AT 2610 INGRAHAM STREET, SAN DIEGO, CALIFORNIA ("Wesco Sublease") dated August 1, 2008, whereby, subject to CITY'S consent, WESCO subleases to FAST LANE and FAST LANE subleases from WESCO a portion of the Master Lease Property ("Sublease Premises") located on the Master Lease Property and more fully described in the Wesco Sublease, attached hereto as Exhibit A.
- D. Under the terms of this Consent, CITY will consent to the Wesco Sublease.

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

- 1. Subordination. The Wesco Sublease is and shall be subordinate to the Master Lease. CITY shall not be bound by any term or condition in the Wesco Sublease which in any way conflicts with CITY'S rights or increases CITY'S obligations under the Master Lease. Any conflict between the Master Lease and the Wesco Sublease shall be construed or resolved in favor of the Master Lease. FAST LANE acknowledges and agrees that its rights and obligations as Lessee under the Wesco Sublease are subject and subordinate to the terms and conditions of this Consent and the Master Lease.

2. Master Lease Provisions. Without releasing WESCO of any obligation, FAST LANE additionally assumes and shall perform the obligations of "LESSEE" under the Master Lease as and to the extent such obligations are applicable to the Sublease Premises or FAST LANE'S use of any common area within the Master Lease Property.
*and service and sale of related parts and accessories
3. Use. FAST LANE'S use shall be for sale and rental of boats and watercrafts; and no other purposes and shall comply at all times to the Master Lease.
4. Rent. WESCO shall pay the following to CITY as rent defined under the Master Lease:
 - (a) Five percent (5%) of WESCO'S gross income from commissions paid to WESCO by FAST LANE ("gross income" as that term defined in the Master Lease) derived from sales involving property sold by FAST LANE in which FAST LANE has no financial interest;
 - (b) Three quarters of one percent (3/4%) of FAST LANE'S gross income from sale of boats and boat motors (whether new or used) and any boat trailers and other accessories included in the boat and motor sale;
 - (c) Twenty percent (20%) of WESCO'S gross income from rentals for small boat storage by FAST LANE;
 - (d) Ten percent (10%) of all of all FAST LANE'S commission from all other authorized activities;
 - (e) Four percent (4%) of gross income from servicing of boats and motors, sales of boat and motor parts, accessories to boats and motors, and marine hardware.
5. Indemnification. WESCO and FAST LANE, jointly and severally, shall defend, indemnify, protect, and hold CITY, its elected officials, officers, representatives, agents and employees harmless from and against any and all claims asserted or liability established for damages or injuries to any person or property, including without limitation any injury to WESCO'S or FAST LANE'S officers, employees, agents, invitees, guests, subtenants or licensees, which arise out of or are in any manner directly or indirectly connected with the Sublease, FAST LANE'S use of or operations on the Master Lease Property, the condition of the Sublease Premises, or from any act or omission of FAST LANE or any of his employees, agents, invitees, guests, subtenants or licensees; provided, however, this duty to indemnify and hold harmless shall not include any claims or liability arising from the established sole negligence, or sole willful misconduct of CITY, its elected officials, officers, representatives, agents or employees.
6. Subsequent Sublease. This Consent does not constitute consent to any subsequent subletting of any portion of the Master Lease Property, and does not relieve FAST LANE, or any person claiming under or through either of them of the obligation to obtain CITY'S consent to any future sublease.

7. Brokerage Commission. CITY shall not be liable for any brokerage commission or finder's fee in connection with the consummation of the Wesco Sublease or this Consent. WESCO and FAST LANE shall jointly and severally protect, defend, indemnify, and hold CITY harmless from and against any claim for any brokerage commission or finder's fee related to the consummation of the Wesco Sublease or 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.
8. San Diego's Strong Mayor Form of Governance. The Master Lease shall be amended by adding the following section:

All references to "City Manager" in this lease and all subsequent amendments to this lease shall be deemed to refer to "Mayor." This section became effective on January 1, 2006, and shall remain in effect for the duration of the time period that the City operates under the mayor-council (commonly referred to as "strong mayor") form of governance pursuant to Article XV of the City of San Diego City Charter.
9. No Further Modification of Master Lease or Wesco Sublease. Except as provided herein, this Consent shall not be deemed or construed to modify, waive, impair, or affect any of the terms or conditions of the Master Lease or the Wesco Sublease.
10. Controlling Law. The terms and conditions of this Consent shall be construed in accordance with the laws of the State of California.
11. Captions. Captions to the sections of this Consent are included for convenience only and do not modify any of the terms of this Consent.
12. Entire Agreement. This Consent constitutes the entire statement of the agreement of the parties pertaining to the amendment of the Master Lease and CITY'S consent to the Wesco Sublease, and is binding on and inures to the benefit of the parties' respective heirs, representatives, successors and assigns. No party has been induced to enter into this Consent by, nor is any party relying on, any representation or warranty outside those expressly set forth in this Consent. No modification of the terms or conditions of this Consent shall be effective unless made in a writing that expressly states that it modifies this Consent, and signed by the parties hereto.
13. Attorney Fees. If any party commences litigation against any other party for the specific performance of this Consent, for damages for the breach of the terms and conditions of this Consent, or otherwise for any remedy and the enforcement thereof, the prevailing party shall be entitled to recover from the non-prevailing party its costs and reasonable attorney fees incurred.

14. Notice. Any notice required or permitted to be given to any party hereto shall be given in accordance with the provisions of the Master Lease, and if to FAST LANE, addressed to:

RONALD AND DEBRA LANE
FAST LANE
2610 INGRAHAM STREET
SAN DIEGO, CA 92109

15. Authority. Each individual executing this Consent on behalf of another person or legal entity represents and warrants that he/she is authorized to execute and deliver this Consent on behalf of such person or entity in accordance with duly adopted resolutions or other authorizing actions which are necessary and proper and under such legal entity's articles, charter, bylaws, or other written rules of conduct or governing agreement, and that this Consent is binding upon such person or entity in accordance with its terms. Each person executing this Consent on behalf of another person or legal entity shall provide CITY with evidence, satisfactory to the City Manager, that such authority is valid and that such entity is a valid, qualified corporation, limited liability company, partnership, or other unincorporated association in good standing in its home state and that such entity is qualified to do business in California.
16. CITY'S Consent. Subject to the terms and conditions of this Consent, CITY hereby consents to the Wesco Sublease.

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IN WITNESS WHEREOF, the parties hereto execute this Consent to be effective as of the Effective Date.

Date: 4-10-10

WESCO SALES CORPORATION,
dba DANA LANDING

BY: [Signature]

Name & Title: FRANK W. BUTLER, PRESIDENT

FAST LANE

Date: 4-10-10

[Signature]
RONALD LANE, an individual dba as FAST
LANE

Date: 4-10-10

[Signature]
DEBRA LANE, an individual dba as FAST LANE

Effective Date: 5/14/10

THE CITY OF SAN DIEGO,
a California municipal corporation

BY: [Signature]

Name & Title: James F. Barwick, CCIM
Director, Real Estate Assets

APPROVED AS TO FORM AND LEGALITY:

Date: 5/18/10

JAN I. GOLDSMITH, City Attorney

BY: [Signature]

Debra J. Bevier, Deputy City Attorney

VEB/cb
2-09-09

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EXHIBIT A

WESCO SALES CORP. & RONALD AND DEBRA LANE DBA FAST LANE
SUBLESE OF SHOWROOM/STORE AT 2610 INGRAHAM STREET,
SAN DIEGO, CALIFORNIA

["Sublease" dated August 1, 2008, by and between WESCO SALES CORPORATION, as lessor, d.b.a. DANA LANDING, and Ronald and Debra Lane, individuals d.b.a. FAST LANE, relating to certain real property located at 2610 Ingraham Street, San Diego, CA, 92109].

WESCO SALES CORP. & RONALD AND DEBRA LANE DBA FAST LANE
SUBLEASE OF SHOWROOM/STORE AT 2610 INGRAHAM STREET,
SAN DIEGO, CALIFORNIA

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SUBLEASE

By this Sublease dated August 1, 2008, 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:

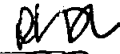
ARTICLE I — BASIC SUBLEASE PROVISIONS

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: Ronald and Debra Lane dba Fast Lane
- (c) Marina: DANA LANDING, 2610 Ingraham Street, San Diego, CA 92109
- (d) Premises: Building 6 (portion) as indicated on the location plan attached hereto as Exhibit "A."
- (e) Anticipated Commencement Date: August 1, 2008
- (f) Anticipated Term: Five (5) years.
- (g) Permitted Use: Sale, rental and service of boats and watercrafts, and the sale of related parts and accessories.
- (h) Basic Monthly Rent: \$3,455
- (i) Initial Security Deposit: \$1,000
- (j) Proportional Share: Approximately 11.9%
- (k) Base Year: The calendar year 2002.
- (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 Sublessees, Sublessees' 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; operating, maintenance and storage areas; and service areas, equipment and facilities.

Initial Here: 
Sublessee: 
Sublessor:

1.4 For purposes of this Sublease, the "Subleasehold Improvements" shall be defined as including, without limitation, partitions within the interior of the Premises and the interior one-half of partitioning demising the Premises from adjacent premises (whether stab-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 demising the Premises from Common Areas; cabinetry, railings, 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 Subleasehold 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

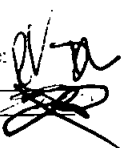
2.1 The Term of this Sublease shall commence on the Commencement Date, which shall be the earlier of:

- (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 ("NLT") indicating the basis for the Commencement Date. Within seven (7) days after receipt of the NLT, Sublessee shall either confirm the Commencement Date by executing and returning the NLT to Sublessor, or notify Sublessor in writing of any objection to the Commencement Date, or the Commencement Date specified in the NLT 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, Subleasehold taxes, any non-progressive tax on or measured with respect to gross receipts), whether imposed by a government 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 g; costs of maintenance performed pursuant to Article II; 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 Sublessees 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.

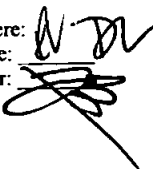
Any item of cost or expense included in Capital Expenses shall not be included in either Property Taxes or Operating Expenses.

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.

