

SUMMARY PAGES

CAMPLAND ON THE BAY

SUBLEASE

These summary pages are attached to and made a part of that certain Sublease between Associated Mobile Estates, a California limited partnership (as "Landlord"), and the Tenant listed below, dated and effective as of April 1, 1989.

TENANT: De Anza San Diego Food and Beverage, Inc., a California corporation

DEMISED

PREMISES: The entire building areas of approximately 7005 square feet and contiguous parking and other areas, including dining area, commonly known as "Cafe on the Bay", "Campland Market" and "Marina Concession Desk" and depicted on Exhibit "A" hereto, and all furniture, fixtures and equipment located thereon.

ADDRESS: 2211 Pacific Beach Drive
San Diego, California

INITIAL SUBLEASE TERM:

Commencement Date: April 1, 1989

Expiration Date: December 31, 1989

RENEWAL SUBLEASE TERM: Annually renewable for one year terms

BASIC RENT:

Monthly Rent Amount for Initial Sublease Term:

\$6,500 for each of July, August and September, \$3,200 for all other months

SALES PERCENTAGE: 5% on beer and wine and gifts and camping equipment
3% on taxable and nontaxable groceries and
3% on cafe food

SECURITY DEPOSIT: \$ None

PLACE OF PAYMENTS: Associated Mobile Estates
9171 Wilshire Boulevard
Los Angeles, California 90210

Campland Sublease - SDFB

PERMITTED USES BY TENANT: Operation of restaurant, general convenience store, and concession desk for service of adjacent campground users.

OPERATING HOURS AND DAYS: At Tenant's discretion, subject to local regulations

PERMITTED TRADE NAME: Cafe on the Bay, Campland Market and Marina Concession Desk

PARTICIPATING BROKERS: None

TABLE OF EXHIBITS AND ADDENDA:

Summary Page	-	Outline of Major Terms
Exhibit "A"	-	Description of Demised Premises
Exhibit "B"	-	Description of Property

CAMPLAND ON THE BAY SUBLEASE

TABLE OF CONTENTS

<u>DESCRIPTION</u>	<u>PAGE</u>
ARTICLE I	GENERAL 1
Section 1.1	Purchase Agreement 1
Section 1.2	Sublease 1
Section 1.3	Consideration 1
Section 1.4	Summary Pages, Exhibits and Addenda to Sublease 1
ARTICLE II	DEFINITIONS 2
Section 2.1	Building 2
Section 2.2	Demised Premises 2
Section 2.3	Permitted Users 2
Section 2.4	Property 2
ARTICLE III	DEMISE OF PREMISES 2
Section 3.1	Demise 2
Section 3.2	Covenant of Quiet Enjoyment 2
Section 3.3	Condition of Demised Premises 2
Section 3.4	Sublease Term 3
Section 3.5	Sublease Year 3
ARTICLE IV	RENT AND OTHER AMOUNTS 3
Section 4.1	Basic Rent 3
Section 4.2	Monthly Rent 3
Section 4.3	Percentage Rent 3
Section 4.4	Tenant's Statements 4
Section 4.5	Landlord's Statement 4
Section 4.6	Landlord's Audit 5
Section 4.7	Failure to Furnish Statements 5
Section 4.8	Sales and Business Transacted 5
Section 4.9	Excluded Sales and Business Transacted 5
Section 4.10	Place of Payments 6
ARTICLE V	TENANT'S INSURANCE 6
Section 5.1	Tenant's Insurance 6
Section 5.2	Casualty Insurance 6
Section 5.3	Liability Insurance 6
Section 5.4	Business Interruption Insurance 7
Section 5.5	Other Insurance 7

Section 5.6	General Provisions Respecting Insurance	7
ARTICLE VI	OTHER COVENANTS	8
Section 6.1	Limitation on Use by Tenant	8
Section 6.2	Continuous Operation	8
Section 6.3	Limitations on Trade Name	8
Section 6.4	Compliance with Laws	8
Section 6.5	Compliance with Insurance Requirements	9
Section 6.6	Compliance with Covenants	9
Section 6.7	Compliance with all Rules & Regulations	9
Section 6.8	Waste or Impairment of Value	9
Section 6.9	Hazardous Use	9
Section 6.10	Nuisance, Noxious or Offensive Activity	9
Section 6.11	Annoying Lights, Sounds or Odors.	9
Section 6.12	Unsightliness	9
Section 6.13	Animals	10
Section 6.14	Structural, Electrical or Other Overloading	10
Section 6.15	Restrictions on Interior Signs and Window Coverings	10
Section 6.16	Restrictions on Exterior Signs and Exterior Lighting	10
Section 6.17	Maintenance and Repairs	11
Section 6.18	Restrictions on Changes & Alterations	11
Section 6.19	List of Contractors; Notice of Non-Liability	12
Section 6.20	No Mechanics' Liens	13
Section 6.21	Other Encumbrances	13
Section 6.22	Landlord Title to Fixtures, Improvements and Equipments	13
Section 6.23	Removal of Tenant's Equipment	14
Section 6.24	Subordination to Landlord Mortgages	14
Section 6.25	Assignment or Subletting	15
Section 6.26	Gas, Electrical and Telephone Service	16
Section 6.27	Payment of Property Income and Other Taxes	16
Section 6.28	Estoppel Certificates	16
Section 6.29	Furnishing of Financial Statement	17
Section 6.30	Tenant Indemnification of Landlord	17
Section 6.31	Waiver by Tenant	17

Section 6.32	Release Upon Transfer by Landlord	18
Section 6.33	Landlord's Reserved Rights	18
ARTICLE VII	LANDLORD SERVICES	18
Section 7.1	Landlord Service	18
Section 7.2	Landlord's Maintenance of the Building	18
Section 7.3	Refuse and Trash Collection Services	19
Section 7.4	Water and Sewer Services	19
Section 7.5	Interruption of Services	19
Section 7.6	Energy Conservation and Environmental Protection	19
ARTICLE VIII	DAMAGE OR DESTRUCTION	19
Section 8.1	Tenant's Option to Terminate if Damage Substantial	19
Section 8.2	Obligations to Repair and Restore	20
Section 8.3	Application of Insurance Proceeds	20
Section 8.4	Cooperation in the Event of Loss	21
ARTICLE IX	CONDEMNATION	21
Section 9.1	Taking - Substantial Taking - Insubstantial Taking	21
Section 9.2	Termination on Substantial Taking	21
Section 9.3	Restoration on Insubstantial Taking	21
Section 9.4	Right to Award	22
ARTICLE X	DEFAULTS BY TENANT	22
Section 10.1	Defaults Generally	22
Section 10.2	Failure to Pay Rent or Other Amounts	22
Section 10.3	Violation of Sublease Terms	22
Section 10.4	Nonoccupancy of Demised Premises	22
Section 10.5	Execution and Attachment Against Tenant	23
Section 10.6	Bankruptcy or Related Proceedings	23

ARTICLE XI	LANDLORD'S REMEDIES	23
Section 11.1	Remedies Generally	23
Section 11.2	Cure by Landlord	23
Section 11.3	Termination of Sublease and Damages	24
Section 11.4	Repossession and Reletting	24
Section 11.5	Landlord's Lien and Enforcement	25
Section 11.6	Suits by Landlord	26
Section 11.7	Recovery of Landlord Enforcement Costs	26
Section 11.8	Interest on Past-Due Payments & Advances	26
Section 11.9	Landlord's Bankruptcy Remedies	26
Section 11.10	Remedies Cumulative	27
Section 11.11	Late Charge	27
ARTICLE XII	SURRENDER AND HOLDING OVER	27
Section 12.1	Surrender upon Sublease Expiration	27
Section 12.2	Holding Over	27
ARTICLE XIII	MISCELLANEOUS	28
Section 13.1	Tenant's Remedies	28
Section 13.2	Covenants Independent	28
Section 13.3	Covenants as Conditions	28
Section 13.4	Notices and Demands	28
Section 13.5	No Implied Waiver	29
Section 13.6	Entire Agreement - No Representations	29
Section 13.7	Modifications in Writing	29
Section 13.8	Severability	29
Section 13.9	Binding Effect	29
Section 13.10	Real Estate Brokers	29
Section 13.11	Survival of Provisions	30
Section 13.12	Short Form Sublease	30
Section 13.13	Applicable Law	30
Section 13.14	Execution of Sublease	30
Section 13.15	Captions for Convenience	30
Section 13.16	Attorneys' Fees	30
Section 13.17	Bankruptcy or Insolvency	30

TABLE OF EXHIBITS AND ADDENDA

See Summary Pages

CAMPLAND ON THE BAY SUBLEASE

This Campland on the Bay Sublease ("Sublease") is made and effective as of the 1st day of April, 1989 between ASSOCIATED MOBILE ESTATES, a California limited partnership (for purposes of convenience, hereinafter referred to as "Landlord"), and DE ANZA SAN DIEGO FOOD AND BEVERAGE, INC., a California corporation (for purposes of convenience, hereinafter referred to as "Tenant").

ARTICLE I

GENERAL

Section 1.1. Purchase Agreement. Landlord purchased the Property commonly known as Campland on the Bay on June 15, 1977. Such Property is subject to a certain Lease Agreement dated as of November 8, 1967, filed with the San Diego City clerk on June 13, 1968, as assigned and amended (the "Lease"). This Sublease is in effect a sublease of a portion of the Property which is the subject of the Lease, hereinafter defined as the Demised Premises. This Sublease is subject and subordinate to the covenants and conditions of said Lease notwithstanding any provision hereof contrary to or in conflict with said Lease.

Section 1.2. Sublease. By this Sublease, Tenant and Landlord desire to provide for the terms and conditions upon which Tenant (as a sublessee) shall, and does hereby, assume and agree to perform all of the obligations and covenants required by the Lease to be kept or performed by Landlord (as lessee) to the extent related to the Demised Premises, subject to the consent of the City of San Diego ("City") pursuant to Article 10 of the Lease.

Section 1.3: Consideration. Landlord enters into this Sublease in consideration of the payment by Tenant of the rents herein reserved and the keeping, observance and performance by Tenant of the covenants and agreements of Tenant herein contained.

Section 1.4. Summary Pages, Exhibits and Addenda to Sublease. The Summary Pages attached to this Sublease and the Exhibits and any Addenda listed on the Summary Pages and attached to this Sublease shall be deemed incorporated in this Sublease by this reference. In the event of any inconsistency between such Summary Pages of this Sublease, Exhibits of this Sublease and any Addenda of this Sublease, and the terms and provisions of this Sublease, the terms and provisions of the Summary Pages, Exhibits and Addenda of this Sublease shall control. In the event of any inconsistency between the Summary Pages and the terms and

provisions of the Exhibits or Addenda, the terms and provisions of the Summary Pages shall control.

ARTICLE II

DEFINITIONS

Section 2.1. Building. "Building" shall mean the area constructed on the Property as described in Exhibit "A" attached hereto.

Section 2.2. Demised Premises. The "Demised Premises" shall mean the entire portion of the Building as generally shown on the Demised Premises Plan attached hereto as Exhibit "A" and described in the Summary Pages, commonly known as "Cafe on the Bay", "Campland Market" and "Marina Concession Desk", together with all furniture, fixtures and equipment located thereon, including right to use contiguous parking area.

Section 2.3. Permitted Users. "Permitted Users" shall mean the Tenant's employees, agents, invitees, guests, visitors and customers.

Section 2.4. Property. "Property" shall mean the parcel of real property on which the Building is constructed and which is more particularly described as set forth on Exhibit "B" attached.

ARTICLE III

DEMISE OF PREMISES

Section 3.1. Demise. Subject to the provisions, covenants and agreements herein contained, Landlord hereby leases and demises to Tenant, and Tenant hereby leases from Landlord, the Demised Premises, for the Sublease Term as hereinafter defined, subject to existing covenants, conditions, restrictions, easements and encumbrances affecting the same.

Section 3.2. Covenant of Quiet Enjoyment. Landlord covenants and agrees, provided Tenant is not in default and keeps, observes and performs the covenants and agreements of Tenant contained in this Sublease, Tenant shall have quiet and peaceable possession of the Demised Premises and, to the extent provided herein, the right to use shall not be unreasonably disturbed or interfered with by Landlord or by any person claiming by, through or under Landlord.

Section 3.3. Condition of Demised Premises. Tenant covenants and agrees that Tenant has inspected the Building and Tenant shall be deemed to have accepted the Demised Premises "as is," waiving any warranty of condition or habitabil-

ity, suitability for occupancy, use or habitation, fitness for a particular purpose or merchantability, express or implied, relating to the Demised Premises, the Building and the Property.

Section 3.4. Sublease Term. "Sublease Term" shall mean the initial Sublease Term commencing on the Commencement Date specified in the Summary Pages and expiring on the Expiration Date specified in the Summary Pages, and each renewal Sublease Term as specified in the Summary Pages which renewal shall be automatic unless either party gives the other written notice of its desire to not renew the Sublease Term, given not less than 30 days from expiration of a Sublease Year.

Section 3.5. Sublease Year. "Sublease Year" shall mean the period commencing on the Commencement Date and ending on the Expiration Date and thereafter the twelve month period commencing on the first day of the calendar month of each renewal Sublease Term.

ARTICLE IV

RENT AND OTHER AMOUNTS

Section 4.1. Basic Rent. Tenant covenants and agrees to pay to Landlord, without offset, deduction or abatement, rent for the full Sublease Term in the amount specified as basic rent in the Summary Pages as the same may be adjusted pursuant to the terms of any Addendum attached to this Sublease and to pay rent for any Renewal Sublease Term as set forth in any Addendum attached hereto ("Basic Rent").

Section 4.2. Monthly Rent. Basic Rent, if any, shall be payable monthly in advance, without notice, ("Monthly Rent"), commencing on the Commencement Date of the Sublease Term and continuing on the first day of each month thereafter for the balance of the Sublease Term; provided, however, that the Monthly Rent for any partial month during the Sublease Term shall be prorated on a per diem basis. Monthly rent for any partial month at the commencement of the Sublease Term shall be paid on the Commencement Date of the Sublease Term unless otherwise expressly agreed by Landlord in writing. Monthly Rent shall be in the amount specified in the Summary Page attached to this Sublease.

Section 4.3. Percentage Rent. "Percentage Rent," shall mean an amount computed by multiplying the Sales Percentage, as specified on the Summary Page, times the amount of all Sales and Business Transacted (as hereinafter defined) for each Sublease Year. Tenant covenants and agrees to pay to Landlord, without offset, deduction or abatement, Percentage Rent in accordance with the provisions set forth hereinafter. Landlord shall pay to the City any and all percentage rent due the City pursuant to the terms and conditions of the Lease.

Section 4.4. Tenant's Statements and Payments.

Within 15 days after the end of each calendar month, Tenant covenants and agrees to furnish to Landlord a statement of Sales and Business Transacted for the preceding calendar month ("Tenant's Monthly Statement") certified by Tenant to be true and correct and to accompany each such Tenant's Monthly Statement by a payment to Landlord equal to the Sales Percentage, as specified on the Summary Pages, times the amount of Sales and Business Transacted shown on such Tenant's Monthly Statement for the month covered by such Tenant's Monthly Statement. In addition, within 45 days after the end of each Sublease Year, Tenant covenants and agrees to furnish to Landlord a correct statement of Sales and Business Transacted for the preceding Sublease Year audited and certified by a certified public accountant of Tenant's choice ("Tenant's Statement"). An adjustment shall be thereafter made between Landlord and Tenant (as provided in Sections 4.5 and 4.6, as applicable) based on the monthly installments of Percentage Rent paid hereunder so that the total Percentage Rent paid for such Sublease Year shall be the amount computed in accordance with Section 4.3. Tenant covenants and agrees that, for the purpose of ascertaining the Percentage Rent and providing Landlord with a Tenant's Statement, Tenant will keep proper books, records and accounts which shall show daily Sales and Business Transactions made by Tenant or by any other person, firm or corporation in, on, from, upon or through the Demised Premises ("Tenant's Records"). Tenant shall keep the Tenant's Records for at least one year after the Sublease Year to which those Tenant's Records pertain. Tenant further covenants and agrees to furnish to Landlord, upon request by Landlord, accurate and exact copies of all sales tax reports made to the State of California and to the County of San Diego, California, or to any other governmental authority. Landlord and Tenant acknowledge that under the terms of the Lease, the City shall be entitled, upon request, to copies of all of Tenant's Monthly Statements and further, upon request, to direct payment of Percentage Rent from Tenant to the City in accordance with the Lease.

Section 4.5. Landlord's Statement.

Within 30 days after Landlord receives Tenant's Statement, Landlord shall provide to Tenant (a) a written statement ("Landlord's Statement") setting forth the additional amount, if any, payable by Tenant as the Percentage Rent as provided herein, which amount Tenant shall pay to Landlord within 15 days after the date of Landlord's Statement, (b) the excess amount, if any, paid by Tenant as monthly installments of Percentage Rent under Section 4.4 above, which amount Landlord shall pay to Tenant concurrently with Landlord's delivery of Landlord's Statement, and/or (c) a notification to Tenant that the Landlord intends to conduct a Landlord's Audit, as hereinafter defined.

Section 4.6. Landlord's Audit. "Landlord's Audit" shall mean a report of Tenant's Records audited by, at Landlord's choice, either, (a) the Landlord, its employees or agents, or (b) a certified public accountant of Landlord's choice. Tenant acknowledges that Landlord's Audit may also be provided by Landlord to the City. The Landlord's Audit shall be binding and conclusive on Landlord and Tenant for purposes of the adjustment of the Percentage Rent, as hereinafter provided. Landlord shall pay the costs and expense of Landlord's Audit, except in the event that Landlord's Audit shall reveal that the amount of Sales and Business Transacted exceeds by 3% the amount set forth in the Tenant's Statement, then Tenant covenants and agrees to pay the costs and expenses of the Landlord's Audit. In addition, if Landlord's Audit reveals a willful or substantial inaccuracy in the Tenant's Statement, Landlord shall have the option in its sole discretion, to declare the Tenant in default provisions of this Sublease. Upon completion of Landlord's Audit, Landlord shall submit an Audit Statement to Tenant if any Percentage Rent is due either Landlord or Tenant. The respective party shall promptly pay such amount accordingly.

Section 4.7. Failure to Furnish Statements. Notwithstanding anything contained herein to the contrary, Tenant shall not be relieved of its obligations to pay Landlord any amount due as Percentage Rent should Landlord fail for any reason to provide Landlord's Statement or the Audit Statement.

Section 4.8. Sales and Business Transacted. "Sales and Business Transacted" shall mean the gross sales price of all goods, wares, merchandise, and services of any nature or kind whatsoever, sold in, on, from, upon or through the Demised Premises, or any part thereof, by the Tenant or any other person, firm or corporation whether for cash or upon credit and whether or not collections are made in the case of credit sales. Without limiting the generality of the foregoing, the term Sales and Business Transacted shall also include, sales made through the mails, at retail or wholesale and whether singly or in bulk, and the gross charge for all services performed by Tenant or by any other person, firm or corporation for which charge is made by the Tenant or any other person, firm or corporation selling merchandise or performing services of any kind or character on, from, in or through the Demised Premises. Sales and Business Transacted made or arranged for and orders for goods or services taken in, from, or through the Demised Premises shall be considered as having been made and completed upon the Demised Premises, whether the business is transacted in or the merchandise is delivered from the Demised Premises or not, and regardless of whether collection of the amounts due therefor is transferred to any other office or store of Tenant.

Section 4.9. Excluded Sales and Business Transacted. The following will be deducted from Sales and Business

Transacted: (a) refunds on merchandise returned provided the sales price of the merchandise returned was previously included in the Sales and Business Transacted; (b) bulk sales of inventory incident to the sale of the entire business of Tenant; (c) any sales tax or occupational tax or similar tax or imposition now or hereafter levied by any federal, state or municipal authority upon the retails sales of merchandise by Tenant and billed to the customers or patrons of Tenant as a separate item; and (d) sales to employees of Tenant at a discount, to the extent of such discount.

Section 4.10. Place of Payments. Basic Rent and Percentage Rent and all other sums payable by Tenant to Landlord under this Sublease shall be paid to Landlord at the place for payments specified in the Summary Pages, or such other place as Landlord may, from time to time, designate in writing.

ARTICLE V

TENANT'S INSURANCE

Section 5.1. Tenant's Insurance. Tenant covenants and agrees to obtain and keep in full force and effect during the Sublease Term and to pay the premiums and costs for, the types and kinds of insurance, as hereinafter provided.

Section 5.2. Casualty Insurance. Tenant covenants and agrees to obtain casualty insurance as hereinafter defined. "Casualty Insurance" shall mean fire and extended coverage insurance (including sprinkler leakage when applicable) with respect to the Building and the property of every description and kind owned by the Tenant and located in the Demised Premises or for which the Tenant is legally liable or installed by or on behalf of the Tenant, including, without limitation, glass windows and doors, furniture, fittings, installations, alterations, additions, partitions, fixtures and anything in the nature of a leasehold improvement in amount not less than 100% of the full replacement cost thereof. In the event that there shall be a dispute as to the amount which comprises full replacement costs, the decision of the Landlord or the mortgagee(s) of the Landlord shall be conclusive.

Section 5.3. Liability Insurance. Tenant covenants and agrees to obtain liability insurance, as hereinafter defined. "Liability Insurance" shall mean comprehensive general liability insurance covering public liability with respect to the possession, use and operation of the Building and the Demised Premises, with limits of not less than \$2,000,000 combined single limit liability, with an insurance carrier acceptable to the City of San Diego, with endorsements for assumed contractual liability with respect to the liabilities assumed by Tenant under the provisions of this Sublease, and with no deductible, retention or

self-insurance provision contained therein, unless otherwise approved by Landlord or the City of San Diego. A copy of the policy of insurance shall be filed with the City of San Diego and shall name "The City of San Diego" as an additional insured. Said policy shall specify that the policy may not be terminated, altered or canceled without 30 days prior written notice to City of San Diego by the insurance company.

Section 5.4. Business Interruption Insurance. Tenant covenants and agrees to obtain business interruption insurance as hereinafter defined. "Business Interruption Insurance" shall mean insurance in such amounts as will reimburse the Tenant for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent tenants or attributable to prevention of access to the Demised Premises or to the Building as a result of such perils.

Section 5.5. Other Insurance. Tenant covenants and agrees to obtain such other form or forms of insurance as the Tenant or the Landlord or the mortgagee(s) of the Landlord may reasonably require from time to time in form, in amounts and for insurance risks against which a prudent tenant would protect himself.

Section 5.6. General Provisions Respecting Insurance. Except as otherwise approved in writing by Landlord, all insurance obtained by Tenant shall be with insurers approved by Landlord, which approval shall not be unreasonably withheld, and with insurers licensed to do business in California and with a rating in "Best's Insurance Guide" of "A+"; shall name Landlord and the holder of any mortgage or deed of trust encumbering the Property as insured parties, as their interest may appear; shall contain a waiver of rights of subrogation as among Tenant, Landlord and the holder of any such mortgage or deed of trust; and shall provide, by certificate of insurance or otherwise, that the insurance coverage shall not be cancelled or altered except upon thirty (30) days' prior written notice to Landlord and the holder of any such mortgage or deed of trust. Certificates of insurance obtained by Tenant shall be delivered to Landlord upon execution of this Sublease by Tenant. Landlord may deposit such certificate of insurance with the holder of any such mortgage or deed of trust. Notwithstanding any other provisions of this Sublease to the contrary, a breach by Tenant of any provision of this Article V shall constitute a default by Tenant and shall be deemed to immediately exist and shall invoke all of Landlord's remedies under Article XI hereof.

ARTICLE VI

OTHER COVENANTS

Section 6.1. Limitation on Use by Tenant. Tenant covenants and agrees to use the Demised Premises only for the use or uses set forth as Permitted Uses by Tenant on the Summary Pages attached hereto and for no other purposes, except with the prior written consent of Landlord. Landlord and tenant further agree that any violation of this Section by Tenant, which violation continues for a period of three (3) days after written notice thereof by Landlord to Tenant, shall constitute a Default by Tenant under Article X, notwithstanding the longer 20-day cure period provided for in Section 10.3.

Section 6.2. Continuous Operation. Tenant covenants and agrees to continuously, actively, diligently and uninterruptedly conduct the operation of the Permitted Uses on the Demised Premises during the hours and on the days set forth as the Operating Hours and Days on the Summary Pages attached hereto, unless prevented by causes beyond the reasonable control of Tenant such as acts of God, strikes, unavailability of merchandise, fire or other casualty. The Operating Hours and Days may be modified or changed upon the mutual agreement of the Landlord and Tenant. Tenant also covenants and agrees: (a) to conduct Tenant's business in a first class manner consistent with reputable business standards and practices, in good faith and in such a manner that the high reputation of the Building is maintained at all times; (b) to conduct the operation of the Permitted Uses on the entire Demised Premises; and (c) to maintain a staff of employees and a stock of merchandise sufficiently adequate and complete so as to fully service the needs of the Tenant's customers.

Section 6.3. Limitations on Trade Name. Tenant uses on the Demised Premises shall be limited to those set forth above in Section 6.1 under the trade name set forth as Permitted Trade Name on the Summary Pages attached hereto or such other name as the parties may agree.

Section 6.4. Compliance with Laws. Tenant covenants and agrees that nothing shall be done or kept on the Demised Premises in violation of any law, ordinance, order, rule or regulation of any governmental authority having jurisdiction and that the Demised Premises shall be used, kept and maintained in compliance with any such law, ordinance, order, rule or regulation and with the certificate of occupancy issued for the Building and the Demised Premises.

Section 6.5. Compliance with Insurance Requirements. Tenant covenants and agrees that nothing shall be done or kept in the Demised Premises which might impair or increase the cost of

insurance maintained with respect to the Property or the Building which might increase the insured risks or which might increase the insured risks or which might result in cancellation of any such insurance.

Section 6.6. Compliance with Covenants. In addition to the Lease, Tenant covenants and agrees to comply with any covenant, condition or restriction ("CC&R's") affecting the Demised Premises or the Property. If there is any inconsistency between the provisions of this Sublease and the provisions of the Lease and any CC&R's, the provisions of the Lease and any CC&R's shall control.

Section 6.7. Compliance with all Rules and Regulations. Tenant covenants and agrees to comply fully with any and all rules and regulations, and all amendments and supplements thereto: (a) which have been promulgated or adopted by Landlord for the Demised Premises and Property; (b) which have been promulgated or adopted pursuant to the CC&R's; and (c) of which Tenant shall have received actual notice.

Section 6.8. Waste or Impairment of Value. Tenant covenants and agrees that nothing shall be done or kept in the Demised Premises which might impair the value of the Building or the Property, or which would constitute waste.

Section 6.9. Hazardous Use. Tenant covenants and agrees that nothing shall be done or kept in the Demised Premises and that no improvements, changes, alterations, additions, maintenance or repairs shall be made to the Demised Premises which might be unsafe or hazardous to any person or property.

Section 6.10. Nuisance, Noxious or Offensive Activity. Tenant covenants and agrees that no noxious or offensive activity shall be carried on in or upon the Demised Premises nor shall anything be done or kept in the Demised Premises which may be or become a public or private nuisance or which may cause embarrassment, disturbance, or annoyance to others on the Property or nearby property.

Section 6.11. Annoying Lights, Sounds or Odors. Tenant covenants and agrees that no light shall be emitted from the Demised Premises which is unreasonably bright or causes unreasonable glare; no sound shall be emitted from the Demised Premises which is unreasonably loud or annoying; and no odor shall be emitted from the Demised Premises which is or might be noxious or offensive to others on the Property or on adjacent or nearby property.

Section 6.12. Unsightliness. Tenant covenants and agrees that no unsightliness shall be permitted in the Demised Premises. Without limiting the generality of the foregoing, all

unsightly equipment, objects and conditions shall be kept enclosed within the Demised Premises; no refuse, scraps, debris, garbage, trash, bulk materials or waste shall be kept, stored or allowed to accumulate, except as may be enclosed within the Demised Premises; and all pipes, wires, poles, antennas and other facilities for utilities or the transmission or reception of audio or visual signals shall be kept and maintained enclosed within the Demised Premises. Tenant shall be solely responsible for the removal of all refuse, scraps, debris, garbage, trash, bulk materials or waste from the Demised Premises and the deposit thereof in the trash containers or dumpsters located adjacent to the Building.

Section 6.13. Animals. Tenant covenants and agrees that no animals shall be permitted or kept in the Demised Premises.

Section 6.14. Structural, Electrical or Other Overloading. Tenant covenants and agrees that nothing shall be done or kept on the Demised Premises and that no improvements, changes, alterations, additions, maintenance or repairs shall be made to the Demised Premises which might impair the structural soundness of the Building, which might result in an overload of utility lines serving the Building or the Property or which might interfere with electric, electronic or other equipment in the Building or on any adjacent or nearby property. In the event of violations hereof, Tenant covenants and agrees to immediately remedy the violation at Tenant's expense, as additional rent, and in compliance with all requirements of governmental authorities and insurance underwriters.

Section 6.15. Restrictions on Interior Signs and Window Coverings. Tenant covenants and agrees that no interior signs, window or door lettering, advertising devices of any nature, window coverings, or window shading which are visible from the exterior of the Demised Premises shall be erected or maintained by Tenant on the Demised Premises, unless the Tenant shall obtain the prior written approval of Landlord. Approval shall include, without limitation, approval of size, design, materials, color and uniformity of window coverings or window shading and approval of the location, size, style or lettering, design, copy or text, materials, installation details, color, and logo design of any signs, window and door lettering or advertising devices. Any non-approved interior signs, window or door lettering, advertising devices, window coverings or window shadings may be removed, with notice, at Tenant's expense or, at Landlord's option, brought into compliance at Tenant's expense.

Section 6.16. Restrictions on Exterior Signs and Exterior Lighting. Tenant covenants and agrees to erect and maintain, at Tenant's sole cost and expense, such exterior signs as approved by Landlord. Tenant further covenants and agrees

that no exterior signs, either affixed to the exterior of the Building or located on the Property shall be erected by the Tenant unless Tenant shall first obtain the prior written approval of Landlord. Approval shall include, without limitation, approval of the location, size, style of lettering, design, copy or text, materials, installation details, color, and logo design of the signs. Tenant further covenants and agrees that no exterior lighting shall be permitted on the Demised Premises except as approved by Landlord. Any non-approved exterior sign or exterior lighting may be removed, with notice, at Tenant's expense or brought into compliance at the Tenant's expense. If Tenant shall receive approval to erect exterior signs or exterior lighting then Landlord shall, at its sole cost and expense, erect, maintain, repair and replace such exterior signs or exterior lighting.

Section 6.17. Maintenance and Repairs. Landlord covenants and agrees, at its sole cost and expense, to maintain, repair, replace and keep the Demised Premises and all improvements, fixtures and personal property thereon, in good, safe and sanitary condition, order and repair ("Maintenance and Repair"). Such Maintenance and Repair shall include, but shall not be limited to: (a) the painting and refinishing of the interior of the Demised Premises; (b) replacement of all broken or cracked glass windows and doors; (c) maintenance and repair of all doors and door closing or locking mechanisms; (d) arranging for regular pest control inspections and, if required, pest control services for the Demised Premises; (e) the repair of any damage resulting from the movement of furniture, fixtures, merchandise or supplies by the Tenant; (f) maintenance of all floor coverings, such as carpeting; (g) maintenance of all sprinkler systems, utility pipes, conduits, meters, panels or lines serving only the Demised Premises installed by Tenant or at Tenant's expense; (h) the maintenance of the heating, ventilating and air conditioning system within the Demised Premises and any components thereof located outside the Demised Premises installed by the Tenant or at the Tenant's expense; and (i) the maintenance of the lighting system within the Demised Premises, including replacement of electric light bulbs, tubes and ballasts. Landlord covenants and agrees that all Maintenance and Repair shall be completed with due diligence and in a good and workmanlike fashion and in compliance with all conditions imposed by all applicable permits, authorizations, laws, ordinances, orders, rules and regulations of governmental authorities having jurisdiction and that the costs and expenses with respect to such Maintenance and Repair shall be paid promptly when due and that the Maintenance and Repair shall be accomplished free of liens of mechanics and materialmen. Landlord shall also provide cleaning or other janitorial services to the Demised Premises.

