

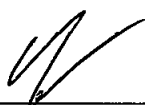
- (b) alter the primary liability of SUBLESSOR to pay the rent and perform all SUBLESSOR's obligations under the Master Lease;
- (c) be construed as a waiver of CITY's right to consent to any proposed sublease or assignment after the date hereof by SUBLESSOR under the Master Lease or by SUBLESSEE under the Sublease, or as a consent to any portion of the Premises in the Sublease being used or occupied by any other party;
- (d) grant any rights to SUBLESSEE greater than those rights granted to SUBLESSOR under the Master Lease;
- (e) be deemed CITY consent to any other assignment or sublease;
- (f) require CITY to recognize SUBLESSEE in the event of a default in the Master Lease by SUBLESSOR;
- (g) enlarge or in any manner increase CITY's obligations or duties under the Master Lease;
- (h) create obligations or costs to CITY with regard to the Sublease;
- (i) modify, waive, amend, or otherwise affect any provision of the Master Lease other than as set forth in this Consent;
- (j) be deemed to be any type of obligation by CITY to SUBLESSOR, SUBLESSEE or to any governmental agent, board, commission, or agency with regard to any other action relating to SUBLESSEE's occupancy, use, or maintenance of any portion of the Premises or improvements thereon.
- (k) be deemed approval of CITY as required by any other provision of the Master Lease or Sublease.

3. Required Insurance. Prior to the Effective Date of this Consent, SUBLESSEE shall file with CITY a copy of the policy of insurance which shall name the Mission Bay Sports Center and "City of San Diego, its elected officials, officers, representatives, agents and employees" as additional insureds for the entire term of the Sublease. SUBLESSEE shall be insured by an insurance carrier acceptable to the CITY against loss from liability and property damage arising from the use of or the conduct of any operation conducted on the Premises. SUBLESSEE shall maintain minimum coverage in the amount of Four Million Dollars (\$4,000,000) Combined Single Limit Liability. Said policy shall specify that the policy may not be terminated, altered or canceled without thirty (30) days prior written notice to CITY by insurance company. Prior to each insurance renewal period, SUBLESSEE shall submit to CITY a copy of the new policy of insurance.

4. Controlling Law. The terms and provisions of this Consent will be construed in accordance with, and will be governed by, the laws of the State of California.
5. CITY's Consent Null and Void. If at any time, either SUBLESSOR or SUBLESSEE fails to comply with any of the terms and conditions set forth in this Consent, this Consent shall automatically and retroactively become null and void as of the date of any such failure to comply. Any such failure to comply with any term or condition of this Consent shall constitute a default under the Master Lease and the CITY may avail itself of any rights and remedies available under the Master Lease and at law and in equity.

THE CITY OF SAN DIEGO, a California municipal corporation

Date: 2/24/15

BY: 
Name: _____
Title: Cybele Thompson
Director, Real Estate Assets

Acknowledged and Accepted:

MISSION BAY SPORTS CENTER, a California corporation

Date: 2/16/15

BY: 
Name: J. H. F. F. F. F.
Title: President

APPROVED AS TO FORM:

JAN GOLDSMITH, City Attorney

Date: 2/27/15

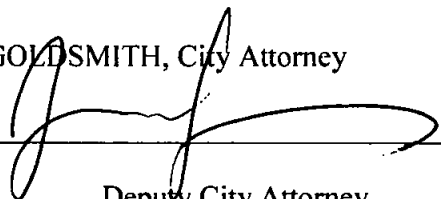
By: 
Deputy City Attorney

Exhibit A
Sublease
[To Follow Behind this Page]

Commercial Lease

This sublease is made between Mission Bay Sportcenter, Inc., herein called "Lessor," and OEX Mission Bay Inc., herein called "Lessee."

Lessee hereby offers to sublease from Lessor the premises situated in the City of San Diego, County of San Diego, State of California, described as the one story property at 1010 Santa Clara Place (detailed in Exhibit A), upon the following TERMS and CONDITIONS:

1. **Term and Rent.** Lessor demises the above premises for a five year term, commencing September 1, 2013 at the monthly base rate of three thousand four hundred dollars (\$3400.00) per month, payable in arrears on the last day of every month. All rental payments shall be made to the Lessor, at the address specified above.

Percentage Rent: Lessee shall pay Lessor in addition to the base rent, three percent (3%) of Lessee's gross receipts for sales of kayaks and scuba diving accessories, kayak service, and boating accessories and 10 percent (10%) of Lessee's gross receipts for instructional kayak courses, tours and scheduled group events, monthly in arrears, and prior to the 16th day of the month following that month in which the revenue subject was earned to be forwarded to the city.

Shared Expenses: Lessee shall pay to Lessor, as additional rent, Lessee's "proportionate share" of (1) all costs of operation and maintenance of the common facilities; (2) utilities including electrical, gas and water; (3) all "real estate taxes" levied and assessed against the Sportcenter facility. Said-shared expenses shall be paid monthly by the end of the month billed. At the end of the first term of the sublease, the "proportionate share" shall be re-evaluated and adjusted to reflect actual usage.

Definitions: For the purpose of this section (a) Lessee's "proportionate share" shall be equal to the total "shared expenses" divided by the number of sublessees and the Lessor in equal shares unless otherwise agreed upon.

2. **Use.** Lessee shall use and occupy the premises for kayak and related accessories sales, and kayak service as well as scuba sales and service. The premises shall be used for no other purpose. The Lessor shall not allow any other kayak sales and service, scuba sales and service businesses or stand up paddle board sales and service business to operate out of the facility. Lessee agrees to not engage in any business not specified in Lease.
3. **Assignment and Subleasing.** Lessee shall not assign this lease or sublet the premises or any part thereof without the prior written consent of Lessor and The City of San Diego, hereinafter, "City." An assignment by operation of law shall automatically terminate this lease.
4. **Care and Maintenance of Premises.** Lessee acknowledges that the premises are in good order and repair, unless otherwise indicated herein. Lessee shall, at his own expense and at all times, maintain the premises in good and safe condition, including plate glass, electrical wiring, plumbing and heating installations and any other system or equipment upon the premises, and shall surrender the same at termination hereof, in as good condition as received, normal wear and tear excluded. Lessee shall be responsible for all repairs required, including the roof and the exterior walls over and around the subleased area.
5. **Alterations.** Lessee shall not, without first obtaining the written consent of Lessor, make any alterations, additions, or improvements, in, to, or about the premises. The Lessee shall be responsible for all interior and exterior improvements.

6. **Ordinances and Statutes.** Lessee shall comply with all statutes, ordinances and requirements of all municipal, state and federal authorities now in force, or which may hereafter be in force, pertaining to the premises, occasioned by or affecting the use thereof by the Lessee.
7. **Utilities.** All applications and connections for necessary utility services on the demised premises shall be made in the name of Lessee only, and Lessee shall be solely liable for utility charges as they become due, including those for sewer, water, gas, electricity, and telephone services.
8. **Entry and Inspection.** Lessee shall permit Lessor or Lessor's agents to enter upon the premises at reasonable times and upon reasonable notice, for the purpose of inspecting the same, and will permit Lessor at any time within sixty (60) days prior to the expiration of this lease, to place upon the premises any usual "To Let" or "For Lease" signs, and permit those persons desiring to lease the same to inspect the premises thereafter.
9. **Possession.** If Lessor is unable to deliver possession of the premises at the commencement hereof, Lessor shall not be liable for any damage caused thereby, nor shall this lease be void or voidable, but Lessee shall not be liable for any rent until possession is delivered. Lessee may terminate this lease if possession is not delivered within 10 days of the commencement of the term hereof.
10. **Indemnification of the Lessor.** Lessor shall not be liable for any damage or injury to Lessee, or any other person, or to any property, occurring on the demised premises or any part thereof, and Lessee agrees to hold Lessor harmless from any claim of damages, no matter how caused.
11. **Insurance.** Lessee shall be insured by an insurance carrier acceptable to the Lessor and City providing coverage for bodily injury, including death, personal injury, and property damage with limits of at least Two Million Dollars (\$2,000,000) per occurrence and a four million dollar (\$4,000,000) aggregate. A copy of the policy of insurance shall be filed with the City and shall name "The City of San Diego" and "Mission Bay Sportcenter" as 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.
12. **Hold Harmless.** Lessee shall assume the defense of, indemnify and save harmless Lessor and City from all claims, expenses and liabilities of every nature, directly or indirectly arising from or alleged to have arisen from the operations conducted on the leased premises or from any act or omission of Lessee, his agents or invitees.
13. **Eminent Domain.** If the premises or any part thereof or any estate therein, or any other part of the building materially affecting Lessee's use of the premises, shall be taken by eminent domain, this lease shall terminate on the date when title vests pursuant to such taking. The rent, and any additional rent, shall be apportioned as of the termination date, and any rent paid for any period beyond that date shall be repaid to Lessee. Lessee shall not be entitled to any part of the award for such taking or any payment in lieu thereof, but Lessee may file a claim for any taking of fixtures and improvements owned by the Lessee, and for moving expenses.
14. **Destruction of Premises.** In the event of a partial destruction of the premises during the term hereof, from any cause, Lessor shall forthwith repair the same, provided that such repairs can be made within sixty (60) days under existing governmental laws and regulations, but such partial destruction shall not terminate this lease, except that Lessee shall be entitled to a proportionate reduction of rent while such repairs are being made, based upon the extent to which the making of such repairs shall interfere with the business of Lessee on the premises. If such repairs cannot be made within said sixty (60) days, Lessor, at his option, may make the same within a reasonable time, this lease continuing in effect with the rent proportionately abated as aforesaid, and in the event that Lessor does not elect to make such repairs which cannot be made within sixty (60) days, this lease may be terminated at the option of either party. In the event that the building in which the demised premises may be situated is destroyed to an extent of not less than one-third of the replacement costs hereof, Lessor may elect to terminate

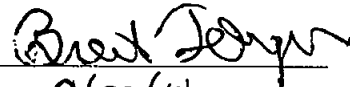
this lease whether the demised premises be injured or not. A total destruction of the building in which the premises may be situated shall terminate this lease.

15. **Lessor's Remedies on Fault.** If Lessee defaults in the payment of rent, or any additional rent, or defaults in the performance of any of the other covenants or conditions hereof. Lessor may give Lessee notice of such default and if Lessee does not cure any such default within 10 days, after the giving of such notice (or if such other default is of such nature that it cannot be completely cured within such period, if Lessee does not commence such curing within such 20 days and thereafter proceed with reasonable diligence and in good faith to cure such default), the Lessor may terminate this lease on not less than 30 days' notice to Lessee. On the date specified in such notice the term of this lease shall terminate, and Lessee shall then quit and surrender the premises to Lessor, but Lessee shall remain liable as hereinafter provided. If this lease shall have been so terminated by Lessor, Lessor may at any time thereafter resume possession of the premises by any lawful means and remove Lessee or other occupants and their effects. No failure to enforce any term shall be deemed a waiver.
16. **Security Deposit.** Lessee shall deposit with Lessor on the signing of this Lease the sum of two thousand eight hundred dollars (\$2800.00) as security deposit for the performance of Lessee's obligations under this lease, including, without limitation, the surrender of possession of the premises to Lessor as herein provided. If Lessor applies any part of the deposit to cure any default of Lessee, Lessee shall on demand deposit with Lessor the amount so applied so that Lessor shall have the full deposit on hand at all times during the term of this lease.
17. **Tax Increase.** In the event there is any increase during any year of the term of this lease in the City, County or State real estate taxes over and above the amount of such taxes assessed for the tax year during which the term of this lease commences, whether because of increased rate or valuation, Lessee shall pay to Lessor upon presentation of paid tax bills an amount equal to 25% of the increase in taxes upon the land and building in which the leased premises are situated. In the event that such taxes are assessed for a tax year extending beyond the term of the lease, the obligation of Lessee shall be proportionate to the portion of the lease term included in such year.
18. **Attorney's Fees.** In the event suit should be brought for recovery of the premises, or for any sum due hereunder, or because of any act which may arise out of the possession of the premises, by either party, the prevailing party shall be entitled to all costs incurred in connection with such action, including a reasonable attorney's fee.
19. **Notices.** Any notice which either party may, or is required to, give, shall be given by mailing the same, postage prepaid, to Lessee at the premises, or Lessor at the address shown below, or at such places as may be designated by the parties from time to time.
20. **Subordination.** This agreement is in effect a sublease of a portion of the premises covered by that certain Lease Agreement dated July 21, 2011 as amended between the Lessor herein and the City of San Diego. This sublease 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.
21. **Disabled Access Compliance.** SUBLESSEE shall comply with the California Government Code, Sections 11135-11139.5; the Federal Rehabilitation Act of 1973, Section 504, Title V; the Americans with Disabilities Act of 1990 (ADA); and all other applicable municipal, state, and federal laws and regulations hereafter enacted protecting the rights of persons with disabilities.

22. **Entire Agreement.** The foregoing constitutes the entire agreement between the parties and may be modified only by a writing signed by both parties. The following Exhibits have been made a part of this lease before the parties execution hereof:

BY 
DATE 8/28/14

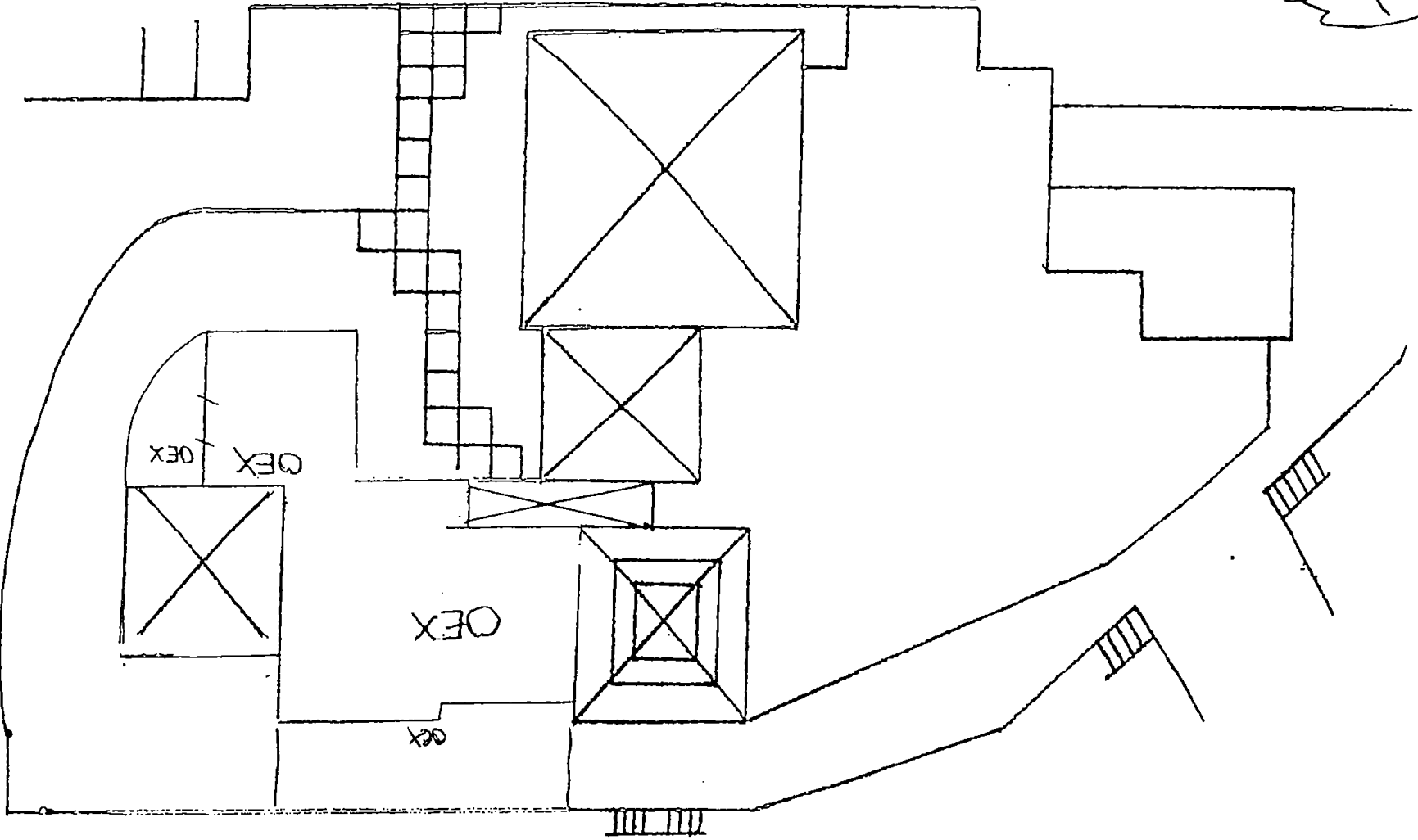
Zach Funston
Mission Bay Sportcenter, Inc.
1010 Santa Clara Place
San Diego, CA 92109

BY 
DATE 8/28/14

Brent Torgeson
OEX Mission Bay, Inc.
1010 Santa Clara Place
San Diego, CA 92109

Exhibit A

N



1/26/2010
[Signature]

Board of Directors
1/26/2010
[Signature]

Dr. Johnson
9/14/13

6/14/16
[Signature]



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
8/5/2014

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

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

PRODUCER Sattler Insurance 1504 8th St Lewiston ID 83501		CONTACT NAME: Renea Holland PHONE (A/C No. Ext): (208) 743-9426 FAX (A/C No.): (208) 748-9433 E-MAIL ADDRESS: renea@sattlerins.com	
INSURED OEX Mission Bay PO Box 22952 San Diego CA 92192		INSURER(S) AFFORDING COVERAGE INSURER A: Scottsdale Insurance Co INSURER B: Burns & Wilcox - Utah INSURER C: INSURER D: INSURER E: INSURER F:	

COVERAGES	CERTIFICATE NUMBER: 14-15	REVISION NUMBER:
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.		

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY			CPS2001313	7/19/2014	7/19/2015	EACH OCCURRENCE \$ 1,000,000
	☒ COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
	☐ CLAIMS-MADE ☒ OCCUR	☒					MED EXP (Any one person) \$ 5,000
							PERSONAL & ADV INJURY \$ 1,000,000
							GENERAL AGGREGATE \$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER						PRODUCTS - COMP/OP AGG \$ 2,000,000
	☒ POLICY ☐ PROJECT ☐ LOC						\$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) \$
	☐ ANY AUTO						BODILY INJURY (Per person) \$
	☐ ALL OWNED AUTOS	☐ SCHEDULED AUTOS					BODILY INJURY (Per accident) \$
	☐ HIRED AUTOS	☐ NON-OWNED AUTOS					PROPERTY DAMAGE (Per accident) \$
							\$
B	☒ UMBRELLA LIAB	☐ OCCUR		TBD	8/5/2014	8/5/2015	EACH OCCURRENCE \$ 2,000,000
	☐ EXCESS LIAB	☐ CLAIMS-MADE					AGGREGATE \$ 2,000,000
	☐ DED ☐ RETENTION \$						\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						WC STATUTORY LIMITS ☐ OTHER ☐
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	☐	N/A				E L EACH ACCIDENT \$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E L DISEASE - EA EMPLOYEE \$
							E L DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, If more space is required)
The certificate holder is an additional insured for general liability only with respects to the ongoing operations of the named insured.

Landowner

CERTIFICATE HOLDER City of San Diego Real Estate Assets Dept. 1200 3rd Ave Suite 1700 San Diego, CA 92110	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE J Sattler, CPCU, CIC/
--	--

CITY OF SAN DIEGO

LESSEE'S AND SUBLESSEE'S QUESTIONNAIRE FOR ALL LEASES, ASSIGNMENTS AND SUBLEASES

Pursuant to the City of San Diego City Charter Section 225: "Mandatory Disclosure of Business Interests," before the City will process requests to (Sub)Lease, all information requested in this Questionnaire must be completed by the proposed (Sub)Lessee. Even though a proposed Sublessee may complete the Questionnaire, the Questionnaire must be delivered or mailed to the City with a cover letter signed by the City Lessee or proposed Lessee. **THE CITY WILL NOT ACCEPT THE QUESTIONNAIRE, DOCUMENTS, OR OTHER INFORMATION DIRECTLY FROM A SUBLESSEE**

All information furnished in this Questionnaire must be complete and accurate. Omissions, inaccuracies, or misstatements may cause the rejection and/or subsequent revocation of the City's Lease, consent to Sublease, or consent to Assignment of (Sub)Lease.

In submitting this Questionnaire, the proposed (Sub)Lessee completing the Questionnaire authorizes the City to make any inquiry or investigation it believes necessary to substantiate or supplement the information furnished in the Questionnaire, and authorizes others to release such information to the City.

Exact name of existing Lessee (always complete):

MBSC

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

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

OEX Mission Bay Inc

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

OEX Mission Bay Inc

Date this Questionnaire completed: 7/31/14

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

Signature:

Brent Jorgensen

Title:

President

Thank you for taking the time to complete the Questionnaire. Lessees may contact Real Estate Assets if they have any questions. Please return the completed Questionnaire, with any additional information or documents to:

REAL ESTATE ASSETS DEPARTMENT
1200 THIRD AVENUE STE. 1700
SAN DIEGO, CA 92101
TEL.: (619) 236-6020 FAX: (619) 236-6706

This Questionnaire contains 15 pages.

PROPOSED (SUB)LESSEE

1. Name of proposed (Sub) Lessee exactly as it will appear on the actual tenancy document:

OEX Mission Bay Inc

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

OEX Mission Bay

PO Box 22952

San Diego CA 92192

Telephone No.: 619 866-6129 Fax. No.: 858 458-1696

E-mail Address: brent@oexcalifornia.com

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

Same

Telephone No.: _____

Fax. No.: _____

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

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

Limited Liability Company (); Other _____

Explain if necessary:

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

PARTNERSHIP STATEMENT

If proposed (Sub)Lessee is a partnership, please answer the following:

1. Date of Organization: N/A
2. General Partnership ()
Limited Partnership ()
Other () Explain _____

3. Statement of Partnership recorded: Yes () No ()

Date	Book	Page	County
4. Has the partnership conducted business in San Diego County?
Yes () No () If so, when? _____
If so, where? _____
5. Name, address, and partnership share of each general and limited partner. If a general partner is another partnership, a corporation, or a limited liability company (LLC), please complete separate pages 3; or 4 and 5; or 6, as appropriate for such entity (type proposed [Sub]Lessee name [from page 2] on the top of each page for identification purposes). If a limited partner holding a 10% or greater interest is another partnership, a corporation, or an LLC, pages 3; or 4 and 5; or 6 must also be completed for such entity (type proposed [Sub]Lessee name [from page 2] on the top of each page).

General/Limited	Name	Address	Share %

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

CORPORATION STATEMENT

If proposed (Sub)Lessee is a corporation, please answer the following:

1. Type of corporation: C () Subchapter S (X)
2. When incorporated? 7/13/2009
3. Where incorporated? CA
4. Is the corporation authorized to do business in California? Yes (X) No ()
If so, as of what date? 7/13/2009
5. The corporation is held:
 - a. Publicly () Privately (X)
 - b. If publicly held, how and where is the stock traded?

- | 6. Please list the following: | <u>Authorized</u> | <u>Issued</u> | <u>Outstanding</u> |
|-------------------------------------|-------------------|-----------------|--------------------|
| a. Number of voting shares: | _____ | _____ | _____ |
| b. Number of nonvoting shares: | _____ | _____ | _____ |
| c. Number of shareholders: | _____ | _____ | _____ |
| d. Value per share of Common Stock: | | Par \$ _____ | |
| | | Book \$ _____ | |
| | | Market \$ _____ | |

7. Please furnish the name, title, address, and the number of voting and nonvoting shares of stock owned by each officer and, in addition, the same information for each stockholder owning more than 10% of any class of stock.

Name: Brent Torgeson
Title: President
Address: PO Box 22952
San Diego CA 92192
No. of Shares: 100

Name:	_____
Title:	_____
Address:	_____

No. of Shares:	_____
Name:	_____
Title:	_____
Address:	_____

No. of Shares:	_____
Name:	_____
Title:	_____
Address:	_____

No. of Shares:	_____
Name:	_____
Title:	_____
Address:	_____

No. of Shares:	_____

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

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

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



State of California
Secretary of State

I, DEBRA BOWEN, Secretary of State of the State of California, hereby certify:

That the attached transcript of 1 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

JUL 16 2009

Debra Bowen

DEBRA BOWEN
Secretary of State

3218339

ENDORSED - FILED
In the office of the Secretary of State
of the State of California

**ARTICLES OF INCORPORATION
WITH STATEMENT OF CONVERSION**

JUL 13 2009

OEX Mission Bay, Inc

I

The name of this corporation is **OEX Mission Bay, Inc**

II

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

III

The name and address in the State of California of this corporation's initial agent for service of process is Legalzoom.com, Inc.

IV

This corporation is authorized to issue only one class of shares of stock; and the total number of shares which this corporation is authorized to issue is 100 with par value \$0.01.

V

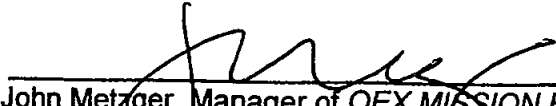
(Statement of Conversion)

The name of the converting California limited liability company is **OEX MISSION BAY, LLC**. The limited liability company's California Secretary of State file number is 200916810029. The principal terms of the plan of conversion were approved by a vote of the members, which equaled or exceeded the vote required under Section 17540.3. There is one class of members entitled to vote and the percentage vote required is a majority in interest of the members. The limited liability company is converting into a California stock corporation.

It is hereby declared that I am the person who executed this instrument, which execution is my act and deed.

Date:

7/6/09


John Metzger, Manager of **OEX MISSION BAY, LLC** and Incorporator


Brent Torgeson, Manager of **OEX MISSION BAY, LLC** and Incorporator



Action by written consent

2011 written annual meeting minutes

Per Letter of memorandum of agreement John Metzger has sold his share and total investment and stock to President Brent Torgeson. Effective January 1st, 2011 John Metzger is removed from all and any business relationship with OEX MissionBay INC. Brent Torgeson is now 100 percent stock owner in OEX Mission Bay INC. This meeting is called to order to notice the change in ownership and elect a new Treasurer and Secretary.

Resolved –that the following persons be, and they hereby are, elected to hold the offices of the corporation set fourth opposite their respective names until their respective successors are elected and qualified or until their earlier resignation or removal:

President: Brent Torgeson

Brent Torgeson Date 1/1/11

Treasurer: Brent Torgeson

Brent Torgeson Date 1/1/11

Secretary: Staci Torgeson

Staci Torgeson Date 1/1/11

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

LIMITED LIABILITY COMPANY STATEMENT

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

1. Date of Organization: N/A
2. Where Organized: _____
3. Is the Company authorized to do business in California?
 - a. Yes () No ()
 - b. If so, as of what date? _____
4. Has the Company conducted business in San Diego County?
 - a. Yes () No ()
 - b. If so, when? _____
 - c. If so, where? _____
5. Please furnish the name, address, and membership share held by each manager and officer, and each member owning more than a 10% membership interest. If a member is a partnership, corporation, or another LLC, please complete separate pages 3; or 4 and 5; or 6, as appropriate for such entity (type proposed [Sub]Lessee name [from page 2] on the top of each page).

Manager/Officer/ Member	Name	Address	Share %

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

FINANCIAL AND OTHER BACKGROUND INFORMATION

FINANCIAL STATEMENT

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

OTHER INFORMATION

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

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

REFERENCES FOR PROPOSED (SUB)LESSEE

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

REFERENCE NO. 1

Name: Zach Funston
Firm: MBSC
Title: General manager
Address: 1010 Santa Clara Pl SD CA 92109
Telephone: 858-488-1004

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

landlord

REFERENCE NO. 2

Name: Union Bank Jason Millman
Firm: Union Bank
Title: Vice President
Address: 1706 Garnet Ave SD CA 92109
Telephone: 858 581 5104

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

Banking Officer

REFERENCE NO. 3

Name: Samantha Diel
Firm: Malibu Kayaks
Title: Director of Sales
Address: 7110 E Jackson St Paramount GA 90723
Telephone: 562 630 6782 ext 110

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

Supplier of Retail merchandise I inventory

REFERENCE NO. 4

Name: Demary Smith
Firm: THULE (Tsunami Sales)
Title: Territory Manager
Address: _____
Telephone: 916 764 6437

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

Supplier of Retail merchandise I inventory

CITY OF SAN DIEGO PERSONAL DESCRIPTION AND RELEASE

PLEASE NOTE: All partners, both general and limited; all stockholders owning more than 10% of any class of stock of corporations; all members of a limited liability company; and sole proprietors requesting to (sub)lease, must each complete this page before the tenancy request can be processed. (You may reproduce and use copies of this page, if necessary.)

The following personal information is required to initiate a credit investigation. The business and personal reputation of principals, partners, and members will be considered in qualifying Lessees or in consenting to Sublessees.

First, Middle, & Last Name Brent Roger Torgeson
Date of Birth 6/15/71
Place of Birth New Jersey
Social Security Number _____
Driver's License Number/State A6317675
Home Address 3022 Curie St
San Diego CA 92122
Previous Address _____
Home Telephone No. 858 642-0302
Employer Self
Occupation Retail
Business Address 1010 Santa Clara Pl SD CA 92104
Business Telephone No. 619 866 6129
Business Fax No. 858 458 1696

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

Date 7/31/14 Signed Brent Torgeson

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

OEX mission Bay Inc

METHOD OF OPERATION

Please describe your proposed business operation on the property to be (Sub)Leased.
Discuss any optional services and uses which you propose to provide.

Waterports retail and Instruction -
per lease with MBSC

PROPOSED METHOD OF FINANCING
DEVELOPMENT OR LEASEHOLD PURCHASE

Describe the method of financing for the Leasehold purchase or any new or additional development on the Leasehold. Include a schedule of approximate dates when construction of each significant improvement is expected to be commenced and completed.

None

ESTIMATE OF GROSS RECEIPTS

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

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

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

EXPERIENCE STATEMENT

Please describe in detail the duration and extent of your business experience, with special emphasis upon experience with the type of business which you propose to conduct on City property. Also state in detail the pertinent experience of the persons who will be directly involved in development and management of the business.

On Watersports business since 1995

Currently own 2 other watersport locations

OEX Sunset Beach (Huntington Beach Orange County)

OEX Point Loma (Pt. Loma CA)

also started OEX EXPRESS INC at La Jolla
shores.