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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 Sublessees 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 Subleasehold 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 Allotment 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 bailment 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 a 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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Sublessee: 
Sublessor: 

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 contractors 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 Marina 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 "0" in compliance with California Health and Safety Code sections 25g15, et seq., which require Sublessee to provide a copy of said notice to Sublessee's employees, contractors, subSublessees or assignees within fifteen (15) days of the earlier of (a) commencing work in the Marina, or (b) contracting with Sublessee to subSublease 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 Subleasehold Improvements and Marina standard Alterations (excepting those items Sublessee is required to insure pursuant to Article 15.2, subparagraphs [b] 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 any one 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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Sublessee: 
Sublessor: 

15.3 With regards to insurance coverage required pursuant to Article 15.1(b), (c) and (d), and Article 15.2(b) and (c): 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 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, invites, 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 Sublessee'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, invites, 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.

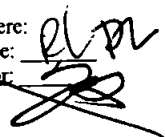
ARTICLE 17 — DAMAGE OR DESTRUCTION

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 ("Faking"), 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 section 1265.130.

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Sublessee:
Sublessor:

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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 Subject to the provisions of Article 23.2, this Sublease shall be subject and subordinate to all present and future ground or underlying leases 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 transferor 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, nondisturbance 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. "Assignee" is defined to include: an assignee; subSublessee; or any other person or entity which may claim a right to possession of the Premises by or through Sublessee.

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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 to 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 Sublessee notifies Sublessor of such default and Sublessor fails to cure same within thirty (30) days after receipt of Sublessee'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:



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 Sublessee's right to possession is terminated by the Sublessor because of a default, and Sublessor proceeds under California Civil Code section 1951.2, 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 defamer 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 Bunena Vista, San Clemente, CA 92672. Notice shall be given to Sublessor at 21500 Nordoff Street, Chatsworth, CA 91311 Attention: Frank Butler with copy to The Law Offices of Shai Oved at 20700 Ventura Blvd., Suite 220, 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:



27.4 Joint and Several Liability. If more than one person or entity executes this Sublease as Sublessee: each shall be jointly and severally liable for all obligations of Sublessee hereunder; any act or signature by one shall be binding upon all persons or entities constituting Sublessee; and, any refund or payment to one shall be effective as to all persons or entities constituting Sublessee.

27.5 Successors and Assigns. Except as provided to the contrary herein, each covenant, condition and provision of this Sublease shall be binding upon and shall inure to the benefit of the parties hereto, their respective heirs, personal representatives, successors and permissible assigns.

27.6 Definition of Sublessor. "Sublessor" is defined as and is limited to only the lessee at the time in question under the Master Lease of the Marina (whether pursuant to a fee interest or Subleasehold interest under a ground Sublease of the Land). If Sublessor transfers, assigns or conveys its interest, Sublessor shall be automatically freed and relieved of all liability with respect to the performance of any covenants or obligations in this Sublease to be performed from and after the date of such transfer, assignment or conveyance (including return of Security Deposit, provided Sublessor transfers all Security Deposit which has not been used, applied or retained prior to such conveyance to Sublessor's successor in interest).

27.7 Waiver Time of the Essence. A party's waiver of any breach of this Sublease shall not be deemed a waiver of any other breach. No custom or practice which develops between the parties shall be deemed a waiver of either party's right to require strict performance hereunder. Time is of the essence.

27.8 Interest. Wheresoever interest is required under this Sublease, and in lieu of the legal rate to be used in the computation of any interest owed Sublessor in any judgment or award of the court, interest shall be charged at the rate often percent (10%) per annum.

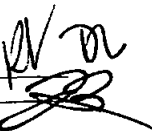
27.9 Entire Agreement; Severability. Except as expressly set forth herein, neither Sublessor nor its employees, agents or contractors have made any representation or warranty concerning the Land, Marina, Common Areas or Premises, or the suitability of either for the conduct of Sublessee's business. This Sublease contains the entire agreement of the parties hereto with respect to the tenancy created hereunder and no prior agreement or understanding (whether oral or written, expressed or implied) pertaining to same shall be effective, and this agreement shall be deemed integrated. This Sublease may only be modified, amended or added to by an agreement in writing executed by the parties hereto. The use of boldface, italics or underlining are for convenience only, and shall have no effect upon the construction or interpretation of this Sublease. If any part of this Sublease is declared invalid, void or illegal, the remaining portions of this Sublease shall not be impaired or invalidated, and this Sublease shall otherwise remain in full force and effect.

27.10 Marina Name; Advertising. Sublessor shall have the right to change the name or street address of the Marina upon reasonable prior notice to Sublessee. All advertisements or other public solicitations concerning the Premises shall require Sublessor's prior written approval.

27.11 Quiet Possession. Except as provided to the contrary herein, upon paying the rents reserved hereunder and otherwise observing this Sublease, Sublessee shall have quiet possession of the Premises for the Term.

27.12 Examination and Delivery by Sublessee. Submission of this Sublease for examination or signature by Sublessee does not constitute a reservation of or option to Sublease, and shall not be effective as a Sublease or binding legal document until execution and delivery by all parties hereto.

Initial Here:
Sublessee:
Sublessor:

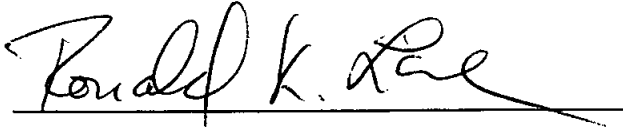


27.13 Confidentiality. Sublessee agrees to keep the terms of this Sublease confidential and shall not disclose same to any other person not a party hereto without the prior written consent of Sublessor. Sublessee shall not record this Sublease or a short form memorandum thereof,

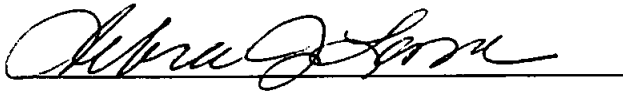
**WHEREUPON, THE PARTIES HERETO HAVE EXECUTED THIS SUBLEASE
ON THE DATES INDICATED**

SUBLESSEE

RONALD AND DEBRA LANE DBA FAST LANE



RONALD LANE



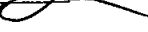
DEBRA LANE

SUBLESSOR

WESCO SALES CORP., DBA DANA LANDING

BY: 

FRANK BUTLER, ITS PRESIDENT

Initial Here: 
Sublessee: 
Sublessor: 

Addendum No. 1 to Marina Sublease dated August 1, 2008, between Wesco Sales Corp. dba Dana Landing, Sublessor, and Ronald and Debra Lane dba Fast Lane, Sublessee, regarding the portions of Building 6 at Dana Marina, 2590 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 for 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.

Sublessee 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: 
Sublessee: 
Sublessor:

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 Sublessor shall likewise constitute a default under the provisions of this Sublease and shall entitle Sublessor 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.

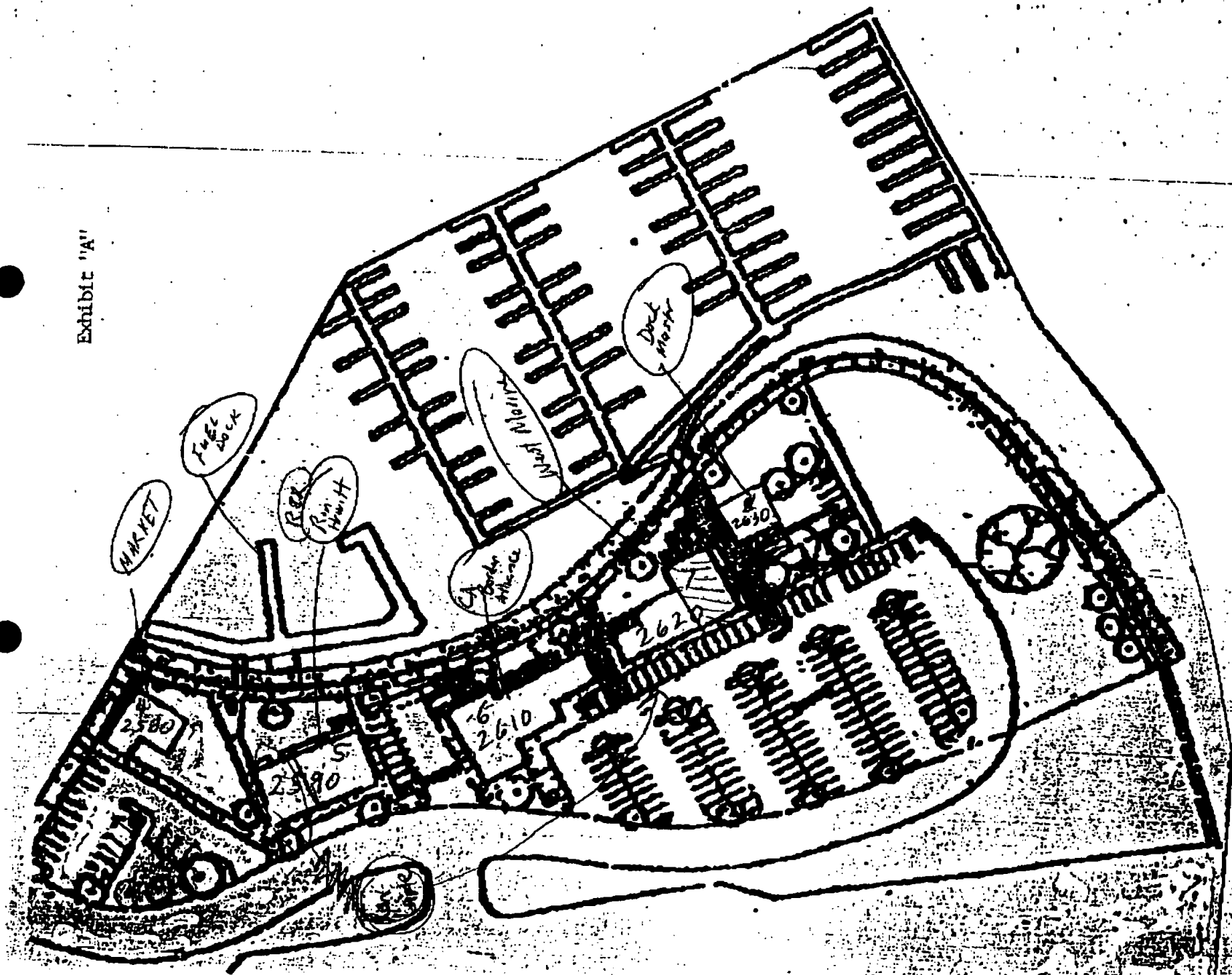
Article 35

Provided Sublessee has not defaulted on any terms of the lease herein, Sublessor grants to Sublessee a two consecutive options to extend the Term for an additional period of five (5) years each 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.