Section 6.18. Restriction on Changes and Alterations. Tenant covenants and agrees not to improve, change, alter, add

to, remove or demolish any improvements on the Demised Premises ("Changes"): (a) without the prior written consent of Landlord, which consent shall not be unreasonably withheld; (b) unless Tenant complies with all conditions which may be imposed by Landlord, in its sole discretion; and (c) unless Tenant pays to Landlord the reasonable costs and expenses of Landlord for architectural, engineering or other consultants which may be reasonably incurred by Landlord in determining whether to approve any such Changes. Notwithstanding the foregoing, any Changes which cost less than \$500.00, which do not reduce the value of the Building or Property and which will not affect the structural integrity of the Building may be made without the prior written consent of Landlord, provided that Tenant shall nevertheless furnish Landlord a copy of the Tenant's plans for any such Changes. If consent is given, no such Changes shall be permitted unless Tenant shall have first procured and paid for all necessary permits and authorizations from any governmental authorities having jurisdiction; unless such Changes will not reduce the value of the Building or Property, and will not affect or impair existing insurance on the Building or Property; and unless Tenant, at Tenant's sole cost and expense, shall, prior to commencing any work on such Changes, obtain and maintain or cause to be obtained and maintained worker's compensation insurance covering all persons employed in connection with the work and obtains liability insurance covering any loss or damage to persons or property arising in connection with any such Changes and such other insurance or bonds as Landlord may reasonably require and shall deliver a certificate of such worker's compensation insurance, liability insurance, or other insurance, to Landlord. Tenant covenants and agrees that any such Changes approved by Landlord shall be completed with due diligence and in good and workmanlike fashion and in compliance with all conditions imposed by Landlord and all applicable permits authorizations, laws, ordinances, orders, rules and regulations of governmental authorities having jurisdiction and that the costs and expenses with respect to such Changes shall be paid promptly when due and that the Changes shall be accomplished free of liens of mechanics and materialmen. If the Changes increase the value of the Property such that Property taxes are increased, then Tenant shall not pay the property tax increase attributable to such Changes. Tenant covenants and agrees that all such Changes shall become the property of the Landlord at the expiration of the Sublease Term or, if Landlord so requests, Tenant shall, at or prior to expiration of the Sublease Term and at its sole cost and expense, remove such Changes in accordance with the provisions of the Section of this Sublease entitled "Removal of Tenant's Equipment," and thereafter Tenant shall restore the Demised Premises to their condition prior to such changes.

Section 6.19. List of Contractors; Notice of Non-Liability. Tenant covenants and agrees to deliver to Landlord, for Landlord's approval, prior to the making of any Maintenance

and Repairs or Changes, a list of all contractors and significant subcontractors, materialmen and suppliers who shall perform any work or provide any materials or supplies ("Contractors") in connection with Maintenance and Repairs or changes. Landlord shall have the right, in Landlord's sole discretion, to disapprove of any Contractor and in that event, Tenant covenants and agrees to replace the disapproved Contractor with a Contractor reasonably acceptable to Landlord. Tenant shall permit Landlord to post a notice of nonresponsibility on the Demised Premises pursuant to California Civil Code Section 3094, as amended from time to time, or any comparable or other provision for protection of Landlord's interest from mechanics' or other liens and to take all such other action as Landlord may desire in order for Landlord to comply with said Section or such provisions.

Section 6.20. No Mechanics' Liens. Tenant covenants and agrees not to permit or suffer, and to cause to be removed and released, any mechanics', materialmen's or other lien on account of supplies, machinery, tools, equipment, labor or material furnished or used in connection with any construction, improvements, or Maintenance and Repairs or Changes to the Demised Premises by, through or under Tenant. Tenant shall have the right to contest, in good faith and with reasonable diligence, the validity of any such lien or claimed lien, provided that Tenant shall give to Landlord such security as may be reasonably requested by Landlord to insure the payment of any amounts claimed, including interest and costs, and to prevent any sale, foreclosure or forfeiture of any interest in the Property on account of any such lien, and provided that, on final determination of the lien or claim for lien, Tenant shall immediately pay any judgment rendered, with interests and costs, and will cause the lien to be released and any judgment satisfied.

Section 6.21. Other Encumbrances. Tenant covenants and agrees not to obtain any financing secured by Tenant's interest in the Demised Premises and not to encumber the Demised Premises or Landlord or Tenant's interest therein, without the prior written consent of Landlord, and to keep the Demised Premises free from all liens and encumbrances except liens and encumbrances created by Landlord.

Section 6.22. Landlord's Title to Fixtures, Improvements and Equipment. Tenant covenants and agrees that all furniture, fixtures and improvements on the Demised Premises and all equipment and personal property relating to the use and operation of the Demised Premises (as distinguished from operations incident to the business of Tenant), whether or not attached to or affixed to the Demised Premises, and whether now or hereafter located upon the Demised Premises, including but not limited to, all plumbing, heating, lighting, electrical and air conditioning fixtures and equipment and such fixtures or improvements installed in the Demised Premises by Landlord whether or

not on the behalf of the Tenant, are and shall remain the property of the Landlord throughout the Sublease Term. At Landlord's option, Landlord may require Tenant to remove any fixture or improvement installed by Tenant or on behalf of Tenant at Tenant's cost and expense and to place the Demised Premises in the same condition as the Demised Premises would have been if such fixture or improvements had not been installed.

Section 6.23. Removal of Tenant's Equipment. Tenant covenants and agrees to remove prior to the expiration of the Sublease Term ("Removal Deadline"), all of Tenant's Equipment, as hereinafter defined. "Tenant's Equipment" shall mean all equipment, apparatus, machinery, signs, furniture, furnishings and personal property installed by Tenant and used in the operation of the business of Tenant (as distinguished from the use and operation of the Demised Premises). If such removal shall injure or damage the Demised Premises, Tenant covenants and agrees, at its sole cost and expense, at or prior to the Removal Deadline, to repair such injury and damage in good and workman-like fashion and to place the Demised Premises in the same condition as the Demised Premises would have been if such Tenant's Equipment had not been installed. If Tenant fails to remove any of Tenant's Equipment by the Removal Deadline, Landlord may, at its option, keep and retain any such Tenant's Equipment or dispose of the same and retain any such Tenant's Equipment or dispose of the same and retain any proceeds therefrom, and Landlord shall be entitled to recover from Tenant any costs or expenses of Landlord in removing the same and in restoring the Demised Premises in excess of the actual proceeds, in any, received by Landlord from disposition thereof.

Section 6.24. Subordination to Landlord Mortgagees. Tenant covenants and agrees that, at Landlord's option, this Sublease and Tenant's interest in the Demised Premises shall be junior and subordinate to any mortgage or deed of trust now or hereafter encumbering the Property provided that, as to any mortgage or deed of trust given hereafter, the mortgagee or beneficiary under such mortgage or deed of trust agrees in writing, or adequate provision is made in the mortgage or deed of trust, that Tenant's rights under this Sublease shall be recognized and not disturbed, in the event of foreclosure of the Demised Premises, provided only that Tenant shall not be in default hereunder and that Tenant shall attorn to the party acquiring title to the Property as the result of such foreclosure. No act or further agreement by Tenant shall be necessary to establish the subordination of this Sublease to any such mortgage or deed of trust but Tenant covenants and agrees, upon request of Landlord, to execute such documents as may be necessary or appropriate to confirm and establish this Sublease as subordinate to any such mortgage or deed of trust in accordance with the foregoing provisions. Alternatively, Tenant covenants and agrees that, at Landlord's option, Tenant shall execute

documents as may be necessary to establish this Sublease and Tenant's interest in the Demised Premises as superior to any such mortgage or deed of trust. If Tenant fails to execute any documents required to be executed by Tenant under the provisions hereto, Tenant hereby makes, constitutes and irrevocably appoints Landlord as Tenant's attorney in fact and in Tenant's name, place and stead to execute any such documents.

Section 6.25. Assignment or Subletting. T e n a n t covenants and agrees not to make or permit a Transfer by Tenant (as hereinafter defined) without Landlord's prior written consent which shall not be unreasonably withheld. A "Transfer by Tenant" shall include an assignment of this Sublease, a sublease of all or any part of the Demised Premises or any assignment, sublease, transfer, mortgage, pledge or encumbrance of all or any part of Tenant's interest under this Sublease or in the Demised Premises, by operation of law or otherwise, or the use or occupancy of all or any part of the Demised Premises by anyone other than Tenant. Any such transfer by Tenant without Landlord's written consent shall be void and shall constitute a default under this Sublease. In the event Landlord consents to any Transfer by Tenant, Tenant shall not be relieved of its obligations under this Sublease and Tenant shall remain liable, jointly and severally and as a principal, and not as a guarantor or surety, under this Sublease, to the same extent as though no Transfer by Tenant had been made, unless specifically provided to the contrary in Landlord's prior written consent. In addition, if Landlord shall consent to a Transfer by Tenant, Landlord shall, at Landlord's option, have the right to require Tenant to pay to Landlord 50% of the amount of the consideration given by such transferee to Tenant for the Transfer by Tenant (excluding any consideration given by the transferee to Tenant for either the transfer of outstanding voting stock of Tenant or the transfer of equity interest in Tenant) and 50% of the amount by which the rent paid to Tenant by such Transferee exceeds the rent paid by Tenant to the Landlord. The acceptance of rent by Landlord from any person other than Tenant shall not be deemed to be a waiver by Landlord of the provisions of this Section or of any other provision of this Sublease and any consent by Landlord to Transfer by Tenant shall not be deemed a consent to any subsequent Transfer by Tenant.

Notwithstanding the foregoing, Landlord shall, at Landlord's option, have the right, in lieu of consenting to a Transfer by Tenant, to terminate this Sublease as to the portion of the Demised Premises as is subject to the proposed Transfer by Tenant and to enter into a new lease with the proposed transferee and receive directly from the proposed transferee the consideration agreed to be given by such transferee to Tenant for the Transfer by Tenant.

In the event Landlord consents to a Transfer by Tenant,

any option to extend the Sublease Term shall automatically terminate unless otherwise agreed in writing by Landlord.

Tenant covenants and agrees to pay to Landlord, within 10 days after demand by Landlord, the reasonable costs and expenses of Landlord in connection with any request by Tenant for consent to a Transfer by tenant, including reasonable attorneys' fees, whether or not consent of Landlord is given to the Transfer by Tenant.

Section 6.26. Gas, Electrical and Telephone Service. Tenant covenants and agrees to arrange with the applicable local public authorities or utilities, as the case may be, for the furnishing of, and payment for, gas, electrical and all telephone services as may be required by the Tenant in the use of the Demised Premises. Landlord shall directly pay for such services by said authority or utility but the inability of the Tenant to obtain or to continue to receive such services for any reason whatsoever shall not relieve the Tenant of any of its obligations under this Sublease.

Section 6.27. Payment of Property, Income and Other Taxes. Landlord covenants and agrees to pay promptly when due all real property taxes on the Demised Premises and all personal property taxes on personal property of Landlord on the Demised Premises but Tenant shall pay all federal, state and local income taxes, sales taxes, use taxes, Social Security taxes, unemployment taxes and taxes withheld from wages or salaries paid to Tenant's employees, the nonpayment of which might give rise to a lien on the Demised Premises or Tenant's interest therein, and to furnish, if requested by Landlord, evidence of such payments.

Section 6.28. Estoppel Certificates. Tenant covenants and agrees to execute, acknowledge and deliver to Landlord, upon Landlord's written request, a written statement certifying: (a) that this Sublease is unmodified (or, if modified, stating the modifications) and in full force and effect; (b) stating the amount of the Security Deposit held by Landlord, if any; (c) stating the dates to which Percentage Rent and any Additional Rent has been paid; and (d) stating whether or not Landlord is in default under this Sublease (and, if so, specifying the nature of the default). Tenant agrees that such statement may be delivered to and relied upon by any existing or prospective mortgagee or purchaser of the Property. Tenant agrees that a failure to deliver such a statement within 10 days after written request from Landlord shall be conclusive upon Tenant that: (x) this Sublease is in full force and effect without modification except as may be represented by Landlord; (y) that there are no uncured defaults by Landlord under this Sublease; and (z) that any representations by Landlord with respect to any Security Deposit, Percentage Rent and Additional Rent is true.

Section 6.29. Furnishing of Financial Statements.
Upon Landlord's written request, Tenant shall promptly furnish Landlord, from time to time, with financial statements certified by Tenant to be true and correct, reflecting Tenant's then current financial condition. The financial statements shall include a current balance sheet and a profit and loss statement for the most recent 12-month period available. In addition, upon Landlord's written request, Tenant shall allow Landlord, or a certified public accountant of Landlord's choice, to determine Tenant's current financial condition by reviewing the Tenant's current financial books, records and accounts.

Section 6.30. Tenant Indemnification of Landlord.
Tenant covenants and agrees to protect, indemnify and save Landlord harmless from and against all liability, obligations, claims, damages, penalties, causes of action, costs and expenses, including attorneys' fees, imposed upon, incurred by or asserted against Landlord by reason of: (a) any accident, injury to or death of any person or loss of or damage to any property occurring on or about the Demised Premises; (b) any act or omission of Tenant, Tenant's Permitted Users or of anyone claiming by, through or under Tenant; (c) any use which may be made of, or condition existing upon, the Demised Premises including the use or maintenance of any hazardous substances thereon; (d) any improvements, fixtures or equipment upon the Demised Premises; (e) any failure on the part of Tenant to perform or comply with any of the provisions, covenants or agreements of Tenant contained in this Sublease; (f) any violation of any law, ordinance, order, rule or regulation of governmental authorities having jurisdiction by Tenant, Tenant's Permitted Users or by anyone claiming by, through or under Tenant; and (g) any Maintenance or Repairs or Changes to the Demised Premises by, through or under Tenant. Tenant further covenants and agrees that, in case any action, suit or proceeding is brought against Landlord by reason of any of the foregoing, Tenant will, at Tenant's sole cost and expense, defend Landlord in any such action, suite or proceeding. Notwithstanding the foregoing, Tenant shall not be required to indemnify Landlord against any liability, obligations, claims, damages, penalties, causes of action, costs and expenses, including attorneys' fees, arising out of or resulting from the negligent acts or willful misconduct of Landlord and Landlord's agents or employees.

Section 6.31. Waiver by Tenant. Tenant waives and releases any claims Tenant may have against Landlord or Landlord's officers, agents or employees for loss, damage or injury to person or property sustained by Tenant or Tenant's Permitted Users, or anyone claiming by, through or under Tenant resulting from any cause whatsoever other than gross negligence or willful misconduct, including without limitation, any claim arising out of fire, explosion, falling plaster, steam, gas, electricity, leaking water, or sewer system blockages.

Section 6.32. Release upon Transfer by Landlord. In the event of a transfer by Landlord of the Property or the Demised Premises or of Landlord's interest as Landlord under this Sublease, Landlord's successor assign shall take subject to and be bound by this Sublease and, in such event, Tenant covenants and agrees that Landlord shall be released from all obligations of Landlord under this Sublease; and that, upon demand by Landlord or Landlord's successor or assign, Tenant shall attorn to such successor or assign.

Section 6.33. Landlord's Reserved Rights. Landlord, as owner of the Property, reserves the right from time to time to: (a) grant or create easements in, over, under, through or across the Property or, any portion thereof, for any purpose, including without limitation, access, parking, utilities or drainage; (b) to establish the initial location, configuration, size and number of parking spaces in the parking area, including designation of employee parking areas, and to establish the initial location of any landscaped areas; (c) to alter, add to, improve, change, remove or demolish all or any portion of the Demised Premises; and (d) to alter, add to, improve, change or remove pipes, ducts, conduits, wires and other mechanical equipment located outside but serving the Demised Premises, all without obtaining the consent of Tenant thereto, provided that none of the foregoing shall unreasonably interfere with Tenant's use and enjoyment of the Demised Premises.

ARTICLE VII

LANDLORD SERVICES

Section 7.1. Landlord Service. The term "Landlord Services" shall mean the services provided to the Demised Premises pursuant to and in accordance with this Sublease.

Section 7.2. Landlord's Maintenance of the Building. Landlord shall be obligated to provide any maintenance and repair of the Building and Property which shall be included in the responsibilities of the Landlord as set forth in the Section of this Sublease entitled "Maintenance and Repairs", and which shall in addition thereto include the maintenance of: (a) the roof, exterior walls, structural concrete floor of the Demised Premises and other structural components of the Building; (b) sprinkler mains, utility pipes, conduits, meters and lines which are outside of the Demised Premises but serve Tenant; and (c) the heating, ventilating and air conditioning system outside of the Demised Premises which serve Tenant. Landlord shall not be liable to Tenant for Landlord's failure to maintain the Building unless Tenant shall have first given Landlord immediate written notice of the necessity for such repairs. The Landlord shall have the right to enter upon the Demised Premises at reasonable

times for any purpose relating to the maintenance, safety, or preservation of the Building and Property.

Section 7.3 Refuse and Trash Collection Services. Tenant is hereby assigned Landlord's rights and obligations under all relevant contracts for the removal and disposition of all garbage, trash, rubbish and other refuse from trash containers or dumpsters located near the Building. Tenant shall be responsible for the removal of garbage, trash, rubbish and other refuse from the Demised Premises to such trash containers.

Section 7.4. Water and Sewer Services. The Demised Premises is served by the applicable public authorities or utilities, as the case may be, for water and sewer service. If the Tenant's equipment requires water or sewer services in excess of normal quantities, any facilities to supply or measure excess quantities may be provided by such utility as arranged by Tenant with the Landlord's prior written consent and at the sole expense of the Tenant.

Section 7.5. Interruption of Service. The Tenant agrees that the Landlord shall not be liable for the failure of public authorities or utility companies to supply Services to the Demised Premises. The Landlord shall not be liable for damages to persons or property for any such discontinuance, nor shall such discontinuance in any way be construed as an eviction of or cause an abatement of rent or operate to release the Tenant from any of the Tenant's obligations hereunder.

Section 7.6. Energy Conservation and Environmental Protection. In the event that any governmental authority having jurisdiction imposes mandatory controls or suggests voluntary guidelines applicable to the Building or the Property relating to the use or conservation of water, gas, electricity, power, or energy, the reduction of automobile emissions, other emissions or the use of automobiles, or to resource conservation or environmental protection, Landlord, at its sole discretion, may comply with such mandatory controls or voluntary guidelines and accordingly, require Tenant to so comply. Landlord shall not be liable for any reduction in Services resulting from compliance with such mandatory controls or voluntary guidelines, nor shall such reduction in any way be construed as a partial eviction of or cause an abatement of rent or operate to release the Tenant from any of the Tenant obligations hereunder.

ARTICLE VIII

DAMAGE OR DESTRUCTION

Section 8.1. Tenant's Option to terminate if Damage Substantial. If any portion of the Demised Premises shall be damaged or destroyed by fire or other casualty, Landlord shall

promptly proceed to determine the nature and extent of the damage or destruction and to estimate the time necessary to repair or restore the Demised Premises. As soon as reasonably possible Landlord shall give written notice to Tenant stating Landlord's estimate of the time necessary to repair or restore the Demised Premises ("Landlord's Notice of Repair Time"). If Landlord reasonably estimates that repair or restoration of the Demised Premises cannot be completed within 180 days after the date of Landlord's Notice of Repair Time, Landlord and Tenant shall each have the option to terminate this Sublease. In the event, however, that the damage or destruction was caused by the act or omission of Tenant or Tenant's Permitted Users or of anyone claiming by, through or under Tenant, Landlord shall have the option to terminate this Sublease if Landlord reasonably estimates that the repair or restoration cannot reasonably be completed within 180 days after the date of Landlord's Notice of Repair Time, but Tenant shall not have the option to terminate this Sublease. Any option granted hereunder shall be exercised by written notice to the other party given within 10 days after the date of Landlord's Notice of Repair Time. In the event either Landlord or Tenant exercises its option to terminate this Sublease, the Sublease Term shall expire 10 days after the notice by either Landlord or Tenant exercising such party's option to terminate this Sublease. In the event of termination of this Sublease under the provisions hereof, Landlord shall refund to Tenant any portion of the Security Deposit not previously applied by Landlord pursuant to this Sublease and such amounts of any Additional Rent theretofore paid by Tenant as may be applicable to the period subsequent to the date of Landlord's Notice of Repair Time, less the reasonable value of any use or occupation of the Demised Premises by Tenant subsequent to the date of Landlord's Notice of Repair Time. Landlord and Tenant specifically intend that this Section alone shall govern Tenant's right to terminate this Sublease upon substantial damage to the Demised Premises. Therefore, Tenant hereby expressly waives any right to terminate this Sublease on account of substantial damage to the Demised Premises which Tenant might have under applicable law, including, without limitation, under California Civil Code Section 1932.

Section 8.2. Obligations to Repair and Restore. If this Sublease is not terminated by either Landlord or Tenant pursuant to the foregoing provisions, this Sublease shall continue in full force and effect and Landlord shall proceed forthwith to cause the Demised Premises to be repaired and restored with reasonable diligence and there shall be abatement of Percentage Rent and Additional Rent proportionate to the extent of the space and period of time that Tenant is unable to use and enjoy the Demised Premises.

Section 8.3. Application of Insurance Proceeds. The proceeds of any Casualty Insurance maintained on the Demised

Premises, other than casualty insurance maintained by Tenant on fixtures and personal property of Tenant, shall be paid to and become the property of Landlord, subject to any obligation of Landlord to cause the Demised Premises to be repaired and restored set forth herein.

Section 8.4. Cooperation in the Event of Loss. Landlord and Tenant shall cooperate with each other in the collection of any insurance proceeds which may be payable in the event of any loss, including the execution and delivery of any proof of loss or other actions required to effect recovery.

ARTICLE IX

CONDEMNATION

Section 9.1. Taking -- Substantial Taking -- Insubstantial Taking. A "Taking" shall mean the taking of all or any portion of the Demised Premises as a result of the exercise of the power of eminent domain or condemnation for public or quasi-public use or the sale of all or part of the Demised Premises under the threat of condemnation. A "Substantial Taking" shall mean a Taking of so much of the Demised Premises that the Demised Premises cannot thereafter be reasonably used by Tenant for carrying on, at substantially the same level or scope, the business theretofore conducted by Tenant on the Demised Premises. An "Insubstantial Taking" shall mean a Taking such that the Demised Premises can thereafter continue to be used by Tenant for carrying on, at substantially the same level or scope, the business theretofore conducted by Tenant on the Demised Premises.

Section 9.2. Termination on Substantial Taking. If there is a Substantial Taking with respect to the Demised Premises, the Sublease Term shall expire on the date the condemning authority takes possession of the Property pursuant to such Taking. In the event of termination of this lease under the provisions hereof, Landlord shall refund to Tenant such amounts of any Additional Rent theretofore paid by Tenant as may be applicable to the period subsequent to the time of termination of this Sublease.

Section 9.3. Restoration on Insubstantial Taking. In the event of an Insubstantial Taking, this Sublease shall continue in full force and effect, Landlord shall proceed forthwith to cause the Demised Premises to be restored as near as may be to the original condition thereof and there shall be abatement of any Additional Rent proportionate to the extent of the space so taken. Landlord may, at its option, require Tenant to arrange for and handle the restoration of the Demised Premises, in which case Landlord shall furnish Tenant with sufficient funds for such restoration at the time or times such funds are needed, utilizing the proceeds of any awards or consideration

received as a result of the Taking and any additional funds necessary to cover the costs of restoration.

Section 9.4. Right to Award. The total award, compensation, damages or consideration received or receivable as a result of Taking ("Award") shall be paid to and be the property of Landlord, whether the Award shall be made as compensation for diminution of the value of the leasehold or the fee of the Demised Premises or otherwise and Tenant hereby assigns to Landlord, all of Tenant's right, title and interest in and to any such Award. Tenant covenants and agrees to execute, immediately upon demand by landlord, such documents as may be necessary to facilitate collection by Landlord of any such Award. Nothing herein shall give Landlord any interest in, or preclude Tenant from seeking and recovering on its own account from the condemning authority of any award or compensation attributable to the taking or purchase of, Tenant's Equipment.

ARTICLE X

DEFAULTS BY TENANT

Section 10.1. Defaults Generally. Each of the following shall constitute a "Default by Tenant" under this Sublease:

Section 10.2. Failure to Pay Rent Or Other Amounts. A Default by Tenant shall exist if Tenant fails to pay when due, any Percentage Rent or Basic Rent, or any other amounts payable by Tenant under the terms of this Sublease.

Section 10.3. Violation of Sublease Terms. Except as provided in Section 5.6 above, Default by Tenant shall exist if Tenant breaches or fails to comply with any agreement, term, covenant or condition in this Sublease applicable to Tenant, and such breach or failure to comply continues for a period of 20 days after notice thereof by Landlord to Tenant, or, if such breach or failure to comply cannot be reasonably cured within such 20-day period, if Tenant shall not in good faith commence to cure such breach of failure to comply within such 20-day period or shall not diligently proceed therewith to completion.

Section 10.4. Nonoccupancy of Demised Premises. Default by Tenant shall exist if Tenant shall: (a) fail to occupy and use the Demised premises within a reasonable time after commencement of the Sublease Term; or (b) after the initial occupation of the Demised Premises, vacate and abandon the Demised Premises; or (c) remove its furnishings, fixtures or merchandise from the Demised Premises for a period of 3 consecutive days.

Section 10.5. Execution and Attachment Against Tenant. A Default by Tenant shall exist if Tenant's interest under this Sublease or in the Demised Premises shall be taken upon execution or by other process of law directed against Tenant, or shall be subject to any attachment at the instance of any creditor or claimant against Tenant and said attachment shall not be discharged or disposed of within 15 days after the levy thereof.

Section 10.6. Bankruptcy or Related Proceedings. A Default by Tenant shall exist if Tenant shall file a petition in bankruptcy or insolvency or for reorganization or arrangement under the bankruptcy laws of the United States or under any similar act of any state, or shall voluntarily take advantage of any such law or act by answer or otherwise, or shall be dissolved or shall make an assignment for the benefit of creditors or if involuntary proceedings under any such bankruptcy or insolvency law or for the dissolution of Tenant shall be instituted against Tenant or a receiver or trustee shall be appointed for the Demised Premises or for all or substantially all of the property of Tenant, and such proceedings shall not be dismissed or such receivership or trusteeship vacated within 60 days after such institution or appointment.

ARTICLE XI

LANDLORD'S REMEDIES

Section 11.1. Remedies Generally. Upon the occurrence of any default by Tenant, Landlord shall have the right, at Landlord's election, then or any time thereafter, to exercise any one or more of the following remedies:

Section 11.2. Cure by Landlord. In the event of a Default by Tenant, Landlord may, at a Landlord's option, but without obligation to do so, and without releasing Tenant from any obligations under this Sublease, make any payment or take any action as Landlord may deem necessary or desirable to cure any such Default by Tenant in such manner and to such extent as Landlord may deem necessary or desirable. Landlord may do so without demand on, or written notice to, Tenant and without giving tenant all opportunity to cure such Default by Tenant. Tenant covenants and agrees to pay to Landlord, within 10 days after demand, as additional rent, all advances, costs and expenses of Landlord in connection with the making of any such payment or the taking go of any such action, including reasonable attorney's fees, together with interest as hereinafter provided, from the date of payment of any such advances, costs and expenses by Landlord. Action taken by Landlord may include commencing, appearing in, defending or otherwise participating in any action or proceeding, any paying, purchasing, contesting or compromising any claim, right, encumbrance, charge or lien with respect to the

Demised Premises which Landlord, in its discretion, may deem necessary or desirable to protect its interest in the Demised Premises and under this Sublease.

Section 11.3. Termination of Sublease and Damages. In the event of a default by Tenant, Landlord may terminate this Sublease, effective at such time as may be specified by written notice to Tenant, and demand (and, if such demand is refused, recover) possession of the demised Premises from Tenant. Tenant shall remain liable to Landlord for the following:

(a) The worth, at the time of the award, of the unpaid rent that had been earned at the time of termination for this Sublease;

(b) The worth, at the time of the award, of the amount by which the unpaid rent that would have been earned after exceeds the amount of the loss of rent that Tenant proves could have been reasonably avoided;

(c) The worth, at the time of the award, of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of the loss of rent that Tenant proves could have been reasonably avoided; and

(d) Any other amount, including attorneys' fees actually incurred, and court costs, necessary to compensate Landlord for all detriment proximately caused by Tenant's default.

"The worth, at the time of the award", as used in Section 11.3(a) and 11.3(b), is to be computed by allowing interest at an annual rate equal to five percent (5%) plus the discount rate charged member banks by the Federal Reserve Bank of San Francisco ("Discount Rate"), as of the twenty-fifth (25th) day of the calendar month immediately preceding the Default by Tenant. "The worth, at the time of the award," as referred to in Section 11.3(c), is to be computed by discounting the amount at one percent (1%) plus the Discount Rate.

Section 11.4. Repossession and Reletting. In the event of Default by Tenant, Landlord may reenter and take possession of the Demised Premises or any part thereof, without demand or notice, and repossess the same and expel Tenant and any party claiming by, under or through Tenant, and remove the effects of both using such force for such purposes as may be necessary, without being liable for prosecution on account thereof or being deemed guilty of any manner of trespass, and without prejudice to any remedies for arrears of rent or right to bring any proceeding for breach of covenants or conditions. No such reentry or taking possession of the Demised Premises by Landlord shall be construed as an election by Landlord to

terminate this Sublease unless a written notice of such intention is given to Tenant. No notice from Landlord hereunder or under a forcible entry and detainer statute or similar law shall constitute an election by Landlord to terminate this Sublease unless a written notice of such intention is given to Tenant. No notice from Landlord hereunder or under a forcible entry and detainer statute or similar law shall constitute an election by Landlord to terminate this Sublease unless such notice specifically so states. Landlord reserves the right, following any reentry or reletting, to exercise its right to terminate this Sublease by giving Tenant such written notice, in which event the Sublease will terminate as specified in said notice. After recovering possession of the Demised Premises, Landlord may, from time to time, but shall not be obligated to, relet the Demised Premises, or any part thereof, for the account of Tenant, for such term or terms and on such conditions and upon such other terms as Landlord, in its sole discretion, may determine. Landlord may make such repairs, alterations or improvements as Landlord may consider appropriate to accomplish such reletting, and Tenant shall reimburse Landlord upon demand for all costs and expenses, including attorneys' fees, which Landlord may incur in connection with such reletting. Landlord may collect and receive the rents for such reletting but Landlord shall in no way be responsible or liable for any failure to relet the Demised Premises, or any part thereof, or for any failure to collect any rent due upon such reletting. Notwithstanding Landlord's recovery of possession of the Demised Premises, Tenant shall continue to pay on the dates herein specified, any Percentage Rent, Additional Rent and other amounts which would be payable hereunder if such repossession had not occurred. Upon the expiration or earlier termination of this Sublease, Landlord shall refund to Tenant any amount, without interest, by which the amounts paid by Tenant, when added to the net amount, if any, recovered by Landlord through any reletting of the demised Premises, exceeds the amounts payable by Tenant under this Lease. If, in connection with any reletting, the new lease term extends beyond the existing term, or the premises covered thereby include other premises not part of the Demised Premises, a fair apportionment of the rent received from such reletting and the expense incurred in connection therewith will be made in determining the net amount recovered from such reletting.