Credentials

100 ton Captains lic

PADI Dive Master

I oversee all operations

Brent Berger

**TERMS AND CONDITIONS OF PURCHASE, SALE,
OR TRANSFER OF (SUB)LEASEHOLD INTEREST**

(NOTE: Complete this page only if the transaction involves a Lease assignment.)

Please summarize the terms and conditions of the purchase, sale, or transfer of Leasehold interest(s) which requires City consent, as specified in the Assignment-Sublease provisions of the City Lease. Please attach copies of the applicable sales agreement(s), escrow instructions, assignment agreement(s), or other documents in conjunction with the sale, purchase, or transfer of the (Sub)Leasehold interest(s).

CITY OF SAN DIEGO CONSENT TO SUBLEASE

THIS CONSENT TO SUBLEASE ("Consent") is made by the City of San Diego, a California municipal corporation ("CITY"), to be effective when signed by CITY (the "Effective Date") and approved by the San Diego City Attorney, as follows:

RECITALS

A. CITY, as lessor, and MISSION BAY SPORTS CENTER, a California corporation, as lessee ("SUBLESSOR") are parties to that certain CITY OF SAN DIEGO PERCENTAGE LEASE dated July 21, 2011, as filed in the Office of the City Clerk as Document No. RR-306876 ("Master Lease") and relating to certain CITY-owned real property in Mission Bay Park, consisting of approximately 0.613 acres of land and 0.078 acres of water ("Premises"), as further identified in the Master Lease.

B. SUBLESSOR and HANO HANO OUTRIGGER CANOE CLUB, a California corporation ("SUBLESSEE"), entered into a certain Sublease, dated January 1, 2014 ("Sublease") for a portion of the Premises more particularly described in the Sublease. A copy of the Sublease is attached as Exhibit A.

C. Pursuant to Section 5.2 of the Master Lease, SUBLESSOR has requested CITY's written consent to sublease a portion of the Premises as set forth in the Sublease to SUBLESSEE.

D. CITY is willing to consent to SUBLESSOR subleasing to SUBLESSEE on the terms and conditions contained in this Consent.

CONSENT

1. CITY's Consent. CITY consents to SUBLESSOR subleasing to SUBLESSEE. This consent is granted only on the terms and conditions stated in this Consent. CITY is not bound by any of the terms, covenants, or conditions of the Sublease. The Sublease is and shall remain subject and subordinate to the Master Lease, as may be amended from time to time. If there is a conflict between the Sublease and either the Master Lease or this Consent, the terms, conditions, and obligations of this Consent and the Master Lease shall control. If there is a conflict between this Consent and the Master Lease, the terms, conditions, and obligations of this Consent shall control.
2. CITY Lifeguard Division Approval. SUBLESSOR acknowledges that pursuant to Section 1.3 of the Master Lease, SUBLESSEE's annual operating plan ("Operating Plan") has been submitted and approved by CITY'S Lifeguard Services Division. SUBLESSOR shall submit, or cause SUBLESSEE to submit, all future Operating Plans of SUBLESSEE to CITY for CITY'S Lifeguard Services Division review and approval during the term of the Sublease, in

accordance with Section 1.3 of the Master Lease. CITY's review and approval of all future Operating Plans shall not be unreasonably withheld or delayed.

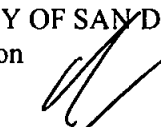
3. Limits of CITY's Consent. As a condition of CITY's consent, neither the Sublease nor this Consent will:
 - (a) release SUBLESSOR from any liability, whether past, present, or future, under the Master Lease as to the Premises or any portion thereof;
 - (b) alter the primary liability of SUBLESSOR to pay the rent and perform all SUBLESSOR's obligations under the Master Lease;
 - (c) be construed as a waiver of CITY's right to consent to any proposed sublease or assignment after the date hereof by SUBLESSOR under the Master Lease or by SUBLESSEE under the Sublease, or as a consent to any portion of the Premises in the Sublease being used or occupied by any other party;
 - (d) grant any rights to SUBLESSEE greater than those rights granted to SUBLESSOR under the Master Lease;
 - (e) be deemed CITY consent to any other assignment or sublease;
 - (f) require CITY to recognize SUBLESSEE in the event of a default in the Master Lease by SUBLESSOR;
 - (g) enlarge or in any manner increase CITY's obligations or duties under the Master Lease;
 - (h) create obligations or costs to CITY with regard to the Sublease;
 - (i) modify, waive, amend, or otherwise affect any provision of the Master Lease other than as set forth in this Consent;
 - (j) be deemed to be any type of obligation by CITY to SUBLESSOR, SUBLESSEE or to any governmental agent, board, commission, or agency with regard to any other action relating to SUBLESSEE's occupancy, use, or maintenance of any portion of the Premises or improvements thereon.
 - (k) be deemed approval of CITY as required by any other provision of the Master Lease or Sublease.
4. Required Insurance. Prior to the Effective Date of this Consent, SUBLESSEE shall file with CITY a copy of a policy of insurance which shall name the Mission Bay Sports Center and "City of San Diego, its elected officials, officers, representatives, agents and employees" as additional insureds for the entire term

of the Sublease. SUBLESSEE shall be insured by an insurance carrier acceptable to the CITY against loss from liability and property damage arising from the use of or the conduct of any operation conducted on the Premises or out on water of Mission Bay Park. SUBLESSEE shall maintain minimum coverage in the amount of Four Million Dollars (\$4,000,000) Combined Single Limit Liability. Said policy shall specify that the policy may not be terminated, altered or canceled without thirty (30) days prior written notice to CITY by insurance company. Prior to each insurance renewal period, SUBLESSEE shall submit to CITY a copy of the new policy of insurance.

5. Controlling Law. The terms and provisions of this Consent will be construed in accordance with, and will be governed by, the laws of the State of California.
6. CITY's Consent Null and Void. If at any time, either SUBLESSOR or SUBLESSEE fails to comply with any of the terms and conditions set forth in this Consent, this Consent shall automatically and retroactively become null and void as of the date of any such failure to comply. Any such failure to comply with any term or condition of this Consent shall constitute a default under the Master Lease and the CITY may avail itself of any rights and remedies available under the Master Lease and at law and in equity.

THE CITY OF SAN DIEGO, a California municipal corporation

Date: 1/25/15

BY: 

Name: Cecilia Thompson

Title: DIRECTOR, COMMUNITY SERVICES

Acknowledged and Accepted:

MISSION BAY SPORTS CENTER, a California corporation

Date: 1/17/15

BY: 

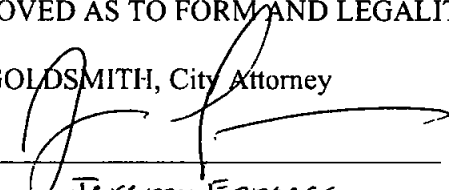
Name: Zach Funnell

Title: President

APPROVED AS TO FORM AND LEGALITY:

JAN GOLDSMITH, City Attorney

Date: 1/29/15

By: 

Jeremy Fonseca
Deputy City Attorney

CITY ATTORNEY

15 JAN 29 AM 9:19

CIVIL DIVISION

2015 JAN 27 AM 7:44



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/20/2014

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

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

PRODUCER Servco Insurance Services Corp 700 Bishop Street Suite 1400 Honolulu HI 968134116	CONTACT NAME: Corazon Dumlao	
	PHONE (A/C No. Ext): (808) 564-2544	FAX (A/C No.): (808) 564-2595
INSURED Southern California Outrigger Racing Association & Its Member Clubs Attn: Denise Shandroff 575 Leff Street San Luis Obispo CA 93401	E-MAIL ADDRESS: corazond@servco.com	
	INSURER(S) AFFORDING COVERAGE	
	INSURER A: U.S. Fire Insurance Company	
	INSURER B: 2013 A.M. Best Rating: A+; XV	
	INSURER C:	
	INSURER D:	
INSURER E:		
INSURER F:		

COVERAGES **CERTIFICATE NUMBER:** Hanohano Outrigger Canoe **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY			871-100133-3	03/01/2014	03/01/2015	EACH OCCURRENCE \$ 1,000,000
	☒ COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
	☐ CLAIMS-MADE ☒ OCCUR						MED EXP (Any one person) \$ 5,000
	☒ Excludes the sale of liquor						PERSONAL & ADV INJURY \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE \$ 2,000,000
	☒ POLICY ☐ PROJECT ☐ LOC						PRODUCTS - COMP/OP AGG \$ 2,000,000
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) \$
	☐ ANY AUTO						BODILY INJURY (Per person) \$
	☐ ALL OWNED AUTOS						BODILY INJURY (Per accident) \$
	☐ HIRED AUTOS						PROPERTY DAMAGE (Per accident) \$
	☐ SCHEDULED AUTOS						\$
	☐ NON-OWNED AUTOS						\$
A	UMBRELLA LIAB ☒ OCCUR			SF14LIA9577021	03/01/2014	03/01/2015	EACH OCCURRENCE \$ 1,000,000
	☒ EXCESS LIAB ☐ CLAIMS-MADE			EXCESS OF MARINE GENERAL LIABILITY			AGGREGATE \$
	☐ DED ☐ RETENTION \$						\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						WC STATUTORY LIMITS ☐ OTHER ☐
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) ☐ Y/N		N/A				E.L. EACH ACCIDENT \$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$

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

Member Club: Hanohano Outrigger Canoe Club

Additional Insureds: City of San Diego, its elected officials, representatives, agents and employees (Lessors).

Re: Training Site or Sanctioned Races of Member Club

Location: Mission Bay Sport Center, 1010 Santa Clara Place, San Diego, CA 92109

CERTIFICATE HOLDER

The City of San Diego
Real Estate Assets Department
1200 3rd Avenue, Suite 1700
San Diego, CA 92110

CANCELLATION

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

AUTHORIZED REPRESENTATIVE

Joseph Hu/CHD

Commercial Lease

This sublease is made between Mission Bay Sportcenter, Inc., herein called "Lessor," and OEX Mission Bay Inc., herein called "Lessee."

Lessee hereby offers to sublease from Lessor the premises situated in the City of San Diego, County of San Diego, State of California, described as the one story property at 1010 Santa Clara Place (detailed in Exhibit A), upon the following TERMS and CONDITIONS:

1. **Term and Rent.** Lessor demises the above premises for a five year term, commencing September 1, 2013 at the monthly base rate of three thousand four hundred dollars (\$3400.00) per month, payable in arrears on the last day of every month. All rental payments shall be made to the Lessor, at the address specified above.

Percentage Rent: Lessee shall pay Lessor in addition to the base rent, three percent (3%) of Lessee's gross receipts for sales of kayaks and scuba diving accessories, kayak service, and boating accessories and 10 percent (10%) of Lessee's gross receipts for instructional kayak courses, tours and scheduled group events, monthly in arrears, and prior to the 16th day of the month following that month in which the revenue subject was earned to be forwarded to the city.

Shared Expenses: Lessee shall pay to Lessor, as additional rent, Lessee's "proportionate share" of (1) all costs of operation and maintenance of the common facilities; (2) utilities including electrical, gas and water; (3) all "real estate taxes" levied and assessed against the Sportcenter facility. Said-shared expenses shall be paid monthly by the end of the month billed. At the end of the first term of the sublease, the "proportionate share" shall be re-evaluated and adjusted to reflect actual usage.

Definitions: For the purpose of this section (a) Lessee's "proportionate share" shall be equal to the total "shared expenses" divided by the number of sublessees and the Lessor in equal shares unless otherwise agreed upon.

2. **Use.** Lessee shall use and occupy the premises for kayak and related accessories sales, and kayak service as well as scuba sales and service. The premises shall be used for no other purpose. The Lessor shall not allow any other kayak sales and service, scuba sales and service businesses or stand up paddle board sales and service business to operate out of the facility. Lessee agrees to not engage in any business not specified in Lease.
3. **Assignment and Subleasing.** Lessee shall not assign this lease or sublet the premises or any part thereof without the prior written consent of Lessor and The City of San Diego, hereinafter, "City." An assignment by operation of law shall automatically terminate this lease.
4. **Care and Maintenance of Premises.** Lessee acknowledges that the premises are in good order and repair, unless otherwise indicated herein. Lessee shall, at his own expense and at all times, maintain the premises in good and safe condition, including plate glass, electrical wiring, plumbing and heating installations and any other system or equipment upon the premises, and shall surrender the same at termination hereof, in as good condition as received, normal wear and tear excluded. Lessee shall be responsible for all repairs required, including the roof and the exterior walls over and around the subleased area.
5. **Alterations.** Lessee shall not, without first obtaining the written consent of Lessor, make any alterations, additions, or improvements, in, to, or about the premises. The Lessee shall be responsible for all interior and exterior improvements.

6. **Ordinances and Statutes.** Lessee shall comply with all statutes, ordinances and requirements of all municipal, state and federal authorities now in force, or which may hereafter be in force, pertaining to the premises, occasioned by or affecting the use thereof by the Lessee.
7. **Utilities.** All applications and connections for necessary utility services on the demised premises shall be made in the name of Lessee only, and Lessee shall be solely liable for utility charges as they become due, including those for sewer, water, gas, electricity, and telephone services.
8. **Entry and Inspection.** Lessee shall permit Lessor or Lessor's agents to enter upon the premises at reasonable times and upon reasonable notice, for the purpose of inspecting the same, and will permit Lessor at any time within sixty (60) days prior to the expiration of this lease, to place upon the premises any usual "To Let" or "For Lease" signs, and permit those persons desiring to lease the same to inspect the premises thereafter.
9. **Possession.** If Lessor is unable to deliver possession of the premises at the commencement hereof, Lessor shall not be liable for any damage caused thereby, nor shall this lease be void or voidable, but Lessee shall not be liable for any rent until possession is delivered. Lessee may terminate this lease if possession is not delivered within 10 days of the commencement of the term hereof.
10. **Indemnification of the Lessor.** Lessor shall not be liable for any damage or injury to Lessee, or any other person, or to any property, occurring on the demised premises or any part thereof, and Lessee agrees to hold Lessor harmless from any claim of damages, no matter how caused.
11. **Insurance.** Lessee shall be insured by an insurance carrier acceptable to the Lessor and City providing coverage for bodily injury, including death, personal injury, and property damage with limits of at least Two Million Dollars (\$2,000,000) per occurrence and a four million dollar (\$4,000,000) aggregate. A copy of the policy of insurance shall be filed with the City and shall name "The City of San Diego" and "Mission Bay Sportcenter" as 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.
12. **Hold Harmless.** Lessee shall assume the defense of, indemnify and save harmless Lessor and City from all claims, expenses and liabilities of every nature, directly or indirectly arising from or alleged to have arisen from the operations conducted on the leased premises or from any act or omission of Lessee, his agents or invitees.
13. **Eminent Domain.** If the premises or any part thereof or any estate therein, or any other part of the building materially affecting Lessee's use of the premises, shall be taken by eminent domain, this lease shall terminate on the date when title vests pursuant to such taking. The rent, and any additional rent, shall be apportioned as of the termination date, and any rent paid for any period beyond that date shall be repaid to Lessee. Lessee shall not be entitled to any part of the award for such taking or any payment in lieu thereof, but Lessee may file a claim for any taking of fixtures and improvements owned by the Lessee, and for moving expenses.
14. **Destruction of Premises.** In the event of a partial destruction of the premises during the term hereof, from any cause, Lessor shall forthwith repair the same, provided that such repairs can be made within sixty (60) days under existing governmental laws and regulations, but such partial destruction shall not terminate this lease, except that Lessee shall be entitled to a proportionate reduction of rent while such repairs are being made, based upon the extent to which the making of such repairs shall interfere with the business of Lessee on the premises. If such repairs cannot be made within said sixty (60) days, Lessor, at his option, may make the same within a reasonable time, this lease continuing in effect with the rent proportionately abated as aforesaid, and in the event that Lessor does not elect to make such repairs which cannot be made within sixty (60) days, this lease may be terminated at the option of either party. In the event that the building in which the demised premises may be situated is destroyed to an extent of not less than one-third of the replacement costs hereof, Lessor may elect to terminate

this lease whether the demised premises be injured or not. A total destruction of the building in which the premises may be situated shall terminate this lease.

15. **Lessor's Remedies on Fault.** If Lessee defaults in the payment of rent, or any additional rent, or defaults in the performance of any of the other covenants or conditions hereof, Lessor may give Lessee notice of such default and if Lessee does not cure any such default within 10 days, after the giving of such notice (or if such other default is of such nature that it cannot be completely cured within such period, if Lessee does not commence such curing within such 20 days and thereafter proceed with reasonable diligence and in good faith to cure such default), the Lessor may terminate this lease on not less than 30 days' notice to Lessee. On the date specified in such notice the term of this lease shall terminate, and Lessee shall then quit and surrender the premises to Lessor, but Lessee shall remain liable as hereinafter provided. If this lease shall have been so terminated by Lessor, Lessor may at any time thereafter resume possession of the premises by any lawful means and remove Lessee or other occupants and their effects. No failure to enforce any term shall be deemed a waiver.
16. **Security Deposit.** Lessee shall deposit with Lessor on the signing of this Lease the sum of two thousand eight hundred dollars (\$2800.00) as security deposit for the performance of Lessee's obligations under this lease, including, without limitation, the surrender of possession of the premises to Lessor as herein provided. If Lessor applies any part of the deposit to cure any default of Lessee, Lessee shall on demand deposit with Lessor the amount so applied so that Lessor shall have the full deposit on hand at all times during the term of this lease.
17. **Tax Increase.** In the event there is any increase during any year of the term of this lease in the City, County or State real estate taxes over and above the amount of such taxes assessed for the tax year during which the term of this lease commences, whether because of increased rate or valuation, Lessee shall pay to Lessor upon presentation of paid tax bills an amount equal to 25% of the increase in taxes upon the land and building in which the leased premises are situated. In the event that such taxes are assessed for a tax year extending beyond the term of the lease, the obligation of Lessee shall be proportionate to the portion of the lease term included in such year.
18. **Attorney's Fees.** In the event suit should be brought for recovery of the premises, or for any sum due hereunder, or because of any act which may arise out of the possession of the premises, by either party, the prevailing party shall be entitled to all costs incurred in connection with such action, including a reasonable attorney's fee.
19. **Notices.** Any notice which either party may, or is required to, give, shall be given by mailing the same, postage prepaid, to Lessee at the premises, or Lessor at the address shown below, or at such places as may be designated by the parties from time to time.
20. **Subordination.** This agreement is in effect a sublease of a portion of the premises covered by that certain Lease Agreement dated July 21, 2011 as amended between the Lessor herein and the City of San Diego. This sublease 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.
21. **Disabled Access Compliance.** SUBLESSEE shall comply with the California Government Code, Sections 11135-11139.5; the Federal Rehabilitation Act of 1973, Section 504, Title V; the Americans with Disabilities Act of 1990 (ADA); and all other applicable municipal, state, and federal laws and regulations hereafter enacted protecting the rights of persons with disabilities.

22. Entire Agreement. The foregoing constitutes the entire agreement between the parties and may be modified only by a writing signed by both parties. The following Exhibits have been made a part of this lease before the parties execution hereof:

BY _____

DATE _____

Zach Funston
Mission Bay Sportcenter, Inc.
1010 Santa Clara Place
San Diego, CA 92109

BY _____

DATE _____

Brent Torgeson
OEX Mission Bay, Inc.
1010 Santa Clara Place
San Diego, CA 92109

Hanohano Outrigger Canoe Club Operations Plan

Operational Periods

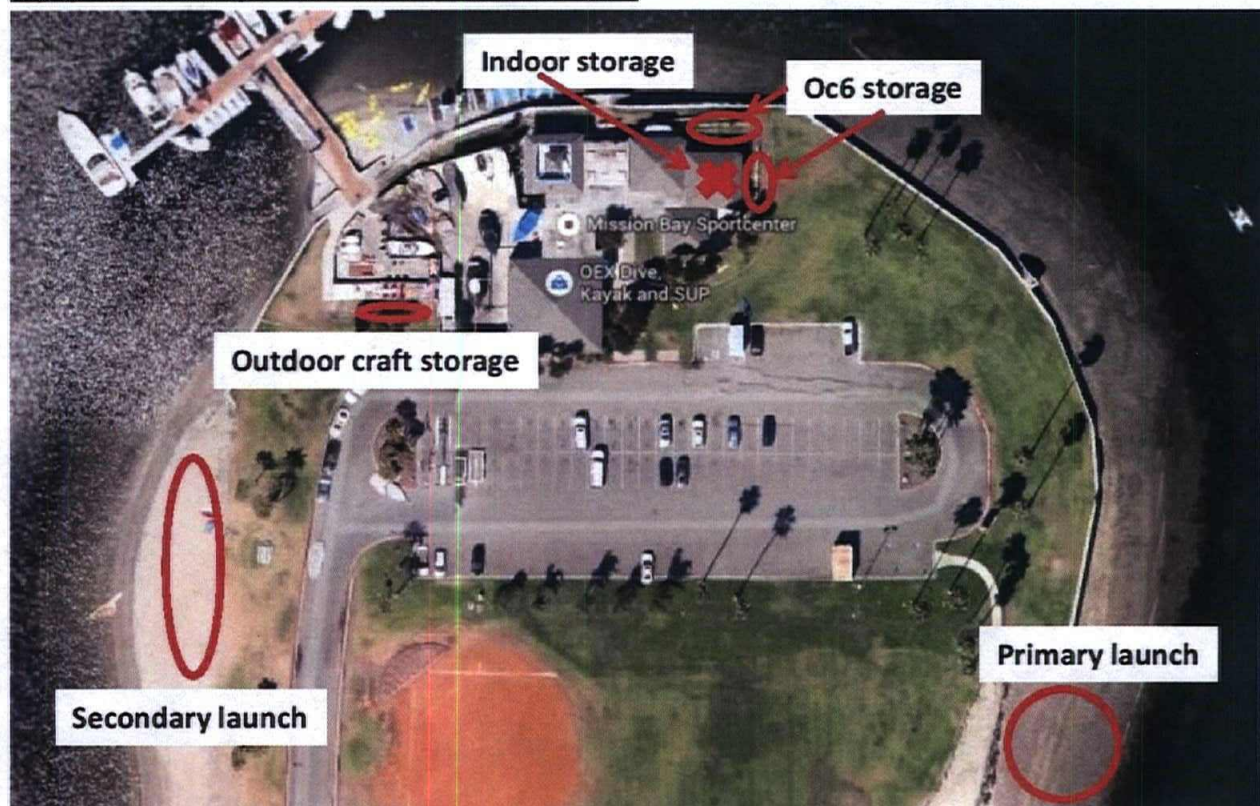
Year Round: 6am-8pm members of Hanohano Outrigger Canoe Club train on one and two person outrigger canoes throughout the day. All members with access to the site have signed liability waivers and are members in good standing.

Scheduled practices are as follows:

March 1 – May 1	Monday through Thursday evening 5pm – 8pm Saturday and Sunday Mornings 7:30a – 12:00
May 1 – Sept 15	Monday through Thursday evening 5pm – 8pm Saturday and Sunday Mornings twice a month 7:30 – 12:00
Sept 15 – March 1	Wednesday evening 5pm – 7pm Sunday Morning 8am – 11am

Standard daily operation includes preparing equipment with safety devices and checking boats for safety. Launching from the primary or secondary site, rinsing and securing equipment upon return.

Equipment Storage and Launch Site Locations –



OC-6 storage – An OC-6 is a 45' Hawaiian Outrigger Canoe. Hanohano Outrigger Canoe Club stores 10 of these at MBSC. 5 are stored on the east side of the MBSC and 5 are stored on the north side.

Site equipment and personal craft storage– The indoor space included in our lease with the Mission Bay Sport Center is used for storage of general equipment, safety equipment, and maintenance equipment. This space is also used for personal craft storage.

Outdoor personal craft storage – This area is secured by fencing and is used for additional personal craft Storage.

Primary launch site – OC-6's and personal craft from the indoor facility carry or use dollies to move the boats to this beach area, southeast of MBSC to launch.

Secondary launch site – Personal craft from the outdoor storage area may launch from this beach southwest of the MBSC

Equipment Overview

(10) OC-6

(40) Personal craft

(6) dollies

(65) PFD's

(14) Rigging sets for OC-6

(4) Extra amas

(3) Extra iako sets

Rowing machine

(2) Canopies

Safety equipment including canoe covers, towing ropes, bail buckets.

Ancillary equipment for maintaining the integrity of the equipment and function of the club

Requirements for Coaches

Coaches are appointed by the executive board. Coaches must have a minimum of 5 years experience in Outrigger Canoe Paddling and hold current CPR and first aide certification.

Requirements for Members: Anyone wishing to become a member of Hanohano Outrigger Canoe Club must complete an application to be reviewed by the executive board. All members are required to sign

a release of liability annually. Members who are not competent swimmers must wear PFD's whenever they are in the canoes until they can prove competency.

Restrictions There are no age, weight or height restrictions in place..

Weather Considerations There are no weather conditions that would effect our operations at the MBSC. On the water, Hawaiian Outrigger Canoes are designed to run safely in a variety of ocean conditions. Safety equipment including covers and pumps are used when ocean swells and wind increase.

Emergency Response Plan

In the event of an injury the following steps would be taken:

- Call 911. Cell phones are carried in the OC-6's and personal craft. VHF radios are also available.
- Hanohano Outrigger Canoe Club has 8 designated members who are medical professional who would be called upon to provide assistance.

If the incident is due to equipment failure:

- Call for Lifeguard assistance. Cell phones are carried in the OC-6's and personal craft. VHF radios are also available.
- Coaches and assistant coaches are trained to insure the safety of the paddlers first then attempt to fix or modify the equipment to get to shore safely. Extra straps and rubber bands are always in the canoes for this purpose.

CITY OF SAN DIEGO

LESSEE'S AND SUBLESSEE'S QUESTIONNAIRE FOR ALL LEASES, ASSIGNMENTS AND SUBLEASES

Pursuant to the City of San Diego City Charter Section 225: "Mandatory Disclosure of Business Interests," before the City will process requests to (Sub)Lease, all information requested in this Questionnaire must be completed by the proposed (Sub)Lessee. Even though a proposed Sublessee may complete the Questionnaire, the Questionnaire must be delivered or mailed to the City with a cover letter signed by the City Lessee or proposed Lessee. **THE CITY WILL NOT ACCEPT THE QUESTIONNAIRE, DOCUMENTS, OR OTHER INFORMATION DIRECTLY FROM A SUBLESSEE.**

All information furnished in this Questionnaire must be complete and accurate. Omissions, inaccuracies, or misstatements may cause the rejection and/or subsequent revocation of the City's Lease, consent to Sublease, or consent to Assignment of (Sub)Lease.

In submitting this Questionnaire, the proposed (Sub)Lessee completing the Questionnaire authorizes the City to make any inquiry or investigation it believes necessary to substantiate or supplement the information furnished in the Questionnaire, and authorizes others to release such information to the City.

Exact name of existing Lessee (always complete):

Hanohano Outrigger Canoe Club

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

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

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

Date this Questionnaire completed: Aug 1, 2014

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

Signature:

Title:

[Signature]
Executive Secretary

Thank you for taking the time to complete the Questionnaire. Lessees may contact Real Estate Assets if they have any questions. Please return the completed Questionnaire, with any additional information or documents to:

REAL ESTATE ASSETS DEPARTMENT
1200 THIRD AVENUE STE 1700
SAN DIEGO, CA 92101
TEL.: (619) 236-6020 FAX: (619) 236-6706

This Questionnaire contains 15 pages.

PROPOSED (SUB)LESSEE

1. Name of proposed (Sub) Lessee exactly as it will appear on the actual tenancy document:

Hanohano Outrigger Canoe Club

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

750 San Luis Rey PL

San Diego CA 92109

Telephone No.: (619) 851-5097 Fax. No.: N/A
E-mail Address: KaiwiseraFin@yahoo.com

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

Telephone No.: _____ Fax. No.: _____

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

Sole Proprietorship (☒); Partnership (☐); Corporation (☐);

Limited Liability Company (☐); Other _____

Explain if necessary:

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

PARTNERSHIP STATEMENT

If proposed (Sub)Lessee is a partnership, please answer the following:

1. Date of Organization: _____
2. General Partnership ()
Limited Partnership ()
Other () Explain _____

3. Statement of Partnership recorded: Yes () No ()

Date Book Page County
4. Has the partnership conducted business in San Diego County?
Yes () No () If so, when? _____
If so, where? _____
5. Name, address, and partnership share of each general and limited partner. If a general partner is another partnership, a corporation, or a limited liability company (LLC), please complete separate pages 3; or 4 and 5; or 6, as appropriate for such entity (type proposed [Sub]Lessee name [from page 2] on the top of each page for identification purposes). If a limited partner holding a 10% or greater interest is another partnership, a corporation, or an LLC, pages 3; or 4 and 5; or 6 must also be completed for such entity (type proposed [Sub]Lessee name [from page 2] on the top of each page).

General/Limited	Name	Address	Share %

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

CORPORATION STATEMENT

N/A

If proposed (Sub)Lessee is a corporation, please answer the following:

1. Type of corporation: C () Subchapter S ()
2. When incorporated? _____
3. Where incorporated? _____
4. Is the corporation authorized to do business in California? Yes () No ()
If so, as of what date? _____
5. The corporation is held:
 - a. Publicly () Privately ()
 - b. If publicly held, how and where is the stock traded?

- | | | | |
|-------------------------------------|-------------------|---------------|--------------------|
| 6. Please list the following: | <u>Authorized</u> | <u>Issued</u> | <u>Outstanding</u> |
| a. Number of voting shares: | _____ | _____ | _____ |
| b. Number of nonvoting shares: | _____ | _____ | _____ |
| c. Number of shareholders: | | | _____ |
| d. Value per share of Common Stock: | | Par | \$ _____ |
| | | Book | \$ _____ |
| | | Market | \$ _____ |

7. Please furnish the name, title, address, and the number of voting and nonvoting shares of stock owned by each officer and, in addition, the same information for each stockholder owning more than 10% of any class of stock.

Name: _____

Title: _____

Address: _____

No. of Shares: _____

Name:	_____
Title:	_____
Address:	_____

No. of Shares:	_____
Name:	_____
Title:	_____
Address:	_____

No. of Shares:	_____
Name:	_____
Title:	_____
Address:	_____

No. of Shares:	_____
Name:	_____
Title:	_____
Address:	_____

No. of Shares:	_____

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

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

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

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

NA

LIMITED LIABILITY COMPANY STATEMENT

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

1. Date of Organization: _____
2. Where Organized: _____
3. Is the Company authorized to do business in California?
- a. Yes () No ()
- b. If so, as of what date? _____
4. Has the Company conducted business in San Diego County?
- a. Yes () No ()
- b. If so, when? _____
- c. If so, where? _____
5. Please furnish the name, address, and membership share held by each manager and officer, and each member owning more than a 10% membership interest. If a member is a partnership, corporation, or another LLC, please complete separate pages 3; or 4 and 5; or 6, as appropriate for such entity (type proposed [Sub]Lessee name [from page 2] on the top of each page).