Initial Here:
Sublessee:
Sublessor:




Exhibit "A"



That parcel of land in the City of San Diego, County of San Diego, State of California, being a portion of the Tidelands and submerged or filled lands of False Bay, also known as Mission Bay and that portion of the Pueblo Lands of San Diego; according to map thereof by James Pascoe, a copy of which is on file in the Office of the County Recorder of said San Diego County and is known as Miscellaneous Map No. 36, described as follows:

Beginning at the Southeast corner of Lot 24 of Block 10 in the Resubdivision of Blocks 7, 8, 10, and a portion of Block 9 and Lot "A" of Inspiration Heights, according to Map thereof No. 1700 filed in the Office of the County Recorder of San Diego County; thence along the Southerly line of said Lot, South $89^{\circ}55'56''$ West (Record North $89^{\circ}59'00''$ West) 25.00 feet to a point of tangent curve in the boundary of said Lot; thence South $00^{\circ}04'04''$ East, 2 feet to a line which is parallel with and 2.00 feet Southerly at right angles from the Southerly line of said Block 10; thence along said parallel line North $89^{\circ}55'56''$ East, 249.70 feet; thence North $05^{\circ}30'02''$ West, 104.06 feet to the United States Coast and Geodetic Survey, triangulation station "Old Town," (the Lambert Grid-Coordinates-California Zone 6 for said station "Old Town" are x equals 1,712,415.17 and y equals 213,819.22 and said triangulation station is located at latitude $32^{\circ}45'02.845''$ longitude $117^{\circ}11'07.200''$), said station "Old Town" being the point of origin for the San Diego City Engineer's Mission Bay Park Coordinate System; thence North 5,826.93 feet and West 14,684.48 feet to the TRUE POINT OF BEGINNING; the Mission Bay Park Coordinates of said TRUE POINT OF BEGINNING being North 5,826.93 feet and West 14,684.48 feet; thence North $63^{\circ}30'00''$ West, a distance of 567.16 feet to the coordinates North 6,079.99 and West 15,192.03; thence North $28^{\circ}30'02''$ West, a distance of 462.48 feet to coordinates North 5,486.42 and West 15,412.71; thence North $61^{\circ}29'58''$ East, a distance of 297.95 feet to the beginning of a non-tangent curve, concave Southeasterly having a radius of 1,355.00 feet; thence Northeasterly along the arc of said curve a distance of 178.55 feet to coordinates North 6,743.91 and West 15,014.72; thence South $36^{\circ}29'04''$ East, a distance of 75.00 feet to a point in a 1,280.00 foot radius curve, concave Southeasterly; thence Northeasterly along the arc of said curve a distance of 125.00 feet to coordinates North 6,752.91 and West 14,866.15; thence South $19^{\circ}51'24''$ East, a distance of 302.87 feet to coordinates North 6,468.04 and West 14,763.28; said point being also the beginning of a 475.00 foot radius curve, concave Westerly; thence Southerly along the arc of said curve through a central angle of $09^{\circ}38'54''$ a distance of 79.99 feet to the beginning of a compound 195.00 foot radius curve, concave Westerly; thence Southerly along the arc of said curve through a central angle of $16^{\circ}45'30''$, a distance of 57.04 feet to coordinates North 6,334.08 and West 14,740.74; thence South $06^{\circ}33'00''$ West, a distance of 132.02 feet to coordinates North 6,202.92 and West 14,755.80, said point being also the beginning of a 185.00 foot radius tangent curve, concave Easterly; thence Southerly and Southeasterly along the arc of said curve through a central angle of $46^{\circ}53'50''$, a distance of 151.42 feet to the beginning of a 215.00 foot radius reverse curve, concave Westerly; thence Southeasterly and Southerly along the arc of said curve through a central angle of $66^{\circ}50'50''$, a distance of 250.84

feet to the TRUE POINT OF BEGINNING and containing 4.09 acres of land area and 4.67 acres of water area.

EXCEPTING that portion described as follows:

Beginning at a Northeasterly angle point in the above described land, the Mission Bay Park coordinates of said point being North 6,752.91 and West 14,866.15; thence South $19^{\circ}51'24''$ East, 140.00 feet; thence South $60^{\circ}17'51''$ West, 347.91 feet to a point on a 131.21 foot radius curve, concave Easterly, the radius of which bears South $68^{\circ}34'25''$ West to said point; thence Northerly along said curve 74.20 feet through an angle of $32^{\circ}24'04''$ to a compound 100.04 foot radius curve; thence Northerly along said curve 61.09 feet through an angle of $34^{\circ}59'14''$; thence along the radius of a 1,355.00 foot radius curve, concave Southeasterly, North $44^{\circ}02'17''$ West, 75.00 feet to a point on the arc of said curve; thence Northeasterly along said curve through an angle of $07^{\circ}33'00''$, a distance of 178.55 feet to coordinates North 6,743.91 and West 15,014.72; thence South $36^{\circ}29'04''$ East, a distance of 75.00 feet to a point in a 1,280.00 foot radius curve, concave Southeasterly; thence Northeasterly along the arc of said curve, a distance of 125.00 feet to the TRUE POINT OF BEGINNING.

Exhibit "C"

<u>Percentages</u>	<u>Business Activities</u>
Three Percent (3%)	Of gross income from sales of petroleum products excepting diesel fuel.
One and One-Half Percent (1-1/2%)	Of gross income from sales of diesel fuel.
Five Percent (5%)	Of gross income from commissions paid to LESSEE on sales involving property sold by LESSEE in which LESSEE has no financial interest.
Three Quarters of One Percent (3/4%)	Of gross income from sales of boats and boat motors, and any boat trailers and other accessories included in the boat and motor sale.
Four Percent (4%)	Of gross income from servicing of boats and motors, sales of boat and motor parts, accessories to boats and motors, and marine hardware.
Three Percent (3%)	Of gross income from sales of food and nonalcoholic beverages.
Six Percent (6%)	Of gross income from sales of alcoholic beverages.
Twenty-Five Percent (25%)	Of gross income from rentals of boat slips and related wet storage.
Twenty-Five Percent (25%)	Of gross income from commissions or any other compensation paid to LESSEE or sublessees for the right to install or operate coin-operated vending, game, or service machines or devices on the premises, including telephones, or 10% of the gross income from any such coin-operated machines or devices owned, rented, or leased by LESSEE or sublessees for use on the premises.
Twenty Percent (20%)	Of gross income from rentals for small boat storage.
Ten Percent (10%)	Of gross income from all other authorized activities.

CONSENT TO SUBLEASE AGREEMENT

THIS CONSENT TO SUBLEASE AGREEMENT (Consent) is entered into by and between THE CITY OF SAN DIEGO, a California municipal corporation (CITY) and WESCO SALES CORPORATION, a California Corporation, doing business as Dana Landings Marina (WESCO), to be effective upon execution by CITY and approval by the San Diego City Attorney (the Effective Date), as follows:

RECITALS

- A. WESCO is the LESSEE, under that certain PERCENTAGE LEASE dated July, 17, 1995, as amended by and between CITY, as lessor and WESCO SALES CORPORATION, as lessee (Master Lease), relating to certain real property (Master Lease Property) located at 2580, 2590, 2610, 2620, 2630 Ingraham Street, San Diego, California 92109, and more particularly described in the Master Lease.
- B. The Master Lease requires CITY'S consent to any sublease of the Master Lease Property.
- C. WESCO desires to enter into a sublease with COYOTE LOGISTICS, L.L.C. (COYOTE), attached as Exhibit A hereto, whereby WESCO subleases to COYOTE and COYOTE subleases from WESCO a portion of the Master Lease Property (Sublease Premises) located on the Master Lease Property.

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

- 1. CITY'S Consent. Subject to the following terms and conditions, CITY hereby consents to WESCO subleasing a portion of the Master Lease Property.
- 2. Subordination. The COYOTE Sublease (Sublease) is and shall be subordinate to the Master Lease. CITY shall not be bound by any term or condition in the Sublease which in any way conflicts with CITY'S rights or increases CITY'S obligations under the Master Lease. Any conflict between the Master Lease and the Sublease shall be construed or resolved in favor of the Master Lease. WESCO shall ensure through its Sublease that COYOTE acknowledges and agrees that its rights and obligations as Lessee under the Sublease are subject and subordinate to the terms and conditions of this Consent and the Master Lease.
- 3. Use. The Subleased Premises shall be used for the sole purpose of for maritime and multi-mode transportation purposes and shall comply at all times to the Master Lease.
- 4. Rent. WESCO shall pay the following rent as set forth in the Master Lease, to the CITY resulting from use of the Subleased Premises by COYOTE:

Percentages

Ten Percent (10%)

Business Activities

Gross income from all other
authorized activities

5. Indemnification. Through its Sublease, WESCO shall ensure that COYOTE shall defend, indemnify, protect, and hold CITY, its elected officials, officers, representatives, agents and employees harmless from and against any and all claims asserted or liability established for damages or injuries to any person or property, including without limitation any injury to WESCO'S or COYOTE'S officers, employees, agents, invitees, guests, subtenants or licensees, which arise out of or are in any manner directly or indirectly connected with the Sublease, COYOTE'S use of or operations on the Master Lease Property, the condition of the Sublease Premises, or from any act or omission of COYOTE or any of his employees, agents, invitees, guests, subtenants or licensees; provided, however, this duty to indemnify and hold harmless shall not include any claims or liability arising from the established sole negligence, or sole willful misconduct of CITY, its elected officials, officers, representatives, agents or employees.
6. Subsequent Sublease. This Consent does not constitute consent to any subsequent subletting of any portion of the Master Lease Property, and does not relieve WESCO, or any person claiming under or through WESCO of the obligation to obtain CITY'S consent to any future sublease.
7. Brokerage Commission. CITY shall not be liable for any brokerage commission or finder's fee in connection with the consummation of the Sublease or this Consent. WESCO shall protect, defend, indemnify, and hold CITY harmless from and against any claim for any brokerage commission or finder's fee related to the consummation of the Sublease or 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.
8. San Diego's Strong Mayor Form of Governance. The Master Lease shall be amended by adding the following section:

All references to "City Manager" in this lease and all subsequent amendments to this lease shall be deemed to refer to "Mayor." This section became effective on January 1, 2006, and shall remain in effect for the duration the City operates under the mayor-council (commonly referred to as "strong mayor") form of governance pursuant to Article XV of the City of San Diego City Charter.