Section 11.5. Landlord's Lien and Enforcement.

Tenant hereby grants to Landlord a security interest in all personal property of Tenant now or hereafter located on the Demised Premises as security for the performance of Tenant's obligations under this Sublease. Tenant covenants and agrees, upon request by Landlord from time to time, to execute and deliver such financing statements as may be necessary or desirable to perfect the security interest hereby granted. In the event of a Default by Tenant, Landlord may foreclose the security interest hereby granted in any manner permitted by law. Landlord

shall, upon written request from Tenant, execute such documents as may be reasonably necessary to subordinate Landlord's security interest hereunder in any personal property of Tenant to any purchase money security interest in such personal property.

Section 11.6. Suits by Landlord. Actions or suits for the recovery of amounts and damages payable under this Sublease may be brought by Landlord from time to time, at Landlord's election, and Landlord shall not be required to await the date upon which the Sublease Term would have expired to bring any such action or suit.

Section 11.7. Recovery of Landlord Enforcement Costs. All costs and expenses incurred by Landlord in connection with collecting any amounts and damages owing by Tenant pursuant to the provisions of this Sublease or to enforce any provision of this Sublease, including attorneys' fees, whether or not any action is commenced by Landlord, shall be paid by Tenant to Landlord upon demand.

Section 11.8. Interest on Past-Due Payments and Advances. Tenant covenants and agrees to pay to Landlord interest on demand at the rate of 2% above the "Prime Rate", as hereinafter defined, on the amount of any Percentage Rent or Additional Rent not paid when due, or any other amounts payable by Tenant under the terms of this Sublease, from the date due and payable, and on the amount of any payment made by Landlord required to have been made by Tenant under this Sublease and on the amount of any costs and expenses, including attorneys' fees, paid by Landlord in connection with the taking of any action to cure any Default by Tenant, from the date of making any such payment or the advancement of such costs and expenses by Landlord, but in no event shall such interest rate exceed the maximum rate permitted by law. "Prime Rate" shall mean the reference rate used by Bank of America, NT&SA ("Bank") for the computation of interest rates charged, at the time said Percentage Rent or Additional Rent or other amount was due and payable or at the time of making any such payment or the advancement of such costs and expenses by Landlord or aforesaid, on 90 day loans to commercial borrowers as announced by the Bank from time to time. If the Bank discontinues the use of a Prime Rate, the Prime Rate being charged by any other national banking association located in California, as selected by Landlord in its sole discretion, shall be used for computing the interest rate under this Section. In the event no Prime Rate can be determined as aforesaid, the Prime Rate shall mean 15% per annum.

Section 11.9. Landlord's Bankruptcy Remedies. Nothing contained in this Sublease shall limit or prejudice the right of Landlord to prove and obtain as liquidated damages in any bankruptcy, insolvency, receivership, reorganization or dissolution proceeding, an amount equal to the maximum allowable by any

statute or rule of law governing such proceeding in effect at the time when such damages are to be proved, whether or not such amount be greater, equal or less than the amounts recoverable, either as damages or rent, under this Sublease.

Section 11.10. Remedies Cumulative. Exercise of any of the remedies of landlord under this Sublease shall not prevent the concurrent or subsequent exercise of any other remedy provided for in this Sublease or otherwise available to Landlord at law or in equity.

Section 11.11. Late Charge. Tenant hereby acknowledges that late payment by Tenant to Landlord of rent or other sums due hereunder will cause Landlord to incur costs not contemplated by this Sublease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Landlord by terms of any mortgage or trust deed covering the Demised Premises. Accordingly, if any installment of rent or any sum due from tenant shall not be received by Landlord or Landlord's designee within ten (10) days after written notice that said amount is past due, then Tenant shall pay to Landlord a late charge equal to the maximum amount permitted by law (and in the absence of any governing law, ten percent (10%) of such overdue amount), plus any attorneys' fees incurred by Landlord by reason of Tenant's failure to pay rent or other charges when due hereunder. The parties agree that such late charge represent a fair and reasonable estimate of the cost that Landlord will incur by reason of the late payment by Tenant. Acceptance of such late charges by Landlord shall not constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder. Such late charge shall be due and payable as provided herein in addition to, and not in place of, any interest due under Section 11.8 above.

ARTICLE XII

SURRENDER AND HOLDING OVER

Section 12.1. Surrender upon Sublease Expiration. Upon the expiration or earlier termination of this Sublease, or on the date specified in any demand for possession by Landlord after any Default by tenant, Tenant covenants and agrees to surrender possession of the Demised Premises to Landlord, in the same condition as when Tenant first occupied the Demised Premises, ordinary wear and tear excepted.

Section 12.2. Holding Over. If Tenant shall hold over after the expiration of the Sublease Term, without written

agreement providing otherwise, Tenant shall be deemed to be a tenant from month to month, at a monthly rental, payable in advance, equal to 100% of the Basic Rent and Percentage Rent then being paid by Tenant, and Tenant shall be bound by all of the other terms, covenants and agreements of this Sublease. Nothing contained herein shall be construed to give Tenant the right to hold over at any time, and Landlord may exercise any and all remedies at law or in equity to recover possession of the Demised Premises, as well as any damages incurred by Landlord, due to Tenant's failure to vacate the Demised Premises and deliver possession to Landlord as herein provided.

ARTICLE XIII

MISCELLANEOUS

Section 13.1. Tenant's Remedies. Tenant may bring a separate action against Landlord for any claim Tenant may have against Landlord under this Sublease, provided Tenant shall first give written notice thereof to Landlord and shall afford Landlord a reasonable opportunity to cure any such default. In addition, Tenant shall send notice of such default by certified or registered mail, postage prepaid, to the holder of any mortgage or deed of trust covering the Demised Premises, the Property or any portion thereof of whose address Tenant has been notified in writing, and shall afford such holder a reasonable opportunity to cure any default on Landlord's behalf. In no event will Landlord be responsible for any consequential or other damages incurred by Tenant, including, but not limited to, loss of profits or interruption of business as a result of any default by Landlord hereunder. If Tenant prevails in any action against Landlord pursuant to this Section, Tenant shall have the right to recover its courts costs and reasonable attorneys' fees incurred in connection with such action.

Section 13.2. Covenants Independent. This Sublease shall be construed as if the covenants herein between Landlord and Tenant are independent, and not dependent, and Tenant shall not be entitled to any offset against Landlord if Landlord fails to perform its obligations under this Sublease.

Section 13.3. Covenants as Conditions. Each provision of this Sublease performable by Tenant shall be deemed both a covenant and a condition.

Section 13.4. Notices and Demands. All notices, demands, billings, consents or other instruments or communications provided for under this Sublease shall be in writing and shall be deemed properly given and received when actually given and received or three business days after mailing, if sent by registered or certified mail, postage prepaid, addressed to the

party to receive the notice at the address set forth for such party in this Sublease or at such other address as such party may notify the other of in writing.

Section 13.5. No Implied Waiver. No failure by Landlord to insist upon the strict performance of any term, covenant or agreement contained in this Sublease, no failure by Landlord to exercise any right or remedy under this Sublease, and no acceptance of full or partial payment during the continuance of term, covenant or agreement, or waiver of any such right or remedy, or a waiver of any such Default by Tenant.

Section 13.6. Entire Agreement -- No Representation. This Sublease, the Summary Pages, and any Exhibits and any Addenda referred to herein, constitute the final and complete expression of the parties' agreements with respect to the subject matter hereof. Each party agrees that it has not relied upon or regarded as binding any prior agreements, negotiations, representations or understandings, whether oral or written, except as expressly set forth herein. Landlord and Tenant acknowledge and agree that, except as otherwise may be specifically provided for herein, neither party has made any representations, warranties, or agreements to or on behalf of the other party as to any matter concerning the Demised Premises or this lease.

Section 13.7. Modifications in Writing. No amendment or modification of this Sublease, and no approvals, consents or waivers by Landlord under this Sublease, shall be valid or binding unless in writing and executed by the party to be bound thereby.

Section 13.8. Severability. If any provision of this Sublease shall be found invalid, illegal or unenforceable, such finding shall not affect or impair the validity, legality or enforceability of any other provision of this Sublease, and there shall be substituted for the affected provision, a valid and enforceable provision as similar as possible to the affected provision.

Section 13.9. Binding Effect. This Sublease shall extend to and be binding upon the heirs, personal representatives, and permitted successors and assigns of the respective parties hereto. The terms, covenants, agreements and conditions in this Sublease shall be construed as covenants running with the land.

Section 13.10. Real Estate Brokers. Each party covenants to pay, hold harmless and indemnify the other party from and against any and all cost, expense or liability for any compensation, commissions, charges or claims by any broker or other agent with respect to this Sublease or the negotiation thereof contracted, employed or used by such party.

Section 13.11. Survival of Provisions. Notwithstanding any termination of this Sublease, the same shall continue in force and effect as to any provisions hereof which require observance or performance by Landlord or Tenant subsequent to termination.

Section 13.12. Short Form Sublease. This Sublease shall not be recorded, but the parties agree, at the request of either of them, to execute a short form lease for recording, containing the names of the parties, a description of the Demised Premises and the Sublease Term.

Section 13.13. Applicable Law. This Sublease shall be interpreted and enforced according to the laws of the State of California.

Section 13.14. Execution of Sublease. The submission of this Sublease to Tenant by Landlord for examination or execution by Tenant does not constitute a reservation of or option on the Demised Premises to Tenant. This Sublease shall become effective as a Sublease, and Landlord shall become obligated hereunder only upon the delivery of this Sublease fully executed by Landlord to Tenant. Tenant does hereby represent and warrant that Tenant is duly organized, validly existing and in good standing and has all requisite power and authority to own, lease, hold and operate properties and conduct business in the State of California and as contemplated by the Permitted Uses.

Section 13.15. Captions for Convenience. The headings and captions hereof are for convenience only and shall not be considered in interpreting the provisions hereof.

Section 13.16. Attorneys' Fees. In any dispute between the parties, whether or not resulting in litigation, and specifically including any appeals, the prevailing party shall be entitled to recover from the other party all reasonable costs, including, without limitation, all attorneys' fees actually incurred. "Prevailing party" shall include, without limitation, a party who dismisses an action for recovery in exchange for sums allegedly due, performance for covenants allegedly breached or considerations substantially equal to the relief sought in the action, or which receives, in connection with any dispute, performance from the other party substantially equivalent to any of these.

Section 13.17. Bankruptcy or Insolvency.

(a) Notwithstanding any provisions of this Sublease to the contrary, if Tenant shall become a debtor under Chapter 7 of the Bankruptcy Code, and the trustee or Tenant shall elect to assume this Sublease for the purpose of assigning the same or otherwise, such election and assignment may only be made if all

of the terms and conditions of Sections 13.18(a) and (d) hereof are satisfied. If such trustee shall fail to elect or assume this Sublease within sixty (60) days after the filing of the petition in bankruptcy, this Sublease shall be deemed to have been rejected. Landlord shall be thereupon immediately entitled to possession of the Premises without further obligation to Tenant or trustee, and this Sublease shall be cancelled, but Landlord's right to be compensated for damages in such liquidation proceeding shall survive.

(b) If a petition for the reorganization or adjustment of debts is filed concerning Tenant under Chapters 11 or 13 of the Bankruptcy Code, or a proceeding is filed under Chapter 7 of the Bankruptcy Code and is transferred to Chapters 11 or 13, the trustee or Tenant, as debtor-in-possession, must elect to assume this Sublease within seventy-five (75) days from the date of the filing of the petition under Chapters 11 or 13, or the trustee or debtor-in-possession shall be deemed to have rejected this Sublease. No election by the trustee or debtor-in-possession to assume this Sublease, whether under Chapters 7, 11, or 13, shall be effective unless each of the following conditions, which Landlord and Tenant acknowledge are commercially reasonable in the context of a bankruptcy proceeding of Tenant, have been satisfied, and Landlord has so acknowledged in writing:

(1) The trustee or the debtor-in-possession has cured, or has provided Landlord adequate assurance (as defined below) that:

a. Within ten (10) days from the date of such assumption, the trustee will cure all monetary defaults under this Sublease; and

b. Within thirty (30) days from the date of such assumption, the trustee will cure all non-monetary defaults under this Sublease.

(2) The trustee or the debtor-in-possession has compensated, or has provided to Landlord adequate assurance (as defined below) that within ten (10) days from the date of assumption, Landlord will be compensated for any pecuniary loss incurred by Landlord arising from the default of Tenant, the trustee, or the debtor-in-possession as recited in Landlord's written statement of pecuniary loss sent to the trustee or debtor-in-possession.

(3) The trustee or the debtor-in-possession has provided Landlord with adequate assurance of the future performance of each Tenant's, trustee's or debtor-in-possession's obligations under the Sublease; provided, however, that:

a. The trustee or debtor-in-possession shall also deposit with Landlord, as security for the timely

performance of trustee's or debtor-in-possession's obligations under the Sublease, an amount equal to the amount originally posted by Tenant under this Sublease; and

b. The trustee of debtor-in-possession shall also paying advance one installment of Tenant's share of Additional Rent as provided in Section 4.12 above.

c. The obligations imposed upon the trustee or debtor-in-possession shall continue with respect to Tenant or any assignee of the Sublease after the completion of bankruptcy proceedings.

(4) The assumption of the Sublease will not breach any provision in any other lease, mortgage, financing agreement or other agreement by which Landlord is bound relating to the Demised Premises, the Property and the Building; or

(5) For purposes of this Section 13.18(b) Landlord and Tenant acknowledge that, in the context of a bankruptcy proceeding of Tenant, at a minimum "adequate assurance" shall mean:

a. The trustee or debtor-in-possession has and will continue to have sufficient unencumbered assets after the payment of all secured obligations and administrative expenses to assure Landlord that the trustee or debtor-in-possession will have sufficient funds to fulfill the obligations of Tenant under this Sublease, and to keep the Premises properly staffed with sufficient employees to conduct a fully operational, actively promoted business on the Premises; and

b. The Bankruptcy Court shall have entered an order segregating sufficient cash payable to Landlord or the trustee or debtor-in-possession shall have granted a valid and perfected first lien and security interest or mortgage in property of Tenant, trustee or debtor-in-possession, acceptable as to value and kind to Landlord, to secure to Landlord the obligation of the trustee or debtor-in-possession to cure the monetary or non-monetary defaults under this Sublease within the time periods set forth above.

(c) If this Sublease is assumed by a trustee appointed for Tenant or by Tenant as debtor-in-possession under the provisions of Section 13.18(b) hereof and thereafter Tenant is liquidated or files a subsequent petition for reorganization or adjustment of debts under Chapters 11 or 13 of the Bankruptcy Code, then, and in either of such events, Landlord may, at its option, terminate this Sublease and all rights of Tenant hereunder, by giving Tenant written notice of its election to so terminate, no later than thirty (30) days after the occurrence of either of such events.

(d) If the trustee or debtor-in-possession has assumed the Sublease pursuant to the terms and provisions of Section 13.18(a) or (b) above, for the purpose of assigning (or elects to assign) Tenant's interest under this Sublease or the estate created thereby, to any other person, such interest or estate may be so assigned only if Landlord shall acknowledge in writing that the intended assignee has provided adequate assurance as defined in this Section 13.18(d) of future performance of all of the terms, covenants and conditions of this Sublease to be performed by Tenant.

For purposes of this Section 13.18(d), Landlord and Tenant acknowledge that, in the context of a bankruptcy proceeding of Tenant, at a minimum "adequate assurance of future performance" shall mean that each of the following conditions have been satisfied, and Landlord has so acknowledged in writing:

(1) The assignee has submitted a current financial statement audited by a certified public accountant which shows a net worth and working capital in amounts determined to be sufficient by Landlord to fulfill the obligations of the assignee under this Sublease and to keep the Demised Premises properly staffed with sufficient employees to conduct a fully operational, actively promoted business on the Demised Premises.

(2) The assignee has posted with Landlord a security deposit in an amount not less than the security deposit, if any, originally posted by Tenant under this Sublease.

(3) The assignee, if requested by Landlord, shall have obtained guarantees in form and substance satisfactory to Landlord from one or more persons who satisfy Landlord's standards of creditworthiness;

(4) Landlord has obtained all consents or waivers from any third party required under any lease, mortgage, financing arrangement or other agreement by which Landlord is bound to permit Landlord to consent to such assignment.

(e) When, pursuant to the Bankruptcy Code, the trustee or debtor-in-possession shall be obligated to pay reasonable use and occupancy charges for the use of the Demised Premises or of any portion thereof, such charges shall not be less than any Percentage Rent and Additional Rent payable under this Sublease.

(f) Neither Tenant's interest in the Sublease, nor any lesser interest of Tenant herein, nor any estate of Tenant hereby created, shall pass to any trustee, receiver, assignee for the benefit of creditors, or any other person or entity, or otherwise by operation of law under the laws of the State of California unless Landlord shall consent to such transfer in writing. No

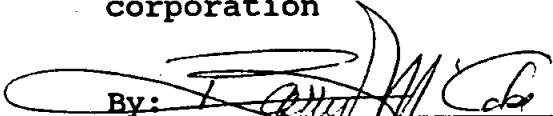
acceptance by Landlord of rent or any other payments from any such trustee, receiver, assignee, person or other entity shall be deemed to have waived, nor shall it waive the need to obtain Landlord's consent of Landlord's right to terminate this Sublease for any transfer of Tenant's interest under this Sublease without such consent.

(g) If the estate of Tenant created hereby shall be taken in execution or by other process of law, or if Tenant or any guarantor of Tenant's obligations hereunder (hereinafter referred to as the "guarantor") shall be adjudicated insolvent pursuant to the provisions of any present or future insolvency law under California law, or if any proceedings are filed by or against the guarantor under the bankruptcy code, or any similar provisions of any future federal bankruptcy law, or if a receiver or trustee of the property of Tenant or the guarantor shall be appointed under California law by reason of Tenant's or the guarantor's insolvency or inability to pay its debts as they become due or otherwise, or if any assignment shall be made of Tenant's or the guarantor's property for the benefit of creditors under California law; then and in such event Landlord may, at its option, terminate this Sublease and all rights of Tenant hereunder by giving Tenant written notice of the election to so terminate within thirty (30) days after the occurrence of such event.

IN WITNESS WHEREOF, the parties hereto have caused this Sublease to be executed the day and year first above written.

TENANT:

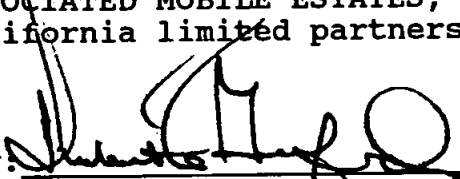
DE ANZA SAN DIEGO FOOD AND
BEVERAGE, INC., a California
corporation

By: 

Barry McCabe, President

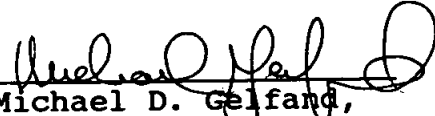
LANDLORD:

ASSOCIATED MOBILE ESTATES, a
California limited partnership

By: 

Herbert M. Gelfand,
Operating General Partner

By: DE ANZA GROUP, INC.,
General Partner

By: 

Michael D. Gelfand,
Senior Vice President

APPLICANT(S)

De Anza San Diego Food and Beverage, Inc.

PREMISES ADDRESS (Street)

2211 Pacific Beach Dr.

(City)

San Diego

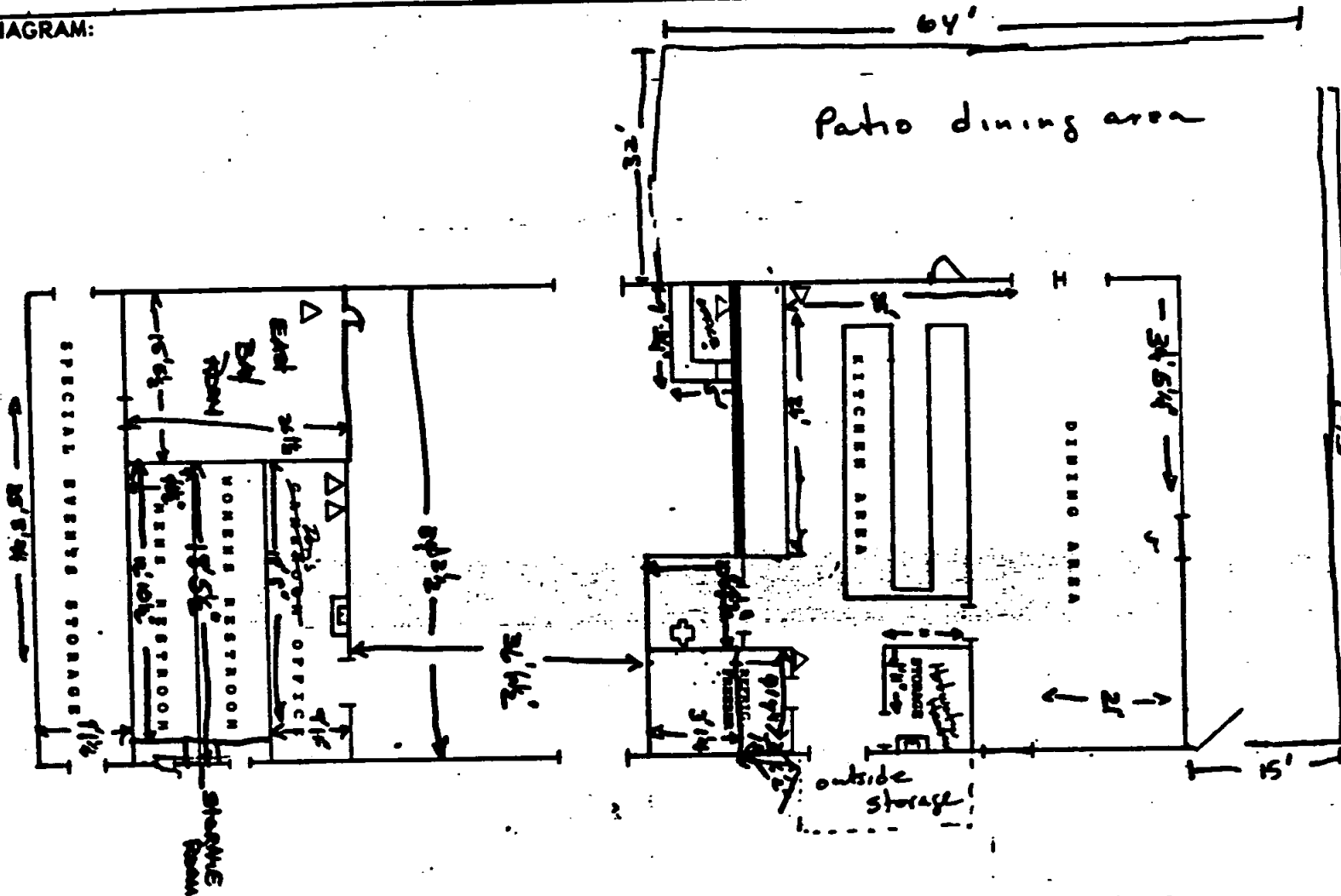
92109

TYPE OF LICENSE

Beer & Wine

The Diagram below is a true and correct description of the entrances, exits, interior walls and exterior boundaries of the premises to be licensed, including dimensions.

DIAGRAM:



It is hereby declared that the above-described boundaries, entrances and planned operation (as indicated on the reverse side), will not be changed without first notifying and securing prior written approval of the Department of Alcoholic Beverage Control. I declare under penalty of perjury that the foregoing is true and correct.

Date: _____

SIGNATURE

Place: _____

SIGNATURE

Special Instructions for Applicants for Public Premises Type Licenses

Your signature above acknowledges that you are aware that in premises operated as a Public Premises no persons under 21 years of age are to be allowed. A sign at least 7" x 11" stating "No Person Under 21 Allowed" must be posted near each entrance and at a prominent place in the interior of the premises.

DEPARTMENT use only.

Beer & Wine

Inspected on: _____ Certified correct: _____

APPLICANT(S)
De Anza San Diego Food and Beverage, Inc.

PREMISES ADDRESS (Street)
2211 Pacific Beach Dr.

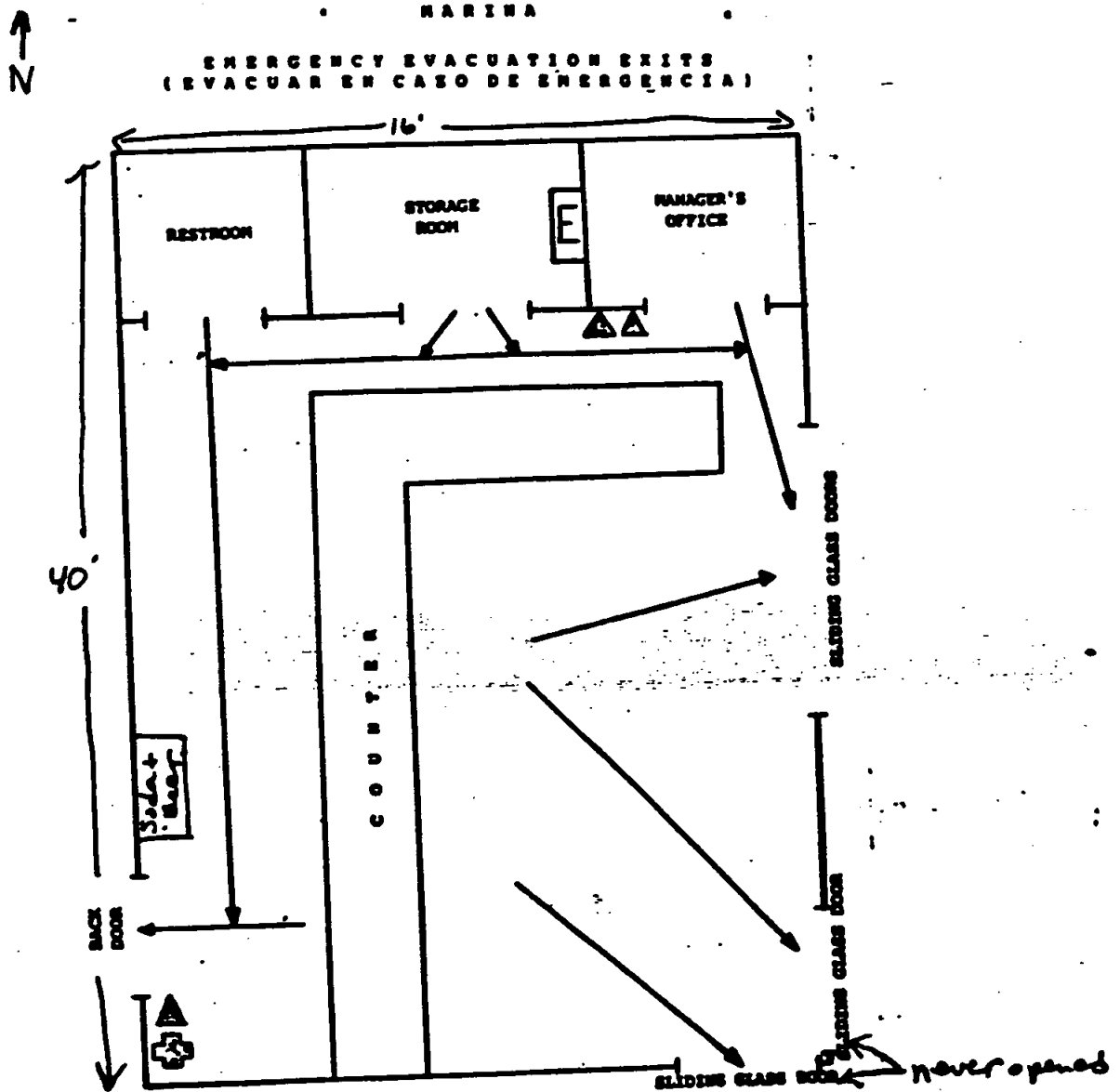
(City)
San Diego

92109

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Date: _____

SIGNATURE

Place: _____

SIGNATURE

PARCEL 1:

THOSE PORTIONS OF ACRE LOT 75 OF PACIFIC BEACH, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 854, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; PORTIONS OF THE PUEBLO LANDS OF SAN DIEGO, ACCORDING TO MAP THEREOF MADE BY JAMES PASCOE IN 1870, A COPY OF WHICH SAID MAP WAS FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND KNOWN AS MISCELLANEOUS MAP NO. 36, TOGETHER WITH A PORTION OF MISSION BAY WHICH WAS GRANTED TO THE CITY OF SAN DIEGO BY ACT OF THE LEGISLATURE OF THE STATE OF CALIFORNIA, APPROVED APRIL-27, 1945 ENTITLED "AN ACT GRANTING CERTAIN LANDS, TIDE LANDS AND SUBMERGED LANDS OF THE STATE OF CALIFORNIA TO THE CITY OF SAN DIEGO UPON CERTAIN TRUSTS AND CONDITIONS", DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE CENTER LINE OF OLNEY STREET AND OLIVER AVENUE AS SHOWN ON PACIFIC BEACH, ACCORDING TO MAP NO. 922, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG SAID CENTER LINE OF OLNEY STREET, SOUTH $14^{\circ}29'$ EAST 390.00 FEET; THENCE LEAVING SAID CENTER LINE NORTH $75^{\circ}31'$ EAST 40.00 FEET TO THE EASTERLY LINE OF OLNEY STREET AS SHOWN ON SAID MAP NO. 854; BEING THE TRUE POINT OF BEGINNING; THENCE ALONG SAID EASTERLY LINE SOUTH $14^{\circ}29'$ EAST 660.08 FEET; THENCE NORTH $75^{\circ}31'$ EAST 880.00 FEET; THENCE SOUTH $14^{\circ}29'$ EAST 250.00 FEET; THENCE NORTH $75^{\circ}31'$ EAST 1150.00 FEET; THENCE NORTH $9^{\circ}27'33''$ WEST 913.59 FEET TO A POINT IN A LINE WHICH BEARS NORTH $75^{\circ}31'$ EAST PARALLEL WITH THE SOUTHERLY LINE OF PACIFIC BEACH DRIVE, FORMERLY PACIFIC AVENUE AS SHOWN ON MISSION BAY PARK TRACT, ACCORDING TO MAP THEREOF NO. 1120, FILED IN THE OFFICE OF SAID COUNTY RECORDER, FROM THE TRUE POINT OF BEGINNING; THENCE ALONG SAID PARALLEL LINE SOUTH $75^{\circ}31'$ WEST 2110.00 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 2:

THAT PORTION OF THE PUEBLO LANDS OF SAN DIEGO, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF MADE BY JAMES PASCOE IN 1870, A COPY OF WHICH SAID MAP WAS FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND KNOWN AS MISCELLANEOUS MAP NO. 36, TOGETHER WITH A PORTION OF MISSION BAY WHICH WAS GRANTED TO THE CITY OF SAN DIEGO BY ACT OF THE LEGISLATURE OF THE STATE OF CALIFORNIA, APPROVED APRIL 27, 1945 ENTITLED "AN ACT GRANTING CERTAIN LANDS, TIDE LANDS, AND SUBMERGED LANDS OF THE STATE OF CALIFORNIA TO THE CITY OF SAN DIEGO, UPON CERTAIN TRUSTS AND CONDITIONS", DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE CENTER LINE OF OLNEY STREET AND OLIVER AVENUE AS SHOWN ON PACIFIC BEACH, ACCORDING TO MAP THEREOF NO. 922, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG SAID CENTER LINE OF OLNEY STREET, SOUTH $14^{\circ}29'$ EAST 390.00 FEET; THENCE LEAVING SAID CENTER LINE NORTH $75^{\circ}31'$ EAST 40.00 FEET TO THE EASTERLY LINE OF SAID OLNEY STREET AS SHOWN ON PACIFIC BEACH, ACCORDING TO MAP THEREOF NO. 854, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG SAID EASTERLY LINE SOUTH $14^{\circ}29'$ EAST 660.08 FEET; THENCE NORTH $75^{\circ}31'$ EAST 880.00 FEET; THENCE SOUTH $14^{\circ}29'$ EAST 250.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH $14^{\circ}29'$ EAST 600.00; THENCE NORTH $75^{\circ}31'$ EAST 425.00 FEET; THENCE NORTH $14^{\circ}29'$ WEST 600.00 FEET; THENCE SOUTH $75^{\circ}31'$ WEST 425.00 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 3:

THAT PORTION OF THE PUEBLO LANDS OF SAN DIEGO, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF MADE BY JAMES PASCOE IN 1870, A COPY OF WHICH SAID MAP WAS FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND KNOWN AS MISCELLANEOUS MAP NO. 36, TOGETHER WITH ANY PORTION OF MISSION BAY WHICH WAS GRANTED TO THE CITY OF SAN DIEGO BY ACT OF THE LEGISLATURE OF THE STATE OF CALIFORNIA, APPROVED APRIL 27, 1945 ENTITLED "AN ACT GRANTING CERTAIN LANDS, TIDE LANDS AND SUBMERGED LANDS OF THE STATE OF CALIFORNIA TO THE CITY OF SAN DIEGO, UPON CERTAIN TRUSTS AND CONDITIONS", DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE CENTER LINE OF OLNEY STREET AND OLIVER AVENUE AS SHOWN ON PACIFIC BEACH, ACCORDING TO MAP THEREOF NO. 922, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG SAID CENTER LINE OF OLNEY STREET, SOUTH $14^{\circ}29'$ EAST 390.00 FEET; THENCE LEAVING SAID CENTER LINE NORTH $75^{\circ}31'$ EAST 40.00 FEET TO THE EASTERLY LINE OF SAID OLNEY STREET AS SHOWN ON PACIFIC BEACH, ACCORDING TO MAP THEREOF NO. 854, FILED IN THE OFFICE OF THE COUNTY RECORDER BEING POINT "A"; THENCE ALONG SAID EASTERLY LINE SOUTH $14^{\circ}29'$ EAST 660.00 FEET; THENCE NORTH $75^{\circ}31'$ EAST 880.00 FEET; THENCE SOUTH $14^{\circ}29'$ EAST 250.00 FEET; THENCE NORTH $75^{\circ}31'$ EAST 1150.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH $9^{\circ}27'33''$ WEST 913.50 FEET TO A POINT IN A LINE WHICH BEARS NORTH $75^{\circ}31'$ EAST PARALLEL WITH THE SOUTHERLY LINE OF PACIFIC BEACH DRIVE, FORMERLY PACIFIC AVENUE, AS SHOWN ON MISSION BAY PARK TRACT, ACCORDING TO MAP THEREOF NO. 1120, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, FROM SAID POINT "A"; THENCE NORTH $75^{\circ}31'$ EAST 100.00 FEET; THENCE SOUTH $9^{\circ}27'33''$ EAST 913.50 FEET TO A LINE WHICH BEARS NORTH $75^{\circ}31'$ EAST FROM THE TRUE POINT OF BEGINNING; THENCE SOUTH $75^{\circ}31'$ WEST 100.00 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING FROM THE AFORESAID PARCELS 1, 2 AND 3, THAT PORTION LYING UPLAND FROM THE MEAN HIGH TIDE LINE ALL OIL, GAS OTHER HYDROCARBONS AND MINERALS, TOGETHER WITH THE RIGHT TO USE THE SURFACE OF SAID LAND AND ALL PORTIONS OF THE SUBSURFACE OF SAID LAND FOR THE DEVELOPMENT AND PRODUCTION OF OIL, GAS, OTHER HYDROCARBONS AND MINERALS FROM BENEATH SAID LAND AS RESERVED BY THE STATE OF CALIFORNIA, IN AN AGREEMENT RECORDED OCTOBER 21, 1964 UNDER RECORDER'S FILE NO. 192661.