Manager/Officer/ Member	Name	Address	Share %

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

FINANCIAL AND OTHER BACKGROUND INFORMATION

FINANCIAL STATEMENT

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

OTHER INFORMATION

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

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

REFERENCES FOR PROPOSED (SUB)LESSEE

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

REFERENCE NO. 1

Name: Russell Ingledew
Firm: La Jolla CPA - Russell Ingledew
Title: CPA
Address: 1128 Wall St. La Jolla, CA 92037
Telephone: (858) 454-2190

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

Tax Preparation

REFERENCE NO. 2

Name: Mike Shandroff
Firm: Southern California Outrigger Racing Assoc
Title: President
Address: _____
Telephone: (805) 550-1340

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

Hanohano is a member of the association

REFERENCE NO. 3

Name: Union Bank
Firm: Pacific Beach Branch #8
Title: _____
Address: 1706 Garnet Ave San Diego, CA
Telephone: (800) 238-4486

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

REFERENCE NO. 4

Name: Phil Trotter
Firm: Francis Parker School
Title: activities Coordinator
Address: 6501 Linda Vista Rd. San Diego 92111
Telephone: (858) 569-7900

Nature and magnitude of purchase, sale, loan, business, association, etc.:
Outrigger Clinic for Students

CITY OF SAN DIEGO PERSONAL DESCRIPTION AND RELEASE

N/A

PLEASE NOTE: All partners, both general and limited; all stockholders owning more than 10% of any class of stock of corporations; all members of a limited liability company; and sole proprietors requesting to (sub)lease, must each complete this page before the tenancy request can be processed. (You may reproduce and use copies of this page, if necessary.)

The following personal information is required to initiate a credit investigation. The business and personal reputation of principals, partners, and members will be considered in qualifying Lessees or in consenting to Sublessees.

First, Middle, & Last Name _____
Date of Birth _____
Place of Birth _____
Social Security Number _____
Driver's License Number/State _____
Home Address _____

Previous Address _____

Home Telephone No. _____
Employer _____
Occupation _____
Business Address _____
Business Telephone No. _____
Business Fax No. _____

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

Date _____ Signed _____

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

METHOD OF OPERATION

Please describe your proposed business operation on the property to be (Sub)Leased. Discuss any optional services and uses which you propose to provide.

The property will be used to store all equipment necessary to run a community non-profit outrigger canoe club. Equipment includes Outrigger canoes, of several different sizes, paddles, rigging, safety equipment, training equipment , uniforms, maintenance equipment, and miscellaneous items required to keep the property and outriggers in good condition. The property also serves as a practice site for our members. Hanohano also conducts a number of community outreach programs, such as working with San Diego Junior Lifeguards, Francis Parker High School, challenged athletes, and wounded warrior programs.

**PROPOSED METHOD OF FINANCING
DEVELOPMENT OR LEASEHOLD PURCHASE**

Describe the method of financing for the Leasehold purchase or any new or additional development on the Leasehold. Include a schedule of approximate dates when construction of each significant improvement is expected to be commenced and completed.

N/A

ESTIMATE OF GROSS RECEIPTS

N/A

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

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

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

EXPERIENCE STATEMENT

Please describe in detail the duration and extent of your business experience, with special emphasis upon experience with the type of business which you propose to conduct on City property. Also state in detail the pertinent experience of the persons who will be directly involved in development and management of the business.

Hanohano Outrigger Canoe Club has been operating as a non-profit community organization since 1981. The board of directors has a slow turnover and institutional knowledge is available due to many members who have been with the club for 15 or more years. Hanohano has never been in debt, paid a late fee or been accused of financial misconduct in any way.

As Executive Secretary I (Suzanne Serafin) have been on the board of directors for 16 years.

**TERMS AND CONDITIONS OF PURCHASE, SALE,
OR TRANSFER OF (SUB)LEASEHOLD INTEREST**

(NOTE: Complete this page only if the transaction involves a Lease assignment.)

Please summarize the terms and conditions of the purchase, sale, or transfer of Leasehold interest(s) which requires City consent, as specified in the Assignment-Sublease provisions of the City Lease. Please attach copies of the applicable sales agreement(s), escrow instructions, assignment agreement(s), or other documents in conjunction with the sale, purchase, or transfer of the (Sub)Leasehold interest(s).

CITY OF SAN DIEGO CONSENT TO COMMERCIAL LEASE

THIS CONSENT TO COMMERCIAL LEASE ("Consent") is made by the City of San Diego, a California municipal corporation ("CITY"), to be effective when signed by CITY (the "Effective Date") and approved by the San Diego City Attorney, as follows:

RECITALS

- A. CITY, as lessor, and MISSION BAY SPORTS CENTER, a California corporation, as lessee ("SUBLESSOR") are parties to that certain CITY OF SAN DIEGO PERCENTAGE LEASE dated July 21, 2011, as filed in the Office of the City Clerk as Document No. RR-306876 ("Master Lease") and relating to certain CITY-owned real property in Mission Bay Park, consisting of approximately 0.613 acres of land and 0.078 acres of water ("Premises"), as further identified in the Master Lease.
- B. SUBLESSOR and MARISSA CHARTERS ("SUBLESSEE"), entered into a certain Commercial Lease, dated August 1, 2014 ("Sublease") for a portion of the Premises more particularly described in the Sublease. A copy of the Sublease is attached as Exhibit A.
- C. Pursuant to Section 5.2 of the Master Lease, SUBLESSOR has requested CITY's prior written consent to sublease a portion of the Premises as set forth in the Sublease to SUBLESSEE.
- D. CITY is willing to consent to SUBLESSOR subleasing to SUBLESSEE on the terms and conditions contained in this Consent.

CONSENT

1. CITY's Consent. CITY consents to SUBLESSOR subleasing to SUBLESSEE. This consent is granted only on the terms and conditions stated in this Consent. CITY is not bound by any of the terms, covenants, or conditions of the Sublease. The Sublease is and shall remain subject and subordinate to the Master Lease, as may be amended from time to time. If there is a conflict between the Sublease and either the Master Lease or this Consent, the terms, conditions, and obligations of this Consent and the Master Lease shall control. If there is a conflict between this Consent and the Master Lease, the terms, conditions, and obligations of this Consent shall control.
2. CITY Lifeguard Division Approval. SUBLESSOR acknowledges that pursuant to Section 1.3 of the Master Lease, SUBLESSEE's current annual operating plan ("Operating Plan") has been submitted and approved by CITY'S Lifeguard Services Division. SUBLESSOR shall submit, or cause SUBLESSEE to submit, all future Operating Plans of SUBLESSEE to CITY for CITY'S Lifeguard Services Division review and approval during the term of the Sublease in

accordance with Section 1.3 of the Master Lease. CITY's review and approval of all future Operating Plans shall not be unreasonably withheld or delayed.

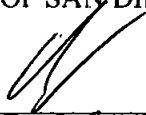
3. Limits of CITY's Consent. As a condition of CITY's consent, neither the Sublease nor this Consent will:
- (a) release SUBLESSOR from any liability, whether past, present, or future, under the Master Lease as to the Premises or any portion thereof;
 - (b) alter the primary liability of SUBLESSOR to pay the rent and perform all SUBLESSOR's obligations under the Master Lease;
 - (c) be construed as a waiver of CITY's right to consent to any proposed sublease or assignment after the date hereof by SUBLESSOR under the Master Lease or by SUBLESSEE under the Sublease, or as a consent to any portion of the Premises in the Sublease being used or occupied by any other party;
 - (d) grant any rights to SUBLESSEE greater than those rights granted to SUBLESSOR under the Master Lease;
 - (e) be deemed CITY consent to any other assignment or sublease;
 - (f) require CITY to recognize SUBLESSEE in the event of a default in the Master Lease by SUBLESSOR;
 - (g) enlarge or in any manner increase CITY's obligations or duties under the Master Lease;
 - (h) create obligations or costs to CITY with regard to the Sublease;
 - (i) modify, waive, amend, or otherwise affect any provision of the Master Lease other than as set forth in this Consent;
 - (j) be deemed to be any type of obligation by CITY to SUBLESSOR, SUBLESSEE or to any governmental agent, board, commission, or agency with regard to any other action relating to SUBLESSEE's occupancy, use, or maintenance of any portion of the Premises or improvements thereon.
 - (k) be deemed approval of CITY as required by any other provision of the Master Lease or Sublease.
4. Required Insurance. Prior to the Effective Date of this Consent, SUBLESSEE shall file with CITY a copy of the policy of insurance which shall name SUBLESSOR and the "City of San Diego, its elected officials, officers, representatives, agents and employees" as additional insureds for the entire term

of the Sublease. SUBLESSEE shall be insured by an insurance carrier acceptable to the CITY against loss from liability and property damage arising from the use of or the conduct of any operation conducted on the Premises or out on water of Mission Bay Park Premises. SUBLESSEE shall maintain minimum coverage in the amount of Four Million Dollars (\$4,000,000) Combined Single Limit Liability. Said policy shall specify that the policy may not be terminated, altered or canceled without thirty (30) days prior written notice to CITY by insurance company. Prior to each insurance renewal period, SUBLESSEE shall submit to CITY a copy of the new policy of insurance.

5. Controlling Law. The terms and provisions of this Consent will be construed in accordance with, and will be governed by, the laws of the State of California.
6. CITY's Consent Null and Void. If at any time, either SUBLESSOR or SUBLESSEE fails to comply with any of the terms and conditions set forth in this Consent, this Consent shall automatically and retroactively become null and void as of the date of any such failure to comply. Any such failure to comply with any term or condition of this Consent shall constitute a default under the Master Lease and the CITY may avail itself of any rights and remedies available under the Master Lease and at law and in equity.

THE CITY OF SAN DIEGO, a California municipal corporation

Date: 1/25/15

BY: 

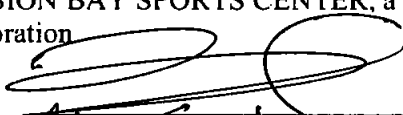
Name: CHERYL THOMPSON

Title: OLDCOR RCM ESSENTIALS

Acknowledged and Accepted:

MISSION BAY SPORTS CENTER, a California corporation

Date: 1/17/15

BY: 

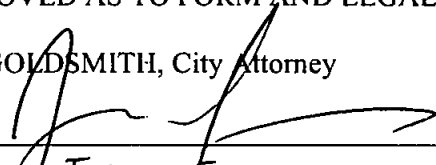
Name: Mark Funder

Title: President

APPROVED AS TO FORM AND LEGALITY:

JAN GOLDSMITH, City Attorney

Date: 1/29/15

By: 

Jeremy Fonseca
Deputy City Attorney

Commercial Lease

This sublease is made between Mission Bay Sportcenter, Inc., herein called "Lessor," and, Marissa Charters., herein called "Lessee."

Lessee hereby offers to sublease from Lessor the premises situated in the City of San Diego, County of San Diego, State of California, described as the one story property at 1010 Santa Clara Place (detailed in Exhibit A), upon the following TERMS and CONDITIONS:

1. **Term and Rent.** Lessor demises the above premises for a five year term, commencing August 1, 2014 at the monthly base rate of One Thousand dollars (\$1,000.00) per month, payable in arrears on the last day of every month. All rental payments shall be made to the Lessor, at the address specified above.

Percentage Rent: Lessee shall pay Lessor in addition to the base rent, Fifteen percent (15%) of Lessee's gross receipts for sales of approved activity, Marissa Charters boating accessories and 15 percent (15%) of Lessee's gross receipts for instructional marissa Charters Instruction and rentals, monthly in arrears, and prior to the 16th day of the month following that month in which the revenue subject was earned to be forwarded to the city.

Shared Expenses: Lessee shall pay to Lessor, as additional rent, Lessee's "proportionate share" of (1) all costs of operation and maintenance of the common facilities; (2) utilities including electrical, gas and water; (3) all "real estate taxes" levied and assessed against the Sportcenter facility. Said-shared expenses shall be paid monthly by the end of the month billed. At the end of the first term of the sublease, the "proportionate share" shall be re-evaluated and adjusted to reflect actual usage.

Definitions: For the purpose of this section (a) Lessee's "proportionate share" shall be equal to the total "shared expenses" divided by the number of sublessees and the Lessor in equal shares unless otherwise agreed upon.

2. **Use.** Lessee shall use and occupy the premises for Marissa Charters and related accessories sales. The premises shall be used for no other purpose. The Lessor shall not allow any other Marissa Charters sales, rental or instruction businesses to operate out of the facility. Lessee agrees to not engage in any business not specified in Lease.
3. **Assignment and Subleasing.** Lessee shall not assign this lease or sublet the premises or any part thereof without the prior written consent of Lessor and The City of San Diego, hereinafter, "City." An assignment by operation of law shall automatically terminate this lease.
4. **Care and Maintenance of Premises.** Lessee acknowledges that the premises are in good order and repair, unless otherwise indicated herein. Lessee shall, at his own expense and at all times, maintain the premises in good and safe condition, including plate glass, electrical wiring, plumbing and heating installations and any other system or equipment upon the premises, and shall surrender the same at termination hereof, in as good condition as received, normal wear and tear excluded. Lessee shall be responsible for all repairs required, including the roof and the exterior walls over and around the subleased area.
5. **Alterations.** Lessee shall not, without first obtaining the written consent of Lessor, make any alterations, additions, or improvements, in, to, or about the premises. The Lessee shall be responsible for all interior and exterior improvements.
6. **Ordinances and Statutes.** Lessee shall comply with all statutes, ordinances and requirements of all municipal, state and federal authorities now in force, or which may hereafter be in force, pertaining to the premises, occasioned by or affecting the use thereof by the Lessee.

7. **Utilities.** All applications and connections for necessary utility services on the demised premises shall be made in the name of Lessee only, and Lessee shall be solely liable for utility charges as they become due, including those for sewer, water, gas, electricity, and telephone services.
8. **Entry and Inspection.** Lessee shall permit Lessor or Lessor's agents to enter upon the premises at reasonable times and upon reasonable notice, for the purpose of inspecting the same, and will permit Lessor at any time within sixty (60) days prior to the expiration of this lease, to place upon the premises any usual "To Let" or "For Lease" signs, and permit those persons desiring to lease the same to inspect the premises thereafter.
9. **Possession.** If Lessor is unable to deliver possession of the premises at the commencement hereof, Lessor shall not be liable for any damage caused thereby, nor shall this lease be void or voidable, but Lessee shall not be liable for any rent until possession is delivered. Lessee may terminate this lease if possession is not delivered within 10 days of the commencement of the term hereof.
10. **Indemnification of the Lessor.** Lessor shall not be liable for any damage or injury to Lessee, or any other person, or to any property, occurring on the demised premises or any part thereof, and Lessee agrees to hold Lessor harmless from any claim of damages, no matter how caused.
11. **Insurance.** Lessee shall be insured by an insurance carrier acceptable to the Lessor and City against loss from public liability arising from the use or condition of or operation conducted on the leased premises.
 - (a) Commercial General Liability Insurance, providing for bodily injury, including death, personal injury, and property damage with minimum limits shall be at least Two million (\$2,000,000) per occurrence, subject to an annual aggregate of at least Four Million Dollars (\$4,000,000).
 - (b) Automobile Liability Insurance, providing coverage for all bodily injury and property damage, with a limit of at least One Million Dollars (\$1,000,000) per occurrence. Such insurance shall cover liability arising out of any vehicle (including owned, hired, and non-owned vehicles) operated in performing any and all work pursuant to this Lease. Coverage shall be written on ISO form CA 00 01 12 90, or a substitute form providing equivalent liability coverage; and
 - (c) Workers' Compensation Insurance, as required by the laws of the State of California for all of sublessee's employees who are subject to this Lease, with Employers' Liability coverage with a limit of at least One Million Dollars (\$1,000,000)

A copy of the policy of insurance shall be filed with the City and shall name "The City of San Diego, its elected officials, officers, employees, representatives, and agents" and "Mission Bay Sports Center, Inc." as 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.

12. **Hold Harmless.** Lessee shall assume the defense of, indemnify and save harmless Lessor and City from all claims, expenses and liabilities of every nature, directly or indirectly arising from or alleged to have arisen from the operations conducted on the leased premises or from any act or omission of Lessee, his agents or invitees.
13. **Eminent Domain.** If the premises or any part thereof or any estate therein, or any other part of the building materially affecting Lessee's use of the premises, shall be taken by eminent domain, this lease shall terminate on the date when title vests pursuant to such taking. The rent, and any additional rent, shall be apportioned as of the termination date, and any rent paid for any period beyond that date shall be repaid to Lessee. Lessee shall not be entitled to any part of the award for such taking or any payment in lieu thereof, but Lessee may file a claim for any taking of fixtures and improvements owned by the Lessee, and for moving expenses.
14. **Destruction of Premises.** In the event of a partial destruction of the premises during the term hereof, from any cause, Lessor shall forthwith repair the same, provided that such repairs can be made within sixty (60) days under existing governmental laws and regulations, but such partial destruction shall not

terminate this lease, except that Lessee shall be entitled to a proportionate reduction of rent while such repairs are being made, based upon the extent to which the making of such repairs shall interfere with the business of Lessee on the premises. If such repairs cannot be made within said sixty (60) days, Lessor, at his option, may make the same within a reasonable time, this lease continuing in effect with the rent proportionately abated as aforesaid, and in the event that Lessor does not elect to make such repairs which cannot be made within sixty (60) days, this lease may be terminated at the option of either party. In the event that the building in which the demised premises may be situated is destroyed to an extent of not less than one-third of the replacement costs hereof, Lessor may elect to terminate this lease whether the demised premises be injured or not. A total destruction of the building in which the premises may be situated shall terminate this lease.

15. **Lessor's Remedies on Fault.** If Lessee defaults in the payment of rent, or any additional rent, or defaults in the performance of any of the other covenants or conditions hereof, Lessor may give Lessee notice of such default and if Lessee does not cure any such default within 10 days, after the giving of such notice (or if such other default is of such nature that it cannot be completely cured within such period, if Lessee does not commence such curing within such 20 days and thereafter proceed with reasonable diligence and in good faith to cure such default), the Lessor may terminate this lease on not less than 30 days' notice to Lessee. On the date specified in such notice the term of this lease shall terminate, and Lessee shall then quit and surrender the premises to Lessor, but Lessee shall remain liable as hereinafter provided. If this lease shall have been so terminated by Lessor, Lessor may at any time thereafter resume possession of the premises by any lawful means and remove Lessee or other occupants and their effects. No failure to enforce any term shall be deemed a waiver.
16. **Security Deposit.** Lessee shall deposit with Lessor on the signing of this Lease the sum of one thousand dollars (\$1000.00) as security deposit for the performance of Lessee's obligations under this lease, including, without limitation, the surrender of possession of the premises to Lessor as herein provided. If Lessor applies any part of the deposit to cure any default of Lessee, Lessee shall on demand deposit with Lessor the amount so applied so that Lessor shall have the full deposit on hand at all times during the term of this lease.
17. **Tax Increase.** In the event there is any increase during any year of the term of this lease in the City, County or State real estate taxes over and above the amount of such taxes assessed for the tax year during which the term of this lease commences, whether because of increased rate or valuation, Lessee shall pay to Lessor upon presentation of paid tax bills an amount equal to 25% of the increase in taxes upon the land and building in which the leased premises are situated. In the event that such taxes are assessed for a tax year extending beyond the term of the lease, the obligation of Lessee shall be proportionate to the portion of the lease term included in such year.
18. **Attorney's Fees.** In the event suit should be brought for recovery of the premises, or for any sum due hereunder, or because of any act which may arise out of the possession of the premises, by either party, the prevailing party shall be entitled to all costs incurred in connection with such action, including a reasonable attorney's fee.
19. **Notices.** Any notice which either party may, or is required to, give, shall be given by mailing the same, postage prepaid, to Lessee at the premises, or Lessor at the address shown below, or at such places as may be designated by the parties from time to time.
20. **Subordination.** This agreement is in effect a sublease of a portion of the premises covered by that certain Lease Agreement dated July 21, 2011, as amended between the Lessor herein and the City of San Diego. This sublease 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.
21. **Entire Agreement.** The foregoing constitutes the entire agreement between the parties and may be modified only by a writing signed by both parties. The following Exhibits have been made a part of this lease before the parties execution hereof:

BY

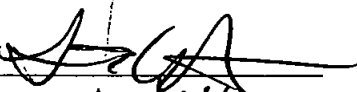
DATE


8/1/14

Zach Funston
Mission Bay Sportcenter, Inc.
1010 Santa Clara Place
San Diego, CA 92109

BY

DATE


8/1/14

Lora Mae Mayhugh
Marissa Charters
9640-B Mission Gorge Rd
Santee, CA 92071

CERTIFICATE OF LIABILITY INSURANCE

 Date (MM/DD/YY)
09/10/14

PRODUCER

 WILLIS NORTH AMERICA
PMB 712, 250 H STREET
BLAINE, WA 98230-4033 800-665-5252

 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.

CERTIFICATE NO. C0004
COMPANIES AFFORDING COVERAGE

 INSURED: LORA MEYER-MAYHUGH
MARISSA CHARTERS
2660 MISSION BLVD
APT. #2
SAN DIEGO, CA 92109

COMPANY A	THE CATLIN SYNDICATE AT LLOYD'S, LONDON
COMPANY B	
COMPANY C	
COMPANY D	

COVERAGES

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CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS		
A	GENERAL LIABILITY	42421	08/06/14	08/06/15	GENERAL AGGREGATE	\$	4,000,000
	COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG	\$	INCLUDED
	CLAIMS MADE ☒ OCCUR				PERSONAL & ADV INJURY	\$	INCLUDED
	OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE	\$	3,000,000
					FIRE DAMAGE	\$	INCLUDED
					MED EXP (ANY ONE PERSON)	\$	1,000
	PROPERTY PERSONAL PROPERTY (CONTENTS)				DEDUCTIBLE	\$	
A	NON-OWNED AUTOS	42421	08/06/14	08/06/15	EACH OCCURRENCE	\$	INCLUDED
					PROPERTY DAMAGE		
A	PROTECTION & INDEMNITY	DB42189	06/28/14	06/28/15	ANY ONE ACCIDENT OR OCCURRENCE	\$	2,000,000
A	UNDERWATER LIABILITY	DB42189	06/28/14	06/28/15	EACH OCCURRENCE	\$	1,000,000
	☒ CLAIMS MADE				ANNUAL AGGREGATE	\$	2,000,000

DESCRIPTION OF OPERATIONS: OPERATION OF CHARTER VESSEL MARISSA INCLUDING INSTRUCTION & SUPERVISION OF RECREATIONAL SCUBA DIVING.

TERRITORY: COVERAGE IS WORLDWIDE REGARDLESS OF WHERE SUIT IS FILED

 CERTIFICATE HOLDER / ADDITIONAL INSURED WITH RESPECT TO GENERAL
LIABILITY CO-INSURED WITH RESPECT TO VESSEL LIABILITY / ADDITIONAL
INSURED WITH RESPECT TO UNDERWATER LIABILITY

CANCELLATION

 SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELED BEFORE THE
EXPIRATION DATE THEREOF, THE INSURANCE COMPANY WILL

ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE

 HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO
OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR
REPRESENTATIVES.

WILLIS NORTH AMERICA

BY:

CITY OF SAN DIEGO, BODY OF MISSION BAY

 ITS ELECTED OFFICIALS, OFFICERS, EMPLOYEES,
REPRESENTATIVES AND AGENTS
1200 THIRD AVE, STE #1700
SAN DIEGO CA 92121

Form Instructions on Next Page

1600 PACIFIC HIGHWAY, SUITE 260
P.O. BOX 121750, SAN DIEGO, CA 92112-1750
(619) 237-0502

Return Mailing Address

Name: _____

Address: _____

City State Zip Code



Ernest J. Dronenburg, Jr.
County of San Diego
Recorder/County Clerk
www.sdarcc.com

IN PERSON

FICTITIOUS BUSINESS NAME STATEMENT

2014-023682



SEP-03-2014

FILED
Ernest J. Dronenburg, Jr.
SAN DIEGO COUNTY CLERK
FEES: 47.00
EXPIRES: SEP-03-2019
DEPUTY: FALVARAD

TYPE OF FILING AND FILING FEE (Check one)

- ☒ Original- \$42.00 (FOR ORIGINAL FILING WITH ONE BUSINESS NAME ON STATEMENT)
☐ Renewal- \$42.00 (NO CHANGES IN THE FACTS FROM ORIGINAL FILING)
 EACH ADDITIONAL COPY IS \$2.00 AND EACH ADDITIONAL CERTIFIED COPY IS \$3.00
 \$5.00- EACH ADDITIONAL OWNER IN EXCESS OF ONE OWNER
 \$5.00- EACH ADDITIONAL BUSINESS NAME FILED ON SAME STATEMENT, DOING BUSINESS AT SAME LOCATION.

FOR OFFICIAL USE ONLY

TYPE OF IDENTIFICATION PROVIDED: ☒ REG ☐ AGENT
☒ DRIVER'S LICENSE ☐ MILITARY ID ☐ ACK
☐ PASSPORT ☐ OTHER _____

(1) FICTITIOUS BUSINESS NAME(S):

PLEASE NOTE: YOU WILL BE REQUIRED TO PRESENT A VALID PHOTO ID TO FILE THIS STATEMENT IN PERSON.

Marissa Charters

a.

Marissa Dive Charters

b.

PRINT FICTITIOUS BUSINESS NAME(S)

(2) LOCATED AT: 1010 Santa Clara Place San Diego CA San Diego 92109
 STREET ADDRESS OF PRINCIPAL PLACE OF BUSINESS (P. O. BOX NOT ACCEPTED) CITY STATE COUNTY ZIP CODE

MAILING ADDRESS: 2660 Mission Blvd Apt 2, San Diego, CA 92109

(3) THIS BUSINESS IS REGISTERED BY THE FOLLOWING:

Lora Meyer (formerly Lora Mayhugh)

1.

Full Name/Corp/LLC

2660 Mission Blvd Apt 2 San Diego CA 92109

Residence Address (P. O. Box not accepted) City State Zip Code

If Corporation or LLC - Print State of Incorporation/Organization

2.

Full Name/Corp/LLC

Residence Address (P. O. Box not accepted) City State Zip Code

If Corporation or LLC - Print State of Incorporation/Organization

(4) THIS BUSINESS IS CONDUCTED BY: (Check one)

- ☒ A. An Individual ☐ E. Joint Venture ☐ I. A Limited Liability Company
☐ B. A Married Couple ☐ F. A Corporation ☐ J. Limited Liability Partnership
☐ C. A General Partnership ☐ G. A Trust ☐ K. An Unincorporated Association-Other than a Partnership
☐ D. A Limited Partnership ☐ H. Co-Partners ☐ L. State or Local Registered Domestic Partners

(5) THE FIRST DAY OF BUSINESS WAS: 09 / 03 / '09 OR IF NOT STARTED YET, CHECK HERE ☐ NOT APPLICABLE

I declare that all information in this statement is true and correct. (A registrant who declares as true any material matter pursuant to Section 17913 of the Business and Professions code that the registrant knows to be false is guilty of a misdemeanor punishable by a fine not to exceed one thousand dollars (\$1,000).)

(6) REGISTRANT NAME Lora Meyer Owner/Operator
 (Print) TITLE

REGISTRANT SIGNATURE  IF CORP OR LLC, NAME _____
 (Corp/LLC Print Title)

THIS STATEMENT WAS FILED WITH THE RECORDER/COUNTY CLERK OF SAN DIEGO COUNTY AS INDICATED BY THE FILE STAMP ABOVE.

NOTICE: IN ACCORDANCE WITH SUBDIVISION (a) OF SECTION 17920, A FICTITIOUS NAME STATEMENT GENERALLY EXPIRES AT THE END OF FIVE YEARS (5) FROM THE DATE ON WHICH IT WAS FILED IN THE OFFICE OF THE COUNTY CLERK, EXCEPT, AS PROVIDED IN SUBDIVISION (b) OF SECTION 17920, WHERE IT EXPIRES 40 DAYS AFTER ANY CHANGE IN THE FACTS SET FORTH IN THE STATEMENT PURSUANT TO SECTION 17913 OTHER THAN A CHANGE IN THE RESIDENCE ADDRESS OF A REGISTERED OWNER. A NEW FICTITIOUS BUSINESS NAME STATEMENT MUST BE FILED BEFORE THE EXPIRATION.

THE FILING OF THIS STATEMENT DOES NOT OF ITSELF AUTHORIZE THE USE IN THIS STATE OF A FICTITIOUS BUSINESS NAME IN VIOLATION OF THE RIGHTS OF ANOTHER UNDER FEDERAL, STATE, OR COMMON LAW (SEE SECTION 14411 ET SEQ., BUSINESS AND PROFESSIONS CODE).

IF SUBMITTING THE STATEMENT IN PERSON, THE REGISTRANT OR AGENT WILL BE ASKED TO PRESENT A VALID PHOTO ID FOR ALL THE FICTITIOUS BUSINESS NAME FILINGS.
 IF SUBMITTING THE STATEMENT BY MAIL, THE REGISTRANT OR AGENT MUST ATTACH A COPY OF A VALID PHOTO ID OR A NOTARIZED CERTIFICATE OF ACKNOWLEDGEMENT.

SEP 03 2014

This is a true certified copy of the record
if it bears the seal, imprinted in purple ink



Ernest L. Cronenberg Jr.
ERNEST L. CRONENBURG JR.
Assessor-Recorder/Clerk
San Diego County, California

Deputy

E. Alvarado
E. Alvarado

CERTIFICATE OF LIABILITY INSURANCE

 Date (MM/DD/YY)
09/10/14

PRODUCER

 WILLIS NORTH AMERICA
PMB 712, 250 H STREET
BLAINE, WA 98230-4033 800-665-5252

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COMPANY A	THE CATLIN SYNDICATE AT LLOYD'S, LONDON
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	CLAIMS MADE X OCCUR				PERSONAL & ADV INJURY	\$ INCLUDED
	OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE	\$ 3,000,000
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					MED EXP (ANY ONE PERSON)	\$ 1,000
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					PROPERTY DAMAGE	
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	X CLAIMS MADE				ANNUAL AGGREGATE	\$ 2,000,000

DESCRIPTION OF OPERATIONS. OPERATION OF CHARTER VESSEL MARISSA INCLUDING INSTRUCTION & SUPERVISION OF RECREATIONAL SCUBA DIVING.