9. Water Quality – Best Management Practices. The CITY and WESCO are committed to the implementation of controls (best management practices, or BMP) to manage activities on the entire Master Lease Property in a manner which aids to the protection of the City of San Diego's precious water resources. It is the WESCO'S responsibility to identify and implement an effective combination of BMPs so as not to cause pollutant discharges to the storm drain system in violation of Section 43.03, San Diego Stormwater Management and Discharge Control Ordinance (Stormwater Ordinance).

Therefore, WESCO shall, at minimum, implement and comply, as applicable, with the BMPs for industrial and commercial facilities adopted under the San Diego Municipal Code Section 43.0307(a).

It is ultimately WESCO'S responsibility to prevent pollutant discharge to the storm drain system. Therefore, the WESCO will identify and implement any additional BMPs that may be required to avoid the discharge of pollutants to the storm drain system.

10. No Further Modification of Master Lease or Sublease. Except as provided herein, this Consent shall not be deemed or construed to modify, waive, impair, or affect any of the terms or conditions of the Master Lease or the Sublease.
11. Controlling Law. The terms and conditions of this Consent shall be construed in accordance with the laws of the State of California.
12. Captions. Captions to the sections of this Consent are included for convenience only and do not modify any of the terms of this Consent.
13. Entire Agreement. This Consent constitutes the entire statement of the agreement of the parties pertaining to the amendment of the Master Lease and CITY'S consent to the Sublease, and is binding on and inures to the benefit of the parties' respective heirs, representatives, successors and assigns. No party has been induced to enter into this Consent by, nor is any party relying on, any representation or warranty outside those expressly set forth in this Consent. No modification of the terms or conditions of this Consent shall be effective unless made in a writing that expressly states that it modifies this Consent, and signed by the parties hereto.
14. Attorney Fees. If any party commences litigation against any other party for the specific performance of this Consent, for damages for the breach of the terms and conditions of this Consent, or otherwise for any remedy and the enforcement thereof, the prevailing party shall be entitled to recover from the non-prevailing party its costs and reasonable attorney fees incurred.
15. Authority. Each individual executing this Consent on behalf of another person or legal entity represents and warrants that he/she is authorized to execute and

deliver this Consent on behalf of such person or entity in accordance with duly adopted resolutions or other authorizing actions which are necessary and proper and under such legal entity's articles, charter, bylaws, or other written rules of conduct or governing agreement, and that this Consent is binding upon such person or entity in accordance with its terms.

THE CITY OF SAN DIEGO
A California Municipal Corporation

Date 6/8/10

By: 

Name: **James F. Barwick, CCIM**
Director, Real Estate Assets

Title: _____

WESCO SALES CORPORATION

Date JUNE 2, 2010

By: 

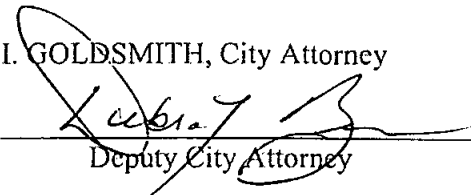
Name: FRANK BUTLER

Title: PRESIDENT

APPROVED AS TO FORM AND LEGALITY:

JAN I. GOLDSMITH, City Attorney

Date: 6/10/10

BY: 
Deputy City Attorney

VEB/cb
06-01-10

I: SUPPORT STAFF GROUP\WPO\2009\BALOTSKY\CONSENT TO SUBLEASE-WESCO - COYOTE

EXHIBIT A

SUBLEASE

["Sublease" dated JUNE 2, 2010, by and between WESCO SALES CORPORATION. and COYOTE, LOGISTICS L.L.C]

WESCO SALES CORP. & COYOTE LOGISTICS, LLC
SUBLEASE OF SHOWROOM/STORE AT 2620 INGRAHAM STREET,
SAN DIEGO, CALIFORNIA

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SUBLEASE

.... By this Sublease dated _____, 2010, 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 1 - 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: COYOTE LOGISTICS, LLC, a Delaware limited liability company
- (c) Marina: DANA LANDING, 2610 Ingraham Street, San Diego, CA 92109
- (d) Premises: Building (portion) as indicated on the location plan attached hereto as Exhibit "A."
- (e) Anticipated Commencement Date: June 1, 2010
- (f) Anticipated Term: 2 years.
- (g) Permitted Use: Maritime and multi-mode transportation purposes only. No sale of food products, fuel, beer, wine, soft drinks, ice, cigarettes, bait, tackle, candy, oil, bikes, roller blades, fishing and ski equipment.
- (h) Basic Monthly Rent: \$ 2,428.80
- (i) Initial Security Deposit: \$ 2,428.80
- (j) Proportional Share: Approximately % 8.60
- (k) Base Year: The calendar year 2010.
- (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, Sublessees' 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; operating, maintenance and storage areas; and service areas, equipment and facilities.

Initial
Here:
Sublessee:
Sublessor:

5

1.4 For purposes of this Sublease, the "Subleasehold Improvements" shall be defined as including, without limitation, partitions within the interior of the Premises and the interior one-half of partitioning demising 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 demising the Premises from Common Areas; cabinetry, railings, 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 Subleasehold 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 fixture, work stations, furnishing 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 ("NLT") indicating the basis for the Commencement Date. Within seven (7) days after receipt of the NLT, Sublessee shall either confirm the Commencement Date by executing and returning the NLT to Sublessor, or notify Sublessor in writing of any objection to the Commencement Date, or the Commencement Date specified in the NLT shall be deemed conclusive as between Sublessor and Sublessee.

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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 in writing.

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, Subleasehold taxes, any non-progressive tax on or measured with respect to gross receipts). Whether imposed by a government 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 Commencing on January 1, 2011 and continuing thereafter for the duration 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 g; costs of maintenance performed pursuant to Article II; 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~~.

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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 Sublessees 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 Sub lessees 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 Commencing on January 1, 2011 and continuing thereafter for the duration of the Term, 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 each 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 thirty (30) 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.

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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 reasonable 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 Sublessees 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 Subleschold 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 Allotment 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 bailment 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 beyond applicable notice and cure period. 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. Sublessee shall, at Sublessee's sole cost and expense, keep in good condition and repair the Premises (including without limitation, the interior walls, 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 reasonably 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, Mechanical Systems generally serving the Marina and the exterior walls, roof, and foundation of the premises. 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 written 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 a 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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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 contractors 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 Marina 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).

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 "O" 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, subSublessees or assignees within fifteen (15) days of the earlier of (a) commencing work in the Marina, or (b) contracting with Sublessee to subSublease 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 Subleasehold Improvements and Marina standard Alterations (excepting those items Sublessee is required to insure pursuant to Article 15.2, subparagraphs (b) 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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15.3 With regards to insurance coverage required pursuant to Article 15.1(b), (c) and (d), and Article 15.2(b) and (c): 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 claims and endorsements have been obtained and are in full force and effect. Each of Sublessor'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

Article 16 - Indemnification, has been removed. Please see Addendum 3.

~~16.1 Subject to the waivers of subrogation and liability set forth in Article 15.3, Sublessee shall indemnify and hold Sublessor 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 a 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 Sublessee 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 Sublessor.~~

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 section 1265.130.

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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.

ARTICLE 20 - SUBORDINATION

20.1 Subject to the provisions of Article 23.2, this Sublease shall be subject and subordinate to all present and future ground or underlying leases 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 transferor 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

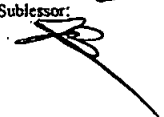
20.3 Sublessee shall, within twenty (20) business days after receipt of Sublessor's written request, execute such further instruments or assurances as Sublessor may reasonably deem necessary to evidence or confirm the subordination, nondisturbance and attornment pursuant to this Article. Sublessee waives 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. "Assignee" is defined to include: an assignee; subSublessee; or any other person or entity which may claim a right to possession of the Premises by or through Sublessee.

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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 to 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 Sublessee notifies Sublessor of such default and Sublessor fails to cure same within thirty (30) days after receipt Sublessee'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).

Initial
Here:
Sublessee:
Sublessor:

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 Sublessee's right to possession is terminated by the Sublessor because of a default, and Sublessor proceeds under California Civil Code section 1951.2, 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 defamer 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 and at 4400 Alexander Drive, Alpharetta, GA 30022. Notice shall be given to Sublessor at 21500 Nordoff Street, Chatsworth, CA 91311 Attention: Frank Butler with copy to The Law Offices of Shai Oved at 20700 Ventura Blvd., Suite 220, 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.

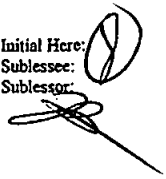
ARTICLE 27 - GENERAL PROVISIONS

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.

Initial Here:
Sublessee:
Sublessor:

Handwritten initials 'S' and a signature.

27.4 Joint and Several Liability. If more than one person or entity executes this Sublease as Sublessee: each shall be jointly and severally liable for all obligations of Sublessee hereunder; any act or signature by one shall be binding upon all persons or entities constituting Sublessee; and, any refund or payment to one shall be effective as to all persons or entities constituting Sublessee.

27.5 Successors and Assigns. Except as provided to the contrary herein, each covenant, condition and provision of this Sublease shall be binding upon and shall inure to the benefit of the parties hereto, their respective heirs, personal representatives, successors and permissible assigns.

27.6 Definition of Sublessor. "Sublessor" is defined as and is limited to only the lessee at the time in question under the Master Lease of the Marina (whether pursuant to a fee interest or Subleasehold interest under a ground Sublease of the Land). If Sublessor transfers, assigns or conveys its interest, Sublessor shall be automatically freed and relieved of all liability with respect to the performance of any covenants or obligations in this Sublease to be performed from and after the date of such transfer, assignment or conveyance (including return of Security Deposit, provided Sublessor transfers all Security Deposit which has not been used, applied or retained prior to such conveyance to Sublessor's successor in interest).