ALSO EXCEPTING FROM THE AFORESAID PARCELS 1, 2, AND 3, THAT PORTION LYING BELOW THE MEAN HIGH TIDE LINE ALL THE DEPOSITS OF MINERALS, INCLUDING OIL AND GAS, TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE AND REMOVE SUCH DEPOSITS AND TO OCCUPY AND USE SO MUCH OF THE SURFACE AS MAY BE REQUIRED THEREFORE AS RESERVED BY THE STATE OF CALIFORNIA IN AN ACT OF THE LEGISLATURE APPROVED APRIL 27, 1945, STATUTES OF CALIFORNIA CHAPTER 142.

EXHIBITS

APPLICANT(S)

De Anza San Diego Food and Beverage, Inc.

PREMISES ADDRESS (Street)

(City)

San Diego

92109

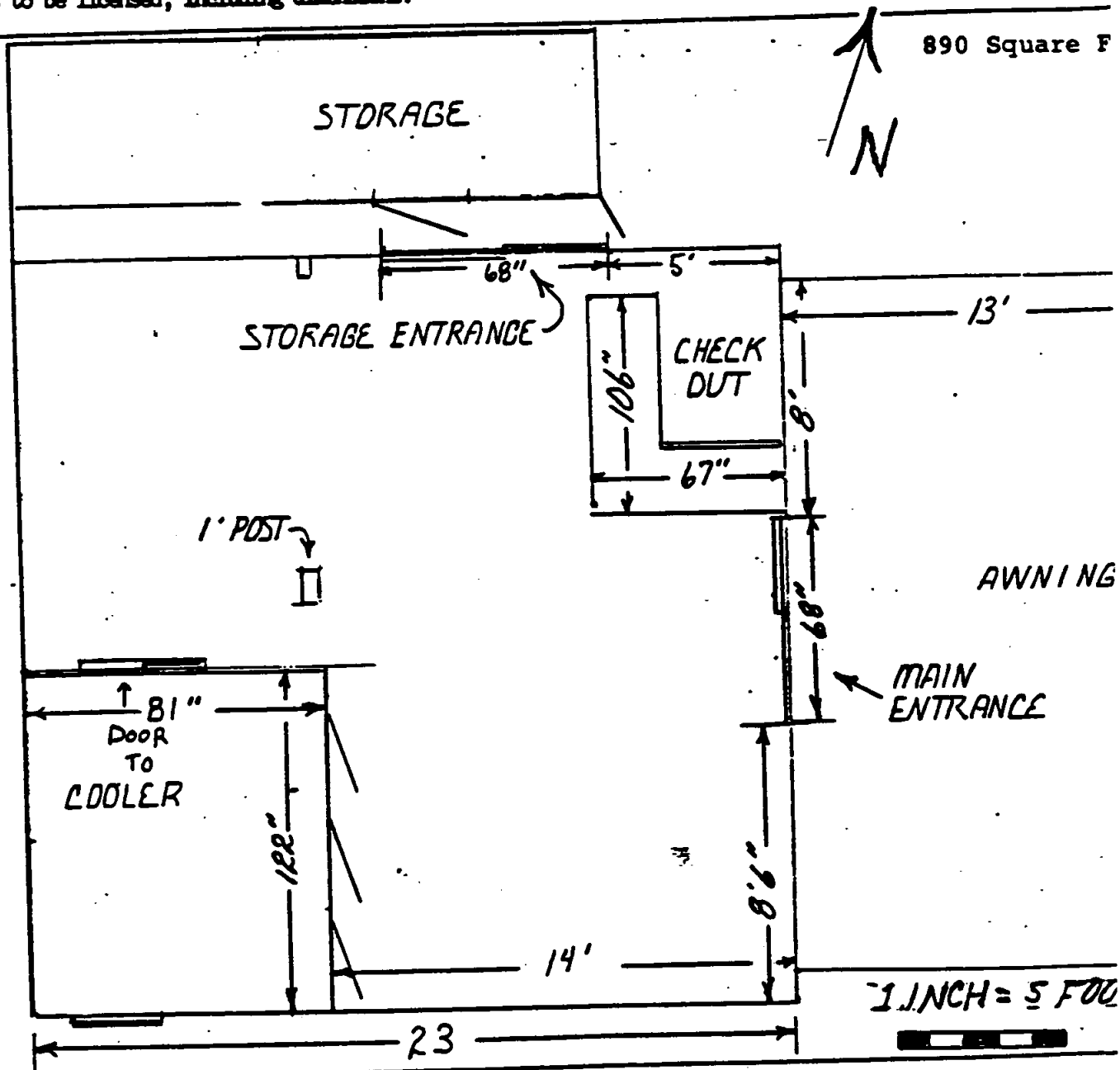
TYPE OF LICENSE

Beer and Wine

2727 De Anza Road

The diagram below is a true and correct description of the entrances, exits, interior walls and exterior boundaries of the premises to be licensed, including dimensions.

DIAGRAM:



It is hereby declared that the above-described boundaries, entrances and planned operation (as indicated on this side), will not be changed without first notifying and securing prior written approval of the Department of Alcohol Beverage Control. I declare under penalty of perjury that the foregoing is true and correct.

Date:

SIGNATURE

Place:

SIGNATURE

Parcel No. 1. shall consist of the following areas:
That portion of Pueblo Lot 1798 of the Pueblo Lands of San Diego according to a map thereof made by James Pascoe in 1870, a copy of which map was filed in the Office of the Recorder of San Diego County, November 14, 1921 and known as Miscellaneous Map No. 36 and more particularly described as follows:

Beginning at a point which is shown as Station No. 1 on the U. S. Coast and Geodetic Survey of the Mean High Water Line of Mission Bay on Miscellaneous Map No. 69 filed in the Office of the Recorder of San Diego County on March 8, 1926, said point of beginning being South $14^{\circ} 35'$ East a distance of 446.92 feet from the Northeasterly corner of Pueblo Lot 1798; thence South $72^{\circ} 40'$ West a distance of 587.40 feet to a point shown as Station "2" on Miscellaneous Map No. 69; thence South $78^{\circ} 21'$ West a distance of 574.48 feet, more or less, to a point on the Mean High Tide Line of Mission Bay; thence Northerly along the Mean High Tide Line a distance of 390.79 feet, more or less; thence North $75^{\circ} 37' 15''$ East a distance of 590.11 feet to a point tangent to a curve; thence Easterly along the arc of a curve concave to the right with a radius of 1,500 feet through an angle of $15^{\circ} 14' 33''$ a distance of 399.05; thence South $89^{\circ} 08' 12''$ East a distance of 151.54 feet to a point on a straight line between the Northeasterly corner of Pueblo Lot 1798 and the point of beginning; thence South $14^{\circ} 35'$ East a distance of 294.32 feet to the point of beginning, containing 10.20 acres, more or less.

1A. That portion of Pueblo Lot 1208 of the Pueblo Lands of San Diego according to a map thereof made by James Pascoe in 1870, a copy of which Map was filed in the Office of the Recorder of San Diego County, November 14, 1921 and known as Miscellaneous Map No. 36, more particularly described as follows:

Beginning at a point which is shown as Station No. 1 on the U. S. Coast and Geodetic Survey of the Mean High Water Line of Mission Bay on Miscellaneous Map No. 69 filed in the Office of the County Recorder on March 8, 1926, said point of beginning bears South $14^{\circ} 35'$ East a distance of 446.92 feet from the Northeasterly corner of Pueblo Lot 1798; thence North $72^{\circ} 26'$ East a distance of 209.53 feet; thence due North 118.97 feet to the tangent point of a curve; thence along a curve concave to the left with a radius of 100 feet through an angle of $89^{\circ} 8' 12''$ a distance of 155.57 feet; thence North $89^{\circ} 08' 12''$ West a distance of 175.92 feet to point on a straight line between the Northeasterly corner of P. L. 1798 and the point of beginning; thence South 14° East a distance of 294.32 feet to the point of beginning, containing 1.32 acres, more or less.

1B. That portion of Mission Bay granted to The City of San Diego by act of the legislators of the State of California approved April 27, 1945 entitled "An Act Granting Certain Lands, Tidelands and Submerged Lands of the State of California to The City of San Diego upon Certain Trusts and Conditions" and more particularly described as follows:

Beginning at a point 446.92 feet South 14° 35' East from the Northwesterly corner of Pueblo Lot 1798, said point being shown on Miscellaneous Map No. 69 filed in the Office of the County Recorder on March 8, 1926, as Station No. 1 on the U. S. Coast and Geodetic Survey of the Mean High Water Line of Mission Bay; thence South 72° 40' West a distance of 587.40 feet; thence South 78° 21' West a distance of 574.48 feet, more or less, to a point on the Mean High Tide Line of Mission Bay; thence Southerly along said Mean High Tide Line a distance of 1041.08 feet, more or less; thence North 79° 48' 30" East a distance of 830 feet, more or less; thence North 52° 27' East a distance of 265.83 feet, more or less, to a point on the Mean High Tide Line of Mission Bay; thence continuing North 52° 27' East a distance of 370.0 feet, more or less, to a point in the waters of Mission Bay; thence North 29° 27' 54" West a distance of 370.0 feet, more or less, to a point on the Mean High Tide Line of Mission Bay; thence due North a distance of 522.40 feet, more or less, to the Southeasterly corner of Parcel 1A; thence South 72° 26' West a distance of 209.57 feet to the point of beginning, containing 28.3 acres of land, more or less, and 2.69 acres of water area, more or less.

Parcel No. 2 shall consist of the following:
That portion of Mission Bay granted to The City of San Diego by act of the legislators of the State of California, approved April 27, 1945 entitled "An Act Granting Certain Lands, Tidelands and Submerged Lands of the State of California to The City of San Diego upon Certain Trusts and Conditions" and more particularly described as follows:

Beginning at the southwesterly corner of Parcel 1B which is a point on the Mean High Tide Line of Mission Bay said point bearing south 25° 18' 31" West a distance of 1934.00 more or less, from the Northeasterly corner of P.L. 1798; thence South 10° 11' 30" East along said Mean High Tide Line a distance of 20 feet; thence continuing along said Mean High Tide Line Southerly and Easterly along a curve concave to the left a distance of 1381.94 feet, more or less; thence North 74° 40' 02" East along said Mean High Tide Line a distance of 1283.0 feet, more or less; thence Easterly, Northerly and Westerly along said Mean High Tide Line along a curve to the left a distance of 894.10 feet, more or less; thence North 4° 47' 16" West a distance of 100.0 feet to a point in the waters of Mission Bay; thence South 83° 40' 09" West a distance of 827.61 feet to a point in the waters of Mission

Bay; thence North $4^{\circ} 47' 16''$ West a distance of 270 feet to a point in the waters of Mission Bay, said point being the Southeasterly corner of Parcel 1B; thence South $52^{\circ} 27'$ West a distance of 370 feet, more or less, to a point on the Mean High Tide Line of Mission Bay; thence continuing South $52^{\circ} 27'$ West a distance of 265.83 feet, more or less; thence South $79^{\circ} 48' 30''$ West a distance of 830.0 feet to the point of beginning, containing 30.08 acres of land area, more or less, and 3.46 acres of water area, more or less.

CONSENT TO CONCESSION AGREEMENT

The City of San Diego (CITY), as LESSOR under that certain Lease Agreement (Master Lease) entered into with DE ANZA MOBILE ESTATES (LESSEE), and filed in the Office of the City Clerk as Document 433606, hereby consents to that certain Concession Agreement between the above LESSEE and CALIFORNIA PACIFIC CATAMARAN RENTAL, INC., and SKIP HURWITZ (CONCESSIONAIRE), dated June 1, 1989. Said Concession Agreement shall be subordinate to the Master Lease in all respects. The CITY is merely approving the Concession Agreement and the proposed use, and all terms and conditions of the Master Lease shall control and supersede any inconsistent or contrary provisions in the Concession Agreement. The CITY is not bound by any term or condition in the Concession Agreement which in any way conflicts with or is additional to the provisions of the Master Lease.

In addition, this consent is subject to the following conditions:

1. CONCESSIONAIRE shall not assign this Concession Agreement or any interest therein or sublet the area designated in Exhibit "A" of the Concession Agreement or any part thereof without the prior written consent of the CITY. Any assignment by operation of law shall automatically terminate the Concession Agreement.
2. The CONCESSIONAIRE and LESSEE understand that Mission Bay is closed from time to time as a result of sewage spills and/or pollution and CONCESSIONAIRE and LESSEE agree to hold CITY harmless from loss or damage resulting from closure of Mission Bay due to sewage spills and/or pollution.
3. CONCESSIONAIRE shall at all times during the term of this Concession Agreement, at its cost, adequately furnish, stock, and equip the designated area and the improvements with a sufficient number of catamarans, windsurfers, miscellaneous items approved in writing by the CITY, and ancillary equipment and supplies necessary to meet the demand for the rental and sale thereof. Any merchandise, equipment, or supplies deemed undesirable by the City Manager of the CITY shall be removed immediately.

THE CITY OF SAN DIEGO

Date 11/27/89

By Robert J. Collins
Supervising Property Agent

APPROVED AS TO FORM:

JOHN W. WITT, City Attorney

Date 11/22/89

By [Signature]
Deputy

ACCEPTED:

CALIFORNIA PACIFIC CATAMARAN RENTAL, INC.

Date _____

By [Signature]
President

SKIP HURWITZ

Date 12/13/89

By [Signature]

MLS:baa(7)108
11-20-89

RECEIVED
DEC 14 1989
PROPERTY DEPT

CONCESSION AGREEMENT

This Agreement made and entered into this 1st day of June, 1989, by and between DE ANZA CORPORATION, a California corporation and ASSOCIATED MOBILE ESTATES (hereinafter sometimes collectively called, "De Anza") and CALIFORNIA PACIFIC CATAMARAN RENTAL, INC. (hereinafter called, "Concessionaire") and SKIP HURWITZ.

WITNESSETH

WHEREAS, De Anza leases from the City of San Diego certain real property located at 2211 Pacific Beach Drive, San Diego, California 92109-5699, improved with a recreational vehicle park known and referred to herein as CAMPLAND.

WHEREAS, Concessionaire is desirous of obtaining the concession for renting out catamarans, windsurfers and selling miscellaneous items approved by De Anza at CAMPLAND.

NOW, THEREFORE, it is hereby covenanted and agreed by the parties as follows:

1. Nature of Agreement

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

2. Grant of License

During the term hereof De Anza hereby grants to Concessionaire a license to operate the business of renting catamarans, windsurfers, and selling miscellaneous items approved by De Anza and the City of San Diego at CAMPLAND (herein sometimes referred to as "Concession") within the area designated pursuant hereto. Concessionaire is prohibited from renting jet skis, wave runners, and other "self-propelled marine vehicles" at CAMPLAND. There is attached as Exhibit "A" hereto a site plan prepared by De Anza clearly delineating that area with CAMPLAND within which the Concessionaire shall maintain its Concession and within which all catamarans and windsurfers are to be launched and returned to the shore, ("Designated Area"). Concessionaire shall abide by said designation.

3. Maintenance of Improvements

Concessionaire shall, at its sole cost and expense, maintain all structures and other improvements, whether personal property or real property, which Concessionaire has caused to be constructed or which Concessionaire uses for or incident to the conduct of its business. The maintenance hereby required of Concessionaire includes but is not limited to cleaning, painting,

repairing and generally maintaining the improvements and surrounding land and water area in conformity with applicable codes, ordinances and laws and in a manner reasonably satisfactory to De Anza. Any such maintenance not performed by Concessionaire may, upon 24 hours notice by De Anza to Concessionaire, be performed by De Anza and charged to Concessionaire at full cost plus 15%; this right of De Anza shall not serve to waive or remedy any breach by Concessionaire of this Agreement by its failure to maintain.

4. Completion fo Construction Lien Fee

Concessionaire hereby agrees to expeditiously proceed with the construction of any improvements approved in advance by De Anza and to complete construction thereof in accordance with the plans and specifications approved by all required governmental entities and De Anza within ten days from the date De Anza approves the plans and specifications for the improvements. Construction shall be completed in a good and workmanlike manner in accordance with all applicable laws, rules and regulations of all governmental agencies having jurisdiction over the construction and free and clear of all liens and encumbrances, mechanics or materialmens liens. The asserion of any mechanics lien, in connection with such improvements shall be a ground for termination of this Agreement. Concessionaire hereby warrants that upon completion of construction there will be no chattel mortgages, mechanics liens, conditional sales contracts, installment contracts or other lien charges or encumbrances caused or suffered by it and arising in connection with the construction of the improvements, agrees to hold CAMPLAND, the City of San Diego, De Anza and Associated Mobile Estates, and their respective officers, directors, shareholders, partners, agents, employees, and attorneys free and harmless from all liens and claims of lien for labor and material, equipment or supplies, or either or all of them, threatened or filed against any of the foregoing from and against all loss, claim, expense and liability in connection therewith, including but not limited to court costs and attorneys' fees resulting or arising therefrom. Should any liens or claims of lien be filed or recorded agains CAMPLAND, the City of San Diego, Associated Mobile Estates, or De Anza, or should De Anza receive notice of any unpaid bill or charge in connection with the construction of the improvements, De Anza may, but shall not be obligated to pay any such bill or claim or charge and shall be entitled to reimbursement upon demand from Concessionaire with interest at the maximum rate allowed by law. Concessionaire shall, at the request of De Anza, furnish to De Anza proper indemnity in connection with such claims, either by satisfactory corporate surety bond, completion bond or otherwise as may be reasonably requested by De Anza. Concessionaire shall notify De Anza in writing at least ten days prior to the commencement of any improvements and shall not interfere with the posting by De Anza of a notice of non-responsibility as defined in Civil Code Section 3094. Concessionaire shall obtain from contractors, laborers, materialmen and suppliers a waiver from them of their claims to mechanics liens in connection with the

improvements.

5. Term

The term of this Agreement will be for a period of one year commencing June 1, 1989. Provided that Concessionaire is not in breach of any of the provisions hereof and has timely and fully performed all of its duties and obligations under this Agreement, Concessionaire shall have two consecutive one-year options to renew this Agreement by giving written notice to De Anza of its election to renew at least sixty (60) days prior to the expiration date of the first and/or second year, as the case may be.

6. Providing of Service

(a) Equipment and Utilities-- Concessionaire shall at all times during the term of this Agreement, at its cost, adequately furnish, stock, and equip the Designated Area and the improvements with a sufficient number of catamarans, windsurfers, miscellaneous items approved in writing by De Anza, and ancillary equipment and supplies so as to meet the demand for the rental and sale thereof. Concessionaire will also be responsible for all costs of installing and providing all utilities, telephones and electricity in connection with the Concession.

(b) Employees-- Concessionaire shall pay all salaries, wages, workmens' compensation insurance, payroll taxes, social security taxes and similar taxes and other compensation of employees, agents and personnel hired in connection with the operation of the Concession contemplated hereby. All such employees and personnel shall be required by Concessionaire to wear approved uniforms conforming to CAMPLAND'S standards and specifications, the costs of acquiring, furnishing and maintaining such uniforms shall be borne by Concessionaire. Concessionaire shall, upon demand by De Anza, discharge any employee found to be unsatisfactory in the discretion of the General Manager of CAMPLAND, (whether or not Concessionaire agrees with the determination). Notwithstanding the foregoing, all agents, employees, or personnel hired or used by Concessionaire shall be deemed its employees and not agents, employees, or personnel of De Anza or CAMPLAND. Concessionaire hereby agrees to hold harmless De Anza, CAMPLAND, Associated Mobile Estates, and their respective officers, directors, shareholders, partners, employees, agents and attorneys from any wage or compensation claims, workmen's compensation insurance, and payroll taxes, social security taxes and similar taxes of any of Concessionaire's agents, employees or personnel hired or used by Concessionaire in connection with the operation of the Concession contemplated hereby.

7. Quality of Operation

Concessionaire recognizes that CAMPLAND is considered an exclusive, high-quality recreational vehicle park, and

Concessionaire shall operate and maintain the Concession contemplated hereby in such a manner as to ensure that its dealings with the public will be consistent with the operation of the facility as a part of a high-quality recreational vehicle park and conform to the image and reputation of CAMPLAND.

8. No Other Rights

Concessionaire shall not have any other rights by implication or otherwise to provide any other services, conduct any other activities or business at CAMPLAND, other than the business of the Concession as provided for herein.

9. Hours of Operation

Concessionaire shall remain open for operation and stand ready, willing and able to rent out catamarans and windsurfers, and sell miscellaneous items during the following periods and hours throughout the term hereof:

June 15 - September 15: 7 days a week, from 9:00am to 5:00pm.

September 16 - June 14: 9:00am to 5:00pm, weekends only, but not during times of rain, or similar severely adverse weather conditions.

During Campland Holidays: 9:00am to 5:00pm, except during times of rain, or similar severely adverse weather conditions. CAMPLAND holidays shall be such days as are designated by the General Manager at CAMPLAND as holidays.

Concessionaire shall post and advertise its hours of operation and remain open and provide the rental services and facilities contemplated hereby during such hours. The hours so posted or advertised must conform to the requirements of this paragraph. All signs used on or in connection with the Concession shall be subject to the approval of the General Manager of CAMPLAND and shall conform to a design which is consistent with CAMPLAND.

10. Permits and Licenses

Concessionaire shall obtain and maintain (at its sole cost) during the term hereof all necessary permits and licenses and when required or appropriate for the conduct of the Concession and for the construction of the improvements referred to herein.

11. Maintenance

Concessionaire shall, during the term hereof, maintain, repair, refurbish and replenish all equipment, inventory, supplies, furnishings, and facilities, including the exterior and interior portions of the improvements constructed by Concessionaire; any and all fixtures pertaining to the

improvements; the catamarans and windsurfers and shall paint and refurbish the same as may be necessary to present a first class, neat and well-maintained appearance, and to keep in sound, sturdy and sea-worthy condition the catamarans and windsurfers. Concessionaire shall be responsible for beach and building cleanliness from the De Anza CAMPLAND boatramp, to approximately 25 feet east of the improvements to be constructed pursuant hereto in the Designated Area.

12. Use of Name

Use by Concessionaire of the names "De Anza," "De Anza CAMPLAND," "CAMPLAND ON THE BAY," or "Campland," will be limited to directional purposes. The name of California Pacific Catamaran Rental, Inc. will be highlighted in all Concessionaire advertising. Cost of any such advertising shall be the sole responsibility of Concessionaire. Concessionaire shall not utilize the name, trademark or logo type of CAMPLAND or De Anza or publish any information regarding the same without the prior written approval of the General Manager of CAMPLAND. De Anza shall have the right to withdraw any such approval at any time that De Anza, in its sole discretion, determines. The word "advertising" and every derivative thereof, wherever used in this communication with the public, including but not limited to periodicals, newspapers, billboards, leaflets, brochures, television, radio and letters, and direct oral communication and telephone calls utilized on a program basis, engaged directly or indirectly by Concessionaire or its officers, employees, agents, personnel or representatives, or by any independent contractor or other party supplying goods or services to Concessionaire or its officers, employees, agents, personnel or representatives, or by any independent contractor or other party supplying goods or services to Concessionaire or to whom Concessionaire supplies goods and services.

13. Compliance with Law

Concessionaire will not conduct nor permit to be conducted any unlawful business, occupation or activity in the Designated Area and shall at all times comply with all city, county, state and federal laws, ordinances, rules and regulations. Concessionaire's activities and those of its agents, servants, invitees, customers, employees and personnel shall at all times be in keeping with and not inconsistent with or detrimental to any of the operations at CAMPLAND.

14. Payment of Concession Fee

(a) Concessionaire shall pay to De Anza, or its duly designated agent, in such place in San Diego County, California, as may from time to time be fixed by De Anza, as fee for the Concession, a sum equal to twelve percent (12%) of the annual gross sales made in, upon or from the Concession, adjusted on a monthly basis. There shall not be any amounts deducted from "gross sales," including, without limitation, credit card

commissions or discounts incurred in connection with the Concession, except that it is understood that the term "gross sales" shall be exclusive of all taxes added to the regular retail price of any goods, wares, merchandise and services sold or rented out by the Concessionaire at CAMPLAND. Within nine (9) days after the end of each month during the term of this Agreement, Concessionaire shall present to De Anza a statement certified by Concessionaire to be true and correct and showing the gross sales made from the Concession during the preceding month, and Concessionaire shall pay therewith a sum equivalent to the percentage of such gross sales as herein above set forth. In the event Concessionaire engages the services of an independent public accountant for any period, it shall furnish to De Anza statements of all monthly sales for such period certified by such accountant.

(b) Concessionaire covenants that it will regularly keep and maintain complete books of accounts and ledgers, according to an accounting system approved by De Anza which reflects all of the business activities of the Concession and which conforms to the requirements imposed by the City of San Diego in its lease with De Anza. De Anza shall have the right to examine such books and records periodically and at reasonable times. In the event De Anza makes an examination or audit which reveals that actual gross sales exceed the reported gross sales by more than one percent (1%), the cost and expense of such examination or audit shall be fully borne by the Concessionaire and Concessionaire shall, on demand, pay to De Anza any deficiency revealed by such examination or audit plus interest thereon from the due date thereof, at the maximum rate allowed by law. Any willful understatement of gross sales by Concessionaire shall be a cause for termination of this Agreement by De Anza.

(c) All prices to be charged for goods, merchandise, wares and services to be sold or rented by Concessionaire shall be set forth in a schedule that Concessionaire is to deliver to De Anza for its written approval prior to the execution of this Agreement. Any change in that price schedule must be submitted to De Anza in writing for approval prior to its being put into effect by Concessionaire.

15. Maintenance of Logos

Concessionaire agrees to maintain, at Concessionaire's cost, the CAMPLAND logo on the catamaran sails and windsurfer sails rented out by Concessionaire pursuant to this Agreement. Such logos will be supplied by CAMPLAND, however, the cost thereof will be borne by Concessionaire.

16. Termination Without Cause

Either party may terminate this Agreement at any time without cause by giving the other party sixty (60) days written notice of termination. This right of termination shall be in addition to any other right of termination provided for herein.

If this Agreement is terminated by De Anza pursuant to this paragraph, De Anza shall purchase Concessionaire's sails bearing CAMPLAND ON THE BAY logos, at original cost less 1/36 of such cost for every month that has elapsed since the date of purchase.

17. Rules and Regulations of the Park

At all times during the term on this Agreement, Concessionaire shall abide by, carry out and comply with and cause its employees, agents, servants, invitees, customers and personnel to abide by, carry out, and comply with all rules and regulations of CAMPLAND.

18. Termination

This Agreement may be terminated at any time by De Anza in the event of a breach or the failure of Concessionaire to timely and completely perform all of its duties and obligations hereunder. Such termination shall, however, be accompanied by a written notice specifying the particular breach or failure and Concessionaire shall be permitted to cure the same within fifteen (15) days from the date of said notice. In addition to the right to terminate this Agreement, in the event Concessionaire fails to cure the breach or failure specified in the foregoing notice, it shall be liable to De Anza for such damages and be subject to such equitable relief and remedies as may be allowed by a court.

