

**Marina and Sport Fishing Facility
Administration and Supervision Agreement**

This Marina and Sport Fishing Facility Administration and Supervision Agreement (the "Agreement") is made as of January 9, 2006, between KENCAL OPERATING, LLC ("KenCal"), a California limited liability company, and MARINA BAY MANAGEMENT, LLC, a California limited liability company ("MBM").

RECITALS:

A. MBM has engaged and is experienced in managing that 186 slip certain marina and that certain sport fishing facility doing business as Islandia Sportfishing, each located at 1441 Quivira Road and 1551 West Mission Bay Drive, respectively, San Diego, California 92109 (hereinafter the "Marina" and the "Sport Fishing Facility").

B. KenCal desires to engage MBM to administer and supervise the operations of the Marina and the Sport Fishing Facility, and MBM desires to accept such engagement, as detailed in and subject to the terms and conditions of this Agreement.

In consideration of the mutual agreements contained in this Agreement, the parties agree as follows:

**ARTICLE I
Engagement**

Subject to the terms and conditions hereinafter set forth, KenCal hereby engages MBM and MBM hereby accepts the engagement for the purpose of administering and supervising the operations of the Marina and the Sport Fishing Facility. By its acceptance of this appointment, MBM represents and warrants that (i) it is duly organized, validly existing, in good standing under the laws of the State of California, qualified to do business in the State of California and has all requisite power and authority to enter into and perform its obligations under this Agreement; (ii) the person signing this Agreement for it is duly authorized to execute this Agreement on its behalf; and (iii) it has secured and will keep in effect during the term hereof all necessary licenses, permits and authorizations to enable MBM to perform all of MBM's duties under this Agreement. KenCal represents and warrants that (i) it is duly organized, validly existing and in good standing under the laws of the State where it was formed and has all requisite power and authority to enter into and perform its obligations under this Agreement and (ii) the person signing this Agreement for it is duly authorized to execute this Agreement on its behalf.

ARTICLE II
Authority and Responsibilities of MBM

2.01 Authority and Responsibilities. MBM shall administer and supervise in a diligent, careful and vigilant manner in material compliance with all applicable laws and regulations, in accordance with the provisions of this Agreement, in compliance with the terms of lease(s) with the City of San Diego applying to the property on which the Marina and the Sport Fishing Facility are located and any permits issued by the California Coastal Commission applicable to said property and in compliance with the applicable loan documents and contracts listed in Exhibit A. Without limiting the generality of the foregoing, the authorities, duties and responsibilities of MBM in connection with the administration and supervision of the Marina and the Sport Fishing Facility shall be as hereinafter set forth in this Agreement.

2.02 Collections. MBM shall promptly bill and diligently attempt to collect all wharfage fees and related charges due by vessels and their owners for wharfage services provided for vessels located at the Marina ("Marina Tenants"). MBM shall also promptly bill and diligently attempt to collect sums due by vessels and their owners in connection with services provided for their benefit by the Sport Fishing Facility. With respect to any other existing operations at the Marina or Sport Fishing Facility, MBM shall promptly calculate and bill customers and diligently collect for any and all charges, fees and assessments charged to them, including as applicable and without limitation, those associated with equipment rentals, boat rentals, charter bookings, boat wharfage, retail sales and other concessions. All monies so collected shall be deposited in the Operating Accounts, as defined below.

2.03 Specific Duties Related to Marina Administration and Supervision. In addition to other duties specified herein MBM shall: (1) oversee the day-to-day operations of the Marina Dockmaster and any other Marina staff; (2) maintain and reconcile accounts receivable; (3) maintain accounts payable; (4) maintain and account for inventories of materials and goods required in the operation of the Marina; (5) prepare monthly invoices and mail them to those with vessels berthed at the Marina; (6) arrange for and supervise with KenCal's approval and at KenCal's expense routine maintenance and repairs as reasonably necessary to maintain the Marina's docks, gangways and other components in a condition as good as or better than the industry standard prevailing in the Port of San Diego; (7) from time to time make recommendations to KenCal for the improvement or enhancement of the Marina operation, and/or methods by which to further maximize financial returns realized from the operation of the Marina. In the furtherance of the completion of these duties and other duties herein specified, MBM shall, subject to Section 2.16, be authorized to retain the services of vendors and suppliers on behalf of KenCal and as its agent and for its benefit.

2.04 Specific Duties Related to Sport Fishing Facility Administration and Supervision. MBM's responsibilities shall in no manner extend to the operation or management of sport fishing vessels and shall be limited to those detailed in this Agreement. In addition to other duties specified herein MBM shall: (1) administratively oversee the booking of charters aboard sport fishing vessels located at the Sport Fishing Facility; (2) supervise the duties of the Sport Fishing Facility Manager and his or her subordinates in connection with the sale of tackle, fishing licenses, sundries and fuel; (3) supervise the duties of the Sport Fishing Facility Manager and his or her subordinates in connection with the rental of rods, reels and other fishing tackle; (4) arrange for and supervise with KenCal's approval and at KenCal's expense routine maintenance and repairs as reasonably necessary to maintain the Sport Fishing Facility's docks, gangways and other components in a condition as good as or better than the industry standard prevailing in the Port of San Diego; (5) maintain and reconcile accounts receivable; (6) maintain daily register input receipts; (7) maintain and reconcile as necessary or appropriate accounts receivable and accounts payable; (8) from time to time make recommendations to KenCal for the improvement or enhancement of the Sport Fishing, and/or methods by which to further maximize financial returns realized from its operation; (9) pay to applicable jurisdictions all sales and other taxes and provide required returns and documentation to such jurisdictions and KenCal, relating to operation of the Marina and Sport Fishing Facility; and (10) otherwise operate the Marina and Sport Fishing Facility as may be directed by KenCal from time to time, consistent with this Agreement.

2.05 Enforcement. MBM shall secure, as fully as practicable, the compliance of all Marina tenants with the terms, covenants and conditions of their slip lease agreements or other wharfage contract with KenCal, and their compliance with all rules and regulations affecting the Marina. MBM shall receive, promptly consider, and act upon or deny service requests by marina tenants. MBM shall, as it deems necessary or appropriate, exercise on behalf of KenCal any legal or contractual rights KenCal may have against a Customer for violating any wharfage or other contract, law, rule or regulation relative to the Marina or to the Sport Fishing Facility.

2.06 Maintenance and Repairs. In addition to other maintenance and/or repair obligations provided for herein, MBM shall cause to be maintained the improvements and grounds of the Marina and Sport Fishing Facility and provide certain maintenance including but not limited to: (1) performing cleaning, painting, decorating, plumbing, carpentry, and such other normal maintenance and repair work as may be necessary; (2) performing periodic inspection and minor maintenance required to keep all mechanical equipment associated with the Marina and the Sport Fishing Facility in good operating condition, including, without limitation, routine lubrication and maintenance; (3) performing as deemed appropriate or necessary preventative maintenance programs; (4) executing on KenCal's behalf contracts for utilities, vermin extermination, cleaning service and other necessary and advisable services; (5) paying all bills in connection with

such activities; and (6) regularly inspecting the physical condition of the Marina and the Sport Fishing Facility.

2.07 Employ and Supervise Employees.

(a) MBM shall hire, employ, train, pay, supervise, discipline, promote and discharge all executive staff, employees and personnel necessary for the operation of the Marina and the Sport Fishing Facility. MBM shall use due care to select qualified, competent and trustworthy employees and personnel. All staff shall be reasonably qualified for their positions, and the direct compensation payable to such persons shall be comparable to the direct compensation paid to the members of the staff of other comparable facilities, taking into account the location and size of the Marina and Sport Fishing Facility. The parties acknowledge and agree the types and rates of direct compensation currently being provided to employees and personnel of the Marina and Sport Fishing Facility are comparable to the direct compensation currently being paid to members of the staff of other comparable facilities.

(b) All employees at the Marina or the Sport Fishing Facility shall be employees of MBM solely, and all compensation of such employees shall be paid by MBM. At no time shall the employees of MBM or any independent contractors engaged by MBM with respect to the Marina or Sport Fishing Facility Resort or their employees be considered the employees of KenCal. Upon expiration or termination of this Agreement, all workers compensation, unemployment costs, as well as unpaid salaries, vacation pay, sick leave benefits and other accrued benefits shall be payable by MBM.

(c) If at any time employees of the Marina or Sport Fishing Facility become represented by a union or collective bargaining unit, MBM shall hire a third party representative acceptable to KenCal to negotiate for the best interest of KenCal with any labor unions representing such employees but any collective bargaining agreement or labor contract resulting therefrom shall be subject to approval by KenCal. In addition, it is understood that MBM shall consult with KenCal in advance of, and during the course of, negotiations with any labor union as to terms acceptable to KenCal. Any such costs shall be reimbursed by KenCal.

(d) No personnel or employees of MBM or independent contractors may occupy a room or use services at the Marina or Sport Fishing Facility for any period without appropriate payment approved by KenCal.

(e) MBM shall comply in all respects with all laws, rules and regulations governing its employees, including without limitation, immigration and naturalization, disability benefits, workers compensation, Social Security, unemployment insurance, hours of labor, wages, job safety and working conditions, employee benefits, terminations and severance, and other employer-employee subjects. As the employer of

all personnel at the Marina and Sport Fishing Facility, MBM shall prepare or cause to be prepared and be responsible for the execution of filing of all forms, reports and returns required by all applicable laws, rules and regulations in connection with the unemployment insurance, workers compensation, disability benefits, job safety, immigration and naturalization service compliance and reporting, tax withholding, pension, if any, profit sharing or other employee benefit plans and Social Security, and all health insurance related matters and other employer employee matters. If any violations of such applicable legal requirements shall occur as a result of any act or omission by MBM, all costs, fines and penalties resulting therefrom, if any, shall be paid by MBM without reimbursement by KenCal.

(f) KenCal shall reimburse MBM for all out-of-pocket personnel-related costs, including but not limited to expenses relating to salaries, wages, bonuses, health insurance, retirement, other compensation or benefits, payroll taxes, payroll processing, workers compensation insurance, employer liability insurance, unemployment, employee lawsuits (provided that such lawsuits do not arise out of the gross negligence, willful misconduct or fraud on the part of MBM or any officer, shareholder, director, employee or agent of MBM or any to their affiliated companies or persons), business automobile insurance and third party fees discussed in Section 2.07(e) above.

2.08 Insurance.

(a) KenCal's Insurance. Except for the insurance required to be maintained by MBM pursuant to Section 2.08(b), KenCal shall be responsible for maintaining in effect policies of insurance covering liabilities actually or potentially arising from the operation of the Marina and the Sport Fishing Facility. A certificate of insurance will be provided to MBM upon its written request. All insurance provided for under this Section shall be effected by policies in form reasonably acceptable to MBM, it being agreed that MBM accepts the policies described on the certificate of insurance furnished by KenCal upon the commencement of this Agreement. Such insurance shall be provided by a company or companies authorized to do business in the State of California having a policy-holder's rating of not less than A-VII in the most recent edition of Best's Rating Guide. All policies of insurance to be maintained by KenCal shall, to the extent possible, name MBM as a named insured and, if commercially obtainable from KenCal's insurer, provide for a waiver of subrogation in favor of MBM. Losses under the policies of insurance shall be payable to the insured parties as their respective interests may appear.

(b) MBM's Insurance. MBM shall procure and maintain, at all times during the term of this Agreement, the following:

(i) Worker's compensation insurance, as required and with the policy limits required by the laws of the State of California;

(ii) Employer's liability insurance, with policy limits of \$1,000,000 each accident, \$1,000,000 disease each employee and \$1,000,000 disease policy limit;

(iii) Business automobile liability insurance, applicable to any automobile, including owned, non-owned and hired automobiles, utilized arising out of or related to MBM's performance under this Agreement, with a policy limit of not less than \$1,000,000 combined single limit each accident; and

(iv) To the extent possible, Commercial General Liability insurance covering bodily injury (including personal injury) and property damage with a combined single limit of not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate.

If the insurance referred to in this Section 2.08(b) can be obtained at lower premiums and otherwise on terms and conditions more advantageous to KenCal under blanket insurance policies available to KenCal, upon KenCal's request MBM shall place the insurance at KenCal's direction; provided that such policies shall be of the same type and character and shall be issued by a company or companies authorized to do business in the State of California having a policy-holder's rating of not less than A-VIII in the most recent edition of Best's Rating Guide.

(c) Policies and Endorsements. All insurance provided for under the Section 2.08(b) shall be effected by policies in form reasonably acceptable to KenCal. Such insurance shall be provided by a company or companies authorized to do business in the State of California having a policy-holder's rating of not less than A-VII in the most recent edition of Best's Rating Guide. All policies, except the Workers' Compensation policy, shall be: (1) written on an occurrence form; (2) provide cross-liability coverage under the standard Insurance Services Office (ISO) separation of insureds clause; and (3) if commercially obtainable, provide for a waiver of subrogation in favor of KenCal. All policies of insurance provided for under Section 2.08(b) shall, to the extent possible, provide: (a) that such policy shall not be cancelled or materially changed without at least 30 days' prior written notice to KenCal and MBM; and (b) such other endorsements as KenCal may require.

(d) Named Parties. All policies of insurance to be maintained by MBM in the name of MBM shall, to the extent possible, name KenCal and its officers, managers, agents and employees as additional insureds. Losses under the policies of insurance shall be payable to the insured parties as their respective interests may appear.

(e) Waiver of Liability. MBM and KenCal each waive any and all rights of recovery against the other (and against the affiliates, members, managers, directors and officers of the other party) for loss of or damage to property of such

waiving party or its property or the property of others under its control, to the extent such loss or damage is covered by the insurance maintained or required to be obtained by such waiving party, provided that this waiver does not apply to any rights that any party may have to insurance proceeds from their respective insurance policies at the time of such loss or damage. Each party obtaining any of the insurance described in this Agreement shall, if commercially possible, obtain from their insurance carriers a consent to such waiver. All insurance policies obtained by MBM pursuant to this Agreement shall be primary and non-contributory to any insurance maintained by KenCal.

2.09 Compliance with Laws and Agreements. MBM shall use reasonable efforts to comply with and cause the Marina and Sport Fishing Facility to comply with all present and future laws, ordinances, orders, rules, regulations and requirements in all material respects which may be applicable to the Marina or the Sport Fishing Facility, and obtain all necessary permits for the Marina and the Sport Fishing Facility. MBM shall also comply with and cause the Marina to comply with all terms, covenants and provisions contained in any wharfage or other contract affecting the Marina or the Sport Fishing Facility, as necessary to permit KenCal to comply with its contractual obligations thereunder. MBM shall comply, and shall cause all contractors and subcontractors to comply with the California Public Employee's Retirement System Statement of Investment Policy for Responsible Contractor Program attached hereto as Exhibit A. In addition, MBM shall use reasonable efforts to cause the Marina and Sport Fishing Facility to comply with all applicable covenants and provisions of any mortgage or other financing encumbering the Marina or Sport Fishing Facility; and take all necessary steps to prevent the creation of any lien or encumbrance or security interest against the Marina or Sport Fishing Facility arising from the operation thereof, and notify KenCal immediately in the event a lien is asserted.

2.10 Marketing and Advertising. MBM shall, subject to KenCal's consent, establish the policies and procedures which it deems necessary or advisable for directing the marketing activities of personnel engaged by or on behalf of KenCal relating to the Marina or the Sport Fishing Facility. MBM shall cause KenCal to advertise in such media and to the extent MBM deems necessary and appropriate, subject to the approval of KenCal.

2.11 Agreements. MBM shall have the authority to negotiate and execute on behalf of KenCal such agreements that do not exceed one year which MBM deems reasonably necessary or advisable for the furnishing of utilities, services, concessions and supplies, for the maintenance, repair and operation of the Marina or Sport Fishing Facility and such other agreements which may benefit the Marina or Sport Fishing Facility, or be incidental to the matters for which MBM is responsible hereunder.

2.12 Licenses, Leases and Concession Agreements. MBM shall use its reasonable discretion to establish the terms and conditions of occupancy by slip tenants at

the Marina and for the operation of sport fishing vessels at the Sport Fishing Facility. MBM shall review the existing wharfage contract at the Marina; if in MBM's professional opinion the wharfage contract can be substantially improved, it will make such recommendation to KenCal. Any agreement with a term longer than one year must be approved by KenCal.

2.13 Control System. MBM shall maintain an appropriate control system for all materials, supplies, inventory and equipment purchased pursuant to the terms hereof for the efficient operation of the Marina and the Sport Fishing Facility.

2.14 Operating Accounts and Depository Accounts. MBM shall establish and maintain for both the Marina and the Sport Fishing Facility separate operating accounts (the "Operating Accounts") in a federally-insured national or state institution qualified to engage in the banking or trust business and otherwise approved in writing by KenCal (the "Depository"), which accounts shall be in the name of and the exclusive property of KenCal and shall be solely for the operation of the Marina and the Sport Fishing Facility and not for the operation of MBM or others. This account shall be maintained under any guidelines established by KenCal including those set forth on Exhibit B. MBM shall not be held liable in the event of bankruptcy or failure of a Depository.

2.15 Payment of Operating and Capital Expenses. MBM shall pay in a timely manner all expenses of the Marina and the Sport Fishing Facility from the associated Operating Accounts in accordance with the Approved Budget and the conditions contained in this Agreement. It is the intent of this Agreement that all expenses of the Marina and the Sport Fishing Facility be paid for by KenCal. Accordingly, unless otherwise provided herein but only to the extent provided for in the Approved Budget or as approved by KenCal, all expenses incurred by MBM by or on behalf of KenCal, or in connection with the administration and supervision of the Marina or the Sport Fishing Facility shall be borne by KenCal. KenCal and MBM will establish a monthly funding request and funding system that will provide MBM the necessary funds in the Operating Accounts to pay all related Marina and Sport Fishing Facility expenses on a timely basis. If an Operating Account does not have the necessary funds to pay all related Marina or Sport Fishing Facility expenses in accordance with the Approved Budget or as otherwise approved by KenCal, KenCal hereby agrees to fund such shortfall not later than ten (10) business days after written notice from MBM. If KenCal fails to provide MBM with sufficient funds to pay all expenses due, MBM may return to KenCal the responsibility to pay some or all of such expenses by sending the invoices directly to KenCal or otherwise.

2.16 Non-Reoccurring and Extraordinary Expenses. Notwithstanding anything to the contrary set forth in this Agreement, any non-reoccurring and extraordinary expense item over \$2,500.00 or contract or commitment not terminable on less than thirty (30) days' notice without penalty shall require prior KenCal's approval.

2.17 Books of Record, Reserve, Distributions to KenCal.

(a) MBM shall maintain accurate records of all funds received and disbursed in connection with MBM's administration and supervision of the Marina and the Sport Fishing Facility and such records, together with all supportive and underlying documentation, shall be available for KenCal's inspection at all reasonable times upon five (5) business days' notice to MBM. All such records shall be maintained in accordance with generally accepted accounting principles, excluding calculation for depreciation. MBM shall not dispose of any books or records relating to the Marina or the Sport Fishing Facility except upon receipt of the written approval of KenCal. MBM shall maintain such control over accounting and financial transactions as is standard practice to protect KenCal's assets from theft, error or fraudulent activity.

(b) All books, registers, receipts, documents, warranties, insurance policies, contracts, leases, correspondence, customer information and any other papers or the information contained therein which are in any manner connected with the operation of the Marina or the Sport Fishing Facility are the sole property of KenCal and shall be delivered to KenCal at the expiration or termination of this Agreement and at any time during the term of this Agreement upon KenCal's request.

2.18 Reports.

(a) Periodic Reports. MBM shall prepare and deliver to KenCal using forms reasonably approved by KenCal the following reports within fifteen (15) days after the end of each month during the term of this Agreement:

- (1) Income Statement (which includes the monthly and YTD figures and prior year period);
- (2) Balance Sheet;
- (3) General Ledger - all accounts (upon request);
- (4) Check Register (upon request);
- (5) Aged Receivables (upon request);
- (6) Rent Roll (upon request).

(b) Other Investigations and Reporting. MBM shall promptly:

(i) Cause to be investigated all accidents and claims for damage relating to the operation and maintenance of the Marina or Sport Fishing Facility as they become known to MBM, and shall report the same to KenCal;

(ii) Cause to be investigated all damage to or destruction of the Marina or Sport Fishing Facility as it becomes known to MBM, and shall report to KenCal any incident that is material, together with the estimated cost of repair of the damage;

(iii) Prepare any and all reports required by any insurance company as the result of an incident mentioned in this Section;

(iv) Notify KenCal in writing in the event MBM receives notice of or becomes aware of any violation or circumstances likely to result in violation of any law, rule or regulation, including any Environment Law (as defined below), and subject to KenCal's consent take all remedial action necessary in compliance with all applicable legal requirements;

(v) Notify KenCal in writing upon receipt of any summons, notice, demand or similar communication regarding any action or threatened action of law or equity or before any regulatory body relating to the Marina or Sport Fishing Facility or the operation thereof;

(vi) Notify KenCal in writing of any notice or communication with an insurance carrier regarding insurance coverage or insurability of the Marina or Sport Fishing Facility; or

(vii) Notify KenCal in writing of any notice or communication of any nature written or oral if MBM has reason to believe such communication will or might represent facts or conditions which could have a material adverse effect on KenCal, alter the potential liability of KenCal, the Marina or the Sport Fishing Facility, or will or might result in an increase in the budget for the Marina or Sport Fishing Facility.

2.19 Audits. If KenCal elects to perform an audit of either the Marina or the Sport Fishing Facility KenCal shall select and pay for the accounting firm performing the audit(s); provided that if such audit reveals an under-reporting of revenues or an over-reporting of expenses in excess of \$10,000.00 or twenty percent (20%), whichever is less, MBM shall pay all costs of such audit. KenCal or its authorized agent may review the bookkeeping accounts or other records pertaining to the Marina and the Sport Fishing Facility at any time during regular business hours subsequent to giving MBM five (5) business days' advance written notice.

2.20 Legal Actions. MBM shall cause to be instituted, on behalf and in the name of KenCal, any and all legal actions or proceedings MBM deems necessary or advisable to collect wharfage fees or other income due to KenCal with respect to the Marina or the Sport Fishing Facility, or to oust or dispossess tenants or other persons unlawfully in possession of slip or wharf space, and to collect damages from breach thereof or default thereunder by Marina tenants or occupants, provided that no action may be brought nor settlement made without KenCal's approval, except for the execution of liens in order to facilitate the collection of unpaid rent. The costs of all such legal actions or proceedings shall be borne by KenCal. MBM shall also defend, at KenCal's expense, any and all actions and proceedings brought by slip tenants or other customers of the marina or the Sport Fishing Facility, or suppliers, vendors and similar persons relating to the Marina or the Sport Fishing Facility, and KenCal shall be responsible for satisfying and paying the costs of defending all such claims to the extent not covered by insurance and any judgment therein entered; provided that KenCal may elect to undertake its own defense, at its cost and expense. KenCal shall also compensate MBM for out-of-pocket costs incurred.

2.21 Limitations on MBM's Authority. MBM shall not have the authority to, and shall not:

(a) Sell, assign, transfer, delegate or pledge any rights, compensation, duties or obligations under this Agreement;

(b) Contract to finance, mortgage, ground lease, lease (except Sportfishing Operating Agreements and Marina slip leases), hypothecate, encumber or otherwise pledge the Marina or the Sport Fishing Facility or any portion thereof;

(c) Except as otherwise approved by KenCal in writing, enter into service contracts which are not terminable without penalty at the option of either MBM or KenCal for any reason on thirty (30) days' or less notice;

(d) Enter into any agreement for the sale of Marina or Sport Fishing Facility, or any portion thereof; and

(e) Except as otherwise approved by KenCal in writing or contemplated by an Approved Budget, (1) remove, permit or cause the removal of any equipment or personal property of KenCal from the Marina or Sport Fishing Facility except in the ordinary course of business; (2) promote or permit the use of all or any portion of the Marina or Sport Fishing Facility (including, without limitation, personal property, equipment, facilities and amenities) to be used on-site by or for the benefit of any third party, without in each instance charging the applicable rent, charge, fee or assessment in connection therewith; (3) permit or cause the Marina or Sport Fishing Facility or any portion thereof to be used for any purpose unrelated to the operation thereof and the

performance of MBM's duties or fulfillment of MBM's obligations hereunder; (4) rent or license space in the Marina or Sport Fishing Facility by written lease or agreement for a stated term in excess of one (1) year; (5) alter the building or other structures of the Marina or Sport Fishing Facility; or (6) make any agreements the term of which exceeds one year unless terminable on thirty (30) days' notice at the will of KenCal, without penalty or the payment of a surcharge.

2.22 Restrictions. Notwithstanding anything to the contrary set forth in this Agreement, MBM shall not be required to do, or cause to be done, anything for the account of KenCal (i) which may make MBM liable to third parties or (ii) which may not be commenced, undertaken or completed because of acts of God, strikes, governmental regulations or law, acts of war or other types of events beyond MBM's control whether similar or dissimilar to the foregoing.

2.23 Limitation. KenCal acknowledges that the nature and extent of MBM's ability to perform under this Agreement is inherently limited to the availability of adequate working capital, and KenCal's cooperation to the extent contemplated hereby or necessary in order to effectuate MBM's duties and obligations hereunder. Accordingly, without limiting KenCal's rights as expressly provided herein and notwithstanding anything contained herein to the contrary, KenCal acknowledges and agrees that MBM shall be expected to carry out its duties and obligations hereunder in a manner consistent with a reasonably diligent administrator and supervisor of a marina and a sport fishing operation of capacities.

2.24 KenCal Decisions. Unless otherwise expressly provided for herein, in the event that MBM requests KenCal's approval of an action that MBM deems necessary to avoid a material loss of the value of the Marina or Sport Fishing Facility, or to correct a condition that would jeopardize the health, safety, or welfare of persons entering onto the Marina or Sport Fishing Facility, if KenCal does not respond to MBM's request within ten (10) business days after receipt of the request, MBM shall send a second request by messenger or registered or certified mail. If KenCal does not respond within five (5) business days after delivery of such second request and if MBM still deems the action necessary to avoid a material loss of the value of the Marina or Sport Fishing Facility, or to correct a condition that could jeopardize the health, safety or welfare of persons entering onto the Marina or Sport Fishing Facility, MBM may undertake such action without waiting for further approval of KenCal; provided that if such action requires aggregate expenditures in excess of \$10,000, KenCal's express approval shall be required.

2.25 Related Parties. It is expressly agreed by the parties hereto that without the prior written consent of KenCal in each instance, MBM shall not, in connection with the performance of its duties hereunder, purchase any supplies, equipment or other items from or make any commitments with or otherwise employ or deal with any person, firm,

company, partnership or other entity which is controlled by MBM or in which MBM and its employees, or any parties controlling MBM, have a material direct or indirect financial interest or relation.

2.26 Annual Plan and Budget. On or before November 15 of each calendar year (except the remaining portion of 2006), MBM shall prepare and provide to KenCal for its review and approval MBM's proposed operating plan and budget, which operating plan and budget shall contain reasonable estimates of gross revenues and operating expenses for the ensuing year (the "Annual Plan and Budget"). KenCal shall have thirty (30) days from its receipt of the proposed Annual Plan and Budget to approve or disapprove the Annual Plan and Budget. If KenCal disapproves of the Annual Plan and Budget, it shall identify the line items it disapproves and the remaining items shall be approved. Until such time as MBM and KenCal are able to reach complete agreement over the Annual Plan and Budget, MBM may operate the Marina and Sport Fishing Facility under the proposed form of Annual Plan and Budget substituting those items still under dispute with items taken from the prior year's Approved Budget. Once the Annual Plan and Budget is approved (such approved Annual Plan and Budget, the "Approved Budget"), MBM may incur the expenditures and implement the provisions of the Annual Plan and Budget and, absent prior approval from KenCal, MBM may not exceed amounts set forth in the Approved Budget by more than ten percent (10%) in the aggregate. For calendar year 2006, MBM shall operate the Marina and Sport Fishing Facility in accordance with the Approved Budget attached hereto as Exhibit C.

2.27 Environmental Matters. MBM shall not use, generate, manufacture, store on, dispose of, produce, bring onto, or otherwise introduce to the Resort any Hazardous Material (as defined below), except those typically used in prudent and safe operations of the Marina, Sport Fishing Facility and fuel dock. For purposes of this Agreement, "Hazardous Materials" means and includes asbestos or any substance containing asbestos, polychlorinated biphenyls, any explosives, radioactive materials, chemicals known or suspected to cause cancer or reproductive toxicity, pollutants, effluents, contaminants, emissions, infectious wastes, any petroleum or petroleum derived waste or product or related materials and any items defined as hazardous, special or toxic materials, substances or waste under any Environmental Law, or any material which shall be removed from the premises pursuant to any administrative order or enforcement proceeding or in order to place the premises in a condition that is suitable for ordinary use. "Environmental Laws" means all federal, state and local laws (whether under common law, statute or otherwise), ordinances, rules, regulations and guidance documents now in force, as amended from time to time, in any way relating to or regulating human health or safety, industrial hygiene or environmental conditions, protection of the environment, pollution or contamination of the air, soil, surface water or groundwater, and includes, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. §9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. §6901, et seq., the Clean Water Act,

33 U.S.C. §1251 et seq., the Clean Air Act, as amended, 42 U.S.C. §7401 et seq., the Occupational Safety and Health Act, 29 U.S.C. §651 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. §1801 et seq., the Federal Water Pollution Control Act, 33 U.S.C. §1321 et seq., and the Toxic Substances Control Act, 15 U.S.C. §2601 et seq., and the amendments, regulations, orders, decrees, permits, licenses or deed restrictions now or hereafter promulgated thereunder.

2.28 Liquor Licensing. MBM shall, as soon as practicable following the date hereof and in no event later than January 10, 2006 apply for, and diligently pursue, such alcoholic beverage licenses so as to permit the same level and character of liquor service as is available at the Marina and the Sport Fishing Facility on December 1, 2005. MBM shall take such steps so as to cause such licenses to be issued on or prior to March 15, 2006, and shall comply with all applicable laws, rules and regulations so as to keep such licenses in full force and effect during the term of this Agreement. Upon request of KenCal, MBM shall take such steps to transfer such licenses to KenCal or its designated assignee.

2.29 Compliance with Anti-Terrorism Laws. MBM shall take commercially reasonable steps to establish that each of its equity owners and each marina tenant (i) is not currently identified on the list of specially designated nationals and blocked persons subject to financial sanctions that is maintained by the U.S. Treasury Department, Office of Foreign Assets Control (currently accessible through the Internet at www.treas.gov/ofac/t11sdn.pdf or any other similar list maintained by the U.S. Treasury Department, Office of Foreign Assets Control pursuant to any applicable law (or if such list does not exist, the similar list then being maintained by the United States), including trade embargo, economic sanctions, or other prohibitions imposed by Executive Order of the President of the United States; and (ii) is not a person subject to any trade restriction, trade embargo, economic sanction, or other prohibition under federal law, including the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any executive orders or regulations promulgated thereunder. MBM and KenCal acknowledge and agree that any and all direct, third party out-of-pocket costs incurred by MBM in complying with this Section 2.29 (including, in MBM's reasonable discretion, the engagement of a third party contractor to enable MBM to comply with this Section 2.29) shall constitute reimbursable expenses under Section 2.15 hereof

ARTICLE III Indemnification

KenCal shall indemnify, defend and hold each of MBM, all persons and companies affiliated with MBM, and all officers, shareholders, directors, employees and agents of MBM and of any affiliated companies or persons (collectively, the "Indemnified Persons") harmless, and release each of such Indemnified Persons, from

any and all costs, expenses, attorneys' fees, suits, liabilities, judgments, damages, losses and claims (collectively, the "Claims") arising (or where the facts or circumstances giving rise to the Claim occurred) during the term of this Agreement and incurred by the Indemnified Persons in connection with the administration or supervision of the Marina or Sport Fishing Facility pursuant to this Agreement, arising from any cause other than that arising from the gross negligence, willful misconduct or fraud on the part of the Indemnified Persons. MBM hereby agrees to indemnify, defend and hold KenCal, all persons and companies affiliated with KenCal, and all officers, shareholders, directors, employees and agents of KenCal and any affiliated companies or persons harmless, and to release KenCal, from any and all Claims in connection with the administration and supervision of the Marina and the Sport Fishing Facility arising from its gross negligence, willful misconduct, or fraud. The provisions of this Section shall survive the termination of this Agreement.