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WILLIS NORTH AMERICA

BY:



Exhibit B – Marissa Charters Operations Plan

Marissa Charters Overview

Marissa Charters is primarily a SCUBA dive vessel. Marissa Charters also performs excursion trips. The vessel “Marissa” is a 38 foot, United States Coast Guard Certified (USCG) vessel. The Marissa is USCG certified to carry up to 22 passengers plus 2 crewmembers. At least 50% of the crew on board is current CPR/AED/First Aid Certified. As a USCG certified vessel, the Marissa is inspected by the USCG Inspectors annually for all safety related items, including equipment and vessel structure safety, in addition the Marissa is required to haul out in order for the USCG to inspect the hull and below water line equipment every 2 years. The Marissa is USCG “Ocean” rated for trips up to 100 miles from any point of land. However, the Marissa rarely travels beyond 10 miles from any point of land and never travels beyond 20 miles from any point of land. (See Appendix A - Certificate of Inspection)

As a USCG certified vessel, the Marissa is enrolled in a random drug-testing consortium for its crewmembers. Each crewmember is DOT drug screened prior to employment, and if hired enrolled in random quarterly testing program.

Each Dive Professional working on the boat is currently certified and active with their certifying agency and is insured as a dive professional. For Dive Trips, there is at least one Dive Master on board for surface support and rescues.

For dive trips, the Marissa provides a platform in which to dive off. The Marissa frequents dive sites as far north as Torrey Pines and as far South as the USS Hogan dive site near the US/Mexican border.

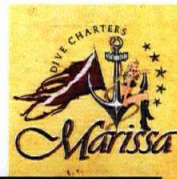
For excursion trips, the Marissa provides a bare boat to transit to areas selected by the customer as far north as Torrey Pines and as far South as <3 miles off the tip of Point Loma.

Operational Periods and Areas

November-April: 8am-9pm (Loading passengers to unloading passengers time frame)

May-October: 9am-11pm (Loading passengers to unloading passengers time frame)

Vessel crew arrives approximately one hour before departing and will stay approximately 1 hour after docking. This gives the crew time to prepare the vessel for passengers and perform equipment checks on the vessel. Customers arrive approximately 30 min prior to boarding times and are required to fill out and sign a liability waiver and a manifest. Customers will set up their gear on the vessel at this time. Customers travel from the parking lot to the boat from one of two paths outlined in Map A.



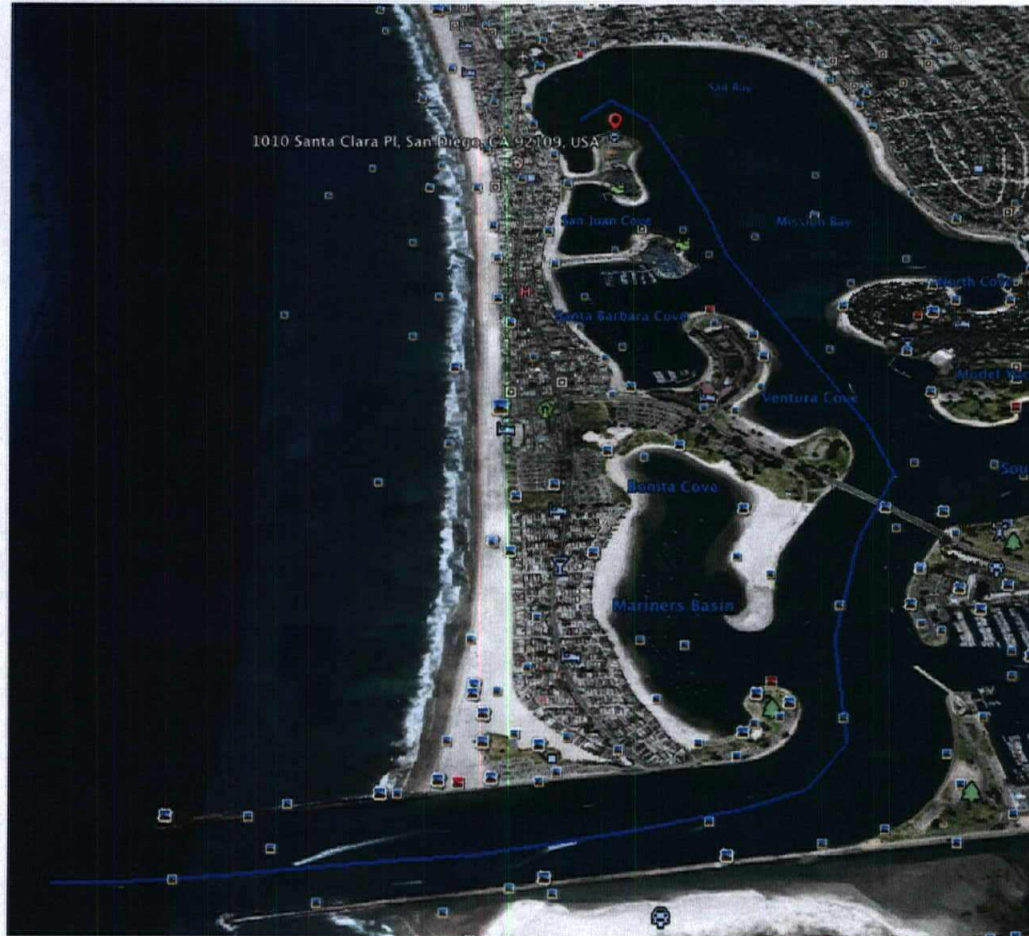
Map A –Customer loading/unloading



The vessel "Marissa" leaves the dock approximately a half hour from the boarding time. The vessel leaves the dock and transits through the bay and exits the Mission Bay Channel entrance heading for the dive sites. The typical route through the bay is shown in Map B.



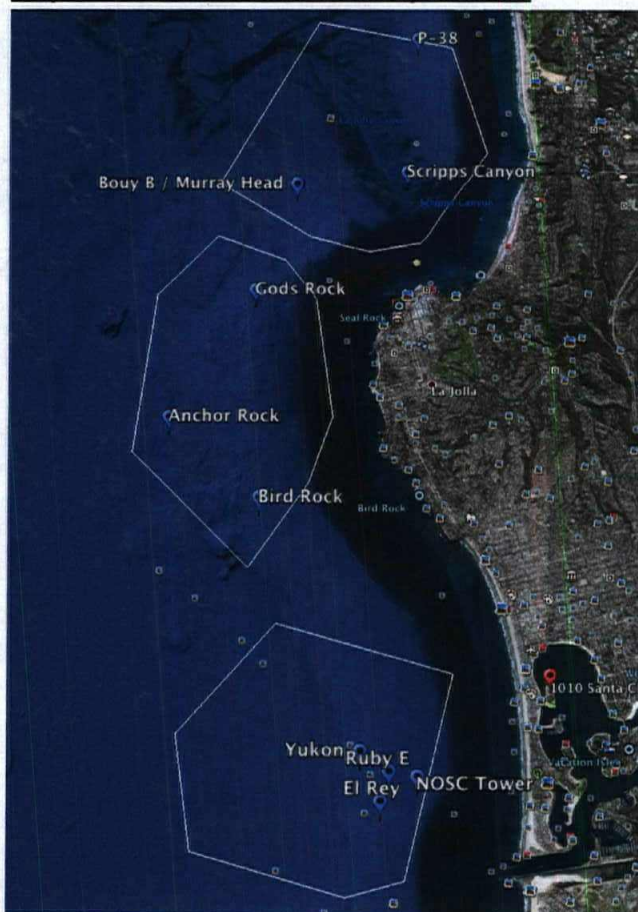
Map B—Transit Path through Mission Bay to Ocean





Once the vessel has exited Mission Bay, it travels either North or South to previously selected dive sites. The maps below pin point the most commonly visited sites, as well as outline an area where other, less visited dive sites exist. Dive Sites North of the Mission Bay entrance are shown in Map C—Sites North of Mission Bay Entrance. Dive Sites South of the Mission Bay entrance are shown in Map D—Sites South of Mission Bay Entrance.

Map C—Sites North of Mission Bay Entrance





Map D—Sites South of Mission Bay Entrance



Operational Procedures

Crew – During a Dive trip, crew consists of one United States Coast Guard Masters licensed Captain and one Crew member/Dive Master. For safety reasons during a dive trip our crewmember **MUST** be a certified Dive Master and oxygen provider current with their certifying agency and professional liability insurance. During a non-diving trip or excursion crew consists of a Captain as listed above, and a trained Crewmember.

Check-in – All customers will check-in, sign waivers and a manifest prior to leaving the dock. Dive Customers must provide proof of dive certification at check in. Dive customers set up their dive equipment on the boat while waiting for other divers to arrive and sign in. Each Diver/passenger is listed on the manifest; a roll call is performed to ensure each individual is on the manifest prior to



leaving the dock. Prior to leaving the dock the Captain or Dive Master will perform a boat safety briefing and dive boat orientation briefing. The briefing is provided in Appendix B. The Marissa leaves an image of the Manifest with a person on shore prior to each trip as per Coast Guard recommendations.

Dive Trip—Once on site and safely anchored or moored, the crew provides a dive site briefing outlining the

Vessel Safety Equipment Overview

The following equipment is always on board for the safety of passengers and crew:

USCG required and approved Safety equipment:

- 1 – Life Ring with buoyant light apparatus and 60' of line
- 24 – Adult and 3 Children - Inherently Buoyant Type 1 Personal Floatation Devices with lights
- 2 – 12 person, Float Free Life Floats with buoyant light apparatus and oar
- 3 – Fire extinguishers
- 1 – Automated fire extinguisher system in Engine room
- 1—VHF radio with Emergency placard affixed in front of it
- 1 – Complete USCG First Aid Kit
- 1—Hydrostatically released Emergency Position-Indicating Radio Beacon (EPIRB) Registered with NOAA

Additional Safety Equipment:

Emergency Oxygen with demand regulator, standard oxygen mask, Bag-valve Mask

Extended Range supply of medical grade Oxygen

Pocket mask

Automated External Defibrillator (AED)

Nylon stretcher

Weather Considerations

The Marissa will cancel any dive trip due to hazardous weather. The Captain is instructed to use his or her best judgment, while placing the safety of the passengers as the priority. All Captains are required to cancel if the wind is 25kts or greater, and/or if the swell height is 6 feet or greater. Captains are advised to cancel trips if the combined sea state meets or exceeds these conditions.

Injury or Persons Emergency Response Plan:

The following steps should be taken as guidelines and should be used in the order that is most reasonable and appropriate for the situation. Captains and crew are to use their training and experience to determine the proper course of action.

In the event of an injury related emergency, the following steps would be taken:

- Captain would:



- Radio the USCG; if the emergency is life or limb threatening a "MAYDAY" will be called.
- Retrieve or appoint someone to retrieve the Oxygen and AED kits.
- If a life or limb threatening emergency arises during the dive:
 - Captain would perform or appoint someone to perform the diver emergency recall system covered in the briefing, and check people in as they arrive back on board.
- If the incident occurred in the water:
 - The Dive Master acts as first-responder, the Dive Master is to draw from his/her training to determine if he/she should enter the water to perform the rescue.
 - The first objective for any potentially injured diver is to get them onboard the vessel.
Once onboard the diver is assessed for consciousness, breathing/airway obstructions, and pulse.
 - If the diver is unconscious:
First responders assess for signs of circulation (breathing and pulse).
If no signs of circulation are detected, the AED is applied; chest compressions, and rescue breaths are administered while following the directions of the AED.
Rescue attempts would resume until the victim is transferred to the Life Guards or Coast Guard.
 - If the diver is conscious:
The Dive Master acts as first-responder, the Dive Master is to draw from his/her training to determine if he/she should enter the water to perform the rescue.
The Dive Master uses his/her training to assess the diver and determine the severity of the injury.
If a Diving related injury is suspected, the diver is given oxygen and transferred to the Life Guards or Coast Guard for further assessment and treatment.
Once the severity of the injury is assessed the Captain and Dive Master will take appropriate action to ensure the best outcome of the injury.
- If the incident occurred out of the water:
 - The Captain and/or Dive Master acts as first-responder, determining if the customer is conscious or unconscious
 - If the customer is unconscious:
First responders assess for signs of circulation (breathing and pulse).
If no signs of circulation are detected, the AED is applied; chest compressions, and rescue breaths are administered while following the directions of the AED.
Rescue attempts would resume until the victim is transferred to the Life Guards or Coast Guard.
 - If the customer is conscious:
The crew communicates with the customer to determine the severity of the injury and the next course of action.
The crew communicates the status to the appropriate authorities.
- After the customer has been stabilized on shore, it will be determined if the customer requires paramedic support or if he/she can be released on their own or to family/friends on-site



- After any incident, the Captain completes a USCG incident report (Appendix C) with the full details of what occurred as well as collects the Dive Masters or other Crewmember's statement.
- After any incident, as regulated by the USCG, the Captain and Crew, are to collect an Alcohol testing swab within 2 hours of the incident and a drug test within 36 hours of the incident.

Emergency Procedures – Non-Persons Related:

The following policies and steps are to be taken in the event of fire or other natural emergencies requiring USCG or Life Guard intervention, Man overboard (MOB), Fire at sea, or abandon ship emergencies occurring while onboard the M/V MARISSA.

In the event of an emergency, *immediately* following the trip and/or resolution of the emergency the Captain and crew must write down a detailed description of his/her recollection of the events on the best time line as possible. If possible and reasonable, the Captain or DiveMaster is to take notes of events and times during the event or appoint a passenger to do so.

The following steps should be taken as guidelines and should be used in the order that is most reasonable and appropriate for the situation. Captains and crew are to use their training and experience to determine the proper course of action.

Fire Emergency Procedure:

- Cut off air supply to fire-close items such as hatches, ports, doors, ventilators, and louvers, and shut off ventilation system.
- Cut off electrical system supplying affected compartment if possible.
- If safe, immediately use portable fire extinguishers at base of flames for flammable liquid or grease fires or water for fires in ordinary combustible materials. Do not use water on electrical fires.
- If fire is in machinery spaces, shut off fuel supply and ventilation and activate fixed extinguishing system if installed.
- Maneuver vessel to minimize effect of wind on fire.
- If unable to control fire, immediately notify the Coast Guard and other craft in the vicinity by radiotelephone.
- Move passengers away from fire, have them put on life jackets, and if necessary, prepare to abandon the vessel.

Man Overboard Emergency Procedures:

- Throw a ring buoy overboard as close to the person as possible.
- Post a lookout to keep the person overboard in sight.
- Launch rescue boat and maneuver to pick up person in the water, or maneuver the vessel to pick up the person in the water.
- Have crewmember put on life jacket, attach a safety line to him or her, and have him or her stand by jump into the water to assist the person overboard if necessary.
- If person is not immediately located, notify Coast Guard and other vessels in vicinity by radiotelephone.
- Continue search until released by Coast Guard.

Rough, Severe Weather at Sea or Flooding Emergency Procedures:



- Close all watertight and weathertight doors, hatches, and airports to prevent taking water aboard or further flooding in the vessel.
- Keep bilges dry to prevent loss of stability due to water in bilges. Use power driven bilge pump, hand pump, and buckets to dewater.
- Align fire pumps to use as bilge pump if possible.
- Check all intake and discharge lines, which penetrate the hull, for leakage.
- Passengers must remain seated and evenly distributed.
- Passengers must don life jackets if the going becomes very rough, the vessel is about to cross a hazardous bar, or when otherwise instructed by the master.
- Never abandon the vessel unless actually forced to do so.
- If assistance is needed follow the procedures on the emergency broadcast placard posted by the radiotelephone.
- Prepare survival craft (life floats, (inflatable) rafts, (inflatable) buoyant apparatus, boats) for launching.

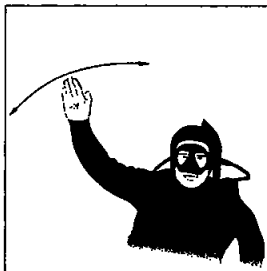
Signals

Since both the Captain and the Dive Master are within ear-shot range at all times while onboard the vessel, however, hand signals are used to communicate to the divers or in the event of an emergency the Dive Master, while they are in the water and on the surface. These signals are used industry wide.

Okay signs – Everything is good



Distress Signal – Something is wrong / Diver is in distress



APPENDIX B – Boat Safety Orientation and Dive Safety Briefing:

Captains Safety Orientation Briefing (Dive trips and Excursions)



Welcome – I am (Captains Name) I will be your captain today, and (Dive Master's) is your Divemaster today. Our goal as your crewmembers is to keep you safe and for you to have an enjoyable time. There is a few safety things that we need to go over before we head out today.

Safety equipment locations and instructions:

Our life vests are located in the galley, under the white benches. The location of the life jackets is marked with a red placard. Our life vests are horse-collar style, they slip over your head and there is a strap that wraps around your waist and hooks to a D-ring in the front. There are instructions on the wall (point to instructions). In the event we would need these, the Captain would instruct everyone to put them on.

Our life floats and EPIRB are located on the opposite side of the sunroof. They both deploy automatically in the unlikely event that the boat were to go down. If that were to occur, we would hang around the outside of the life floats. The EPIRB tells the Coast Guard who we are and where we are in the event of such an emergency.

Our fire extinguishers are located in four areas. There is one to the Starboard side on the galley floor, one on deck (point), an automatic one in our engine compartment, and one on the bridge.

Our VHF Radio is located on the bridge, it is set to Channel 16, the emergency and distress channel, and there are instructions on how to call for help in front of the VHF radio.

Our First Aid Kit is located on the bridge, under the starboard bench. If you are in need of any first aid today please let us know immediately.

Our Life Ring is located on the front of the house. If someone were to fall overboard today we would throw the life ring to them in addition to shouting "Man Overboard".

Our Oxygen and AED Kit are located in the galley, the Oxygen is in the Green pelican case and the AED is in the yellow pelican case. If we were to need those today we might ask a passenger to get them.

Please familiarize yourself with the locations of the safety equipment, and let us know if you have any questions.

Dive Master Dive Safety Boat Orientation Briefing (Dive trips only).

Hi, in case you forgot, my name is (Dive Master's Name), I will be your Dive Master today.

If you have anything under the back benches that is not going in the water with you please bring it to me so I can safely stow it. Any dry stuff you may have can go in the galley v-berth and any dive bags can go on top (either the captain or I will put them on the sunroof for you).

When we get to the dive site, there are two ways to exit the boat, you can back roll from either side, here (point), or you can Giant stride off the back swim step (point). Please no giant strides off the sides.



Anytime you get off the boat or surface during your dive today please look back to us and give us BIG okay signs (demonstrate). If you are in distress, please wave at us with your arm and hand.

There is one way to get back on the boat, that's that "Fin Ladder" back there (point). It will be in the water when you surface from your dive. It's a fin ladder, so that means that you can climb up all the way to the top with your fins on, if you want to. You may take your fins off in the water or you can climb all the way up and I will help you take them off. There is a pinch point at the top of the ladder so make sure you only use the rungs not the center pole to hold on to (demonstrate and point to pinch point).

If you are behind someone waiting to get up on the boat, please stay far enough back, so if the person that is on the swim step falls, they don't fall on you.

When you are gearing up for your dive, please gear up as much as possible sitting down at your spots. If you have any gear on the deck just let one of us know and we will pick it up for you. When you do stand up please be mindful of your neighbor and don't hit them in the head with your tank.

We have a 500psi rule. Please come back to the boat with at least 500psi in your tank, if you come back with less than 500psi, we may ask if everything went okay. If you come back with zero, we will hold you out for the subsequent dive.

When you get back on the boat, you will not necessarily be in the same spot you are in now. Who ever gets up first will come up to these front spots and will we will continue to fill towards the back of the boat, this way you are not tripping over other peoples gear to find a spot.

Once your tank is strapped in, please take off your first stage, this your sign to me that you want a fill and are continuing on to the next dive, when I have filled your tank I will put the dust cover back on, this is my sign to you that your tank has been filled.

Emergency recall: We have an emergency recall system, it is a series of five clanging sounds then a pause, then five clanging sounds and a pause, this will continue until all of the divers are recalled and back on the boat. If you hear this sound, end your dive at that time, make a SAFE, NORMAL ascent, including all of your recommended safety and required deco stops.

I will give a dive site briefing once we get onsite.



United States of America
Department of Homeland Security
United States Coast Guard

Certification Date: 29 Jun 2012
Expiration Date: 29 Jun 2017
IMO Number:

Certificate of Inspection

For ships on international voyages this certificate fulfills the requirements of SOLAS 74 as amended, regulation V/14, for a SAFE MANNING DOCUMENT.

Vessel Name MARISSA	Official Number 1038282	CoI Sign WDD7741	Service Passenger (Inspected)			
Home Port SAN DIEGO CA	Hull Material FRP (Fiberglass)	Horsepower 636	Propulsion Diesel Reduction			
Place Built CAPE CANAVERAL, FL UNITED STATES	Delivery Date 30Jan1997	Date Keel Laid 15Sep1995	Gross Tons R-17 I-	Net Tons R-13 I-	DWT I-	Length R-38 I-
Owner HOWARD MEYER 20329 HINTON ROAD APPLE VALLEY CA 92308 UNITED STATES	Operator MARISSA CHARTERS LORA MEYER 9640-B MISSION GORGE RD PMB#247 SANTEE CA 92071 UNITED STATES					

This vessel must be manned with the following licensed and unlicensed personnel. Included in which there must be
0 certified lifeboatmen, 0 certified tankermen, 0 HSC type rating, and 0 GMDSS Operators.

1 Master	0 Master & 1st Class pilot	0 Radio Officer(s)	0 Chief Engineer	0 QMED/Rating
0 Chief Mate	0 Mate & 1st Class Pilot	0 Able Seamen/ROANW	0 1st Asst. Engr/2nd Engr.	0 Oilers
0 2nd Mate/OICNW	0 Lic. Mate/OICNW	0 Ordinary Seamen	0 2nd Asst. Engr/3rd Engr.	
0 3rd Mate/OICNW	0 1st Class Pilot	1 Deckhands	0 3rd Asst. Engr.	
			0 Lic. Engr.	

In addition, this vessel may carry 22 passengers, 0 other persons in crew, 0 persons in addition to crew, and no others. Total persons allowed: 24

Route Permitted and Conditions of Operation:

---Oceans---

*** (ZONE 1) ***

PACIFIC OCEAN AREA BETWEEN POINT CONCEPTION, CALIFORNIA AND LATITUDE 31°11' NORTH, NOT MORE THAN 100 MILES OFF A BASE LINE EXTENDING FROM POINT CONCEPTION, CALIFORNIA TO CAPE SAN LUCAS, BAJA CALIFORNIA, MEXICO.

WHEN THE VESSEL IS AWAY FROM A SHORESIDE DOCK, OR HAS PASSENGERS ONBOARD, OR BOTH, FOR TWELVE (12) OR MORE HOURS IN ANY TWENTY-FOUR (24) HOUR PERIOD, AN ALTERNATE CREW SHALL BE PROVIDED.

SEE NEXT PAGE FOR ADDITIONAL CERTIFICATE INFORMATION

With this inspection for Certification having been completed at San Diego, CA, the Officer in Charge, Marine Inspection, SECTOR SAN DIEGO certified the vessel, in all respects, is in conformity with the applicable vessel inspection laws and the rules and regulations prescribed thereunder.

Annual/Periodic/Quarterly Reinspections			
Date	Zone	A/P/Q	Signature
07/11/13	550	A	[Signature]
28/01/14	550	A	[Signature]
-	-	-	-
-	-	-	-

This certificate issued by:

M. R. LEON GUERRERO CDR, USCG

Officer in Charge Marine Inspection

SECTOR SAN DIEGO

Inspection Zone



Department of Homeland Security
United States Coast Guard

Certificate of Inspection

Certification Date:
29Jun2012

MARISSA

THE MASTER SHALL NOT ACT AS DIVE MASTER AND SHALL REMAIN ONBOARD THE VESSEL FOR THE ENTIRE VOYAGE FROM THE TIME PASSENGERS ARE EMBARKED UNTIL THEY ARE DISEMBARKED AT THE FINAL DESTINATION.

ALL COMPRESSED GAS CYLINDERS USED FOR SCUBA DIVING SHALL BE STOWED IN ACCORDANCE WITH SECTOR SAN DIEGO CID POLICY #9 DATED 17JAN2002.

A CHILD-SIZE LIFE PRESERVER MUST BE SUPPLIED FOR EACH PASSENGER WEIGHING LESS THAN NINETY (90) POUNDS.

Overnight accommodations for 0 passengers.

---Hull Exams---

Exam Type	Next Exam	Last Exam	Prior Exam
Drydock	28Jun2013	28Jun2011	11Jun2009
Internal Structure	28Jun2013	28Jun2011	11Jun2009

---Stability---

Letter Approval Date / 30Nov2011 Office/ SDMS

---Lifesaving Equipment---

	Number	Persons		Required
Total Equipment for	24		Life Preservers(Adult)	24
Lifeboats(Total)	0	0	Life Preservers(Child)	3
Lifeboats(Port)*	0	0	Ring Buoys(Total)	1
Lifeboats(Starbd)*	0	0	With Lights*	1
Motor Lifeboats*	0	0	With Line Attached*	1
Lifeboats W/Radio*	0	0	Other*	0
Rescue Boats/Platforms	0	0	Immersion Suits	0
Inflatable Rafts	0	0	Portable Lifeboat Radios	0
Life Floats/Buoyant App	2	24	Equipped with EPIRB?	Yes
Inflatable Bouyant App(IBA)	0	0	(* included in totals)	

---Fire Fighting Equipment---

Number of Fireman Outfits/ 0

Fixed Extinguishing Systems

Capacity	Agent	Space Protected
370	Other	ENGINE COMPARTMENT

Fire Extinguishers - Hand portable and semi-portable

Qty	Class Type
1	B-I
2	B-II

END

CERTIFICATE OF LIABILITY INSURANCE										Date (MM/dd/yy) 08/07/14	
PRODUCER WILLIS NORTH AMERICA PMB 712, 250 H STREET BLAINE, WA 98230-4033 800-665-5252				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.							
CERTIFICATE NO. C0001				COMPANIES AFFORDING COVERAGE							
INSURED: LORA MEYER-MAYHUGH MARISSA CHARTERS 2660 MISSION BLVD APT. #2 SAN DIEGO, CA 92109				COMPANY A		THE CATLIN SYNDICATE AT LLOYD'S, LONDON					
				COMPANY B							
				COMPANY C							
				COMPANY D							
COVERAGES THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.											
CO LTR	TYPE OF INSURANCE			POLICY NUMBER		POLICY EFFECTIVE DATE (MM/DD/YY)		POLICY EXPIRATION DATE (MM/DD/YY)		LIMITS	
A	GENERAL LIABILITY			42421		08/06/14		08/06/15		GENERAL AGGREGATE \$ 4,000,000	
	COMMERCIAL GENERAL LIABILITY									PRODUCTS-COMP/OP AGG \$ INCLUDED	
		CLAIMS MADE	X	OCCUR						PERSONAL & ADV INJURY \$ INCLUDED	
	OWNER'S & CONTRACTOR'S PROT									EACH OCCURRENCE \$ 3,000,000	
										FIRE DAMAGE \$ INCLUDED	
										MED EXP (ANY ONE PERSON) \$ 1,000	
	PROPERTY PERSONAL PROPERTY (CONTENTS)									DEDUCTIBLE \$ \$	
A	NON-OWNED AUTOS			42421		08/06/14		08/06/15		EACH OCCURRENCE \$ INCLUDED	
										PROPERTY DAMAGE	
A	PROTECTION & INDEMNITY			DB42189		06/28/14		06/28/15		ANY ONE ACCIDENT OR OCCURRENCE \$ 2,000,000	
A	UNDERWATER LIABILITY			DB42189		06/28/14		06/28/15		EACH OCCURRENCE \$ 1,000,000	
		X	CLAIMS MADE							ANNUAL AGGREGATE \$ 2,000,000	
DESCRIPTION OF OPERATIONS: OPERATION OF CHARTER VESSEL MARISSA INCLUDING INSTRUCTION & SUPERVISION OF RECREATIONAL SCUBA DIVING.											
TERRITORY: COVERAGE IS WORLDWIDE REGARDLESS OF WHERE SUIT IS FILED											
CERTIFICATE HOLDER / ADDITIONAL INSURED WITH RESPECT TO GENERAL LIABILITY CO-INSURED WITH RESPECT TO VESSEL LIABILITY /ADDITIONAL INSURED WITH RESPECT TO UNDERWATER LIABILITY: CITY OF SAN DIEGO, ITS ELECTED OFFICIALS, REPRESENTATIVES, AGENTS AND EMPLOYEES											
CERTIFICATE HOLDER						CANCELLATION					
THE CITY OF SAN DIEGO 1200 THIRD AVE, STE #1700 SAN DIEGO CA 92121						SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELED BEFORE THE EXPIRATION DATE THEREOF, THE INSURANCE COMPANY WILL					
						ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE					
						HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.					
BY: 						WILLIS NORTH AMERICA					
©ACORD CORPORATION 1988											