19. Insurance

Before Concessionaire resumes, continues or commences construction of any additional improvements provided for in this Agreement, Concessionaire shall take out and keep in force during the term of this Agreement, at Concessionaire's sole cost and expense, a policy of public liability insurance, property damage and "all risk" insurance and course of construction insurance, with One Million Dollars combined single limit coverage to protect against liability to people or property incident to construction of the improvements and/or resulting in any way from the use of the Designated Area, and/or the conduct or operation of the Concession. In addition, Concessionaire shall take out and keep in force during the term of this Agreement, at Concessionaire's sole expense, in the amount of \$250,000, fire and extended risk coverage, insuring the Designated Area, all improvements, equipment, supplies, inventory, items kept, sold or rented thereon and, if applicable, malpractice coverage for those business activities pertaining to the touching of third parties. CAMPLAND, De Anza, Associated Mobile Estates and the City of San Diego shall be named co-insureds under said insurance. All insurance shall be issued by reputable insurance carriers licensed to transact business in the State of California that are acceptable to De Anza. All policies shall contain a waiver of subrogation against De Anza and Associated Mobile Estates, and shall include by endorsement this Liability for Claims provision and shall not be cancellable by Concessionaire unless De Anza

shall have consented thereto in writing. In the event Concessionaire fails to obtain the required insurance, De Anza may obtain the same and the cost thereof shall be paid by Concessionaire upon demand plus interest thereon from date of payment at the maximum rate allowed by law.

20. Acts of God

Neither party hereto shall be responsible or be deemed in default by reason of any inability to perform its obligations hereto due to acts of God, or the public enemy; by civil war, insurrections or riots; fire, floods, explosions, earthquakes or serious accidents, epidemics or quarantine restriction; any act of government, governmental priorities, allocations, regulations or orders affecting facilities; strikes or labor disputes. In the event the performance by either party of its obligations shall be substantially reduced or prevented due to any such cause for a period of thirty (30) days or more, the Agreement may be terminated upon written notice given by the other party within ten (10) days after the expiration of such thirty (30) day period.

21. Assignment

Concessionaire shall not assign this Agreement or any interest herein without the written consent of De Anza first had and obtained therefor. Any assignment of this Agreement or any interest herein without the prior written consent of De Anza first had and obtained therefor shall be null and void, and shall, at the option of De Anza, terminate this Agreement.

22. Notices

Notice required or permitted hereunder may be delivered by registered mail or personally, addressed to De Anza at:

CAMPLAND ON THE BAY
c/o General Manager
2211 Pacific Beach DRIVE
San Diego, CA 92109-5699

with copy to:

Barry McCabe, President
DE ANZA ASSETS
9171 Wilshire Boulevard, Ste. 627
Beverly Hills, CA 90210

and to Concessionaire at:

CALIFORNIA PACIFIC CATAMARAN RENTAL, INC
2211 Pacific Beach Drive
San Diego, CA 92109

23. Attorneys Fees

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

24. General Provisions

(a) If any term, provision, covenant or condition of this Agreement should be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of this Agreement shall continue in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

(b) The laws of the State of California shall govern the validity, construction and effect of this Agreement. Whenever any words of obligation or duty are used in connection with either party, such words shall have the same force and effect as though framed in the form of express covenants on the part of the party obligated.

(c) It is expressly agreed that there are no oral representations, understandings, stipulations, agreements or promises pertaining to this Agreement not incorporated in writing herein, and it is agreed that this Agreement shall not be altered, waived, amended or extended otherwise than as provided herein, except as may be done in writing signed by the proper authority.

(d) All swimming and other clothing to be worn by employees of Concessionaire for the purpose of this Agreement shall be in keeping with the operation of CAMPLAND by De Anza, and shall be subject to its approval.

25. Indemnity

Concessionaire shall hold free and harmless and indemnify De Anza, Associated Mobile Estates, CAMPLAND, the City of San Diego, their respective officers, directors, shareholders, partners, agents, employees and attorneys from any and all liabilities, claims costs, expenses, and attorneys' fees arising out of or in connection with the operation of the Concession by Concessionaire, its contractors, agents, employees, representatives, customers and invitees.

26. Joint and Several Liability

In order to induce De Anza to grant this Concession to California Pacific Catamaran, Inc., its President, Skip G. Hurwitz, hereby agrees that he will be personally, jointly and

severally liable for all the obligations and undertakings of California Pacific Catamaran, Inc. set forth in this Agreement.

EXECUTED at San Diego, California on the date above written.

DE ANZA CORPORATION

By: 
ASSOCIATED MOBILE ESTATES

By:

Date Signed

9/20/89

CALIFORNIA PACIFIC
CATAMARAN RENTAL, INC.



Campland On the Bay

Exhibit A

Site Plan -

C.A. Pacific Catamaran
Rental Inc.
- Concession
Area

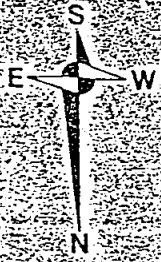
ATTENUATOR

MISSION BAY

DUMPSTATIONS

TRASH CONTAINERS

RESTROOMS/SHOWERS



MISSION BAY

SWIM PLATFORM

BEACH

BOAT RAMP

BOAT RENTALS

MARINA

FISH CLEANING

CATAMARAN STORAGE

WILDLIFE SANCTUARY

GUEST DOCKS

CENTRAL PARK

CAFE
VINE & STEIN
BAYROOM

MARKET &
LAUNDRY

INFORMATION
BOOTH

ADMINISTRATION
BUILDING

ART SECTION

EXIT

GUARD BOOTH

TEMPORARY
STORAGE

POOL & SPA

FRISBEE GOLF COURSE

AMPHITHEATER

PACIFIC BEACH DRIVE

OLNEY

ANNUAL
SLIP RENTALS

PROANE

MAINTENANCE BARN

GUEST BOAT TRAILER PARKING

OUTSIDE STORAGE

DOG WALK

DOG WALK

ROSE CREEK

BOAT HOIST

ANNUAL
SLIP RENTALS

GUEST DOCKS

MISSION BAY

SWIM PLATFORM

BEACH

BOAT RAMP

BOAT RENTALS

MARINA

FISH CLEANING

CATAMARAN STORAGE

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FRISBEE GOLF COURSE

AMPHITHEATER

PACIFIC BEACH DRIVE

OLNEY

CALIFORNIA PACIFIC CATAMARAN RENTAL, INC.

Resale List For Campland On The Bay

- 1) T-Shirts
- 2) Sweatshirts
- 3) Visors
- 4) Hats
- 5) Eyeglass Retainers
- 6) Sunscreen/Suntan Lotions

10/19/88

drk

Campland On the Bay



RECEIVED

OCT 20 1988

PROPERTY DEPT.

2211 Pacific Beach Drive
San Diego, California 92109
Telephone (619) 581-4200

October 14, 1988

Mary Louise Smith, Property Agent
Property Management Division
The City of San Diego
Property Department, Mail Station 51-A
Security Pacific Plaza
1200 Third Avenue, Suite 1700
San Diego, CA 92101

Dear Ms. Smith:

Enclosed is a revised "CONCESSION AGREEMENT". Please note the following changes:

#2 - Grant of License - This paragraph has been revised to include the following sentence: "Concessionaire is prohibited from renting jet skis, wave runners, and other "self-propelled marine vehicles" at CAMPLAND."

Another change within this paragraph is the first sentence which states "During the term hereof, De Anza hereby grants to Concessionaire a license to operate the business of renting catamarans, windsurfers and selling miscellaneous items approved by De Anza and the City of San Diego at Campland..." Attached is a listing of resale items that Campland has approved for our Concessionaire to sell.

If I have forgotten to include any provisions which we discussed last week on the phone, please contact me.

Sincerely,

CAMPALND ON THE BAY

A handwritten signature in black ink, appearing to read "Peter G. Underhill", is written over the typed name.

Peter G. Underhill
General Manager

cc: City of S.D. File
CA PA File
encls: Concession Agreement
Resale List

PGU/dk

CALIFORNIA PACIFIC CATAMARAN RENTAL, INC.

Resale List For Campland On The Bay

- 1) T-Shirts
- 2) Sweatshirts
- 3) Visors
- 4) Hats
- 5) Eyeglass Retainers
- 6) Sunscreen/Suntan Lotions

10/19/88

drk

CONCESSION AGREEMENT

This Agreement made and entered into this 1st day of June, 1988, by and between DE ANZA CORPORATION, a California corporation and ASSOCIATED MOBILE ESTATES (hereinafter sometimes collectively called, "De Anza") and CALIFORNIA PACIFIC CATAMARAN RENTAL, INC. (hereinafter called, "Concessionaire") and SKIP HURWITZ.

WITNESSETH

WHEREAS, De Anza leases from the City of San Diego certain real property located at 2211 Pacific Beach Drive, San Diego, California 92109, improved with a recreational vehicle park known and referred to herein as CAMPLAND.

WHEREAS, Concessionaire is desirous of obtaining the concession for renting out catamarans, windsurfers and selling miscellaneous items approved by De Anza at CAMPLAND.

NOW, THEREFORE, it is hereby covenanted and agreed by the parties as follows:

1. Nature of Agreement

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

2. Grant of License

During the term hereof De Anza hereby grants to Concessionaire a license to operate the business of renting catamarans, windsurfers, and selling miscellaneous items approved by De Anza and the City of San Diego at CAMPLAND (herein sometimes referred to as "Concession") within the area designated pursuant hereto. Concessionaire is prohibited from renting jet skis, wave runners, and other "self-propelled marine vehicles" at CAMPLAND. There is attached as Exhibit "A" hereto a site plan prepared by De Anza clearly delineating that area with CAMPLAND within which the Concessionaire shall maintain its Concession and within which all catamarans and windsurfers are to be launched and returned to the shore, ("Designated Area"). Concessionaire shall abide by said designation.

3. Maintenance of Improvements

Concessionaire shall, at its sole cost and expense, maintain all structures and other improvements, whether personal property or real property, which Concessionaire has caused to be constructed or which Concessionaire uses for or incident to the conduct of its business. The maintenance hereby required of Concessionaire includes but is not limited to cleaning, painting,

repairing and generally maintaining the improvements and surrounding land and water area in conformity with applicable codes, ordinances and laws and in a manner reasonably satisfactory to De Anza. Any such maintenance not performed by Concessionaire may, upon 24 hours notice by De Anza to Concessionaire, be performed by De Anza and charged to Concessionaire at full cost plus 15%; this right of De Anza shall not serve to waive or remedy any breach by Concessionaire of this Agreement by its failure to maintain.

4. Completion fo Construction Lien Fee

Concessionaire hereby agrees to expeditiously proceed with the construction of any improvements approved in advance by De Anza and to complete construction thereof in accordance with the plans and specifications approved by all required governmental entities and De Anza within ten days from the date De Anza approves the plans and specifications for the improvements. Construction shall be completed in a good and workmanlike manner in accordance with all applicable laws, rules and regulations of all governmental agencies having jurisdiction over the construction and free and clear of all liens and encumbrances, mechanics or materialmens liens. The asserion of any mechanics lien, in connection with such improvements shall be a ground for termination of this Agreement. Concessionaire hereby warrants that upon completion of construction there will be no chattel mortgages, mechanics liens, conditional sales contracts, installment contracts or other lien charges or encumbrances caused or suffered by it and arising in connection with the construction of the improvements, agrees to hold CAMPLAND, the City of San Diego, De Anza and Associated Mobile Estates, and their respective officers, directors, shareholders, partners, agents, employees, and attorneys free and harmless from all liens and claims of lien for labor and material, equipment or supplies, or either or all of them, threatened or filed against any of the foregoing from and against all loss, claim, expense and liability in connection therewith, including but not limited to court costs and attorneys' fees resulting or arising therefrom. Should any liens or claims of lien be filed or recorded agains CAMPLAND, the City of San Diego, Associated Mobile Estates, or De Anza, or should De Anza receive notice of any unpaid bill or charge in connection with the construction of the improvements, De Anza may, but shall not be obligated to pay any such bill or claim or charge and shall be entitled to reimbursement upon demand from Concessionaire with interest at the maximum rate allowed by law. Concessionaire shall, at the request of De Anza, furnish to De Anza proper indemnity in connection with such claims, either by satisfactory corporate surety bond, completion bond or otherwise as may be reasonably requested by De Anza. Concessionaire shall notify De Anza in writing at least ten days prior to the commencement of any improvements and shall not interfere with the posting by De Anza of a notice of non-responsibility as defined in Civil Code Section 3094. Concessionaire shall obtain from contractors, laborers, materialmen and suppliers a waiver from them of their claims to mechanics liens in connection with the

improvements.

5. Term

The term of this Agreement will be for a period of one year commencing June 1, 1988. Provided that Concessionaire is not in breach of any of the provisions hereof and has timely and fully performed all of its duties and obligations under this Agreement, Concessionaire shall have two consecutive one-year options to renew this Agreement by giving written notice to De Anza of its election to renew at least sixty (60) days prior to the expiration date of the first and/or second year, as the case may be.

6. Providing of Service

(a) Equipment and Utilities-- Concessionaire shall at all times during the term of this Agreement, at its cost, adequately furnish, stock, and equip the Designated Area and the improvements with a sufficient number of catamarans, windsurfers, miscellaneous items approved in writing by De Anza, and ancillary equipment and supplies so as to meet the demand for the rental and sale thereof. Concessionaire will also be responsible for all costs of installing and providing all utilities, telephones and electricity in connection with the Concession.

(b) Employees-- Concessionaire shall pay all salaries, wages, workmens' compensation insurance, payroll taxes, social security taxes and similar taxes and other compensation of employees, agents and personnel hired in connection with the operation of the Concession contemplated hereby. All such employees and personnel shall be required by Concessionaire to wear approved uniforms conforming to CAMPLAND'S standards and specifications, the costs of acquiring, furnishing and maintaining such uniforms shall be borne by Concessionaire. Concessionaire shall, upon demand by De Anza, discharge any employee found to be unsatisfactory in the discretion of the General Manager of CAMPLAND, (whether or not Concessionaire agrees with the determination). Notwithstanding the foregoing, all agents, employees, or personnel hired or used by Concessionaire shall be deemed its employees and not agents, employees, or personnel of De Anza or CAMPLAND. Concessionaire hereby agrees to hold harmless De Anza, CAMPLAND, Associated Mobile Estates, and their respective officers, directors, shareholders, partners, employees, agents and attorneys from any wage or compensation claims, workmen's compensation insurance, and payroll taxes, social security taxes and similar taxes of any of Concessionaire's agents, employees or personnel hired or used by Concessionaire in connection with the operation of the Concession contemplated hereby.

7. Quality of Operation

Concessionaire recognizes that CAMPLAND is considered an exclusive, high-quality recreational vehicle park, and

Concessionaire shall operate and maintain the Concession contemplated hereby in such a manner as to ensure that its dealings with the public will be consistent with the operation of the facility as a part of a high-quality recreational vehicle park and conform to the image and reputation of CAMPLAND.

8. No Other Rights

Concessionaire shall not have any other rights by implication or otherwise to provide any other services, conduct any other activities or business at CAMPLAND, other than the business of the Concession as provided for herein.

9. Hours of Operation

Concessionaire shall remain open for operation and stand ready, willing and able to rent out catamarans and windsurfers, and sell miscellaneous items during the following periods and hours throughout the term hereof:

June 15 - September 15: 7 days a week, from 9:00am to 5:00pm.

September 16 - June 14: 9:00am to 5:00pm; weekends only, but not during times of rain, or similar severely adverse weather conditions.

During Campland Holidays: 9:00am to 5:00pm, except during times of rain, or similar severely adverse weather conditions. CAMPLAND holidays shall be such days as are designated by the General Manager at CAMPLAND as holidays.

Concessionaire shall post and advertise its hours of operation and remain open and provide the rental services and facilities contemplated hereby during such hours. The hours so posted or advertised must conform to the requirements of this paragraph. All signs used on or in connection with the Concession shall be subject to the approval of the General Manager of CAMPLAND and shall conform to a design which is consistent with CAMPLAND.

10. Permits and Licenses

Concessionaire shall obtain and maintain (at its sole cost) during the term hereof all necessary permits and licenses and when required or appropriate for the conduct of the Concession and for the construction of the improvements referred to herein.

11. Maintenance

Concessionaire shall, during the term hereof, maintain, repair, refurbish and replenish all equipment, inventory, supplies, furnishings, and facilities, including the exterior and interior portions of the improvements constructed by Concessionaire; any and all fixtures pertaining to the

improvements; the catamarans and windsurfers and shall paint and refurbish the same as may be necessary to present a first class, neat and well-maintained appearance, and to keep in sound, sturdy and sea-worthy condition the catamarans and windsurfers. Concessionaire shall be responsible for beach and building cleanliness from the De Anza CAMPLAND boatramp, to approximately 25 feet east of the improvements to be constructed pursuant hereto in the Designated Area.

12. Use of Name

Use by Concessionaire of the names "De Anza," "De Anza CAMPLAND," "CAMPLAND ON THE BAY," or "Campland," will be limited to directional purposes. The name of California Pacific Catamaran Rental, Inc. will be highlighted in all Concessionaire advertising. Cost of any such advertising shall be the sole responsibility of Concessionaire. Concessionaire shall not utilize the name, trademark or logo type of CAMPLAND or De Anza or publish any information regarding the same without the prior written approval of the General Manager of CAMPLAND. De Anza shall have the right to withdraw any such approval at any time that De Anza, in its sole discretion, determines. The word "advertising" and every derivative thereof, wherever used in this communication with the public, including but not limited to periodicals, newspapers, billboards, leaflets, brochures, television, radio and letters, and direct oral communication and telephone calls utilized on a program basis, engaged directly or indirectly by Concessionaire or its officers, employees, agents, personnel or representatives, or by any independent contractor or other party supplying goods or services to Concessionaire or its officers, employees, agents, personnel or representatives, or by any independent contractor or other party supplying goods or services to Concessionaire or to whom Concessionaire supplies goods and services.

13. Compliance with Law

Concessionaire will not conduct nor permit to be conducted any unlawful business, occupation or activity in the Designated Area and shall at all times comply with all city, county, state and federal laws, ordinances, rules and regulations. Concessionaire's activities and those of its agents, servants, invitees, customers, employees and personnel shall at all times be in keeping with and not inconsistent with or detrimental to any of the operations at CAMPLAND.

14. Payment of Concession Fee

(a) Concessionaire shall pay to De Anza, or its duly designated agent, in such place in San Diego County, California, as may from time to time be fixed by De Anza, as fee for the Concession, a sum equal to twelve percent (12%) of the annual gross sales made in, upon or from the Concession, adjusted on a monthly basis. There shall not be any amounts deducted from "gross sales," including, without limitation, credit card

commissions or discounts incurred in connection with the Concession, except that it is understood that the term "gross sales" shall be exclusive of all taxes added to the regular retail price of any goods, wares, merchandise and services sold or rented out by the Concessionaire at CAMPLAND. Within nine (9) days after the end of each month during the term of this Agreement, Concessionaire shall present to De Anza a statement certified by Concessionaire to be true and correct and showing the gross sales made from the Concession during the preceding month, and Concessionaire shall pay therewith a sum equivalent to the percentage of such gross sales as herein above set forth. In the event Concessionaire engages the services of an independent public accountant for any period, it shall furnish to De Anza statements of all monthly sales for such period certified by such accountant.

(b) Concessionaire covenants that it will regularly keep and maintain complete books of accounts and ledgers, according to an accounting system approved by De Anza which reflects all of the business activities of the Concession and which conforms to the requirements imposed by the City of San Diego in its lease with De Anza. De Anza shall have the right to examine such books and records periodically and at reasonable times. In the event De Anza makes an examination or audit which reveals that actual gross sales exceed the reported gross sales by more than one percent (1%), the cost and expense of such examination or audit shall be fully borne by the Concessionaire and Concessionaire shall, on demand, pay to De Anza any deficiency revealed by such examination or audit plus interest thereon from the due date thereof, at the maximum rate allowed by law. Any willful understatement of gross sales by Concessionaire shall be a cause for termination of this Agreement by De Anza.

(c) All prices to be charged for goods, merchandise, wares and services to be sold or rented by Concessionaire shall be set forth in a schedule that Concessionaire is to deliver to De Anza for its written approval prior to the execution of this Agreement. Any change in that price schedule must be submitted to De Anza in writing for approval prior to its being put into effect by Concessionaire.

15. Maintenance of Logos

Concessionaire agrees to maintain, at Concessionaire's cost, the CAMPLAND logo on the catamaran sails and windsurfer sails rented out by Concessionaire pursuant to this Agreement. Such logos will be supplied by CAMPLAND, however, the cost thereof will be borne by Concessionaire.

16. Termination Without Cause

Either party may terminate this Agreement at any time without cause by giving the other party sixty (60) days written notice of termination. This right of termination shall be in addition to any other right of termination provided for herein.

If this Agreement is terminated by De Anza pursuant to this paragraph, De Anza shall purchase Concessionaire's sails bearing CAMPLAND ON THE BAY logos, at original cost less 1/36 of such cost for every month that has elapsed since the date of purchase.

17. Rules and Regulations of the Park

At all times during the term on this Agreement, Concessionaire shall abide by, carry out and comply with and cause its employees, agents, servants, invitees, customers and personnel to abide by, carry out, and comply with all rules and regulations of CAMPLAND.

18. Termination

This Agreement may be terminated at any time by De Anza in the event of a breach or the failure of Concessionaire to timely and completely perform all of its duties and obligations hereunder. Such termination shall, however, be accompanied by a written notice specifying the particular breach or failure and Concessionaire shall be permitted to cure the same within fifteen (15) days from the date of said notice. In addition to the right to terminate this Agreement, in the event Concessionaire fails to cure the breach or failure specified in the foregoing notice, it shall be liable to De Anza for such damages and be subject to such equitable relief and remedies as may be allowed by a court.

19. Insurance

Before Concessionaire resumes, continues or commences construction of any additional improvements provided for in this Agreement, Concessionaire shall take out and keep in force during the term of this Agreement, at Concessionaire's sole cost and expense, a policy of public liability insurance, property damage and "all risk" insurance and course of construction insurance, with One Million Dollars combined single limit coverage to protect against liability to people or property incident to construction of the improvements and/or resulting in any way from the use of the Designated Area, and/or the conduct or operation of the Concession. In addition, Concessionaire shall take out and keep in force during the term of this Agreement, at Concessionaire's sole expense, in the amount of \$250,000, fire and extended risk coverage, insuring the Designated Area, all improvements, equipment, supplies, inventory, items kept, sold or rented thereon and, if applicable, malpractice coverage for those business activities pertaining to the touching of third parties. CAMPLAND, De Anza, Associated Mobile Estates and the City of San Diego shall be named co-insureds under said insurance. All insurance shall be issued by reputable insurance carriers licensed to transact business in the State of California that are acceptable to De Anza. All policies shall contain a waiver of subrogation against De Anza and Associated Mobile Estates, and shall include by endorsement this Liability for Claims provision and shall not be cancellable by Concessionaire unless De Anza

shall have consented thereto in writing. In the event Concessionaire fails to obtain the required insurance, De Anza may obtain the same and the cost thereof shall be paid by Concessionaire upon demand plus interest thereon from date of payment at the maximum rate allowed by law.

20. Acts of God

Neither party hereto shall be responsible or be deemed in default by reason of any inability to perform its obligations hereto due to acts of God, or the public enemy; by civil war, insurrections or riots; fire, floods, explosions, earthquakes or serious accidents, epidemics or quarantine restriction; any act of government, governmental priorities, allocations, regulations or orders affecting facilities; strikes or labor disputes. In the event the performance by either party of its obligations shall be substantially reduced or prevented due to any such cause for a period of thirty (30) days or more, the Agreement may be terminated upon written notice given by the other party within ten (10) days after the expiration of such thirty (30) day period.

21. Assignment

Concessionaire shall not assign this Agreement or any interest herein without the written consent of De Anza first had and obtained therefor. Any assignment of this Agreement or any interest herein without the prior written consent of De Anza first had and obtained therefor shall be null and void, and shall, at the option of De Anza, terminate this Agreement.

22. Notices

Notice required or permitted hereunder may be delivered by registered mail or personally, addressed to De Anza at:

CAMPLAND ON THE BAY
c/o General Manager
2211 Pacific Beach DRIVE
San Diego, CA 92109

with copy to:

Barry McCabe, President
DE ANZA ASSETS
9171 Wilshire Boulevard, Ste. 627
Beverly Hills, CA 90210

and to Concessionaire at:

CALIFORNIA PACIFIC CATAMARAN RENTAL, INC
2211 Pacific Beach Drive
San Diego, CA 92109

23. Attorneys Fees

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

24. General Provisions

(a) If any term, provision, covenant or condition of this Agreement should be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of this Agreement shall continue in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

(b) The laws of the State of California shall govern the validity, construction and effect of this Agreement. Whenever any words of obligation or duty are used in connection with either party, such words shall have the same force and effect as though framed in the form of express covenants on the part of the party obligated.

(c) It is expressly agreed that there are no oral representations, understandings, stipulations, agreements or promises pertaining to this Agreement not incorporated in writing herein, and it is agreed that this Agreement shall not be altered, waived, amended or extended otherwise than as provided herein, except as may be done in writing signed by the proper authority.

(d) All swimming and other clothing to be worn by employees of Concessionaire for the purpose of this Agreement shall be in keeping with the operation of CAMPLAND by De Anza, and shall be subject to its approval.

25. Indemnity

Concessionaire shall hold free and harmless and indemnify De Anza, Associated Mobile Estates, CAMPLAND, the City of San Diego, their respective officers, directors, shareholders, partners, agents, employees and attorneys from any and all liabilities, claims costs, expenses, and attorneys' fees arising out of or in connection with the operation of the Concession by Concessionaire, its contractors, agents, employees, representatives, customers and invitees.

26. Joint and Several Liability

In order to induce De Anza to grant this Concession to California Pacific Catamaran, Inc., its President, Skip G. Hurwitz, hereby agrees that he will be personally, jointly and

severally liable for all the obligations and undertakings of California Pacific Catamaran, Inc. set forth in this Agreement.
EXECUTED at San Diego, California on the date above written.

DE ANZA CORPORATION

By: *Pd. Und*

ASSOCIATED MOBILE ESTATES

By:

W. G. H. H. H.

**CALIFORNIA PACIFIC
CATAMARAN RENTAL, INC.**

Date Signed: *OCTOBER 14, 1988*

President

**Campland
On the Bay**



RECEIVED

OCT 03 1988

PROPERTY DEPT.

2211 Pacific Beach Drive
San Diego, California 92109
Telephone (619) 581-4200

September 29, 1988

Mary Louise Smith, Property Agent
Property Management Division
The City of San Diego
Property Department, Mail Station 51-A
Security Pacific Plaza
1200 Third Avenue, Suite 1700
San Diego, CA 92101

Dear Ms. Smith:

Attached please find Exhibit A which should be attached to the Concession Agreement between De Anza Corporation and California Pacific Catamaran Rental, Inc.

Thanks for your help. Please contact me if necessary.

Sincerely,

CAMPLAND ON THE BAY

A handwritten signature in black ink, appearing to read "Peter G. Underhill". The signature is written in a cursive, flowing style with a long horizontal line extending to the right.

Peter G. Underhill
General Manager

cc: City of S.D. File
Cal Pac Cat Rental File

attachment

PGU/dk

CONCESSION AGREEMENT

This Agreement made and entered into this 1st day of June, 1987, ^{8/21} by and between DE ANZA CORPORATION, a California corporation and ASSOCIATED MOBILE ESTATES (hereinafter sometimes collectively called, "De Anza") and CALIFORNIA PACIFIC CATAMARAN RENTAL, INC. (hereinafter called, "Concessionaire") and SKIP HURWITZ.

WITNESSETH

WHEREAS, De Anza leases from the City of San Diego certain real property located at 2211 Pacific Beach Drive, San Diego, California 92109, improved with a recreational vehicle park known and referred to herein as CAMPLAND.

WHEREAS, Concessionaire is desirous of obtaining the concession for renting out catamarans, windsurfers and selling miscellaneous items approved by De Anza at CAMPLAND. ^{USA5}

NOW, THEREFORE, it is hereby covenanted and agreed by the parties as follows:

1. Nature of Agreement

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

2. Grant of License

During the term hereof De Anza hereby grants to Concessionaire a license to operate the business of renting catamarans, windsurfers and selling miscellaneous approved items at CAMPLAND (herein sometimes referred to as "Concession") within the area designated pursuant hereto. There is attached as Exhibit "A" hereto a site plan prepared by De Anza clearly delineating that area with CAMPLAND within which the Concessionaire shall maintain its Concession and within which all catamarans and windsurfers are to be launched and returned to the shore, ("Designated Area"). Concessionaire shall abide by said designation. X

3. Maintenance of Improvements

Concessionaire shall, at its sole cost and expense, maintain all structures and other improvements, whether personal property or real property, which Concessionaire has caused to be constructed or which Concessionaire uses for or incident to the conduct of its business. The maintenance hereby required of Concessionaire includes but is not limited to cleaning, painting, repairing and generally maintaining the improvements and surrounding land and water area in conformity with applicable

codes, ordinances and laws and in a manner reasonably satisfactory to De Anza. Any such maintenance not performed by Concessionaire may, upon 24 hours notice by De Anza to Concessionaire, be performed by De Anza and charged to Concessionaire at full cost plus 15%; this right of De Anza shall not serve to waive or remedy any breach by Concessionaire of this Agreement by its failure to maintain.

4. Completion fo Construction Lien Fee

Concessionaire hereby agrees to expeditiously proceed with the construction of any improvements approved in advance by De Anza and to complete construction thereof in accordance with the plans and specifications approved by all required governmental entities and De Anza within ten days from the date De Anza approves the plans and specifications for the improvements. Construction shall be completed in a good and workmanlike manner in accordance with all applicable laws, rules and regulations of all governmental agencies having jurisdiction over the construction and free and clear of all liens and encumbrances, mechanics or materialmens liens. The asserion of any mechanics lien, in connection with such improvements shall be a ground for termination of this Agreement. Concessionaire hereby warrants that upon completion of construction there will be no chattel mortgages, mechanics liens, conditional sales contracts, installment contracts or other lien charges or encumbrances caused or suffered by it and arising in connection with the construction of the improvements, agrees to hold CAMPLAND, the City of San Diego, De Anza and Associated Mobile Estates, and their respective officers, directors, shareholders, partners, agents, employees, and attorneys free and harmless from all liens and claims of lien for labor and material, equipment or supplies, or either or all of them, threatened or filed against any of the foregoing from and against all loss, claim, expense and liability in connection therewith, including but not limited to court costs and attorneys' fees resulting or arising therefrom. Should any liens or claims of lien be filed or recorded agains CAMPLAND, the City of San Diego, Associated Mobile Estates, or De Anza, or should De Anza receive notice of any unpaid bill or charge in connection with the construction of the improvements, De Anza may, but shall not be obligated to pay any such bill or claim or charge and shall be entitled to reimbursement upon demand from Concessionaire with interest at the maximum rate allowed by law. Concessionaire shall, at the request of De Anza, furnish to De Anza proper indemnity in connection with such claims, either by satisfactory corporate surety bond, completion bond or otherwise as may be reasonably requested by De Anza. Concessionaire shall notify De Anza in writing at least ten days prior to the commencement of any improvements and shall not interfere with the posting by De Anza of a notice of non-responsibility as defined in Civil Code Section 3094. Concessionaire shall obtain from contractors, laborers, materialmen and suppliers a waiver from them of their claims to mechanics liens in connection with the improvements.