ARTICLE IV Compensation

KenCal agrees to pay MBM and MBM agrees to accept, as full and complete consideration for all undertakings herein provided or contemplated, the following:

(a) The Sport Fishing Facility. The greater of three percent (3%) of the Sport Fishing Facility's gross monthly revenue for the preceding month (on a cash basis), or \$3,500.00 per month, for a total \$42,000.00 minimum yearly payment for MBM's services in connection with the Sport Fishing Facility;

(b) The Marina. The greater of two percent (2%) of the Marina's gross monthly revenue for the preceding month, or \$1,600.00 per month (on a cash basis), for a total \$19,200.00 minimum yearly payment for MBM's services in connection with the Marina; and

(c) Administration Fee. A monthly administration fee in the amount of \$500.00.

(d) Additional Projects. To the extent that MBM is requested by KenCal to perform services outside the scope of the normal contract day-to-day administration, including but not limited to legal administration and capital improvement administration, and supervision of the Marina and Sport Fishing Facility, a separate fee will be mutually agreed upon, in writing, prior to the commencement of any such project.

ARTICLE V Duties of KenCal

KenCal shall cooperate with MBM in the performance of its duties under this Agreement in a manner consistent with the purposes and intents of this Agreement. KenCal shall give MBM access to all files, books and records of KenCal relevant to the Marina and Sport Fishing Facility, and execute all documents and instruments that KenCal and MBM agree are necessary or advisable to enable it to carry out its administration and supervision of the Marina and the Sport Fishing Facility.

ARTICLE VI Term

6.01 Term. This Agreement shall become effective on the date of last execution below and, unless earlier terminated pursuant to Section 6.02, shall continue in full force and effect for a term of one (1) year with the contract to thereafter be terminable by either party on thirty (30) days' notice unless sooner terminated pursuant to the terms hereof.

6.02(a) Termination by KenCal. KenCal may terminate this Agreement upon notice to MBM if (i) MBM or any of its employees commit an act of fraud with respect to its obligations hereunder; (ii) is convicted of or pleads nolo contendere to a felony (or misdemeanor involving moral turpitude) in connection with its obligations hereunder; (iii) fails to perform any of its material obligations and such failure or breach is not curable or is not cured within thirty (30) days after written notice from KenCal; (iv) becomes insolvent, has a receiver appointed for it, admits in writing its inability to pay its debts as they become due, files bankruptcy or has an involuntary bankruptcy action filed against it; (v) KenCal's lease with the City of San Diego is terminated for any reason.

6.02(b) Termination on Sale. KenCal may terminate this Agreement at any time upon ninety (90) days' written notice, in the event of a sale of the property to a non-related third party.

6.02(c) Termination for Casualty. If a material portion of the Marina shall suffer a casualty or condemnation which has a material adverse affect on the operations of the Marina and such casualty or condemnation is not capable of being substantially cured or ameliorated within ninety (90) days, either party may terminate this Agreement.

6.03 Termination by MBM. MBM may terminate this Agreement upon notice to KenCal if (i) KenCal commits an act of fraud with respect to its obligations hereunder; (ii) is convicted of or pleads nolo contendere to a felony (or a misdemeanor involving moral turpitude) in connection with its obligations hereunder; (iii) fails to perform any of its material obligations hereunder or otherwise commits a material breach of this Agreement and such failure or breach is not curable or is not cured within thirty (30) days

after written notice from MBM; or (iv) KenCal becomes insolvent, has a receiver appointed for it, admits in writing its inability to pay its debts as they become due, files bankruptcy or has an involuntary bankruptcy action filed against it.

Except as otherwise provided in Section 6.03, an election to terminate under this Section 6.03 shall require thirty (30) days' advance written notice.

6.04 Responsibilities upon Expiration or Termination.

(a) Upon the expiration or termination of this Agreement, MBM shall peacefully vacate and surrender the premises and shall within thirty (30) days, without necessity of demand or notice, deliver the following to KenCal, or KenCal's appointed agent, on the effective date of termination or on such earlier date as requested by KenCal:

(1) A final accounting reflecting the balance of income and expenses for the Marina and Sport Fishing Facility;

(2) Any balance of monies, as verified by the final accounting described in clause (1) of this Section, remaining in the Operating Account, together with any other monies of KenCal held by MBM with respect to the Marina and Sport Fishing Facility;

(3) All files, records or documents of any kind, including but not limited to, contracts, leases (including equipment leases), warranties, bank statements, employment records, rate schedules, customer lists, plans and specifications, inventories, correspondence, receipts, paid and unpaid bills or invoices and maintenance records, sent at KenCal's expense;

(4) All other documents and information relating to the Marina and Sport Fishing Facility reasonably necessary for KenCal or KenCal's designee to assume the immediate management thereof. The obligation of MBM to deliver the foregoing shall survive the termination of this Agreement;

(5) MBM shall be available to answer questions about the material provided in accordance with Subsection (a).

(b) For a period of thirty (30) days following termination of this Agreement, MBM shall, and shall make its employees available to, cooperate and assist KenCal with the transition of the management and operation of the Marina and Sport Fishing Facility to another manager or managers. In addition, MBM shall, at the request of KenCal, assign and transfer to KenCal (a) all contracts, leases and other agreements regarding the Marina and Sport Fishing Facility that are assignable and not MBM's

Intellectual Property and (b) all right, title and interest in and to all permits and licenses, if any, held by MBM in connection with the Marina and Sport Fishing Facility.

(c) Upon expiration or earlier termination of this Agreement, the parties' obligations with respect to this Agreement will terminate, except as to liabilities or claims of either party that have accrued or arisen before the termination date. Notwithstanding the foregoing, all provisions of this Agreement that are expressly or by implication to remain in force after the termination of this Agreement (including Sections 2.07(e) and 2.27 and Articles III and VII) will survive the expiration or earlier termination of this Agreement.

ARTICLE VII MISCELLANEOUS PROVISIONS

7.01 Notices. Any and all notices required or which either party herein may desire to give to the other shall be made in writing and shall be given by certified or registered mail, postage prepaid, return receipt requested, or by recognized overnight courier, such as Federal Express or Airborne Express, and shall be deemed to be given on the third business day following the date of posting in a United States Post Office or branch post office or one (1) day after delivery to the overnight courier, or by telecopier with confirmed receipt, and shall be addressed:

To KenCal: KenCal Operating LLC
Attn: Jena Thornton
1215 Fourth Avenue, Suite 2400
Seattle, Washington 98161
Fax: 206-624-8515

If a notice is provided to KenCal concerning termination or any breach of this Agreement by KenCal, a copy of such notice shall also be provided also to:

Cairncross & Hempelmann, P.S.
Attn: John P. Stokke
524 Second Avenue, Suite 500
Seattle, Washington 98104-232
Fax: 206-587-2308

To MBM: Mr. Greg Greenstein
J.G. Management Co., Inc.
5743 Corsa Avenue, Suite 200
Westlake Village, California 91362

7.02 Relationship. Notwithstanding anything to the contrary contained herein MBM shall be an independent contractor performing management functions for KenCal but shall, at all times, be subject to the provisions of this Agreement with respect to managerial decisions.

7.03 Records. All records maintained by MBM with respect to the Marina and the Sport Fishing Facility shall, at all times, be and constitute the property of KenCal and shall be surrendered to KenCal in accordance with the terms hereof, at KenCal's expense. Nothing herein shall create an agency coupled with an interest. Nothing herein shall be construed as creating a partnership or joint venture between KenCal and MBM.

7.04 Amendment. This Agreement contains the entire agreement of the parties and any attempt to change or modify the terms hereof shall be null and void, unless approved and agreed to in writing by KenCal and MBM.

7.05 Effective Date. This Agreement will become effective on the date of last execution below.

7.06 Arbitration. Any dispute between the parties hereto with respect to this Agreement or the performance or breach by any party hereunder shall be submitted to arbitration in San Diego County, California. The provisions of California Code of Civil Procedure Section 1283.05 are incorporated herein. In addition to any other relief awarded by the arbitrator, the prevailing party in such arbitration, as determined by the arbitrator, shall be entitled to recover costs and expenses incurred, including but limited to reasonable attorneys' fees. The written decision of the arbitrator shall be final and conclusive as to all parties to such dispute.

7.07 Governing Law. This Agreement shall be construed, interpreted and applied in accordance with, and shall be governed by, the laws applicable to the State of California.

7.08 Assignment. Neither MBM nor KenCal shall assign this Agreement or any right or obligation hereunder without the prior written consent of the other party.

7.09 No Solicitation. KenCal shall not solicit nor permit any person or entity affiliated with KenCal to solicit for employment any of MBM's on-site employees during the term of this Agreement.

7.10 Construction. The plural may include the singular and the singular may include the plural, and this Agreement shall be interpreted in this regard as the context may require.

7.11 Headings. All captions and headings herein are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Agreement.

7.12 Remedies. No failure or delay on the part of any party in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise of any such right, power or remedy. The remedies provided for herein are cumulative and are not exclusive of any remedies that may be available to any party at law or in equity or otherwise.

7.13 Time is of the Essence. Time is of the essence of each provision of this Agreement.

7.14 Third Parties. Nothing in this Agreement, express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any person other than the parties hereto and their respective permitted successors and permitted assigns, nor is anything in this Agreement intended to relieve or discharge any obligations of any third person or any party hereto or give any third person any right to subrogation or action over or against any party to this Agreement.

7.15 Merger. This Agreement supersedes all prior agreements or understandings, written or oral, of the parties hereto relating to the subject matter of this Agreement, and, together with the writings to be delivered pursuant to this Agreement, incorporates the entire understanding of the parties hereto with respect to the subject matter hereof.

7.16 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument, but only after all of the other parties hereto have executed at best one counterpart to this Agreement.

7.17 Waiver. The waiver of any terms and conditions of this Agreement on any occasion or occasions shall not be deemed to be a waiver of such on any future occasions.

7.18 Divisibility. In the event any article, section or paragraph of this Agreement is deemed illegal or unlawful, the same shall be struck here from, and all other articles, sections or paragraphs shall remain valid and in full effect.

7.19 Limitation on Liability. Notwithstanding anything to the contrary contained herein, MBM's liability under this agreement shall be limited to its gross negligence, willful misconduct, or fraud.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

KENCAL: KENCAL OPERATING LLC,
A California limited liability company

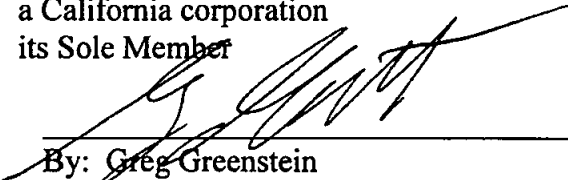
By: FST HRI LLC,
a Washington limited liability company

By: MTM Management, L.L.C.
a Washington limited liability company,
Member and Manager

By: 
Name: James Simkins
Title: Manager

MBM: MARINA BAY MANAGEMENT, LLC,
a California limited liability company

By: J.G. MANAGEMENT CO., INC.
a California corporation
its Sole Member


By: Greg Greenstein
Its: President

EXHIBITS

EXHIBIT A - CALPERS Responsible Contractor Program

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF INVESTMENT POLICY**

**FOR
RESPONSIBLE CONTRACTOR PROGRAM**

October 14, 2003

This Policy is effective immediately upon adoption and supersedes all previous Responsible Contractor policies.

I. PURPOSE

This document sets forth the investment policy ("the Policy") for the Responsible Contractor Program ("the Program"). The design of this Policy ensures that contractors, investors, managers, consultants, or other participants selected by the California Public Employees' Retirement System ("the System") take prudent and careful action while managing the Program. Additionally, use of this Policy provides assurance that there is sufficient flexibility in controlling investment risks and returns while using contractors.

II. INTRODUCTION

The California Public Employees' Retirement System ("the System") has a deep interest in the condition of workers employed by the System and its advisors. The System, through the Responsible Contractor Program Policy (Policy) described below, supports and encourages fair wages and benefits for workers employed by its contractors and subcontractors, subject to fiduciary principles concerning duties of loyalty and prudence, both of which further require competitive returns on the System's real estate investments.

The System endorses small business development, market competition, and control of operating costs. The System supports many of the ideals espoused by labor unions and encourages participation by labor unions and their signatory contractors in the development and management of the System's real estate investments. The System believes that an adequately compensated and trained worker delivers a higher quality product and service. This Policy shall complement and in no manner detract from the System's existing Policy regarding service-disabled California veteran owned business enterprises. The Policy is consistent with the recommendations of fiduciary counsel in a letter to the System's General Counsel dated December 7, 1992 and includes provisions for transition, monitoring, and enforcement.

III. DEFINITION OF A RESPONSIBLE CONTRACTOR

A responsible contractor, as used in this Policy, is a contractor or subcontractor who pays workers a fair wage and a fair benefit as evidenced by payroll and employee records and who complies with service-disabled veteran business (SDV/BE) policy. The definition of fair benefits includes, but is not limited to, "employer-paid family health care coverage, pension benefits, and apprenticeship programs." What constitutes a "fair wage" and a "fair benefit" depends on the wages and benefits paid on comparable real estate projects. Fair wages and fair benefits are based upon local market factors, that include the nature of the project (e.g., residential or commercial and public or private), comparable job or trade classifications, and the scope and complexity of services provided.

IV. INITIAL REQUIREMENTS OF THE RESPONSIBLE CONTRACTING POLICY

- A. **Duty of Loyalty** - Notwithstanding any other considerations, assets shall be managed for the exclusive benefit of the participants and the beneficiaries of The System. The System's, as well as its advisors', duty to the participants and their beneficiaries shall take precedence over any other duty.
- B. **Prudence** - The System's Board, Staff, and advisors are charged with the fiduciary duty of exercising the care, skill, prudence, and diligence appropriate to the task.
- C. **Competitive Return** - To comply with duties of loyalty and prudence, all investments and services must be made and managed in a manner that produces a competitive risk-adjusted return.
- D. **Competitive Bidding** - Contractors and their subcontractors for construction, maintenance, and services shall be selected through a competitive bidding and selection process. The purpose of this provision to encourage fair competition and to seek bids actively from all qualified sources within an area, particularly those identified as Responsible Contractors. Advisors and their subcontractors shall create a bidding process that includes notification and invitations to bid, distributed to a broad spectrum of potential bidders, particularly those identified as Responsible Contractors. The review of the bids shall include consideration of loyalty, prudence, and competitive risk-adjusted returns (factors to be considered include experience, reputation for honesty, integrity, timeliness, dependability, fees, SDV/BE policy, and the adherence to the Responsible Contracting Policy.)

- E. **Local, State, and National Laws** - All advisors and their subcontractors shall observe all local, state, and national laws (including, by way of illustration, those pertaining to insurance, withholding taxes, minimum wage, and health and occupational safety), and The System's policy concerning minorities, women and service disabled California veteran business enterprises.

V. SELECTION PREFERENCE OF A RESPONSIBLE CONTRACTOR

If Initial Requirements A through E (see Section III. above) are satisfied, The System expresses a strong preference that Responsible Contractors be hired.

VI. TRANSITION, ENFORCEMENT, MONITORING, AND ADMINISTRATION

- A. **Applicable Investments and Phasing** - This Policy shall apply to all applicable real estate advisors and single family real estate investments (and associated advisor and subcontractor contracts and bids arising out of those investments). This Policy specifically excludes all indirect, specialty, and mortgage investments lacking equity features and their respective advisors. The Policy shall not initially apply to existing investments such as hybrid debt or joint ventures. As to this Policy's application to existing and future hybrid debt and joint ventures investments, an implementation study shall be performed for reviewing these investments.

Housing Development Partnership existing on the effective date of this Policy shall not be amended to incorporate this Policy, but voluntary compliance is strongly recommended. The practicality, schedule, and method of extending this Policy in the future, beyond those investments and contracts described herein shall depend on factors that include the structure of the investment and the degree of control The System can exercise.

- B. **Notification** - The System shall provide all applicable current and prospective real estate advisors with a copy of this Policy.
- C. **Solicitation Documents** - All requests for proposal and invitations to bid covered by this Policy shall include the terms of this Policy inclusive of the Responsible Contractor Self-Certification Form (Appendix 1). Responses by bidders shall include information to assist the Partner/Advisor in evaluating a bid.
- D. **Contracts and Renewals** - All contracts entered into after the effective date of this Policy and pertaining to applicable real estate investments, including renewals of such contracts, shall include the terms of this Policy.

E. Responsibilities - The responsibilities of The System's Staff ("the Staff"), advisors, property managers, contractors, and unions are defined as follows:

1. The System's Staff shall have the following responsibilities:
 - a. Reviewing the advisors' annual reports regarding compliance with the Policy.
 - b. Developing and maintaining contact lists for all The System' properties and providing a copy to inquiring parties.
 - c. Reporting periodically to the Investments Committee on these findings and making recommendations for corrective action as necessary. The first report shall be six months after adoption of the Policy.
2. Advisors' responsibilities shall include the following duties:
 - a. Communicating the Policy to all property managers.
 - b. Reviewing a contract listing for each property prepared by each property manager.
 - c. Maintaining a simplified bid summary for each applicable contract. The summary shall include identifying contract, successful bidder, and bidder's status as Responsible Contractor.
 - d. Providing an annual report to The System' Staff, describing their own efforts as well as those by property managers and their subcontractors.
 - e. Monitoring and enforcing the Policy, including the investigation of potential violations.
 - f. The Partner/Advisor shall sign and deliver, on their companies letterhead, a Partner/Advisor annual Certification stating the following:

"I certify that for the fiscal year ending June 30, 20XX _____ (Partner Name) and any agents and/or subcontractors hired by us, have complied, to the best of my knowledge, with the Responsible Contractor Policy and more specifically with the roles and responsibilities stated within the policy."

- a. Delivering to the property manager or advisor, lists of names and telephone numbers of Responsible Contractors.
 - b. Referring interested and qualified Responsible Contractors to the property manager.
 - c. Monitoring the local labor markets continually to update the lists.
 - d. Providing technical input as appropriate.
- F. **Outreach** - The System' Staff shall develop and maintain a list of all The System' properties. The list shall include the property name, address, advisor and property manager, and telephone number of the property manager and real estate advisors. The System' Staff shall provide this list to anyone who requests a copy. Actual contract expiration inquiries shall be referred to the property level. Property managers shall provide solicitation documents to any potential contractor who, has in writing, expressed an interest in bidding for the relevant contract.
- G. **Minimum Contract Size** - The Policy shall absolutely apply to all contracts of a minimum size of \$50,000. Minimum contract size refers to the total project value of the work contracted for and not to any desegregation by trade or task. For example, a \$50,000 contract to paint two buildings in a single office complex would not be treated as two \$25,000 contracts, each less than the minimum contract size. Desegregation designed to evade the requirements of the Policy is not permitted.
- H. **Applicable Expenditures Categories** - The Policy shall apply to tenant improvements, capital expenditures, and operational service contracts (such as cleaning).
- I. **SDV/BE Policy** - Satisfaction of the System' SDV/BE Policy is a necessary condition before the System, acting through its contractors, hires a Responsible Contractor. Advisors and Contractors shall provide a certification statement of SDV/BE compliance or documentation of good faith efforts. Advisors shall collect and retain adequate data documenting their compliance with this Policy and shall be prepared to produce this data for review by the Staff when requested.
- J. **Fair Wage, Fair Benefits, Training** - The Policy avoids a narrow definition of "fair wage", "fair benefits", and "training" that might not be practical in all markets. Furthermore, the Policy does not require a "prevailing wage", as defined by government surveys. Instead, the Policy looks to local practices concerning type of trade and type of project. The

3. Property managers shall have responsibility for the following duties:
 - a. Communicating in bid documents the Responsible Contractor Program Policy to contractors seeking to secure construction or building service contracts.
 - b. Communicating about the Policy to any interested party.
 - c. Ensuring there is a competitive bidding process, inclusive of potentially eligible Responsible Contractors.
 - d. Requiring that bidders provide to the property manager a Responsible Contractor self-certification on a form approved by The System.
 - e. Preparing and sending to advisors a contract listing for applicable service contracts for each property under management. The building trades and service trades and other potential bidders will have access to this list.
 - f. Providing advisors with a simplified bid summary for each contract.
 - g. Providing property level annual report information to advisors.
 - h. Maintaining documentation for successful bidders.
 - i. Seeking from trade unions/service unions input in the development of Responsible Contractor lists.
 - j. Maintaining a list of any interested Responsible Contractors. (Names, addresses and telephone numbers).
4. Contractors shall have the responsibility for the following duties:
 - a. Submitting a Responsible Contractor self-certification on a form approved by The System to the property manager. Communicating to subcontractors the Responsible Contractor Program Policy.
 - b. Providing the property manager with Responsible Contractor documentation.
5. Trade unions/service unions shall perform the following tasks:

Policy recognizes that practices and labor market conditions vary across the country and that flexibility in its implementation is very important.

In determining "fair wages" and "fair benefits" concerning a specific contract in a specific market, items that may be considered include local wage practices, state laws, prevailing wages, labor market conditions, and other items.

In place of a prevailing wage standard, the Policy requires a broad outreach and competitive bidding program, as described in Section III. D, and V. F and L. This program is premised upon the availability of a list of Responsible Contractors in every market in which The System directly owns a property. While advisors, their property managers and contractors are responsible for gathering and analyzing information relevant in identifying and hiring a Responsible Contractor, compilation of this list does not depend solely on the advisors, property managers, or contractors. Instead, this Policy invites the various local trades to suggest contractors, which in their view, qualify as Responsible Contractors. Sources of information include local building and service trade councils, builders associations, and governments.

- K. **Annual Review and Data Forms** - A proposed Responsible Contracting annual report is required with this Policy. The annual review of Advisors' compliance with the Policy shall coincide with the SDV/BE review. Advisors shall present summary data in a format described and approved by the System. The annual review of advisor compliance shall provide The System' Staff with good faith evidence of monitoring and enforcement.

The annual review shall determine whether each advisor, property manager, and contractor conducted a good faith outreach program and a competitive bidding process that includes responsible contractors. If a potential, responsible contractor does not respond to the invitation to bid, then the advisor, property manager, or contractor has acted properly. For each bidder, the advisor, property manager, or contractor is obliged to gather appropriate responsible contracting information and make a judgment concerning the five initial requirements described in Section III. If there are instances in which an advisor, property manager, or contractor failed to comply with this Policy, The System' review of the advisors, property managers, or contractors shall focus on the overall pattern of conduct and not any one specific incident.

- L. **Competitive Bidding** - Property managers and contractors shall give notice for applicable bids in local trade publications, bulletin boards, and union building trades councils. Property managers shall seek input from building trades councils for developing lists of responsible contractors for inclusion in the bidding process.

Property managers may choose a reasonable number of contractors to invite to bid from the list of responsible contractors. Given the time and expense required to solicit and evaluate bids, it is not essential that advisors, property managers, and contractors invite all potential bidders.

The property manager must ensure that there is a competitive bidding process, which is inclusive of potentially eligible responsible contractors. Large numbers of bidders does not necessarily assure inclusion. Property managers must take care in ensuring those bidders include potentially eligible responsible contractors.

Although the Policy does not require hiring union workers, the trade unions will be invited to participate in the following:

1. Deliver to the property manager or advisor lists of names and telephone numbers of responsible contractors including those responsible contractors who expressed any interest in bidding.
2. Continually monitor the local markets, updating the lists. Property managers shall maintain these lists supplied by the trade unions.

- M. **Neutrality** - The System supports a position of neutrality in the event there is a legitimate attempt by a labor organization to organize workers employed in the construction, maintenance, operation, and services at a System owned property.

Resolution of any interjurisdictional trade disputes shall be the responsibility of the trades and the various state and national building trades councils. This Policy does not call for any involvement by the advisors, property managers, or contractors in interjurisdictional trade disputes.

- N. **Enforcement** - This System shall place a non-complying advisor or property manager on a probation watch list. If the advisor or property manager does not modify this pattern of conduct, even after discussions with 'The System' Staff, the System shall consider this pattern of conduct along with other information when it reviews the advisor or property manager contract for possible renewal. The key indicator is a pattern of conduct that is inconsistent with the provisions of the Policy.

Advisors, property managers, and contractors that have not hired responsible contractors in the past may still bid for contracts. However, after the award of such contracts the System shall review its compliance with the Policy.

The System does not require that advisors, property managers, or contractors use any particular system for compliance. However, from time to time, The System' Staff may disseminate information and suggestions regarding efficient ways for complying with this Policy.

CERTIFICATION OF RESPONSIBLE CONTRACTOR STATUS

GENERAL INFORMATION

Company Name
Address
City
Telephone Number () Fax Number ()
Ownership Structure (Please check one)
☐ Sole Proprietorship ☐ Partnership ☐ Corporation ☐ Joint Venture ☐ Other
Description of Service(s) Provided
Contractor's License #

RESPONSIBLE CONTRACTOR STATUS (Refer to definitions on reverse)

Please check one of the following boxes:

1. ☐ Meets all Responsible Contractor requirements
2. ☐ Meets none of the Responsible Contractor requirements
3. ☐ Meets certain of the Responsible Contractor requirements (*provide explanation below*)

If you have checked box 3 above, please provide an explanation below (*attach additional pages if necessary on questions 3, 4 and 5*):

Explanation:

4. Has your firm ever been fined, received an adverse judgment, penalty, or received any mandated changes to its corporate policy in the past 18 months resulting from violations of State or Federal labor laws, including but not limited to the National Labor Relations Board, or Equal Opportunity Commission (i.e. sexual harassment and/or discrimination violations)? If yes, please explain.

Explanation:

5. Relative to question #4, are there any complaints that you are aware of that have been filed with your firm or any entities listed under question #4? If yes, please explain. (Affirmative answer(s) to the question will not necessarily disqualify the vendor from being the successful bidder. The level of investigation of the complaints listed in response to the question will be left to the judgment of the investment partner.)

Explanation:

TARGETED VENDOR STATUS (*Refer to definitions on reverse.*)

Does your firm meet the definition of service-disabled veteran business enterprise?

☐ Yes

☐ No

OWNER'S CERTIFICATION OF RESPONSIBLE CONTRACTOR STATUS

On behalf of the above-named company, the undersigned certifies that the information and response provided herein are true, complete and accurate as of this date, and he/she is aware that any intentionally misrepresented or falsified information may result in disqualification from future contracting opportunities.

Signature _____

Date _____

Name (please print) _____

Title _____

This form was prepared for use in compliance with the Responsible Contractor Program Policy of CALPERS.
Any contractor or subcontractor with a minimum contract size of \$50,000 should complete this form

INTRODUCTION:

The California Public Employees' Retirement System ("CALPERS") has a deep interest in the condition of workers employed by the System and its advisors. The System, through the Responsible Contracting Policy, supports and encourages fair wages and fair benefits for workers employed by its contractors and subcontractors, subject to fiduciary principles concerning duties of loyalty and prudence, both of which further require competitive returns on the System's real estate investments. The System endorses small business development, market competition and control of operating costs. The System supports many of the ideals espoused by labor unions and encourages participation by labor unions and their signatory contractors in the development and management of the System's real estate investments. The System believes that an adequately compensated and trained worker delivers a higher quality product and service. This policy is intended to complement and in no manner detract from existing System policy regarding service-disabled California veteran owned business enterprises.

DEFINITIONS:

Responsible Contractor: A contractor or subcontractor who pays workers a fair wage and a fair benefit as evidenced by payroll and employee records and who complies with CALPERS' service-disabled veteran business enterprise (SDV/BE) policy. "Fair Benefits" are defined as including, but not limited to, employer paid family health care coverage, pension benefits, and apprenticeship programs. What constitutes a "fair wage" and "fair benefit" depends on the wages and benefits paid on comparable real estate projects based upon local market factors, that include the nature of the project (e.g. residential or commercial, public or private) comparable job or trade classifications, and the scope and complexity of the services provided.

SDV/BE Policy: Contractors to the System shall make a good faith effort to comply with CALPERS annual contract participation goals by directing purchase of goods and services to 3% service-disabled veteran owned business enterprises. The definitions of these terms are as follows:

Service-Disabled Veteran: A veteran of the military, naval or air services of the United States with a service-connected disability.

Service-Disabled Veteran Business Enterprise: A business enterprise which is certified by the State of California Office of Small & Minority Business of the Department of General Services as meeting all of the following: (1) it is a business enterprise which is at least 51% owned by one or more disabled veterans, or, in the case of a publicly-owned business, at least 51% of the stock of which is owned by one or more disabled veterans. (2) the management and daily business operations are controlled by one or more disabled veterans (the disabled veterans who exercise management and control are not required to be the same disabled veterans as the owners of the business concern), and (3) it is a business concern with its home office in the United States and which is not a branch or subsidiary of a foreign corporation, firm or other business.

EXHIBIT B - PROCEDURES REGARDING OPERATING ACCOUNTS

MBM will deposit in the Operating Accounts all monies received from the operation of the Marina and Sport Fishing Facility and will disburse the same from the Operating Account for the purposes set forth in Section 2.15. MBM shall not commingle any funds in the Operating Accounts with KenCal's or MBM's other funds.

Notwithstanding the foregoing as to each of the Operating Accounts, KenCal shall be designated as an additional signatory thereon entitled, from time to time, to withdraw any Cash Available for Distribution (as defined below) and to withdraw all or any of the funds in said accounts upon the termination of this Agreement or in the event that MBM becomes insolvent, has filed a voluntary petition or is the subject of an involuntary petition in bankruptcy, insolvency or reorganization under the bankruptcy law or laws of the State of California. Checks drawn on the Operating Account or other documents of withdrawal shall be signed by a designated and appropriately insured representative of MBM approved by KenCal. MBM and such representative(s) shall be removed as authorized signatories on the Operating Account upon termination of this Agreement or upon KenCal's written direction.

For purposes of this Agreement, "Cash Available For Distribution" means on any date the amount contained in the Operating Accounts minus an amount sufficient for the uninterrupted and efficient operation of the Resort for the succeeding 30 days, taking into account all operating expenses and all anticipated revenue projected for such period.

EXHIBIT C - APPROVED BUDGET

**HYATT ISLANDIA
ACTUAL/PROJECTED STATEMENT 2005/2006
MARINA**

	Actual & Projected 2005	%	Projected 2006	%
	TOTAL		TOTAL	
REVENUE				
SCHEDULED RENTS 8% INCR 04/06	1,042,430	100.00%	1,135,581	100.00%
WASHER/DRYER LEASE	381	0.03%	371	0.03%
SCHEDULED RENTS - VACANCY	(15,108)	-1.45%	(16,456)	-1.45%
GUEST SLIP RENTS	14,473	1.39%	15,788	1.38%
FINANCE CHARGE	50	0.00%	50	0.00%
NSF CHARGES	60	0.01%	50	0.00%
TOTAL REVENUE	1,042,268	99.98%	1,135,373	99.98%
EXPENSES:				
GENERAL & ADMIN				
INSURANCE (PROPERTY AND LIABILITY) 3% INCR	23,780	2.28%	24,504	2.16%
SECURITY	7,920	0.76%	8,100	0.71%
REPAIRS & MAINTENANCE	24,195	2.32%	28,800	2.54%
ADVERTISING & PROMOTIONS	2,190	0.21%	500	0.04%
PROFESSIONAL	1,375	0.13%	1,500	0.13%
PROFESSIONAL - JG MGMT 2%	20,845	2.00%	22,707	2.00%
POSTAGE, PRINTING & STATIONARY	748	0.07%	850	0.07%
CITY RENT 25%	280,155	24.96%	283,843	25.00%
PAYROLL & TAXES 3% INCR	59,053	5.67%	60,825	5.36%
PAYROLL ADMINISTRATION	0	0.00%	2,000	0.18%
PAYROLL BONUS	3,500	0.34%	4,000	0.35%
PAYROLL PROCESSING	500	0.05%	550	0.05%
PAYROLL HEALTH INSURANCE	6,865	0.66%	7,000	0.62%
EMPLOYEE RETIREMENT	1,388	0.13%	1,400	0.12%
TOTAL GENERAL & ADMIN	412,521	39.58%	446,580	39.33%
NET INCOME FROM OPERATIONS	629,747	60.42%	688,793	60.67%

ASSUMES NO CHANGE OVER PREVIOUS YEAR.

THE BUDGET FOR 2006 IS BASED ON PREVIOUS YEARS FIGURES AND IS AN ESTIMATE ONLY.