27.7 Waiver Time of the Essence. A party's waiver of any breach of this Sublease shall not be deemed a waiver of any other breach. No custom or practice which develops between the parties shall be deemed a waiver of either party's right to require strict performance hereunder. Time is of the essence.

27.8 Interest. Wheresoever interest is required under this Sublease, and in lieu of the legal rate to be used in the computation of any interest owed Sublessor in any judgment or award of the court, interest shall be charged at the rate of ten percent (10%) per annum.

27.9 Entire Agreement; Severability. Except as expressly set forth herein, neither Sublessor nor its employees, agents or contractors have made any representation or warranty concerning the Land, Marina, Common Areas or Premises, or the suitability of either for the conduct of Sublessee's business. This Sublease contains the entire agreement of the parties hereto with respect to the tenancy created hereunder and no prior agreement or understanding (whether oral or written, expressed or implied) pertaining to same shall be effective, and this agreement shall be deemed integrated. This Sublease may only be modified, amended or added to by an agreement in writing executed by the parties hereto. The use of boldface, italics or underlining are for convenience only, and shall have no effect upon the construction or interpretation of this Sublease. If any part of this Sublease is declared invalid, void or illegal, the remaining portions of this Sublease shall not be impaired or invalidated, and this Sublease shall otherwise remain in full force and effect.

27.10 Marina Name; Advertising. Sublessor shall have the right to change the name or street address of the Marina upon reasonable prior notice to Sublessee. All advertisements or other public solicitations concerning the Premises shall require Sublessor's prior written approval.

27.11 Quiet Possession. Except as provided to the contrary herein, upon paying the rents reserved hereunder and otherwise observing this Sublease, Sublessee shall have quiet possession of the Premises for the Term.

27.12 Examination and Delivery by Sublessee. Submission of this Sublease for examination or signature by Sublessee does not constitute a reservation of or option to Sublease, and shall not be effective as a Sublease or binding legal document until execution and delivery by all parties hereto.

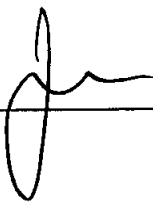
Initial
Here:
Sublessee:
Sublessor:

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, provided Sublessee may disclose the terms of the sublease (i) if required by law, (ii) Sublessee's accountants, attorneys and/or other representatives, and/or (iii) any other third party with a reasonable need to know. 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

COYOTE LOGISTICS, LLC

By:  _____

SUBLESSOR

WESCO SALES CORP., DBA DANA LANDING

By:  _____
FRANK BUTLER, ITS PRESIDENT

Initial Here:
Sublessee: 
Sublessor: 

Addendum No.1 to Marina Sublease dated _____, 2010, between Wesco Sales Corp. dba Dana Landing, Sublessor, and Coyote Logistics, LLC, Sublessee, regarding the portions of Building 7 at Dana Marina, 2620 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 21 st 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, 2010, 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 or 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.

Sublessee 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 00 liability to Sublessee as a result of such termination.

Sign here

Sublessee: Coyote Logistics, LLC

By

Date, _____

Sublessor: Wesco Sales dba Dana Landing By

Date

4-7-10

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 Sublessor shall likewise constitute a default under the provisions of this Sublease and shall entitle Sublessor 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 beyond any applicable notice and cure period, Sublessor grants to Sublessee a two consecutive options to extend the Term for an additional period of five (5) years each 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 exercised by Sublessee if 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 beyond applicable notice and cure period, these options will be cancelled.~~

Sign here

Sublessee: Coyote Logistics, LLC

By 

Date _____

Sublessor: Wesco Sales dba Dana Landing By 

Date 4-7-10

Addendum No.2 to Marina Sublease dated _____, 2010 between Wesco Sales Corp. dba Dana Landing ("Sublessor") and Coyote Logistics, LLC ("Sublessee"), regarding the portions of Building 7 at Dana Marina, 2620 Ingraham Street, San Diego, California 92109.

Article 36

Sublessor warrants that the HV AC, plumbing and electrical systems exclusively serving the Premises shall be in good working order as of the date Sublessor delivers possession of the Premise to Sublessee.

Article 37

~~Subject to the terms and conditions set forth herein, Sublessor shall provide to Sublessee a construction allowance in the amount of equal to Seven Thousand Five Hundred and 00/100 Dollars (\$7,500.00) (the "Construction Allowance") to be used by Sublessee for the construction of the Subleasehold Improvements. Sublessee shall perform, or cause to be performed, such Subleasehold Improvements in accordance with the terms and conditions of this lease. Within thirty (30) days following Sublessor's receipt of paid invoices from Sublessee, Sublessor shall reimburse Sublessee the Construction Allowance.~~

Article 38

The Sublease hereby shall and does incorporate in all respects the terms and conditions of the Master Lease, and except as otherwise expressly provided in the Sublease, all of the terms and conditions of the Master Lease are incorporated in the Sublease by reference and made a part hereof, and shall, as between Sublessor and Sublessee, constitute the terms of the Sublease, except for Section 2.1, Section 3, Section 4.4, Section 4.5, Section 6.4, Section 6.6, Section 6.12, Section 6.14, Section 6.15, Section 6.16, Section 7.14, Section 7.18, Section 7.19, Section 7.20, Section 7.22, Section 7.23, and Section 7.24, as well as such other terms of the Master Lease as do relate to the Premises or are inapplicable.

Article 39

Except as modified by this Addendum No.2, the parties reaffirm each and every provision of the Sublease and Addendum No.1. In the event of any conflict between the Sublease, Addendum No.1 and this Addendum No.2, the terms of this Addendum No.2 shall control.

Sign here

Sublessee: Coyote Logistics, LLC

By

Date

Sublessor: Wesco Sales dba Dana Landing By

Date

4-7-10

Addendum No. 3 to Marina Sublease dated May 27, 2010, 2010 between Wesco Sales Corp. dba Dana Landing ("Sublessor") and Coyote Logistics, LLC ("sublessee"), regarding the portions of Building 7 at Dana Marina, 2620 Ingraham Street, San Diego, California 92109.

Article 40

Subject to the waivers of subrogation and liability set forth in Article 15.3, Sublessee shall indemnify and hold Sublessor and City of San Diego, its elected officials, officers, representatives, agents and employees 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 Area, Premises or parking facility and/or any claim that may be asserted against the sublessor and the City of San Diego, its elected officials, officers, representatives, agents and employees by any person, entity, other than Procuring Broker who claims a right to compensation for brokerage services in regards to sublessee and/or sublessee's breach or non-performance of any provision of the Sublease. If any action or proceeding is brought against Sublessor and City of San Diego, its elected officials, officers, representatives, agents and employees by reason of any such claim, Sublessee upon notice from the Sublessor and City of San Diego (as applicable) shall defend the same at Sublessee's expense by counsel reasonably satisfactory to Sublessee and the City of San Diego (as applicable).

Article 41

Subject to the waivers of subrogation and liability set forth in Article 15.3, Sublessor shall indemnify and hold Sublessee and the City of San Diego, its elected officials, officers, representatives, agents and employees 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 Area, Premises, or parking facility, and/or Sublessor's breach or non-performance of any provisions of this Sublease. If any action or proceeding is brought against Sublessee or the City of San Diego, its elected officials, officers, representatives, agents and employees by reason of any such claim, then Sublessor upon notice from Sublessee and/or the City of San Diego (as applicable) shall defend the same at Sublessor's expense by counsel reasonably satisfactory to Sublessee and the City of San Diego (as applicable).

Sign here

Sublessee: Coyote Logistics, LLC

By

Date

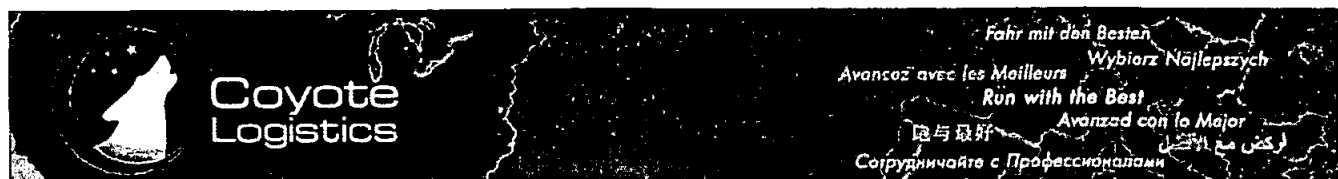
Sublessor: Wesco Sales dba Dana Landing

By

Date

6/1/10

6/1/10

[Home](#)[News](#)[Contact](#)[Transportation](#)[Supply Chain](#)[Operations](#)[Technology](#)[Employment](#)[US Government](#)[Carrier Qualification Process](#)[Carrier Rating System](#)

A Better Experience: multimodal options

We offer truckload, LTL, Intermodal, Air and Ocean freight options. Not only that - we offer the best experience in the industry. Most third party logistics companies simply don't get it. They treat their carriers poorly. We treat ours like gold.

We insure your positive experience with Coyote by funneling all of our operational interactions through a small team of employees. We will never have 15 different people calling you from 15 different offices. Every one of our carrier service people can see and can offer to you every load in our system, not just a small subset. Our entire model is built on doing the best thing for the customer, carrier, and employee, and this system provides the carrier with the best chance of finding the optimal load, the load with the least deadhead, repositioning the truck in the most desirable place, and with the best revenue.

This single point of contact philosophy carries over to our problem solving methodologies. While we work very hard to predict and thereby avoid or minimize problems, they do happen. Our carriers will always deal directly with their representatives to work through these issues. And our employees are trained to do what is right every time. If the problem is a result of something the carrier has done, then we expect the carrier to help us correct the problem. If, however, the problem arises because of something the customer has done or Coyote has done, then we take care of the carrier in the right way, regardless of how the customer approaches the problem.

We also provide a better experience by paying faster than anyone in the industry. We pay within 25 days of the receipt of your invoice and the proper documentation, with no extra fees or discounts. Set up for ACH payment and you'll have your money even faster.