5. Term

The term of this Agreement will be for a period of one year commencing June 1, 1988. Provided that Concessionaire is not in breach of any of the provisions hereof and has timely and fully performed all of its duties and obligations under this Agreement, Concessionaire shall have two consecutive one-year options to renew this Agreement by giving written notice to De Anza of its election to renew at least sixty (60) days prior to the expiration date of the first and/or second year, as the case may be.

6. Providing of Service

(a) Equipment and Utilities-- Concessionaire shall at all times during the term of this Agreement, at its cost, adequately furnish, stock, and equip the Designated Area and the improvements with a sufficient number of catamarans, windsurfers, miscellaneous items approved in writing by De Anza, and ancillary equipment and supplies so as to meet the demand for the rental and sale thereof. Concessionaire will also be responsible for all costs of installing and providing all utilities, telephones and electricity in connection with the Concession.

(b) Employees-- Concessionaire shall pay all salaries, wages, workmens' compensation insurance, payroll taxes, social security taxes and similar taxes and other compensation of employees, agents and personnel hired in connection with the operation of the Concession contemplated hereby. All such employees and personnel shall be required by Concessionaire to wear approved uniforms conforming to CAMPLAND'S standards and specifications, the costs of acquiring, furnishing and maintaining such uniforms shall be borne by Concessionaire. Concessionaire shall, upon demand by De Anza, discharge any employee found to be unsatisfactory in the discretion of the General Manager of CAMPLAND, (whether or not Concessionaire agrees with the determination). Notwithstanding the foregoing, all agents, employees, or personnel hired or used by Concessionaire shall be deemed its employees and not agents, employees, or personnel of De Anza or CAMPLAND. Concessionaire hereby agrees to hold harmless De Anza, CAMPLAND, Associated Mobile Estates, and their respective officers, directors, shareholders, partners, employees, agents and attorneys from any wage or compensation claims, workmen's compensation insurance, and payroll taxes, social security taxes and similar taxes of any of Concessionaire's agents, employees or personnel hired or used by Concessionaire in connection with the operation of the Concession contemplated hereby.

7. Quality of Operation

Concessionaire recognizes that CAMPLAND is considered an exclusive, high-quality recreational vehicle park, and Concessionaire shall operate and maintain the Concession contemplated hereby in such a manner as to ensure that its

dealings with the public will be consistent with the operation of the facility as a part of a high-quality recreational vehicle park and conform to the image and reputation of CAMPLAND.

8. No Other Rights

Concessionaire shall not have any other rights by implication or otherwise to provide any other services, conduct any other activities or business at CAMPLAND, other than the business of the Concession as provided for herein.

9. Hours of Operation

Concessionaire shall remain open for operation and stand ready, willing and able to rent out catamarans and windsurfers, and sell miscellaneous items during the following periods and hours throughout the term hereof:

June 15 - September 15: 7 days a week, from 9:00am to 5:00pm.

September 16 - June 14: 9:00am to 5:00pm, weekends only, but not during times of rain, or similar severely adverse weather conditions.

During Campland Holidays: 9:00am to 5:00pm, except during times of rain, or similar severely adverse weather conditions. CAMPLAND holidays shall be such days as are designated by the General Manager at CAMPLAND as holidays.

Concessionaire shall post and advertise its hours of operation and remain open and provide the rental services and facilities contemplated hereby during such hours. The hours so posted or advertised must conform to the requirements of this paragraph. All signs used on or in connection with the Concession shall be subject to the approval of the General Manager of CAMPLAND and shall conform to a design which is consistent with CAMPLAND.

signs?

10. Permits and Licenses

Concessionaire shall obtain and maintain (at its sole cost) during the term hereof all necessary permits and licenses and when required or appropriate for the conduct of the Concession and for the construction of the improvements referred to herein.

11. Maintenance

Concessionaire shall, during the term hereof, maintain, repair, refurbish and replenish all equipment, inventory, supplies, furnishings, and facilities, including the exterior and interior portions of the improvements constructed by Concessionaire; any and all fixtures pertaining to the improvements; the catamarans and windsurfers and shall paint and refurbish the same as may be necessary to present a first class,

X

neat and well-maintained appearance, and to keep in sound, sturdy and sea-worthy condition the catamarans and windsurfers. Concessionaire shall be responsible for beach and building cleanliness from the De Anza CAMPLAND boatramp, to approximately 25 feet east of the improvements to be constructed pursuant hereto in the Designated Area.

12. Use of Name

Use by Concessionaire of the names "De Anza," "De Anza CAMPLAND," "CAMPLAND ON THE BAY," or "Campland," will be limited to directional purposes. The name of California Pacific Catamaran Rental, Inc. will be highlighted in all Concessionaire advertising. Cost of any such advertising shall be the sole responsibility of Concessionaire. Concessionaire shall not utilize the name, trademark or logo type of CAMPLAND or De Anza or publish any information regarding the same without the prior written approval of the General Manager of CAMPLAND. De Anza shall have the right to withdraw any such approval at any time that De Anza, in its sole discretion, determines. The word "advertising" and every derivative thereof, wherever used in this communication with the public, including but not limited to periodicals, newspapers, billboards, leaflets, brochures, television, radio and letters, and direct oral communication and telephone calls utilized on a program basis, engaged directly or indirectly by Concessionaire or its officers, employees, agents, personnel or representatives, or by any independent contractor or other party supplying goods or services to Concessionaire or its officers, employees, agents, personnel or representatives, or by any independent contractor or other party supplying goods or services to Concessionaire or to whom Concessionaire supplies goods and services.

13. Compliance with Law

Concessionaire will not conduct nor permit to be conducted any unlawful business, occupation or activity in the Designated Area and shall at all times comply with all city, county, state and federal laws, ordinances, rules and regulations. Concessionaire's activities and those of its agents, servants, invitees, customers, employees and personnel shall at all times be in keeping with and not inconsistent with or detrimental to any of the operations at CAMPLAND.

14. Payment of Concession Fee

(a) Concessionaire shall pay to De Anza, or its duly designated agent, in such place in San Diego County, California, as may from time to time be fixed by De Anza, as fee for the Concession, a sum equal to twelve percent (12%) of the annual gross sales made in, upon or from the Concession, adjusted on a monthly basis. There shall not be any amounts deducted from "gross sales," including, without limitation, credit card commissions or discounts incurred in connection with the Concession, except that it is understood that the term "gross

sales" shall be exclusive of all taxes added to the regular retail price of any goods, wares, merchandise and services sold or rented out by the Concessionaire at CAMPLAND. Within nine (9) days after the end of each month during the term of this Agreement, Concessionaire shall present to De Anza a statement certified by Concessionaire to be true and correct and showing the gross sales made from the Concession during the preceding month, and Concessionaire shall pay therewith a sum equivalent to the percentage of such gross sales as herein above set forth. In the event Concessionaire engages the services of an independent public accountant for any period, it shall furnish to De Anza statements of all monthly sales for such period certified by such accountant.

(b) Concessionaire covenants that it will regularly keep and maintain complete books of accounts and ledgers, according to an accounting system approved by De Anza which reflects all of the business activities of the Concession and which conforms to the requirements imposed by the City of San Diego in its lease with De Anza. De Anza shall have the right to examine such books and records periodically and at reasonable times. In the event De Anza makes an examination or audit which reveals that actual gross sales exceed the reported gross sales by more than one percent (1%), the cost and expense of such examination or audit shall be fully borne by the Concessionaire and Concessionaire shall, on demand, pay to De Anza any deficiency revealed by such examination or audit plus interest thereon from the due date thereof, at the maximum rate allowed by law. Any willful understatement of gross sales by Concessionaire shall be a cause for termination of this Agreement by De Anza.

(c) All prices to be charged for goods, merchandise, wares and services to be sold or rented by Concessionaire shall be set forth in a schedule that Concessionaire is to deliver to De Anza for its written approval prior to the execution of this Agreement. Any change in that price schedule must be submitted to De Anza in writing for approval prior to its being put into effect by Concessionaire.

15. Maintenance of Logos

Concessionaire agrees to maintain, at Concessionaire's cost, the CAMPLAND logo on the catamaran sails and windsurfer sails rented out by Concessionaire pursuant to this Agreement. Such logos will be supplied by CAMPLAND, however, the cost thereof will be borne by Concessionaire.

16. Termination Without Cause

Either party may terminate this Agreement at any time without cause by giving the other party sixty (60) days written notice of termination. This right of termination shall be in addition to any other right of termination provided for herein. If this Agreement is terminated by De Anza pursuant to this paragraph, De Anza shall purchase Concessionaire's sails bearing

CAMPLAND ON THE BAY logos, at original cost less 1/36 of such cost for every month that has elapsed since the date of purchase.

17. Rules and Regulations of the Park

At all times during the term on this Agreement, Concessionaire shall abide by, carry out and comply with and cause its employees, agents, servants, invitees, customers and personnel to abide by, carry out, and comply with all rules and regulations of CAMPLAND.

18. Termination

This Agreement may be terminated at any time by De Anza in the event of a breach or the failure of Concessionaire to timely and completely perform all of its duties and obligations hereunder. Such termination shall, however, be accompanied by a written notice specifying the particular breach or failure and Concessionaire shall be permitted to cure the same within fifteen (15) days from the date of said notice. In addition to the right to terminate this Agreement, in the event Concessionaire fails to cure the breach or failure specified in the foregoing notice, it shall be liable to De Anza for such damages and be subject to such equitable relief and remedies as may be allowed by a court.

19. Insurance

Before Concessionaire resumes, continues or commences construction of any additional improvements provided for in this Agreement, Concessionaire shall take out and keep in force during the term of this Agreement, at Concessionaire's sole cost and expense, a policy of public liability insurance, property damage and "all risk" insurance and course of construction insurance, with One Million Dollars combined single limit coverage to protect against liability to people or property incident to construction of the improvements and/or resulting in any way from the use of the Designated Area, and/or the conduct or operation of the Concession. In addition, Concessionaire shall take out and keep in force during the term of this Agreement, at Concessionaire's sole expense, in the amount of \$250,000, fire and extended risk coverage, insuring the Designated Area, all improvements, equipment, supplies, inventory, items kept, sold or rented thereon and, if applicable, malpractice coverage for those business activities pertaining to the touching of third parties, CAMPLAND, De Anza, Associated Mobile Estates and the City of San Diego shall be named co-insureds under said insurance. All insurance shall be issued by reputable insurance carriers licensed to transact business in the State of California that are acceptable to De Anza. All policies shall contain a waiver of subrogation against De Anza and Associated Mobile Estates, and shall include by endorsement this Liability for Claims provision and shall not be cancellable by Concessionaire unless De Anza shall have consented thereto in writing. In the event Concessionaire fails to obtain the required insurance, De Anza

may obtain the same and the cost thereof shall be paid by Concessionaire upon demand plus interest thereon from date of payment at the maximum rate allowed by law.

20. Acts of God

Neither party hereto shall be responsible or be deemed in default by reason of any inability to perform its obligations hereto due to acts of God, or the public enemy; by civil war, insurrections or riots; fire, floods, explosions, earthquakes or serious accidents, epidemics or quarantine restriction; any act of government, governmental priorities, allocations, regulations or orders affecting facilities; strikes or labor disputes. In the event the performance by either party of its obligations shall be substantially reduced or prevented due to any such cause for a period of thirty (30) days or more, the Agreement may be terminated upon written notice given by the other party within ten (10) days after the expiration of such thirty (30) day period.

21. Assignment

Concessionaire shall not assign this Agreement or any interest herein without the written consent of De Anza first had and obtained therefor. Any assignment of this Agreement or any interest herein without the prior written consent of De Anza first had and obtained therefor shall be null and void, and shall, at the option of De Anza, terminate this Agreement.

22. Notices

Notice required or permitted hereunder may be delivered by registered mail or personally, addressed to De Anza at:

CAMPLAND ON THE BAY
c/o General Manager
2211 Pacific Beach DRIVE
San Diego, CA 92109

with copy to:

Barry McCabe, President
DE ANZA ASSETS
9171 Wilshire Boulevard, Ste. 627
Beverly Hills, CA 90210

and to Concessionaire at:

CALIFORNIA PACIFIC CATAMARAN RENTAL, INC
2211 Pacific Beach Drive
San Diego, CA 92109

23. Attorneys Fees

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

24. General Provisions

(a) If any term, provision, covenant or condition of this Agreement should be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of this Agreement shall continue in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

(b) The laws of the State of California shall govern the validity, construction and effect of this Agreement. Whenever any words of obligation or duty are used in connection with either party, such words shall have the same force and effect as though framed in the form of express covenants on the part of the party obligated.

(c) It is expressly agreed that there are no oral representations, understandings, stipulations, agreements or promises pertaining to this Agreement not incorporated in writing herein, and it is agreed that this Agreement shall not be altered, waived, amended or extended otherwise than as provided herein, except as may be done in writing signed by the proper authority.

(d) All swimming and other clothing to be worn by employees of Concessionaire for the purpose of this Agreement shall be in keeping with the operation of CAMPLAND by De Anza, and shall be subject to its approval.

25. Indemnity

Concessionaire shall hold free and harmless and indemnity De Anza, Associated Mobile Estates, CAMPLAND, the City of San Diego, their respective officers, directors, shareholders, partners, agents, employees and attorneys from any and all liabilities, claims costs, expenses, and attorneys' fees arising out of or in connection with the operation of the Concession by Concessionaire, its contractors, agents, employees, representatives, customers and invitees.

26. Joint and Several Liability

In order to induce De Anza to grant this Concession to California Pacific Catamaran, Inc., its President, Skip G. Hurwitz, hereby agrees that he will be personally, jointly and severally liable for all the obligations and undertakings of California Pacific Catamaran, Inc. set forth in this Agreement.

EXECUTED at San Diego, California on the date above written.

DE ANZA CORPORATION

By: *Pats Mnd* 9/19/88

ASSOCIATED MOBILE ESTATES

By:

Steve G. Humm

CALIFORNIA PACIFIC
CATAMARAN RENTAL, INC.

President

Date Signed 9/19/88

CONSENT TO SUBLEASE AGREEMENT

The City of San Diego (CITY), as LESSOR under that certain Lease Agreement (Master Lease) entered into with

ASSOCIATED MOBILE ESTATES

(LESSEE) and filed in the Office of the City Clerk as Document 723339, hereby consents to that certain Sublease Agreement between the above LESSEE (SUBLESSOR) and

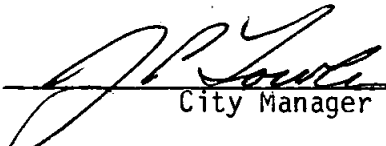
PACIFIC BEACH SKI AND SPORT, INC.

(SUBLESSEE) dated February 9, 1984. Said Sublease shall be subordinate to the Master Lease in all respects. The CITY is merely approving the SUBLESSEE and the proposed use, and that all terms and conditions of the Master Lease shall control and supersede any inconsistent or contrary provisions in the Sublease. The CITY is not bound by any term or condition in the Sublease which in any way conflicts with or is additional to the provisions of the Master Lease. In addition, this consent is subject to the following conditions: (If none, write "none.")

None

THE CITY OF SAN DIEGO

Dated 4-24-84

By 
City Manager

APPROVED AS TO FORM:

JOHN W. WITT, CITY ATTORNEY

Dated 4/19/84

By 
Deputy

RJC:mh(1)D6
4/17/84

CONCESSION AGREEMENT

This Agreement made and entered into this 9th day of February, 1984 by and between DE ANZA CORPORATION, a California corporation and ASSOCIATED MOBILE ESTATES (hereinafter sometimes collectively called "DeAnza") and PACIFIC BEACH SKI AND SPORT, INC. (hereinafter called "Concessionaire") and RON MILLER.

WITNESSETH:

WHEREAS, DeAnza leases from the City of San Diego certain real property located at 2211 Pacific Beach, San Diego, California 92109, improved with a recreational vehicle park known and referred to herein as Campland;

WHEREAS, Concessionaire is desirous of obtaining a concession for a boutique for the sale of clothing and miscellaneous items approved by DeAnza at Campland;

NOW, THEREFORE, it is hereby covenanted and agreed by the parties as follows:

1. Nature of Agreement.

This Agreement confers a license on the Concessionaire to use that portion of the Campland property as is described herein for the purposes of this Agreement. This Agreement does not constitute a lease of premises.

2. Grant of License.

During the term hereof DeAnza hereby grants to Concessionaire a license to operate the business of selling swimming suits, sport and recreational clothing and miscellaneous approved items at Campland (herein sometimes referred to as the "Concession") within the area designated pursuant hereto. There is attached as Exhibit "A" hereto a site plan prepared by DeAnza clearly delineating that area within Campland within which the Concessionaire shall maintain its Concession, ("Designated Area"). Concessionaire shall abide by said designation.

3. Maintenance of Improvements.

Concessionaire shall, at its sole cost and expense, maintain all structures and other improvements, whether personal property or real property, which Concessionaire has caused to be constructed or which Concessionaire uses for or incident to the conduct of its business. The maintenance hereby required of Concessionaire includes but is not limited to cleaning, painting, repairing and generally maintaining the improvements and surrounding area in conformity with applicable codes, ordinances and laws

and in a manner reasonably satisfactory to DeAnza. Any such maintenance not performed by Concessionaire may, upon 24 hours notice by DeAnza to Concessionaire, be performed by DeAnza and charged to Concessionaire at full cost plus 15%; this right of DeAnza shall not serve to waive or remedy any breach by Concessionaire of this Agreement by its failure to maintain.

4. Completion of Construction Lien Free.

Concessionaire hereby agrees to expeditiously proceed with the construction of any improvements approved in advance by DeAnza and to complete construction thereof in accordance with the plans and specifications approved by all required governmental entities and DeAnza within ten days from the date DeAnza approves the plans and specifications for the improvements. Construction shall be completed in a good and workmanlike manner in accordance with all applicable laws, rules and regulations of all governmental agencies having jurisdiction over the construction and free and clear of all liens and encumbrances, mechanics or materialmens liens. The assertion of any mechanics lien in connection with such improvements shall be a ground for termination of this Agreement. Concessionaire hereby warrants that upon completion of construction there will be no chattel mortgages, mechanics liens, conditional sales contracts, installment contracts or other lien charges or encumbrances caused or suffered by it and arising in connection with the construction of the improvements. Concessionaire agrees to promptly pay all bills and charges for material, labor, services and equipment incurred in connection with or arising out of the construction of the improvements, agrees to hold Campland, the City of San Diego, DeAnza and Associated Mobile Estates, and their respective officers, directors, shareholders, partners, agents, employees, and attorneys free and harmless from all liens and claims of lien for labor and material, equipment or supplies, or either or all of them, threatened or filed against any of the foregoing, from and against all loss, claim, expense and liability in connection therewith, including but not limited to court costs and attorneys' fees resulting or arising therefrom. Should any liens or claims of lien be filed or recorded against Campland, the City of San Diego, Associated Mobile Estates, or DeAnza, or should DeAnza receive notice of any unpaid bill or charge in connection with the construction of the improvements, DeAnza may, but shall not be obligated to, pay any such bill or claim or charge and shall be entitled to reimbursement upon demand from Concessionaire with interest at the maximum rate allowed by law. Concessionaire shall, at the request of DeAnza, furnish to DeAnza proper indemnity in connection with such claims, either by satisfactory corporate surety bond, completion bond or otherwise as may be reasonably requested by DeAnza. Concessionaire shall notify DeAnza in writing at least ten days prior to the commencement of any improvements and shall not interfere with the posting by DeAnza of a notice of non-responsibility as defined in Civil Code Section 3094. Concessionaire shall obtain from contractors, laborers, materialmen and suppliers a waiver from them of their claim to mechanics liens in connection with the improvements.

5. Term.

The term of this Agreement will be for a period of one year commencing February 9, 1984. Provided that Concessionaire is not in breach of any of the provisions hereof and has timely and fully performed all of its duties and obligations under this Agreement, Concessionaire shall have an option to renew this Agreement for one year by giving written notice to DeAnza of its election to renew at least sixty (60) days prior to the expiration date of the first year.

6. Providing of Services.

(a) Equipment and Utilities. Concessionaire shall at all times during the term of this Agreement, at its cost, adequately furnish, stock, and equip the Designated Area and the improvements with a sufficient inventory of clothing items and miscellaneous items approved in writing by DeAnza, so as to meet the demand for the sale thereof. Concessionaire will also be responsible for all costs of installing and providing all utilities, telephones and electricity in connection with the Concession.

(b) Employees. Concessionaire shall pay all salaries, wages, workers' compensation insurance, payroll taxes, social security taxes and similar taxes and other compensation of employees, agents and personnel hired in connection with the operation of the Concession contemplated hereby. All such employees and personnel shall be required by Concessionaire to wear approved uniforms conforming to Campland's standards and specifications. The costs of acquiring, furnishing and maintaining such uniforms shall be borne by Concessionaire. Concessionaire shall, upon demand by DeAnza, discharge any employee found to be unsatisfactory in the discretion of the General Manager of Campland (whether or not Concessionaire agrees with that determination). Notwithstanding the foregoing, all agents, employees, or personnel hired or used by Concessionaire shall be deemed its employees and not agents, employees, or personnel of DeAnza or Campland. Concessionaire hereby agrees to hold harmless DeAnza, Campland, Associated Mobile Estates, and their respective officers, directors, shareholders, partners, employees, agents and attorneys from any wage or compensation claims, workers' compensation insurance, and payroll taxes, social security taxes and similar taxes of any of Concessionaire's agents, employees or personnel hired or used by Concessionaire in connection with the operation of the Concession contemplated hereby.

7. Quality of Operation.

Concessionaire recognizes that Campland is considered an exclusive, high quality recreational vehicle park, and Concessionaire shall operate and maintain the Concession contemplated hereby in such a manner as to insure that its dealings with the public will be consistent with the operation of the facility as a part of a high quality recreational vehicle park and conform to the image and reputation of Campland.

8. No Other Rights.

Concessionaire shall not have any other rights by implication or otherwise to provide any other services, conduct any other activities or business at Campland, other than the business of the Concession as provided for herein.

9. Hours of Operation.

Concessionaire shall remain open for operation and stand ready, willing and able to sell clothing and miscellaneous items during the following periods and hours throughout the term hereof:

February 9--June 15: Saturdays, 10:00 a.m. to 5:00 p.m.
Sundays, 11:00 a.m. to 4:00 p.m.

June 15--September 15: 7 days a week, from 9:00 a.m. to 5:00 p.m.

September 16--June 14: Saturdays, 10:00 a.m. to 5:00 p.m.,
Sundays, 11:00 a.m. to 4:00 p.m. only, but not during times of rain, or similar severely adverse weather conditions. It is understood that the Concessionaire may close due to lack of business from September 15 until January 1.

During Campland Holidays: 9:00 a.m. to 5:00 p.m., except during times of rain, or similar severely adverse weather conditions. Campland Holidays shall be such days as are designated by the General Manager at Campland as Holidays.

Concessionaire shall post and advertise its hours of operation and remain open during such hours. The hours so posted or advertised must conform to the requirements of this paragraph. All signs used on or in connection with the Concession shall be subject to the approval of the General Manager of Campland and shall conform to a design which is consistent with Campland.

10. Permits and Licenses.

Concessionaire shall obtain and maintain (at its sole cost) during the term hereof all necessary permits and licenses as and when required or appropriate for the conduct of the Concession and for the construction of the improvements referred to herein.

11. Maintenance.

Concessionaire shall, during the term hereof, maintain, repair, refurbish and replenish all equipment, inventory, supplies, furnishings, and facilities, including the exterior and interior portions of the improvements constructed by Concessionaire; any and all fixtures pertaining to the improvements and shall paint and refurbish the same as may be necessary to present a first-class, neat and well-maintained appearance.

12. Use of Name.

Use by Concessionaire of the names, "De Anza", "De Anza Campland", "Campland On The Bay", or "Campland" will be limited to directional purposes. The name, Pacific Beach Ski and Sport, Inc.

will be highlighted in all Concessionaire advertising. Cost of any such advertising shall be the sole responsibility of Concessionaire. Concessionaire shall not utilize the name, trademark or logo type of Campland or DeAnza Campland of DeAnza, or publish any information regarding the same without the prior written approval of the General Manager of Campland. DeAnza shall have the right to withdraw any such approval at any time that DeAnza, in its sole discretion, determines. The word "advertising" and every derivative thereof, wherever used in this Agreement, shall be deemed to encompass every form of general communication with the public, including but not limited to periodicals, newspapers, billboards, leaflets, brochures, television, radio and letters, and direct oral communication and telephone calls utilized on a program basis, engaged directly or indirectly by Concessionaire or its officers, employees, agents, personnel or representatives, or by any independent contractor or other party supplying goods or services to Concessionaire or to whom Concessionaire supplies goods and services.

13. Compliance With Law.

Concessionaire will not conduct nor permit to be conducted any unlawful business, occupation or activity in the Designated Area and shall at all times comply with all city, county, state and federal laws, ordinances, rules and regulations. Concessionaire's activities and those of its agents, servants, invitees, customers, employees and personnel shall at all times be in keeping with and not inconsistent with or detrimental to any of the operations at Campland.

14. Payment of Concession Fee.

(a) Concessionaire shall pay to DeAnza, or its duly designated agent, in such place in San Diego County, California, as may from time to time be fixed by DeAnza, as a fee for the Concession, a sum equal to eighteen percent (18%) of the annual gross sales made in, upon or from the Concession, adjusted on a monthly basis. There shall not be any amounts deducted from "gross sales", including without limitation, credit card commissions or discounts incurred in connection with the Concession, except that it is understood that the term "gross sales" shall be exclusive of all taxes added to the regular retail price of any goods, wares, merchandise and services sold by the Concessionaire at Campland. Within ten (10) days after the end of each month during the term of this Agreement, Concessionaire shall present to DeAnza a statement certified by Concessionaire to be true and correct and showing the gross sales made from the Concession during the preceding month, and Concessionaire shall pay therewith a sum equivalent to the percentage of such gross sales as hereinabove set forth. In the event Concessionaire engages the services of an independent public accountant for any period, it shall furnish to DeAnza statements of all monthly sales for such period certified by such accountant.

(b) Concessionaire covenants that it will regularly keep and maintain complete books of accounts and ledgers, according to an accounting system approved by DeAnza which reflects all of the business activities of the Concession and which conforms to the requirements imposed by the City of San Diego in its lease with DeAnza. DeAnza shall have the right to examine such books and records periodically and at reasonable times. In the event DeAnza makes an examination or audit which reveals that actual gross sales exceed the reported gross sales by more than one percent (1%), the cost and expense of such examination or audit shall be fully borne by the Concessionaire and Concessionaire shall, on demand, pay to DeAnza any deficiency revealed by such examination or audit plus interest thereon from the due date thereof, at the maximum rate allowed by law. Any willful understatement of gross sales by Concessionaire shall be a cause for termination of this Agreement by DeAnza.

(c) All prices to be charged for goods, merchandise, wares and services to be sold or rented by Concessionaire shall be set forth in a schedule that Concessionaire is to deliver to DeAnza for its written approval prior to the execution of this agreement. Any change in that price schedule must be submitted to DeAnza in writing for approval prior to its being put into effect by Concessionaire.

15. Trade Name and Signs.

Concessionaire agrees to use only such business or trade names, logos, trademarks, and identification signs as have been approved in advance and in writing by the General Manager of Campland.

16. Termination Without Cause.

Either party may terminate this Agreement at any time without cause by giving the other party sixty (60) days written notice of termination. This right of termination shall be in addition to any other right of termination provided for herein.

17. Rules and Regulations of The Park.

At all times during the term of this Agreement, Concessionaire shall abide by, carry out and comply with and cause its employees, agents, servants, invitees, customers and personnel to abide by, carry out, and comply with all the rules and regulations of Campland.

18. Termination.

This Agreement may be terminated at any time by DeAnza in the event of a breach or the failure of Concessionaire to timely and completely perform all of its duties and obligations hereunder. Such termination shall, however, be accompanied by a written notice specifying the particular breach or failure and Concessionaire

shall be permitted to cure the same within fifteen (15) days from the date of such notice. In addition to the right to terminate this Agreement, in the event Concessionaire fails to cure the breach or failure specified in the foregoing notice, it shall be liable to DeAnza for such damages and be subject to such equitable relief and remedies as may be allowed by a court.

19. Insurance.

Before Concessionaire commences construction of any improvements provided for in this Agreement, Concessionaire shall take out and keep in force during the term of this Agreement, at Concessionaire's sole cost and expense, a policy of public liability insurance, property damage and "all risk" insurance and course of construction insurance, with One Million Dollars (\$1,000,000.00) combined single limit coverage to protect against liability to people or property incident to construction of the improvements and/or resulting in any way from the use of the Designated Area, and/or the conduct or operation of the Concession. In addition, Concessionaire shall take out and keep in force during the term of this Agreement, at Concessionaire's sole expense, in the amount of \$250,000 fire and extended risk coverage, insuring the Designated Area, all improvements, equipment, supplies, inventory, items kept, and sold thereon and if applicable, malpractice coverage for those business activities pertaining to the touching of third parties. Campland, DeAnza, Associated Mobile Estates and the City of San Diego shall be named co-insureds under said insurance. All insurance shall be issued by reputable insurance carriers licensed to transact business in the State of California that are acceptable to DeAnza. All policies shall contain a waiver of subrogation against DeAnza and Associated Mobile Estates, and shall include by endorsement this Liability for Claims provision and shall not be cancellable by Concessionaire unless DeAnza shall have consented thereto in writing. In the event Concessionaire fails to obtain the required insurance, DeAnza may obtain the same and the cost thereof shall be paid by Concessionaire upon demand plus interest thereon from date of payment at the maximum rate allowed by law.

20. Act of God.

Neither party hereto shall be responsible or be deemed in default by reason of any inability to perform its obligations hereto due to acts of God, or the public enemy; by civil war, insurrections or riots; fire, floods, explosions, earthquakes or serious accidents, epidemics or quarantine restrictions; any act of government, governmental priorities, allocations, regulations or orders affecting facilities; strikes or labor disputes. In the event the performance by either party of its obligations shall be substantially reduced or prevented due to any such cause for a period of thirty (30) days or more, this Agreement may be terminated upon written notice given by the other party within ten (10) days after the expiration of such thirty (30) day period.

21. Assignment.

Concessionaire shall not assign this Agreement or any interest herein without the written consent of DeAnza first had and obtained therefor. Any assignment of this Agreement or any interest herein without the prior written consent of DeAnza first had and obtained therefor shall be null and void, and shall, at the option of DeAnza, terminate this Agreement.

22. Notice.

Notice required or permitted hereunder may be delivered by registered mail or personally, addressed to DeAnza at:

Campland
c/o General Manager
2211 Pacific Beach
San Diego, California 92109

with copy to:

Barry McCabe
Vice President, Operations
DeAnza Corporation
9171 Wilshire Boulevard
Suite #627
Beverly Hills, California 90210

and to Concessionaire at:

Pacific Beach Ski and Sport, Inc.
942 Grand Avenue
San Diego, California 92109
Attention: Mr. Ron Miller

23. Attorneys Fees.

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

24. General Provisions.

(a) If any term, provision, covenant or condition of this Agreement should be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of this Agreement shall continue in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

(b) The laws of the State of California shall govern the validity, construction and effect of this Agreement. Whenever any words of obligation or duty are used in connection with either party, such words shall have the same force and effect as though framed in the form of express covenants on the part of the party obligated.

(c) It is expressly agreed that there are no oral representations, understandings, stipulations, agreements or promises pertaining to this Agreement not incorporated in writing herein, and it is agreed that this Agreement shall not be altered, waived, amended or extended otherwise than as provided herein, except as may be done in writing signed by the proper authority.