**HYATT ISLANDIA
ACTUAL/PROJECTED STATEMENT 2005/2006
SPORTSFISHING**

	ACTUAL & PROJECTED 2005		PROJECTED 2006	
	TOTAL	%	TOTAL	%
REVENUE				
DIESEL FUEL	696,469	45.05%	720,845	45.05%
DIESEL TAX - FED & STATE	(8,818)	-0.57%	(9,125)	-0.57%
DIESEL SALES TAX - CA PREPAID	(49,460)	-3.20%	(51,191)	-3.20%
REGULAR FUEL	481,718	31.16%	488,578	31.16%
GAS TAX - FED & STATE	(49,828)	-3.22%	(51,572)	-3.22%
GAS SALES TAX - CA PREPAID	(31,066)	-2.01%	(32,153)	-2.01%
OIL & FUEL ADDITIVES	1,829	0.12%	1,896	0.12%
FISHING LICENSES	94,778	6.13%	98,095	6.13%
TACKLE - RESALE	35,102	2.27%	36,331	2.27%
FOOD & BEVERAGE	45,912	2.97%	47,519	2.97%
LIQUOR	18,561	1.20%	19,211	1.20%
SUNDRIES	28,294	1.83%	29,285	1.83%
TACKLE RENTAL	70,172	4.54%	72,828	4.54%
BOOKING COMMISSIONS	207,268	13.41%	214,522	13.41%
WASTE TANK / DOCKING FEES	4,488	0.29%	4,643	0.29%
CASH OVER (SHORT)	431	0.03%	446	0.03%
TOTAL REVENUE	1,545,950	100.00%	1,600,058	100.00%
COST OF SALES				
DIESEL FUEL	497,742	32.20%	507,897	31.73%
REGULAR FUEL	270,555	17.50%	275,966	17.25%
OIL & FUEL ADDITIVES	805	0.05%	821	0.05%
FISHING LICENSES	90,403	5.85%	92,211	5.76%
TACKLE - RESALE	23,300	1.51%	23,786	1.49%
FOOD & BEVERAGE	34,148	2.21%	34,831	2.18%
LIQUOR	14,857	0.95%	14,950	0.93%
SUNDRIES	20,067	1.30%	20,468	1.28%
RENT RODS & REEL PARTS	15,536	1.00%	15,847	0.99%
TOTAL COST OF SALES	967,213	62.56%	988,557	61.66%
GROSS PROFIT	578,737	37.44%	613,501	38.34%
EXPENSES:				
GENERAL & ADMIN				
INSURANCE (PROPERTY & INSURANCE) 3% INCR	43,529	2.82%	44,835	2.80%
SECURITY	6,020	0.39%	7,000	0.44%
TRASH REMOVAL	7,406	0.48%	7,800	0.49%
REPAIRS & MAINTENANCE	30,344	1.96%	20,000	1.25%
TELEPHONE	10,707	0.69%	11,000	0.69%
TAXES & LICENSES	11,422	0.74%	12,000	0.75%
ADVERTISING & PROMOTIONS	11,531	0.75%	12,000	0.75%
PROFESSIONAL FEES	7,843	0.51%	3,000	0.19%
PROFESSIONAL FEES JG MGMT 3%	46,378	3.00%	48,002	3.00%
BANK AND CREDIT CARD CHARGES	22,552	1.46%	23,000	1.44%
OFFICE EXPENSE	6,900	0.45%	7,000	0.44%
POSTAGE, PRINTING & STATIONARY	1,498	0.10%	1,500	0.09%
CITY RENT 3.33% AVG	49,334	3.19%	53,330	3.33%
PAYROLL & TAXES 3% INCR	150,143	9.71%	154,647	9.67%
PAYROLL ADMINISTRATION	0	0.00%	4,000	0.25%
EMPLOYEE X-MAS BONUS	1,950	0.13%	2,100	0.13%
MANAGER BONUS	7,904	0.51%	4,797	0.30%
PAYROLL PROCESSING	1,044	0.07%	1,150	0.07%
PAYROLL INSURANCE	12,938	0.84%	12,800	0.80%
EMPLOYEE RETIREMENT	1,321	0.08%	2,172	0.14%
TOTAL GENERAL & ADMIN / NON-	430,764	27.86%	432,133	27.01%
NET INCOME FROM OPERATION	147,973	9.57%	181,368	11.34%

THE BUDGET FOR 2006 IS BASED ON PREVIOUS YEARS FIGURES AND IS AN ESTIMATE ONLY.
THERE ARE NO FIXED CONTRACTS TO SOLIDIFY INCOME OR EXPENSES AND NO GUARANTEE EXPRESSED OR IMPLIED.
THE SPORTSFISHING INDUSTRY IS BASED ON THE RUNNING OF FISH AND IS THEREFORE VERY DIFFICULT TO PREDICT.

CONSENT TO AGREEMENT

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

Islandia Associates, Ltd.

("LESSEE") and filed in the Office of the City Clerk on February 9, 1987 as Document RR-267648, hereby consents to that certain Open Party Boat Operator Agreement ("Agreement") between the above LESSEE ("SUBLESSOR") and

**Fred Thacher, an individual
d/b/a Phoenix**

("OPERATOR") dated May 8, 2003. The Agreement shall be subordinate to the Master Lease in all respects. The CITY is merely approving the OPERATOR and the proposed use, and all terms and conditions of the Master Lease shall control and supersede any inconsistent or contrary provisions in the Agreement. The CITY is not bound by any term or condition in the Agreement which in any way conflicts with or is additional to the provisions of the Master Lease. Further, pursuant to section 4.02 of the Master Lease, the consent of the City is conditioned upon, and OPERATOR agrees, that it will keep and perform all covenants, conditions, and provisions of the Master Lease.

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

ASSIGNMENT AND SUBLEASING: OPERATOR shall not assign the Agreement or sublet the premises or any part thereof without the prior written consent of LESSEE and The City of San Diego. An assignment by operation of law shall automatically terminate this consent.

HOLD HARMLESS: OPERATOR shall assume the defense of, indemnify and hold harmless LESSEE and CITY, its elected officials, officers, representatives, agents, and employees from all claims, expenses and liability of every nature, directly or indirectly arising from, or alleged to have arisen from the operations conducted on the premises leased under the Master Lease, the condition of the premises, or from any act or omission of OPERATOR, his agents and invitees; provided, however, OPERATOR'S duty to indemnify and hold harmless shall not include any claims or liability arising from the established active negligence, sole negligence, or sole willful misconduct of the CITY, its agents, officers, or employees.

INSURANCE: OPERATOR shall be insured by an insurance carrier acceptable to the LESSEE and CITY against loss from public liability arising from the use or condition of or operation conducted on or from the leased premises. Minimum coverage shall be Two Million Dollars (\$2,000,000) COMBINED SINGLE LIMIT LIABILITY. A copy of the policy of insurance shall be filed with CITY and shall name "The City of San Diego, its elected officials, officers, representatives, agents, and employees" as additional insureds. Said policy shall specify that the

policy may not be terminated, altered or canceled without thirty (30) days prior written notice to CITY by the insurance company.

OPERATIONS: For the purpose of this Consent to Agreement, the "Vessel" includes the motorboat defined in Section B of the Agreement. The Vessel is required by law to be registered with California Department of Motor Vehicles and must carry proper registration numbers and stickers. The Vessel shall be equipped with waterproof map(s) detailing all current regulations and activity zones for Mission Bay, whale watching and fishing areas, and shall be equipped with all safety equipment required by law. The Vessel shall be professionally maintained and staffed during all operating hours and shall be properly equipped to operate legally within any public operating areas or as otherwise required by Mission Bay Park or United States Coast Guard rules and regulations. OPERATOR shall at all times comply with all applicable laws, statutes, ordinances, regulations or "special notices" of the City of San Diego, United States Coast Guard or any other regulatory agency issued under their authority at the OPERATOR'S sole cost and expense. The Vessel may not be stored on public property outside the leasehold. LESSEE and OPERATOR agree that the City Manager or his designee shall have the authority to immediately revoke this Consent if the City Manager determines that the Vessel is not being operated in compliance with the terms of this Consent, applicable laws, and regulations or current boating regulations.

LEGAL PROCEEDINGS: Should it become necessary for LESSEE or CITY to commence legal proceedings to collect rent, recover possession, or enforce any other provision of this Agreement, the prevailing party shall be entitled to an award of reasonable legal costs, including court and attorney fees.

SUBORDINATION: The Agreement is in effect a sublease of a portion of the premises covered by the Master Lease between SUBLESSOR and the CITY. The Agreement is subject and subordinate to the covenants and conditions of the Master Lease notwithstanding any provision hereof contrary to or in conflict with said Agreement.

THE CITY OF SAN DIEGO

Dated 5/7/04

By: Jack D. Farris
Jack D. Farris, Deputy Director

ISLANDIA ASSOCIATES, LTD.
LESSEE AND SUBLESSOR

By: Amgreen, Inc. Its General Partner

Dated 4-26-04

By: Jerald Greenstein
Name: Jerald Greenstein
Title: President

FRED THACHER, an individual
d/b/a Phoenix
OPERATOR

Dated 4/9/04

By: Julia
Name: Phoenix
Title: Owner

APPROVED AS TO FORM AND LEGALITY:

CASEY GWINN, City Attorney

Dated: 8-19-04

By: Casey Gwinn
Deputy City Attorney

VEB/cdj
4/07/04

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CERTIFICATE OF INSURANCE

Issued Date: July 1, 2004

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGES AFFORDED BY THE POLICIES BELOW.

PRODUCER

Island Wide Marine Agency
3771 Nesconset Hwy. Suite 212
So. Setauket, NY 11720 631-444-0700

INSURED

Fred Thacher
DBA Phoenix Sportfishing
9483 Pennywood Rd.
Santee, CA 92071

COMPANIES AFFORDING COVERAGE

Company A:	Indemnity Insurance Co. Of North America
Company B:	NY Marine & General Insurance Company
Company C:	
Company D:	

COVERAGES

THIS IS TO CERTIFY THAT POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOT WITHSTANDING ANY REQUIREMENT TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS, AND CONDITIONS OF SUCH POLICIES.

<u>Coverage</u>	<u>Company</u>	<u>Policy #</u>	<u>Effective Date</u>	<u>Expiration Date</u>	<u>Limits</u>
Protection & Indemnity	A	N01185032	May 27, 2004	May 27, 2005	1000000
Excess P&I	B	MMO-34074ML504	July 1, 2004	May 27, 2005	1000000
Dock Liability	A	N01185032	May 27, 2004	May 27, 2005	1000000
Pollution					
Other: Excess Dock Liability	B	MMO-34074ML504	July 1, 2004	May 27, 2005	1000000

SPECIAL ITEMS

Vessel Name: "PHOENIX" Official #261117

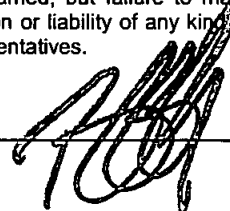
The Certificate Holder is included as Additional Insured with respect to the operation of the herein insured vessel only.

separate endorsement

CERTIFICATE HOLDER:

City of San Diego
Real Estate Assets Dept.
1200 Third Ave., Ste #1700
San Diego, CA 92101

CANCELLATION: Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail 10 days written notice to the certificate holder named, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.



Seacoast

**ASSURED: Fred Thacher
DBA Phoenix Sportfishing**

EFFECTIVE: May 27, 2004

ENDORSEMENT #1

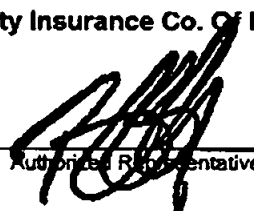
INCLUSION OF ADDITIONAL INSUREDS

In consideration of the premium charged, the City of San Diego is included as an additional insured but only as respects operations of the named insured except that liability resulting from the sole negligence of the additional insured:

City of San Diego
Real Estate Assets Dept.
200 Third Ave. Suite #1700
San Diego, CA 92101

All other terms and conditions remaining unchanged.

To be attached to and made part of Policy # N01185032 of Indemnity Insurance Co. Of North America.



Authorized Representative

OPEN PARTY BOAT OPERATOR AGREEMENT

OPEN PARTY BOAT OPERATOR AGREEMENT

THIS OPEN PARTY BOAT OPERATOR AGREEMENT (the "Agreement") is made and entered into this May 8, 2003, by and between **ISLANDIA ASSOCIATES, LTD.** (the "Owner") and Fred Thatcher (the "Operator") with respect to the following facts:

- A. Owner leases from the City of San Diego, hereinafter, "City", and operates the dock and landing located at 1551 West Mission Bay Drive, San Diego, California (the "Landing").
- B. Operator owns and operates the vessel known as PHOENIX, Official Number 03303, a McCullough [make] of approximately 55 feet in length, (the "Vessel") as an open party, 1/2 day fishing, 3/4 day fishing, twilight fishing, whale watching, or private charter vessel, as agreed upon by Owner and Operator. Only the Vessel described in this paragraph, and no other vessel, may occupy wharf space under this Agreement.
- C. Operator desires to operate the Vessel from the Landing, and Owner desires to allow such non-exclusive operation, in each case on the terms and conditions set forth below. The person identified above as the Operator represents by signing this Agreement that he/she is the sole owner of the Vessel, or that he/she has full authority of all persons or entities with an ownership interest in the Vessel to bind them and the Vessel to the terms and conditions in this Agreement.

NOW THEREFORE, based on the respective covenants contained herein and other valuable consideration, the parties hereto agree as follows:

1. Term of Agreement.

- (a) Subject to paragraph (b) below, the rights and duties of the parties under this Agreement shall commence on 5-8, 2003 and shall end on 5-8, 2004 provided however, that this Agreement may, at Owner's sole discretion, be renewed for successive one (1) year periods if (i) Operator is not in default of any term in this Agreement and requests such renewal in writing at least ninety (90) but no more than one hundred twenty (120) days before the end of the term of the Agreement; and (ii) such renewal request is accepted by Owner in writing within thirty (30) days after receipt thereof unless written notice of termination has been given ninety (90) days prior to the expiration of said term by either Owner or Operator.

(b) Notwithstanding the provision of Sections 1(a) above, this Agreement shall automatically terminate on the occurrence of any of the following specified events:

- (i) Bankruptcy, by voluntary or involuntary petition, or insolvency of Operator;
- (ii) Sale or transfer of more than fifty (50%) percent or more of the stock or beneficial interest in the stock of Operator, or sale or transfer of substantially all of the assets of Operator;
- (iii) Destruction or unseaworthiness of the Vessel, or her inoperability for a period longer than four (4) weeks, unless a substitute vessel approved in writing by Owner is provided.
- (iv) Seizure of the Vessel pursuant to Court order or non-judicial repossession as contractually permitted by a mortgage lien holder.
- (5) Breach of any term or covenant contained in this Agreement, each of which is deemed for all purposes a material condition.

2. **Responsibilities of Operator.** During the term of this Agreement and any renewal thereof, Operator shall:

- (a) Actively use and promote the Vessel for open party 1/2 day, 3/4 day, and twilight fishing trips; whale watching trips; private charters; or open party fishing trips to United States waters outside Mission Bay from the Landing. Subject to emergency and unanticipated repair periods, the Vessel, in seaworthy condition and currently licensed by the U.S. Coast Guard for carrying passengers for hire, shall be available for operation at the Landing for the entire term of this Agreement and any renewals, subject to normal maintenance and repair requirements. Operator shall provide Owner with at least ten (10) days prior written notice of normal maintenance and repair periods during which the boat will not be available, during which periods Operator shall make a good faith attempt to provide a substitute boat approved in writing by Owner.
- (b) Operator shall at all times cause the Vessel to be operated in a safe and lawful manner and in compliance with all Rules of Owner which are incorporated herein in this Agreement, and all applicable federal, state or local statutes, regulations or directives.
- (c) Operator shall at all times cause the Vessel to provide at least such services as are customarily provided by other open party fishing boats of a similar size.
- (d) If the Operator is designated as the 1/2 day open party fishing boat, then, subject to weather conditions, the Vessel (or its substitute as provided for in paragraph (a) above) shall make

two (2) one-half day fishing trips daily, the first trip departing from the Landing at approximately 6:00 a.m. and returning at approximately 11:30 a.m. and the second trip departing from the Landing at approximately 12:30 p.m. and returning at approximately 5:30 p.m. If the Operator is designated as the 3/4 day open party fishing boat, then, subject to weather conditions, the Vessel (or its substitute as provided for in paragraph (a) above) shall make one three-quarter day fishing trips daily, the first trip departing from the Landing at approximately 6:30 a.m. and returning at approximately 5:30 p.m. If the Operator is designated as an overnight open party fishing boat, then, subject to weather conditions, the Vessel (or its substitute as provided for in paragraph (a) above) shall make one fishing trip daily, departing from the Landing at approximately 10:00 p.m. and returning approximately 7:00 p.m. to 9:00 p.m. the following evening. If the Operator is designated as a whale watching boat, then, subject to weather conditions, the Vessel (or its substitute as provided for in paragraph (a) above) shall make two (2) whale watching trips daily, the first departing from the Landing at approximately 10:00 a.m. and the second departing at approximately 1:00 p.m.; each such trip shall be for a duration of two to three hours. The parties to this Agreement agree Owner shall have the right to, from time to time, set a the minimum number of passengers required for each type of vessel excursion (for example, to require a 2 day open party boat depart in the event two passengers wish to engage in such excursion).

- (e) All Charges (as defined in Section 3 below) shall be approved in advance by Owner in writing and such Charges shall not be changed without Owner's prior written approval. All ticket sales for passage on the Vessel are to continue right up to the time of departure. All funds received from passengers on the Vessel, which have been booked by Owner, are to be received directly by the Owner. Any such funds collected by Operator, which are booked by Owner, or Operator are to be immediately turned over to Owner.
- (f) Operator shall at all times cause the Vessel to be docked and operated so as to cause no damage to the Landing or any other part of Owner's property. Operator shall notify Owner immediately in the event he/she becomes aware of damage to Owner's property. Operator shall notify Owner immediately in the event he/she becomes aware of damage sustained by any part of Owner's premises, irrespective of whether such damage is caused by Operator, his/her crew, his/her passenger(s) or other person. Operator shall indemnify and hold Owner harmless from, and reimburse Owner for, all costs, expenses, damages, claims, demands, liabilities and lawsuits (including reasonable attorney's fees incurred by Owner in investigating or defending such lawsuits) arising solely out of any action or inaction on the part of the Operator, its agents or employees, or any passenger. Operator shall bear full responsibility, and shall reimburse Owner, for any and all damages caused by the Vessel or her crew or passengers to the Landing or any other part of Owner's property due to improper operation of the Vessel, unseaworthiness of the Vessel, rough seas and/or bad weather.
- (g) Operator shall provide a suitable picture of the Vessel to Owner by December 1st of each

year for use in the Landing's advertising program, together with a copy of current U.S. Coast Guard Certificate of Documentation.

- (h) Operator shall keep the Vessel's designated dock area maintained and free from debris, or any hazardous materials, at all times. Operator shall, after returning to the Landing following each excursion, spray with water and take all other necessary actions to thoroughly clean the dock areas adjacent to the Vessel.
- (i) Operator shall refrain from renting fishing equipment on the Vessel, except if necessary to provide replacement gear or if the Landing does not have available equipment.
- (j) Operator shall purchase bait from Owner when bait is used.
- (k) Operator shall strictly enforce courteous behavior by crewmembers and PROHIBIT THE FOLLOWING:
 - (i) the drinking of alcoholic beverages, possession OR USE of illicit drugs or narcotics by crew members BEFORE, DURING OR AFTER TRIPS, OR ANY TIME on board the Vessel;
 - (ii) crew members from boarding the Vessel AT ANY TIME while under the influence of alcohol or drugs; and
 - (iii) fishing by crewmembers.
 - (iv) profane language or other indecorous conduct.
- (l) Crew members must wear appropriate attire designating them as crewmembers.
- (m) Upon execution of this Agreement, and yearly on the anniversary of execution of this Agreement, Operator shall provide Owner and the City with certificates of insurance, issued by a California admitted insurance carrier, covering the Vessel and Operator (and naming Owner and The City of San Diego as additional insureds), showing *Two Million (\$2,000,000.00)* Dollars of liability insurance in effect provided by a company acceptable to Owner and the City, and in accordance with all Public Utility Commission requirements and all other governmental requirements. A copy of the policy of insurance shall be filed with the City. Said policy shall specify that the policy may not be terminated, altered, or cancelled without thirty (30) days prior written notice to Owner and the City by the insurance company. Both the Owner and the City of San Diego shall be named as additional assureds.
- (e) Operator shall obey all laws, rules and regulations of Mexico when operating in Mexican

waters, including but not limited to licensing and permits, and obey all laws, rules and regulations of the United States and California and all governmental entities/agencies with respect to activities undertaken therein.

- (o) Operator shall at all times cause the Vessel to be operated by properly licensed personnel in compliance with U.S. Coast Guard requirements.
- (p) Operator shall at all times operate the Vessel so as to be a credit to the Landing. Operator shall cooperate with Owner in providing reasonable free passage from time to time for writers, photographers, news personnel and other persons designated by Owner in connection with the advertising and promotion of the Landing.
- (q) Upon termination, Operator, at his/her expense, shall remove any and all stored goods, equipment and all other items, and return Owner's spaces formerly used by Operator for such storage to its original condition.
- (r) In the event Owner elects to provide security at its premises, it is understood and agreed such security is provided solely for the purpose of protecting Owner's property, and not for the benefit of the Operator, who it is agreed shall be solely responsible for the safety and security of the Vessel and her appurtenances, and for the safety of Operator's crewmembers, officers and passengers.
- (s) Operator shall not post any signs on the Vessel or Owner's premises without the advance written approval of the Owner.
- (t) The Vessel shall not be used by any person for purposes of living aboard.
- (u) The Operator shall, upon request by the Owner, permit placement of a dye tablet into all holding tanks.
- (v) Operator understand agrees Owner maintains Rules and Regulations which are incorporated herein as though fully set forth in this Agreement, and that Owner reserves the right to add new Rules and Regulations or modify existing Rules and Regulations from time to time, which shall become effective upon either of the posting of revised Rules and Regulations on a bulletin board maintained outside Owner's office on the premises, or upon written notice of changes tendered via first class mail to the Operator's address identified in Paragraph 8 hereof.
- (w) Operator shall maintain a log identifying by name and date each passenger who boards the Vessel, and shall make such log available for inspection by Owner upon two business days advance notice.

- (x) Overboard discharges of heads or holding tanks is forbidden by law and by this Agreement. Violation of this term or any other term hereof is grounds for eviction and termination of this Agreement.
- (y) Operator is solely responsible for the safety of his/her Vessel, and Operator agrees that the Owner shall have no obligation whatever to take action(s) in advance of or during a storm to preserve or protect Operator's Vessel. It is further agreed, however, that the Owner may, at its sole election, undertake such actions during or in advance of a storm as it alone deems appropriate and/or necessary to preserve or protect any or all vessels located on its premises; in such event it is agreed that Operator shall indemnify and hold the Owner harmless for any and all personal injury or property damage occurring in connection with the Owner's efforts to preserve or protect vessels during or in advance of a storm. It is further agreed that if the Operator provides such preservative/protective services during or in advance of a storm, all costs associated with such rendering of such services shall be apportioned equally among all Vessel owners.
- (z) If Operator fails to pay any sums due under this Agreement, in addition to other rights and remedies that are or may be available to Owner, the Vessel may be placed, at Operator's sole risk and expense, in storage or chained to her slip, until such time as all sums due have been paid in full.
- (aa) Owner has no obligation whatever to dewater or provide any salvage services to the Vessel should she spring a leak or otherwise need assistance in remaining afloat or in seaworthy condition. Nevertheless, it is agreed that in such event the Owner may, but is not required to, provide dewatering or other salvage services for the benefit of the Vessel. In the event the Owner elects to provide salvage services, it is agreed Operator shall be obligated to pay all material/labor costs associated with such services, or \$150 for each hour such services are provided, whichever sum is greater. Payment in such event is not contingent upon the success of such salvage or other such services.
- (bb) Operator shall ensure all fish cleaning operations aboard the Vessel cease once the Vessel has passed the breakwater leading to Owner's premises.
- (cc) Operator shall not permit anyone, apart from a qualified diver hired for the purpose of cleaning the Vessel's bottom, to enter the water from Owner's Landing or from any other place located on Owner's premises.
- (dd) Apart from ordinary maintenance, no work involving the Vessel may be accomplished while at the dock or otherwise on Owner's premises. Prohibited work includes, but is not limited to, painting, heavy sanding, use of paint remover, spray guns, or the burning of paint on the topsides or above the decks. Work of any kind to the exterior of the Vessel,

including routine maintenance, to be undertaken by other than Owner, must be approved in advance of such work, in writing, by the Marina. Contractors hired by Owner to work on the Vessel must be approved by the Marina in writing prior to the commencement of such work, and each such contractor must maintain and provide proof of liability insurance in an amount of at least \$1 million.

- (ee) The Vessel may under no circumstances be refueled dockside and may be refueled only at a duly licensed commercial fueling station
- (ff) Operator shall not store anything on Owner's dock without its advance written permission.
- (gg) Operator shall not operate engines or generators or other noisy equipment between the hours of 9:00 p.m. and 8:00 a.m., unless absolutely and immediately necessary in connection with making the Vessel ready for a scheduled excursion.

3. **Distribution of Funds Collected.** The funds specified in Section 2(e) above (the "Funds") shall be distributed by Owner as follows:

- (a) Owner shall retain from the Funds, as a landing fee, the sum of fifteen (15%) percent of all charges for passage on or use of the Vessel in operation at the Landing, excluding the receipts resulting from galley charges, and any amounts equivalent to Mexican licenses (collectively the "Charges").
- (b) An additional charge, equal to the amount payable by Owner to the City of San Diego because of such passage or use (currently ~~seven (7%) percent~~ of the charges), shall be retained by Owner.
- (c) An additional charge shall be retained by Owner equal to the cost of bait purchases by Owner for the Vessel. Currently, ~~fifteen (15%) percent~~ of charges shall be retained for the purchase of bait. This is charged for fishing trips only.
- (d) An additional monthly charge equal to the greater of (i) one (1%) percent of all Charges or (ii) One Hundred Fifty (\$150) Dollars shall be retained by Owner to fund the Landing's advertising and promotions program provided by Owner under Section 5(d) below.
- (e) An additional monthly charge equal to two (2%) percent of all Charges shall be retained by Owner to fund the maintenance program provided by Owner under Section 5(c) below.
- (f) Any amounts advanced or incurred by Owner for Operator's benefit with Operator's prior written consent or approved invoice, for supplies, equipment, advertising, commissions,

etc., shall be withheld from the Funds.

- (g) The remainder of the Funds shall be paid to Operator on a monthly basis on the fifteenth (15th) day of each month (or, if such day falls on a weekend or holiday, the first working day thereafter) with respect to charter fees collected covering the periods from the first (1st) to the last day of each respective previous month. Any funds owed to the Owner for these periods shall be payable to Owner under the same time frame.
- 4. **Non-Exclusive Agreement.** It is expressly acknowledged and agreed by Operator that this Agreement may be one of a number of agreements between Owner and the operators of other vessels (including, but not limited to, those which are operated as open party 1/2 day fishing, 3/4 day fishing, twilight fishing, whale watching, or private charter vessels. As a result, Operator's right to use of the Landing and the Vessel's slip thereat is non-exclusive and Operator shall have no right to exclude any other vessel (including a competitor vessel) from the Landing. Operator acknowledges and agrees that this Agreement gives Operator its rights herein only with respect to the Vessel (or their substitutes under Section 2(a) above). As a result, Operator shall not dock or operate any other vessel at the Landing without Owner's prior written consent.
- 5. **Rights of Operator.** During the term of this Agreement, Operator shall be provided by Owner with the following at no cost or charge to Operator except as specified herein:
 - (a) Use of a slip agreed upon with the Owner (at a location suitable for the size of the Vessel) during such time as the Vessel is present at the Landing. Owner shall have the right to make boat location changes, as it in its unfettered discretion deems necessary or prudent.
 - (b) Water and electrical hook-up supplied to the slip. At Owner's sole discretion, Owner shall have the right to separately meter (at Operator's expense) Operator's use of water and electricity and charge Operator therefore. If Owner does so, Operator shall pay all such charges upon demand.
 - (c) Owner shall establish a maintenance fund and shall utilize the funds therein for painting and general maintenance of the slip in a first class condition at all times, as determined by Owner in its sole discretion (excluding any damage caused to the slip by Operator or its agents or employees). Owner shall not be required to provide any funds for such purposes in excess of those supplied to the maintenance fund pursuant to Section 3(e) above.
 - (d) Owner shall establish a Landing advertising and promotions program to advertise and promote the Landing and the activities thereat in such manner and at such times as Owner may determine in its sole discretion. Owner shall not be required to provide any funds for such purposes in excess of those supplied by Operator pursuant to Section 3(d)

above together with funds from such other persons as Owner may cause to contribute to such fund.

- (e) Vessel shall, to the extent reasonably practical, be afforded equal treatment by Landing sales and ticket personnel with regard to the sale of Sportfishing tickets.
 - (f) The right to the use of an available gear locker, with Operator assuming all responsibility for all items stored in the locker. No flammable or hazardous materials shall be stored in the lockers or on the docks at any time.
 - (f) Operation under such general Mexican fishing licenses that Owner may have from time to time, based on Operator's proper registration of the Vessel with Mexican authorities and paying any fees required.
6. **Default of Operator.** Default of the Operator, entitling Owner to terminate this Agreement as provided in Section 1(b) above, shall include but not be limited to the following:
- (a) Failure of Operator to comply in any material respect with the provisions and obligations of this Agreement; and
 - (b) Assignment or transfer of any interest, rights or duties under this Agreement other than as provided herein.
7. **Indemnity.** Operator shall protect, defend, indemnify, and hold Owner and the City, harmless from and against any and all claims, demands, liabilities, costs, expenses, damages and lawsuits (including reasonable attorney's fees incurred by Owner, and/or the City, in investigating or defending same) for personal injury, death, property damage or any other claim not occasioned by Owner's gross negligence or willful misconduct, made by or on behalf of any customer, passenger officer or crewmember, or other person permitted by Operator to be on or around the Vessel, resulting from any cause whatsoever, occurring while such person is on or about the Vessel, including embarking or disembarking to or from the Vessel, whether the Vessel is docked or underway, or occurring during the course of any dive or other activity conducted by or participated in by Operator, and from any such claims by other persons arising out of the use, or operation of, the Vessel.

Operator further waives, releases and discharges any claims, demands, actions or causes of action against Owner, and/or the City, for damages to person or property, including but not limited to claims for injuries or damages to employees, agents or subcontractors of Operator, arising from any cause whatsoever. Notwithstanding the foregoing, this waiver, release, and indemnity shall not apply to any damage or loss resulting solely from the gross negligence or

willful misconduct of Owner, and/or the City.

8. General Provisions.

- (a) This Agreement shall be binding on, and shall inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and assigns. The foregoing notwithstanding, Operator's voluntary or involuntary assignment or transfer of any or all of its rights or duties under this Agreement shall be void and of no effect unless consented to in writing by Owner.
- (b) Any offers, notices and other communications to be given by any party to another shall be communicated in writing by personal delivery or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed as follows:

To the Operator:


9443 Pennsylvania Rd
San Diego CA 92071

To the Owner:

ISLANDIA ASSOCIATES, LTD.
5743 Corsa Avenue, Suite 200
Westlake Village, California 91362

To the Owner's Manager:
John Taylor
ISLANDIA SPORTFISHING
1551 W. Mission Bay Drive
San Diego, California 92109

Each party may change its address by written notice in accordance with this Section. Notices delivered by mail shall be deemed communicated as of the day after mailing.

- (c) If any part, term, or provision of the Agreement is held invalid, such invalidity shall not affect other parts, terms, or provisions of this Agreement which can be given effect without the portion held invalid, and to that extent the parts, terms and provisions of this Agreement are severable. Any waiver of any term hereof shall not be deemed to be a continuing waiver and consent to any one waiver and shall not be deemed to be the consent to any other waiver.