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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):

Wesco Sales Corp

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

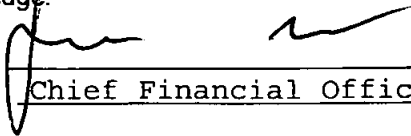
Exact name of existing Sublessee (complete only if applicable):

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

Coyote Logistics, LLC

Date this Questionnaire completed: March 30, 2010

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

Signature: 

Title: Chief Financial Officer, Coyote Logistics, LLC

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:

Coyote Logistics, LLC

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

440 Alexander Drive
Alpharetta, Georgia 30022
Attn: Chief Financial Officer

Telephone No.: 678-775-5173 Fax. No.: 678-775-5173

E-mail Address: jonathan.sisler@coyotelogistics.com

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

Telephone No.: _____

Fax. No.: _____

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

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

Limited Liability Company (X); Other _____

Explain if necessary:

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

LIMITED LIABILITY COMPANY STATEMENT

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

1. Date of Organization: 4-3-2006
2. Where Organized: Delaware
3. Is the Company authorized to do business in California?
 - a. Yes (☒) No (☐)
 - b. If so, as of what date? 10-18-2007
4. Has the Company conducted business in San Diego County?
 - a. Yes (☒) No (☐)
 - b. If so, when? 10/15/2007 - Present
 - c. If so, where? 591 Camino De La Reina, Suite 1107, San Diego, CA 92108
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 %
Member	Coyote Logistics Midco, Inc	191 E. Deerpath Rd. Lake Forest, IL 60045	100

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.

Name:	Coyote Logistics Holdings, LLC
Title:	
Address:	191 E. Deerpath Road
	Lake Forest, IL 60045
No. of Shares:	100%

Name: _____

Title: _____

Address: _____

No. of Shares: _____

Name: _____

Title: _____

Address: _____

No. of Shares: _____

Name: _____

Title: _____

Address: _____

No. of Shares: _____

Name: _____

Title: _____

Address: _____

No. of Shares: _____

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

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

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

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

LIMITED LIABILITY COMPANY STATEMENT

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

1. Date of Organization: 10-15-2007
2. Where Organized: Delaware
3. Is the Company authorized to do business in California?
 - a. Yes () No (X)
 - b. If so, as of what date? _____
4. Has the Company conducted business in San Diego County?
 - a. Yes () No (X)
 - 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 %
Member	Warburg Pincus Private Equity	191 E. Deerpath Road Lake Forest, IL 60045	80
	X, L.P.		

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

FINANCIAL AND OTHER BACKGROUND INFORMATION

FINANCIAL STATEMENT

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

OTHER INFORMATION

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

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

REFERENCES FOR PROPOSED (SUB)LESSEE

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

REFERENCE NO. 1

Name: Robert E. Stanley

Firm: Stanley, Esrey & Buckley, LLP

Title: Partner

Address: 1230 Peachtree Street, N.E. #2400, Atlanta, GA 30309

Telephone: 404-835-6200

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

Provision of legal services on open account basis.

REFERENCE NO. 2

Name: Kristy S. Loucks

Firm: Wells Fargo Foothill, Inc.

Title: Sr. Account Executive

Address: 1100 Abernathy Rd., Suite 1600, Atlanta, GA 30328

Telephone: 770-508-1333

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

REFERENCE NO. 3

Name: Mitch Jossart

Firm: Schneider National Carriers, Inc.

Title: _____

Address: 3010 S. Packerland Dr., Green Bay, WI 54306

Telephone: _____

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

REFERENCE NO. 4

Name: Kathy Ramos or Christina Vaughan

Firm: CSX Transportation, Inc.

Title: _____

Address: PO Box 44054-Customer Accounting, Jacksonville, FL 32231-4054

Telephone: 904-633-1569

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

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.

Maritime and multi-mode transportation purposes only.

**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.

none .

ESTIMATE OF GROSS RECEIPTS

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

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

Year of Operation	Uses (Identify Each Use)				
1	\$	\$	\$	\$	\$
2					
3					
4					
5					

* Not Applicable

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.

Coyote Logistics offers truckload, LTL, Intermodal, Air and Ocean freight options. The entire model of the company is built on doing the best thing for the customer, carrier and employee, and this system provides the carrier with the best chance of finding the optimal load, the load with the least deadhead, repositioning the truck in the most desirable place, and with the best revenue.

**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).

See attached Sublease.



DNBI®
Risk Management

ATTN: Stacey Golde
Report Printed: January 05, 2010

Live Report : COYOTE LOGISTICS, LLC

D-U-N-S® Number: 62-462-0030

Trade Names: No trade names for this company.

Endorsement/Billing Reference: stacey.golde@coyotelogistics.com

D&B Address

Address	4400 Alexander Dr Alpharetta, GA - 30022	Location Type	Headquarters
Phone	847 285-2424	Web	
Fax			

Added to Portfolio: 01/25/2008

Last View Date: 12/14/2009

Endorsement :
stacey.golde@coyotelogistics.com

Company Summary

Currency: Shown in USD unless otherwise indicated

Score Bar

PAYDEX®	71
Commercial Credit Score Class	3
Financial Stress Class	4
Credit Limit - D&B Conservative	250,000.00
D&B Rating	1R3

D&B PAYDEX®

D&B PAYDEX® 71
Lowest Risk:100;Highest Risk :1

When weighted by amount, Payments to suppliers
average 14 days beyond terms

D&B 3-month PAYDEX®

3-month D&B PAYDEX®: 71
Lowest Risk:100;Highest Risk :1

When weighted by amount, Payments to suppliers
average 14 Days Beyond Terms

Public Filings

The following data includes both open and closed filings
found in D&B's database on this company.

Record Type	Number of Records	Most Recent Filing Date
Bankruptcies	0	-
Judgments	0	-
Liens	0	-
Suits	0	-
UCCs	1	08/16/08

D&B Company Overview

This is a headquarters location
Branch(es) or Division(s) exist Y

Manager	JEFF SILVER, MNG MBR-CEO
Year Started	2008
Employees	328 (100 Here)
Financing	SECURED
SIC	4731
Line of business	Freight transportation arrangement
NAICS	488510

The public record items contained herein may have
been paid, terminated, vacated or released prior to
today's date.

History Status

CLEAR

Financial Stress Score Class

Financial Stress Score Class: 4

Lowest Risk:1;Highest Risk :5

High To Medium risk of severe financial stress over the next 12 months.

Commercial Credit Score Class

Commercial Credit Score Class 3

Lowest Risk:1;Highest Risk :5

Medium risk of severe payment delinquency over next 12 months.

Corporate Linkage

Subsidiaries (Domestic)

Company	City , State	D-U-N-S® NUMBER
COYOTE LOGISTICS, LLC	LAKE FOREST , Illinois	82-846-7923
GFS GLOBAL LOGISTICS, LLC	ATLANTA , Georgia	83-013-5351

Branches (Domestic)

Company	City , State	D-U-N-S® NUMBER
COYOTE LOGISTICS, LLC	MEMPHIS , Tennessee	14-732-3185
COYOTE LOGISTICS, LLC	ATLANTA , Georgia	14-732-3203
COYOTE LOGISTICS, LLC	ALPHARETTA , Georgia	82-521-1860
COYOTE LOGISTICS, LLC	JACKSONVILLE , Florida	83-249-1166

Predictive Scores

Currency: Shown in USD unless otherwise indicated 

Credit Capacity Summary

This credit rating was assigned because of D&B's assessment of the company's creditworthiness. For more information, see the "D&B Rating Key".

D&B Rating : 1R3

Number of employees: 1R Indicates 10 or more employees

Composite credit appraisal: 3 is fair

The 1R and 2R ratings categories reflect company size based on the total number of employees for the business. They are assigned to business files that do not contain a current financial statement. In 1R and 2R Ratings, the 2, 3, or 4 creditworthiness indicator is based on analysis by D&B of public filings, trade payments, business age and other important factors. 2 is the highest Composite Credit Appraisal a company not supplying D&B with current financial information can receive.

Below is an overview of the company's rating history since 10-10-2006

D&B Rating	Date Applied
1R3	08-14-2007
--	10-10-2006

Number of Employees
Total: 328 (100 here)

Payment Activity:	(based on 173 experiences)
Average High Credit:	25,553
Highest Credit:	400,000
Total Highest Credit:	4,144,400

D&B Credit Limit Recommendation

Conservative credit Limit	250,000
Aggressive credit Limit:	500,000

Risk category for this business : **LOW**

This recommended Credit Limit is based on the company profile and on profiles of other companies with similarities in size, industry, and credit usage.

Risk is assessed using D&B's scoring methodology and is one factor used to create the recommended limits. See Help for details.

Financial Stress Class Summary

The Financial Stress Score predicts the likelihood of a firm ceasing business without paying all creditors in full, or reorganization or obtaining relief from creditors under state/federal law over the next 12 months. Scores were calculated using a statistically valid model derived from D&B's extensive data files.

The Financial Stress Class of 4 for this company shows that firms with this class had a failure rate of 0.84% (84 per 10,000), which is 1.75 times higher than the average of businesses in D & B's database.

Financial Stress Class : **4**

(Lowest Risk:1; Highest Risk:5)

Moderate to high risk of severe financial stress, such as a bankruptcy, over the next 12 months.

Probability of Failure:

- Among Businesses with this Class: **0.84 %** (84 per 10,000)
- Financial Stress National Percentile : **27** (Highest Risk: 1; Lowest Risk: 100)
- Financial Stress Score : **1431** (Highest Risk: 1,001; Lowest Risk: 1,875)
- Average of Businesses in D&B's database: **0.48 %** (48 per 10,000)

The Financial Stress Class of this business is based on the following factors:

- Composite credit appraisal is rated fair.
- UCC Filings reported.
- High number of inquiries to D & B over last 12 months.
- Low proportion of satisfactory payment experiences to total payment experiences.
- Limited time under present management control.
- High proportion of past due balances to total amount owing.

Notes:

- The Financial Stress Class indicates that this firm shares some of the same business and financial characteristics of other companies with this classification. It does not mean the firm will necessarily experience financial stress.

- The Probability of Failure shows the percentage of firms in a given Class that discontinued operations over the past year with loss to creditors. The Probability of Failure - National Average represents the national failure rate and is provided for comparative purposes.
- The Financial Stress National Percentile reflects the relative ranking of a company among all scorable companies in D&B's file.
- The Financial Stress Score offers a more precise measure of the level of risk than the Class and Percentile. It is especially helpful to customers using a scorecard approach to determining overall business performance.

Norms	National %
This Business	27
Region: SOUTH ATLANTIC	48
Industry: INFRASTRUCTURE	43
Employee range: 100-499	75
Years in Business: 3-5	39

This Business has a Financial Stress Percentile that shows:

- Higher risk than other companies in the same region.
- Higher risk than other companies in the same industry.
- Higher risk than other companies in the same employee size range.
- Higher risk than other companies with a comparable number of years in business.