Appendix C - After Incident Report

DEPARTMENT OF HOMELAND SECURITY U.S. Coast Guard REPORT OF MARINE CASUALTY						OMB No 1625-0001 Expires: 01/31/2016
SECTION I. GENERAL INFORMATION						
1. Name of Vessel or Facility		2. Official No.		3. Nationality		4. Call Sign
5. USCG Certificate of Inspection issued at:						
6. Type (Towing, Freight, Fish, Drill, etc)		7. Length		8. Gross Tons		9. Year Built
10. Propulsion (Steam, diesel, gas, turbine .)						
11. Hull Material (Steel, Wood .)		12. Draft (Ft. - in) FWD AFT.		13. If Vessel Classed, By Whom: (ABS, LLOYDS, DNV, BV, etc)		14. Date (of occurrence)
15. TIME (Local)						
16. Location (See Instruction No. 10A)						17. Estimated Loss of Damage TO:
18. Name, Address & Telephone No. of Operating Co						VESSEL _____
						CARGO _____
						OTHER _____
19. Name of Master or Person in Charge		USCG License		20. Name of Pilot		USCG License State License
		☐ YES ☐ NO				☐ YES ☐ NO
19a. Home or Work Street Address (City, State, Zip Code)		19b. Home or Work Telephone No.		20a. Home or Work Street Address (City, State, Zip Code)		20b. Home or Work Telephone No.
21. Casualty Elements (Check as many as needed and explain in Block 44)						
☐ NO. OF PERSONS ON BOARD _____ ☐ DEATH - HOW MANY? _____ ☐ MISSING - HOW MANY? _____ ☐ INJURED - HOW MANY? _____ ☐ HAZARDOUS MATERIAL RELEASED OR INVOLVED _____ <i>(Identify Substance and amount in Block 44)</i> ☐ OIL SPILL - ESTIMATE AMOUNT: _____ ☐ CARGO CONTAINER LOST/DAMAGED _____ ☐ COLLISION _____ <i>(Identify other vessel or object in Block 44)</i> ☐ GROUNDING ☐ WAKE DAMAGE ☐ FLOODING; SWAMPING WITHOUT SINKING ☐ CAPSIZING (with or without sinking) ☐ FOUNDERING OR SINKING ☐ HEAVY WEATHER DAMAGE ☐ FIRE ☐ EXPLOSION ☐ COMMERCIAL DIVING CASUALTY ☐ ICE DAMAGE ☐ DAMAGE TO AIDS TO NAVIGATION ☐ STEERING FAILURE ☐ MACHINERY OR EQUIPMENT FAILURE ☐ ELECTRICAL FAILURE ☐ STRUCTURAL FAILURE ☐ FIREFIGHTING OR EMERGENCY EQUIPMENT FAILED OR INADEQUATE <i>(Describe in Block 44)</i> ☐ LIFESAVING EQUIPMENT FAILED OR INADEQUATE <i>(Describe in Block 44)</i> ☐ BLOW OUT (Petroleum exploration/production) ☐ ALCOHOL INVOLVEMENT <i>(Describe in Block 44)</i> ☐ DRUG INVOLVEMENT (Describe in Block 44) ☐ OTHER (Specify) _____						
22. Conditions						
A. Sea or River Conditions <i>(wave height, river stage, etc)</i> B. WEATHER ☐ CLEAR ☐ RAIN ☐ SNOW ☐ FOG ☐ OTHER (Specify) _____ C. TIME ☐ DAYLIGHT ☐ TWILIGHT ☐ NIGHT D. VISIBILITY ☐ GOOD ☐ FAIR ☐ POOR E. DISTANCE (miles of visibility) _____ F. AIR TEMPERATURE (F) _____ G. WIND SPEED & DIRECTION _____ H. CURRENT SPEED & DIRECTION _____						
23. Navigation Information				24. Last Port Where Bound		24a. Time and Date of Departure
☐ MOORED, DOCKED OR FIXED ☐ ANCHORED ☐ UNDERWAY OR DRIFTING				SPEED AND COURSE _____		
25. FOR TOWING ONLY		25a. NUMBER OF VESSELS TOWED		25b. TOTAL H.P. OF TOWING UNITS		25c. MAXIMUM SIZE OF TOW WITH TOW-BOAT(S)
		Empty Loaded Total				Length Width
						25d. (Describe in Block 44)
						☐ PUSHING AHEAD ☐ TOWING ASTERN ☐ TOWING ALONGSIDE ☐ MORE THAN ONE TOW-BOAT ON TOW
SECTION II. BARGE INFORMATION						
26. Name		26a. Official Number		26b. Type		26c. Length
26d. Gross Tons		26e. USCG Certificate of Inspection Issued at:				
26f. Year Built		26g. ☐ SINGLE SKIN ☐ DOUBLE		26h. Draft FWD AFT		26i. Operating Company
26j. Damage Amount		26k. Describe Damage to Barge				
BARGE _____						
CARGO _____						
OTHER _____						

SECTION III. PERSONNEL ACCIDENT INFORMATION

27. Person Involved ☐ MALE ☐ OR FEMALE ☐ DEAD ☐ INJURED ☐ MISSING		27a. Name (Last, First, Middle Name) 27b. Address (City, State, Zip Code) 		27c. Status ☐ Crew ☐ Passenger ☐ Other	
28. Birth Date		29. Telephone No.		30. Job Position	
31. (Check here if off duty) ☐					
32. Employer - (if different from Block 18, fill in Name, Address, Telephone No.) 					
33. Person's Time A. IN THIS INDUSTRY - B. WITH THIS COMPANY - C. IN PRESENT JOB OR POSITION - D. ON PRESENT VESSEL/FACILITY - E. HOURS ON DUTY WHEN ACCIDENT OCCURRED -				YEAR(S) MONTH(S) 	
34. Industry of Employer (Towing, Fishing, Shipping, Crew Supply, Drilling, etc.)				35. Was the Injured Person Incapacitated 72 Hours or More?	
36. Date of Death					
37. Activity of Person at Time of Accident 					
38. Specific Location of Accident on Vessel/Facility 					
39. Type of Accident (Fall, Caught between etc.)				40. Resulting Injury (Cut, Bruise, Fracture, Burn, etc.)	
41. Part of Body Injured				42. Equipment Involved in Accident	
43. Specific Object, Part of the Equipment in block 42., or Substance (Chemical, Solvent, etc.) that directly produced the injury. 					

SECTION IV. DESCRIPTION OF CASUALTY

44. Describe how accident occurred, damage, information on alcohol/drug involvement and recommendations for corrective safety measures. (See instructions and attach additional sheets if necessary)

45. Witness to Casualty (Name, Address, Telephone No.)

46. Witness to Casualty (Name, Address, Telephone No.)

SECTION V. PERSON MAKING THIS REPORT

47 Name (PRINT) (Last, First, Middle)		47b Address (City, State, Zip Code)		47c Title	
47a Signature				47d. Telephone No	
				47e. Date	

FOR COAST GUARD USE ONLY

REPORTING OFFICE:

MISLE Incident Investigation Activity Data Entry:

MISLE Incident Investigation Activity Number (if applicable)

☐ NONE
 ☐ PRELIMINARY
 ☐ DATA COLLECTION
 ☐ INFORMAL
 ☐ FORMAL

Serious Marine Incident ☐ Yes ☐ No

INVESTIGATOR (Name)

DATE

APPROVED BY (Name)

DATE

Major Marine Casualty ☐ Yes ☐ No

INSTRUCTIONS

FOR COMPLETION OF FORM CG-2692 REPORT OF MARINE CASUALTY AND FORM CG-2692A, BARGE ADDENDUM

WHEN TO USE THIS FORM

1. This form satisfies the requirements for written reports of accidents found in the Code of Federal Regulations for vessels, Outer Continental Shelf (OCS) facilities, mobile offshore drilling units (MODUs), and diving. The kinds of accidents that must be reported are described in the following instructions.

VESSELS

2. A vessel accident must be reported if it occurs upon the navigable waters of the U.S., its territories or possessions; or whenever an accident involves a U.S. vessel; wherever the accident may occur. (Public vessels and recreational vessels are excepted from these reporting requirements.) The accident must also involve one of the following (ref. 46 CFR 4.05-1):

A. All accidental groundings and any intentional grounding which also meets any of the other reporting criteria or creates a hazard to navigation, the environment, or the safety of the vessel;

B. Loss of main propulsion or primary steering, or an associated component or control system, the loss of which causes a reduction of the maneuvering capabilities of the vessel. Loss means that systems, component parts, subsystems, or control systems do not perform the specified or required function;

C. An occurrence materially and adversely affecting the vessel's seaworthiness or fitness for service or route including but not limited to fire, flooding, failure or damage to fixed fire extinguishing systems, lifesaving equipment or bilge pumping systems;

D. Loss of life;

E. An injury that requires professional medical treatment (beyond first aid) and, if a crewmember on a commercial vessel, that renders the individual unfit to perform routine duties;

F. An occurrence not meeting any of the above criteria but resulting in damage to property in excess of \$25,000. Damage cost includes the cost of labor and material to restore the property to the condition which existed prior to the casualty, but it does not include the cost of salvage, cleaning, gas freeing, drydocking or demurrage.

MOBILE OFFSHORE DRILLING UNITS

3. MODUs are vessels and are required to report an accident that results in any of the events listed by Instruction 2-A through 2-F for vessels. (Ref. 46 CFR 4.05-1, 46 CFR 109.411)

OCS FACILITIES

4. All OCS facilities (except mobile offshore drilling units) engaged in mineral exploration, development or production activities on the Outer Continental Shelf of the U.S. are required by 33 CFR 146.30 to report accidents resulting in:

A. Death;

B. Injury to 5 or more persons in a single incident;

C. Injury causing any person to be incapacitated for more than 72 hours;

D. Damage affecting the usefulness of primary lifesaving or firefighting equipment;

E. Damage to the facility in excess of \$25,000 resulting from a collision by a vessel;

F. Damage to a floating OCS facility in excess of \$25,000.

5. Foreign vessels engaged in mineral exploration, development or production on the U. S. Outer Continental Shelf, other than vessels already required to report by Instructions 2 and 3 above, are required by 33 CFR 146.303 to report casualties that result in any of the following:

A. Death;

B. Injury to 5 or more persons in a single incident;

C. Injury causing any person to be incapacitated for more than 72 hours.

DIVING

6. Diving casualties include injury or death that occurs while using underwater breathing apparatus while diving from a vessel or OCS facility.

A. **COMMERCIAL DIVING.** A dive is considered commercial if it is for commercial purposes from a vessel required to have a Coast Guard certificate of inspection, from an OCS facility or in its related safety zone or in a related activity, at a deepwater port or in its safety zone. Casualties that occur during commercial dives are covered by 46 CFR 197.486 if they result in:

1. Loss of life;

2. Injury causing incapacitation over 72 hours;

3. Injury requiring hospitalization over 24 hours.

In addition to the information requested on this form, also provide the name of the diving supervisor and, if applicable, a detailed report on gas embolism or decompression sickness as required by 46 CFR 197.410(a)(9).

Exempt from the commercial category are dives for:

1. Marine science research by educational institutions;
2. Research in diving equipment and technology;
3. Search and Rescue controlled by a government agency.

B. ALL OTHER DIVING. Diving accidents not covered by Instruction (6-A) but involving vessels subject to Instruction (2), **VESSELS**, must be reported if they result in death or injury causing incapacitation over 72 hours. (Ref. 46 CFR 4.03-1(c)).

HAZARDOUS MATERIALS

7. When an accident involves hazardous materials, public and environmental health and safety require immediate action. As soon as any person in charge of a vessel or facility has knowledge of a release or discharge of oil or a hazardous substance, that person is required to immediately notify the U.S. Department of Homeland Security's National Response Center (telephone toll-free 800-424-8802 - in the Washington, D.C. area call 202-426-2675). Anyone else knowing of a pollution incident is encouraged to use the toll-free telephone number to report it. If etiologic (disease causing) agents are involved, call the U.S. Public Health Service's Center for Disease Control in Atlanta, GA. (telephone 404-633-5313). (Ref. 42 USC 9603; 33 CFR 153; 49 CFR 171.15)

COMPLETION OF THIS FORM

8. In accordance with 46 CFR 4.05-1, the vessel owner, agent, master, operator, or person in charge shall complete this form. This form should be filled out as completely and accurately as possible. Please type or print clearly. Fill in all blanks that apply to the kind of accident that has occurred. If a question is not applicable, the abbreviation "NA" should be entered in that space. If an answer is unknown and cannot be obtained, the abbreviation "UNK" should be entered in that space. If "NONE" is the correct response, then enter it in that space.

9. Once completed, deliver, e-mail or fax this form within five days of the casualty to the Coast Guard Sector, Marine Safety Unit, or Activity nearest the location of the casualty or, if at sea, nearest the arrival port.

10. When a casualty meets the requirements of a serious marine incident as defined in 46 CFR 4.03, the owner, agent, master, operator, or person in charge, is required to submit a CG-2692B in accordance with 46 CFR 4.06-60.

11. Amplifying information for completing the form:

A. Block 16 - "LOCATION" - Latitude and longitude to the nearest tenth of a minute should always be entered except in those rivers and waterways where a mile marker system is commonly used. In these cases, the mile number to the nearest tenth of a mile should be entered. If the latitude and longitude, or mile number, are unknown, reference to a known landmark or object (buoy, light, etc.) with distance and bearing to the object is permissible. Always identify the body of water or waterway referred to.

B. Tug or towboat with tow - Tugs or towboats with tows under their control should complete all applicable portions of the CG-2692. SECTION II should be completed if a barge causes or sustains damage or meets any other reporting criteria. If additional barges require reporting, the "Barge Addendum," CG-2692A, may be used to provide the information for the additional barges.

C. Moored/Anchored Barge - If a barge suffers a casualty while moored or anchored, or breaks away from its moorage, and causes or sustains reportable damages or meets any other reporting criteria, enter the location of its moorage in Block (1) of the CG-2692 and complete the form except for Blocks (2) through (13). The details will be entered in SECTION II for one barge and on the "Barge Addendum," CG-2692A, for additional barges.

D. SECTION III - Personnel Accident Information - SECTION III must be completed for a death or injury. In addition, applicable portions of SECTIONS I, II and IV must be completed. If more than one death or injury occurs in a single incident, complete one CG-2692 for one of the persons injured or killed, and attach additional CG-2692's, filling out Blocks (1) and (2) and SECTION III for each additional person.

E. BLOCK 44 - Describe the sequence of events which led up to this casualty. Include your opinion of the primary cause and any contributing causes of the casualty. Briefly describe damage to your vessel, its cargo, and other vessels/property. Include any recommendations you may have for preventing similar casualties. **ALCOHOL AND DRUG INFORMATION.** Provide the following information with regard to each person determined to be directly involved in the casualty: name, position aboard the vessel, whether or not the person was under the influence of alcohol or drugs at the time of the casualty, and the method used to make this determination. If toxicological testing is conducted the results should be included; if results are not available in a timely manner, provide the results of the toxicological test as soon as practical and indicate that this is the case in Block 44 of the casualty form.

NOTICE: The information collected on this form is routinely available for public inspection. It is needed by the Coast Guard to carry out its responsibility to investigate marine casualties, to identify hazardous conditions or situations and to conduct statistical analysis. The information is used to determine whether new or revised safety initiatives are necessary for the protection of life or property in the marine environment.

Reportable marine casualty information is needed for Coast Guard investigations of vessel casualties involving death, vessel damage, property loss and data, as mandated by Congress (see 46 USC 6301).

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number.

The Coast Guard estimates that the average burden for this report is 1 hour. You may submit any comments concerning the accuracy of this burden estimate or any suggestions for reducing the burden to: Commandant (G-MOA), U.S. Coast Guard, Washington, DC 20593-0001 or Office of Management and Budget, Paperwork Reduction Project (1625-0001), Washington, DC 20503.

Privacy Act Notice (CG-2692, CG-2692A, CG2692B)

Authority: 46 U.S.C. §6301 and Title 46, Code of Federal Regulations (CFR), Part 4 authorizes the collection of this information. Specifically, 46 CFR 4.05-10 mandates that vessel owners, agents, masters, operators, or persons in charge file a written report of any marine casualty required to be reported under § 4.05-1. The written report must be provided on Form CG-2692 (Report of Marine Accident, Injury or Death) supplemented as necessary by appended Forms CG-2692A (Barge Addendum) and CG-2692B (Report of Required Chemical Drug and Alcohol Testing Following a Serious Marine Incident).

Purpose: The Coast Guard uses this information in gathering facts to determine causes surrounding reportable marine casualties. This information assists in promoting the safety of life, property, and the protection of the marine environment through preventing the reoccurrence of accidents.

Routine Uses: Reportable marine casualty information is needed for Coast Guard investigations of vessel casualties involving death, vessel damage, property loss and data reports as mandated by Congress (See 46 U.S.C. 6301). Information gathered is also used to determine whether new or revised safety initiatives are necessary. Additionally, chemical testing information is needed to improve Coast Guard detection and reduction of drug use by mariners. The information contained on forms CG-2692, CG-2692A, and CG-2692B may be disclosed under the Freedom of Information Act (FOIA) via a written FOIA request.

Disclosure: Furnishing this information is mandatory per 46 CFR Part 4.05-10; failure to furnish the requested information for occurrences that are reportable marine casualties may result in civil penalty sanctions as outlined in 33 CFR Part 1. Coast Guard credentialed mariners may be subject to administrative adjudication per 46 CFR Part 5 for reporting failures. Some of the casualty information collected on this form may be made available for public inspection; however, information collected is protected from use in civil litigation per 46 U.S.C. §6308. Personal privacy information will not be disclosed routinely. Social Security numbers are not mandated on this form.

CITY OF SAN DIEGO

LESSEE'S AND SUBLESSEE'S QUESTIONNAIRE FOR ALL LEASES, ASSIGNMENTS AND SUBLEASES

Pursuant to the City of San Diego City Charter Section 225: "Mandatory Disclosure of Business Interests," before the City will process requests to (Sub)Lease, all information requested in this Questionnaire must be completed by the proposed (Sub)Lessee. Even though a proposed Sublessee may complete the Questionnaire, the Questionnaire must be delivered or mailed to the City with a cover letter signed by the City Lessee or proposed Lessee. **THE CITY WILL NOT ACCEPT THE QUESTIONNAIRE, DOCUMENTS, OR OTHER INFORMATION DIRECTLY FROM A SUBLESSEE.**

All information furnished in this Questionnaire must be complete and accurate. Omissions, inaccuracies, or misstatements may cause the rejection and/or subsequent revocation of the City's Lease, consent to Sublease, or consent to Assignment of (Sub)Lease.

In submitting this Questionnaire, the proposed (Sub)Lessee completing the Questionnaire authorizes the City to make any inquiry or investigation it believes necessary to substantiate or supplement the information furnished in the Questionnaire, and authorizes others to release such information to the City.

Exact name of existing Lessee (always complete):
Mission Bay Sports Center

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

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

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

Date this Questionnaire completed: August 6, 2014.

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

Signature: _____
Title: Owner/Operator

Thank you for taking the time to complete the Questionnaire. Lessees may contact Real Estate Assets if they have any questions. Please return the completed Questionnaire, with any additional information or documents to:

REAL ESTATE ASSETS DEPARTMENT
1200 THIRD AVENUE STE. 1700
SAN DIEGO, CA 92101
TEL.: (619) 236-6020 FAX: (619) 236-6706

This Questionnaire contains 15 pages.

PROPOSED (SUB)LESSEE

1. Name of proposed (Sub) Lessee exactly as it will appear on the actual tenancy document:

Marissa Charters

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

9640-B Mission Gorge Road # 247

Santee, CA 92071

Telephone No.: 619-757-4760

Fax. No.: 619-328-6562

E-mail Address: Info@MarissaDiveTickets.com

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

Telephone No.: _____

Fax. No.: _____

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

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

Limited Liability Company (); Other _____

Explain if necessary:

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

PARTNERSHIP STATEMENT

If proposed (Sub)Lessee is a partnership, please answer the following:

1. Date of Organization: _____
2. General Partnership ()
Limited Partnership ()
Other () Explain _____

3. Statement of Partnership recorded: Yes () No ()

Date Book Page County
4. Has the partnership conducted business in San Diego County?
Yes () No () If so, when? _____
If so, where? _____
5. Name, address, and partnership share of each general and limited partner. If a general partner is another partnership, a corporation, or a limited liability company (LLC), please complete separate pages 3; or 4 and 5; or 6, as appropriate for such entity (type proposed [Sub]Lessee name [from page 2] on the top of each page for identification purposes). If a limited partner holding a 10% or greater interest is another partnership, a corporation, or an LLC, pages 3; or 4 and 5; or 6 must also be completed for such entity (type proposed [Sub]Lessee name [from page 2] on the top of each page).

General/Limited	Name	Address	Share %

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

CORPORATION STATEMENT

If proposed (Sub)Lessee is a corporation, please answer the following:

1. Type of corporation: C () Subchapter S ()
2. When incorporated? _____
3. Where incorporated? _____
4. Is the corporation authorized to do business in California? Yes () No ()
If so, as of what date? _____
5. The corporation is held:
 - a. Publicly () Privately ()
 - b. If publicly held, how and where is the stock traded?

- | | | | |
|-------------------------------------|-------------------|---------------|--------------------|
| 6. Please list the following: | <u>Authorized</u> | <u>Issued</u> | <u>Outstanding</u> |
| a. Number of voting shares: | _____ | _____ | _____ |
| b. Number of nonvoting shares: | _____ | _____ | _____ |
| c. Number of shareholders: | | | _____ |
| d. Value per share of Common Stock: | | Par | \$ _____ |
| | | Book | \$ _____ |
| | | Market | \$ _____ |

7. Please furnish the name, title, address, and the number of voting and nonvoting shares of stock owned by each officer and, in addition, the same information for each stockholder owning more than 10% of any class of stock.

Name: _____

Title: _____

Address: _____

No. of Shares: _____

Name: _____

Title: _____

Address: _____

No. of Shares: _____

Name: _____

Title: _____

Address: _____

No. of Shares: _____

Name: _____

Title: _____

Address: _____

No. of Shares: _____

Name: _____

Title: _____

Address: _____

No. of Shares: _____

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

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

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

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

LIMITED LIABILITY COMPANY STATEMENT

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

1. Date of Organization: _____
2. Where Organized: _____
3. Is the Company authorized to do business in California?
 - a. Yes () No ()
 - b. If so, as of what date? _____
4. Has the Company conducted business in San Diego County?
 - a. Yes () No ()
 - b. If so, when? _____
 - c. If so, where? _____
5. Please furnish the name, address, and membership share held by each manager and officer, and each member owning more than a 10% membership interest. If a member is a partnership, corporation, or another LLC, please complete separate pages 3; or 4 and 5; or 6, as appropriate for such entity (type proposed [Sub]Lessee name [from page 2] on the top of each page).

Manager/Officer/ Member	Name	Address	Share %

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

FINANCIAL AND OTHER BACKGROUND INFORMATION

FINANCIAL STATEMENT

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

OTHER INFORMATION

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

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

REFERENCES FOR PROPOSED (SUB)LESSEE

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

REFERENCE NO. 1

Name: Robert Jacoway

Firm: _____

Title: Owner of Deep Outdoors and Ocean Research Group

Address: 15553 Rainbird st, Ramona CA

Telephone: 760-443-6316

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

Regular purchases ranging from \$200 - \$4000. Also has knowledge of my business
experience.

REFERENCE NO. 2

Name: Kathleen Meyer

Firm: _____

Title: Lease/Mortgage holder on the Marissa vessel

Address: 20329 Hinton Road, Apple Valley, CA 92308

Telephone: 760-403-6395

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

\$150,000 loan for vessel. Holds lease on vessel until loan is paid off.

REFERENCE NO. 3

Name: Ken Shortridge

Firm: Ashes on the Sea

Title: Business Associate

Address: PO Box 710693

Telephone: 619-520-9550

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

Business associate, has knowledge of business practices both in the industry and

specific to Marissa Charters.

REFERENCE NO. 4

Name: Mary Joyce Keaton

Firm:

Title: Chase Bank Business Manager

Address: 8850 Navajo Road, San Diego, CA

Telephone: 619-465-3886

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

Financial institution where business Checking and Savings are held.

CITY OF SAN DIEGO PERSONAL DESCRIPTION AND RELEASE

PLEASE NOTE: All partners, both general and limited; all stockholders owning more than 10% of any class of stock of corporations; all members of a limited liability company; and sole proprietors requesting to (sub)lease, must each complete this page before the tenancy request can be processed. (You may reproduce and use copies of this page, if necessary.)

The following personal information is required to initiate a credit investigation. The business and personal reputation of principals, partners, and members will be considered in qualifying Lessees or in consenting to Sublessees.

First, Middle, & Last Name	<u>Lora Meyer</u>
Date of Birth	<u>03/22/1982</u>
Place of Birth	<u>Victorville</u>
Social Security Number	<u>606-07-6458</u>
Driver's License Number/State	<u>B8244662</u>
Home Address	<u>2660 Mission Blvd. #2</u> <u>SAN DIEGO, CA 92109</u>
Previous Address	<u>2907 Shelter Island Drive #241</u> <u>San Diego, CA 92106</u>
Home Telephone No.	<u>619-757-4760</u>
Employer	<u>Self - Marissa Charters</u>
Occupation	<u>Owner/Operator/Captain of Marissa Charters</u>
Business Address	<u>9640-B Mission Gorge Road # 247, Santee, CA 92071</u>
Business Telephone No.	<u>619-757-3280</u>
Business Fax No.	<u>619-38-6562</u>

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

Date 08/06/2014 Signed 

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

Marissa Charters

METHOD OF OPERATION

Please describe your proposed business operation on the property to be (Sub)Leased. Discuss any optional services and uses which you propose to provide.

Marissa Charters is a Scuba Diving / Fishing vessel that has successfully operated in San Diego waters since 2009. The motor vessel "Marissa" is a 38' Custom Canaveral. The vessel is passenger rated and certified by the US Coast Guard. The vessel has successfully passed inspection each year and is current on all inspections.

Marissa Charters proposes to berth at Mission Bay Sports Center's dock. Marissa Charters proposes to load / unload passengers on this dock, for the purpose of scuba diving/fishing/snorkeling in Mission Bay, and off of our local San Diego coast.

**PROPOSED METHOD OF FINANCING
DEVELOPMENT OR LEASEHOLD PURCHASE**

Describe the method of financing for the Leasehold purchase or any new or additional development on the Leasehold. Include a schedule of approximate dates when construction of each significant improvement is expected to be commenced and completed.

Not Applicable

ESTIMATE OF GROSS RECEIPTS

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

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

Year of Operation	Scuba/Fishing /Snorkeling/ Excursion	Uses (Identify Each Use)			
1	\$ 80,000	\$	\$	\$	\$
2	127,000				
3	180,000				
4					
5					

EXPERIENCE STATEMENT

Please describe in detail the duration and extent of your business experience, with special emphasis upon experience with the type of business which you propose to conduct on City property. Also state in detail the pertinent experience of the persons who will be directly involved in development and management of the business.

I, Lora Mayhugh, have owned and operated small business' for 12 years. I have experience with ethical business practices, accounting and book keeping, customer service, marketing and much more.

I have owned and operated Marissa Charters since late 2009. I have successfully started and ran this business since our opening. I contract only the best and most experienced Captains, Dive masters and other crew members in order to keep our operation safe and productive.

I have succeeded in growing my annual gross income by ~ 55% since I first began to run the business. I expect that each year will progressively get better.

I hold a Bachelors degree, and a USCG Captains license. My experience managing people and businesses are extensive for small companies. I have managed crews between 2 and 20. I have worked in this industry for the last 10 years and fully understand the inner-workings of the customer base, as well as business and financial management.

**TERMS AND CONDITIONS OF PURCHASE, SALE,
OR TRANSFER OF (SUB)LEASEHOLD INTEREST**

(NOTE: Complete this page only if the transaction involves a Lease assignment.)

Please summarize the terms and conditions of the purchase, sale, or transfer of Leasehold interest(s) which requires City consent, as specified in the Assignment-Sublease provisions of the City Lease. Please attach copies of the applicable sales agreement(s), escrow instructions, assignment agreement(s), or other documents in conjunction with the sale, purchase, or transfer of the (Sub)Leasehold interest(s).



Marissa Charters

9640-B Mission Gorge Road, PMB 247

Santee, CA 92071

619-757-46760

MarissaCharters.com

The proposed use outside the leasehold is as follows:

Wreck Alley:

- HCMS Yukon - A Canadian destroyer escort located ~1.5 miles off the shore of Mission Beach.
- Ruby E - A Coast Guard Cutter located ~1 mile off the shore of Mission Beach.
- El Rey - A Kelp Cutter located ~1 mile off the shore of Mission Beach.
- NOSC - A sunken weather station located ~1 mile off of Mission Beach.

Kelp Forests:

- Dive sties off the coast of Point Loma from Sunsets Cliffs to the Point Loma Lighthouse, typically from 1-3 miles off shore.
- Dive sties off the coast of Pacific Beach, La Jolla, Scripps, and Torrey Pines from 1-3 miles off shore.

We regularly visit the above listed sites, on rare occasions will will travel more than 3 miles from shore. I have attached a map of the general areas we visit. Please keep in mind that the map is not to scale and dive sites markers were estimated:

Marissa Charters is a platform for Scuba diving, we take divers out to specific sites and assist them getting in and out of the water. Our customers spear fish in some of the kelp sites.

Marissa Charters

HANDBOOK 2012

Revised 01/01/12

Welcome

Welcome! As an employee or crew member of MARISSA CHARTERS, you are an important member of a team effort. We hope that you will find your position with MARISSA CHARTERS rewarding, challenging, and productive.

Because our success depends upon the dedication of our employees, independent contractors, and crew members we are highly selective in choosing new members of our team. We look to you and the other team members to contribute to the success of MARISSA CHARTERS.

This handbook is intended to explain the terms and conditions of employment or contracting of all full- and part-time employees and independent contractors. Written employment and independent contractor agreements between MARISSA CHARTERS and some individuals may supersede some of the provisions of this handbook.

This handbook summarizes the policies and practices in effect at the time of publication. This handbook supersedes all previously issued handbooks and any policy or benefit statements or memoranda that are inconsistent with the policies described here. We will be happy to answer any questions you may have.

Right to Revise

This employee / independent contractor handbook contains the employment / independent contractor policies and practices of MARISSA CHARTERS in effect at the time of publication. All previously issued handbooks and any inconsistent policy statements or memoranda are superseded.

MARISSA CHARTERS reserves the rights to revise, modify, delete, or add to any and all policies, procedures, work rules, or benefits stated in this handbook or in any other document, except for the policy of at-will employment. However, any such changes must be in writing and must be signed by the owner of MARISSA CHARTERS.

Any written changes to this handbook will be distributed to all employees / independent contractors so that employees / independent contractors will be aware of the new policies or procedures. No oral statements or representations can in any way alter the provisions of this handbook.

Policy changes made mid-season will be posted in the form of a "Policy Memo" and posted on the staff board online. All employees are responsible for information posted on the staff board and will be expected to read memos and initial in the reply box indicating that they have read and understand the information in the memo.

This handbook sets forth the entire agreement between you and MARISSA CHARTERS as to the duration of employment / independent contractor work and the circumstances under which employment / independent contractors may be terminated. Nothing in this employee / independent contractor handbook or in any other personnel document, including benefit plan descriptions, creates or is intended to create a promise or representation of continued employment for any employee or independent contractor.