- (d) This Agreement constitutes the entire understanding between the parties with regard to its subject matter and supersedes all other agreements, written or oral, between the parties with respect to such subject matter. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of anyone, which are not contained in this Agreement, and that no other agreement, statement, or promise not contained in this Agreement will be valid or binding. The terms of this Agreement may not be terminated, waived, or amended except by a written agreement signed by all of the parties to this Agreement or their successors.
 - (e) In the event of any action or litigation to enforce or interpret this Agreement or otherwise arising under or in connection with this Agreement, the prevailing party shall be entitled to recover from the losing party any and all reasonable attorney's fees and costs incurred.
 - (f) This Agreement shall be governed and construed in accordance with the laws of California. All legal actions brought in connection with this Agreement shall be filed and tried in San Diego County, California.
9. **Assignment and Subleasing.** Operator shall not assign the Agreement or sublet the premises or any part thereof without the prior written consent of the Owner and the City. An assignment by operation of law shall automatically terminate this Agreement.
10. **Legal Proceedings.** Should it become necessary for Owner or the City to commence legal proceedings to collect rent, to recover possession or enforce any other provision of this Agreement, Operator agrees to pay all legal costs in connection therewith, including a reasonable sum as attorney's fees. In the event Owner causes the arrest of the Vessel based on a maritime lien in Owner's favor, Operator agrees that notwithstanding the usual rule to the contrary, attorneys' fees shall be for all purposes regarded as part of the maritime lien, and such fees may be recovered *in rem*, directly against the Vessel.
11. **Subordination.** This Agreement is in effect a sublease of a portion of the premises covered by that certain Lease Agreement dated February 9, 1987, as amended between the Owner herein and the City of San Diego. This Agreement is subject and subordinate to the covenants and conditions of said Lease Agreement notwithstanding any provision hereof contrary to or in conflict with said agreement.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first set forth above.

OWNER:

OPERATOR:

ISLANDIA ASSOCIATES, LTD.

By: Amgreen, Inc.
General Partner

By: _____

Printed Name: Jerald Greenstein

Title: President

By: _____

Printed Name: _____

Title: _____

MASTER LESSOR:

CITY OF SAN DIEGO

By: _____

Printed Name: _____

Title: _____

By: _____

Printed Name: Fred Thacher

Title: Owner

By: _____

Printed Name: _____

Title: _____

GUARANTY

The undersigned, being each of the owners of Operator, hereby unconditionally and irrevocably guarantee the performance by Operator of all its duties and obligations under the Agreement, as it may be modified from time to time. Such guarantee shall be joint and several among the undersigned, who agree to satisfy such duties and obligations upon demand, without prior demand upon Operator having been made.

By: 

Printed Name: FRED THATCHER

Date: 5/8/03

Address: 9483 Pennywood Rd
SAATTEE Co 92071

Telephone: 619 448 9173

By: _____

Printed Name: _____

Date: _____

Address: _____

Telephone: _____

CONSENT TO AGREEMENT

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

Islandia Associates, Ltd.

("LESSEE") and filed in the Office of the City Clerk on February 9, 1987 as Document RR-267648, hereby consents to that certain Open Party Boat Operator Agreement ("Agreement") between the above LESSEE ("SUBLESSOR") and

**Jim Sharp and Rich Deluna, individuals
d/b/a Blue Horizon Sportfishing**

("OPERATOR") dated April 14, 2003. The Agreement shall be subordinate to the Master Lease in all respects. The CITY is merely approving the OPERATOR and the proposed use, and all terms and conditions of the Master Lease shall control and supersede any inconsistent or contrary provisions in the Agreement. The CITY is not bound by any term or condition in the Agreement which in any way conflicts with or is additional to the provisions of the Master Lease. Further, pursuant to section 4.02 of the Master Lease, the consent of the City is conditioned upon, and OPERATOR agrees, that it will keep and perform all covenants, conditions, and provisions of the Master Lease.

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

ASSIGNMENT AND SUBLEASING: OPERATOR shall not assign the Agreement or sublet the premises or any part thereof without the prior written consent of LESSEE and The City of San Diego. An assignment by operation of law shall automatically terminate this consent.

HOLD HARMLESS: OPERATOR shall assume the defense of, indemnify and hold harmless LESSEE and CITY, its elected officials, officers, representatives, agents, and employees from all claims, expenses and liability of every nature, directly or indirectly arising from, or alleged to have arisen from the operations conducted on the premises leased under the Master Lease, the condition of the premises, or from any act or omission of OPERATOR, his agents and invitees; provided, however, OPERATOR'S duty to indemnify and hold harmless shall not include any claims or liability arising from the established active negligence, sole negligence, or sole willful misconduct of the CITY, its agents, officers, or employees.

INSURANCE: OPERATOR shall be insured by an insurance carrier acceptable to the LESSEE and CITY against loss from public liability arising from the use or condition of or operation conducted on or from the leased premises. Minimum coverage shall be Two Million Dollars (\$2,000,000) COMBINED SINGLE LIMIT LIABILITY. A copy of the policy of insurance shall be filed with CITY and shall name "The City of San Diego, its elected officials, officers, representatives, agents, and employees" as additional insureds. Said policy shall specify that the

policy may not be terminated, altered or canceled without thirty (30) days prior written notice to CITY by the insurance company.

OPERATIONS: For the purpose of this Consent to Agreement, the "Vessel" includes the motorboat defined in Section B of the Agreement. The Vessel is required by law to be registered with California Department of Motor Vehicles and must carry proper registration numbers and stickers. The Vessel shall be equipped with waterproof map(s) detailing all current regulations and activity zones for Mission Bay, whale watching and fishing areas, and shall be equipped with all safety equipment required by law. The Vessel shall be professionally maintained and staffed during all operating hours and shall be properly equipped to operate legally within any public operating areas or as otherwise required by Mission Bay Park or United States Coast Guard rules and regulations. OPERATOR shall at all times comply with all applicable laws, statutes, ordinances, regulations or "special notices" of the City of San Diego, United States Coast Guard or any other regulatory agency issued under their authority at the OPERATOR'S sole cost and expense. The Vessel may not be stored on public property outside the leasehold. LESSEE and OPERATOR agree that the City Manager or his designee shall have the authority to immediately revoke this Consent if the City Manager determines that the Vessel is not being operated in compliance with the terms of this Consent, applicable laws, and regulations or current boating regulations.

LEGAL PROCEEDINGS: Should it become necessary for LESSEE or CITY to commence legal proceedings to collect rent, recover possession, or enforce any other provision of this Agreement, the prevailing party shall be entitled to an award of reasonable legal costs, including court and attorney fees.

SUBORDINATION: The Agreement is in effect a sublease of a portion of the premises covered by the Master Lease between SUBLESSOR and the CITY. The Agreement is subject and subordinate to the covenants and conditions of the Master Lease notwithstanding any provision hereof contrary to or in conflict with said Agreement.

THE CITY OF SAN DIEGO

Dated 5/7/04

By: [Signature]
Jack D. Farris, Deputy Director

ISLANDIA ASSOCIATES, LTD.
LESSEE AND SUBLESSOR

By Amgreen, Inc., Its general Partner

Dated 4-20-04

By: [Signature]
Name: Jerald Green Stein
Title: President

JIM SHARP AND RICH DELUNA, individuals
d/b/a Blue Horizon Sportfishing
OPERATOR

Dated 4/8/04

By: [Signature]
Name: Richard DeLuna
Title: Owner/Operator

Dated 4/12/04

By: [Signature]
Name: JIM SHARP
Title: OWNER

APPROVED AS TO FORM AND LEGALITY:

CASEY GWINN, City Attorney

Dated: 8/19/04

By: [Signature]
Deputy City Attorney

VEB/cdj

4/07/04

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OPEN PARTY BOAT OPERATOR AGREEMENT

OPEN PARTY BOAT OPERATOR AGREEMENT

THIS OPEN PARTY BOAT OPERATOR AGREEMENT (the "Agreement") is made and entered into this April 14, 2003, by and between **ISLANDIA ASSOCIATES, LTD.** (the "Owner") and Jim Sharp (the "Operator") with respect to the following facts:
Rich Deluna

- A. Owner leases from the City of San Diego, hereinafter, "City", and operates the dock and landing located at 1551 West Mission Bay Drive, San Diego, California (the "Landing").
- B. Operator owns and operates the vessel known as Blue Horizon, Official Number 604334, a Hoguin [make] of approximately 55 feet in length, (the "Vessel") as an open party, 1/2 day fishing, 3/4 day fishing, twilight fishing, whale watching, or private charter vessel, as agreed upon by Owner and Operator. Only the Vessel described in this paragraph, and no other vessel, may occupy wharf space under this Agreement.
- C. Operator desires to operate the Vessel from the Landing, and Owner desires to allow such non-exclusive operation, in each case on the terms and conditions set forth below. The person identified above as the Operator represents by signing this Agreement that he/she is the sole owner of the Vessel, or that he/she has full authority of all persons or entities with an ownership interest in the Vessel to bind them and the Vessel to the terms and conditions in this Agreement.

NOW THEREFORE, based on the respective covenants contained herein and other valuable consideration, the parties hereto agree as follows:

1. Term of Agreement.

- (a) Subject to paragraph (b) below, the rights and duties of the parties under this Agreement shall commence on 4-14, 2003 and shall end on 4-14, 2004 provided however, that this Agreement may, at Owner's sole discretion, be renewed for successive one (1) year periods if (i) Operator is not in default of any term in this Agreement and requests such renewal in writing at least ninety (90) but no more than one hundred twenty (120) days before the end of the term of the Agreement; and (ii) such renewal request is accepted by Owner in writing within thirty (30) days after receipt thereof unless written notice of termination has been given ninety (90) days prior to the expiration of said term by either Owner or Operator.

(b) Notwithstanding the provision of Sections 1(a) above, this Agreement shall automatically terminate on the occurrence of any of the following specified events:

- (i) Bankruptcy, by voluntary or involuntary petition, or insolvency of Operator;
- (ii) Sale or transfer of more than fifty (50%) percent or more of the stock or beneficial interest in the stock of Operator, or sale or transfer of substantially all of the assets of Operator;
- (iii) Destruction or unseaworthiness of the Vessel, or her inoperability for a period longer than four (4) weeks, unless a substitute vessel approved in writing by Owner is provided.
- (iv) Seizure of the Vessel pursuant to Court order or non-judicial repossession as contractually permitted by a mortgage lien holder.
- (5) Breach of any term or covenant contained in this Agreement, each of which is deemed for all purposes a material condition.

2. **Responsibilities of Operator.** During the term of this Agreement and any renewal thereof, Operator shall:

- (a) Actively use and promote the Vessel for open party 1/2 day, 3/4 day, and twilight fishing trips; whale watching trips; private charters; or open party fishing trips to United States waters outside Mission Bay from the Landing. Subject to emergency and unanticipated repair periods, the Vessel, in seaworthy condition and currently licensed by the U.S. Coast Guard for carrying passengers for hire, shall be available for operation at the Landing for the entire term of this Agreement and any renewals, subject to normal maintenance and repair requirements. Operator shall provide Owner with at least ten (10) days prior written notice of normal maintenance and repair periods during which the boat will not be available, during which periods Operator shall make a good faith attempt to provide a substitute boat approved in writing by Owner.
- (b) Operator shall at all times cause the Vessel to be operated in a safe and lawful manner and in compliance with all Rules of Owner which are incorporated herein in this Agreement, and all applicable federal, state or local statutes, regulations or directives.
- (c) Operator shall at all times cause the Vessel to provide at least such services as are customarily provided by other open party fishing boats of a similar size.
- (d) If the Operator is designated as the 1/2 day open party fishing boat, then, subject to weather conditions, the Vessel (or its substitute as provided for in paragraph (a) above) shall make

two (2) one-half day fishing trips daily, the first trip departing from the Landing at approximately 6:00 a.m. and returning at approximately 11:30 a.m. and the second trip departing from the Landing at approximately 12:30 p.m. and returning at approximately 5:30 p.m. If the Operator is designated as the 3/4 day open party fishing boat, then, subject to weather conditions, the Vessel (or its substitute as provided for in paragraph (a) above) shall make one three-quarter day fishing trips daily, the first trip departing from the Landing at approximately 6:30 a.m. and returning at approximately 5:30 p.m. If the Operator is designated as an overnight open party fishing boat, then, subject to weather conditions, the Vessel (or its substitute as provided for in paragraph (a) above) shall make one fishing trip daily, departing from the Landing at approximately 10:00 p.m. and returning approximately 7:00 p.m. to 9:00 p.m. the following evening. If the Operator is designated as a whale watching boat, then, subject to weather conditions, the Vessel (or its substitute as provided for in paragraph (a) above) shall make two (2) whale watching trips daily, the first departing from the Landing at approximately 10:00 a.m. and the second departing at approximately 1:00 p.m.; each such trip shall be for a duration of two to three hours. The parties to this Agreement agree Owner shall have the right to, from time to time, set a the minimum number of passengers required for each type of vessel excursion (for example, to require a 2 day open party boat depart in the event two passengers wish to engage in such excursion).

- (e) All Charges (as defined in Section 3 below) shall be approved in advance by Owner in writing and such Charges shall not be changed without Owner's prior written approval. All ticket sales for passage on the Vessel are to continue right up to the time of departure. All funds received from passengers on the Vessel, which have been booked by Owner, are to be received directly by the Owner. Any such funds collected by Operator, which are booked by Owner, or Operator are to be immediately turned over to Owner.
- (f) Operator shall at all times cause the Vessel to be docked and operated so as to cause no damage to the Landing or any other part of Owner's property. Operator shall notify Owner immediately in the event he/she becomes aware of damage to Owner's property. Operator shall notify Owner immediately in the event he/she becomes aware of damage sustained by any part of Owner's premises, irrespective of whether such damage is caused by Operator, his/her crew, his/her passenger(s) or other person. Operator shall indemnify and hold Owner harmless from, and reimburse Owner for, all costs, expenses, damages, claims, demands, liabilities and lawsuits (including reasonable attorney's fees incurred by Owner in investigating or defending such lawsuits) arising solely out of any action or inaction on the part of the Operator, its agents or employees, or any passenger. Operator shall bear full responsibility, and shall reimburse Owner, for any and all damages caused by the Vessel or her crew or passengers to the Landing or any other part of Owner's property due to improper operation of the Vessel, unseaworthiness of the Vessel, rough seas and/or bad weather.
- (g) Operator shall provide a suitable picture of the Vessel to Owner by December 1st of each

year for use in the Landing's advertising program, together with a copy of current U.S. Coast Guard Certificate of Documentation.

- (h) Operator shall keep the Vessel's designated dock area maintained and free from debris, or any hazardous materials, at all times. Operator shall, after returning to the Landing following each excursion, spray with water and take all other necessary actions to thoroughly clean the dock areas adjacent to the Vessel.
- (i) Operator shall refrain from renting fishing equipment on the Vessel, except if necessary to provide replacement gear or if the Landing does not have available equipment.
- (j) Operator shall purchase bait from Owner when bait is used.
- (k) Operator shall strictly enforce courteous behavior by crewmembers and PROHIBIT THE FOLLOWING:
 - (i) the drinking of alcoholic beverages, possession OR USE of illicit drugs or narcotics by crew members BEFORE, DURING OR AFTER TRIPS, OR ANY TIME on board the Vessel;
 - (ii) crew members from boarding the Vessel AT ANY TIME while under the influence of alcohol or drugs; and
 - (iii) fishing by crewmembers.
 - (iv) profane language or other indecorous conduct.
- (l) Crew members must wear appropriate attire designating them as crewmembers.
- (m) Upon execution of this Agreement, and yearly on the anniversary of execution of this Agreement, Operator shall provide Owner and the City with certificates of insurance, issued by a California admitted insurance carrier, covering the Vessel and Operator (and naming Owner and The City of San Diego as additional insureds), showing *Two Million (\$2,000,000.00)* Dollars of liability insurance in effect provided by a company acceptable to Owner and the City, and in accordance with all Public Utility Commission requirements and all other governmental requirements. A copy of the policy of insurance shall be filed with the City. Said policy shall specify that the policy may not be terminated, altered, or cancelled without thirty (30) days prior written notice to Owner and the City by the insurance company. Both the Owner and the City of San Diego shall be named as additional assureds.
- (e) Operator shall obey all laws, rules and regulations of Mexico when operating in Mexican

waters, including but not limited to licensing and permits, and obey all laws, rules and regulations of the United States and California and all governmental entities/agencies with respect to activities undertaken therein.

- (o) Operator shall at all times cause the Vessel to be operated by properly licensed personnel in compliance with U.S. Coast Guard requirements.
- (p) Operator shall at all times operate the Vessel so as to be a credit to the Landing. Operator shall cooperate with Owner in providing reasonable free passage from time to time for writers, photographers, news personnel and other persons designated by Owner in connection with the advertising and promotion of the Landing.
- (q) Upon termination, Operator, at his/her expense, shall remove any and all stored goods, equipment and all other items, and return Owner's spaces formerly used by Operator for such storage to its original condition.
- (r) In the event Owner elects to provide security at its premises, it is understood and agreed such security is provided solely for the purpose of protecting Owner's property, and not for the benefit of the Operator, who it is agreed shall be solely responsible for the safety and security of the Vessel and her appurtenances, and for the safety of Operator's crewmembers, officers and passengers.
- (s) Operator shall not post any signs on the Vessel or Owner's premises without the advance written approval of the Owner.
- (t) The Vessel shall not be used by any person for purposes of living aboard.
- (u) The Operator shall, upon request by the Owner, permit placement of a dye tablet into all holding tanks.
- (v) Operator understand agrees Owner maintains Rules and Regulations which are incorporated herein as though fully set forth in this Agreement, and that Owner reserves the right to add new Rules and Regulations or modify existing Rules and Regulations from time to time, which shall become effective upon either of the posting of revised Rules and Regulations on a bulletin board maintained outside Owner's office on the premises, or upon written notice of changes tendered via first class mail to the Operator's address identified in Paragraph 8 hereof.
- (w) Operator shall maintain a log identifying by name and date each passenger who boards the Vessel, and shall make such log available for inspection by Owner upon two business days advance notice.

- (x) Overboard discharges of heads or holding tanks is forbidden by law and by this Agreement. Violation of this term or any other term hereof is grounds for eviction and termination of this Agreement.
- (y) Operator is solely responsible for the safety of his/her Vessel, and Operator agrees that the Owner shall have no obligation whatever to take action(s) in advance of or during a storm to preserve or protect Operator's Vessel. It is further agreed, however, that the Owner may, at its sole election, undertake such actions during or in advance of a storm as it alone deems appropriate and/or necessary to preserve or protect any or all vessels located on its premises; in such event it is agreed that Operator shall indemnify and hold the Owner harmless for any and all personal injury or property damage occurring in connection with the Owner's efforts to preserve or protect vessels during or in advance of a storm. It is further agreed that if the Operator provides such preservative/protective services during or in advance of a storm, all costs associated with such rendering of such services shall be apportioned equally among all Vessel owners.
- (z) If Operator fails to pay any sums due under this Agreement, in addition to other rights and remedies that are or may be available to Owner, the Vessel may be placed, at Operator's sole risk and expense, in storage or chained to her slip, until such time as all sums due have been paid in full.
- (aa) Owner has no obligation whatever to dewater or provide any salvage services to the Vessel should she spring a leak or otherwise need assistance in remaining afloat or in seaworthy condition. Nevertheless, it is agreed that in such event the Owner may, but is not required to, provide dewatering or other salvage services for the benefit of the Vessel. In the event the Owner elects to provide salvage services, it is agreed Operator shall be obligated to pay all material/labor costs associated with such services, or \$150 for each hour such services are provided, whichever sum is greater. Payment in such event is not contingent upon the success of such salvage or other such services.
- (bb) Operator shall ensure all fish cleaning operations aboard the Vessel cease once the Vessel has passed the breakwater leading to Owner's premises.
- (cc) Operator shall not permit anyone, apart from a qualified diver hired for the purpose of cleaning the Vessel's bottom, to enter the water from Owner's Landing or from any other place located on Owner's premises.
- (dd) Apart from ordinary maintenance, no work involving the Vessel may be accomplished while at the dock or otherwise on Owner's premises. Prohibited work includes, but is not limited to, painting, heavy sanding, use of paint remover, spray guns, or the burning of paint on the topsides or above the decks. Work of any kind to the exterior of the Vessel,

including routine maintenance, to be undertaken by other than Owner, must be approved in advance of such work, in writing, by the Marina. Contractors hired by Owner to work on the Vessel must be approved by the Marina in writing prior to the commencement of such work, and each such contractor must maintain and provide proof of liability insurance in an amount of at least \$1 million.

- (ee) The Vessel may under no circumstances be refueled dockside and may be refueled only at a duly licensed commercial fueling station
- (ff) Operator shall not store anything on Owner's dock without its advance written permission.
- (gg) Operator shall not operate engines or generators or other noisy equipment between the hours of 9:00 p.m. and 8:00 a.m., unless absolutely and immediately necessary in connection with making the Vessel ready for a scheduled excursion.

3. Distribution of Funds Collected. The funds specified in Section 2(e) above (the "Funds") shall be distributed by Owner as follows:

- (a) Owner shall retain from the Funds, as a landing fee, the sum of fifteen (15%) percent of all charges for passage on or use of the Vessel in operation at the Landing, excluding the receipts resulting from galley charges, and any amounts equivalent to Mexican licenses (collectively the "Charges").
- (b) An additional charge, equal to the amount payable by Owner to the City of San Diego because of such passage or use (currently ~~seven (7%)~~ percent of the charges), shall be retained by Owner.
- (c) An additional charge shall be retained by Owner equal to the cost of bait purchases by Owner for the Vessel. Currently, ~~fifteen (15%)~~ percent of charges shall be retained for the purchase of bait. This is charged for fishing trips only.
- (d) An additional monthly charge equal to the greater of (i) one (1%) percent of all Charges or (ii) One Hundred Fifty (\$150) Dollars shall be retained by Owner to fund the Landing's advertising and promotions program provided by Owner under Section 5(d) below.
- (e) An additional monthly charge equal to two (2%) percent of all Charges shall be retained by Owner to fund the maintenance program provided by Owner under Section 5(c) below.
- (f) Any amounts advanced or incurred by Owner for Operator's benefit with Operator's prior written consent or approved invoice, for supplies, equipment, advertising, commissions,

etc., shall be withheld from the Funds.

- (g) The remainder of the Funds shall be paid to Operator on a monthly basis on the fifteenth (15th) day of each month (or, if such day falls on a weekend or holiday, the first working day thereafter) with respect to charter fees collected covering the periods from the first (1st) to the last day of each respective previous month. Any funds owed to the Owner for these periods shall be payable to Owner under the same time frame.
- 4. **Non-Exclusive Agreement.** It is expressly acknowledged and agreed by Operator that this Agreement may be one of a number of agreements between Owner and the operators of other vessels (including, but not limited to, those which are operated as open party 1/2 day fishing, 3/4 day fishing, twilight fishing, whale watching, or private charter vessels. As a result, Operator's right to use of the Landing and the Vessel's slip thereat is non-exclusive and Operator shall have no right to exclude any other vessel (including a competitor vessel) from the Landing. Operator acknowledges and agrees that this Agreement gives Operator its rights herein only with respect to the Vessel (or their substitutes under Section 2(a) above). As a result, Operator shall not dock or operate any other vessel at the Landing without Owner's prior written consent.
- 5. **Rights of Operator.** During the term of this Agreement, Operator shall be provided by Owner with the following at no cost or charge to Operator except as specified herein:
 - (a) Use of a slip agreed upon with the Owner (at a location suitable for the size of the Vessel) during such time as the Vessel is present at the Landing. Owner shall have the right to make boat location changes, as it in its unfettered discretion deems necessary or prudent.
 - (b) Water and electrical hook-up supplied to the slip. At Owner's sole discretion, Owner shall have the right to separately meter (at Operator's expense) Operator's use of water and electricity and charge Operator therefore. If Owner does so, Operator shall pay all such charges upon demand.
 - (c) Owner shall establish a maintenance fund and shall utilize the funds therein for painting and general maintenance of the slip in a first class condition at all times, as determined by Owner in its sole discretion (excluding any damage caused to the slip by Operator or its agents or employees). Owner shall not be required to provide any funds for such purposes in excess of those supplied to the maintenance fund pursuant to Section 3(e) above.
 - (d) Owner shall establish a Landing advertising and promotions program to advertise and promote the Landing and the activities thereat in such manner and at such times as Owner may determine in its sole discretion. Owner shall not be required to provide any funds for such purposes in excess of those supplied by Operator pursuant to Section 3(d)

above together with funds from such other persons as Owner may cause to contribute to such fund.

(e) Vessel shall, to the extent reasonably practical, be afforded equal treatment by Landing sales and ticket personnel with regard to the sale of Sportfishing tickets.

(f) The right to the use of an available gear locker, with Operator assuming all responsibility for all items stored in the locker. No flammable or hazardous materials shall be stored in the lockers or on the docks at any time.

(f) Operation under such general Mexican fishing licenses that Owner may have from time to time, based on Operator's proper registration of the Vessel with Mexican authorities and paying any fees required.

6. **Default of Operator.** Default of the Operator, entitling Owner to terminate this Agreement as provided in Section 1(b) above, shall include but not be limited to the following:

(a) Failure of Operator to comply in any material respect with the provisions and obligations of this Agreement; and

(b) Assignment or transfer of any interest, rights or duties under this Agreement other than as provided herein.

7. **Indemnity.** Operator shall protect, defend, indemnify, and hold Owner and the City, harmless from and against any and all claims, demands, liabilities, costs, expenses, damages and lawsuits (including reasonable attorney's fees incurred by Owner, and/or the City, in investigating or defending same) for personal injury, death, property damage or any other claim not occasioned by Owner's gross negligence or willful misconduct, made by or on behalf of any customer, passenger officer or crewmember, or other person permitted by Operator to be on or around the Vessel, resulting from any cause whatsoever, occurring while such person is on or about the Vessel, including embarking or disembarking to or from the Vessel, whether the Vessel is docked or underway, or occurring during the course of any dive or other activity conducted by or participated in by Operator, and from any such claims by other persons arising out of the use, or operation of, the Vessel.

Operator further waives, releases and discharges any claims, demands, actions or causes of action against Owner, and/or the City, for damages to person or property, including but not limited to claims for injuries or damages to employees, agents or subcontractors of Operator, arising from any cause whatsoever. Notwithstanding the foregoing, this waiver, release, and indemnity shall not apply to any damage or loss resulting solely from the gross negligence or

willful misconduct of Owner, and/or the City.

8. General Provisions.

- (a) This Agreement shall be binding on, and shall inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and assigns. The foregoing notwithstanding, Operator's voluntary or involuntary assignment or transfer of any or all of its rights or duties under this Agreement shall be void and of no effect unless consented to in writing by Owner.
- (b) Any offers, notices and other communications to be given by any party to another shall be communicated in writing by personal delivery or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed as follows:

To the Operator:

Richard DeLuna
P.O. Box 1933
Carlsbad CA 92018

To the Owner:

ISLANDIA ASSOCIATES, LTD.
5743 Corsa Avenue, Suite 200
Westlake Village, California 91362

To the Owner's Manager:
John Taylor
ISLANDIA SPORTFISHING
1551 W. Mission Bay Drive
San Diego, California 92109

Each party may change its address by written notice in accordance with this Section. Notices delivered by mail shall be deemed communicated as of the day after mailing.

- (c) If any part, term, or provision of the Agreement is held invalid, such invalidity shall not affect other parts, terms, or provisions of this Agreement which can be given effect without the portion held invalid, and to that extent the parts, terms and provisions of this Agreement are severable. Any waiver of any term hereof shall not be deemed to be a continuing waiver and consent to any one waiver and shall not be deemed to be the consent to any other waiver.

- (d) This Agreement constitutes the entire understanding between the parties with regard to its subject matter and supersedes all other agreements, written or oral, between the parties with respect to such subject matter. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of anyone, which are not contained in this Agreement, and that no other agreement, statement, or promise not contained in this Agreement will be valid or binding. The terms of this Agreement may not be terminated, waived, or amended except by a written agreement signed by all of the parties to this Agreement or their successors.
- (e) In the event of any action or litigation to enforce or interpret this Agreement or otherwise arising under or in connection with this Agreement, the prevailing party shall be entitled to recover from the losing party any and all reasonable attorney's fees and costs incurred.
- (f) This Agreement shall be governed and construed in accordance with the laws of California. All legal actions brought in connection with this Agreement shall be filed and tried in San Diego County, California.
9. **Assignment and Subleasing.** Operator shall not assign the Agreement or sublet the premises or any part thereof without the prior written consent of the Owner and the City. An assignment by operation of law shall automatically terminate this Agreement.
10. **Legal Proceedings.** Should it become necessary for Owner or the City to commence legal proceedings to collect rent, to recover possession or enforce any other provision of this Agreement, Operator agrees to pay all legal costs in connection therewith, including a reasonable sum as attorney's fees. In the event Owner causes the arrest of the Vessel based on a maritime lien in Owner's favor, Operator agrees that notwithstanding the usual rule to the contrary, attorneys' fees shall be for all purposes regarded as part of the maritime lien, and such fees may be recovered *in rem*, directly against the Vessel.
11. **Subordination.** This Agreement is in effect a sublease of a portion of the premises covered by that certain Lease Agreement dated February 9, 1987, as amended between the Owner herein and the City of San Diego. This Agreement is subject and subordinate to the covenants and conditions of said Lease Agreement notwithstanding any provision hereof contrary to or in conflict with said agreement.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first set forth above.

OWNER:

OPERATOR:

ISLANDIA ASSOCIATES, LTD.

By: Amgreen, Inc.
General Partner

By: _____

Printed Name: Jerald Greenstein

Title: President

By: _____

Printed Name: _____

Title: _____

MASTER LESSOR:

CITY OF SAN DIEGO

By: _____

Printed Name: _____

Title: _____

BLUE HORIZON SPORTFISHING

By: _____

Printed Name: TIM SHARP

Title: OWNER

By: _____

Printed Name: Richard DeLuna

Title: Owner/operator

GUARANTY

The undersigned, being each of the owners of Operator, hereby unconditionally and irrevocably guarantee the performance by Operator of all its duties and obligations under the Agreement, as it may be modified from time to time. Such guarantee shall be joint and several among the undersigned, who agree to satisfy such duties and obligations upon demand, without prior demand upon Operator having been made.

By: 

Printed Name: Richard DeLuna

Date: 4/14/03

Address: P.O. Box 1933
Carlsbad CA 92018

Telephone: (760) 805-9335

By: 

Printed Name: Jim Sharp

Date: 4/14/03

Address: 4513-6 COVE DR.
CARLSBAD, CA. 92008

Telephone: (760) 729-5034

CONSENT TO AGREEMENT

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

Islandia Associates, Ltd.

("LESSEE") and filed in the Office of the City Clerk on February 9, 1987 as Document RR-267648, hereby consents to that certain Open Party Boat Operator Agreement ("Agreement") between the above LESSEE ("SUBLESSOR") and

**Peter Giacalone, an individual
d/b/a Dolphin II Sportfishing**

("OPERATOR") dated July 20, 2003. The Agreement shall be subordinate to the Master Lease in all respects. The CITY is merely approving the OPERATOR and the proposed use, and all terms and conditions of the Master Lease shall control and supersede any inconsistent or contrary provisions in the Agreement. The CITY is not bound by any term or condition in the Agreement which in any way conflicts with or is additional to the provisions of the Master Lease. Further, pursuant to section 4.02 of the Master Lease, the consent of the City is conditioned upon, and OPERATOR agrees, that it will keep and perform all covenants, conditions, and provisions of the Master Lease.

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

ASSIGNMENT AND SUBLEASING: OPERATOR shall not assign the Agreement or sublet the premises or any part thereof without the prior written consent of LESSEE and The City of San Diego. An assignment by operation of law shall automatically terminate this consent.

HOLD HARMLESS: OPERATOR shall assume the defense of, indemnify and hold harmless LESSEE and CITY, its elected officials, officers, representatives, agents, and employees from all claims, expenses and liability of every nature, directly or indirectly arising from, or alleged to have arisen from the operations conducted on the premises leased under the Master Lease, the condition of the premises, or from any act or omission of OPERATOR, his agents and invitees; provided, however, OPERATOR'S duty to indemnify and hold harmless shall not include any claims or liability arising from the established active negligence, sole negligence, or sole willful misconduct of the CITY, its agents, officers, or employees.

INSURANCE: OPERATOR shall be insured by an insurance carrier acceptable to the LESSEE and CITY against loss from public liability arising from the use or condition of or operation conducted on or from the leased premises. Minimum coverage shall be Two Million Dollars (\$2,000,000) COMBINED SINGLE LIMIT LIABILITY. A copy of the policy of insurance shall be filed with CITY and shall name "The City of San Diego, its elected officials, officers, representatives, agents, and employees" as additional insureds. Said policy shall specify that the

policy may not be terminated, altered or canceled without thirty (30) days prior written notice to CITY by the insurance company.