Credit Score Class Summary

The Credit Score class predicts the likelihood of a firm paying in a severely delinquent manner (90+ Days Past Terms) over the next twelve months. It was calculated using statistically valid models and the most recent payment information in D&B's files.

The Credit Score class of 3 for this company shows that 14.3% of firms with this classification paid one or more bills severely delinquent, which is lower than the average of businesses in D & B's database.

Credit Score Class : 3

Lowest Risk:1;Highest Risk :5

Moderate risk of severe payment delinquency over next 12 months.
Incidence of Delinquent Payment

- Among Companies with this Classification: **14.30 %**
- Average compared to businesses in D&B's database: **20.10 %**
- Credit Score Percentile : **58** (Highest Risk: 1; Lowest Risk: 100)
- Credit Score : **472** (Highest Risk: 101; Lowest Risk:670)

The Credit Score Class of this business is based on the following factors:

- 27% of trade dollars indicate slow payment(s) are present.
- Payment experiences exist for this firm which are greater than 60 days past due.
- No record of open lien(s), or judgment(s) in the D & B files.
- Business does not own facilities.

Notes:

- The Credit Score Class indicates that this firm shares some of the same business and payment characteristics of other companies with this classification. It does not mean the firm will necessarily experience delinquency.
- The Incidence of Delinquent Payment is the percentage of companies with this classification that were reported 90 days past due or more by creditors. The calculation of this value is based on an inquiry weighted sample.
- The Percentile ranks this firm relative to other businesses. For example, a firm in the 80th percentile has a lower risk of paying in a severely delinquent manner than 79% of all scorable companies in D&B's files.
- The Credit Score offers a more precise measure of the level of risk than the Class and Percentile. It is especially helpful to customers using a scorecard approach to determining overall business performance.
- All Credit Class, Percentile, Score and Incidence statistics are based on sample data from

Norms	National %
This Business	58
Region: SOUTH ATLANTIC	51

Industry: INFRASTRUCTURE	42
Employee range: 100-499	75
Years in Business: 3-5	50

This business has a Credit Score Percentile that shows:

- Lower risk than other companies in the same region.
- Lower risk than other companies in the same industry.
- Higher risk than other companies in the same employee size range.
- Lower risk than other companies with a comparable number of years in business.

Trade Payments

Currency: Shown in USD unless otherwise indicated 

D&B PAYDEX®

The D&B PAYDEX is a unique, weighted indicator of payment performance based on payment experiences as reported to D&B by trader references. Learn more about the D&B PAYDEX

Timeliness of historical payments for this company.

Current PAYDEX is	71	Equal to 14 days beyond terms (Pays more slowly than the average for its industry of 11 days beyond terms)
Industry Median is	73	Equal to 11 days beyond terms
Payment Trend currently is	↔	Unchanged, compared to payments three months ago

Indications of slowness can be the result of dispute over merchandise, skipped invoices etc. Accounts are sometimes placed for collection even though the existence or amount of the debt is disputed.

Total payment Experiences in D&Bs File (HQ)	173
Payments Within Terms (not weighted)	77 %
Trade Experiences with Slow or Negative Payments(%)	28.30%
Total Placed For Collection	0
Average High Credit	25,553
Largest High Credit	400,000
Highest Now Owning	400,000
Highest Past Due	55,000

D&B PAYDEX® : 71 

(Lowest Risk:100; Highest Risk:1)

When weighted by amount, payments to suppliers average 14 days beyond terms

3-Month D&B PAYDEX® : 71 

(Lowest Risk:100; Highest Risk:1)

Based on payments collected over last 3 months.

When weighted by amount, payments to suppliers average 14 days beyond terms

D&B PAYDEX® Comparison

Current Year

PAYDEX® of this Business compared to the Primary Industry from each of the last four quarters. The Primary Industry is Freight transportation arrangement , based on SIC code 4731 .

Shows the trend in D&B PAYDEX scoring over the past 12 months.

	2/09	3/09	4/09	5/09	6/09	7/09	8/09	9/09	10/09	11/09	12/09	1/10
This Business	74	72	74	73	72	72	72	72	71	71	71	71
Industry Quartiles												
Upper	.	.	.	.	78	.	.	78	.	.	77	.
Median	.	.	.	.	73	.	.	73	.	.	73	.
Lower	.	.	.	.	67	.	.	67	.	.	67	.

- Current PAYDEX for this Business is 71 , or equal to 14 days beyond terms
- The 12-month high is 74 , or equal to 9 DAYS BEYOND terms
- The 12-month low is 71 , or equal to 14 DAYS BEYOND terms

Previous Year

Shows PAYDEX of this Business compared to the Primary Industry from each of the last four quarters. The Primary Industry is Freight transportation arrangement , based on SIC code 4731 .

Previous Year	03/08 Q1'08	06/08 Q2'08	09/08 Q3'08	12/08 Q4'08
This Business	79	78	79	76
Industry Quartiles				
Upper	77	78	78	77
Median	73	73	73	73
Lower	67	67	68	67

Based on payments collected over the last 4 quarters.

- Current PAYDEX for this Business is 71 , or equal to 14 days beyond terms
- The present industry median Score is 73 , or equal to 11 days beyond terms
- Industry upper quartile represents the performance of the payers in the 75th percentile
- Industry lower quartile represents the performance of the payers in the 25th percentile

Payment Habits

For all payment experiences within a given amount of credit extended, shows the percent that this Business paid within terms. Provides number of experiences to calculate the percentage, and the total credit value of the credit extended.

\$ Credit Extended	# Payment Experiences	Total Amount	% of Payments Within Terms
Over 100,000	14	2,800,000	80%
50,000-100,000	10	635,000	47%
15,000-49,999	21	530,000	70%
5,000-14,999	37	247,500	67%
1,000-4,999	49	92,500	78%
Under 1,000	30	9,100	78%

Based on payments collected over last 12 months.

For all Payment experiences reflect how bills are met in relation to the terms granted. In some instances, payment beyond terms can be the result of disputes over merchandise, skipped invoices etc.

Payment Summary

- There are 173 payment experience(s) in D&Bs file for the most recent 12 months, with 108 experience(s) reported during the last three month period.
- The highest Now Owes on file is 400,000 . The highest Past Due on file is 55,000

Below is an overview of the companys currency-weighted payments, segmented by its suppliers primary industries:

	Total Rev'd (#)	Total Amts	Largest High Credit	Within Terms (%)	Days Slow <31 31-60 61-90 90+ (%) (%) (%) (%)				
Top Industries									
Trucking non-local	61	2,452,250	400,000	68	17	2	13	0	
Short-tn busn credit	19	348,500	100,000	53	46	1	0	0	
Nonclassified	12	99,300	50,000	40	5	1	0	54	
Railroad	10	776,250	400,000	98	2	0	0	0	
Telephone communictns	8	63,250	40,000	99	1	0	0	0	
Lcl truck w/o storage	6	58,000	30,000	42	58	0	0	0	
Help supply service	6	2,000	1,000	68	18	0	13	3	
Data processing svcs	5	48,000	25,000	48	52	0	0	0	
Arrange cargo transpt	3	50,000	45,000	97	0	3	0	0	
Security systems svcs	3	5,500	5,000	55	0	45	0	0	
Paperboard mill	3	5,250	2,500	100	0	0	0	0	
Whol office equipment	2	15,000	7,500	50	25	0	25	0	
Natnl commercial bank	2	6,000	2,500	75	0	0	25	0	
Mfg farm mach/equip	2	2,000	1,000	100	0	0	0	0	
Misc business credit	2	2,000	1,000	100	0	0	0	0	
Photocopying service	2	750	750	100	0	0	0	0	
Misc business service	2	200	100	100	0	0	0	0	
Whol computers/softwr	1	100,000	100,000	100	0	0	0	0	
State commercial bank	1	40,000	40,000	100	0	0	0	0	
Accounting services	1	10,000	10,000	50	50	0	0	0	
Local truck w/storage	1	7,500	7,500	50	0	50	0	0	
Ret mail-order house	1	7,500	7,500	50	0	50	0	0	
Whol industrial equip	1	5,000	5,000	100	0	0	0	0	
Cotton broadwnn mill	1	2,500	2,500	100	0	0	0	0	
Whol office supplies	1	2,500	2,500	100	0	0	0	0	
Misc equipment rental	1	2,500	2,500	100	0	0	0	0	
Mfg metal doors/trim	1	2,500	2,500	100	0	0	0	0	
Mfg misc plastic prdt	1	1,000	1,000	0	100	0	0	0	
Misc sanitary service	1	1,000	1,000	100	0	0	0	0	
Whol farm/garden mach	1	500	500	100	0	0	0	0	
Whol service paper	1	250	250	100	0	0	0	0	
Computer maintenance	1	100	100	100	0	0	0	0	
Other payment categories									
Cash experiences	4	750	500						
Payment record unknown	6	29,550	15,000						
Unfavorable comments	0	0	0						
Placed for collections:									
With D&B	0	0	0						
Other	0	N/A	0						
Total in D&Bs file	173	4,144,400	400,000						

Accounts are sometimes placed for collection even though the existence or amount of the debt is disputed.

Indications of slowness can be result of dispute over merchandise, skipper invoices etc.