General Policies

General Guidelines

In the dictionary, the word "leader" means one who guides by showing the way.

Be a role model... in appearance, language, behavior

Be on time for work and activities

Be observant and aware of events, moods, and problems developing among passengers

Be safety oriented

Be organized

Learn and support the policies of Marissa Charters

Maintain a high code of ethics

Communicate honestly, openly, and frequently with the owners and captains

Display initiative

Don't be afraid to have fun. The boat is a place you can safely make a fool of yourself.

Be goofy!

Share your talents, don't be shy

Establish personal goals and strive to achieve them

Maintain a professional relationship with other team members

Never criticize other team members, but make supportive suggestions.

DIVE OFTEN!

BE A TEAM PLAYER AND HAVE FUN!

Personnel Policies and Practices for MARISSA CHARTERS Crew

Marissa Charters believes that it is essential that all crew members work together in a spirit of friendliness, cooperation, and professionalism in order to render the greatest service to Marissa Charters and all divers or passengers.

Because of the tremendous responsibilities involved in the operation of the dive boat, policies have been set by Marissa Charters to help ensure a good experience for divers and crew members.

CREW CODE OF CONDUCT

The following Crew Code of Conduct has been developed to clearly communicate to crew practices and behavior that are appropriate and practices and behavior that are not appropriate. The Crew Code of Conduct was developed with the best interests and safety of the MARISSA CHARTERS participants and for the protection of MARISSA CHARTERS crew.

1. Crew shall never leave divers unsupervised.
2. Crew shall not abuse divers including:
 - Physical injury
 - Verbal abuse-humiliate, degrade, threaten
 - Sexual abuse-inappropriate touch or verbal language
 - Unjustifiable punishment-shaming, cruelty
 - Neglect
3. Any type of abuse will not be tolerated and may be cause for immediate dismissal.
4. Crew shall use positive techniques of guidance, including redirection, positive reinforcement and encouragement rather than competition, comparison and criticism.
5. Crew shall have certification-appropriate expectations and set up guidelines and environments that minimize the need for intervention.
6. Crew shall be aware of the general health appearance of each diver, each trip, noting any health concerns related to diving. Questions or comments shall be addressed to the Owner or Captain. Any concerns should be passed on to the Owner or Captain. Any questionable signs of DCI shall be documented.
7. Crew shall respond to divers, instructors, passengers and family members of divers, with respect and consideration and shall treat all divers, instructors, passengers and family members of divers, and fellow Crew equally regardless of sex, sexual orientation, race, religion, culture, or dive certification level.
8. Crew shall respect divers rights to not be assisted in ways that make them feel uncomfortable, and their right to say no. Exceptions are in safety situations such as a dive injury, etc.
9. Crew shall refrain from intimate displays of affection towards others in the presence of Divers and Crew.
10. Crew shall appear clean, neat, appropriately attired, and in Marissa apparel.
11. Using, possessing or being under the influence of alcohol or tobacco during work hours is strictly prohibited. Using, possessing or being under the influence of illegal drugs is strictly prohibited at anytime during your employment or contracted period. Talk of using any illegal substance is also prohibited in the company of any divers or passengers.
12. Profanity, inappropriate jokes, sharing intimate details of one's personal life, and any kind of harassment in the presence of divers or passengers is prohibited.
13. Crew shall portray a positive role model behavior to divers and passengers by maintaining an attitude of respect, loyalty toward Marissa, patience, courtesy, tact, and maturity.

14. Under no circumstances shall crew allow an uncertified diver to dive. Crew **MUST** check certification cards before allowing the dive trip to begin.
15. Crew is required to report violations of code of conduct to the Owner or Captain.

Any violation of this Code of Conduct may result in termination.

Personnel Policies and Practices for Marissa Charters Crew

Crewmembers are expected to be polite, courteous, prompt, and attentive to every customer. When a crewmember encounters an uncomfortable situation that he or she does not feel capable of handling, the Captain should be called immediately.

Ours is a service business and all of us must remember that the customer always comes first. Our customers ultimately pay all of our wages. Remember, while the customer is not always right, the customer is never wrong.

Customers are to be treated courteously and given proper attention at all times. Never regard a customer's question or concern as an interruption or an annoyance. You must respond to inquiries from customers, whether in person or by telephone, promptly and professionally.

Direct incoming calls to the appropriate person and make sure the call is received and or responded to appropriately.

Through your conduct, show your desire to assist the customer in obtaining the help he or she needs. If you are unable to help a customer, find someone who can.

All correspondence and documents, whether to customers or others, must be neatly prepared and error-free; a copy of all correspondence must be cc'd to the Owner.

Attention to accuracy and detail in all paperwork demonstrates your commitment to those with whom we do business.

Never argue with a customer. If a problem develops or if a customer remains dissatisfied, ask your Captain or the Owner to intervene.

Dress Code and Other Personal Standards

Because each crewmember is a representative of Marissa Charters in the eyes of the public, crewmembers must report to work properly groomed and wearing appropriate clothing. crewmembers are expected to dress neatly and in a manner consistent with the nature of the work performed. crewmembers who report to work inappropriately dressed may be asked to return in acceptable attire.

All clothing should be clean and without unsightly rips or holes.

All crewmembers are required to wear shirts, sweatshirts or jackets provided by Marissa Charters must take care of their uniforms and report any wear or damage to their Captain. Captains will inform you of additional requirements regarding acceptable attire. Certain

crewmembers may be required to wear safety equipment or clothing. Any deviations from these guidelines, must be approved by the Captain. One Marissa t-shirt will be provided to each crewmember; each t-shirt, sweatshirt or jacket, will be provided to crew at **cost**.

Appearance: All crewmembers should present themselves in a neat and clean manner. A Marissa crew shirt or sweatshirt must be worn to distinguish crew from the general public, thus making it easier for divers to locate crew. Personal clothing must be appropriate to the activity, clean, and should not promote alcohol, tobacco, drugs or other behaviors that are contradictory to the aims of Marissa Charters.

Working Attire: All Crewmembers must be ready to get wet from head to toe. Attire must reflect this readiness. A wetsuit is preferred for Dive Masters crewing aboard, however appropriate board shorts or swimsuits are acceptable as long as the Dive Master can be 100% sure he or she will not hesitate to jump in to the water for a surface rescue. Dive Masters must have fins and a mask ready and in an easily accessible place in case of an in-water emergency.

Shoes: All Crewmembers **MUST** wear appropriate closed toed shoes, booties, or deck boots. **NO BARE FEET ALLOWED.**

Suggested equipment: Pocket Knife, Binoculars, Wet-Notes, dive gear, and wetsuit.

Alcohol, Tobacco, and Drugs: The M/V Marissa and Marissa Charters is a ZERO TOLERANCE DRUG FREE VESSEL. The use or possession of alcohol, tobacco, or illegal drugs is strictly forbidden on board. All crewmembers are expected to observe the law pertaining illegal drugs. ANY use of illegal drugs is unacceptable and will result in immediate termination. Immediate termination will occur for any person drinking or under the influence of alcohol or other substances while onboard the Marissa. Smoking is prohibited onboard. Discussing any activities involving illegal substances near customers is inappropriate and not allowed.

Prohibited Items: In addition to alcohol, tobacco, and drugs, items such as fireworks and firearms are not allowed onboard.

Personal Equipment: Crew bringing personal equipment onboard do so "AT YOUR OWN RISK". As independent contractors, Marissa Charters will not be responsible in any way for your personal gear, required or not.

Cell Phone Use: Personal Cell phone use should be limited while you are working. Conversation should be short and any thing said in earshot of customers must be appropriate. Music devices are **not** permitted.

Marissa Charters Equipment: Crew is welcome to use Marissa Charters gear and equipment when not needed for program activities. Crewmembers are responsible for any gear used or borrowed, and must agree to replace or fix lost or broken gear. Crewmembers may borrow SCUBA gear with prior written consent from the Owner and a signed liability release must be on file with Marissa Charters. SCUBA tanks must be returned and refilled at the time of return. All gear should be signed out and in and returned in clean and good condition.

Prohibited Conduct

The following conduct is prohibited and will not be tolerated by MARISSA CHARTERS.

This list of prohibited conduct is illustrative only; other types of conduct that threaten security, personal safety, crew or customer welfare and MARISSA CHARTERS operations also may be prohibited.

Falsifying employment records, employment information, background information, or other MARISSA CHARTERS records;

Recording the work time of another crew member or allowing any other crew member to record your work time, or falsifying any time card, either your own or another crew member's;

Theft and deliberate or careless damage or destruction of any MARISSA CHARTERS property, or the property of any crewmember or customer;

Removing or borrowing MARISSA CHARTERS property without prior authorization;

Unauthorized use of MARISSA CHARTERS equipment, time, materials, or facilities;

Provoking a fight or fighting during working hours or onboard the MARISSA or on the dock;

Participating in horseplay or practical jokes on MARISSA CHARTERS time or on board the MARISSA;

Carrying firearms or any other dangerous weapons on MARISSA CHARTERS premises at any time;

Engaging in criminal conduct whether or not related to job performance;

Causing, creating, or participating in a disruption of any kind during working hours on MARISSA CHARTERS property;

Insubordination, including but not limited to failure or refusal to obey the orders or instructions of a Captain or member of management, or the use of abusive or threatening language toward a Captain or member of management;

Using abusive language at any time on MARISSA CHARTERS premises;

Failing to notify a supervisor when unable to report to work;

Unreported absence of scheduled workdays;

Failing to obtain permission to leave work for any reason during normal working hours;

Failing to observe working schedules;

Sleeping or malingering on the job;

Making or accepting personal telephone calls of more than three minutes in duration during working hours, except in cases of emergency;

Wearing disturbing, unprofessional or inappropriate styles of dress or hair while working;

Violating any safety, health, security or MARISSA CHARTERS policy, rule, or procedure;

Committing a fraudulent act or a breach of trust under any circumstances; and

Commitment of or involvement in any act of unlawful harassment of another individual.

****While wearing Marissa Charters Gear, ie Crew sweatshirts, t-shirts, hats, you are representing MARISSA CHARTERS, your conduct should reflect that as if you were at work.**

This statement of prohibited conduct does not alter MARISSA Charters' policy of at-will employment. Either you or MARISSA CHARTERS remain free to terminate the employment relationship at any time, with or without reason or advance notice.

Smoking

Smoking is not allowed in any area of the Boat, and in sight of any customers during working hours.

Off-duty Conduct

While MARISSA CHARTERS does not seek to interfere with the off-duty and personal conduct of its employees, certain types of off-duty conduct may interfere with MARISSA CHARTERS' legitimate business interests. For this reason, employees are expected to conduct their personal affairs in a manner that does not adversely affect MARISSA CHARTERS' or their own integrity, reputation or credibility. Illegal or immoral off-duty conduct by an employee that adversely affects MARISSA CHARTERS' legitimate business interests or the employee's ability to perform his or her job will not be tolerated.

While employed by MARISSA CHARTERS, employees are expected to devote their energies to their jobs with MARISSA CHARTERS. The following types of employment elsewhere are strictly prohibited:

- Additional employment that conflicts with a Full time employee's work schedule, duties, and responsibilities at MARISSA CHARTERS;
- Additional employment that creates a conflict of interest or is incompatible with the employee's position with MARISSA CHARTERS;
- Additional employment that impairs or has a detrimental effect on the employee's work performance with MARISSA CHARTERS;
- Additional employment that requires the employee to conduct work or related activities on Marissa Charters property during the employer's working hours or using MARISSA CHARTERS' facilities and/or equipment; and
- Additional employment that directly or indirectly competes with the business or the interests of MARISSA CHARTERS.

Full- Time employees who wish to engage in additional employment that may create a real or apparent conflict of interest must submit a written request to MARISSA CHARTERS explaining the details of the additional employment. If the additional employment is authorized, MARISSA CHARTERS assumes no responsibility for it. MARISSA CHARTERS shall not provide workers' compensation coverage or any other benefit for injuries occurring from or arising out of additional employment. Authorization to engage in additional employment can be revoked at any time.

Health and Safety

All employees are responsible for their own safety, as well as that of others in the workplace. To help us maintain a safe workplace, everyone must be safety-conscious at all times. Report all work-related injuries or illnesses immediately to your supervisor as well as safety or health risks at work.

Unlawful Harassment

MARISSA CHARTERS is committed to providing a work environment free of unlawful harassment.

MARISSA CHARTERS policy prohibits sexual harassment and harassment based on pregnancy, childbirth or related medical conditions, race, religious creed, color, national origin or ancestry, physical or mental disability, medical condition, marital status, age, sexual orientation, or any other basis protected by federal, state, or local law or ordinance or regulation. *All such harassment is unlawful.*

MARISSA CHARTERS' anti-harassment policy applies to all persons involved in the operation of MARISSA CHARTERS and prohibits unlawful harassment by any employee of MARISSA CHARTERS, including supervisors and coworkers. It also prohibits unlawful harassment based on the perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics.

Prohibited unlawful harassment includes, but is not limited to, the following behavior:

- Verbal conduct such as epithets, derogatory jokes or comments, slurs or unwanted sexual advances, invitations, or comments;
- Visual displays such as derogatory and/or sexually-oriented posters, photography, cartoons, drawings, or gestures;
- Physical conduct including assault, unwanted touching, intentionally blocking normal movement or interfering with work because of sex, race, or any other protected basis;
- Threats and demands to submit to sexual requests as a condition of continued employment, or to avoid some other loss, and offers of employment benefits in return for sexual favors; and
- Retaliation for reporting or threatening to report harassment.

If you believe that you have been unlawfully harassed, submit a written complaint to the owner or Captain of the vessel of MARISSA CHARTERS as soon as possible after the incident. Your complaint should include details of the incident or incidents, names of the individuals involved, and names of any witnesses. Captains will refer all harassment complaints to the owner of MARISSA CHARTERS. MARISSA CHARTERS will immediately undertake an effective, thorough, and objective investigation of the harassment allegations.

If MARISSA CHARTERS determines that unlawful harassment has occurred, effective remedial action will be taken in accordance with the circumstances involved. Any employee determined by MARISSA CHARTERS to be responsible for unlawful harassment will be subject to appropriate disciplinary action, up to, and including termination. A company

representative will advise all parties concerned of the results of the investigation.

MARISSA CHARTERS will not retaliate against you for filing a complaint and will not tolerate or permit retaliation by management, employees or co-workers.

MARISSA CHARTERS encourages all employees to report any incidents of harassment forbidden by this policy *immediately* so that complaints can be quickly and fairly resolved. You also should be aware that the Federal Equal Employment Opportunity Commission and the California Department of Fair Employment and Housing investigate and prosecute complaints of prohibited harassment in employment. If you think you have been harassed or that you have been retaliated against for resisting or complaining, you may file a complaint with the appropriate agency.

The nearest office is:

Department of Fair Employment and Housing

San Diego District Office,
1350 Front Street, Suite 3005,
San Diego, CA 92101

Contact Info:

Telephone: (619) 645-2681

Toll-free: (800) 884-1684

FAX: (619) 645-2683

TTY: (800) 700-2320

Sexual Harassment Policy

MARISSA CHARTERS is committed to providing a work environment free of discrimination. In keeping with this commitment, it maintains a strict policy of prohibiting unlawful harassment, including sexual harassment.

This policy prohibits sexual harassment in any form, including verbal, physical, and visual harassment. Any employee who believes a co-worker has harassed them or the captain shall promptly report the facts of the incident and the names of the individuals involved, to his/her Captain or the Owner.

The person who receives the complaint must report, in writing, details of the incident to the Captain or the Owner. The Captain or the Owner shall immediately investigate all such claims and take the appropriate corrective action.

Anyone found guilty of sexual harassment shall be disciplined accordingly, which may include immediate termination for cause.

What is Sexual Harassment?

Sexual harassment may include:

- making comments about a person's clothing, body, or personal life;
- addressing an individual with a nickname or term of endearment not of the individual's choosing;
- telling sexual jokes or making sexual innuendos;
- subtle pressure for sexual activities accompanied by implied or overt threats concerning one's job;
- touching, hugging, patting, pinching, or kissing;
- repeated, unwanted overtures of a sexual nature;
- leering at a person's body;
- displaying sexually explicit or offensive pictures or materials

When Such Conduct is Unwelcome?

- The employee must submit to such conduct in order to keep his/her job
- Submission to or rejection of such conduct is used as a basis for employment or promotion decisions.
- Such conduct has the purpose or effect of substantially interfering with an employee's work performance or creates a hostile atmosphere.

Drug and Alcohol Policy

MARISSA CHARTERS is a ZERO tolerance vessel and workplace. MARISSA CHARTERS is concerned about the use of alcohol, illegal drugs, or controlled substances as it affects the workplace. Use of these substances, whether on or off the job can detract from an employee's work performance, efficiency, safety, and health, and therefore seriously impair the employee's value to MARISSA CHARTERS. In addition, the use or possession of these substances on the job constitutes a potential danger to the welfare and safety of other employees and exposes MARISSA CHARTERS to the risks of property loss or damage, or injury to other persons.

Furthermore, the use of prescription drugs and/or over-the-counter drugs also may affect an employee's job performance and may seriously impair the employee's value to MARISSA CHARTERS.

The following rules and standards of conduct apply to all employees either on Company property or during the workday (including meals and rest periods). Behavior that violates company policy includes:

- Possession or use of an illegal or controlled substance, or being under the influence of an illegal or controlled substance at ANY time;
- Crewing or Captaining the M/V MARISSA while under the influence of alcohol; and
- Distribution, sale, or purchase of an illegal or controlled substance anywhere at anytime.

Violation of these rules and standards of conduct will not be tolerated. MARISSA CHARTERS is required to bring these matters to the attention of the USCG and other appropriate law enforcement authorities.

In order to enforce this policy, MARISSA CHARTERS reserves the right to conduct searches of MARISSA CHARTERS property or crewmembers and/or their personal property, and to implement other measures necessary to deter and detect abuse of this policy.

An employee's conviction on a charge of illegal sale or possession of any controlled substance while off company property will not be tolerated because such conduct, even though off duty, reflects adversely on MARISSA CHARTERS. In addition, MARISSA CHARTERS must keep people who sell or possess controlled substances off MARISSA Charters' premises in order to keep the controlled substances themselves off the premises.

Any Crew Member who is using prescription or over-the-counter drugs that may impair the employee's ability to safely perform the job, or affect the safety or well being of others, must notify a supervisor of such use immediately before starting or resuming work.

MARISSA CHARTERS will encourage and reasonably accommodate employees with alcohol or drug dependencies to seek treatment and/or rehabilitation. Employees desiring such assistance should request a treatment or rehabilitation leave. MARISSA CHARTERS is not obligated, however, to continue to employ any person whose performance of essential job duties is impaired because of drug or alcohol use, nor is

MARISSA CHARTERS obligated to re-employ any person who has participated in treatment and/or rehabilitation if that person's job performance remains impaired as a result of

dependency. Additionally, crewmembers that are given the opportunity to seek treatment and/or rehabilitation, but fail to successfully overcome their dependency or problem, will not automatically be given a second opportunity to seek treatment and/or rehabilitation. This policy on treatment and rehabilitation is not intended to affect MARISSA Charters' treatment of employees who violate the regulations described previously. Rather, rehabilitation is an option for an employee who acknowledges a chemical dependency and voluntarily seeks treatment to end that dependency.

Drug and Alcohol Policy: Random Drug Testing

It is the policy of **Marissa Charters and M/V Marissa** to maintain a safe, healthy and professional drug free work environment. A workplace free of dangerous drug and alcohol use is essential to this business, the safety of our passengers and our employees, and to reduce marine related accidents.

Pursuant to this business goal, it will be a violation for any employee to possess, consume or distribute drugs or alcohol while in the workplace or to report to work or perform duties after having ingested drugs and/or alcohol. A violation of this policy can result in employment termination.

This policy requires drug testing of applicants for employment. Drug testing will be conducted in accordance with USCG and DOT regulations. Specifically, such individuals will be tested for the presence of marijuana, cocaine, opiates, amphetamines, PCP, and any drug known to impair a person's physical/mental ability.

Individuals will be subject to:

1. Pre-employment test
2. Random Testing
3. Reasonable Cause
4. Serious Marine Incident
5. The **Pre-employment** drug testing will be conducted prior to hiring any individual, licensed or not. Individuals must test negative for the presence of controlled substances. Any applicant who refuses to submit to pre-employment testing will no longer be considered for employment.

The exception to pre-employment testing applies to an applicant that can verify that he/she has either:

1. Tested negative with in the last 180-days
2. Has been subject to test within the last 180-days and has not refused or failed to show for a test.
3. Has been subject to random testing 60-days out of the last 185 days.

Absent these exceptions all applicants will be tested prior to employment.

The **Random** selection process will occur randomly throughout the calendar year. Selection will be based on a random statistically based method. The minimum random testing rate is 50%. It is possible to be selected more than once in a random process. By no means will an employee's name be withdrawn from the random process unless that person has terminated employment with this organization.

Note: Periodic drug testing does not fulfill requirements for this random drug testing. Periodic drug tests are for licensed mariners seeking further advancement in either type of license or type of endorsement, the same exceptions apply.

Reasonable Cause testing occurs when there is an articulate suspicion of illicit drug use, which may endanger the safety of the passengers, crew, vessel, and may cause irreparable harm to the environment. No one is exempt from reasonable cause testing; however, two supervisors, when possible, should make observation of suspicious use.

Serious Marine incident (Post Accident) testing will be conducted after a marine accident has occurred. First, all emergent issues such as rescue, minimizing harm to passengers and the environment will be addressed. Alcohol testing is required to be conducted more than 2 after the incident. Drug testing is required as soon as possible but no more than 32 hours after the incident.

In the interest of safety and health of the employees and passengers, this organization reserves the right to inspect and search, at random, unannounced times all packages, boxes, clothing or any personal belongings carried on or off the vessel.

The test program administrator may designate someone to notify and escort subject persons to conduct immediate testing.

A failure to show for a drug test will be considered a drug test violation and cause for termination. This will be reported to the U.S Coast Guard, who may then initiate suspension and revocation proceedings against a licensed mariner or their license.

It is a goal of this organization to ensure a healthy and productive work place for the safety of our passengers, vessel and marine environment. The presence of dangerous drugs and alcohol abuse will not be tolerated and will be cause for termination. If you think you have a problem you may contact our Employee Assistance Program (EAP).

I have read and full understand this policy and am aware of the EAP.

Employee Name Printed

Witness Name Printed

Employee Signature

Witness Signature

Date

Date

Drug and Alcohol Policy: Pre-employment Background Check

Pursuant to USCG Code 40.25, Employers are required to request the following information, after prior written consent of the potential employee seeking to begin performing safety-sensitive duties for MARISSA CHARTERS for the first time:

For any period during the two years prior to the date of your application or transfer, you must disclose any of the following events or occurrences:

1. Alcohol tests with a result of 0.4 or higher alcohol concentration;
2. Verified positive drug tests;
3. Refusals to be tested (including verified adulterated or substituted drug test results);
4. Other violations of DOT agency drug and alcohol testing regulations; and
5. If you have violated a DOT drug and alcohol regulation, documentation of the incident and successful completion of your return-to-duty process.

As an employee, you must disclose any prior Positive test results or refusal of a drug test, on any pre-employment drug or alcohol test administered by an employer to which you applied for but did not obtain, safety sensitive transportation work covered by DOT agency drug and alcohol testing rules during the past two years.

Please list ALL previous employers in the last two years here:

Employer

Date

Address / City / State / Zip

Supervisor Name and Title

Supervisor Phone #

Reason for Leaving

Supervisor Email

Were you Subject to Random Drug Testing: YES NO

Employer

Date

Address / City / State / Zip

Supervisor Name and Title

Supervisor Phone #

Reason for Leaving

Supervisor Email

Were you Subject to Random Drug Testing: YES NO

Employer

Date

Address / City / State / Zip

Supervisor Name and Title

Supervisor Phone #

Reason for Leaving

Supervisor Email

Were you Subject to Random Drug Testing: YES NO

***Have you EVER in the last 5 years tested positive on an occupational drug test? Yes No

If yes, give the date and details of the incident:

Employment and Termination

Equal Opportunity Employment

MARISSA CHARTERS is an equal opportunity employer and makes employment decisions on the basis of merit. We want to have the best available persons in every job. MARISSA CHARTERS policy prohibits unlawful discrimination based on race, color, creed, gender, religion, marital status, age, national origin or ancestry, physical or mental disability, medical condition including genetic characteristics, sexual orientation, or any other consideration made unlawful by federal, state, or local laws. It also includes a perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics. All such discrimination is unlawful.

MARISSA CHARTERS is committed to compliance with all applicable laws providing equal employment opportunities. This commitment applies to all persons involved in the operations of MARISSA CHARTERS and prohibits unlawful discrimination by any employee of MARISSA CHARTERS, including supervisors and co-workers.

If you believe you have been subjected to any form of unlawful discrimination, submit a written complaint to the Owner or Captain or the individual with day-to-day personnel responsibilities. Your complaint should be specific and should include the names of the individuals involved and the names of any witnesses.

MARISSA CHARTERS will immediately undertake an effective, thorough, and objective investigation and attempt to resolve the situation.

If MARISSA CHARTERS determines that unlawful discrimination has occurred, effective remedial action will be taken commensurate with the severity of the offense. Appropriate action also will be taken to deter any future discrimination. MARISSA CHARTERS will not retaliate against you for filing a complaint and will not knowingly permit retaliation by management employees or your coworkers.

Employment

All prospective crewmembers must complete an application giving several references and be interviewed by the Owner and Captain.

References are checked by the Owner and Captain.

All crewmembers must submit their driver's license information for a check of their driving record.

All crewmembers must submit information regarding positive or refusal drug tests and the previous employer associated with the drug test within the last two years.

All crewmembers must be certified CPR, and First Aid, as well as holding a Dive Master certification and/or a USCG Captains License.

All potential crew will complete a pre-employment Drug test.

All potential crew will complete a pre-employment Medical Physical exam.

At-will Employment Status

MARISSA CHARTERS personnel are employed on an at-will basis. Employment at-will may be terminated with or without cause and with or without notice at any time by the employee or MARISSA CHARTERS.

Nothing in this handbook shall limit the right to terminate at-will employment. No Captain, Crew or Dive Master or employee of MARISSA CHARTERS has any authority to enter into an agreement for employment for any specified period of time or to make an agreement for employment on other than at-will terms. Only Lora Meyer-Mayhugh, Owner of MARISSA CHARTERS has the authority to make any such agreement, which is binding only if it is in writing.

The Owner of MARISSA CHARTERS reserves the right to conclude all agreements should the dive boat schedule shorten due to fire, epidemic, natural disaster or adjustment to enrollment. In the event of cancellations, Crew will be paid for actual / dives hours worked.

If an employee wants to terminate employment, a two-week notice is preferred.

Involuntary Termination and Progressive Discipline

Violation of Company policies and rules may warrant disciplinary action. MARISSA CHARTERS has established a system of progressive discipline that includes verbal warnings, written warnings, and termination. The system is not formal and MARISSA CHARTERS may, in its sole discretion, utilize whatever form of discipline is deemed appropriate under the circumstances, up to, and including, termination of employment. MARISSA CHARTERS' policy of progressive discipline in no way limits or alters the at-will employment relationship.

Voluntary Termination

Voluntary termination results when an employee voluntarily resigns his or her employment, or fails to report to scheduled workdays without notice to, or approval by, his or her supervisor. All MARISSA CHARTERS owned property, including, keys, backpacks, parking passes, first aid kits, books, and credit cards, must be returned immediately upon termination of employment.

Independent Contractors

Independent contractors will sign and abide by the contract in Addendum F, for wage and contract terms.

Schedules and Duties

Work Schedules

Exchanging work schedules with other employees is discouraged. However, if you need to exchange schedules, notify your Captain or the Owner, who may authorize an exchange if possible. Work schedule exchanges will not be approved for the mere convenience of an employee or if the exchange interferes with normal operations.

The workweek begins at 12:01 a.m. Monday and ends at midnight on Sunday.

All Crew will be given an account on our online scheduling system and will be orientated to it. You will be scheduled on this calendar and will be automatically reminded two days before the scheduled trip that you are scheduled.

Job Duties

During the introductory period, your Captain or the Owner will explain your job responsibilities and the performance standards expected of you. Be aware that your job responsibilities may change at any time during your employment. From time to time, you may be asked to work on special projects, or to assist with other work necessary or important to the operation of your department or MARISSA CHARTERS. Your cooperation and assistance in performing such additional work is expected.

MARISSA CHARTERS reserves the right, at any time, with or without notice, to alter or change job responsibilities, reassign or transfer job positions, or assign additional job responsibilities.

Compensation

Wage Policy

Compensation at MARISSA CHARTERS is based on your experience and will be written in your contract.

Payment of Wages

Biweekly Payments

All employees and contractors of MARISSA CHARTERS are paid every other Friday for work performed during the previous two-week pay period. If a regular payday falls on a holiday, employees will be paid on the last day worked before the holiday. Paychecks are normally

available by 4:00 p.m.. If you observe an error on your check, please report it immediately to the owner.

Insurance Benefits

Medical Insurance Reimbursement

Marissa does not offer Medical insurance at this time. But is looking forward to offering our employees this benefit in the future.

Disability Insurance

Each employee contributes to the State of California to provide disability insurance mandated by the California Unemployment Insurance Code. Contributions are made through a payroll deduction. Disability insurance is payable when you cannot work because of illness or injury not caused by employment at MARISSA CHARTERS or when you are entitled to temporary workers' compensation at a rate less than the daily disability benefit amount.

Unemployment Compensation

MARISSA CHARTERS contributes yearly to the California Unemployment Insurance Fund on behalf of its employees.

Social Security

Social Security is an important part of every employee's retirement benefit. MARISSA CHARTERS pays a matching contribution to each employee's Social Security taxes.

Workers' Compensation or On Job Injury Protection

You are protected by MARISSA CHARTERS' workers' compensation insurance policy while employed by MARISSA CHARTERS, at no cost to you. The policy covers you in case of occupational injury or illness. Independent contractors are covered by MARISSA CHARTERS' liability insurance.

Advances

MARISSA CHARTERS does not permit advances against paychecks.

Workers' Compensation (For Crew on Employee Status Only)

MARISSA CHARTERS, in accordance with state law, provides insurance coverage for employees in case of work-related injury. The workers' compensation benefits provided to injured employees may include:

- Medical care;
- Cash benefits, tax free, to replace lost wages; and
- Vocational rehabilitation to help qualified injured employees return to suitable employment.