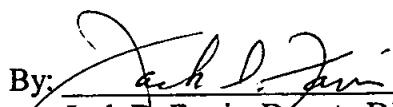
OPERATIONS: For the purpose of this Consent to Agreement, the "Vessel" includes the motorboat defined in Section B of the Agreement. The Vessel is required by law to be registered with California Department of Motor Vehicles and must carry proper registration numbers and stickers. The Vessel shall be equipped with waterproof map(s) detailing all current regulations and activity zones for Mission Bay, whale watching and fishing areas, and shall be equipped with all safety equipment required by law. The Vessel shall be professionally maintained and staffed during all operating hours and shall be properly equipped to operate legally within any public operating areas or as otherwise required by Mission Bay Park or United States Coast Guard rules and regulations. OPERATOR shall at all times comply with all applicable laws, statutes, ordinances, regulations or "special notices" of the City of San Diego, United States Coast Guard or any other regulatory agency issued under their authority at the OPERATOR'S sole cost and expense. The Vessel may not be stored on public property outside the leasehold. LESSEE and OPERATOR agree that the City Manager or his designee shall have the authority to immediately revoke this Consent if the City Manager determines that the Vessel is not being operated in compliance with the terms of this Consent, applicable laws, and regulations or current boating regulations.

LEGAL PROCEEDINGS: Should it become necessary for LESSEE or CITY to commence legal proceedings to collect rent, recover possession, or enforce any other provision of this Agreement, the prevailing party shall be entitled to an award of reasonable legal costs, including court and attorney fees.

SUBORDINATION: The Agreement is in effect a sublease of a portion of the premises covered by the Master Lease between SUBLESSOR and the CITY. The Agreement is subject and subordinate to the covenants and conditions of the Master Lease notwithstanding any provision hereof contrary to or in conflict with said Agreement.

THE CITY OF SAN DIEGO

Dated 5/7/04

By: 
Jack D. Farris, Deputy Director

ISLANDIA ASSOCIATES, LTD.
LESSEE AND SUBLESSOR

By: Amgreen, Inc., Its: General Partner

Dated 4-26-04

By: 
Name: Gerald Greenstein
Title: President

PETER GIACALONE, an individual
d/b/a Dolphin II Sportfishing
OPERATOR

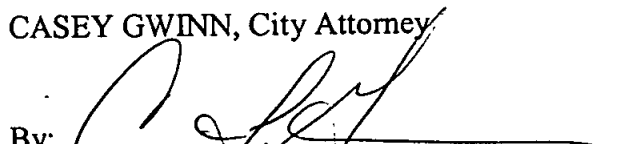
Dated 4-14-04

By: 
Name: Peter Giacalone
Title: Owner

APPROVED AS TO FORM AND LEGALITY:

CASEY GWINN, City Attorney

Dated: 8-19-04

By: 
Deputy City Attorney

VEB/cdj
4/07/04

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ACORD CERTIFICATE OF LIABILITY INSURANCE		CSR PP DOLPHI2	DATE (MM/DD/YYYY) 07/27/04
PRODUCER Douglas Lambert Ins. Services 1825 State Street Suite 206 Santa Barbara CA 93101 Phone: 805-563-6388 Fax: 805-569-3051		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
INSURED Peter Giacalone DOLPHIN II 2617 San Marcos Ave. San Diego CA 92104		INSURERS AFFORDING COVERAGE INSURER A: Sunderland Marine Mutual INSURER B: INSURER C: INSURER D: INSURER E:	NAIC #

COVERAGES

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

INSR	ADD'L LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
		GENERAL LIABILITY ☐ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS MADE ☐ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC				EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
		AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ☐ NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		GARAGE LIABILITY ☐ ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
		EXCESS/UMBRELLA LIABILITY ☐ OCCUR ☐ CLAIMS MADE ☐ DEDUCTIBLE ☐ RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER-EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				WC STATO-TORY LIMITS ☐ OTHER ☐ E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A		Protect/Indemnity	DP1817/04	07/30/04	07/30/05	\$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Please see Addendum A Attached

CERTIFICATE HOLDER**CANCELLATION**

ISLAN-1 Islandia Associates, LTD. and The City of San Diego 1551 W. Mission Bay Drive San Diego CA 92007	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE Chris Beckert, #07042416307865
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ADDENDUM "A"

INSURED: **Peter Giacalone**
VESSEL: **DOLPHIN II**

CERTIFICATE OF INSURANCE
DATED: **July 27, 2004**

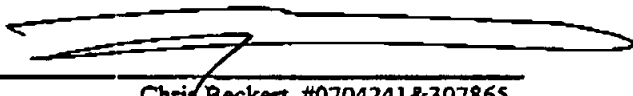
PRIMARY POLICY NO.: **DP1817/04**
PRIMARY POLICY TERM: **EFFECTIVE DATE: 07/30/04** **EXPIRATION DATE: 07/30/05**

ADDITIONAL INSURED ENDORSEMENT

CERTIFICATE HOLDER IS NAMED AS AN ADDITIONAL INSURED UNDER THIS POLICY, BUT ONLY AS RESPECTS TO NEGLIGENT ACTS OR OMISSIONS OF THE NAMED INSURED AND ONLY FOR OCCURRENCES, CLAIMS OR COVERAGES NOT OTHERWISE EXCLUDED IN THE POLICY.

IT IS FURTHER AGREED THAT SHOULD NO COVERAGE APPLY HEREIN FOR THE NAMED INSURED, NEITHER COVERAGE NOR DEFENSE SHALL BE AFFORDED TO THE ABOVE-IDENTIFIED ADDITIONAL INSURED.

MOREOVER, IT IS AGREED THAT NO COVERAGE SHALL BE AFFORDED TO THE ABOVE IDENTIFIED ADDITIONAL INSURED FOR ANY BODILY INJURY, PERSONAL INJURY, OR PROPERTY DAMAGE TO ANY EMPLOYEE OF THE NAMED ADDITIONAL INSURED OR TO ANY OBLIGATION OF THE ADDITIONAL INSURED TO INDEMNIFY ANOTHER BECAUSE OF DAMAGES ARISING OUT OF SUCH INJURY.



Chris Beckert, #0704241&307865

OPEN PARTY BOAT OPERATOR AGREEMENT

OPEN PARTY BOAT OPERATOR AGREEMENT

THIS OPEN PARTY BOAT OPERATOR AGREEMENT (the "Agreement") is made and entered into this 30th of July, 2003, by and between **ISLANDIA ASSOCIATES, LTD.** (the "Owner") and Dolphin II Sportfish (the "Operator") with respect to the following facts:
Pete Giacalone

- A. Owner leases from the City of San Diego, hereinafter, "City", and operates the dock and landing located at 1551 West Mission Bay Drive, San Diego, California (the "Landing").
- B. Operator owns and operates the vessel known as Dolphin II, Official Number 276893, a Ditmar and Donaldson [make] of approximately 65 feet in length, (the "Vessel") as an open party, 1/2 day fishing, 3/4 day fishing, twilight fishing, whale watching, or private charter vessel, as agreed upon by Owner and Operator. Only the Vessel described in this paragraph, and no other vessel, may occupy wharf space under this Agreement.
- C. Operator desires to operate the Vessel from the Landing, and Owner desires to allow such non-exclusive operation, in each case on the terms and conditions set forth below. The person identified above as the Operator represents by signing this Agreement that he/she is the sole owner of the Vessel, or that he/she has full authority of all persons or entities with an ownership interest in the Vessel to bind them and the Vessel to the terms and conditions in this Agreement.

NOW THEREFORE, based on the respective covenants contained herein and other valuable consideration, the parties hereto agree as follows:

1. Term of Agreement.

- (a) Subject to paragraph (b) below, the rights and duties of the parties under this Agreement shall commence on July 30, 2003 and shall end on July 30, 2004 provided however, that this Agreement may, at Owner's sole discretion, be renewed for successive one (1) year periods if (i) Operator is not in default of any term in this Agreement and requests such renewal in writing at least ninety (90) but no more than one hundred twenty (120) days before the end of the term of the Agreement; and (ii) such renewal request is accepted by Owner in writing within thirty (30) days after receipt thereof unless written notice of termination has been given ninety (90) days prior to the expiration of said term by either Owner or Operator.

(b) Notwithstanding the provision of Sections 1(a) above, this Agreement shall automatically terminate on the occurrence of any of the following specified events:

- (i) Bankruptcy, by voluntary or involuntary petition, or insolvency of Operator,
- (ii) Sale or transfer of more than fifty (50%) percent or more of the stock or beneficial interest in the stock of Operator, or sale or transfer of substantially all of the assets of Operator,
- (iii) Destruction or unseaworthiness of the Vessel, or her inoperability for a period longer than four (4) weeks, unless a substitute vessel approved in writing by Owner is provided.
- (iv) Seizure of the Vessel pursuant to Court order or non-judicial repossession as contractually permitted by a mortgage lien holder.
- (5) Breach of any term or covenant contained in this Agreement, each of which is deemed for all purposes a material condition.

2. **Responsibilities of Operator.** During the term of this Agreement and any renewal thereof, Operator shall:

- (a) Actively use and promote the Vessel for open party 1/2 day, 3/4 day, and twilight fishing trips; whale watching trips; private charters; or open party fishing trips to United States waters outside Mission Bay from the Landing. Subject to emergency and unanticipated repair periods, the Vessel, in seaworthy condition and currently licensed by the U.S. Coast Guard for carrying passengers for hire, shall be available for operation at the Landing for the entire term of this Agreement and any renewals, subject to normal maintenance and repair requirements. Operator shall provide Owner with at least ten (10) days prior written notice of normal maintenance and repair periods during which the boat will not be available, during which periods Operator shall make a good faith attempt to provide a substitute boat approved in writing by Owner.
- (b) Operator shall at all times cause the Vessel to be operated in a safe and lawful manner and in compliance with all Rules of Owner which are incorporated herein in this Agreement, and all applicable federal, state or local statutes, regulations or directives.
- (c) Operator shall at all times cause the Vessel to provide at least such services as are customarily provided by other open party fishing boats of a similar size.
- (d) If the Operator is designated as the 1/2 day open party fishing boat, then, subject to weather conditions, the Vessel (or its substitute as provided for in paragraph (a) above) shall make

two (2) one-half day fishing trips daily, the first trip departing from the Landing at approximately 6:00 a.m. and returning at approximately 11:30 a.m. and the second trip departing from the Landing at approximately 12:30 p.m. and returning at approximately 5:30 p.m. If the Operator is designated as the 3/4 day open party fishing boat, then, subject to weather conditions, the Vessel (or its substitute as provided for in paragraph (a) above) shall make one three-quarter day fishing trips daily, the first trip departing from the Landing at approximately 6:30 a.m. and returning at approximately 5:30 p.m. If the Operator is designated as an overnight open party fishing boat, then, subject to weather conditions, the Vessel (or its substitute as provided for in paragraph (a) above) shall make one fishing trip daily, departing from the Landing at approximately 10:00 p.m. and returning approximately 7:00 p.m. to 9:00 p.m. the following evening. If the Operator is designated as a whale watching boat, then, subject to weather conditions, the Vessel (or its substitute as provided for in paragraph (a) above) shall make two (2) whale watching trips daily, the first departing from the Landing at approximately 10:00 a.m. and the second departing at approximately 1:00 p.m.; each such trip shall be for a duration of two to three hours. The parties to this Agreement agree Owner shall have the right to, from time to time, set a the minimum number of passengers required for each type of vessel excursion (for example, to require a 2 day open party boat depart in the event two passengers wish to engage in such excursion).

- (e) All Charges (as defined in Section 3 below) shall be approved in advance by Owner in writing and such Charges shall not be changed without Owner's prior written approval. All ticket sales for passage on the Vessel are to continue right up to the time of departure. All funds received from passengers on the Vessel, which have been booked by Owner, are to be received directly by the Owner. Any such funds collected by Operator, which are booked by Owner, or Operator are to be immediately turned over to Owner.
- (f) Operator shall at all times cause the Vessel to be docked and operated so as to cause no damage to the Landing or any other part of Owner's property. Operator shall notify Owner immediately in the event he/she becomes aware of damage to Owner's property. Operator shall notify Owner immediately in the event he/she becomes aware of damage sustained by any part of Owner's premises, irrespective of whether such damage is caused by Operator, his/her crew, his/her passenger(s) or other person. Operator shall indemnify and hold Owner harmless from, and reimburse Owner for, all costs, expenses, damages, claims, demands, liabilities and lawsuits (including reasonable attorney's fees incurred by Owner in investigating or defending such lawsuits) arising solely out of any action or inaction on the part of the Operator, its agents or employees, or any passenger. Operator shall bear full responsibility, and shall reimburse Owner, for any and all damages caused by the Vessel or her crew or passengers to the Landing or any other part of Owner's property due to improper operation of the Vessel, unseaworthiness of the Vessel, rough seas and/or bad weather.
- (g) Operator shall provide a suitable picture of the Vessel to Owner by December 1st of each

year for use in the Landing's advertising program, together with a copy of current U.S. Coast Guard Certificate of Documentation.

- (h) Operator shall keep the Vessel's designated dock area maintained and free from debris, or any hazardous materials, at all times. Operator shall, after returning to the Landing following each excursion, spray with water and take all other necessary actions to thoroughly clean the dock areas adjacent to the Vessel.
- (i) Operator shall refrain from renting fishing equipment on the Vessel, except if necessary to provide replacement gear or if the Landing does not have available equipment.
- (j) Operator shall purchase bait from Owner when bait is used.
- (k) Operator shall strictly enforce courteous behavior by crewmembers and PROHIBIT THE FOLLOWING:
 - (i) the drinking of alcoholic beverages, possession OR USE of illicit drugs or narcotics by crew members BEFORE, DURING OR AFTER TRIPS, OR ANY TIME on board the Vessel;
 - (ii) crew members from boarding the Vessel AT ANY TIME while under the influence of alcohol or drugs; and
 - (iii) fishing by crewmembers.
 - (iv) profane language or other indecorous conduct.
- (l) Crew members must wear appropriate attire designating them as crewmembers.
- (m) Upon execution of this Agreement, and yearly on the anniversary of execution of this Agreement, Operator shall provide Owner and the City with certificates of insurance, issued by a California admitted insurance carrier, covering the Vessel and Operator (and naming Owner and The City of San Diego as additional insureds), showing Two Million (\$2,000,000.00) Dollars of liability insurance in effect provided by a company acceptable to Owner and the City, and in accordance with all Public Utility Commission requirements and all other governmental requirements. A copy of the policy of insurance shall be filed with the City. Said policy shall specify that the policy may not be terminated, altered, or cancelled without thirty (30) days prior written notice to Owner and the City by the insurance company. Both the Owner and the City of San Diego shall be named as additional assureds.
- (e) Operator shall obey all laws, rules and regulations of Mexico when operating in Mexican

waters, including but not limited to licensing and permits, and obey all laws, rules and regulations of the United States and California and all governmental entities/agencies with respect to activities undertaken therein.

- (o) Operator shall at all times cause the Vessel to be operated by properly licensed personnel in compliance with U.S. Coast Guard requirements.
- (p) Operator shall at all times operate the Vessel so as to be a credit to the Landing. Operator shall cooperate with Owner in providing reasonable free passage from time to time for writers, photographers, news personnel and other persons designated by Owner in connection with the advertising and promotion of the Landing.
- (q) Upon termination, Operator, at his/her expense, shall remove any and all stored goods, equipment and all other items, and return Owner's spaces formerly used by Operator for such storage to its original condition.
- (r) In the event Owner elects to provide security at its premises, it is understood and agreed such security is provided solely for the purpose of protecting Owner's property, and not for the benefit of the Operator, who it is agreed shall be solely responsible for the safety and security of the Vessel and her appurtenances, and for the safety of Operator's crewmembers, officers and passengers.
- (s) Operator shall not post any signs on the Vessel or Owner's premises without the advance written approval of the Owner.
- (t) The Vessel shall not be used by any person for purposes of living aboard.
- (u) The Operator shall, upon request by the Owner, permit placement of a dye tablet into all holding tanks.
- (v) Operator understand agrees Owner maintains Rules and Regulations which are incorporated herein as though fully set forth in this Agreement, and that Owner reserves the right to add new Rules and Regulations or modify existing Rules and Regulations from time to time, which shall become effective upon either of the posting of revised Rules and Regulations on a bulletin board maintained outside Owner's office on the premises, or upon written notice of changes tendered via first class mail to the Operator's address identified in Paragraph 8 hereof.
- (w) Operator shall maintain a log identifying by name and date each passenger who boards the Vessel, and shall make such log available for inspection by Owner upon two business days advance notice.

- (x) Overboard discharges of heads or holding tanks is forbidden by law and by this Agreement. Violation of this term or any other term hereof is grounds for eviction and termination of this Agreement.
- (y) Operator is solely responsible for the safety of his/her Vessel, and Operator agrees that the Owner shall have no obligation whatever to take action(s) in advance of or during a storm to preserve or protect Operator's Vessel. It is further agreed, however, that the Owner may, at its sole election, undertake such actions during or in advance of a storm as it alone deems appropriate and/or necessary to preserve or protect any or all vessels located on its premises; in such event it is agreed that Operator shall indemnify and hold the Owner harmless for any and all personal injury or property damage occurring in connection with the Owner's efforts to preserve or protect vessels during or in advance of a storm. It is further agreed that if the Operator provides such preservative/protective services during or in advance of a storm, all costs associated with such rendering of such services shall be apportioned equally among all Vessel owners.
- (z) If Operator fails to pay any sums due under this Agreement, in addition to other rights and remedies that are or may be available to Owner, the Vessel may be placed, at Operator's sole risk and expense, in storage or chained to her slip, until such time as all sums due have been paid in full.
- (aa) Owner has no obligation whatever to dewater or provide any salvage services to the Vessel should she spring a leak or otherwise need assistance in remaining afloat or in seaworthy condition. Nevertheless, it is agreed that in such event the Owner may, but is not required to, provide dewatering or other salvage services for the benefit of the Vessel. In the event the Owner elects to provide salvage services, it is agreed Operator shall be obligated to pay all material/labor costs associated with such services, or \$150 for each hour such services are provided, whichever sum is greater. Payment in such event is not contingent upon the success of such salvage or other such services.
- (bb) Operator shall ensure all fish cleaning operations aboard the Vessel cease once the Vessel has passed the breakwater leading to Owner's premises.
- (cc) Operator shall not permit anyone, apart from a qualified diver hired for the purpose of cleaning the Vessel's bottom, to enter the water from Owner's Landing or from any other place located on Owner's premises.
- (dd) Apart from ordinary maintenance, no work involving the Vessel may be accomplished while at the dock or otherwise on Owner's premises. Prohibited work includes, but is not limited to, painting, heavy sanding, use of paint remover, spray guns, or the burning of paint on the topsides or above the decks. Work of any kind to the exterior of the Vessel,

including routine maintenance, to be undertaken by other than Owner, must be approved in advance of such work, in writing, by the Marina. Contractors hired by Owner to work on the Vessel must be approved by the Marina in writing prior to the commencement of such work, and each such contractor must maintain and provide proof of liability insurance in an amount of at least \$1 million.

- (ee) The Vessel may under no circumstances be refueled dockside and may be refueled only at a duly licensed commercial fueling station
- (ff) Operator shall not store anything on Owner's dock without its advance written permission.
- (gg) Operator shall not operate engines or generators or other noisy equipment between the hours of 9:00 p.m. and 8:00 a.m., unless absolutely and immediately necessary in connection with making the Vessel ready for a scheduled excursion.

3. **Distribution of Funds Collected.** The funds specified in Section 2(c) above (the "Funds") shall be distributed by Owner as follows:

- (a) Owner shall retain from the Funds, as a landing fee, the sum of fifteen (15%) percent of all charges for passage on or use of the Vessel in operation at the Landing, excluding the receipts resulting from galley charges, and any amounts equivalent to Mexican licenses (collectively the "Charges").
- (b) An additional charge, equal to the amount payable by Owner to the City of San Diego because of such passage or use (currently ~~seven (7%) percent~~ of the charges), shall be retained by Owner.
- (c) An additional charge shall be retained by Owner equal to the cost of bait purchases by Owner for the Vessel. Currently, ~~fifteen (15%) percent~~ of charges shall be retained for the purchase of bait. This is charged for fishing trips only.
- (d) An additional monthly charge equal to the greater of (i) one (1%) percent of all Charges or (ii) One Hundred Fifty (\$150) Dollars shall be retained by Owner to fund the Landing's advertising and promotions program provided by Owner under Section 5(d) below.
- (e) An additional monthly charge equal to two (2%) percent of all Charges shall be retained by Owner to fund the maintenance program provided by Owner under Section 5(c) below.
- (f) Any amounts advanced or incurred by Owner for Operator's benefit with Operator's prior written consent or approved invoice, for supplies, equipment, advertising, commissions,

etc., shall be withheld from the Funds.

- (g) The remainder of the Funds shall be paid to Operator on a monthly basis on the fifteenth (15th) day of each month (or, if such day falls on a weekend or holiday, the first working day thereafter) with respect to charter fees collected covering the periods from the first (1st) to the last day of each respective previous month. Any funds owed to the Owner for these periods shall be payable to Owner under the same time frame.
4. **Non-Exclusive Agreement.** It is expressly acknowledged and agreed by Operator that this Agreement may be one of a number of agreements between Owner and the operators of other vessels (including, but not limited to, those which are operated as open party 1/2 day fishing, 3/4 day fishing, twilight fishing, whale watching, or private charter vessels. As a result, Operator's right to use of the Landing and the Vessel's slip thereat is non-exclusive and Operator shall have no right to exclude any other vessel (including a competitor vessel) from the Landing. Operator acknowledges and agrees that this Agreement gives Operator its rights herein only with respect to the Vessel (or their substitutes under Section 2(a) above). As a result, Operator shall not dock or operate any other vessel at the Landing without Owner's prior written consent.
5. **Rights of Operator.** During the term of this Agreement, Operator shall be provided by Owner with the following at no cost or charge to Operator except as specified herein:
- (a) Use of a slip agreed upon with the Owner (at a location suitable for the size of the Vessel) during such time as the Vessel is present at the Landing. Owner shall have the right to make boat location changes, as it in its unfettered discretion deems necessary or prudent.
 - (b) Water and electrical hook-up supplied to the slip. At Owner's sole discretion, Owner shall have the right to separately meter (at Operator's expense) Operator's use of water and electricity and charge Operator therefore. If Owner does so, Operator shall pay all such charges upon demand.
 - (c) Owner shall establish a maintenance fund and shall utilize the funds therein for painting and general maintenance of the slip in a first class condition at all times, as determined by Owner in its sole discretion (excluding any damage caused to the slip by Operator or its agents or employees). Owner shall not be required to provide any funds for such purposes in excess of those supplied to the maintenance fund pursuant to Section 3(e) above.
 - (d) Owner shall establish a Landing advertising and promotions program to advertise and promote the Landing and the activities thereat in such manner and at such times as Owner may determine in its sole discretion. Owner shall not be required to provide any funds for such purposes in excess of those supplied by Operator pursuant to Section 3(d)

above together with funds from such other persons as Owner may cause to contribute to such fund.

- (e) Vessel shall, to the extent reasonably practical, be afforded equal treatment by Landing sales and ticket personnel with regard to the sale of Sportfishing tickets.
 - (f) The right to the use of an available gear locker, with Operator assuming all responsibility for all items stored in the locker. No flammable or hazardous materials shall be stored in the lockers or on the docks at any time.
 - (f) Operation under such general Mexican fishing licenses that Owner may have from time to time, based on Operator's proper registration of the Vessel with Mexican authorities and paying any fees required.
6. **Default of Operator.** Default of the Operator, entitling Owner to terminate this Agreement as provided in Section 1(b) above, shall include but not be limited to the following:
- (a) Failure of Operator to comply in any material respect with the provisions and obligations of this Agreement; and
 - (b) Assignment or transfer of any interest, rights or duties under this Agreement other than as provided herein.
7. **Indemnity.** Operator shall protect, defend, indemnify, and hold Owner and the City, harmless from and against any and all claims, demands, liabilities, costs, expenses, damages and lawsuits (including reasonable attorney's fees incurred by Owner, and/or the City, in investigating or defending same) for personal injury, death, property damage or any other claim not occasioned by Owner's gross negligence or willful misconduct, made by or on behalf of any customer, passenger officer or crewmember, or other person permitted by Operator to be on or around the Vessel, resulting from any cause whatsoever, occurring while such person is on or about the Vessel, including embarking or disembarking to or from the Vessel, whether the Vessel is docked or underway, or occurring during the course of any dive or other activity conducted by or participated in by Operator, and from any such claims by other persons arising out of the use, or operation of, the Vessel.

Operator further waives, releases and discharges any claims, demands, actions or causes of action against Owner, and/or the City, for damages to person or property, including but not limited to claims for injuries or damages to employees, agents or subcontractors of Operator, arising from any cause whatsoever. Notwithstanding the foregoing, this waiver, release, and indemnity shall not apply to any damage or loss resulting solely from the gross negligence or

willful misconduct of Owner, and/or the City.

8. General Provisions.

- (a) This Agreement shall be binding on, and shall inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and assigns. The foregoing notwithstanding, Operator's voluntary or involuntary assignment or transfer of any or all of its rights or duties under this Agreement shall be void and of no effect unless consented to in writing by Owner.
- (b) Any offers, notices and other communications to be given by any party to another shall be communicated in writing by personal delivery or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed as follows:

To the Operator:

Dolphin II Sportfishing
c/o Peter Giacalone
1551 W. Mission Bay Dr.
San Diego, CA 92109

To the Owner:

ISLANDIA ASSOCIATES, LTD.
5743 Corsa Avenue, Suite 200
Westlake Village, California 91362

To the Owner's Manager:

John Taylor
ISLANDIA SPORTFISHING
1551 W. Mission Bay Drive
San Diego, California 92109

Each party may change its address by written notice in accordance with this Section. Notices delivered by mail shall be deemed communicated as of the day after mailing.

- (c) If any part, term, or provision of the Agreement is held invalid, such invalidity shall not affect other parts, terms, or provisions of this Agreement which can be given effect without the portion held invalid, and to that extent the parts, terms and provisions of this Agreement are severable. Any waiver of any term hereof shall not be deemed to be a continuing waiver and consent to any one waiver and shall not be deemed to be the consent to any other waiver.

- (d) This Agreement constitutes the entire understanding between the parties with regard to its subject matter and supersedes all other agreements, written or oral, between the parties with respect to such subject matter. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of anyone, which are not contained in this Agreement, and that no other agreement, statement, or promise not contained in this Agreement will be valid or binding. The terms of this Agreement may not be terminated, waived, or amended except by a written agreement signed by all of the parties to this Agreement or their successors.
- (e) In the event of any action or litigation to enforce or interpret this Agreement or otherwise arising under or in connection with this Agreement, the prevailing party shall be entitled to recover from the losing party any and all reasonable attorney's fees and costs incurred.
- (f) This Agreement shall be governed and construed in accordance with the laws of California. All legal actions brought in connection with this Agreement shall be filed and tried in San Diego County, California.
9. **Assignment and Subleasing.** Operator shall not assign the Agreement or sublet the premises or any part thereof without the prior written consent of the Owner and the City. An assignment by operation of law shall automatically terminate this Agreement.
10. **Legal Proceedings.** Should it become necessary for Owner or the City to commence legal proceedings to collect rent, to recover possession or enforce any other provision of this Agreement, Operator agrees to pay all legal costs in connection therewith, including a reasonable sum as attorney's fees. In the event Owner causes the arrest of the Vessel based on a maritime lien in Owner's favor, Operator agrees that notwithstanding the usual rule to the contrary, attorneys' fees shall be for all purposes regarded as part of the maritime lien, and such fees may be recovered *in rem*, directly against the Vessel.
11. **Subordination.** This Agreement is in effect a sublease of a portion of the premises covered by that certain Lease Agreement dated February 9, 1987, as amended between the Owner herein and the City of San Diego. This Agreement is subject and subordinate to the covenants and conditions of said Lease Agreement notwithstanding any provision hereof contrary to or in conflict with said agreement.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first set forth above.

OWNER:

OPERATOR:

ISLANDIA ASSOCIATES, LTD.

By: Amgreen, Inc.
General Partner

By: [Signature]

Printed Name: Lerald greenstein

Title: President

By: _____

Printed Name: _____

Title: _____

MASTER LESSOR:

CITY OF SAN DIEGO

By: _____

Printed Name: _____

Title: _____

By: [Signature]

Printed Name: Peter Giacalone

Title: Owner / Operator

By: _____

Printed Name: _____

Title: _____

GUARANTY

The undersigned, being each of the owners of Operator, hereby unconditionally and irrevocably guarantee the performance by Operator of all its duties and obligations under the Agreement, as it may be modified from time to time. Such guarantee shall be joint and several among the undersigned, who agree to satisfy such duties and obligations upon demand, without prior demand upon Operator having been made.

By: _____

Printed Name: _____

Date: _____

Address: _____

Telephone: _____

+ By:  _____

Printed Name: Peter Giacalone

Date: 8/19/03

Address: 2617 San Marcos Ave.
San Diego Ca 92104

Telephone: 619-528-0232

CONSENT TO AGREEMENT

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

Islandia Associates, Ltd.

("LESSEE") and filed in the Office of the City Clerk on February 9, 1987 as Document RR-267648, hereby consents to that certain Open Party Boat Operator Agreement ("Agreement") between the above LESSEE ("SUBLESSOR") and

**Tim Linskey, an individual
d/b/a Aristokat**

("OPERATOR") dated June 26, 2003. The Agreement shall be subordinate to the Master Lease in all respects. The CITY is merely approving the OPERATOR and the proposed use, and all terms and conditions of the Master Lease shall control and supersede any inconsistent or contrary provisions in the Agreement. The CITY is not bound by any term or condition in the Agreement which in any way conflicts with or is additional to the provisions of the Master Lease. Further, pursuant to section 4.02 of the Master Lease, the consent of the City is conditioned upon, and OPERATOR agrees, that it will keep and perform all covenants, conditions, and provisions of the Master Lease.

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

ASSIGNMENT AND SUBLEASING: OPERATOR shall not assign the Agreement or sublet the premises or any part thereof without the prior written consent of LESSEE and The City of San Diego. An assignment by operation of law shall automatically terminate this consent.

HOLD HARMLESS: OPERATOR shall assume the defense of, indemnify and hold harmless LESSEE and CITY, its elected officials, officers, representatives, agents, and employees from all claims, expenses and liability of every nature, directly or indirectly arising from, or alleged to have arisen from the operations conducted on the premises leased under the Master Lease, the condition of the premises, or from any act or omission of OPERATOR, his agents and invitees; provided, however, OPERATOR'S duty to indemnify and hold harmless shall not include any claims or liability arising from the established active negligence, sole negligence, or sole willful misconduct of the CITY, its agents, officers, or employees.

INSURANCE: OPERATOR shall be insured by an insurance carrier acceptable to the LESSEE and CITY against loss from public liability arising from the use or condition of or operation conducted on or from the leased premises. Minimum coverage shall be Two Million Dollars (\$2,000,000) COMBINED SINGLE LIMIT LIABILITY. A copy of the policy of insurance shall be filed with CITY and shall name "The City of San Diego, its elected officials, officers, representatives, agents, and employees" as additional insureds. Said policy shall specify that the

policy may not be terminated, altered or canceled without thirty (30) days prior written notice to CITY by the insurance company.

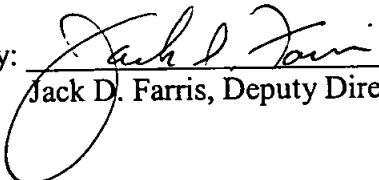
OPERATIONS: For the purpose of this Consent to Agreement, the "Vessel" includes the motorboat defined in Section B of the Agreement. The Vessel is required by law to be registered with California Department of Motor Vehicles and must carry proper registration numbers and stickers. The Vessel shall be equipped with waterproof map(s) detailing all current regulations and activity zones for Mission Bay, whale watching and fishing areas, and shall be equipped with all safety equipment required by law. The Vessel shall be professionally maintained and staffed during all operating hours and shall be properly equipped to operate legally within any public operating areas or as otherwise required by Mission Bay Park or United States Coast Guard rules and regulations. OPERATOR shall at all times comply with all applicable laws, statues, ordinances, regulations or "special notices" of the City of San Diego, United States Coast Guard or any other regulatory agency issued under their authority at the OPERATOR'S sole cost and expense. The Vessel may not be stored on public property outside the leasehold. LESSEE and OPERATOR agree that the City Manager or his designee shall have the authority to immediately revoke this Consent if the City Manager determines that the Vessel is not being operated in compliance with the terms of this Consent, applicable laws, and regulations or current boating regulations.