25. Indemnity.

Concessionaire shall hold free and harmless and indemnify DeAnza, Associated Mobile Estates, Campland, the City of San Diego, their respective officers, directors, shareholders, partners, agents, employees and attorneys from any and all liabilities, claims, costs, expenses, and attorneys' fees arising out of or in connection with the operation of the Concession by Concessionaire, its contractors, agents, employees, representatives, customers and invitees.

26. Joint and Several Liability.

In order to induce DeAnza to grant this Concession to PACIFIC BEACH SKI AND SPORT, INC its President, Ron Miller, hereby agrees that he will be personally, jointly and severally liable for all the obligations and undertakings of PACIFIC BEACH SKI AND SPORT, INC. set forth in this Agreement.

EXECUTED at San Diego, California on the date above written.

DE ANZA CORPORATION

By Mary Janner
REGIONAL MANAGER

ASSOCIATED MOBILE ESTATES

FOR THE OPERATING GENERAL PARTNER
By Mary Janner
REGIONAL MANAGER

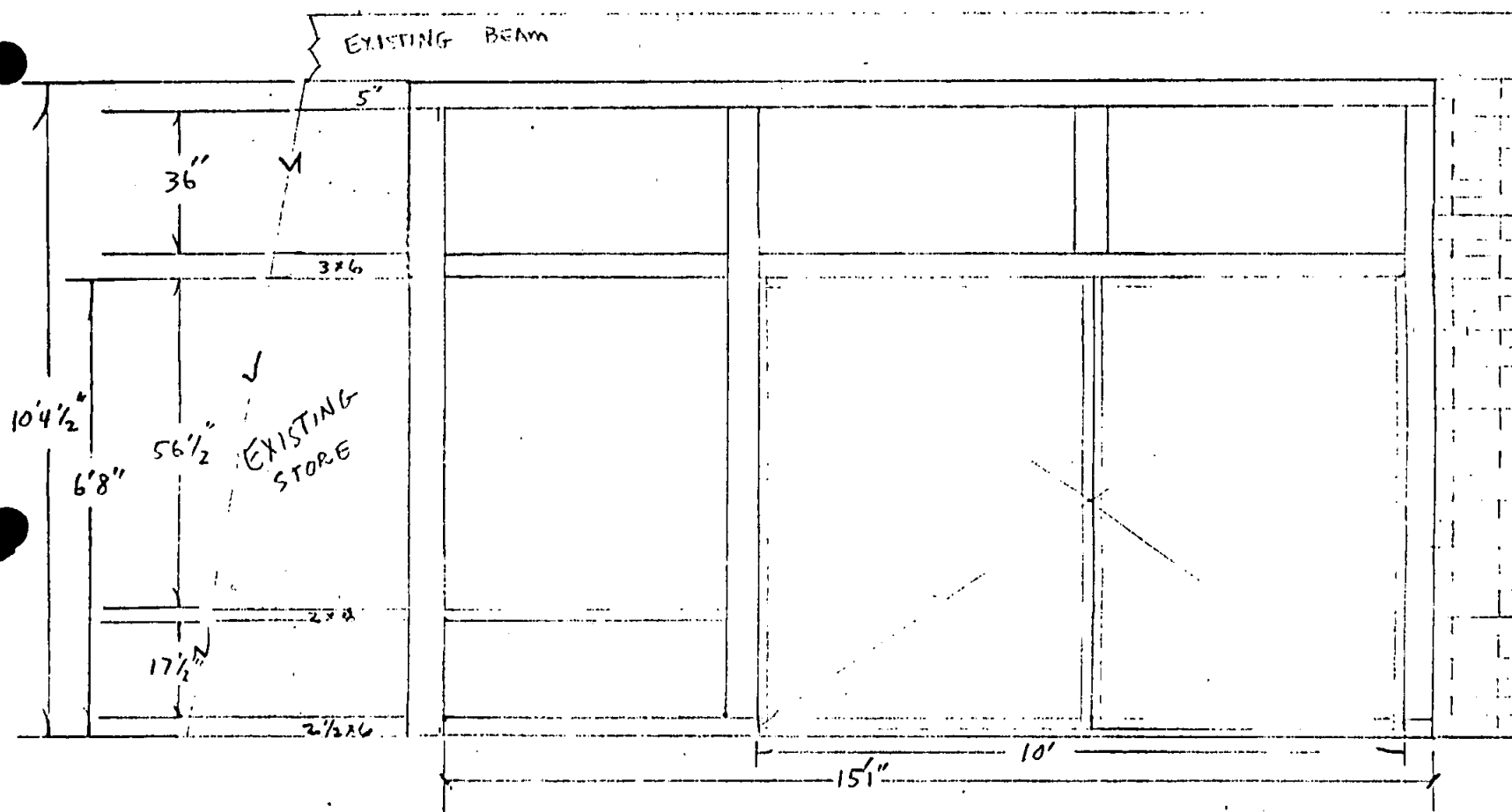
PACIFIC BEACH SKI AND SPORT, INC.

By Ron Miller

RON MILLER

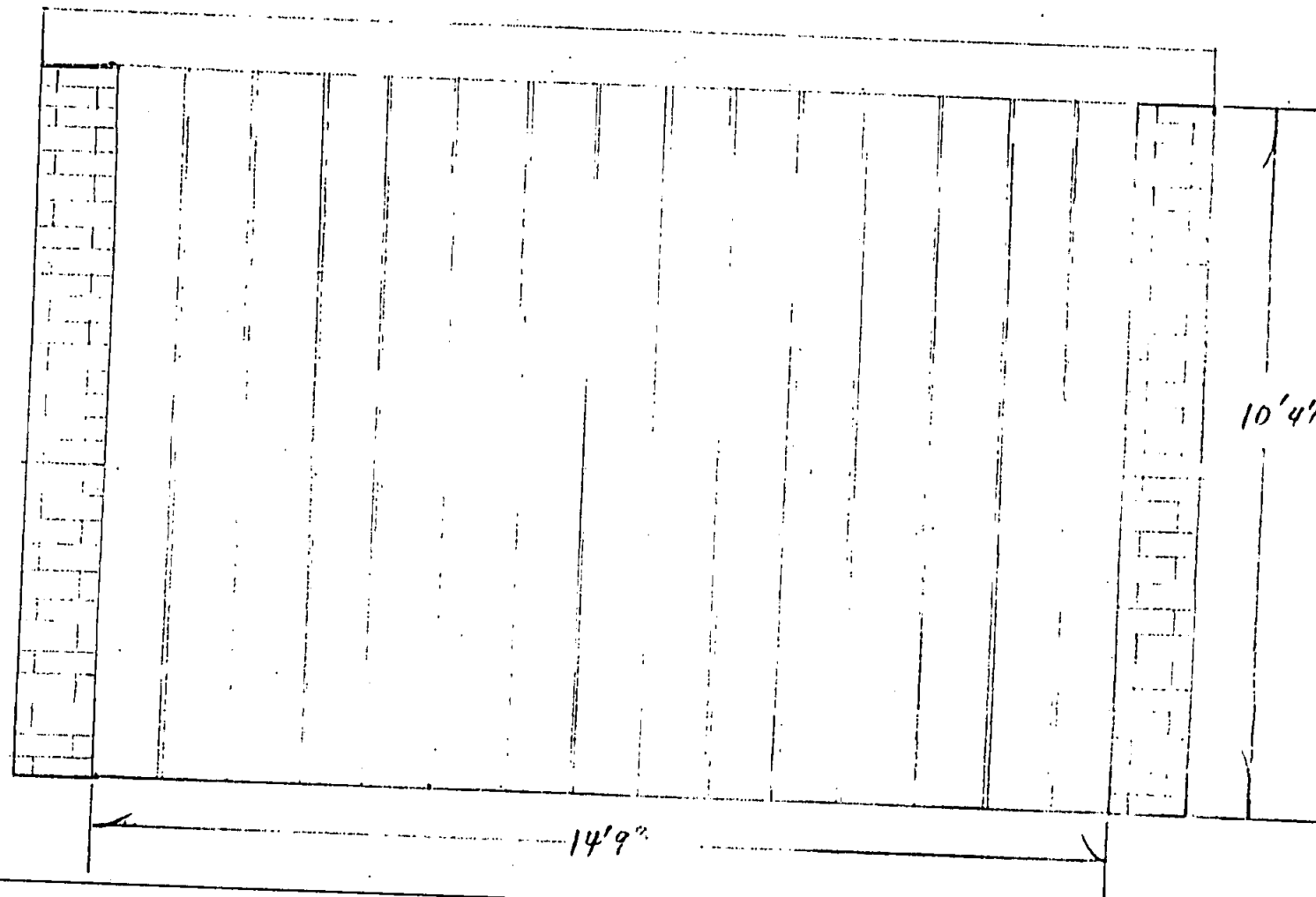
Exhibit "A" 1/3 W & J

Campland
Boutique



SECTION
DETAIL
A-C

A 4/3 mg 2/11



T. 1 11
PLYWOOD
SIDING
OVER 2x4
STUD FRAMING

SECTION
DETAIL B

FLOOR AREA
225 SQ. FT.

EXISTING
BICYCLE
RENTAL STORAGE
AREA

EXISTING
STORE

14'9"

15'1"

SHADED AREA TO BE ADDED

ROOF EXISTING
CLOSE IN 3 WALLS

SITE PLAN

CONSENT TO SUBLEASE AGREEMENT

File: Leases-
Associated Mobile
Estates

The City of San Diego (CITY), as LESSOR under that certain Lease Agreement (Master Lease) entered into with ASSOCIATED MOBILE ESTATES, successor in interest to TRI-SQUARE CONSTRUCTION COMPANY (LESSEE), and filed in the Office of the City Clerk as Document 723339, hereby consents to that certain Sublease Agreement between the above LESSEE (SUBLESSOR), and CALIFORNIA PACIFIC CATAMARAN RENTAL, INC., and SKIP G. HURWITZ (SUBLESSEE), dated December 1, 1982. Said Sublease shall be subordinate to the Master Lease in all respects. In addition, this consent is subject to the following conditions:

None

THE CITY OF SAN DIEGO

Dated

6-2-83

By


City Manager

APPROVED AS TO FORM:

JOHN W. WITT, CITY ATTORNEY

Dated

4/29/83

By


Deputy

Bob Collins
RECEIVED
MAR 10 1983
PROPERTY DEPT.

CONCESSION AGREEMENT

This Agreement made and entered into this 1st day of December, 1982 by and between DE ANZA CORPORATION, a California corporation and ASSOCIATED MOBILE ESTATES (hereinafter sometimes collectively called "De Anza") and CALIFORNIA PACIFIC CATAMARAN RENTAL, INC. (hereinafter called "Concessionaire") and SKIP G. HURWITZ.

WITNESSETH:

WHEREAS, De Anza leases from the City of San Diego certain real property located at 2211 Pacific Beach, San Diego, California 92109, improved with a recreational vehicle park known and referred to herein as Campland;

WHEREAS, Concessionaire is desirous of obtaining the concession for renting out catamarans, windsurfers and rafts and selling miscellaneous items approved by De Anza at Campland;

NOW, THEREFORE, it is hereby covenanted and agreed by the parties as follows:

1. Nature of Agreement.

This Agreement confers a license on the Concessionaire to use that portion of the Campland property as is described herein for the purposes of this Agreement. This Agreement does not constitute a lease of premises.

2. Grant of License.

During the term hereof De Anza hereby grants to Concessionaire a license to operate the business of renting catamarans, windsurfers and rafts and selling miscellaneous approved items at Campland (herein sometimes referred to as the "Concession") within the area designated pursuant hereto. There is attached as Exhibit "A" hereto a site plan prepared by De Anza clearly delineating that area within Campland within which the Concessionaire shall maintain its Concession and within which all catamarans, windsurfers and rafts are to be launched and returned to the shore, ("Designated Area"). Concessionaire shall abide by said designation.

3. Maintenance of Improvements.

Concessionaire shall, at its sole cost and expense, maintain all structures and other improvements, whether personal property or real property, which Concessionaire has caused to be constructed or which Concessionaire uses for or incident to the conduct of its business. The maintenance hereby required of Concessionaire includes but is not limited to cleaning, painting, repairing and generally maintaining the improvements and surrounding land and water area in conformity with applicable codes, ordinances and laws and in a manner reasonably satisfactory to De Anza. Any such maintenance not performed by Concessionaire may, upon 24 hours notice by De Anza to Concessionaire, be performed by De Anza and charged to Concessionaire at full cost plus 15%; this right of De Anza shall not serve to waive or remedy any breach by Concessionaire of this Agreement by its failure to maintain.

4. Completion of Construction Lien Free.

Concessionaire hereby agrees to expeditiously proceed with the construction of any improvements approved in advance by De Anza and to complete construction thereof in accordance with the plans and specifications approved by all required governmental entities and De Anza within ten days from the date De Anza approves the plans and specifications for the improvements. Construction shall be completed in a good and workmanlike manner in accordance with all applicable laws, rules and regulations of all governmental agencies having jurisdiction over the construction and free and clear of all liens and encumbrances, mechanics or materialmens liens. The assertion of any mechanics lien in connection with such improvements shall be a ground for termination of this Agreement. Concessionaire hereby warrants that upon completion of construction there will be no chattel mortgages, mechanics liens, conditional sales contracts, installment contracts or other lien charges or encumbrances caused or suffered by it and arising in connection with the construction of the improvements. Concessionaire agrees to promptly pay all bills and charges for material, labor, services and equipment incurred in connection with or arising out of the construction of the improvements, agrees to hold Campland, the City of San Diego, De Anza and Associated Mobile Estates, and their respective officers, directors, shareholders, partners, agents, employees, and attorneys free and harmless from all liens and claims of lien for labor and material, equipment or supplies, or either or all of them, threatened or filed against any of the foregoing, from and against all loss, claim, expense and liability in connection therewith, including but not limited to court costs and attorneys' fees resulting or arising therefrom. Should any liens or claims of lien be filed or recorded against Campland, the City of San Diego, Associated Mobile Estates, or De Anza, or should De Anza receive notice of any unpaid bill or charge in connection with the construction of the improvements, De Anza may, but shall not be obligated to, pay any such bill or claim or charge and shall be entitled to reimbursement upon demand from Concessionaire with interest at the maximum rate allowed by law. Concessionaire shall, at the request of De Anza, furnish to De Anza proper indemnity

in connection with such claims, either by satisfactory corporate surety bond, completion bond or otherwise as may be reasonably requested by De Anza. Concessionaire shall notify De Anza in writing at least ten days prior to the commencement of any improvements and shall not interfere with the posting by De Anza of a notice of nonresponsibility as defined in Civil Code Section 3094. Concessionaire shall obtain from contractors, laborers, materialmen and suppliers a waiver from them of their claims to mechanics liens in connection with the improvements.

5. Term.

The term of this Agreement will be for a period of one year commencing December 1, 1982. Provided that Concessionaire is not in breach of any of the provisions hereof and has timely and fully performed all of its duties and obligations under this Agreement, Concessionaire shall have two consecutive one-year options to renew this Agreement by giving written notice to De Anza of its election to renew at least sixty (60) days prior to the expiration date of the first and/or second year, as the case may be.

6. Providing of Services.

(a) Equipment and Utilities. Concessionaire shall at all times during the term of this Agreement, at its cost, adequately furnish, stock, and equip the Designated Area and the improvements with a sufficient number of catamarans, windsurfers, miscellaneous items approved in writing by De Anza, and ancillary equipment and supplies so as to meet the demand for the rental and sale thereof. Concessionaire will also be responsible for all costs of installing and providing all utilities, telephones and electricity in connection with the Concession.

(b) Employees. Concessionaire shall pay all salaries, wages, workmens' compensation insurance, payroll taxes, social security taxes and similar taxes and other compensation of employees, agents and personnel hired in connection with the operation of the Concession contemplated hereby. All such employees and personnel shall be required by Concessionaire to wear approved uniforms conforming to Campland's standards and specifications. The costs of acquiring, furnishing and maintaining such uniforms shall be borne by Concessionaire. Concessionaire shall, upon demand by De Anza, discharge any employee found to be unsatisfactory in the discretion of the General Manager of Campland (whether or not Concessionaire agrees with that determination). Notwithstanding the foregoing, all agents, employees, or personnel hired or used by Concessionaire shall be deemed its employees and not agents, employees, or personnel of De Anza or Campland. Concessionaire hereby agrees to hold harmless De Anza, Campland, Associated Mobile Estates, and their respective officers, directors, shareholders, partners, employees, agents and attorneys from any wage or compensation claims, workmens' compensation insurance, and payroll taxes, social security taxes and similar taxes of any of Concessionaire's agents, employees or personnel hired or used by Concessionaire in connection with the operation of the Concession contemplated hereby.

7. Quality of Operation.

Concessionaire recognizes that Campland is considered an exclusive, high quality recreational vehicle park, and Concessionaire shall operate and maintain the Concession contemplated hereby in such a manner as to insure that its dealings with the public will be consistent with the operation of the facility as a part of a high quality recreational vehicle park and conform to the image and reputation of Campland.

8. No Other Rights.

Concessionaire shall not have any other rights by implication or otherwise to provide any other services, conduct any other activities or business at Campland, other than the business of the Concession as provided for herein.

9. Hours of Operation.

Concessionaire shall remain open for operation and stand ready, willing and able to rent out catamarans, windsurfers and rafts and sell miscellaneous items during the following periods and hours throughout the term hereof:

June 15 - September 15: 7 days a week, from 9:00 a.m. to 5:00 p.m.

September 16 - June 14: 9:00 a.m. to 5:00 p.m. weekends only, but not during times of rain, or similar severely adverse weather conditions.

During Campland Holidays: 9:00 a.m. to 5:00 p.m., except during times of rain, or similar severely adverse weather conditions. Campland holidays shall be such days as are designated by the General Manager at Campland as holidays.

Concessionaire shall post and advertise its hours of operation and remain open and provide the rental services and facilities contemplated hereby during such hours. The hours so posted or advertised must conform to the requirements of this paragraph. All signs used on or in connection with the Concession shall be subject to the approval of the General Manager of Campland and shall conform to a design which is consistent with Campland.

10. Permits and Licenses.

Concessionaire shall obtain and maintain (at its sole cost) during the term hereof all necessary permits and licenses as and when required or appropriate for the conduct of the Concession and for the construction of the improvements referred to herein.

11. Maintenance.

Concessionaire shall, during the term hereof, maintain, repair, refurbish and replenish all equipment, inventory, supplies, furnishings, and facilities, including the exterior and interior portions of the improvements constructed by Concessionaire; any and all fixtures pertaining to the improvements; the catamarans, windsurfers and rafts; and shall paint and refurbish the same as may be necessary to present a first class, neat and well maintained appearance, and to keep in sound, sturdy and sea worthy condition the catamarans, windsurfers and rafts. Concessionaire shall be responsible for beach and building cleanliness from the De Anza Campland boatramp, to approximately 25 feet east of the improvements to be constructed pursuant hereto in the Designated Area.

12. Use of Name.

Use by Concessionaire of the names "De Anza", "De Anza Campland", "Campland On The Bay", or "Campland" will be limited to directional purposes. The name California Pacific Catamaran Rental, Inc. will be highlighted in all Concessionaire advertising. Cost of any such advertising shall be the sole responsibility of Concessionaire. Concessionaire shall not utilize the name, trademark or logo type of Campland or De Anza Campland or De Anza, or publish any information regarding the same without the prior written approval of the General Manager of Campland. De Anza shall have the right to withdraw any such approval at any time that De Anza, in its sole discretion, determines. The word "advertising" and every derivative thereof, wherever used in this Agreement, shall be deemed to encompass every form of general communication with the public, including but not limited to periodicals, newspapers, billboards, leaflets, brochures, television, radio and letters, and direct oral communication and telephone calls utilized on a program basis, engaged directly or indirectly by Concessionaire or its officers, employees, agents, personnel or representatives, or by any independent contractor or other party supplying goods or services to Concessionaire or to whom Concessionaire supplies goods and services.

13. Compliance With Law.

Concessionaire will not conduct nor permit to be conducted any unlawful business, occupation or activity in the Designated Area and shall at all times comply with all city, county, state and federal laws, ordinances, rules and regulations. Concessionaire's activities and those of its agents, servants, invitees, customers, employees and personnel shall at all times be in keeping with and not inconsistent with or detrimental to any of the operations at Campland.

14. Payment of Concession Fee.

(a) Concessionaire shall pay to De Anza, or its duly designated agent, in such place in San Diego County, California, as may from time to time be fixed by De Anza, as a fee for the Concession, a sum equal to twelve percent (12%) of the annual gross sales made in, upon or from the Concession, adjusted on a monthly basis. There shall not be any amounts deducted from "gross sales", including, without limitation, credit card commissions or discounts incurred in connection with the Concession, except that it is understood that the term "gross sales" shall be exclusive of all taxes added to the regular retail price of any goods, wares, merchandise and services sold or rented out by the Concessionaire at Campland. Within nine (9) days after the end of each month during the term of this Agreement, Concessionaire shall present to De Anza a statement certified by Concessionaire to be true and correct and showing the gross sales made from the Concession during the preceding month, and Concessionaire shall pay therewith a sum equivalent to the percentage of such gross sales as hereinabove set forth. In the event Concessionaire engages the services of an independent public accountant for any period, it shall furnish to De Anza statements of all monthly sales for such period certified by such accountant.

(b) Concessionaire covenants that it will regularly keep and maintain complete books of accounts and ledgers, according to an accounting system approved by De Anza which reflects all of the business activities of the Concession and which conforms to the requirements imposed by the City of San Diego in its lease with De Anza. De Anza shall have the right to examine such books and records periodically and at reasonable times. In the event De Anza makes an examination or audit which reveals that actual gross sales exceed the reported gross sales by more than one percent (1%), the cost and expense of such examination or audit shall be fully borne by the Concessionaire and Concessionaire shall, on demand, pay to De Anza any deficiency revealed by such examination or audit plus interest thereon from the due date thereof, at the maximum rate allowed by law. Any willful understatement of gross sales by Concessionaire shall be a cause for termination of this Agreement by De Anza.

(c) All prices to be charged for goods, merchandise, wares and services to be sold or rented by Concessionaire shall be set forth in a schedule that Concessionaire is to deliver to De Anza for its written approval prior to the execution of this agreement. Any change in that price schedule must be submitted to De Anza in writing for approval prior to its being put into effect by Concessionaire.

15. Maintenance of Logos.

Concessionaire agrees to maintain, at Concessionaire's cost, the Campland logo on the catamaran sails and windsurfer sails rented out by Concessionaire pursuant to this Agreement. Such logos will be supplied by Campland, however, the cost thereof will be borne by Concessionaire.

16. Termination Without Cause.

Either party may terminate this Agreement at any time without cause by giving the other party sixty (60) days written notice of termination. This right of termination shall be in addition to any other right of termination provided for herein.

If this Agreement is terminated by De Anza pursuant to this paragraph, De Anza shall purchase Concessionaire's sails bearing Campland on the Bay logos, at original cost less 1/36 of such cost for every month that has elapsed since the date of purchase.

17. Rules and Regulations of The Park.

At all times during the term of this Agreement, Concessionaire shall abide by, carry out and comply with and cause its employees, agents, servants, invitees, customers and personnel to abide by, carry out, and comply with all the rules and regulations of Campland.

18. Termination.

This Agreement may be terminated at any time by De Anza in the event of a breach or the failure of Concessionaire to timely and completely perform all of its duties and obligations hereunder. Such termination shall, however, be accompanied by a written notice specifying the particular breach or failure and Concessionaire shall be permitted to cure the same within fifteen (15) days from the date of said notice. In addition to the right to terminate this Agreement, in the event Concessionaire fails to cure the breach or failure specified in the foregoing notice, it shall be liable to De Anza for such damages and be subject to such equitable relief and remedies as may be allowed by a court.

19. Insurance.

Before Concessionaire resumes, continues or commences construction of any additional improvements provided for in this Agreement, Concessionaire shall take out and keep in force during the term of this Agreement, at Concessionaire's sole cost and expense, a policy of public liability insurance, property damage and "all risk" insurance and course of construction insurance, with One Million Dollars (\$1,000,000.00) combined single limit coverage to protect against liability to people or property incident to construction of the improvements and/or resulting in any way from the use of the Designated Area, and/or the conduct or operation of the Concession. In addition, Concessionaire shall take out and keep in force during the term of this Agreement, at Concessionaire's sole expense, in the amount of \$250,000, fire and extended risk coverage, insuring the Designated Area, all improvements, equipment, supplies, inventory, items kept, sold or rented thereon and if applicable, malpractice coverage for those business activities pertaining to the touching of third parties. Campland; De Anza, Associated Mobile Estates and the City of San Diego shall be named co-insureds under said insurance. All insurance shall be issued by reputable insurance carriers licensed to transact business in the State of California that are acceptable to De Anza. All policies

shall contain a waiver of subrogation against De Anza and Associated Mobile Estates, and shall include by endorsement this Liability for Claims provision and shall not be cancellable by Concessionaire unless De Anza shall have consented thereto in writing. In the event Concessionaire fails to obtain the required insurance, De Anza may obtain the same and the cost thereof shall be paid by Concessionaire upon demand plus interest thereon from date of payment at the maximum rate allowed by law.

20. Acts of God.

Neither party hereto shall be responsible or be deemed in default by reason of any inability to perform its obligations hereto due to acts of God, or the public enemy; by civil war, insurrections or riots; fire, floods, explosions, earthquakes or serious accidents, epidemics or quarantine restrictions; any act of government, governmental priorities, allocations, regulations or orders affecting facilities; strikes or labor disputes. In the event the performance by either party of its obligations shall be substantially reduced or prevented due to any such cause for a period of thirty (30) days or more, this Agreement may be terminated upon written notice given by the other party within ten (10) days after the expiration of such thirty (30) day period.

21. Assignment.

Concessionaire shall not assign this Agreement or any interest herein without the written consent of De Anza first had and obtained therefor. Any assignment of this Agreement or any interest herein without the prior written consent of De Anza first had and obtained therefor shall be null and void, and shall, at the option of De Anza, terminate this Agreement.

22. Notice.

Notice required or permitted hereunder may be delivered by registered mail or personally, addressed to De Anza at:

Campland
c/o General Manager
2211 Pacific Beach
San Diego, California 92109

with copy to:

Daniel J. Packard, Vice President
Regional Operations
De Anza Corporation
9171 Wilshire Boulevard
Suite #627
Beverly Hills, California 90210

and to Concessionaire at:

California Pacific Catamaran Rental, Inc.
2211 Pacific Beach
San Diego, California 92109
Attention: Mr. Skip Hurwitz

23. Attorneys Fees.

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

24. General Provisions.

(a) If any term, provision, covenant or condition of this Agreement should be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of this Agreement shall continue in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

(b) The laws of the State of California shall govern the validity, construction and effect of this Agreement. Whenever any words of obligation or duty are used in connection with either party, such words shall have the same force and effect as though framed in the form of express covenants on the part of the party obligated.

(c) It is expressly agreed that there are no oral representations, understandings, stipulations, agreements or promises pertaining to this Agreement not incorporated in writing herein, and it is agreed that this Agreement shall not be altered, waived, amended or extended otherwise than as provided herein, except as may be done in writing signed by the proper authority.

(d) All swimming and other clothing to be worn by employees of Concessionaire for the purposes of this Agreement shall be in keeping with the operation of Campland by De Anza, and shall be subject to its approval.

25. Indemnity.

Concessionaire shall hold free and harmless and indemnify De Anza, Associated Mobile Estates, Campland, the City of San Diego, their respective officers, directors, shareholders, partners, agents, employees and attorneys from any and all liabilities, claims, costs, expenses, and attorneys' fees arising out of or in connection with the operation of the Concession by Concessionaire, its contractors, agents, employees, representatives, customers and invitees.

26. Joint and Several Liability.

In order to induce De Anza to grant this Concession to California Pacific Catamaran, Inc., its President, Skip G. Hurwitz, hereby agrees that he will be personally, jointly and severally liable for all the obligations and undertakings of California Pacific Catamaran, Inc. set forth in this Agreement.

EXECUTED at San Diego, California on the date above written.

DE ANZA CORPORATION

By Michael Gelfand

ASSOCIATED MOBILE ESTATES

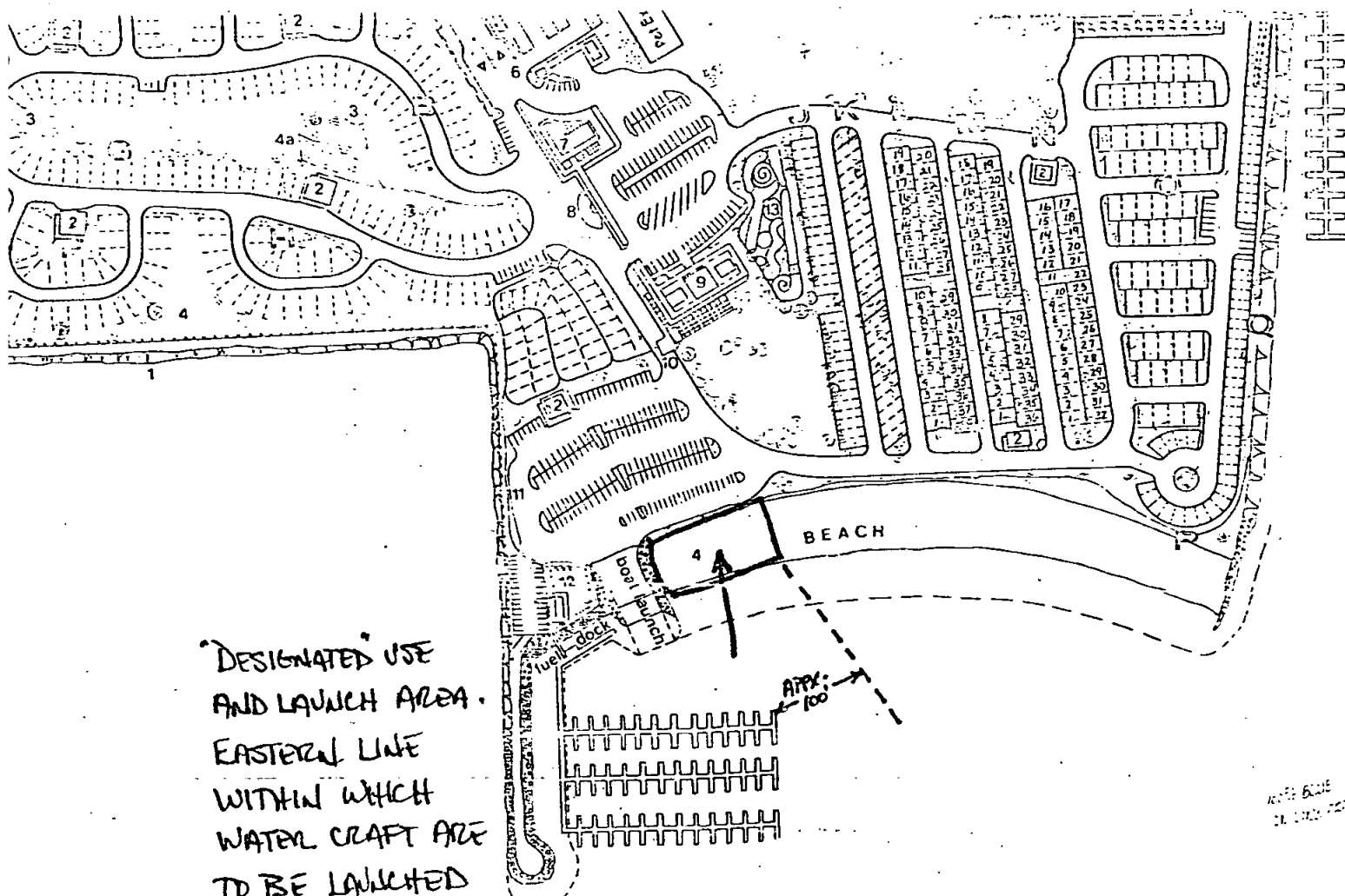
By Michael Gelfand

CALIFORNIA PACIFIC CATAMARAN RENTAL, INC.