To ensure that you receive any workers' compensation benefits to which you may be entitled, you will need to:

- Immediately report any work-related injury to your supervisor;
- Seek medical treatment and follow-up care if required;
- Contact State Fund As soon as possible
- Provide MARISSA CHARTERS with a certification from your health care provider regarding the need for workers' compensation disability leave, as well as your eventual ability to return to work from the leave.

Upon submission of a medical certification that an employee is able to return to work after a workers' compensation leave, the employee under most circumstances will be reinstated to his or her same position held at the time the leave began, or to an equivalent position, if available. An employee returning from a workers' compensation leave has no greater right to reinstatement than if the employee had been continuously employed rather than on leave. For example, if the employee on workers' compensation leave would have been laid off had he or she not gone on leave, or if the employee's position has been eliminated or filled in order to avoid undermining MARISSA CHARTERS' ability to operate safely and efficiently during the leave, and no equivalent or comparable positions are available, then the employee would not be entitled to reinstatement.

An employee's return depends on his or her qualifications for any existing openings. If, after returning from a workers' compensation disability leave, an employee is unable to perform the essential functions of his or her job because of a physical or mental disability, MARISSA CHARTERS' obligations to the employee may include reasonable accommodation, as governed by the Americans with Disabilities Act.

Punctuality and Attendance

As an employee of MARISSA CHARTERS, you are expected to be punctual and regular in attendance. Any tardiness or absence causes problems for your fellow employees and your supervisor. When you are absent, others must perform your assigned work.

Employees are expected to report to work as scheduled, on time, and prepared to start work. Employees also are expected to remain at work for their entire work schedule, except when required to leave on authorized MARISSA CHARTERS business. Late arrival, early departure, or other unanticipated and unapproved absences from scheduled hours are disruptive and must be avoided.

If you are unable to report for work on any particular day, you must under all but the most extenuating circumstances call your supervisor at least one hour before the time you are scheduled to begin working for that day. If you call less than one hour before your scheduled time to begin work and do not arrive in time for your assigned shift, you will be considered tardy for that day. In all cases of absence or tardiness, employees must provide their supervisor with an honest reason or explanation. Employees also must inform their supervisor

of the expected duration of any absence. Excessive absenteeism or tardiness, whether excused or not, will not be tolerated.

If you fail to report for work without any notification to your supervisor, MARISSA CHARTERS will consider that you have abandoned your employment.

Days Off

If an employee would like personal time off, requests for days off are required in writing on forms provided.

All employees must realize that days off may not be given due to many circumstances. Time off will be given on a first-come-first-serve basis and on a rotation system.

Leaves of Absence

MARISSA CHARTERS may grant leaves of absence to employees in certain circumstances. Request any leave in writing as far in advance as possible, keep in touch with the Executive Director during your leave, and give prompt notice of any change in your anticipated return date. If your leave expires and you fail to return to work without contacting the Executive Director, MARISSA CHARTERS will assume that you do not plan to return and that you have terminated your employment. Upon return from a leave of absence, you will resume all aspects of your employment status that existed prior to the start of your leave.

MARISSA CHARTERS does not continue to pay premiums for health insurance coverage for employees on leaves of absence.

Extended Medical Leave

A medical leave of absence may be granted for non-work-related temporary medical disabilities (other than pregnancy, childbirth, and related medical conditions) for up to four months with a doctor's written certificate of disability. Employees should request any leave in writing as far in advance as possible.

A medical leave begins on the first day your doctor certifies that you are unable to work, and ends when your doctor certifies that you are able to return to work or after a total of four months of leave, whichever occurs first. Your supervisor will supply you with a form for your doctor to complete, showing the date you were disabled and the estimated date you will be able to return to work. An employee returning from a medical disability leave must present a doctor's certificate declaring fitness to return to work.

If returning from a non-work-related medical leave, you will be offered the same position you held at the time your leave began, if available. If your former position is not available, a comparable position will be offered.

If neither the same nor a comparable position is available, your return to work will depend on job openings existing at the time of your scheduled return. MARISSA CHARTERS makes no guarantees of reinstatement, and your return will depend on your qualifications for existing openings.

California workers' compensation laws govern work-related injuries and illnesses. California pregnancy disability laws govern leaves taken because of pregnancy, childbirth, and related medical conditions.

Pregnancy Disability Leave

Pregnancy, childbirth, or related medical conditions will be treated like any other disability, and an employee on leave will be eligible for temporary disability benefits in the same amount and degree as any other employee on leave.

Any female employee planning to take pregnancy disability leave should advise the personnel department as early as possible. The individual should make an appointment with the personnel manager to discuss the following conditions:

- Employees who need to take pregnancy disability must inform MARISSA CHARTERS when a leave is expected to begin and how long it will likely last. If the need for a leave or transfer is foreseeable, employees must provide notification at least 30 days before the pregnancy disability leave or transfer is to begin.

Employees must consult with the Executive Director regarding the scheduling of any planned medical treatment or supervision in order to minimize disruption to the operations of MARISSA CHARTERS. Any such scheduling is subject to the approval of the employee's health care provider;

- If 30 days' advance notice is not possible, notice must be given as soon as practical;
- Upon the request of an employee and recommendation of the employee's physician, the employee's work assignment may be changed if necessary to protect the health and safety of the employee and her child;
- Requests for transfers of job duties will be reasonably accommodated if the job and security rights of others are not breached;
- Pregnancy leave usually begins when ordered by the employee's physician. The employee must provide

MARISSA CHARTERS with a certification from a health care provider. The certification indicating disability should contain:

_The date on which the employee became disabled due to pregnancy;

_The probable duration of the period or periods of disability; and

_A statement that, due to the disability, the employee is unable to perform one or more of the essential functions of her position without undue risk to herself, the successful completion of her pregnancy, or to other persons.

- Leave returns will be allowed only when the employee's physician sends a release;

Under most circumstances, upon submission of a medical certification that an employee is able to return to work from a pregnancy disability leave, an employee will be reinstated to her same position held at the time the leave began or to an equivalent position, if available. An employee returning from a pregnancy disability leave has no greater right to reinstatement than if the employee had been continuously employed.

Open-door

Suggestions for improving MARISSA CHARTERS are always welcome. At some time, you may have a complaint, suggestion, or question about your job, your working conditions, or the treatment you are receiving. Your good-faith complaints, questions, and suggestions also are of concern to MARISSA CHARTERS. We ask you to first discuss your concerns with your supervisor, following these steps:

Within a week of the occurrence, bring the situation to the attention of the Program Director, Assistant Director, Director of Admissions or Executive Director, who will then investigate and provide a solution or explanation;

If the problem persists, you may describe it in writing and present it to the Executive Director, who will investigate and provide a solution or explanation. We encourage you to bring the matter in writing to the Executive Director as soon as possible after you believe that your immediate *supervisor* has failed to resolve it. If the Executive Director disagrees with the problem or concern, he will sign the written statement and you may keep this for your records.

This procedure, which we believe is important for both you and MARISSA CHARTERS, cannot guarantee that every problem will be resolved to your satisfaction. However, MARISSA CHARTERS values your observations and you should feel free to raise issues of concern, in good faith, without the fear of retaliation.

Performance Evaluations

Each employee/ independent contractor will receive periodic performance reviews conducted by his or her supervisor. The frequencies of performance evaluations may vary depending upon length of service, job position, past performance, changes in job duties, or recurring performance problems.

Your performance evaluations may review factors such as the quality and quantity of the work you perform, your knowledge of the job, your initiative, your work attitude, and your attitude toward others. The performance evaluations are intended to make you aware of your progress, areas for improvement, and objectives or goals for future work performance. Favorable performance evaluations do not guarantee increases in salary or promotions. Salary increases and promotions are solely within the discretion of MARISSA CHARTERS and depend upon many factors in addition to performance. After the review, you will be required to sign the evaluation report simply to acknowledge that it has been presented to you, that you have discussed it with your supervisor, and that you are aware of its contents.

Personnel Records

You have a right to inspect certain documents in your personnel file, as provided by law, in the presence of a MARISSA CHARTERS representative at a mutually convenient time. No copies of documents in your file may be made, with the exception of documents that you have previously signed. You may add your comments to any disputed item in the file.

MARISSA CHARTERS will restrict disclosure of your personnel file to authorized individuals

within MARISSA CHARTERS. Any request for information contained in personnel files must be directed to the personnel manager. Only the personnel manager is authorized to release information about current or former employees. Disclosure of personnel information to outside sources will be limited. However, MARISSA CHARTERS will cooperate with requests from authorized law enforcement or local, state, or federal agencies conducting official investigations and as otherwise legally required.

Confidentiality

Each employee / independent contractor is responsible for safeguarding the confidential information obtained during employment / contracting period as stated in the contractor agreement. In the course of your work, you may have access to confidential information regarding MARISSA CHARTERS, its suppliers, its customers, or perhaps even fellow employees / independent contractors. You have responsibility to prevent revealing or divulging any such information unless it is necessary for you to do so in the performance of your duties.

Access to confidential information should be on a "need-to-know" basis and must be authorized by your supervisor. Any breach of this policy will not be tolerated and legal action may be taken by MARISSA CHARTERS.

Employee / Independent Contractor Property

An employee's personal property, including but not limited to lockers, packages, purses, and backpacks, maybe inspected upon reasonable suspicion of unauthorized possession of MARISSA CHARTERS property.

Marissa Charters Property

Gear and equipment are MARISSA CHARTERS property and must be maintained according to MARISSA CHARTERS rules and regulations. They must be kept clean and are to be used only for work-related purposes.

MARISSA CHARTERS reserves the right to inspect all MARISSA CHARTERS property to ensure compliance with its rules and regulations, without notice to the employee and at any time, not necessarily in the employee's / independent contractor's presence.

Prior authorization must be obtained before any MARISSA CHARTERS property may be removed from the premises.

For security reasons, employees should not leave personal belongings of value in the workplace. Personal items are subject to inspection and search, with or without notice, with or without the employee's / independent contractor's prior consent.

Terminated employees / independent contractors should remove any personal items at the time they leave MARISSA CHARTERS.

Personal items left in the workplace are subject to disposal if not claimed at the time of an employee's / independent contractors termination.

Employee / Crew / Independent Contractor References

All requests for references must be directed to the personnel manager or owner. No other manager, supervisor, employee, crewmember, or independent contractor is authorized to release references for current or former employees. By policy, MARISSA CHARTERS discloses only the dates of employment / independent contractor period and the title of the last position held of former employees / independent contractors. If you authorize the disclosure in writing, MARISSA CHARTERS also will inform prospective employers of the amount of salary or wage you last earned. If you would like a full disclosure of reference information a release form for that information may be provided.

News Media Contacts

Employees, crewmembers, and/or independent contractors may be approached for interviews or comments by the news media. Only contact people designated by the owner may comment to news reporters on MARISSA CHARTERS policy or events relevant to MARISSA CHARTERS.

Names and Addresses

MARISSA CHARTERS is required by law to keep current all employees', crewmembers', and/or independent contractors' names and addresses. Employees, crewmembers, and/or independent contractors are responsible for notifying MARISSA CHARTERS in the event of a name or address change.

Job Descriptions

Captains Duties / Role

The captain is responsible for the safety and wellbeing of every passenger onboard, as well as crew. The Captain is responsible for ensuring the success of the trip. The captain is responsible for ensuring the DM has performed a roll call BEFORE the boat has left the dock and AFTER each and every dive. The captain is to check for him/herself that each person has made it back on board after each and every dive. Captain is responsible for ensuring crew follows Marissa Charters' safety standards.

The captain is responsible for the following:

- General Maintenance
- Operations of boat
- Proper Supervision of Crewmembers, Dive Masters, and customers/passengers.
- Ensuring the boat is well taken care of before, during, and after the trips.
Crewmembers and Divemasters actions and inactions.
- Proper log keeping and paperwork handling.

The captain must be able to communicate clearly and politely to each customer. Be willing and able to handle defiant and obstinate passengers with care. Be able to handle on board emergencies, and lead both crew and passengers through it..

Captain must perform a Safety Orientation Briefing to Passengers on each trip (See Addendum A). Captain is responsible for Food preparation (See Addendum B).

Captain Duties -- Day of the Trip:

Equipment checks are to be performed BEFORE any equipment is started up.

Fwd Compartment:

Bilge pumps for correct operation

Steering reservoir:

- Oil level and air level
- Battery water levels

Engine Room:

Bilge pumps for correct operation

Condition of thru hulls and packing on propeller shafts

Battery water levels.

Engines:

- Oil levels in Engine.
- Coolant Levels
- Give a general look over for any abnormal oil leaks or water levels etc
- At the Beginning of the weeks trips (or on Saturdays) Check Transmission Levels while in gear.
- Check belt condition once a week

Laz or aft compartment:

Bilge pumps for correct operation

Condition of thru hulls and packing on rudder shaft

Generator:

- Oil level
- Coolant level
- Voltage level (in fwd compartment)
- Look for any loose connections or

Compressor:

- Oil level add and make notes of how much and date added, before and after levels.

Bridge:

After starting engines, check:

- Water flow out of exhaust
- Voltage out put on engines (alternators)
- Oil pressure on engines

Status of safety equip

- Lights still in place
- EPIRB still in place
- Life float condition and cover

After trip Duties:

Captain is responsible for the correct splitting up of tips evenly 50/50 between captain and DM.

Be sure the paperwork for the trip gets stapled together and put away. Noting on the top the names of the Captain and DM (THIS IS HOW YOU GET PAID, DON'T FORGET THIS STEP).

Note any notable events during the trip about passengers, crew and boat maintenance.

Captain is responsible for the appearance of the vessel. Please make sure you and your crew clean up properly. Vessel should be clean and tidy before and after each trip.

Captain is responsible for updating the Radio log each day, noting radio transmissions, emergencies and MOB/fire drills.

Captain is also responsible for maintaining F&G logs.

Dive-Master Duties / Role

Dive-masters are responsible for the safety of the divers. As well as assisting the Captain in any way needed. The DM is responsible for noting any potential stressors or symptoms that divers may present. DM MUST perform a verbal roll call aloud, before the boat departs and after each dive has concluded. If tech divers are present, be sure to ask their max run time and make a mental note. Dive Master is responsible for performing a Dive Safety Boat Orientation Briefing (See Addendum C) before departure as well as Dive briefing at each dive site.

Dive-masters are required to keep and maintain current membership with the respective dive agency that certified the dive-master. Dive-masters are required to provide proof of certification, updated membership, and current professional liability insurance. Professional liability insurance **must** be maintained by the dive-master, Marissa Charters is not responsible for payment of dive-masters insurance. It is the dive-masters responsibility to keep their insurance current and to provide insurance renewal certificates to Marissa Charters owners.

Dive-masters must be prepared to get wet during the trip. Not only in the event of a rescue or emergency, but at the back swim step. Getting wet is a part of our job, please dress appropriately. No Jeans, or heavy material that might weigh you down or significantly restrict your ability to move during an in water rescue. Dive-masters must wear closed toed shoes.

DiveMaster Duties -- Day of the Trip:

Before Trip:

Arrive an HOUR before the boarding time. Call Lora (619-757-4760) or Brandon (619-871-8281), and we will let you in the gate.

When you get there:

Trash bags in trashcans

Fill fresh water Tank

Fill Water buckets

Fill Drinking water cooler (change each day)

Fill Ice chest if needed.

Make sure the Table / Waivers and Manifest are tidy and in place.

When customers come:

Check each persons Cert card and mark a "C" in the corner of their waiver

When going to the Coronado Islands each passenger and crew MUST have a current government issue ID ON the boat with them. You must have each person show you their ID and write ID in the corner of their waiver.

Make sure each person has signed both the Manifest and the Waiver

Help put away bags and assist the customers in setting of gear if needed.

Check out weights and weight belts, and write the lbs of weight on their waiver.

Fill / top off tanks as necessary.

Once all the customers are checked in and have signed waivers perform a verbal **roll call** aloud and ask if anyone's name had NOT been called.

Tell the captain and he will do his briefing and then you do yours.

On the way out:

Take in and put away fenders and lines

Prepare bowline for wrecks (if necessary)

Fill scuba tanks if necessary

Fill banks

If a long range trip, i.e. to the Coronado Islands, Hogan, P-38 or Scripps, Prepare Food for on the ride out.

During the Trip:

Dive site briefings (Dive Site Briefing should include: Description and History of site or wreck, expected terrain, depth ranges, sea life and potential hazards.)

Help customers with gear and get them in the water, check to be sure each customers air is on before they enter the water.

Assist with fins as needed. This is a nice service and people really appreciate it.

Fill Tanks

Once everyone is in the water pick up the deck a little and put any dive bags away (and not under the benches)

Then watch bubbles

You may not be able to watch bubbles the whole time because you will need to help get the divers out of the water. But keep checking the bubbles after you get the divers up.

Help clean up on the way in.

EMERGENCY PROCEDURES

The following policies and steps are to be taken in the event of fire or other natural emergencies requiring USCG or Life Guard intervention, Man overboard (MOB), Fire at sea, abandon ship, and other dive and boat related emergencies occurring onboard the M/V MARISSA.

In the event of an emergency, *immediately* following the trip the captain and crew must write down a detailed description of his/her recollection of the events on the best time line as possible. If possible and reasonable, the Captain or DiveMaster is to take notes of events and times during the event or appoint a passenger to do so.

When hailing the Coast Guard or Mission Bay Life Guards refer to the Emergency Broadcast Instructions in Addendum D.

Fire Emergency Procedure

1. Cut off air supply to fire-close items such as hatches, ports, doors, ventilators, and louvers, and shut off ventilation system.
2. Cut off electrical system supplying affected compartment if possible.
3. If safe, immediately use portable fire extinguishers at base of flames for flammable liquid or grease fires or water for fires in ordinary combustible materials. Do not use water on electrical fires.
4. If fire is in machinery spaces, shut off fuel supply and ventilation and activate fixed extinguishing system if installed.
5. Maneuver vessel to minimize effect of wind on fire.
6. If unable to control fire, immediately notify the Coast Guard and other craft in the vicinity by radiotelephone.
7. Move passengers away from fire, have them put on life jackets, and if necessary, prepare to abandon the vessel.

Man Overboard Emergency Procedures

1. Throw a ring buoy overboard as close to the person as possible.
2. Post a lookout to keep the person overboard in sight.
3. Launch rescue boat and maneuver to pick up person in the water, or maneuver the vessel to pick up the person in the water.
4. Have crew member put on life jacket, attach a safety line to him or her, and have him or her stand by jump into the water to assist the person overboard if necessary.
5. If person is not immediately located, notify Coast Guard and other vessels in vicinity by radiotelephone.
6. Continue search until released by Coast Guard.

Rough, Severe Weather at Sea or Flooding Emergency Procedures

1. Close all watertight and weathertight doors, hatches, and airports to prevent taking water aboard or further flooding in the vessel.
2. Keep bilges dry to prevent loss of stability due to water in bilges. Use power driven bilge pump, hand pump, and buckets to dewater.
3. Align fire pumps to use as bilge pump if possible.
4. Check all intake and discharge lines, which penetrate the hull, for leakage.
5. Passengers must remain seated and evenly distributed.
6. Passengers must don life jackets if the going becomes very rough, the vessel is about to cross a hazardous bar, or when otherwise instructed by the master.
7. Never abandon the vessel unless actually forced to do so.
8. If assistance is needed follow the procedures on the emergency broadcast placard posted by the radiotelephone.
9. Prepare survival craft (life floats, (inflatable) rafts, (inflatable) buoyant apparatus, boats) for launching.

General Emergency Procedures for a SCUBA Diving Accident:

All persons SCUBA diving will be 14 years of age or greater and will be certified divers through a nationally recognized SCUBA certification agency, or in the process of completing SCUBA certification.

In case of an inwater emergency, the Divemaster should immediately alert the Captain. The Divemaster and Captain will work together to get the victim onboard and immediately supplied with Oxygen. For emergencies involving injury or need of Oxygen administration, The Captain will immediately radio the Coast Guard using the Emergency Broadcast.

All MARISSA CHARTERS Divemasters are trained in First Aid and CPR for the Professional Rescuer and have completed the Divers Alert Network's (DAN) Oxygen Administration Course.

Once the victim is brought onboard the Divemaster and Captain will begin to assess the victim's symptoms and in most cases begin to administer 100% oxygen. If the victim is breathing, a demand valve mask will be the preferred form of administration. If the victim is not breathing, rescue breathing will be done with a pocket mask or non-resuscitator mask and supplemental oxygen.

Upon initial assessment of the situation, professional emergency services will be.

In addition to the above procedures an observer will be assigned to record all symptoms and observations along with the exact time of their occurrence.

Pass the recorded times on with the Life guards or USCG if requested.

Our goal in a dive emergency is to get the victim to help as quickly as possible, without injuring ourselves or other divers.

A roll call should be taken to see who is still in the water and the emergency recall signal should be given to the remaining divers in the water.

Confirmation of Receipt

I confirm that I have received a copy of the Company handbook and understand that it sets forth the terms and conditions of my employment or independent contract as well as the rights, duties, responsibilities and obligations of employment or independent contract with the Company. I understand and agree that it is my responsibility to read and familiarize myself with the provisions of the handbook.

I understand that except for employment at-will status, MARISSA CHARTERS can change any and all policies or practices at any time. MARISSA CHARTERS reserves the right to change my hours, wages, and working conditions at any time. I understand and agree that other than the executive director of MARISSA CHARTERS, no manager, supervisor, or representative of MARISSA CHARTERS has authority to enter into any agreement, express or implied, for employment or independent contractor work for any specific period of time, or to make any agreement for employment other than at-will; only the owner has the authority to make any such agreement and then only in writing, signed by the owner.

I understand and agree that nothing in this handbook creates or is intended to create a promise or representation of continued employment or contractor status and that employment or contractor status at MARISSA CHARTERS is employment at-will; employment or contractor status may be terminated at the will of either MARISSA CHARTERS or myself or as stated in hiring contract.

My signature certifies that I understand that the foregoing agreement on at-will status is the sole and entire agreement between MARISSA CHARTERS and myself concerning the duration of my employment and the circumstances under which my employment may be terminated. It supersedes all prior agreements, understandings, and representations concerning my employment with MARISSA CHARTERS.

My signature certifies that I have read, understand and agree to follow the policies, guidelines, and codes contained in this handbook. I also certify that the information provided to Marissa Charters on any application, drug testing form, or any other form contained in this packet is true and correct to the best of my knowledge.

Employee's Signature _____

Date _____

Addendum A – Captains Safety Orientation Briefing

Welcome – I am _____ I will be your captain today, and _____ is your Divemaster today. Our goal as your crew members is to keep you safe and for you to have an enjoyable time. There is a few safety things that we need to go over before we head out today.... (fill in with your own personal touch)

Safety equipment locations and instructions.

- Life vests

- Epirb

- Life floats

- Fire ext

- First aid kit

- O2 kid and AED

- Life rings / MOB instructions

- “No go” areas

General briefing, locations and instructions

- Current line

- Head usage

- Seasickness

- Showers

- Soda cans ... trash cans

- Drinking water

- Water buckets

Addendum B –Food Preparation

Keep in mind that plate presentation is very important

Morning Trips (After first dive), Long trips (before first dive)**

Bread Tray :

- Slice 6 assorted Bagels – in half then in half again.
- 4 assorted muffins cut in quarters.

Fruit Tray:

- Fill Tray with Assorted Fruits provided. If using apples, put Hot caramel apple dip in the middle of the tray (heated of course).

Other:

- Yogurt and granola (Put yogurt in a bowl)
- Be sure to set out plates, bowls and plastic spoons

Lunch

Rice:

- 4-5 cups of rice in rice maker
- add water to cover rice by ½ inch (or 1 ½ cups water per cup rice)
- Slice up 8-10 Mushrooms
- Slice 2 tomatoes
- Dice ½ onion
- Mince 3-4 garlic cloves
- ½ large Bell Pepper or 4-6 mini bell peppers
- Add soy sauce until mixture is medium brown in color.
- Add cayenne pepper (about 6 hard shakes)
- Add Pepper (Use judgment)

Chicken:

- **Squirt about ¼ bottle of Sweet Baby Rays BBQ sauce and ¼ bottle Masterpieces BBQ sauce in to container.**
- **Shred chicken using two forks.**
- **Heat in Microwave until hot.**

Other:

- **Put out either hawaiian rolls (warmed on a plate) or tortillas (in a warmer)**
- **Put out cheese in a shell bowl.**
- **Bowls, plates, spoons and forks**

For Coronado Islands Trips:

On the way home (20 min after departure from island)

- Make 4-5 Cheese and rice (from left over rice) Quesadillas
- Make 4-5 Cheese and chicken (from left over chx) Quesadillas

Addendum C -- Dive Master Dive Safety Boat Orientation Briefing

Hi, in case you forgot, my name is _____, I will be your Dive Master today.

If you have anything under the benches that is not going in the water with you please stow any dry stuff in the galley-v-berth and any dive bags either the captain or I can put them on the sunroof.

When we get to the dive site, there are two ways to exit the boat, you can back roll from either side, here (point), or you can Giant stride off the back swim step there (point). Please no giant strides off the sides.

When you exit the boat, and anytime you surface during the dive please give BIG okay signs (demonstrate) not one like this (demonstrate the small okay hand signal and wave it). If you do this, I will think you need to me to rescue you. And I reserve the right to (insert your own thoughts ;))

There is one way to get back on the boat, that "Fin Ladder" will be in the water when you come up from your dive. It's a fin ladder, so that means that you can climb up all the way to the top with your fins on. You can either take your fins off in the water or you can climb up and kneel on the back swim step and I will take them off for you. There is a pinch point at the top of the ladder so make sure you only use the rungs not the center pole to hold on to.

If you have to wait to get up on the boat, please stay back, so the person that is on the swim step doesn't fall on you.

When you are gearing up, please gear up at your spots, if you have any fins or gloves on the Deck just let one of us know and we will pick it up for you. We don't want you to stand up and swing your tank around and hit someone else.

We have a 500psi rule. We want you to come back to the boat with at least 500psi, if you come back with 300psi we reserve the right to give you dirty looks, but if you come back with zero, you are done diving for the day. Zero means you ran out of air and we don't know at what point you ran out of air and for your safety we will not allow you to dive again for the rest of the day.

When you get back on the boat, you will not necessarily be in the same spot you are in now. Who ever gets up first will come up to these front spots and will we will continue to fill towards the back of the boat.

Once your tank is strapped in, please take off your first stage, When you take off your stage that is your sign to me that you want a fill, when I have filled your tank I will put the dust cover back on, this is my sign to you that your tank has been filled.

Emergency recall: We have an emergency recall system, it is a series of five clanging sounds then a pause, then five clanging sounds. If you hear this gather everyone around you and tell them you hear something. Make a SAFE, NORMAL ascent. If you hear this it just means that you need to end your dive and come to the surface. Once you have surfaced, look back to the boat for our directions, we will either tell you to stay there or its ok to come back to the boat.

Addendum D--Emergency Broadcast Instructions.

- Make sure your radiotelephone is on.
- Select channel 16 VHF.
(Channel 16 VHF is for hailing and distress calls only).
- Press microphone button and, speaking **slowly, clearly, calmly**, say:

MAYDAY-MAYDAY-MAYDAY

(for situations involving immediate danger to life and property);

or

PAN PAN -- PAN PAN -- PAN PAN

(for urgent situations where there is no immediate danger to life or property.)

This is the DIVE VESSEL MARISSA, DIVE VESSEL MARISSA, DIVE VESSEL MARISSA, call sign _____, OVER.

- Release the microphone button briefly and listen for acknowledgment.
 - If no one answers, repeat broadcast.
- Once acknowledged, Say:

My Position is _____.

(describe your position using latitude and longitude coordinates, or range and bearing from a known point.)

We have / are _____.

(STATE THE NATURE OF THE DISTRESS ie, we have an unresponsive diver, sinking, fire etc)

We have _____ persons aboard.

The Nature of the injuries are _____.

(give number of persons aboard and the nature of any injuries.)

I estimate I can stay afloat _____ (hours/minutes).

(estimate the present seaworthiness of your vessel.)

My vessel is 40 foot, white hull, with a fly bridge.

Standing by on channel 16

- If your situation permits, stand by the radio to await further communications with the Coast Guard or another vessel. If no answer, repeat.

Addendum E

Employment Reference Release

I acknowledge that I have been informed that it is MARISSA CHARTERS' general policy to disclose in response to a prospective employer's request only the following information about current or former employees: (1) the dates of employment, (2) descriptions of the jobs performed, and (3) salary or wage rates.

By signing this release, I am voluntarily requesting that MARISSA CHARTERS depart from this general policy in responding to reference requests from any prospective employer that may be considering me for employment. I authorize MARISSA CHARTERS to disclose to such prospective employers any employment-related information that MARISSA CHARTERS, in its sole discretion and judgment, may determine is appropriate to disclose, including any personal comments, evaluations, or assessments MARISSA CHARTERS may have about my performance or behavior as an employee.

In exchange for MARISSA CHARTERS' agreement to depart from its general policy and to disclose additional employment-related information pursuant to my request, I agree to release and discharge MARISSA CHARTERS and MARISSA CHARTERS' successors, employees, officers, and directors for all claims, liabilities, and causes of action, known or unknown, fixed or contingent, that arise from or that are in any manner connected to MARISSA CHARTERS' disclosure of employment-related information to prospective employers. This release includes, but is not limited to, claims of defamation, libel, slander, negligence, or interference with contract or profession. I acknowledge that I have carefully read and fully understand the provisions of this release. I further acknowledge that I was given the opportunity to consult with an attorney or any other individual of my choosing before signing this release and that I have decided to sign this release voluntarily and without coercion or duress by any person.

This release sets forth the entire agreement between MARISSA CHARTERS and me, and I acknowledge that I have not relied upon any representation or statement, written or oral, not set forth in this document.

Signed: _____ Date: _____

(Employee)

Addendum F

Marissa Charters

INDEPENDENT CONTRACTOR AGREEMENT

9640-B Mission Gorge Road PMB #247 Santee CA 92071

1717 Quivira Road, San Diego, CA 92109

619-757-3280

This Independent Contractor Agreement (this "Agreement") is made effective as of _____, by and between Marissa Charters / Lora Meyer-Mayhugh and _____.

In this Agreement, the party who is contracting to receive the services shall be referred to as "Marissa Charters / Lora Meyer-Mayhugh", and the party who will be providing the services shall be referred to as "Captain / Dive Master".