LEGAL PROCEEDINGS: Should it become necessary for LESSEE or CITY to commence legal proceedings to collect rent, recover possession, or enforce any other provision of this Agreement, the prevailing party shall be entitled to an award of reasonable legal costs, including court and attorney fees.

SUBORDINATION: The Agreement is in effect a sublease of a portion of the premises covered by the Master Lease between SUBLESSOR and the CITY. The Agreement is subject and subordinate to the covenants and conditions of the Master Lease notwithstanding any provision hereof contrary to or in conflict with said Agreement.

THE CITY OF SAN DIEGO

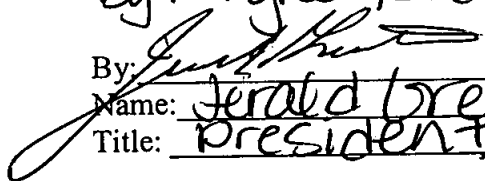
Dated 5/7/04

By: 
Jack D. Farris, Deputy Director

ISLANDIA ASSOCIATES, LTD.
LESSEE AND SUBLESSOR

By Amgreen, Inc., Its: General Partner

Dated 4-26-04

By: 
Name: Gerald Greenstein
Title: President

TIM LINSKEY, an individual
d/b/a Aristokat
OPERATOR

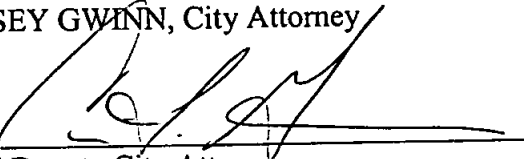
Dated 4-8-04

By: 
Name: Tim Linskey
Title: owner

APPROVED AS TO FORM AND LEGALITY:

CASEY GWINN, City Attorney

Dated: 8-19-04

By: 
Deputy City Attorney

VEB/cdj

4/07/04

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CERTIFICATE OF INSURANCE

Issued Date: June 16, 2004

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGES AFFORDED BY THE POLICIES BELOW.

PRODUCER

Island Wide Marine Agency
3771 Nesconset Hwy. Suite 212
So. Setauket, NY 11720 631-444-0700

INSURED

Timothy & Nicole Linskey
d/b/a Linskey Sportfishing
& Boat Aristokat
251 Diamante Way
Oceanside, CA 92056

COMPANIES AFFORDING COVERAGE

Company A:	Indemnity Insurance Co. Of North America
Company B:	OneBeacon America Insurance Company
Company C:	Water Quality Insurance Syndicate
Company D:	

COVERAGES

THIS IS TO CERTIFY THAT POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOT WITHSTANDING ANY REQUIREMENT TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS, AND CONDITIONS OF SUCH POLICIES.

Coverage	Company	Policy #	Effective Date	Expiration Date	Limits
Protection & Indemnity	A	N00891435	March 25, 2004	March 25, 2005	1000000
Excess P&I	B	C5JH70888	June 23, 2004	June 23, 2005	1000000
Dock Liability	A	N00891435	March 25, 2004	March 25, 2005	1000000
Pollution	C	37-22024	March 25, 2004	March 25, 2005	500000
Other: Excess Dock Liability	B	C5JH70888	June 23, 2004	June 23, 2005	1000000

SPECIAL ITEMS

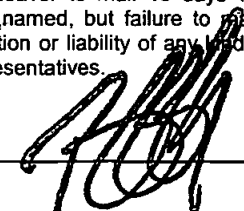
Vessel Name: "ARISTOKAT" Official # 908678

The Certificate Holder is included as Additional Insured with respect to the operation of the herein insured vessel only.

CERTIFICATE HOLDER:

City of San Diego
Real Estate Assets Dept.
1200 Third Ave., Ste. #1700
San Diego, CA 92101

CANCELLATION: Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail 10 days written notice to the certificate holder named, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.



Seacoast

ASSURED: **Timothy & Nicole Linskey**
d/b/a Linskey Sportfishing

EFFECTIVE: **March 25, 2004**

ENDORSEMENT #3

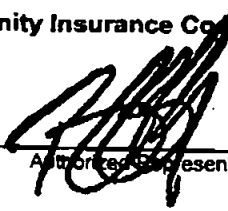
INCLUSION OF ADDITIONAL INSURED

In consideration of the premium charged, the City of San Diego is included as an additional insured but only as respects operations of the named insured except that liability resulting from the sole negligence of the additional insured:

City of San Diego
Real Estate Assets Dept.
1240 Third Ave. Suite #1700
San Diego, CA 92101

All other terms and conditions remaining unchanged.

To be attached to and made part of Policy # **N00891435** of Indemnity Insurance Co. Of North America.



Authorized Representative

OPEN PARTY BOAT OPERATOR AGREEMENT

OPEN PARTY BOAT OPERATOR AGREEMENT

THIS OPEN PARTY BOAT OPERATOR AGREEMENT (the "Agreement") is made and entered into this June 26, 2003, by and between **ISLANDIA ASSOCIATES, LTD.** (the "Owner") and TIM LINSKEY (the "Operator") with respect to the following facts:

- A. Owner leases from the City of San Diego, hereinafter, "City", and operates the dock and landing located at 1551 West Mission Bay Drive, San Diego, California (the "Landing").
- B. Operator owns and operates the vessel known as ARISTOKAT, Official Number 908673, a Hawthorne [make] of approximately 45 feet in length, (the "Vessel") as an open party, 1/2 day fishing, 3/4 day fishing, twilight fishing, whale watching, or private charter vessel, as agreed upon by Owner and Operator. Only the Vessel described in this paragraph, and no other vessel, may occupy wharf space under this Agreement.
- C. Operator desires to operate the Vessel from the Landing, and Owner desires to allow such non-exclusive operation, in each case on the terms and conditions set forth below. The person identified above as the Operator represents by signing this Agreement that he/she is the sole owner of the Vessel, or that he/she has full authority of all persons or entities with an ownership interest in the Vessel to bind them and the Vessel to the terms and conditions in this Agreement.

NOW THEREFORE, based on the respective covenants contained herein and other valuable consideration, the parties hereto agree as follows:

1. Term of Agreement.

- (a) Subject to paragraph (b) below, the rights and duties of the parties under this Agreement shall commence on June, 2003 and shall end on June, 2004 provided however, that this Agreement may, at Owner's sole discretion, be renewed for successive one (1) year periods if (i) Operator is not in default of any term in this Agreement and requests such renewal in writing at least ninety (90) but no more than one hundred twenty (120) days before the end of the term of the Agreement; and (ii) such renewal request is accepted by Owner in writing within thirty (30) days after receipt thereof unless written notice of termination has been given ninety (90) days prior to the expiration of said term by either Owner or Operator.

(b) Notwithstanding the provision of Sections 1(a) above, this Agreement shall automatically terminate on the occurrence of any of the following specified events:

- (i) Bankruptcy, by voluntary or involuntary petition, or insolvency of Operator;
- (ii) Sale or transfer of more than fifty (50%) percent or more of the stock or beneficial interest in the stock of Operator, or sale or transfer of substantially all of the assets of Operator;
- (iii) Destruction or unseaworthiness of the Vessel, or her inoperability for a period longer than four (4) weeks, unless a substitute vessel approved in writing by Owner is provided.
- (iv) Seizure of the Vessel pursuant to Court order or non-judicial repossession as contractually permitted by a mortgage lien holder.
- (5) Breach of any term or covenant contained in this Agreement, each of which is deemed for all purposes a material condition.

2. **Responsibilities of Operator.** During the term of this Agreement and any renewal thereof, Operator shall:

- (a) Actively use and promote the Vessel for open party 1/2 day, 3/4 day, and twilight fishing trips; whale watching trips; private charters; or open party fishing trips to United States waters outside Mission Bay from the Landing. Subject to emergency and unanticipated repair periods, the Vessel, in seaworthy condition and currently licensed by the U.S. Coast Guard for carrying passengers for hire, shall be available for operation at the Landing for the entire term of this Agreement and any renewals, subject to normal maintenance and repair requirements. Operator shall provide Owner with at least ten (10) days prior written notice of normal maintenance and repair periods during which the boat will not be available, during which periods Operator shall make a good faith attempt to provide a substitute boat approved in writing by Owner.
- (b) Operator shall at all times cause the Vessel to be operated in a safe and lawful manner and in compliance with all Rules of Owner which are incorporated herein in this Agreement, and all applicable federal, state or local statutes, regulations or directives.
- (c) Operator shall at all times cause the Vessel to provide at least such services as are customarily provided by other open party fishing boats of a similar size.
- (d) If the Operator is designated as the 1/2 day open party fishing boat, then, subject to weather conditions, the Vessel (or its substitute as provided for in paragraph (a) above) shall make

two (2) one-half day fishing trips daily, the first trip departing from the Landing at approximately 6:00 a.m. and returning at approximately 11:30 a.m. and the second trip departing from the Landing at approximately 12:30 p.m. and returning at approximately 5:30 p.m. If the Operator is designated as the 3/4 day open party fishing boat, then, subject to weather conditions, the Vessel (or its substitute as provided for in paragraph (a) above) shall make one three-quarter day fishing trips daily, the first trip departing from the Landing at approximately 6:30 a.m. and returning at approximately 5:30 p.m. If the Operator is designated as an overnight open party fishing boat, then, subject to weather conditions, the Vessel (or its substitute as provided for in paragraph (a) above) shall make one fishing trip daily, departing from the Landing at approximately 10:00 p.m. and returning approximately 7:00 p.m. to 9:00 p.m. the following evening. If the Operator is designated as a whale watching boat, then, subject to weather conditions, the Vessel (or its substitute as provided for in paragraph (a) above) shall make two (2) whale watching trips daily, the first departing from the Landing at approximately 10:00 a.m. and the second departing at approximately 1:00 p.m.; each such trip shall be for a duration of two to three hours. The parties to this Agreement agree Owner shall have the right to, from time to time, set a the minimum number of passengers required for each type of vessel excursion (for example, to require a 2 day open party boat depart in the event two passengers wish to engage in such excursion).

- (e) All Charges (as defined in Section 3 below) shall be approved in advance by Owner in writing and such Charges shall not be changed without Owner's prior written approval. All ticket sales for passage on the Vessel are to continue right up to the time of departure. All funds received from passengers on the Vessel, which have been booked by Owner, are to be received directly by the Owner. Any such funds collected by Operator, which are booked by Owner, or Operator are to be immediately turned over to Owner.
- (f) Operator shall at all times cause the Vessel to be docked and operated so as to cause no damage to the Landing or any other part of Owner's property. Operator shall notify Owner immediately in the event he/she becomes aware of damage to Owner's property. Operator shall notify Owner immediately in the event he/she becomes aware of damage sustained by any part of Owner's premises, irrespective of whether such damage is caused by Operator, his/her crew, his/her passenger(s) or other person. Operator shall indemnify and hold Owner harmless from, and reimburse Owner for, all costs, expenses, damages, claims, demands, liabilities and lawsuits (including reasonable attorney's fees incurred by Owner in investigating or defending such lawsuits) arising solely out of any action or inaction on the part of the Operator, its agents or employees, or any passenger. Operator shall bear full responsibility, and shall reimburse Owner, for any and all damages caused by the Vessel or her crew or passengers to the Landing or any other part of Owner's property due to improper operation of the Vessel, unseaworthiness of the Vessel, rough seas and/or bad weather.
- (g) Operator shall provide a suitable picture of the Vessel to Owner by December 1st of each

year for use in the Landing's advertising program, together with a copy of current U.S. Coast Guard Certificate of Documentation.

- (h) Operator shall keep the Vessel's designated dock area maintained and free from debris, or any hazardous materials, at all times. Operator shall, after returning to the Landing following each excursion, spray with water and take all other necessary actions to thoroughly clean the dock areas adjacent to the Vessel.
- (i) Operator shall refrain from renting fishing equipment on the Vessel, except if necessary to provide replacement gear or if the Landing does not have available equipment.
- (j) Operator shall purchase bait from Owner when bait is used.
- (k) Operator shall strictly enforce courteous behavior by crewmembers and PROHIBIT THE FOLLOWING:
 - (i) the drinking of alcoholic beverages, possession OR USE of illicit drugs or narcotics by crew members BEFORE, DURING OR AFTER TRIPS, OR ANY TIME on board the Vessel;
 - (ii) crew members from boarding the Vessel AT ANY TIME while under the influence of alcohol or drugs; and
 - (iii) fishing by crewmembers.
 - (iv) profane language or other indecorous conduct.
- (l) Crew members must wear appropriate attire designating them as crewmembers.
- (m) Upon execution of this Agreement, and yearly on the anniversary of execution of this Agreement, Operator shall provide Owner and the City with certificates of insurance, issued by a California admitted insurance carrier, covering the Vessel and Operator (and naming Owner and The City of San Diego as additional insureds), showing Two Million (\$2,000,000.00) Dollars of liability insurance in effect provided by a company acceptable to Owner and the City, and in accordance with all Public Utility Commission requirements and all other governmental requirements. A copy of the policy of insurance shall be filed with the City. Said policy shall specify that the policy may not be terminated, altered, or cancelled without thirty (30) days prior written notice to Owner and the City by the insurance company. Both the Owner and the City of San Diego shall be named as additional assureds.
- (e) Operator shall obey all laws, rules and regulations of Mexico when operating in Mexican

waters, including but not limited to licensing and permits, and obey all laws, rules and regulations of the United States and California and all governmental entities/agencies with respect to activities undertaken therein.

- (o) Operator shall at all times cause the Vessel to be operated by properly licensed personnel in compliance with U.S. Coast Guard requirements.
- (p) Operator shall at all times operate the Vessel so as to be a credit to the Landing. Operator shall cooperate with Owner in providing reasonable free passage from time to time for writers, photographers, news personnel and other persons designated by Owner in connection with the advertising and promotion of the Landing.
- (q) Upon termination, Operator, at his/her expense, shall remove any and all stored goods, equipment and all other items, and return Owner's spaces formerly used by Operator for such storage to its original condition.
- (r) In the event Owner elects to provide security at its premises, it is understood and agreed such security is provided solely for the purpose of protecting Owner's property, and not for the benefit of the Operator, who it is agreed shall be solely responsible for the safety and security of the Vessel and her appurtenances, and for the safety of Operator's crewmembers, officers and passengers.
- (s) Operator shall not post any signs on the Vessel or Owner's premises without the advance written approval of the Owner.
- (t) The Vessel shall not be used by any person for purposes of living aboard.
- (u) The Operator shall, upon request by the Owner, permit placement of a dye tablet into all holding tanks.
- (v) Operator understand agrees Owner maintains Rules and Regulations which are incorporated herein as though fully set forth in this Agreement, and that Owner reserves the right to add new Rules and Regulations or modify existing Rules and Regulations from time to time, which shall become effective upon either of the posting of revised Rules and Regulations on a bulletin board maintained outside Owner's office on the premises, or upon written notice of changes tendered via first class mail to the Operator's address identified in Paragraph 8 hereof.
- (w) Operator shall maintain a log identifying by name and date each passenger who boards the Vessel, and shall make such log available for inspection by Owner upon two business days advance notice.

- (x) Overboard discharges of heads or holding tanks is forbidden by law and by this Agreement. Violation of this term or any other term hereof is grounds for eviction and termination of this Agreement.
- (y) Operator is solely responsible for the safety of his/her Vessel, and Operator agrees that the Owner shall have no obligation whatever to take action(s) in advance of or during a storm to preserve or protect Operator's Vessel. It is further agreed, however, that the Owner may, at its sole election, undertake such actions during or in advance of a storm as it alone deems appropriate and/or necessary to preserve or protect any or all vessels located on its premises; in such event it is agreed that Operator shall indemnify and hold the Owner harmless for any and all personal injury or property damage occurring in connection with the Owner's efforts to preserve or protect vessels during or in advance of a storm. It is further agreed that if the Operator provides such preservative/protective services during or in advance of a storm, all costs associated with such rendering of such services shall be apportioned equally among all Vessel owners.
- (z) If Operator fails to pay any sums due under this Agreement, in addition to other rights and remedies that are or may be available to Owner, the Vessel may be placed, at Operator's sole risk and expense, in storage or chained to her slip, until such time as all sums due have been paid in full.
- (aa) Owner has no obligation whatever to dewater or provide any salvage services to the Vessel should she spring a leak or otherwise need assistance in remaining afloat or in seaworthy condition. Nevertheless, it is agreed that in such event the Owner may, but is not required to, provide dewatering or other salvage services for the benefit of the Vessel. In the event the Owner elects to provide salvage services, it is agreed Operator shall be obligated to pay all material/labor costs associated with such services, or \$150 for each hour such services are provided, whichever sum is greater. Payment in such event is not contingent upon the success of such salvage or other such services.
- (bb) Operator shall ensure all fish cleaning operations aboard the Vessel cease once the Vessel has passed the breakwater leading to Owner's premises.
- (cc) Operator shall not permit anyone, apart from a qualified diver hired for the purpose of cleaning the Vessel's bottom, to enter the water from Owner's Landing or from any other place located on Owner's premises.
- (dd) Apart from ordinary maintenance, no work involving the Vessel may be accomplished while at the dock or otherwise on Owner's premises. Prohibited work includes, but is not limited to, painting, heavy sanding, use of paint remover, spray guns, or the burning of paint on the topsides or above the decks. Work of any kind to the exterior of the Vessel,

including routine maintenance, to be undertaken by other than Owner, must be approved in advance of such work, in writing, by the Marina. Contractors hired by Owner to work on the Vessel must be approved by the Marina in writing prior to the commencement of such work, and each such contractor must maintain and provide proof of liability insurance in an amount of at least \$1 million.

- (ee) The Vessel may under no circumstances be refueled dockside and may be refueled only at a duly licensed commercial fueling station
- (ff) Operator shall not store anything on Owner's dock without its advance written permission.
- (gg) Operator shall not operate engines or generators or other noisy equipment between the hours of 9:00 p.m. and 8:00 a.m., unless absolutely and immediately necessary in connection with making the Vessel ready for a scheduled excursion.

3. **Distribution of Funds Collected.** The funds specified in Section 2(e) above (the "Funds") shall be distributed by Owner as follows:

- (a) Owner shall retain from the Funds, as a landing fee, the sum of fifteen (15%) percent of all charges for passage on or use of the Vessel in operation at the Landing, excluding the receipts resulting from galley charges, and any amounts equivalent to Mexican licenses (collectively the "Charges").
- (b) An additional charge, equal to the amount payable by Owner to the City of San Diego because of such passage or use (currently ~~seven (7%) percent~~ of the charges), shall be retained by Owner.
- (c) An additional charge shall be retained by Owner equal to the cost of bait purchases by Owner for the Vessel. Currently, ~~fifteen (15%) percent~~ of charges shall be retained for the purchase of bait. This is charged for fishing trips only.
- (d) An additional monthly charge equal to the greater of (i) one (1%) percent of all Charges or (ii) One Hundred Fifty (\$150) Dollars shall be retained by Owner to fund the Landing's advertising and promotions program provided by Owner under Section 5(d) below.
- (e) An additional monthly charge equal to two (2%) percent of all Charges shall be retained by Owner to fund the maintenance program provided by Owner under Section 5(c) below.
- (f) Any amounts advanced or incurred by Owner for Operator's benefit with Operator's prior written consent or approved invoice, for supplies, equipment, advertising, commissions,

etc., shall be withheld from the Funds.

- (g) The remainder of the Funds shall be paid to Operator on a monthly basis on the fifteenth (15th) day of each month (or, if such day falls on a weekend or holiday, the first working day thereafter) with respect to charter fees collected covering the periods from the first (1st) to the last day of each respective previous month. Any funds owed to the Owner for these periods shall be payable to Owner under the same time frame.
4. **Non-Exclusive Agreement.** It is expressly acknowledged and agreed by Operator that this Agreement may be one of a number of agreements between Owner and the operators of other vessels (including, but not limited to, those which are operated as open party 1/2 day fishing, 3/4 day fishing, twilight fishing, whale watching, or private charter vessels. As a result, Operator's right to use of the Landing and the Vessel's slip thereat is non-exclusive and Operator shall have no right to exclude any other vessel (including a competitor vessel) from the Landing. Operator acknowledges and agrees that this Agreement gives Operator its rights herein only with respect to the Vessel (or their substitutes under Section 2(a) above). As a result, Operator shall not dock or operate any other vessel at the Landing without Owner's prior written consent.
5. **Rights of Operator.** During the term of this Agreement, Operator shall be provided by Owner with the following at no cost or charge to Operator except as specified herein:
- (a) Use of a slip agreed upon with the Owner (at a location suitable for the size of the Vessel) during such time as the Vessel is present at the Landing. Owner shall have the right to make boat location changes, as it in its unfettered discretion deems necessary or prudent.
 - (b) Water and electrical hook-up supplied to the slip. At Owner's sole discretion, Owner shall have the right to separately meter (at Operator's expense) Operator's use of water and electricity and charge Operator therefore. If Owner does so, Operator shall pay all such charges upon demand.
 - (c) Owner shall establish a maintenance fund and shall utilize the funds therein for painting and general maintenance of the slip in a first class condition at all times, as determined by Owner in its sole discretion (excluding any damage caused to the slip by Operator or its agents or employees). Owner shall not be required to provide any funds for such purposes in excess of those supplied to the maintenance fund pursuant to Section 3(e) above.
 - (d) Owner shall establish a Landing advertising and promotions program to advertise and promote the Landing and the activities thereat in such manner and at such times as Owner may determine in its sole discretion. Owner shall not be required to provide any funds for such purposes in excess of those supplied by Operator pursuant to Section 3(d)

above together with funds from such other persons as Owner may cause to contribute to such fund.

- (e) Vessel shall, to the extent reasonably practical, be afforded equal treatment by Landing sales and ticket personnel with regard to the sale of Sportfishing tickets.
 - (f) The right to the use of an available gear locker, with Operator assuming all responsibility for all items stored in the locker. No flammable or hazardous materials shall be stored in the lockers or on the docks at any time.
 - (f) Operation under such general Mexican fishing licenses that Owner may have from time to time, based on Operator's proper registration of the Vessel with Mexican authorities and paying any fees required.
6. **Default of Operator.** Default of the Operator, entitling Owner to terminate this Agreement as provided in Section 1(b) above, shall include but not be limited to the following:
- (a) Failure of Operator to comply in any material respect with the provisions and obligations of this Agreement; and
 - (b) Assignment or transfer of any interest, rights or duties under this Agreement other than as provided herein.
7. **Indemnity.** Operator shall protect, defend, indemnify, and hold Owner and the City, harmless from and against any and all claims, demands, liabilities, costs, expenses, damages and lawsuits (including reasonable attorney's fees incurred by Owner, and/or the City, in investigating or defending same) for personal injury, death, property damage or any other claim not occasioned by Owner's gross negligence or willful misconduct, made by or on behalf of any customer, passenger officer or crewmember, or other person permitted by Operator to be on or around the Vessel, resulting from any cause whatsoever, occurring while such person is on or about the Vessel, including embarking or disembarking to or from the Vessel, whether the Vessel is docked or underway, or occurring during the course of any dive or other activity conducted by or participated in by Operator, and from any such claims by other persons arising out of the use, or operation of, the Vessel.

Operator further waives, releases and discharges any claims, demands, actions or causes of action against Owner, and/or the City, for damages to person or property, including but not limited to claims for injuries or damages to employees, agents or subcontractors of Operator, arising from any cause whatsoever. Notwithstanding the foregoing, this waiver, release, and indemnity shall not apply to any damage or loss resulting solely from the gross negligence or

willful misconduct of Owner, and/or the City.

8. General Provisions.

- (a) This Agreement shall be binding on, and shall inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and assigns. The foregoing notwithstanding, Operator's voluntary or involuntary assignment or transfer of any or all of its rights or duties under this Agreement shall be void and of no effect unless consented to in writing by Owner.
- (b) Any offers, notices and other communications to be given by any party to another shall be communicated in writing by personal delivery or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed as follows:

To the Operator:

To the Owner:

ISLANDIA ASSOCIATES, LTD.
5743 Corsa Avenue, Suite 200
Westlake Village, California 91362

To the Owner's Manager:
John Taylor
ISLANDIA SPORTFISHING
1551 W. Mission Bay Drive
San Diego, California 92109

Each party may change its address by written notice in accordance with this Section. Notices delivered by mail shall be deemed communicated as of the day after mailing.

- (c) If any part, term, or provision of the Agreement is held invalid, such invalidity shall not affect other parts, terms, or provisions of this Agreement which can be given effect without the portion held invalid, and to that extent the parts, terms and provisions of this Agreement are severable. Any waiver of any term hereof shall not be deemed to be a continuing waiver and consent to any one waiver and shall not be deemed to be the consent to any other waiver.

- (d) This Agreement constitutes the entire understanding between the parties with regard to its subject matter and supersedes all other agreements, written or oral, between the parties with respect to such subject matter. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of anyone, which are not contained in this Agreement, and that no other agreement, statement, or promise not contained in this Agreement will be valid or binding. The terms of this Agreement may not be terminated, waived, or amended except by a written agreement signed by all of the parties to this Agreement or their successors.
- (e) In the event of any action or litigation to enforce or interpret this Agreement or otherwise arising under or in connection with this Agreement, the prevailing party shall be entitled to recover from the losing party any and all reasonable attorney's fees and costs incurred.
- (f) This Agreement shall be governed and construed in accordance with the laws of California. All legal actions brought in connection with this Agreement shall be filed and tried in San Diego County, California.
9. **Assignment and Subleasing.** Operator shall not assign the Agreement or sublet the premises or any part thereof without the prior written consent of the Owner and the City. An assignment by operation of law shall automatically terminate this Agreement.
10. **Legal Proceedings.** Should it become necessary for Owner or the City to commence legal proceedings to collect rent, to recover possession or enforce any other provision of this Agreement, Operator agrees to pay all legal costs in connection therewith, including a reasonable sum as attorney's fees. In the event Owner causes the arrest of the Vessel based on a maritime lien in Owner's favor, Operator agrees that notwithstanding the usual rule to the contrary, attorneys' fees shall be for all purposes regarded as part of the maritime lien, and such fees may be recovered *in rem*, directly against the Vessel.
11. **Subordination.** This Agreement is in effect a sublease of a portion of the premises covered by that certain Lease Agreement dated February 9, 1987, as amended between the Owner herein and the City of San Diego. This Agreement is subject and subordinate to the covenants and conditions of said Lease Agreement notwithstanding any provision hereof contrary to or in conflict with said agreement.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first set forth above.

OWNER:

OPERATOR:

ISLANDIA ASSOCIATES, LTD.

By: Amareen, Inc.
General Partner

By: _____

Printed Name: Serald Greenstein

Title: President

By: _____

Printed Name: _____

Title: _____

MASTER LESSOR:

CITY OF SAN DIEGO

By: _____

Printed Name: _____

Title: _____

By: _____

Printed Name: Tim Linsley

Title: Owner - Capt

By: _____

Printed Name: Tim Linsley

Title: Owner - Capt

GUARANTY

The undersigned, being each of the owners of Operator, hereby unconditionally and irrevocably guarantee the performance by Operator of all its duties and obligations under the Agreement, as it may be modified from time to time. Such guarantee shall be joint and several among the undersigned, who agree to satisfy such duties and obligations upon demand, without prior demand upon Operator having been made.

By: Nicole Linskey

Printed Name: Nicole Linskey

Date: 6-26-03

By: Tim Linskey

Printed Name: TIM LINSKEY

Date: 6-26-03

Address: 251 Diamante Way
Oceanside, CA 92056

Address: _____

Telephone: 760/967-2038

Telephone: _____

COPY

CONSENT TO SUBLEASE AGREEMENT

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

ISLANDIA ASSOCIATES, LTD

(LESSEE) and filed in the Office of the City Clerk as Document 267648, consents to that certain Open Party Boat Operator Agreement (Sublease) between the above LESSEE (SUBLESSOR) and

JOHN HENDERSON ("Phoenix")

(SUBLESSEE) dated February 23, 2002. The 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. SUBLESSEE and/or LESSEE shall issue serially numbered tickets for each admission to or rental of the Vessel (as defined in the Sublease) and shall keep an adequate record of such tickets, as well as a record of unissued tickets.
2. SUBLESSEE shall not change the schedule of rates, charges and hours of operation as attached as Exhibit 1 to this Consent without CITY'S prior written approval.
3. SUBLESSEE must observe the Mission Bay Sign & Colors Code.
4. CITY lifeguards have the right to inspect the Vessel or any substitute at any time, including during operation, and to terminate operations at any time that they believe the operations are unsafe.
5. LESSEE shall pay CITY seven percent (7%) of total gross revenue from all charges for passage on or use of the Vessel. If only slip rental is paid in any month, LESSEE shall pay the percentage required in Master Lease. (Section 3.02(c)(9))
6. Additional conditions attached as ADDENDUM A: "MINIMUM STANDARD SUBLEASE CONDITIONS":

COPY

The undersigned hereby agree to the terms and conditions set forth in this Consent to Sublease Agreement.

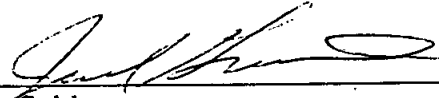
THE CITY OF SAN DIEGO

Dated 5/30/02

By 
Tim C. Rothans, Deputy Director
for the City Manager

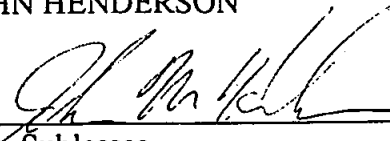
ISLANDIA ASSOCIATES, LTD

Dated 5-6-02

By 
Sublessor

JOHN HENDERSON

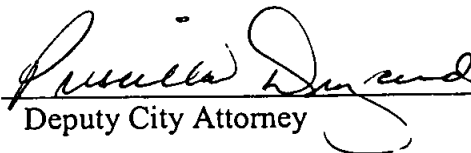
Dated 4/23/02

By 
Sublessee

APPROVED AS TO FORM:

CASEY GWINN, City Attorney

Dated 6/11/02

By 
Deputy City Attorney

GJ/jmj
04/19/02
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ADDENDUM A

MINIMUM STANDARD SUBLEASE CONDITIONS

ASSIGNMENT AND SUBLEASING: SUBLESSEE shall not assign the sublease or sublet the premises or any part thereof without the prior written consent of LESSEE and CITY. An assignment by operation of law shall automatically terminate this lease.

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

INSURANCE: SUBLESSEE shall be insured by an insurance carrier acceptable to the LESSEE and CITY against loss from public liability arising from the use or condition of or operation conducted on the leased premises. Minimum coverage shall be \$2 million COMBINED SINGLE LIMIT LIABILITY. A copy of the policy of insurance shall be filed with CITY 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 by the insurance company.

LEGAL PROCEEDINGS: Should it become necessary for LESSEE or CITY to commence legal proceedings to collect rent, to recover possession or enforce any other provision of this lease, the prevailing party shall be entitled to an award of reasonable legal costs, including court and attorneys' fees.

SUBORDINATION: This agreement is a Consent to Sublease a portion of the premises covered by the Master Lease. This Consent and the Sublease are subject and subordinate to the covenants and conditions of the Master Lease notwithstanding any provision hereof contrary to or in conflict with the Master Lease.



1551 West Mission Bay Dr. • San Diego, CA • (619) 222-1164

May 3, 2002

Gary Jones, Property Agent
Asset Management & Marketing Division

RE: John Henderson, Owner/Operator of the Phoenix sport boat

Dear Mr. Jones:

The Phoenix runs charters and open party trips as necessary for Islandia Sportfishing.

The charter prices are as follow:

Summer Rates for 3/4-day:	Mon – Fri	\$1500
	Sat	\$1800
	Sun	\$1600
Summer Rates for Overnight:	Mon – Thur	\$2100
	Fri/Sun	\$2400
	Sat	\$3000
Winter Rates for 3/4-day:	Weekdays	\$800
	Sat	\$1200
	Sun	\$1000
Winter Rates for 1/2-day:	Weekdays	\$500
	Sat/Sun	\$600

Open party overnight trips with limited load:

\$200 per person for double bunk
\$200 for first ticket, \$150 for second ticket if double
bunk is shared

Bay Cruise: \$100 per hour (2 hour minimum)

If you have any questions, please call us at (619) 222-1164.