Detailed payment history for this company

Date Reported (mm/yy)	Paying Record	High Credit	Now Owes	Past Due	Settling Terms	Last Sale Within (month)
01/10	Ppt	5,000	0	0		1 mo
12/09	Ppt	100,000	15,000	2,500		1 mo
	Ppt	20,000	2,500	0	N30	1 mo
	Ppt	15,000	2,500	0		1 mo
	Ppt	7,500	2,500	0	N30	1 mo
	Ppt-Slow 10	75,000	10,000	2,500		1 mo
	Ppt-Slow 45	7,500	0	0		2-3 mos
	Slow 10	1,000	0	0		2-3 mos
	Slow 120	50,000	0	0	N30	2-3 mos
	Slow 120	50	0	0		4-5 mos
11/09	Ppt	400,000	400,000	0		1 mo
	Ppt	100,000	30,000	750		1 mo
	Ppt	100,000	100,000	0		1 mo
	Ppt	65,000	35,000	0		1 mo
	Ppt	35,000	35,000	0		1 mo
	Ppt	20,000	20,000	0		1 mo
	Ppt	10,000	2,500	0	N30	1 mo
	Ppt	10,000	10,000	0		1 mo
	Ppt	7,500	7,500	0		1 mo
	Ppt	7,500	5,000	250		1 mo
	Ppt	7,500	2,500	0		1 mo
	Ppt	7,500	2,500	0		1 mo
	Ppt	5,000	2,500	0	N15	1 mo
	Ppt	5,000	0	0	N30	1 mo
	Ppt	2,500	2,500	0		1 mo
	Ppt	2,500	2,500	0	N30	1 mo
	Ppt	2,500	1,000	0		1 mo
	Ppt	2,500	750	0		1 mo
	Ppt	2,500	0	0		2-3 mos
	Ppt	2,500	2,500	0		1 mo
	Ppt	2,500	2,500	0	N30	1 mo
	Ppt	1,000	0	0		6-12 mos
	Ppt	1,000	0	0	N30	1 mo
	Ppt	1,000	0	0		6-12 mos
	Ppt	1,000	1,000	0		1 mo
	Ppt	1,000	0	0		4-5 mos
	Ppt	1,000	0	0	N30	4-5 mos
	Ppt	750	750	0		1 mo
	Ppt	500	0	0	N30	4-5 mos
	Ppt	500	0	0		4-5 mos
	Ppt	250	250	250		2-3 mos
	Ppt	250	0	0		1 mo
	Ppt	100	0	0	N10	1 mo

	Ppt	100	0	0		2-3 mos
	Ppt	100	0	0		4-5 mos
	Ppt	100	0	0	N10	6-12 mos
	Ppt	50	50	0		1 mo
	Ppt	50	0	0		1 mo
	Ppt-Slow 15	15,000	15,000	2,500		1 mo
	Ppt-Slow 15	5,000	5,000	0		1 mo
	Ppt-Slow 30	100,000	0	0		1 mo
	Ppt-Slow 30	50,000	7,500	0		1 mo
	Ppt-Slow 30	45,000	20,000	2,500		1 mo
	Ppt-Slow 30	35,000	2,500	250	N30	1 mo
	Ppt-Slow 30	20,000	15,000	0	N30	1 mo
	Ppt-Slow 30	20,000	7,500	0		1 mo
	Ppt-Slow 30	15,000	0	0		2-3 mos
	Ppt-Slow 30	2,500	0	0	N60	4-5 mos
	Ppt-Slow 30	500	250	0		1 mo
	Ppt-Slow 30	100	100	0		1 mo
	Ppt-Slow 60	7,500	0	0		2-3 mos
	Ppt-Slow 60	7,500	0	0	N30	2-3 mos
	Ppt-Slow 60	5,000	0	0	N30	6-12 mos
	Ppt-Slow 90	200,000	30,000	30,000		6-12 mos
	Ppt-Slow 90	20,000	15,000	15,000	N15	1 mo
	Ppt-Slow 90	2,500	250	250	N30	1 mo
	Slow 15	15,000	7,500	5,000		1 mo
	Slow 15	2,500	0	0	N30	4-5 mos
	Slow 15	250	250	250		2-3 mos
	Slow 30	50,000	30,000	20,000	N30	1 mo
	Slow 30	7,500	0	0		2-3 mos
	Slow 30	250	0	0		4-5 mos
	Slow 30	100	0	0		4-5 mos
	Slow 35	1,000	500	500		1 mo
10/09	Ppt	750	0	0		6-12 mos
09/09	Ppt	2,500	250		Lease Agreement	
	Ppt	750	750			1 mo
	Ppt	0	0			6-12 mos
	Ppt	0	0	0	N30	6-12 mos
	(080)				Sales COD	1 mo

Payments Detail Key: 30 or more days beyond terms

Payment experiences reflect how bills are met in relation to the terms granted. In some instances payment beyond terms can be the result of disputes over merchandise, skipped invoices etc. Each experience shown is from a separate supplier. Updated trade experiences replace those previously reported.

Public Filings

Currency: Shown in USD unless otherwise indicated 

Summary

The following data includes both open and closed filings found in D&B's database on this company.

Record Type	# of Records	Most Recent Filing Date
Bankruptcy Proceedings	0	

Judgments	0	-
Liens	0	-
Suits	0	-
UCCs	1	09/16/08

The following Public Filing data is for information purposes only and is not the official record. Certified copies can only be obtained from the official source.

UCC Filings

Collateral	Equipment
Type	Original
Sec. Party	US BANCORP, MARSHALL, MN
Debtor	COYOTE LOGISTICS LLC, ALPHARETTA, GA
Filing No.	013631875
Filed With	SECRETARY OF STATE/UCC DIVISION, SPRINGFIELD, IL
Date Filed	2008-09-16
Latest Info Received	10/03/08

The public record items contained herein may have been paid, terminated, vacated or released prior to today's date.

History & Operations

Currency: Shown in USD unless otherwise indicated 

Company Overview

Company Name:	COYOTE LOGISTICS, LLC
Street Address:	4400 Alexander Dr Alpharetta, GA 30022
Phone:	847 295-2424
History	is clear
Present management control	4 years

History

The following information was reported: 10/29/2009

Officer(s):	JEFF SILVER, MNG MBR-CEO MITCH BERNET, MBR-PRES JONATHAN SISTER, CFO JENNIFER CAIFANO, CONTROLLER
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The Delaware Secretary of State's business registrations file showed that Coyote Logistics, LLC, was registered as a Limited Liability Company on April 3, 2006.

Ownership information provided verbally by Jonathan Sister, Cfo, on Oct 16 2009.

Business started 2006.

JEFF SILVER. Antecedents are undetermined.

MITCH BERNET. Antecedents are undetermined.

JONATHAN SISTER. Work history unknown.

JENNIFER CATFANO. Work history unknown.

Business Registration

CORPORATE AND BUSINESS REGISTRATIONS REPORTED BY THE SECRETARY OF STATE OR OTHER OFFICIAL SOURCE AS OF
Nov 04 2006

Registered Name: COYOTE LOGISTICS, LLC
State of Incorporation: DELAWARE
Filing date: Apr 03 2008
Registration ID: 4136191
Status: STATUS NOT AVAILABLE
Where filed: SECRETARY OF STATE/CORPORATIONS DIVISION , DOVER , DE
Registered agent: CORPORATION SERVICE COMPANY , 2711 CENTERVILLE ROAD
SUITE 400 , WILMINGTON , DE , 198060000

Operations

10/29/2009

Operates as a provider of freight transportation arrangement, specialized as truck transportation brokers (100%).

Description: Credit, check. Net 30 days. Sells to commercial concerns. Territory : Regional.

Nonseasonal.

Employees: 326 which includes partners. 100 employed here.

Facilities: Leases 38,500 sq. ft. in building.

Branches: Maintains branch location at Memphis, TN; Raleigh, NC; San Diego, CA; and Lake Forest, IL.

SIC & NAICS

SIC:

Based on information in our file, D&B has assigned this company an extended 8-digit SIC. D&B's use of 8-digit SICs enables us to be more specific about a company's operations than if we use the standard 4-digit code.

The 4-digit SIC numbers link to the description on the Occupational Safety & Health Administration (OSHA) Web site. Links open in a new browser window.

4731 0104 Truck transportation brokers

NAICS:

488510 Freight Transportation Arrangement

Financials

Currency: Shown in USD unless otherwise indicated 

Company Financials: D&B

D&B currently has no financial information on file for this company.

You can ask D&B to make a personalized request to this company on your behalf to obtain its latest financial information by clicking the Request Financial Statements button below.

Additional Financial Data

The name and address of this business have been confirmed by D & B using available sources.

Key Business Ratios

D & B has been unable to obtain sufficient financial information from this company to calculate business ratios. Our check of additional outside sources also found no information available on its financial performance.

To help you in this instance, ratios for other firms in the same industry are provided below to support your analysis of this business.

Based on this Number of Establishments

15

	Industry Norms Based On 15 Establishments		
	This Business	Industry Median	Industry Quartile
Profitability			
Return on Sales	UN	2.1	UN
Return on Net Worth	UN	11.9	UN
Short-Term Solvency			
Current Ratio	UN	1.3	UN
Quick Ratio	UN	1.1	UN
Efficiency			
Assets/Sales	UN	26.0	UN
Sales / Net Working Capital	UN	24.7	UN
Utilization			
Total Liabilities / Net Worth	UN	153.9	UN

UN = Unavailable

View Snapshots

View Snapshots

Type	Company Name	Date Created	Saved By
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Snapshot
(01/25/2008)
D-U-N-S Number
62-482-0030

COYOTE LOGISTICS LLC
181 E DEERPATH RD STE 200
LAKE FOREST, IL 600451831

01/25/2008 Stacey Golds

Detailed Trade Risk Insight™

Detailed Trade Risk Insight provides detailed updates on over 1.5 billion commercial trade experiences collected from more than 260 million unique supplier/purchaser relationships.

Days Beyond Terms - Past 3 & 12 Months

3 months from Nov 09 to Jan 10

6
Days

Dollar-weighted average of 65 payment experiences reported from 57 companies

12 months from Feb 09 to Jan 10

5
Days

Dollar-weighted average of 102 payment experiences reported from 76 companies

Derogatory Events Last 12 Months from Jan 09 to Dec 09

No Derogatory trade Event has been reported on this company for the past 13 Months

Total Current and Past Due - 12 month trend from Jan 09 to Dec 09

Status	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
Total	336,039	360,433	627,837	685,947	629,950	929,294	934,474	942,739	804,908	737,670	465,270	3,230
Current	250,245	305,731	617,924	569,366	540,004	828,735	802,322	804,381	680,383	600,559	377,098	3,230
1-30 Days Past Due	60,022	33,617	6,152	79,696	73,345	71,368	86,647	87,725	84,344	59,176	22,720	0
31-60 Days Past Due	25,467	18,835	2,671	1,015	11,991	19,147	27,435	28,456	27,608	27,653	14,724	0
61-90 Days Past Due	0	1,250	1,090	11,920	2,290	7,384	15,946	21,064	23,584	25,832	18,809	0
90+ Days Past Due	305	0	0	3,050	2,300	2,660	2,124	1,113	8,980	24,450	31,021	0

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