By Skip G. Hurwitz President

SKIP G. HURWITZ

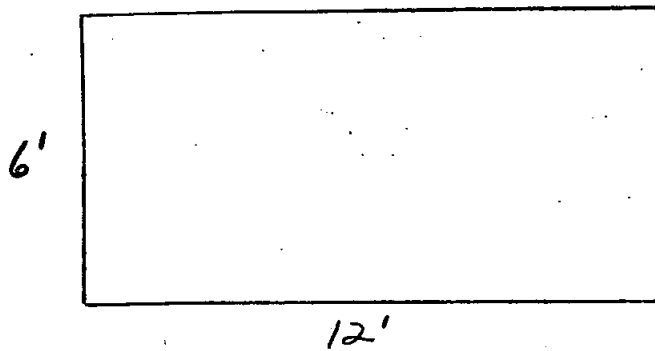
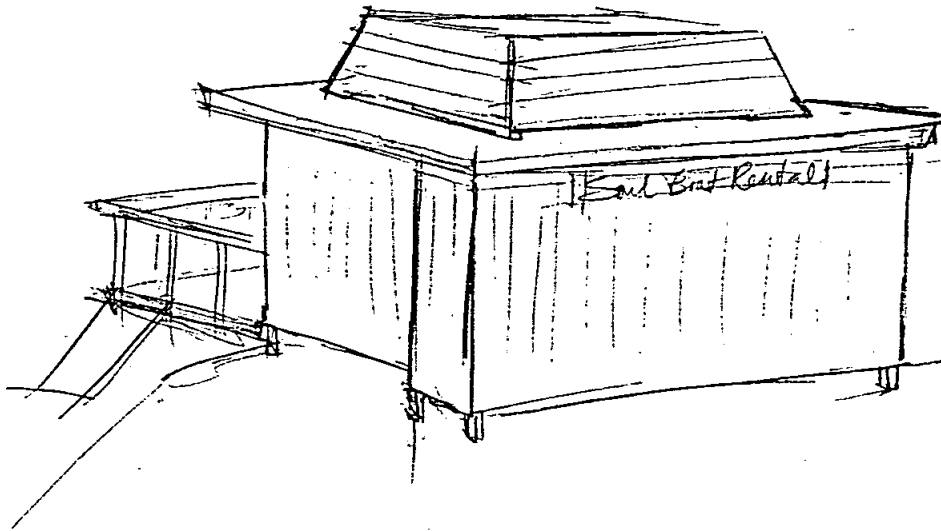
Skip G. Hurwitz



DESIGNATED USE
AND LAUNCH AREA.
EASTERN LINE
WITHIN WHICH
WATER CRAFT ARE
TO BE LAUNCHED
& RETURNED TO
SHORE IS APPROXIMATELY
100 FEET FROM THE
CORNER OF THE BOAT
DECKS AS SHOWN
ABOVE.

NOTE: BOAT
LAUNCH AREA

IMPROVEMENT PLAN



FLOOR PLAN - 724

CONSENT TO SUBLEASE AGREEMENT

The City of San Diego (CITY), as LESSOR under that certain Lease Agreement (Master Lease) entered into with

ASSOCIATED MOBILE ESTATES

(LESSEE) and filed in the Office of the City Clerk as Document No. 72339, as amended, hereby consents to that certain Sublease Agreement between the above LESSEE (SUBLESSOR) and

PACIFIC CATAMARAN RENTAL, INC.

(SUBLESSEE) dated June 1, 1980. Said Sublease shall be subordinate to the Master Lease in all respects. In addition, this consent is subject to the following conditions: (If None, write "None").

NONE

Dated

18 Dec 1980

THE CITY OF SAN DIEGO

By:

J. P. Fouch
City Manager

Dated

12/23/80

APPROVED AS TO FORM:
JOHN W. WITT, CITY ATTORNEY

By:

[Signature]
Deputy

CONCESSION AGREEMENT

This Agreement made and entered into this 20th day of June, 1980 by and between DE ANZA CORPORATION, a California corporation and ASSOCIATED MOBILE ESTATES (hereinafter sometimes collectively called "De Anza") and CALIFORNIA PACIFIC CATAMARAN RENTAL, INC. (hereinafter called "Concessionaire") and SKIP G. HURWITZ.

WITNESSETH:

WHEREAS, De Anza leases from the City of San Diego certain real property located at 2211 Pacific Beach, San Diego, California 92109, improved with a recreational vehicle park known and referred to herein as Campland;

WHEREAS, Concessionaire is desirous of obtaining the concession for renting out catamarans, windsurfers and rafts and selling suntan lotion and Campland t-shirts at Campland;

NOW, THEREFORE, it is hereby covenanted and agreed by the parties as follows:

1. Nature of Agreement.

This Agreement confers a license on the Concessionaire to use that portion of the Campland property as is described herein for the purposes of this Agreement. This Agreement does not constitute a lease of premises.

2. Grant of License.

During the term hereof De Anza hereby grants to Concessionaire the license to operate the business of renting catamarans, windsurfers and rafts and selling suntan lotion and Campland t-shirts at Campland (herein sometimes referred to as the "Concession") within the area designated pursuant hereto. There is attached as Exhibit "A" hereto a site plan prepared by De Anza clearly delineating that area within Campland within which the Concessionaire shall maintain its Concession and within which all catamarans, windsurfers and rafts are to be launched and returned to the shore, ("Designated Area"). Concessionaire shall abide by said designation.

3. Construction of Improvements.

Concessionaire shall build a structure in the Designated Area for the purpose of conducting the business of renting catamarans, windsurfers and rafts pursuant to the provisions of this Agreement. The Cost of such construction shall be borne solely by and be the responsibility of Concessionaire. No construction may be commenced, resumed or continued by Concessionaire unless De Anza has previously thereto approved the plans and specifications for all structures and improvements built or to be built by the Concessionaire pursuant to this Agreement. When the construction of such improvements and structures is completed by the Concessionaire they (and all fixtures therein) shall immediately become the property of De Anza without the need for any further documentation. However, at the termination of this Agreement, De Anza may, at its option, require that Concessionaire remove (at its cost) any improvements or structures (and any fixtures therein) constructed by Concessionaire.

4. Completion of Construction Lien Free.

Concessionaire hereby agrees to expeditiously proceed with the construction of the improvements and to complete construction thereof in accordance with the plans and specifications approved by all required governmental entities and De Anza within 10 days from the date De Anza approves the plans and specifications for the improvements. Construction shall be completed in a good and workmanlike manner in accordance with all applicable laws, rules and regulations of all governmental agencies having jurisdiction over the construction and free and clear of all liens and encumbrances, mechanics or materialmens liens. The assertion of any mechanics lien in connection with such improvements shall be a ground for termination of this agreement. Concessionaire hereby warrants that upon completion of construction there will be no chattel mortgages, mechanics liens, conditional sales contracts, installment contracts or other lien charges or encumbrances caused or suffered by it and arising in connection with the construction of the improvements. Concessionaire agrees to promptly pay all bills and charges for material, labor, services and equipment incurred in connection with or arising out of the construction of the improvements, agrees to hold Campland, the City of San Diego, De Anza and Associated Mobile Estates, and their respective officers, directors, shareholders, partners, agents, employees, and attorneys free and harmless from all liens and claims of lien for labor and material, equipment or supplies, or either or all of them, threatened or filed against any of the foregoing, from and against all loss, claim, expense and liability in connection therewith, including but not limited to court costs and attorneys' fees resulting

or arising therefrom. Should any liens or claims of lien be filed or recorded against Campland, the City of San Diego, Associated Mobile Estates, or De Anza, or should De Anza receive notice of any unpaid bill or charge in connection with the construction of the improvements, De Anza may, but shall not be obligated to, pay any such bill or claim or charge and shall be entitled to reimbursement upon demand from Concessionaire with interest at the maximum rate allowed by law. Concessionaire shall, at the request of De Anza, furnish to De Anza proper indemnity in connection with such claims, either by satisfactory corporate surety bond, completion bond or otherwise as may be reasonably requested by De Anza. Concessionaire shall notify De Anza in writing at least ten days prior to the commencement of any improvements and shall not interfere with the posting by De Anza of a notice of nonresponsibility as defined in Civil Code Section 3094. Concessionaire shall obtain from contractors, laborers, materialmen and suppliers a waiver from them of their claims to mechanics liens in connection with the improvements.

5. Term.

The term of this agreement will be for a period of one year commencing June 1, 1980. Provided that Concessionaire is not in breach of any of the provisions hereof and has timely and fully performed all of its duties and obligations under this agreement, Concessionaire shall have two consecutive one-year options to renew this agreement by giving written notice to De Anza of its election to renew at least sixty (60) days prior to the expiration date of the first and/or second year, as the case may be.

6. Providing of Services.

(a) Equipment and Utilities. Concessionaire shall at all times during the term of this agreement, at its cost, adequately furnish, stock, and equip the Designated Area and the improvements with a sufficient number of catamarans, windsurfers, rafts, suntan lotion, Campland t-shirts, and ancillary equipment and supplies so as to meet the demand for the rental and sale of such catamarans, windsurfers, rafts, suntan lotion and Campland t-shirts. Concessionaire will also be responsible for all costs of installing and providing all utilities, telephones and electricity in connection with the Concession.

(b) Employees. Concessionaire shall pay all salaries, wages, workmens' compensation insurance, payroll taxes, social security taxes and similar taxes and other compensation of employees, agents and personnel hired in connection with the operation of the Concession contemplated hereby. All such employees and personnel shall be required by Concessionaire to wear approved uniforms conforming to

Campland's standards and specifications. The costs of acquiring, furnishing and maintaining such uniforms shall be borne by Concessionaire. Concessionaire shall, upon demand by De Anza, discharge any employee found to be unsatisfactory in the discretion of the General Manager of Campland (whether or not Concessionaire agrees with that determination). Notwithstanding the foregoing, all agents, employees, or personnel hired or used by Concessionaire shall be deemed its employees and not agents, employees, or personnel of De Anza or Campland. Concessionaire hereby agrees to hold harmless De Anza, Campland, Associated Mobile Estates, and their respective officers, directors, shareholders, partners, employees, agents and attorneys from any wage or compensation claims, workmens' compensation insurance, and payroll taxes, social security taxes and similar taxes of any of Concessionaire's agents, employees or personnel hired or used by Concessionaire in connection with the operation of the Concession contemplated hereby.

7. Quality of Operation.

Concessionaire recognizes that Campland is considered an exclusive, high quality recreational vehicle park, and Concessionaire shall operate and maintain the Concession contemplated hereby in such a manner as to insure that its dealings with the public will be consistent with the operation of the facility as a part of a high quality recreational vehicle park and conform to the image and reputation of Campland.

8. No Other Rights.

Concessionaire shall not have any other rights by implication or otherwise to provide any other services, conduct any other activities or business at Campland, other than the business of the Concession as provided for herein.

9. Hours of Operation.

Concessionaire shall remain open for operation and stand ready, willing and able to rent out catamarans, windsurfers and rafts and sell suntan lotion and Campland t-shirts during the following periods and hours throughout the term hereof:

June 15 - September 15: 7 days a week, from 9:00 a.m. to 5:00 p.m.

September 16 - June 14: 9:00 a.m. to 5:00 p.m. weekends only, but not during times of rain, or similar severely adverse weather conditions.

During Campland Holidays: 9:00 a.m. to 5:00 p.m., except during times of rain, or similar severely adverse

weather conditions. Campland holidays shall be such days as are designated by the General Manager at Campland as holidays.

Concessionaire shall post and advertise its hours of operation and remain open and provide the rental services and facilities contemplated hereby during such hours. The hours so posted or advertised must conform to the requirements of this paragraph. All signs used on or in connection with the Concession shall be subject to the approval of the General Manager of Campland and shall conform to a design which is consistent with Campland.

10. Permits and Licenses.

Concessionaire shall obtain and maintain (at its sole cost) during the term hereof all necessary permits and licenses as and when required or appropriate for the conduct of the Concession and for the construction of the improvements referred to herein.

11. Maintenance.

Concessionaire shall, during the term hereof, maintain, repair, refurbish and replenish all equipment, inventory, supplies, furnishings, and facilities, including the exterior and interior portions of the improvements constructed by Concessionaire; any and all fixtures pertaining to the improvements; the catamarans, windsurfers and rafts; and shall paint and refurbish the same as may be necessary to present a first class, neat and well maintained appearance, and to keep in sound, sturdy and sea worthy condition the catamarans, windsurfers and rafts. Concessionaire shall be responsible for beach and building cleanliness from the De Anza Campland boatramp, to approximately 25 feet east of the improvements to be constructed pursuant hereto in the Designated Area.

12. Use of Name.

Use by Concessionaire of the names "De Anza", "De Anza Campland" or "Campland" will be limited to directional purposes. The name California Pacific Catamaran Rental, Inc. will be highlighted in all Concessionaire advertising. Cost of any such advertising shall be the sole responsibility of Concessionaire. Concessionaire shall not utilize the name, trademark or logo type of Campland or De Anza Campland or De Anza, or publish any information regarding the same without the prior written approval of the General Manager of Campland. De Anza shall have the right to withdraw any such approval at any time that De Anza, in its sole discretion, determines. The word "advertising" and every derivative thereof, wherever used in this Agreement, shall be deemed to

encompass every form of general communication with the public, including but not limited to periodicals, newspapers, billboards, leaflets, brochures, television, radio and letters, and direct oral communication and telephone calls utilized on a program basis, engaged directly or indirectly by Concessionaire or its officers, employees, agents, personnel or representatives, or by any independent contractor or other party supplying goods or services to Concessionaire or to whom Concessionaire supplies goods and services.

13. Compliance With Law.

Concessionaire will not conduct nor permit to be conducted any unlawful business, occupation or activity in the Designated Area and shall at all times comply with all city, county, state and federal laws, ordinances, rules and regulations. Concessionaire's activities and those of its agents, servants, invitees, customers, employees and personnel shall at all times be in keeping with and not inconsistent with or detrimental to any of the operations at Campland.

14. Payment of Concession Fee.

(a) Concessionaire shall pay to De Anza, or its duly designated agent, in such place in San Diego County, California, as may from time to time be fixed by De Anza, as a fee for the Concession, a sum equal to twelve percent (12%) of the annual gross sales made in, upon or from the Concession, adjusted on a monthly basis. There shall not be any amounts deducted from "gross sales", including, without limitation, credit card commissions or discounts incurred in connection with the Concession, except that it is understood that the term "gross sales" shall be exclusive of all taxes added to the regular retail price of any goods, wares, merchandise and services sold or rented out by the Concessionaire at Campland. Within nine (9) days after the end of each month during the term of this agreement, Concessionaire shall present to De Anza a statement certified by Concessionaire to be true and correct and showing the gross sales made from the Concession during the preceding month, and Concessionaire shall pay therewith a sum equivalent to the percentage of such gross sales as hereinabove set forth. In the event Concessionaire engages the services of an independent public accountant for any period, it shall furnish to De Anza statements of all monthly sales for such period certified by such accountant.

(b) Concessionaire covenants that it will regularly keep and maintain complete books of accounts and ledgers, according to an accounting system approved by De Anza which reflects all of the business activities of the Concession and which conforms to the requirements imposed by the City

of San Diego in its lease with De Anza. De Anza shall have the right to examine such books and records periodically and at reasonable times. In the event De Anza makes an examination or audit which reveals that actual gross sales exceed the reported gross sales by more than one percent (1%), the cost and expense of such examination or audit shall be fully borne by the Concessionaire and Concessionaire shall, on demand, pay to De Anza any deficiency revealed by such examination or audit plus interest thereon from the due date thereof, at the maximum rate allowed by law. Any willful understatement of gross sales by Concessionaire shall be a cause for termination of this Agreement by De Anza.

(c) All prices to be charged for goods, merchandise, wares and services to be sold or rented by Concessionaire shall be set forth in a schedule that Concessionaire is to deliver to De Anza for its written approval prior to the execution of this agreement. Any change in that price schedule must be submitted to De Anza in writing for approval prior to its being put into effect by Concessionaire.

15. Maintenance of Logos.

Concessionaire agrees to maintain, at Concessionaire's cost, the Campland logo on the catamaran sails and windsurfer sails rented out by Concessionaire pursuant to this agreement. Such logos will be supplied by Campland, however, the cost thereof will be borne by Concessionaire.

16. Termination Without Cause.

Either party may terminate this agreement at any time without cause by giving the other party sixty (60) days written notice of termination. This right of termination shall be in addition to any other right of termination provided for herein.

17. Rules and Regulations of The Park.

At all times during the term of this agreement, Concessionaire shall abide by, carry out and comply with and cause its employees, agents, servants, invitees, customers and personnel to abide by, carry out, and comply with all the rules and regulations of Campland.

18. Termination.

This agreement may be terminated at any time by De Anza in the event of a breach or the failure of Concessionaire to timely and completely perform all of its duties and obligations hereunder. Such termination shall, however, be accompanied by a written notice specifying the particular

breach or failure and Concessionaire shall be permitted to cure the same within fifteen (15) days from the date of said notice. In addition to the right to terminate this agreement, in the event Concessionaire fails to cure the breach or failure specified in the foregoing notice, it shall be liable to De Anza for such damages, and be subject to such equitable relief and remedies as may be allowed by a court.

19. Insurance.

Before Concessionaire resumes, continues or commences construction of the improvements provided for in this agreement, Concessionaire shall take out and keep in force during the term of this agreement, at Concessionaire's sole cost and expense, a policy of public liability insurance, property damage and "all risk" insurance and course of construction insurance, with One Million Dollars (\$1,000,000.00) combined single limit coverage to protect against liability to people or property incident to construction of the improvements and/or resulting in any way from the use of the Designated Area, and/or the conduct or operation of the Concession. In addition, Concessionaire shall take out and keep in force during the term of this agreement, at Concessionaire's sole expense, in the amount of \$250,000, fire and extended risk coverage, insuring the Designated Area, all improvements, equipment, supplies, inventory, items kept, sold or rented thereon and if applicable, malpractice coverage for those business activities pertaining to the touching of third parties. Campland, De Anza, Associated Mobile Estates and the City of San Diego shall be named co-insureds under said insurance. All insurance shall be issued by reputable insurance carriers licensed to transact business in the State of California that are acceptable to De Anza. All policies shall contain a waiver of subrogation against De Anza and Associated Mobile Estates, and shall include by endorsement this Liability for Claims provision and shall not be cancellable by Concessionaire unless De Anza shall have consented thereto in writing. In the event Concessionaire fails to obtain the required insurance, De Anza may obtain the same and the cost thereof shall be paid by Concessionaire upon demand plus interest thereon from date of payment at the maximum rate allowed by law.

20. Acts of God.

Neither party hereto shall be responsible or be deemed in default by reason of any inability to perform its obligations hereto due to acts of God, or the public enemy; by civil war, insurrections or riots; fire, floods, explosions, earthquakes or serious accidents, epidemics or quarantine restrictions; any act of government, governmental priorities allocations, regulations or orders affecting facilities; strikes or labor disputes. In the event the performance by

either party of its obligations shall be substantially reduced or prevented due to any such cause for a period of thirty (30) days or more, this agreement may be terminated upon written notice given by the other party within ten (10) days after the expiration of such thirty (30) day period.

21. Assignment.

Concessionaire shall not assign this agreement or any interest herein without the written consent of De Anza first had and obtained therefor. Any assignment of this agreement or any interest herein without the prior written consent of De Anza first had and obtained therefor shall be null and void, and shall, at the option of De Anza, terminate this agreement.

22. Notice.

Notice required or permitted hereunder may be delivered by registered mail or personally, addressed to De Anza at:

Campland
c/o General Manager
2211 Pacific Beach
San Diego, California 92109

with copy to:

Daniel J. Packard, Vice President
Regional Operations
De Anza Corporation
9171 Wilshire Boulevard
Beverly Hills, California 90210

and to Concessionaire at:

California Pacific Catamaran Rental, Inc.
~~2722 Erie Street~~ 2211 Pacific Beach dr. *4/R*
San Diego, California ~~92117~~ 92109
Attn: Mr. Skip Hurwitz

23. Attorneys Fees.

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

24. General Provisions

(a) If any term, provision, covenant or condition of this agreement should be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of this agreement shall continue in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

(b) The laws of the State of California shall govern the validity, construction and effect of this agreement. Whenever any words of obligation or duty are used in connection with either party, such words shall have the same force and effect as though framed in the form of express covenants on the part of the party obligated.

(c) It is expressly agreed that there are no oral representations, understandings, stipulations, agreements or promises pertaining to this agreement not incorporated in writing herein, and it is agreed that this agreement shall not be altered, waived, amended or extended otherwise than as provided herein, except as may be done in writing signed by the proper authority.

(d) All swimming and other clothing to be worn by employees of Concessionaire for the purposes of this agreement shall be in keeping with the operation of Campland by De Anza, and shall be subject to its approval.

25. Indemnity.

Concessionaire shall hold free and harmless and indemnify De Anza, Associated Mobile Estates, Campland, the City of San Diego, their respective officers, directors, shareholders, partners, agents, employees and attorneys from any and all liabilities, claims, costs, expenses, and attorneys' fees arising out of or in connection with the operation of the Concession by Concessionaire, its contractors, agents, employees, representatives, customers and invitees.

26. Joint and Several Liability.

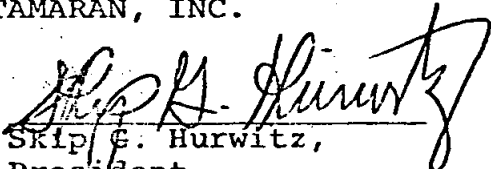
In order to induce De Anza to grant this Concession to California Pacific Catamaran, Inc., its President, Skip G. Hurwitz, hereby agrees that he will be personally, jointly and severally liable for all the obligations and undertakings of California Pacific Catamaran, Inc. set forth in this agreement.

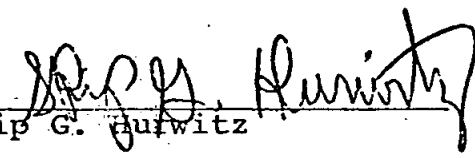
IN WITNESS WHEREOF the parties hereby have executed
this agreement on the date first above set forth.

"CONCESSIONAIRE"

CALIFORNIA PACIFIC
CATAMARAN, INC.

By

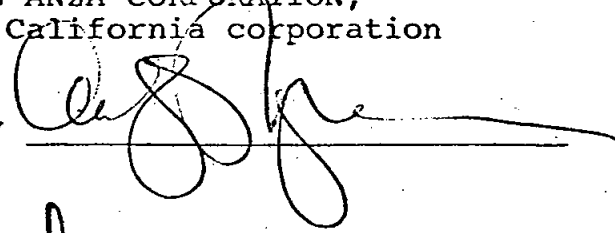

Skip G. Hurwitz,
President


Skip G. Hurwitz

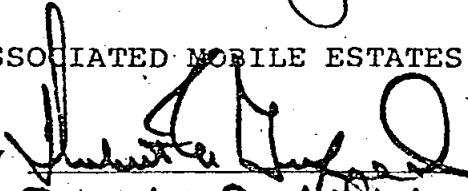
"DE ANZA"

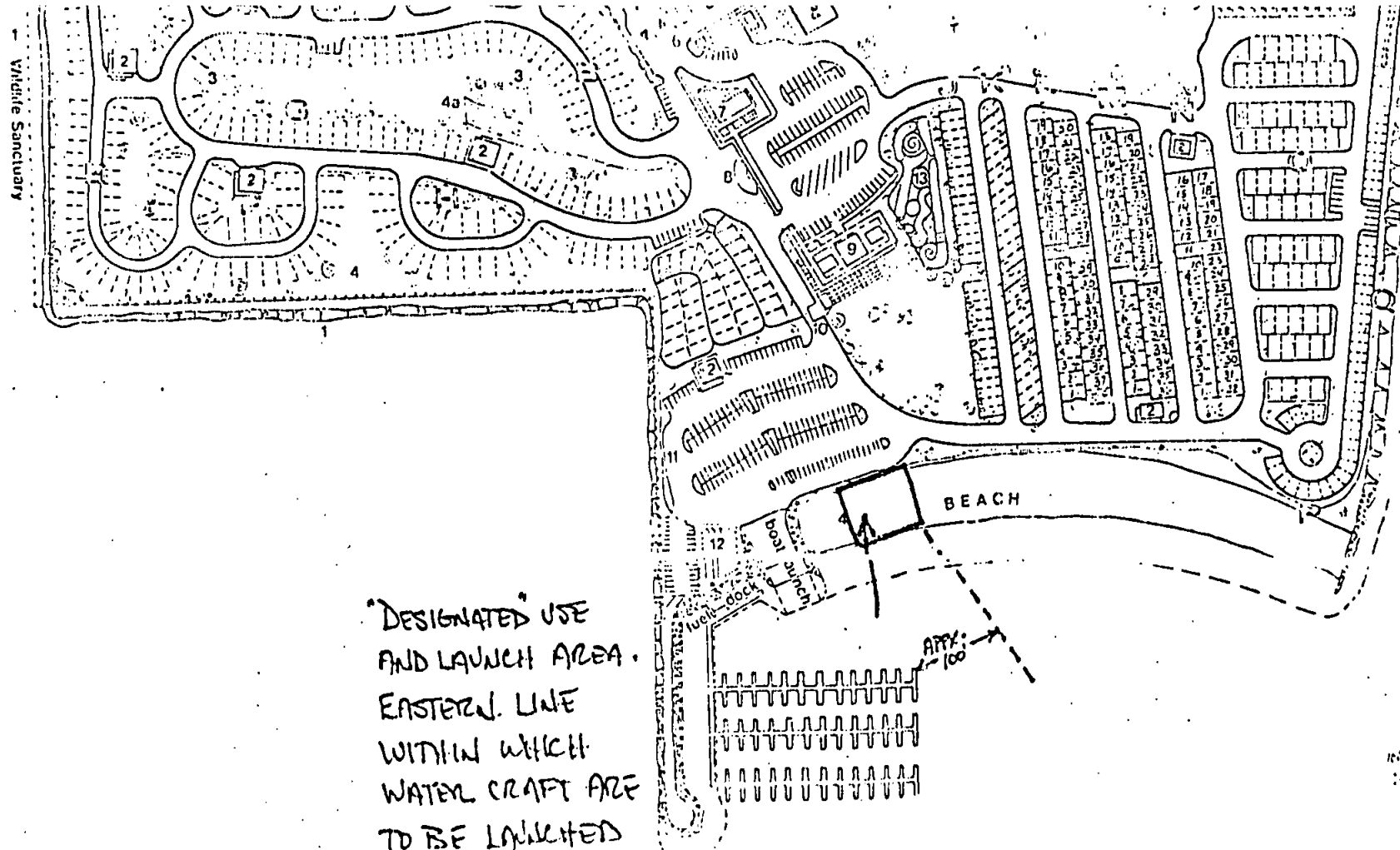
DE ANZA CORPORATION,
a California corporation

By


ASSOCIATED MOBILE ESTATES

By


Operating General Partner



DESIGNATED USE
AND LAUNCH AREA.
EASTERN LINE
WITHIN WHICH
WATER CRAFT ARE
TO BE LAUNCHED
& RETURNED TO
SHORE IS APPROXIMATELY
100 FEET FROM THE
CORNER OF THE BOAT
DOCKS AS SHOWN
ABOVE.

EXHIBIT "A"

FIRST AMENDMENT TO CONCESSION AGREEMENT

WHEREAS, that certain Concession Agreement dated June 20, 1980 (the "Agreement") was entered into by and between DE ANZA CORPORATION, a California corporation and ASSOCIATED MOBILE ESTATES, a California limited partnership (therein and herein collectively referred to as "De Anza"), and CALIFORNIA PACIFIC CATAMARAN RENTAL, INC. (therein and herein referred to as the "Concessionaire") and SKIP G. HURWITZ ("Hurwitz").

WHEREAS, Subparagraph 24(c) of the Agreement permits it to be modified in a writing signed by all of the parties thereto;

WHEREAS, De Anza, Concessionaire, and Hurwitz desire to amend the Agreement to specifically indicate that it is subject and subordinate to the covenants and conditions of a Master Lease dated November 8, 1967 which documents the terms for the lease by Associated Mobile Estates of the real property at 2211 Pacific Beach Drive, San Diego, California from the City of San Diego.

NOW, THEREFORE, IT IS MUTUALLY AGREED, as follows:

1. Paragraph 27 is hereby added to the Agreement and is to read in full as follows:

"27. Subordination to Master Lease.

"This Agreement shall be subject and subordinate to the covenants and conditions of that certain Master Lease of the Campland property that was executed by and between the City of San Diego and Associated Mobile Estates under date of November 8, 1967."

2. Except as amended herein, the Agreement is ratified and confirmed.

IN WITNESS WHEREOF, De Anza, Concessionaire, and Hurwitz have executed this Agreement as of the Eleventh day of December, 1980.

CONCESSIONAIRE

CALIFORNIA PACIFIC CATAMARAN,
INC.

By Skip G. Hurwitz
Skip G. Hurwitz, President

Skip G. Hurwitz
Skip G. Hurwitz

DE ANZA

DE ANZA CORPORATION,
a California corporation

By Aubrey J. Meyerson
Aubrey J. Meyerson, President

ASSOCIATED MOBILE ESTATES

By Herbert M. Gelfand
Herbert M. Gelfand
Operating General Partner

CONSENT TO SUBLEASE AGREEMENT

The City of San Diego (CITY), as LESSOR under that certain Lease Agreement (Master Lease) entered into with

ASSOCIATED MOBILE ESTATES

(LESSEE) and filed in the Office of the City Clerk as Document 723339, hereby consents to that certain Sublease Agreement between the above LESSEE (SUBLESSOR) and

MISSION BAY WATER TRANSPORTATION CORPORATION

(SUBLESSEE) dated August 1, 1986. Said Sublease shall be subordinate to the Master Lease in all respects. The CITY is merely approving the SUBLESSEE and the proposed use, and all terms and conditions of the Master Lease shall control and supersede any inconsistent or contrary provisions in the Sublease. The CITY is not bound by any term or condition in the Sublease which in any way conflicts with or is additional to the provisions of the Master Lease.

In addition, this consent is subject to the following conditions:

1. The City of San Diego be named as additional insured on the SUBLESSEE'S Certificate of Insurance.
2. SUBLESSEE shall secure the City Manager's prior written approval of any subsequent change or changes to SUBLESSEE'S proposed routes, its charges and its hours of operation.
3. The City Manager shall have the right to require SUBLESSEE to temporarily limit and/or discontinue its operation during such time as it may conflict with scheduled activities held in Mission Bay Park. X
4. SUBLESSEE shall not load or unload persons at or from any publicly controlled dock or facility or at or from any private dock without prior written approval of dock owner, which approval shall be provided to City.

THE CITY OF SAN DIEGO

Dated 8-20-86

By *J. P. Lowder*
Deputy City Manager

APPROVED AS TO FORM:

JOHN W. WITT, City Attorney

Dated 8/11/86

By *V. T. Tully*
Deputy

RJC:jw(97-2)
8-8-87