Sincerely,

John Taylor
Manager Islandia Sportfishing

OPEN PARTY BOAT OPERATOR AGREEMENT

THIS PRIVATE CHARTER BOAT OPERATOR AGREEMENT (the "Agreement") is made and entered into this 2/23, 2002 by and between **ISLANDIA ASSOCIATES, LTD.** (the "Owner") and John Henderson (the "Operator") with respect to the following facts:

- A. Owner leases from the City of San Diego, hereinafter, "City", and operates the dock and landing located at 1551 West Mission Bay Drive, San Diego, California (the "Landing").
- B. Operator owns and operates the vessel Phoenix, Official Number 26117 and (the "Vessel") as an , PRIVATE CHARTER ½ day, ¾ day, twilight, whale watching, or overnight tuna fishing as agreed upon by Owner and Operator.
- C. Operator desires to operate the Vessel from the Landing, and Owner desires to allow such non-exclusive operation, in each case on the terms and conditions set forth below.

NOW THEREFORE, based on the respective covenants contained herein and other valuable consideration, the parties hereto agree as follows:

1. Term of Agreement.

- (a) Subject to paragraph (b) below, the rights and duties of the parties under this Agreement shall commence on 2/23, 2002 and shall end on 2/23, 2003 provided however, that this Agreement will be renewed for successive one (1) year periods if (i) Operator requests such renewal in writing at least ninety (90) but no more than one hundred twenty (120) days before the end of the term of the Agreement and (ii) such renewal request is accepted by Owner in writing within thirty (30) days after receipt thereof unless written notice of termination has been given ninety (90) days prior to the expiration of said term by either Owner or Operator.
- (b) Other than at the end of the initial term or at the end of any successive renewal thereof, this Agreement may only be terminated by a party upon twenty (20) days prior written notice of default to the other party, which notice shall specify such default, and the defaulting party shall have such twenty (20) day period to cure such default.
- (c) Notwithstanding the provision of Sections 1(a) and (b) above, this Agreement shall automatically terminate on the occurrence of any of the following specified events:
 - (i) Bankruptcy, by voluntary or involuntary petition, or insolvency of Operator;
 - (ii) Sale or transfer of more than fifty (50%) percent or more of the stock or beneficial interest in the stock of Operator, or sale or transfer of substantially all of the assets of Operator;

- (iii) Destruction of or inoperability for a period longer than four (4) weeks of the Vessel, Phoenix, unless a substitute vessel approved in writing by Owner is provided.

2. Responsibilities of Operator. During the term of this Agreement and any renewal thereof, Operator shall:

- (a) Actively use and promote the Vessel for 1/2 day, 3/4 day, and twilight fishing trips; whale watching trips; private charters; or party fishing trips to United States waters outside Mission Bay from the Landing. Subject to emergency and unanticipated repair periods, the Vessel, in good condition and licensed by the U.S. Coast Guard for carrying passengers for hire, shall be available for operation at the Landing for the entire term of this Agreement and any renewals, subject to normal maintenance and repair requirements. Operator shall provide Owner with at least ten (10) days prior written notice of normal maintenance and repair periods during which the boat will not be available, during which periods Operator shall make a good faith attempt to provide a substitute boat approved in writing by Owner.
- (b) Operator shall at all times cause the Vessel to be operated in a safe and lawful manner and in compliance with all rules of Owner which are incorporated herein in this agreement.
- (c) Operator shall at all times cause the Vessel to provide at least such services as are customarily provided by other open party fishing boats of a similar size.
- (e) All Charges (as defined in Section 3 below) shall be approved in advance by Owner in writing and such Charges shall not be changed without Owner's prior written approval. All ticket sales for passage on the Vessel are to continue right up to the time of departure. All funds received from passengers on the Vessel, which have been booked by Owner, are to be received directly by the Owner. Any such funds collected by Operator which are booked by Owner or Operator are to be immediately turned over to Owner.
- (f) Operator shall at all times cause the Vessel to be docked and operated so as to cause no damage to the Landing or any other part of Owner's property. Upon demand, Operator shall indemnify and hold Owner harmless from, and reimburse Owner for, all costs, expenses, damages, claims, demands, liabilities and lawsuits (including reasonable attorney's fees incurred by Owner in investigating or defending such lawsuits) arising solely out of any action or inaction on the part of the Operator, its agents or employees. Operator shall bear full responsibility, and shall reimburse Owner, for any and all damages caused by the Vessel to the Landing or any other part of Owner's property due to rough seas or bad weather.
- (g) Operator shall provide a suitable picture of the Vessel to Owner by December 1st of each year for use in the Landing's advertising program.

- (h) Operator shall keep the Vessel's designated dock area maintained and free from debris, or any hazardous materials, at all times allowing only for boarding steps, if necessary.
- (i) Operator shall refrain from renting fishing equipment on the Vessel, except if necessary to provide replacement gear or if the Landing does not have available equipment.
- (j) Operator shall purchase bait through Owner when bait is used.
- (k) Operator shall strictly enforce courteous behavior by crew members and PROHIBIT THE FOLLOWING:
 - (i) the drinking of alcoholic beverages, possession OR USE of illicit drugs or narcotics by crew members BEFORE, DURING OR AFTER TRIPS, OR ANY TIME on board the Vessel;
 - (ii) crew members from boarding the Vessel AT ANY TIME while under the influence of alcohol or drugs; and
 - (iii) fishing by crew members.
- (l) Crew members must wear appropriate attire designating them as crew members.
- (m) Upon execution of this Agreement, Operator shall provide Owner and the City with certificates of insurance covering the Vessel and Operator (and naming Owner and The City of San Diego as additional insureds), showing Two Million (\$2,000,000.00) Dollars of liability insurance in effect provided by a company acceptable to Owner and the City, and in accordance with all Public Utility Commission requirements and all other governmental requirements. A copy of the policy of insurance shall be filed with the City. Said policy shall specify that the policy may not be terminated, altered or cancelled without thirty (30) days prior written notice to Owner and the City by the insurance company.
- (n) Operator shall obey all laws, rules and regulations of Mexico when operating in Mexican waters, including but not limited to licensing and permits, and obey all laws, rules and regulations of the United States and California with respect to activities undertaken therein.
- (o) Operator shall at all times cause the Vessel to be operated by properly licensed personnel in compliance with U.S. Coast Guard requirements.
- (p) Operator shall at all times operate the Vessel so as to be a credit to the Landing. Operator shall cooperate with Owner in providing reasonable free passage from time to time for writers, photographers, news personnel and other persons designated by Owner in connection with the advertising and promotion of the Landing.

- (q) Upon termination, Operator, at their expense, shall remove all stored goods and equipment and return them to their original condition if required by Owner.

3. **Distribution of Funds Collected.** The funds specified in Section 2(e) above (the "Funds") shall be distributed by Owner as follows:

- (a) Owner shall retain from the Funds, as a landing fee, the sum of fifteen (15%) percent of all charges for passage on or use of the Vessel in operation at the Landing, excluding the receipts resulting from galley charges, and any amounts equivalent to Mexican licenses and bunk fees (collectively the "Charges").
- (b) An additional charge, equal to the amount payable by Owner to the City of San Diego because of such passage or use (currently seven (7%) percent of the charges), shall be retained by Owner.
- (c) An additional charge shall be retained by Owner equal to the cost of bait purchases by Owner for the Vessel. Currently, fifteen (15%) percent of charges shall be retained for the purchase of bait. This is charged for fishing trips only.
- (d) An additional monthly charge equal to the greater of (i) one (1%) percent of all Charges or (ii) One Hundred Fifty (\$150) Dollars shall be retained by Owner to fund the Landing's advertising and promotions program provided by Owner under Section 5(d) below.
- (e) An additional monthly charge equal to two (2%) percent of all Charges shall be retained by Owner to fund the maintenance program provided by Owner under Section 5(c) below.
- (f) Any amounts advanced or incurred by Owner for Operator's benefit with Operator's prior written consent or approved invoice, for supplies, equipment, advertising, commissions, etc., shall be withheld from the Funds.
- (g) The remainder of the Funds shall be paid to Operator on a semi-monthly basis. The payment periods shall be as follows: 1st – 15th and the 16th through the end of the month. Payments shall be forwarded from Owner to Operator in a timely fashion. Any funds owed to the Owner for these periods shall be payable to Owner under the same time frame.

4. **Non-Exclusive Agreement.** It is expressly acknowledged and agreed by Operator that this Agreement may be one of a number of agreements between Owner and the operators of other vessels (including those which are operated as open party 1/2 day fishing, 3/4 day fishing, twilight fishing, whale watching, or private charter vessels). As a result, Operator's right to use of the Landing and the Vessel's slip thereat is non-exclusive and Operator shall have no right to exclude any other vessel (including a competitor vessel) from the Landing. Operator acknowledges and agrees that this Agreement gives Operator its rights herein

only with respect to the Vessel (or their substitutes under Section 2(a) above). As a result, Operator shall not dock or operate any other vessel at the Landing without Owner's prior written consent.

5. Rights of Operator. During the term of this Agreement, Operator shall be provided by Owner with the following at no cost or charge to Operator except as specified herein:

- (a) Use of a slip agreed upon with the Owner (at a location suitable for the size of the Vessel) during such time as the Vessel is present at the Landing. Owner shall have the right to make boat location changes, if necessary.
- (b) Water and electrical hook-up supplied to the slip. At Owner's sole discretion, Owner shall have the right to separately meter (at Operator's expense) Operator's use of water and electricity and charge Operator therefor. If Owner does so, Operator shall pay all such charges upon demand, or by charging a percentage of the gross.
- (c) Owner shall establish a maintenance fund and shall utilize the funds therein for painting and general maintenance of the slip in a first class condition at all times, as determined by Owner in its sole discretion (excluding any damage caused to the slip by Operator or its agents or employees). Owner shall not be required to provide any funds for such purposes in excess of those supplied to the maintenance fund pursuant to Section 3(e) above.
- (d) Owner shall establish a Landing advertising and promotions program to advertise and promote the Landing and the activities thereat in such manner and at such times as Owner may determine in its sole discretion. Owner shall not be required to provide any funds for such purposes in excess of those supplied by Operator pursuant to Section 3(d) above together with funds from such other persons as Owner may cause to contribute to such fund.
- (e) Vessel shall be afforded equal treatment by Landing sales and ticket personnel with regard to the sale of sportfishing tickets.
- (f) The right to the use of an available gear locker, with Operator assuming all responsibility for all items stored in the locker. No gear with flammable or hazardous materials shall be stored in the lockers at any time.
- (g) Operation under such general Mexican fishing licenses that Owner may have from time to time, based on Operator's proper registration of the Vessel with Mexican authorities and paying any fees required.

6. Default of Operator. Default of the Operator, entitling Owner to terminate this Agreement as provided in Section 1(b) above, shall include but not be limited to the following:

- (a) Failure of Operator to comply in any material respect with the provisions and obligations of this Agreement; and
- (b) Assignment or transfer of any interest, rights or duties under this Agreement other

than as provided herein.

7. **Indemnity.** Operator shall defend, indemnify, and hold Owner and the City, harmless from and for any and all claims, demands, liabilities, costs, expenses, damages and lawsuits (including reasonable attorney's fees incurred by Owner, and/or the City, in investigating or defending same) for personal injury, death or property damage by or on behalf of any customer or passenger, or other person permitted by Operator to be on or around the Vessel, resulting from any cause whatsoever, occurring while such person is on or about the Vessel, including embarking or disembarking to or from the Vessel, whether the Vessel is docked or underway, or occurring during the course of any dive conducted by Operator, and from any such claims by other persons arising out of the use, or operation of, the Vessel.

Operator further waives, releases and discharges any claims, demands, actions or causes of action against Owner, and/or the City, for damages to person or property, including but not limited to claims for injuries or damages to employees, agents or subcontractors of Operator, arising from any cause whatsoever. Notwithstanding the foregoing, this waiver, release and indemnity shall not apply to any damage or loss resulting solely from the negligence or willful misconduct of Owner, and/or the City.

8. **General Provisions.**

- (a) This Agreement shall be binding on, and shall inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and assigns. The foregoing notwithstanding, Operator's voluntary or involuntary assignment or transfer of any or all of its rights or duties under this Agreement shall be void and of no effect unless consented to in writing by Owner.
- (b) Any offers, notices and other communications to be given by any party to another shall be communicated in writing by personal delivery or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed as follows:

To the Operator:

JOHN HENDERSON
7991 Port Royale Dr
San Diego Ca 92126

To the Owner:

ISLANDIA ASSOCIATES, LTD.
5236 Colodny Drive, Suite 200
Agoura Hills, California 91301

To the Owner's Manager:

John Taylor
ISLANDIA SPORTFISHING
1551 W. Mission Bay Drive
San Diego, California 92109

Each party may change its address by written notice in accordance with this Section. Notices delivered by mail shall be deemed communicated as of the day after mailing.

- (c) If any part, term or provision of the Agreement is held invalid, such invalidity shall not affect other parts, terms or provisions of this Agreement which can be given effect without the portion held invalid, and to that extent the parts, terms and provisions of this Agreement are severable. Any waiver of any term hereof shall not be deemed to be a continuing waiver and consent to any one waiver and shall not be deemed to be the consent to any other waiver.
 - (d) This Agreement constitutes the entire understanding between the parties with regard to its subject matter and supersedes all other agreements, written or oral, between the parties with respect to such subject matter. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of anyone, which are not contained in this Agreement, and that no other agreement, statement, or promise not contained in this Agreement will be valid or binding. The terms of this Agreement may not be terminated, waived, or amended except by a written agreement signed by all of the parties to this Agreement or their successors.
 - (e) In the event of any action or litigation to enforce or interpret this Agreement or otherwise arising under or in connection with this Agreement, the prevailing party shall be entitled to recover from the losing party any and all reasonable attorney's fees and costs incurred.
 - (f) This Agreement shall be governed and construed in accordance with the laws of California. All legal actions brought in connection with this Agreement shall be filed and tried in San Diego County, California.
9. **Assignment and Subleasing.** Operator shall not assign the Agreement or sublet the premises or any part thereof without the prior written consent of the Owner and the City. An assignment by operation of law shall automatically terminate this Agreement.
10. **Legal Proceedings.** Should it become necessary for Owner or the City to commence legal proceedings to collect rent, to recover possession or enforce any other provision of

this Agreement, Operator agrees to pay all legal costs in connection therewith, including a reasonable sum as attorney's fees.

11. **Subordination.** This Agreement is in effect a sublease of a portion of the premises covered by that certain Lease Agreement dated February 9, 1987, as amended between the Owner herein and the City of San Diego. This Agreement is subject and subordinate to the covenants and conditions of said Lease Agreement notwithstanding any provision hereof contrary to or in conflict with said agreement.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first set forth above.

OWNER:

ISLANDIA ASSOCIATES, LTD.

By: John K Taylor

Printed Name: John K Taylor

Title: Manager

By: Jerald Greenstein

Printed Name: Jerald Greenstein

Title: Pres.

OPERATOR:

JOHN HENDERSON

By: John Henderson

Printed Name: John Henderson

Title: Owner

By: _____

Printed Name: _____

Title: _____

MASTER LESSOR:

CITY OF SAN DIEGO

Title: _____

ACORD

CERTIFICATE OF LIABILITY INSURANCE

CSR PP
PHOENIXDATE (MM/DD/YY)
03/04/02

PRODUCER

Douglas Lambert Ins. Services
1825 State Street Suite 206
Santa Barbara CA 93101
Phone: 805-563-6388 Fax: 805-569-3051

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION
ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE
HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR
ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

John Henderson
PHOENIX
7991 Port Royale Drive
San Diego CA 92126

INSURERS AFFORDING COVERAGE

INSURER A: Sunderland Marine Mutual
INSURER B:
INSURER C:
INSURER D:
INSURER E:

COVERAGES

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

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY ☐ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS MADE ☐ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC				EACH OCCURRENCE \$ FIRE DAMAGE (Any one fire) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ☐ NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY ☐ ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
	EXCESS LIABILITY ☐ OCCUR ☐ CLAIMS MADE ☐ DEDUCTIBLE ☐ RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
	WORKERS COMPENSATION AND EMPLOYERS LIABILITY				☐ WC STATU- TORY LIMITS ☐ OTH- ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Protect/Indemnity	PP1247/01	12/13/01	12/13/02	
B	Excess P&I	OM00003272	02/28/02	02/28/03	\$1,000,000
DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS					\$1,000,000
Please see Addendum A Attached					

CERTIFICATE HOLDER

N

ADDITIONAL INSURED; INSURER LETTER:

ISLAN-1

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Chris Becker, Inc. (807) 4241

Islandia Associates, LTD.
and The City of San Diego
1551 W. Mission Bay Drive
San Diego CA 92007

ACORD 25-S (7/97)

©ACORD CORPORATION 1988

ADDENDUM "A"

INSURED: John Henderson
VESSEL: PHOENIX

CERTIFICATE OF INSURANCE
DATED: March 4, 2002

PRIMARY POLICY NO.: PP1247/01
PRIMARY POLICY TERM: EFFECTIVE DATE: 12/13/01 EXPIRATION DATE: 12/13/02

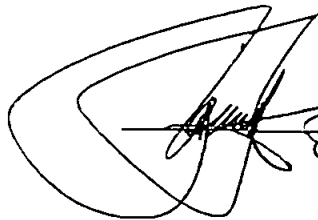
EXCESS POLICY NO.: OMO0003272
EXCESS POLICY TERM: EFFECTIVE DATE: 02/28/02 EXPIRATION DATE: 02/28/03

ADDITIONAL INSURED ENDORSEMENT

CERTIFICATE HOLDER IS NAMED AS AN ADDITIONAL INSURED UNDER THIS POLICY, BUT ONLY AS RESPECTS TO NEGLIGENT ACTS OR OMISSIONS OF THE NAMED INSURED AND ONLY FOR OCCURRENCES, CLAIMS OR COVERAGES NOT OTHERWISE EXCLUDED IN THE POLICY.

IT IS FURTHER AGREED THAT SHOULD NO COVERAGE APPLY HEREIN FOR THE NAMED INSURED, NEITHER COVERAGE NOR DEFENSE SHALL BE AFFORDED TO THE ABOVE-IDENTIFIED ADDITIONAL INSURED.

MOREOVER, IT IS AGREED THAT NO COVERAGE SHALL BE AFFORDED TO THE ABOVE IDENTIFIED ADDITIONAL INSURED OF ANY BODILY INJURY, PERSONAL INJURY, OR PROPERTY DAMAGE TO ANY EMPLOYEE OF THE NAMED ADDITIONAL INSURED OR TO ANY OBLIGATION OF THE ADDITIONAL INSURED TO INDEMNIFY ANOTHER BECAUSE OF DAMAGES ARISING OUT OF SUCH INJURY.


Chris Beckert, Lic. #0704241

COPY

CONSENT TO SUBLEASE AGREEMENT

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

ISLANDIA ASSOCIATES, LTD

(LESSEE) and filed in the Office of the City Clerk as Document 267648, consents to that certain Open Party Boat Operator Agreement (Sublease) between the above LESSEE (SUBLESSOR) and

ERNIE CAZIS *Chumbasco II*

(SUBLESSEE) dated January 17, 2002. The 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. SUBLESSEE and/or LESSEE shall issue serially numbered tickets for each admission to or rental of the vessel (as defined in the Sublease) and shall keep an adequate record of such tickets, as well as a record of unissued tickets.
2. SUBLESSEE shall not change the schedule of rates, charges and hours of operation attached as Exhibit 1 to this Consent without CITY'S prior written approval.
3. SUBLESSEE must observe the Mission Bay Sign & Colors Code.
4. CITY lifeguards have the right to inspect the Vessel, or any substitute, at any time, including during operation, and to terminate operations at any time that they believe the operations are unsafe.
5. LESSEE shall pay CITY seven percent (7%) of total gross revenue from all charges for passage on or use of the Vessel. If only slip rental is paid in any month, LESSEE shall pay the percentage required in Master Lease. (Section 3.02(c)(9)).
6. Additional conditions attached as ADDENDUM A: "MINIMUM STANDARD SUBLEASE CONDITIONS":

COPY

The undersigned hereby agree to the terms and conditions set forth in this Consent to Sublease Agreement.

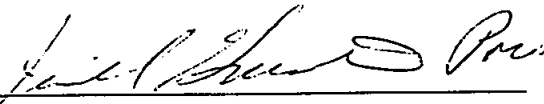
THE CITY OF SAN DIEGO

Dated 5-30-02

By 
Tim C. Rothans, Deputy Director
for the City Manager

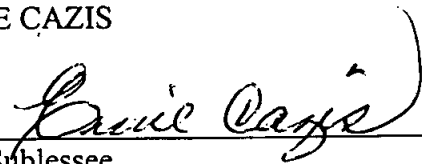
ISLANDIA ASSOCIATES, LTD

Dated 5-6-02

By 
Sublessor

ERNIE CAZIS

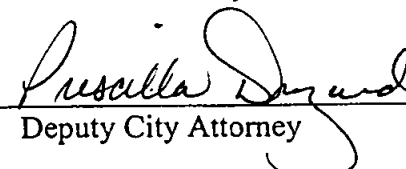
Dated 4-27-02

By 
Sublessee

APPROVED AS TO FORM:

CASEY GWINN, City Attorney

Dated 6/11/02

By 
Deputy City Attorney

GJ/jmj
04/19/02
I:\WPO\2002Jones\CSA-ISLANDIA-ERNIE CAZIS.doc

ADDENDUM A

MINIMUM STANDARD SUBLEASE CONDITIONS

ASSIGNMENT AND SUBLEASING: SUBLESSEE shall not assign the sublease or sublet the premises or any part thereof without the prior written consent of LESSEE and CITY. An assignment by operation of law shall automatically terminate this lease.

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

INSURANCE: SUBLESSEE shall be insured by an insurance carrier acceptable to the LESSEE and CITY against loss from public liability arising from the use or condition of or operation conducted on the leased premises. Minimum coverage shall be \$2 million COMBINED SINGLE LIMIT LIABILITY. A copy of the policy of insurance shall be filed with CITY 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 by the insurance company.

LEGAL PROCEEDINGS: Should it become necessary for LESSEE or CITY to commence legal proceedings to collect rent, to recover possession or enforce any other provision of this lease, the prevailing party shall be entitled to an award of reasonable legal costs, including court and attorneys' fees.

SUBORDINATION: This agreement is a Consent to Sublease a portion of the premises covered by the Master Lease. This Consent and the Sublease are subject and subordinate to the covenants and conditions of the Master Lease notwithstanding any provision hereof contrary to or in conflict with the Master Lease.



1551 West Mission Bay Dr. • San Diego, CA • (619) 222-1164

May 3, 2002

Gary Jones, Property Agent
Asset Management & Marketing Division

RE: Ernie Cazis, owner of the Chubasco II sport boat

Dear Mr. Jones:

The Chubasco II is Islandia Sportfishing's designated 3/4-day boat. The 3/4-day trip runs daily from 7:00 AM – 4:00 PM.

Open party prices are:

\$43 Adult
\$33 Jr./Sr.

Charter Rates are as follow:

	Monday – Thursday	Friday – Sunday
Oct – May	\$1350	\$1650
Jun – Sep	\$1650	\$1950
Summer Twilight	\$850	\$850

If you have any questions, please call us at (619) 222-1164.

Sincerely,

John Taylor
Manager Islandia Sportfishing

OPEN PARTY BOAT OPERATOR AGREEMENT

THIS OPEN PARTY BOAT OPERATOR AGREEMENT (the "Agreement") is made and entered into this 1-17, 2007 by and between **ISLANDIA ASSOCIATES, LTD.** (the "Owner") and Ernie Cazis (the "Operator") with respect to the following facts:

- A. Owner leases from the City of San Diego, hereinafter, "City", and operates the dock and landing located at 1551 West Mission Bay Drive, San Diego, California (the "Landing").
- B. Operator owns and operates the vessel Chubasco II, Official Number 1717298 and (the "Vessel") as an open party 3/4 day fishing, or private charter vessel, as agreed upon by Owner and Operator.
- C. Operator desires to operate the Vessel from the Landing, and Owner desires to allow such non-exclusive operation, in each case on the terms and conditions set forth below.

NOW THEREFORE, based on the respective covenants contained herein and other valuable consideration, the parties hereto agree as follows:

1. Term of Agreement.

- (a) Subject to paragraph (b) below, the rights and duties of the parties under this Agreement shall commence on 1-17, 2007, and shall end on 1-17, 2007, provided however, that this Agreement will be renewed for successive one (1) year periods if (i) Operator requests such renewal in writing at least ninety (90) but no more than one hundred twenty (120) days before the end of the term of the Agreement and (ii) such renewal request is accepted by Owner in writing within thirty (30) days after receipt thereof unless written notice of termination has been given ninety (90) days prior to the expiration of said term by either Owner or Operator.
- (b) Other than at the end of the initial term or at the end of any successive renewal thereof, this Agreement may only be terminated by a party upon twenty (20) days prior written notice of default to the other party, which notice shall specify such default, and the defaulting party shall have such twenty (20) day period to cure such default.
- (c) Notwithstanding the provision of Sections 1(a) and (b) above, this Agreement shall automatically terminate on the occurrence of any of the following specified events:
 - (i) Bankruptcy, by voluntary or involuntary petition, or insolvency of Operator;
 - (ii) Sale or transfer of more than fifty (50%) percent or more of the stock or beneficial interest in the stock of Operator, or sale or transfer of substantially all of the assets of Operator;

[illegible][illegible]

1. The first paragraph of the report is devoted to a general description of the work done during the year. It should contain a brief summary of the results of the work done during the year, and a statement of the objectives of the work for the coming year. It should also contain a statement of the progress made during the year, and a statement of the results of the work done during the year.

[illegible]

1. The first step is to identify the problem or goal. This involves understanding the current situation and what you want to achieve. It's important to be clear and specific about your objectives.

- (iii) Destruction of or inoperability for a period longer than four (4) weeks of the Vessel, Chubasco II, unless a substitute vessel approved in writing by Owner is provided.

2. Responsibilities of Operator. During the term of this Agreement and any renewal thereof, Operator shall:

- (a) Actively use and promote the Vessel for open party 3/4 day, private charters; or open party fishing trips to United States waters outside Mission Bay from the Landing. Subject to emergency and unanticipated repair periods, the Vessel, in good condition and licensed by the U.S. Coast Guard for carrying passengers for hire, shall be available for operation at the Landing for the entire term of this Agreement and any renewals, subject to normal maintenance and repair requirements. Operator shall provide Owner with at least ten (10) days prior written notice of normal maintenance and repair periods during which the boat will not be available, during which periods Operator shall make a good faith attempt to provide a substitute boat approved in writing by Owner.
- (b) Operator shall at all times cause the Vessel to be operated in a safe and lawful manner and in compliance with all rules of Owner which are incorporated herein in this agreement.
- (c) Operator shall at all times cause the Vessel to provide at least such services as are customarily provided by other open party fishing boats of a similar size.
- (d) If the Operator is designated as the 3/4 day open party fishing boat, then, subject to weather conditions, the Vessel (or its substitute as provided for in paragraph (a) above) shall make one fishing trip daily departing at 7:00 a.m. and returning at 4:00p.m.
- (e) All Charges (as defined in Section 3 below) shall be approved in advance by Owner in writing and such Charges shall not be changed without Owner's prior written approval. All ticket sales for passage on the Vessel are to continue right up to the time of departure. All funds received from passengers on the Vessel, which have been booked by Owner, are to be received directly by the Owner. Any such funds collected by Operator which are booked by Owner or Operator are to be immediately turned over to Owner.
- (f) Operator shall at all times cause the Vessel to be docked and operated so as to cause no damage to the Landing or any other part of Owner's property. Upon demand, Operator shall indemnify and hold Owner harmless from, and reimburse Owner for, all costs, expenses, damages, claims, demands, liabilities and lawsuits (including reasonable attorney's fees incurred by Owner in investigating or defending such lawsuits) arising solely out of any action or inaction on the part of the Operator, its agents or employees. Operator shall bear full responsibility, and shall reimburse Owner, for any and all damages caused by the Vessel to the Landing or

10/10/2000 10:10:10 AM

consent to be interviewed themselves and to be interviewed by the following persons:

1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the situation.

lowers the risk of a second stroke, and may also reduce the risk of heart disease. The study also found that people who had a stroke and then took aspirin had a 10% lower risk of dying from a heart attack than those who did not take aspirin. However, the study also found that people who had a stroke and then took aspirin had a 10% higher risk of bleeding than those who did not take aspirin. Therefore, the study suggests that people who have had a stroke should talk to their doctor about whether or not they should take aspirin.

(b) The following information was obtained from the records of the Department of Social Services, New York City:

The above information was obtained from a review of the files of the FBI, New York Office, dated 10/18/67, and is being furnished to you for your information.

Sincerely,
J. Edgar Hoover

1. The first step is to identify the problem. This involves understanding the current situation and the goals that need to be achieved.

[illegible]

any other part of Owner's property due to rough seas or bad weather.

- (g) Operator shall provide a suitable picture of the Vessel to Owner by December 1st of each year for use in the Landing's advertising program.
- (h) Operator shall keep the Vessel's designated dock area maintained and free from debris, or any hazardous materials, at all times allowing only for boarding steps, if necessary.
- (i) Operator shall refrain from renting fishing equipment on the Vessel, except if necessary to provide replacement gear or if the Landing does not have available equipment.
- (j) Operator shall purchase bait through Owner when bait is used.
- (k) Operator shall strictly enforce courteous behavior by crew members and PROHIBIT THE FOLLOWING:
 - (i) the drinking of alcoholic beverages, possession OR USE of illicit drugs or narcotics by crew members BEFORE, DURING OR AFTER TRIPS, OR ANY TIME on board the Vessel;
 - (ii) crew members from boarding the Vessel AT ANY TIME while under the influence of alcohol or drugs; and
 - (iii) fishing by crew members.
- (l) Crew members must wear appropriate attire designating them as crew members.
- (m) Upon execution of this Agreement, Operator shall provide Owner and the City with certificates of insurance covering the Vessel and Operator (and naming Owner and The City of San Diego as additional insureds), showing Two Million (\$2,000,000.00) Dollars of liability insurance in effect provided by a company acceptable to Owner and the City, and in accordance with all Public Utility Commission requirements and all other governmental requirements. A copy of the policy of insurance shall be filed with the City. Said policy shall specify that the policy may not be terminated, altered or cancelled without thirty (30) days prior written notice to Owner and the City by the insurance company.
- (n) Operator shall obey all laws, rules and regulations of Mexico when operating in Mexican waters, including but not limited to licensing and permits, and obey all laws, rules and regulations of the United States and California with respect to activities undertaken therein.
- (o) Operator shall at all times cause the Vessel to be operated by properly licensed personnel in compliance with U.S. Coast Guard requirements.
- (p) Operator shall at all times operate the Vessel so as to be a credit to the Landing.

Written below are a portion of a copy of a letter. Circle the words that are

1. The first step is to identify the problem or question that needs to be answered. This involves understanding the context and the specific requirements of the task.

1. What is the relationship between the two main characters in the story?
 2. How does the author use symbolism to convey the story's message?
 3. What is the significance of the title 'The Great Gatsby'?
 4. How does the author use the setting to enhance the story's themes?
 5. What is the role of the other characters in the story?
 6. How does the author use the narrative structure to tell the story?
 7. What is the significance of the green light in the story?
 8. How does the author use the concept of the American Dream to convey the story's message?
 9. What is the significance of the Jay Gatsby character?
 10. How does the author use the concept of the Great Gatsby to convey the story's message?

6. PROXES IN AS - ONI NO TAPCHUO, JAPAN - THE PROXES WERE CONDUCTED BY
GLASSBORO UNIVERSITY, GLASSBORO, NEW JERSEY 07033, U.S.A. AND BY THE
FACULTY OF ENGINEERING, KYUSHU UNIVERSITY, FUKUROKU-KU, FUKUOKA-CITY,
JAPAN.

1983-1984, 1985-1986, 1987-1988, 1989-1990, 1991-1992, 1993-1994, 1995-1996, 1997-1998, 1999-2000, 2001-2002, 2003-2004, 2005-2006, 2007-2008, 2009-2010, 2011-2012, 2013-2014, 2015-2016, 2017-2018, 2019-2020, 2021-2022, 2023-2024, 2025-2026, 2027-2028, 2029-2030, 2031-2032, 2033-2034, 2035-2036, 2037-2038, 2039-2040, 2041-2042, 2043-2044, 2045-2046, 2047-2048, 2049-2050, 2051-2052, 2053-2054, 2055-2056, 2057-2058, 2059-2060, 2061-2062, 2063-2064, 2065-2066, 2067-2068, 2069-2070, 2071-2072, 2073-2074, 2075-2076, 2077-2078, 2079-2080, 2081-2082, 2083-2084, 2085-2086, 2087-2088, 2089-2090, 2091-2092, 2093-2094, 2095-2096, 2097-2098, 2099-2100, 2101-2102, 2103-2104, 2105-2106, 2107-2108, 2109-2110, 2111-2112, 2113-2114, 2115-2116, 2117-2118, 2119-2120, 2121-2122, 2123-2124, 2125-2126, 2127-2128, 2129-2130, 2131-2132, 2133-2134, 2135-2136, 2137-2138, 2139-2140, 2141-2142, 2143-2144, 2145-2146, 2147-2148, 2149-2150, 2151-2152, 2153-2154, 2155-2156, 2157-2158, 2159-2160, 2161-2162, 2163-2164, 2165-2166, 2167-2168, 2169-2170, 2171-2172, 2173-2174, 2175-2176, 2177-2178, 2179-2180, 2181-2182, 2183-2184, 2185-2186, 2187-2188, 2189-2190, 2191-2192, 2193-2194, 2195-2196, 2197-2198, 2199-2200, 2201-2202, 2203-2204, 2205-2206, 2207-2208, 2209-2210, 2211-2212, 2213-2214, 2215-2216, 2217-2218, 2219-2220, 2221-2222, 2223-2224, 2225-2226, 2227-2228, 2229-2230, 2231-2232, 2233-2234, 2235-2236, 2237-2238, 2239-2240, 2241-2242, 2243-2244, 2245-2246, 2247-2248, 2249-2250, 2251-2252, 2253-2254, 2255-2256, 2257-2258, 2259-2260, 2261-2262, 2263-2264, 2265-2266, 2267-2268, 2269-2270, 2271-2272, 2273-2274, 2275-2276, 2277-2278, 2279-2280, 2281-2282, 2283-2284, 2285-2286, 2287-2288, 2289-2290, 2291-2292, 2293-2294, 2295-2296, 2297-2298, 2299-2300, 2301-2302, 2303-2304, 2305-2306, 2307-2308, 2309-2310, 2311-2312, 2313-2314, 2315-2316, 2317-2318, 2319-2320, 2321-2322, 2323-2324, 2325-2326, 2327-2328, 2329-2330, 2331-2332, 2333-2334, 2335-2336, 2337-2338, 2339-2340, 2341-2342, 2343-2344, 2345-2346, 2347-2348, 2349-2350, 2351-2352, 2353-2354, 2355-2356, 2357-2358, 2359-2360, 2361-2362, 2363-2364, 2365-2366, 2367-2368, 2369-2370, 2371-2372, 2373-2374, 2375-2376, 2377-2378, 2379-2380, 2381-2382, 2383-2384, 2385-2386, 2387-2388, 2389-2390, 2391-2392, 2393-2394, 2395-2396, 2397-2398, 2399-2400, 2401-2402, 2403-2404, 2405-2406, 2407-2408, 2409-2410, 2411-2412, 2413-2414, 2415-2416, 2417-2418, 2419-2420, 2421-2422, 2423-2424, 2425-2426, 2427-2428, 2429-2430, 2431-2432, 2433-2434, 2435-2436, 2437-2438, 2439-2440, 2441-2442, 2443-2444, 2445-2446, 2447-2448, 2449-2450, 2451-2452, 2453-2454, 2455-2456, 2457-2458, 2459-2460, 2461-2462, 2463-2464, 2465-2466, 2467-2468, 2469-2470, 2471-2472, 2473-2474, 2475-2476, 2477-2478, 2479-2480, 2481-2482, 2483-2484, 2485-2486, 2487-2488, 2489-2490, 2491-2492, 2493-2494, 2495-2496, 2497-2498, 2499-2500, 2501-2502, 2503-2504, 2505-2506, 2507-2508, 2509-2510, 2511-2512, 2513-2514, 2515-2516, 2517-2518, 2519-2520, 2521-2522, 2523-2524, 2525-2526, 2527-2528, 2529-2530, 2531-2532, 2533-2534, 2535-2536, 2537-2538, 2539-2540, 2541-2542, 2543-2544, 2545-2546, 2547-2548, 2549-2550, 2551-2552, 2553-2554, 2555-2556, 2557-2558, 2559-2560, 2561-2562, 2563-2564, 2565-2566, 2567-2568, 2569-2570, 2571-2572, 2573-2574, 2575-2576, 2577-2578, 2579-2580, 2581-2582, 2583-2584, 2585-2586, 2587-2588, 2589-2590, 2591-2592, 2593-2594, 2595-2596, 2597-2598, 2599-2600, 2601-2602, 2603-2604, 2605-2606, 2607-2608, 2609-2610, 2611-2612, 2613-2614, 2615-2616, 2617-2618, 2619-2620, 2621-2622, 2623-2624, 2625-2626, 2627-2628, 2629-2630, 2631-2632, 2633-2634, 2635-2636, 2637-2638, 2639-2640, 2641-2642, 2643-2644, 2645-2646, 2647-2648, 2649-2650, 2651-2652, 2653-2654, 2655-2656, 2657-2658, 2659-2660, 2661-2662, 2663-2664, 2665-2666, 2667-2668, 2669-2670, 2671-2672, 2673-2674, 2675-2676, 2677-2678, 2679-2680, 2681-2682, 2683-2684, 2685-2686, 2687-2688, 2689-2690, 2691-2692, 2693-2694, 2695-2696, 2697-2698, 2699-2700, 2701-2702, 2703-2704, 2705-2706, 2707-2708, 2709-2710, 2711-2712, 2713-2714, 2715-2716, 2717-2718, 2719-2720, 2721-2722, 2723-2724, 2725-2726, 27

THIS OFFICE IS ALSO AVAILABLE TO ASSIST YOU IN OBTAINING NEW INFORMATION FROM THE FBI.

10-10-68 10:00 AM

3. The above information was obtained from the records of the FBI, New York City, and the FBI, New York State, and is being furnished to you for your information.

[illegible]

As mentioned above, the *de* English texts were also analysed in terms of the following:

[illegible]

It contains a new device to store data and deliver power and heat to the cells. The device is a small, self-contained unit that can be used to power a wide range of applications, from small-scale devices to large-scale systems. The device is made of a special material that can store energy and release it when needed. It is also designed to be easy to use and maintain. The device is a significant improvement over existing devices and is expected to be widely used in the future.

The following information was obtained from the records of the Bureau of Prisons:

to enable a full and free exchange of views on the subject and to enable the full exchange of

Operator shall cooperate with Owner in providing reasonable free passage from time to time for writers, photographers, news personnel and other persons designated by Owner in connection with the advertising and promotion of the Landing.

- (q) Upon termination, Operator, at their expense, shall remove all stored goods and equipment and return them to their original condition if required by Owner.

3. Distribution of Funds Collected. The funds specified in Section 2(e) above (the "Funds") shall be distributed by Owner as follows:

- (a) Owner shall retain from the Funds, as a landing fee, the sum of fifteen (15%) percent of all charges for passage on or use of the Vessel in operation at the Landing, excluding the receipts resulting from galley charges, and any amounts equivalent to Mexican licenses and bunk fees (collectively the "Charges").
- (b) An additional charge, equal to the amount payable by Owner to the City of San Diego because of such passage or use (currently seven (7%) percent of the charges), shall be retained by Owner.
- (c) An additional charge shall be retained by Owner equal to the cost of bait purchases by Owner for the Vessel. Currently, fifteen (15%) percent of charges shall be retained for the purchase of bait. This is charged for fishing trips only.
- (d) An additional monthly charge equal to the greater of (i) one (1%) percent of all Charges or (ii) One Hundred Fifty (\$150) Dollars shall be retained by Owner to fund the Landing's advertising and promotions program provided by Owner under Section 5(d) below.
- (e) An additional monthly charge equal to two (2%) percent of all Charges shall be retained by Owner to fund the maintenance program provided by Owner under Section 5(c) below.
- (f) Any amounts advanced or incurred by Owner for Operator's benefit with Operator's prior written consent or approved invoice, for supplies, equipment, advertising, commissions, etc., shall be withheld from the Funds.
- (g) The remainder of the Funds shall be paid to Operator on a semi-monthly basis. The payment periods shall be as follows: 1st – 15th and the 16th through the end of the month. Payments shall be forwarded from Owner to Operator in a timely fashion. Any funds owed to the Owner for these periods shall be payable to Owner under the same time frame.

4. Non-Exclusive Agreement. It is expressly acknowledged and agreed by Operator that this Agreement may be one of a number of agreements between Owner and the operators of other vessels (including those which are operated as open party 1/2 day fishing, 3/4 day fishing, twilight fishing, whale watching, or private charter vessels. As a result, Operator's right to use of the Landing and the Vessel's slip thereat is non-exclusive and Operator shall have no right to exclude any other vessel (including a competitor vessel) from the Landing.

1. The first step is to identify the problem. This involves understanding the current situation and the goals that need to be achieved.

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1. The first step in the process is to identify the problem. This involves gathering information about the situation and understanding the needs of the stakeholders involved. Once the problem is identified, the next step is to develop a plan of action. This plan should outline the goals of the project, the tasks that need to be completed, and the resources that will be required. Once the plan is developed, the next step is to implement the plan. This involves assigning tasks to team members, monitoring progress, and making adjustments as needed. Finally, the last step in the process is to evaluate the results of the project. This involves comparing the actual results to the goals and determining whether the project was successful. If the project was not successful, the next step would be to identify the reasons for failure and develop a new plan.

The above information was obtained from a confidential source who has provided reliable information in the past. The source has provided this information for your information only and is not to be used for any other purpose.

1. The following information was obtained from the records of the Division of Social Security, Department of Health, Education and Welfare, Washington, D.C., on the subject of the above-captioned individual:

[illegible]

1. The following information is provided for the reporting period identified below:

Entity	Reporting Period	Entity Type	Entity Address	Entity Phone	Entity Fax	Entity Email	Entity Website	Entity Description
1.1	1/1/2010 to 12/31/2010	Individual	1234 Main St, Anytown, CA 90210	(555) 123-4567	(555) 123-4567	john.doe@example.com	www.johndoe.com	John Doe, a 35-year-old male, is a self-employed consultant. He has been in the consulting business for 10 years and has a net worth of approximately \$1,000,000. He is married to Jane Doe and has two children, a son and a daughter. He is a U.S. citizen and has a valid passport.
1.2	1/1/2010 to 12/31/2010	Individual	5678 Main St, Anytown, CA 90210	(555) 123-4567	(555) 123-4567	jane.doe@example.com	www.janedoe.com	Jane Doe, a 32-year-old female, is a self-employed consultant. She has been in the consulting business for 10 years and has a net worth of approximately \$1,000,000. She is married to John Doe and has two children, a son and a daughter. She is a U.S. citizen and has a valid passport.
1.3	1/1/2010 to 12/31/2010	Individual	9012 Main St, Anytown, CA 90210	(555) 123-4567	(555) 123-4567	john.doe@example.com	www.johndoe.com	John Doe, a 35-year-old male, is a self-employed consultant. He has been in the consulting business for 10 years and has a net worth of approximately \$1,000,000. He is married to Jane Doe and has two children, a son and a daughter. He is a U.S. citizen and has a valid passport.
1.4	1/1/2010 to 12/31/2010	Individual	5678 Main St, Anytown, CA 90210	(555) 123-4567	(555) 123-4567	jane.doe@example.com	www.janedoe.com	Jane Doe, a 32-year-old female, is a self-employed consultant. She has been in the consulting business for 10 years and has a net worth of approximately \$1,000,000. She is married to John Doe and has two children, a son and a daughter. She is a U.S. citizen and has a valid passport.
1.5	1/1/2010 to 12/31/2010	Individual	9012 Main St, Anytown, CA 90210	(555) 123-4567	(555) 123-4567	john.doe@example.com	www.johndoe.com	John Doe, a 35-year-old male, is a self-employed consultant. He has been in the consulting business for 10 years and has a net worth of approximately \$1,000,000. He is married to Jane Doe and has two children, a son and a daughter. He is a U.S. citizen and has a valid passport.
1.6	1/1/2010 to 12/31/2010	Individual	5678 Main St, Anytown, CA 90210	(555) 123-4567	(555) 123-4567	jane.doe@example.com	www.janedoe.com	Jane Doe, a 32-year-old female, is a self-employed consultant. She has been in the consulting business for 10 years and has a net worth of approximately \$1,000,000. She is married to John Doe and has two children, a son and a daughter. She is a U.S. citizen and has a valid passport.
1.7	1/1/2010 to 12/31/2010	Individual	9012 Main St, Anytown, CA 90210	(555) 123-4567	(555) 123-4567	john.doe@example.com	www.johndoe.com	John Doe, a 35-year-old male, is a self-employed consultant. He has been in the consulting business for 10 years and has a net worth of approximately \$1,000,000. He is married to Jane Doe and has two children, a son and a daughter. He is a U.S. citizen and has a valid passport.
1.8	1/1/2010 to 12/31/2010	Individual	5678 Main St, Anytown, CA 90210	(555) 123-4567	(555) 123-4567	jane.doe@example.com	www.janedoe.com	Jane Doe, a 32-year-old female, is a self-employed consultant. She has been in the consulting business for 10 years and has a net worth of approximately \$1,000,000. She is married to John Doe and has two children, a son and a daughter. She is a U.S. citizen and has a valid passport.
1.9	1/1/2010 to 12/31/2010	Individual	9012 Main St, Anytown, CA 90210	(555) 123-4567	(555) 123-4567	john.doe@example.com	www.johndoe.com	John Doe, a 35-year-old male, is a self-employed consultant. He has been in the consulting business for 10 years and has a net worth of approximately \$1,000,000. He is married to Jane Doe and has two children, a son and a daughter. He is a U.S. citizen and has a valid passport.
1.10	1/1/2010 to 12/31/2010	Individual	5678 Main St, Anytown, CA 90210	(555) 123-4567	(555) 123-4567	jane.doe@example.com	www.janedoe.com	Jane Doe, a 32-year-old female, is a self-employed consultant. She has been in the consulting business for 10 years and has a net worth of approximately \$1,000,000. She is married to John Doe and has two children, a son and a daughter. She is a U.S. citizen and has a valid passport.

15. Анализаторы — это устройства, преобразующие информацию об объекте в электрические сигналы, пригодные для обработки.

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Operator acknowledges and agrees that this Agreement gives Operator its rights herein only with respect to the Vessel (or their substitutes under Section 2(a) above). As a result, Operator shall not dock or operate any other vessel at the Landing without Owner's prior written consent.

5. Rights of Operator. During the term of this Agreement, Operator shall be provided by Owner with the following at no cost or charge to Operator except as specified herein:

- (a) Use of a slip agreed upon with the Owner (at a location suitable for the size of the Vessel) during such time as the Vessel is present at the Landing. Owner shall have the right to make boat location changes, if necessary.
- (b) Water and electrical hook-up supplied to the slip. At Owner's sole discretion, Owner shall have the right to separately meter (at Operator's expense) Operator's use of water and electricity and charge Operator therefor. If Owner does so, Operator shall pay all such charges upon demand, or by charging a percentage of the gross.
- (c) Owner shall establish a maintenance fund and shall utilize the funds therein for painting and general maintenance of the slip in a first class condition at all times, as determined by Owner in its sole discretion (excluding any damage caused to the slip by Operator or its agents or employees). Owner shall not be required to provide any funds for such purposes in excess of those supplied to the maintenance fund pursuant to Section 3(e) above.
- (d) Owner shall establish a Landing advertising and promotions program to advertise and promote the Landing and the activities thereat in such manner and at such times as Owner may determine in its sole discretion. Owner shall not be required to provide any funds for such purposes in excess of those supplied by Operator pursuant to Section 3(d) above together with funds from such other persons as Owner may cause to contribute to such fund.
- (e) Vessel shall be afforded equal treatment by Landing sales and ticket personnel with regard to the sale of sportfishing tickets.
- (f) The right to the use of an available gear locker, with Operator assuming all responsibility for all items stored in the locker. No gear with flammable or hazardous materials shall be stored in the lockers at any time.
- (g) Operation under such general Mexican fishing licenses that Owner may have from time to time, based on Operator's proper registration of the Vessel with Mexican authorities and paying any fees required.

6. Default of Operator. Default of the Operator, entitling Owner to terminate this Agreement as provided in Section 1(b) above, shall include but not be limited to the following:

- (a) Failure of Operator to comply in any material respect with the provisions and obligations of this Agreement; and

The following table shows the number of persons employed in the various occupations in the city of New York, in 1900, and the number of persons employed in the same occupations in 1910. The figures are given in thousands of persons.

1. Statement of the Problem - This section should state the problem in a clear, concise manner. It should also state the purpose of the study and the objectives of the research.

1. The first step in the process of identifying a problem is to define the problem. This involves identifying the symptoms of the problem and determining the scope of the problem. Once the problem has been defined, the next step is to identify the causes of the problem. This involves identifying the factors that are contributing to the problem and determining the underlying causes. Once the causes have been identified, the next step is to develop a plan of action. This involves identifying the steps that need to be taken to solve the problem and determining the resources that will be needed to implement the plan. Finally, the last step in the process is to implement the plan and monitor the results. This involves putting the plan into action and tracking the progress of the solution. Once the problem has been solved, the final step is to evaluate the results and determine if the solution was effective. This involves comparing the results of the solution to the original problem and determining if the problem has been resolved.

way a large number of people have been able to find jobs in the private sector. The Government has also been successful in creating a number of new jobs in the public sector. The Government has also been successful in creating a number of new jobs in the private sector.

1) The first step in the process of the development of a new product is the identification of a market need. This is done by conducting market research, which involves gathering information about the target market and its needs. The next step is to develop a concept for the new product, which is then refined into a detailed design. The final step is to produce the product, which involves manufacturing and distribution.

OW may be used to continue a sentence on a new line.

...the oil is a mixture of ...

The right to the use of available best practices to the extent of right to be respected by all firms stored in the book is no longer withstanding the fact that the book is a work of art and is not a work of science.

[illegible]

1. The following information was obtained from the records of the Office of the Secretary of the Department of the Interior, Bureau of Land Management, regarding the land owned by the United States in the State of Nevada:

See also below, for more detailed analysis of the impact of interest rate shifts on the economy.

- (b) Assignment or transfer of any interest, rights or duties under this Agreement other than as provided herein.

7. **Indemnity.** Operator shall defend, indemnify, and hold Owner and the City, harmless from and for any and all claims, demands, liabilities, costs, expenses, damages and lawsuits (including reasonable attorney's fees incurred by Owner, and/or the City, in investigating or defending same) for personal injury, death or property damage by or on behalf of any customer or passenger, or other person permitted by Operator to be on or around the Vessel, resulting from any cause whatsoever, occurring while such person is on or about the Vessel, including embarking or disembarking to or from the Vessel, whether the Vessel is docked or underway, or occurring during the course of any dive conducted by Operator, and from any such claims by other persons arising out of the use, or operation of, the Vessel.

Operator further waives, releases and discharges any claims, demands, actions or causes of action against Owner, and/or the City, for damages to person or property, including but not limited to claims for injuries or damages to employees, agents or subcontractors of Operator, arising from any cause whatsoever. Notwithstanding the foregoing, this waiver, release and indemnity shall not apply to any damage or loss resulting solely from the negligence or willful misconduct of Owner, and/or the City.

8. **General Provisions.**

- (a) This Agreement shall be binding on, and shall inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and assigns. The foregoing notwithstanding, Operator's voluntary or involuntary assignment or transfer of any or all of its rights or duties under this Agreement shall be void and of no effect unless consented to in writing by Owner.
- (b) Any offers, notices and other communications to be given by any party to another shall be communicated in writing by personal delivery or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed as follows:

To the Operator:

ERNIE CAZIS
8064 CHIMINEAS AVE.
RESEDA, CA 91335

To the Owner:

ISLANDIA ASSOCIATES, LTD.
5236 Colodny Drive, Suite 200
Agoura Hills, California 91301

1. The first of these is the fact that the Commission has not yet received any information from the Government of the United Kingdom regarding the proposed changes to the law of the United Kingdom relating to the treatment of the British Overseas Territories.

2. The second of these is the fact that the Commission has not yet received any information from the Government of the United Kingdom regarding the proposed changes to the law of the United Kingdom relating to the treatment of the British Overseas Territories.

3. The third of these is the fact that the Commission has not yet received any information from the Government of the United Kingdom regarding the proposed changes to the law of the United Kingdom relating to the treatment of the British Overseas Territories.

4. The Commission's view

4. The Commission's view is that the proposed changes to the law of the United Kingdom relating to the treatment of the British Overseas Territories are not in line with the Commission's recommendations.

5. The Commission's view is that the proposed changes to the law of the United Kingdom relating to the treatment of the British Overseas Territories are not in line with the Commission's recommendations.

6. The Commission's view

19/11/2011

19/11/2011 10:10:10
19/11/2011 10:10:10
19/11/2011 10:10:10

To the Owner's Manager:

John Taylor
ISLANDIA SPORTFISHING
1551 W. Mission Bay Drive
San Diego, California 92109

Each party may change its address by written notice in accordance with this Section. Notices delivered by mail shall be deemed communicated as of the day after mailing.

- (c) If any part, term or provision of the Agreement is held invalid, such invalidity shall not affect other parts, terms or provisions of this Agreement which can be given effect without the portion held invalid, and to that extent the parts, terms and provisions of this Agreement are severable. Any waiver of any term hereof shall not be deemed to be a continuing waiver and consent to any one waiver and shall not be deemed to be the consent to any other waiver.
 - (d) This Agreement constitutes the entire understanding between the parties with regard to its subject matter and supersedes all other agreements, written or oral, between the parties with respect to such subject matter. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of anyone, which are not contained in this Agreement, and that no other agreement, statement, or promise not contained in this Agreement will be valid or binding. The terms of this Agreement may not be terminated, waived, or amended except by a written agreement signed by all of the parties to this Agreement or their successors.
 - (e) In the event of any action or litigation to enforce or interpret this Agreement or otherwise arising under or in connection with this Agreement, the prevailing party shall be entitled to recover from the losing party any and all reasonable attorney's fees and costs incurred.
 - (f) This Agreement shall be governed and construed in accordance with the laws of California. All legal actions brought in connection with this Agreement shall be filed and tried in San Diego County, California.
9. **Assignment and Subleasing.** Operator shall not assign the Agreement or sublet the premises or any part thereof without the prior written consent of the Owner and the City. An assignment by operation of law shall automatically terminate this Agreement.
10. **Legal Proceedings.** Should it become necessary for Owner or the City to commence legal proceedings to collect rent, to recover possession or enforce any other provision of this Agreement, Operator agrees to pay all legal costs in connection therewith, including a reasonable sum as attorney's fees.

1998-01-01

San Diego County
W. Mason Bar
1000 W. Mason Bar
San Diego, California 92108

Each party agrees to accept the other's decision in the event of a dispute over the interpretation of the provisions of this agreement.

The parties agree to submit any dispute arising out of or from this agreement to the arbitration of a single arbitrator. The arbitrator shall be chosen by the parties or by a mutually agreed-upon institution. The arbitrator's decision shall be final and binding on the parties. The parties agree to waive their right to a trial by jury in the event of a dispute arising out of or from this agreement.

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11. **Subordination.** This Agreement is in effect a sublease of a portion of the premises covered by that certain Lease Agreement dated February 9, 1987, as amended between the Owner herein and the City of San Diego. This Agreement is subject and subordinate to the covenants and conditions of said Lease Agreement notwithstanding any provision hereof contrary to or in conflict with said agreement.

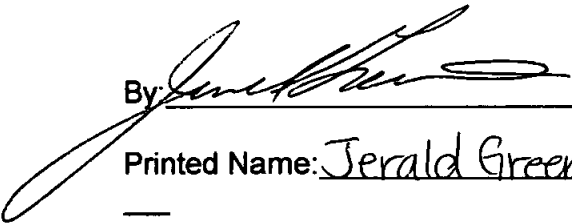
IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first set forth above.

OWNER:

ISLANDIA ASSOCIATES, LTD.

OPERATOR:

CHUBASCO SPORTFISHING, INC

By: 

Printed Name: Jerald Greenstein

Title: Pres

Anguon, Inc. G.P.

By: _____

Printed Name: _____

Title: _____

By: ERNIE CAZIS 

Printed Name: ERNIE CAZIS

Title: President

By: _____

Printed Name: _____

Title: _____

MASTER LESSOR:

CITY OF SAN DIEGO

By: _____

Printed Name: _____

Title: _____

several years ago. The following information was obtained from the records of the Department of the Interior, Bureau of Land Management, and the Office of the Secretary of the Interior, and is being furnished to you for your information. The information is being furnished to you for your information and is not to be used for any other purpose.

The following information was obtained from the records of the Department of the Interior, Bureau of Land Management, and the Office of the Secretary of the Interior, and is being furnished to you for your information.

1914-1915

1914-1915

1914-1915

1914-1915

GUARANTY

The undersigned, being the owner of Operator, hereby unconditionally and irrevocably guarantees the performance by Operator of all its duties and obligations under the Agreement, as it may be modified from time to time. The undersigned, agrees to satisfy such duties and obligations upon demand, without prior demand upon Operator having been made.

By: Printed Name: Ernie CozisDate: 1-17-02**CHUBASCO SPORTSFISHING**Address: 8064 CHIMINEAS AVE.RESEDA, CA 91335Telephone: (818) 345-3154

ACORD CERTIFICATE OF LIABILITY INSURANCE		CSR PP CHUBAS1	DATE (MM/DD/YY) 01/17/02
PRODUCER Douglas Lambert Ins. Services 1825 State Street Suite 206 Santa Barbara CA 93101 Phone: 805-563-6388 Fax: 805-569-3051		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
INSURED Ernest L. Casis, and Golden Coast Sportfishing, Inc dba: Chubasco Sportfishing 8064 Chimineas Ave. Reseda CA 91335		INSURERS AFFORDING COVERAGE INSURER A: Insurance Company of the West INSURER B: Lloyds, London Co's & Und. INSURER C: INSURER D: INSURER E:	

COVERAGES

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

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY ☐ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS MADE ☐ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC				EACH OCCURRENCE \$ FIRE DAMAGE (Any one fire) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ☐ NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY ☐ ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
	EXCESS LIABILITY ☐ OCCUR ☐ CLAIMS MADE DEDUCTIBLE RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATU- TORY LIMITS ☐ OTH- ER ☐ E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
	OTHER				
A	Protect/Indemnity	MBB0100612	10/28/01	10/28/02	\$500,000
B	Excess P&I	XS007071	10/28/01	10/28/02	\$500,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS
 Please see Addendum A Attached

CERTIFICATE HOLDER

Y

ADDITIONAL INSURED; INSURER LETTER:

CANCELLATION

ISLAN-1

Islandia Associates, Ltd. and
 The City of San Diego
 1551 W. Mission Bay Drive
 San Diego CA 92007

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Sherry McGovern, L.L.C. #0839187

ACORD CERTIFICATE OF LIABILITY INSURANCE		CSR PP CHUBAS1	DATE (MM/DD/YY) 01/17/02
PRODUCER Douglas Lambert Ins. Services 1825 State Street Suite 206 Santa Barbara CA 93101 Phone: 805-563-6388 Fax: 805-569-3051		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
INSURED Golden Coast Sportfishing, dba: Chubasco Sportfishing 8064 Chimeneas Ave. Reseda CA 91335		INSURERS AFFORDING COVERAGE	
		INSURER A: Lloyds, London Co's & Und.	
		INSURER B:	
		INSURER C:	
		INSURER D:	
		INSURER E:	

COVERAGES

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

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY ☐ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS MADE ☐ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC				EACH OCCURRENCE \$ FIRE DAMAGE (Any one fire) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ☐ NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY ☐ ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
	EXCESS LIABILITY ☐ OCCUR ☐ CLAIMS MADE ☐ DEDUCTIBLE ☐ RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATUTORY LIMITS ☐ OTHER ☐ E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	OTHER Excess P&I	XS007115	12/31/01	12/31/02	\$1,000,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

Please see Addendum A Attached- \$1,000,000 Excess Protection and Indemnity to equal \$2,000,000 Protection and Indemnity

CERTIFICATE HOLDER

Y

ADDITIONAL INSURED; INSURER LETTER:

CANCELLATION

ISLAN-1

Islandia Associates, Ltd. and
 The City of San Diego
 1551 W. Mission Bay Drive
 San Diego CA 92007

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Sherry Hobbs

#0B39187

ADDENDUM "A"

INSURED: Golden Coast Sportfishing,
dba: Chubasco Sportfishing
VESSEL: CHUBASCO II

CERTIFICATE OF INSURANCE
DATED: January 17, 2002

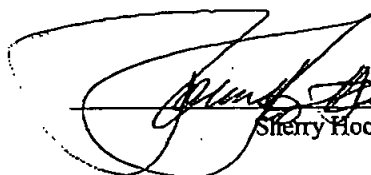
POLICY NO.: XS007115
POLICY TERM: EFFECTIVE DATE: 12/31/01 EXPIRATION DATE: 12/31/02

ADDITIONAL INSURED ENDORSEMENT

CERTIFICATE HOLDER IS NAMED AS AN ADDITIONAL INSURED UNDER THIS POLICY, BUT ONLY AS RESPECTS TO NEGLIGENT ACTS OR OMISSIONS OF THE NAMED INSURED AND ONLY FOR OCCURRENCES, CLAIMS OR COVERAGES NOT OTHERWISE EXCLUDED IN THE POLICY.

IT IS FURTHER AGREED THAT SHOULD NO COVERAGE APPLY HEREIN FOR THE NAMED INSURED, NEITHER COVERAGE NOR DEFENSE SHALL BE AFFORDED TO THE ABOVE-IDENTIFIED ADDITIONAL INSURED.

MOREOVER, IT IS AGREED THAT NO COVERAGE SHALL BE AFFORDED TO THE ABOVE IDENTIFIED ADDITIONAL INSURED OF ANY BODILY INJURY, PERSONAL INJURY, OR PROPERTY DAMAGE TO ANY EMPLOYEE OF THE NAMED ADDITIONAL INSURED OR TO ANY OBLIGATION OF THE ADDITIONAL INSURED TO INDEMNIFY ANOTHER BECAUSE OF DAMAGES ARISING OUT OF SUCH INJURY.


Sherry Hoover, Lic. #OB39187

ADDENDUM "A"

INSURED NAME: Golden Coast Sportfishing,
dba: Chubasco Sportfishing
VESSEL NAME: CHUBASCO II

**CERTIFICATE OF INSURANCE
DATED:** January 17, 2002

PRIMARY POLICY NO.: MCB0100612
PRIMARY POLICY TERM: EFFECTIVE DATE: 10/28/01 EXPIRATION DATE: 10/28/02

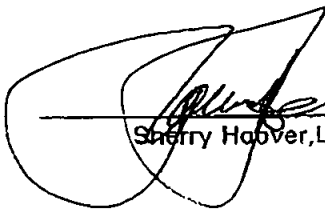
EXCESS POLICY NO.: XS007071
EXCESS POLICY TERM: EFFECTIVE DATE: 10/28/01 EXPIRATION DATE: 10/28/01

ADDITIONAL INSURED ENDORSEMENT

CERTIFICATE HOLDER IS NAMED AS AN ADDITIONAL INSURED UNDER THIS POLICY, BUT ONLY AS RESPECTS TO NEGLIGENT ACTS OR OMISSIONS OF THE NAMED INSURED AND ONLY FOR OCCURRENCES, CLAIMS OR COVERAGES NOT OTHERWISE EXCLUDED IN THE POLICY.

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MOREOVER, IT IS AGREED THAT NO COVERAGE SHALL BE AFFORDED TO THE ABOVE IDENTIFIED ADDITIONAL INSURED OF ANY BODILY INJURY, PERSONAL INJURY, OR PROPERTY DAMAGE TO ANY EMPLOYEE OF THE NAMED ADDITIONAL INSURED OR TO ANY OBLIGATION OF THE ADDITIONAL INSURED TO INDEMNIFY ANOTHER BECAUSE OF DAMAGES ARISING OUT OF SUCH INJURY.


Sherry Hoover, Lic. #OB39187