1. **DESCRIPTION OF SERVICES.** Beginning on _____, _____, will provide the following services (collectively, the "Services"): As Captain or Dive Master of the Marissa, services provided are as described in the "Marissa Charters Handbook".
2. **PAYMENT FOR SERVICES.** Marissa Charters / Lora Meyer-Mayhugh will pay compensation to Captain / Dive Master, for the Services at a rate of \$30.00 / \$25.00 (respectively) per Dive on local charters. And paid at a rate of \$30.00/\$25.00 per Dive plus an additional dive for Hogan, Tech, Scripps Canyon, P-38 and Coronado Islands Trips.
3. **TERM/TERMINATION.** This Agreement will terminate 15 days after either party has initiated a written termination request.
4. **RELATIONSHIP OF PARTIES.** It is understood by the parties that the Captain / Dive Master is an independent contractor with respect to Marissa Charters / Lora Meyer-Mayhugh, and not an employee of Marissa Charters / Lora Meyer-Mayhugh. Marissa Charters / Lora Meyer-Mayhugh will not provide fringe benefits, including health insurance benefits, paid vacation, or any other employee benefit, for the benefit of Captain / Dive Master.
5. **WORK PRODUCT OWNERSHIP.** Any copyrightable works, ideas, discoveries, inventions, patents, products, or other information (collectively, the "Work Product") developed in whole or in part by Captain / Dive Master in connection with the Services shall be the exclusive property of Marissa Charters / Lora Meyer-Mayhugh. Upon request, Captain / Dive Master shall sign all documents necessary to confirm or perfect the exclusive ownership of Marissa Charters / Lora Meyer-Mayhugh to the Work Product.
6. **CONFIDENTIALITY.** The Captain / Dive Master will not at any time or in any manner, either directly or indirectly, use for the personal benefit of Captain / Dive Master, or divulge, disclose, or communicate in any manner any information that is proprietary to Marissa Charters / Lora Meyer-Mayhugh. The Captain / Dive Master will protect such information and treat it as strictly confidential. This provision shall continue to be

effective after the termination of this Agreement. Upon termination of this Agreement, Captain / Dive Master will return to Marissa Charters / Lora Meyer-Mayhugh all records, notes, documentation and other items that were used, created, or controlled by Captain / Dive Master during the term of this Agreement.

7. **INJURIES.** Captain / Dive Master acknowledges his / her obligation to obtain appropriate insurance coverage for the benefit of Captain / Dive Master. Captain / Dive Master waives any rights to recovery from Marissa Charters / Lora Meyer-Mayhugh for any injuries that Captain / Dive Master may sustain while performing services under this Agreement and that are a result of the negligence of Captain / Dive Master.
8. **INDEMNIFICATION.** Captain / Dive Master agrees to indemnify and hold harmless Marissa Charters / Lora Meyer-Mayhugh from all claims, losses, expenses, fees including attorney fees, costs, and judgments that may be asserted against Marissa Charters / Lora Meyer-Mayhugh that result from the acts or omissions of Captain / Dive Master and Captain / Dive Master agents.
9. **NON-COMPETE AGREEMENT.** For a period of 2 years from the date of termination after the termination of this Agreement, Captain / Dive Master will not directly or indirectly engage in any business that competes with Marissa Charters / Lora Meyer-Mayhugh. This covenant shall apply to the geographical area that includes the area within a(n) 10 mile radius of Mission Bay and San Diego Bay. Captain / Dive Master agrees that this non-compete provision will not adversely affect the livelihood of Captain / Dive Master.
10. **ENTIRE AGREEMENT.** This Agreement contains the entire agreement of the parties, and there are no other promises or conditions in any other agreement whether oral or written.
11. **SEVERABILITY.** If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.
12. **APPLICABLE LAW.** This Agreement shall be governed by the laws of the State of California.

PARTY CONTRACTING SERVICES: Marissa Charters

By:

Lora Meyer-Mayhugh Owner of Marissa Charters

Service Provider:

Address:

Phone #:_____ Email:

Signature :

Captain / Dive Master (Circle one)

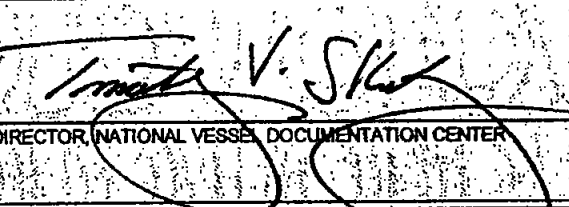


UNITED STATES OF AMERICA

DEPARTMENT OF HOMELAND SECURITY
UNITED STATES COAST GUARD

NATIONAL VESSEL DOCUMENTATION CENTER

CERTIFICATE OF DOCUMENTATION

VESSEL NAME MARISSA		OFFICIAL NUMBER 1038282	IMO OR OTHER NUMBER DBJ380021596	YEAR COMPLETED 1996
HAILING PORT SAN DIEGO, CA		HULL MATERIAL FRP (FIBERGLASS)	MECHANICAL PROPULSION YES	
GROSS TONNAGE 17 GRT	NET TONNAGE 13 NRT	LENGTH 38.0	BREADTH 12.3	DEPTH 5.5
PLACE BUILT CAPE CANAVERAL, FL				
OWNERS HOWARD MEYER KATHLEEN MEYER		OPERATIONAL ENDORSEMENTS REGISTRY RECREATION COASTWISE		
MANAGING OWNER HOWARD MEYER 20329 HINTON ROAD APPLE VALLEY, CA 92308				
RESTRICTIONS NONE				
ENTITLEMENTS NONE				
REMARKS NONE				
ISSUE DATE SEPTEMBER 26, 2011		 DIRECTOR, NATIONAL VESSEL DOCUMENTATION CENTER		
THIS CERTIFICATE EXPIRES SEPTEMBER 30, 2012				

VDS
14150253



Department of Homeland Security
United States Coast Guard

Certificate of Inspection

MARISSA

Certification Date:
29Jun2012

THE MASTER SHALL NOT ACT AS DIVE MASTER AND SHALL REMAIN ONBOARD THE VESSEL FOR THE ENTIRE VOYAGE FROM THE TIME PASSENGERS ARE EMBARKED UNTIL THEY ARE DISEMBARKED AT THE FINAL DESTINATION.

ALL COMPRESSED GAS CYLINDERS USED FOR SCUBA DIVING SHALL BE STOWED IN ACCORDANCE WITH SECTOR SAN DIEGO CID POLICY #9 DATED 17JAN2002.

A CHILD-SIZE LIFE PRESERVER MUST BE SUPPLIED FOR EACH PASSENGER WEIGHING LESS THAN NINETY (90) POUNDS.

Overnight accommodations for 0 passengers.

---Hull Exams---

Exam Type	Next Exam	Last Exam	Prior Exam
Drydock	28Jun2013	28Jun2011	11Jun2009
Internal Structure	28Jun2013	28Jun2011	11Jun2009

---Stability---

Letter Approval Date / 30Nov2011 Office/ SDMS

---Lifesaving Equipment---

	Number	Persons		Required
Total Equipment for	24		Life Preservers(Adult)	24
Lifeboats(Total)	0	0	Life Preservers(Child)	3
Lifeboats(Port)*	0	0	Ring Buoys(Total)	1
Lifeboats(Starbd)*	0	0	With Lights*	1
Motor Lifeboats*	0	0	With Line Attached*	1
Lifeboats W/Radio*	0	0	Other*	0
Rescue Boats/Platforms	0	0	Immersion Suits	0
Inflatable Rafts	0	0	Portable Lifeboat Radios	0
Life Floats/Buoyant App	2	24	Equipped with EPIRB?	Yes
Inflatable Bouyant App(IBA)	0	0	(* included in totals)	

---Fire Fighting Equipment---

Number of Fireman Outfits/ 0

Fixed Extinguishing Systems

Capacity	Agent	Space Protected
370	Other	ENGINE COMPARTMENT

Fire Extinguishers - Hand portable and semi-portable

Qty	Class Type
1	B-I
2	B-II

END



United States of America
Department of Homeland Security
United States Coast Guard

Certification Date: 29 Jun 2012
Expiration Date: 29 Jun 2017
IMO Number:

Certificate of Inspection

For ships on international voyages this certificate fulfills the requirements of SOLAS 74 as amended, regulation V/14, for a SAFE MANNING DOCUMENT.

Vessel Name MARISSA	Official Number 1038282	Call Sign WDD7741	Service Passenger (Inspected)
-------------------------------	-----------------------------------	-----------------------------	---

Hailing Port SAN DIEGO CA	Hull Material FRP (Fiberglass)	Horsepower 636	Propulsion Diesel Reduction
---	--	--------------------------	---------------------------------------

Place Built CAPE CANAVERAL, FL UNITED STATES	Delivery Date 30Jan1997	Date Keel Laid 15Sep1995	Gross Tons R-17	Net Tons R-13	DWT I-	Length R-38
--	-----------------------------------	------------------------------------	---------------------------	-------------------------	------------------	-----------------------

Owner HOWARD MEYER 20329 HINTON ROAD APPLE VALLEY CA 92308 UNITED STATES	Operator MARISSA CHARTERS LORA MEYER 9640-B MISSION GORGE RD PMB#247 SANTEE CA 92071 UNITED STATES
--	--

This vessel must be manned with the following licensed and unlicensed personnel. Included in which there must be 0 certified lifeboatmen, 0 certified tankermen, 0 HSC type rating, and 0 GMDSS Operators.

1 Master	0 Master & 1st Class pilot	0 Radio Officer(s)	0 Chief Engineer	0 QMED/Rating
0 Chief Mate	0 Mate & 1st Class Pilot	0 Able Seamen/ROANW	0 1st Asst. Engr/2nd Engr.	0 Oilers
0 2nd Mate/OICNW	0 Lic. Mate/OICNW	0 Ordinary Seamen	0 2nd Asst. Engr/3rd Engr.	
0 3rd Mate/OICNW	0 1st Class Pilot	1 Deckhands	0 3rd Asst. Engr.	
			0 Lic. Engr.	

In addition, this vessel may carry 22 passengers, 0 other persons in crew, 0 persons in addition to crew, and no others. Total persons allowed: 24

Route Permitted and Conditions of Operation:

---Oceans---

*** (ZONE 1) ***

PACIFIC OCEAN AREA BETWEEN POINT CONCEPTION, CALIFORNIA AND LATITUDE 31°11' NORTH, NOT MORE THAN 100 MILES OFF A BASE LINE EXTENDING FROM POINT CONCEPTION, CALIFORNIA TO CAPE SAN LUCAS, BAJA CALIFORNIA, MEXICO.

WHEN THE VESSEL IS AWAY FROM A SHORESIDE DOCK, OR HAS PASSENGERS ONBOARD, OR BOTH, FOR TWELVE (12) OR MORE HOURS IN ANY TWENTY-FOUR (24) HOUR PERIOD, AN ALTERNATE CREW SHALL BE PROVIDED.

SEE NEXT PAGE FOR ADDITIONAL CERTIFICATE INFORMATION

With this Inspection for Certification having been completed at San Diego, CA, the Officer in Charge, Marine Inspection, SECTOR SAN DIEGO certified the vessel, in all respects, is in conformity with the applicable vessel inspection laws and the rules and regulations prescribed thereunder.

Annual/Periodic/Quarterly Reinspections			
Date	Zone	A/P/Q	Signature
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

This certificate issued by:

M. R. LEON GUERRERO CDR, USCG
Officer in Charge, Marine Inspection

SECTOR SAN DIEGO
Inspection Zone

U.S. Department of
Homeland Security

United States
Coast Guard



Commander
Eleventh District

Coast Guard Island, Bldg. 50-8
Alameda, CA 94501-5100
Staff Symbol: (dpi)
Phone: (510) 437-6624
Fax: (510) 437-3247
Email: Patrick.B.Auth@uscg.mil

16703

Marissa Charters
Attn: Ms. Lora Meyer
1717 Quivira Rd
San Diego, CA 92109

Dear Ma'am:

On April 28, 2011, your company was audited to determine compliance with the drug and alcohol program requirements contained in Title 46 Part 16 and Title 49 Part 40 of the Code of Federal Regulations. On September 28, 2011, all identified deficiencies were found to be corrected, and Marissa Charters' chemical testing program was determined to be in compliance with the regulations. Please retain a copy of this letter with your vessel inspection records. This letter is valid for one year from the date issued.

The United States Coast Guard is dedicated to assisting marine employers with maintaining compliance with the drug and alcohol program requirements. If you have any questions or need further assistance, please do not hesitate to contact the Eleventh District Drug and Alcohol Program Inspector, Lieutenant Junior Grade Patrick Auth, at (510) 437-6624.

Sincerely,

A handwritten signature in black ink, appearing to read "KRA", written over a horizontal line.

K. R. ROSS
Commander, U. S. Coast Guard
Chief, Inspections and Investigations Branch
By direction

Copy: Commander, Coast Guard Sector San Diego (spi)



Compliance Letter – Calendar Year 2012

January 1, 2012

To Whom It May Concern:

This company, Marissa Charters, is a current member of the Alternative Safety & Testing Solutions (TPA) Coast Guard random drug & alcohol testing program for the calendar year 2012. The member company was subject to random drug testing at a rate of 50% for the calendar year 2011.

The Medical Review Officer for this program is: Bradley Friedland, D.O.
1853 R W Berends Dr. SW
Wyoming, MI 49519
Phone: 616-531-6661
Fax: 616-534-5545

The SAMSHA approved drug testing lab(s) are: LabCorp, Research Triangle Park, NC
Advanced Toxicology Network, Memphis, TN

If there are any questions regarding this matter, please contact ASTS at (800) 477-3177.

Respectfully,

Christy Gage
Christy Gage, USCG Coordinator
ASTS Corporation

Certificate of Participation

This certifies that

Marissa Charters

USCG: Marissa 1038282

has a drug-free workplace

and

a workplace drug testing program

This program is administered by

Alternative Safety & Testing Solutions (ASTS)

1853 R.W. Berends Drive S.W.

Wyoming MI 49519

800-477-3177

Christy Gage

Christy Gage, USCG Coordinator

Date Issued: January 1, 2012

Date Expires: December 31, 2012

[illegible]

CERTIFICATE OF COMPLETION

THIS CERTIFICATE IS AWARDED TO

LAURA MEYER(MAYHUGH)

FOR COMPLETING A TWO-HOUR COURSE IN SIGNS AND SYMPTOMS OF
ALCOHOL OR DRUG USE - 46 CFR PART 16.401

TRAINING PROVIDED BY THE SPORTFISHING ASSOCIATION OF CALIFORNIA

Ken Funder

FACILITATOR

8/08/11

DATE



ANALYTICAL CHEMISTS, INC.

7551 Convoy Court, San Diego, CA 92111 Voice & FAX (800) 466-8898 www.AirAnalysis.com

Marissa Dive Charters
9640-B Mission Gorge Rd. #247
Santee, CA 92071

ATTN : Lora Mayhugh
TEL : 619-757-4760
EMAIL: info@marissadivetickets.com

LABORATORY # : 139-1-12
DATE REPORTED : January 30, 2012
DATE RECEIVED : January 24, 2012
DATE SAMPLED : January 24, 2012
SAMPLED BY : Lora Mayhugh
AIR SAMPLE VOLUME : 260 cubic ft sampled at 13. SCFM
IDENTIFICATION : Marissa Dive Charters

DIVER'S BREATHING AIR ANALYSIS (CGA-E)

TESTS PERFORMED	ALLOWABLE LIMITS	PRESENT IN THIS SAMPLE	CONCLUSION
OXYGEN % Vol	20 - 22	21	PASS
NITROGEN % Vol	75 - 80	78	PASS
CARBON DIOXIDE ppmv	1000.	< 10.	PASS
CARBON MONOXIDE ppmv	10.	1.5	PASS
TOTAL VOLATILE HYDROCARBONS + METHANE ppmv	25.	2.5	PASS
TOTAL VOLATILE HYDROCARBONS NO METHANE ppmv	25.	< 1.0	PASS
ODOR ppmv	Not Objectionable	Not Objectionable	PASS
MOISTURE (Dew Point *) °F	- 64°F	- 58°F	See comments
OIL MIST + PARTICULATE mg/m ³	5.0	< 0.3	PASS
FILTER APPEARANCE ppmv	N.A.	Clean & Dry	N.A.

< This means none present above this level.

N.A. A specification is not available for this test.

* Dew Points warmer than -50°F deactivates Hopcalite.

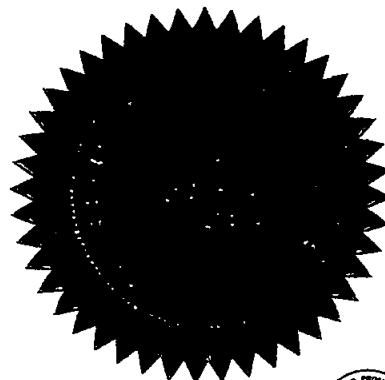
CONCLUSIONS (based on our own lab results above)

This sample meets the requirements for CGA Grade E. The significance of the moisture content is left to the client.

Data : Air Log 109
Invoice : 32139-A
Code : MDC
Review : PE



David H. Elgas
Laboratory Director



Certified Pilot Training Course - Introduction

Our goal is to get you, the Jetlev student, trained in the quickest, most thorough manner possible, so that you can fly safely in a variety of environments, can perform a broad spectrum of flying skills, and have a good working knowledge of the Jetlev equipment and how it's maintained. To get you to that level, we will need your complete attention. To that fact, while we appreciate that taking this time off will create an inconvenience for some, we ask that all business be left at home and phones only be used during breaks assigned by instructors. Also, we recognize that new pilots would like family and friends to see them fly, but the interruption of the class organization is not acceptable for the fairness of all paying students. We ask that you get explicit approval from the instructor who and how many will be there.

While not flying, each student should take advantage of the time to watch the instructors and the other pilots so they can "learn" from others. There is really no down time during training. We will need your complete attention throughout training and appreciate your help in giving us what we need to get you trained to the highest standard.

Lunch and breaks are determined by the Instructor and scheduled to keep continuity for the entire class.

In order to become a Certified Pilot, the student must demonstrate all basic flight skills, but also must show a complete understanding of the transport, flushing and maintenance of the Jetlev unit. There will be a written test asking to demonstrate the basic skills needed and an identification test to verify understanding of basic components and locations. These are required to insure the reliability of the unit in the customer's hands.

Failure to attain these goals will result in the denial of possession of the assigned Jetlev until competency can be established by the Academy.

Class size is limited to a maximum of three to ensure all students have sufficient flying time and hands-on experience that's required to ensure all skills are adequately learned. Training hours are Monday through Thursday from 9am until 5pm. Due to unpredictable weather that may impact our ability to fly on certain days, we may ask the students to come in early or stay late, but we will try to give as much notice as possible if this will be required.

Instructors are asked to make notations on this sheet as a daily update on progress of pilot. This will keep a record of the skill achievements you acquire.

Below is an outline of the week's schedule. As you can see, there is a lot of information packed into a fairly short timeline. Students are encouraged to learn at their own pace, but they must demonstrate a specific level of expertise by the end of the course. We encourage questions throughout the training course and, most importantly, we encourage you to have fun. After all, you are learning to fly the world's first recreational jetpack!

82



Monday – Classroom: Jetlev history, flight theory, Jetlev equipment, parts breakdown, basic maintenance and diagnostics

- Flight Training:**
- A. Beginning flying (2-3 sessions varying from 15 minutes to 30)
 - B. Flying in trapeze
 - C. Flying height ceiling of 10 feet
 - D. Beginning Yaw turns
 - E. Practice donut turns, walking on water and submarines

Break down and storage of equipment including flushing and maintenance

Tuesday flight – Pack up equipment and prepare for use

Beginning Assistant Training: Student pilots should each take turns assisting in teaching the turtle to a fellow pilot and assisting in water entry as appropriate to his facility.

- Flight Training:**
- A. Self-throttle
 - B. 180-degree turns using yaw assist
 - C. Beginning hovers at high taxi
 - D. Controlled climbs to 20 feet
 - E. Emergency avoidance maneuvers (snap yaws in opposite directions)
 - F. Fun flight working on basic throttle and arm control skills

Break down and storage of equipment including flushing and maintenance

Wednesday flight - Pack up equipment and prepare for use

- Flight Training:**
- A. Demonstrate controlled maneuvers and throttle use
 - B. Spot landing/precision flying (landing on buoy in water)
 - C. Controlled climbs to 25 feet
 - D. Practice using radio communication and throttle using Assistant as new pilot



E. Practice super slow approach to dock/ramp/beach and show ability to slow by raising arms and throttle down(do not allow approach closer than 15 feet until proficiency is shown)

F. Do a 15 foot climb and pull key to do a drop out

Break down and storage of equipment including flushing and maintenance

Thursday flight – Review and test of component location and procedures. See Test Sheet 1 and 2

Flight Training: A. Practice doing beach takeoffs and landings in shallower and shallower water

B. Controlled climb to 30 foot hover

C. Show understanding of remote control throttling and radio communication

Review and work on any weaknesses seen or implied by student. The final day should be a graduation and a celebratory run to show competency gained during the training course.

Instructor _____

Student _____

Score on Component test _____ Score on written test _____

CERTIFICATION GRANTED? Yes _____ No _____

IF NOT, PLEASE DESCRIBE WHY _____

Jetlev Certified Pilot Class Training

This course is broken into two sections: Classroom and Flight/Water Training.

Section 1-	Jetlev History/Overview/Specifications	PG 2-6
Section 2-	Who can you can fly	PG 7-8
Section 3-	Certified Pilot graduation requirements	PG 9
Section 4-	Certified Flight Instructor graduation requirements	PG 9
Section 5-	Operational Principles/5 Degrees of Freedom	PG 10-12
Section 6-	Lift and Descent control	PG 13
Section 7-	Turning and Control Principles	PG 14
Section 8-	Control Terminology Test	PG 15
Section 9-	Component ID, Boat/Hose/Jetpack	PG 16-19
Section 10-	Component Test	PG 20-22

SECTION 1

HISTORY OF THE JETLEV

"When I was 14 years old, I watched James Bond fly a jet pack in the movie Thunderball and I have dreamed of flying ever since. However, after decades of patient waiting, jetpack technology did not get any closer to mainstreaming personal flight...so I decided to invent a machine that would." – Raymond Li

Raymond Li, a Chinese-born Canadian from St. John's Newfoundland, first sketched out his JetLev concept on a yellow Post-it Note in 2000. After seeing his masterpiece on paper for the first time, Ray unceremoniously retreated, filing it under I for Impossible by burying it in the trash. The sketch was long gone, however, Ray couldn't shake his vision...he couldn't shake his passion.

And 3 years later, Ray began conducting extensive research, concept development and testing on the first ever, water powered jetpack. With assistance from the National Research Council of Canada in 2004, JetLev kicked into high gear and Ray conducted a series of unmanned flight tests. In 2005, JetLev relocated to Dania Beach, FL where Ray's motley crew of daredevil engineers and test pilots cautiously initiated the first in a succession of meticulously planned, manned flight tests. A few close calls...but mostly exhilarating highs.

The first fully operational JetLev prototype was completed in August 2008. A few months later, various clips from these test flights leaked online and went viral, surfacing on a variety of video sharing websites, boasting over 10MM views Worldwide. It seemed that the world was ready for Ray and his crazy contraption.

From 2009 to 2011, development continued and Ray and his team worked to perfect the prototype. Finally, a model was ready for commercial production. And after numerous prototype iterations, dozens of test pilots, hundreds of flights, thousands of hours and countless modifications, JetLev Technologies, Inc. has finally completed development of its JetLev R200 model.

NOW HERE YOU ARE! READY TO FLY A JETPACK!!!!

JETLEV OVERVIEW OF TRAINING AND SAFETY

All activities involving speed, height, water, or power can be inherently risky. Jetlev flying is no exception. However, our extensive research on injury prevention and focus on safety allowed us to develop an extensive array of safety features, protective equipment, training systems and safety protocols to maximize fun and minimize risks.

The Jetlev R200 is approved for sale in the United States by US Coast Guard grant of exemption no. CGB 10-009 (A copy of this is in your training manual).

The Jetlev has excellent inherent fore-aft (pitch) and side-to-side (roll) stability. The weight of water in the supply hose increases with height and further increases stability, and drag from the boat unit greatly increases forward directional stability in flight.

The design of the jetpack thrust assembly allows the major forces of lift, gravity, drag and propulsion to reach equilibrium quickly to achieve stable flight, and isolates these major forces from flight controls. All Jetlev pilots must be trained by certified flight instructors using our advanced training system. Our helmet radio coaching system and remote throttle control system take the guesswork out of learning and minimize the risks of accidents.

The jetpack is buoyant. It weighs 28 pounds and yet has plus 2 buoyancy, which means it will float on its own. The saddle seat provides protection for lower body against injuries from water impact, and the back rest provides protection against head, neck and back injuries. The pilot is strapped snugly to the jetpack and there are little opportunities for injuries caused by secondary collision. The quick-release body harness allows quick egress by the pilot, should it be necessary.

The Jetlev's water jets operate at relatively low pressures of 68 psi or lower but put out an astonishing volume of between 800 to 1000 gallons a minute! The Jetlev has the ability to hover, bank, stop quickly and reverse directions in the air to avoid collisions. The water hose limits flight altitudes to less than 30 feet—lower than a 10-m dive platform—and water serves as an excellent safety net at normal operating heights and speeds.

Mandatory Type II or III Coast Guard approved PFD provides impact cushioning and floatation.

Safety in Jetlev operating principles

Jetlev operates on the principle of controlled nozzle reaction force. A boat unit under the control of the pilot acts as a mobile and powerful water pump delivering large volumes of low pressure (68 PSI) water to the jet pack via a long, flexible water hose. As water exits jet nozzles on the jetpack, nozzle reaction force generates thrust, which the pilot can control and allocate between lifting and propulsive forces to achieve stable flight. The pilot controls jet thrusts by wired remote control of the engine throttle with a twist grip, a start/stop switch and an emergency

shutoff switch for the engine. Excellent inherent pitch and roll stability arises from the location of the center of gravity well below the nozzle thrust planes, with stability actually increasing with height as long as a minimum forward speed is maintained. Directional stability is assured by drag from the boat unit from behind. Altitude stability is guaranteed because the weight of water being lifted into the air rises quickly with altitude. Typically, the pilot flies at an altitude between 6-28 feet and at speeds from a slow hover up to 30 mph, depending on body weight and fuel load.

- o The jet pack itself does not present hazards associated with rotors, engines, transmissions, heat, or volatile fuels.
- o The 33-foot physical separation between the pilot and the engine/fuel system, and the fact that there are no passengers on the boat unit, greatly reduces any dangers from fire or explosion.
- o Collision risks are lower because the Jetlev's typical flight altitude places the pilot well above swimmers and other boaters on the water.
- o Collision avoidance: Typical operating speeds are much lower than those of personal watercrafts or high powered speed boats. Its stability and control including stable hovers, agile turns and very short stopping distances provides excellent active collision avoidance capabilities.
- o Since the Jetlev should be flown over water at least 6 feet (2 m) deep, the water provides an excellent safety cushion in the event of a fall. From the maximum height of 30 feet, the speed of entry from a free fall is 29.9 mph. By comparison, the Jetlev's maximum altitude is several feet lower than a 10 m diving platform
 - o At any given throttle setting and jet nozzle position, the weight of the entrained water in the hose and drag from the boat unit change accordingly, creating counteracting forces against the jet pack's lift and propulsion, rapidly reaching equilibrium to attain stable flight.
 - o The length of the water hose restricts flight altitude and essentially prevents the pilot from flying over other objects.
 - o From a typical flying altitude, the pilot has much better visibility than the drivers of most boats. Its large water jets are also highly visible to other boaters.
 - o The feet-down flight position provides the optimal posture for water entry in the event of a fall.

Fall- and collision-protection

The jet pack provides excellent support and protection for the pilot.

- o While a 10-m platform diver has no protection, the light weight back rest and frame behind the Jetlev pilot supports and protects the pilot's head, neck, shoulder and spinal column while enhancing stability.
- o The back rest provides about 28lbs of flotation, ensuring positive buoyancy for the jetpack when it is in water.

- o The pilot is secured by a quick-release 5-point harness system and sits comfortably on a padded unicycle-style saddle which supports the weight of the pilot and protects the crotch area against damaging water entry into body cavities.
- o A flexible leg trapeze system provides support for the pilot's legs and helps distribute some of his weight, without restricting the pilot's takeoff and landing procedures.
- o The location of the water supply assembly behind the pilot greatly enhances directional stability and makes it difficult for the pilot to pitch forward out of control.
- o In the event of a fall, the jetpack and harness system has no fuselage and allows the pilot to accelerate and decelerate as one with the jetpack, eliminating the risk of injuries arising from secondary collisions.

Safety features on the boat unit

- o The boat unit provides not only the power for thrust but also the necessary drag to lend stability for controlled flight. It has a streamlined bow and large planing surfaces to reduce drag and to keep the water intake hooked up in the water. It houses the engine, fuel system, exhaust system, electrical system, water pump, pressure pipes, control systems, and flotation chambers. It meets applicable safety standards developed for personal watercrafts for flotation, electrical, fuel system, and ventilation system, but does not carry any passengers.
- o The hull has a low, stable design to minimize the risk of capsizing. The streamlined bow entry and location of the tensile forces at the bottom of the bow greatly reduces the risk of wave jumping and loss of thrust.
- o A sophisticated and effective baffle system separates water from the air at the intake ports, while heavy-duty hatch seals minimize water entry and dual bilge pumps remove bilge water in the engine compartment. Integral foam flotation prevents the boat unit from sinking.
- o All pump and pressure pipe systems are made of hard coat anodized aluminum, (Sapphire coating) to provide maximum corrosion resistance even in harsh salt water environments. All connections in the pressure pipe system are designed with durable and reliable O-ring seals.
- o The weight distribution of the water hose while in flight helps maintain a distance between the pilot and the boat unit. It is virtually impossible for the pilot to fly directly over the boat unit while flying forward. As long as the pilot maintains the jetpack in forward motion, the risks of colliding with the boat unit are small. In the event that the pilot falls on the boat unit, the hull yields into the water to absorb part of the energy of the fall over a relatively long distance, thus reducing the risk and severity of injuries.
- o The deck of the boat unit is designed with smooth surfaces, large radius corners, flush-mounted or low profile hardware, and no impalement hazards.
- o As soon as the jet pack stops pulling, the boat unit decelerates rapidly from water drag, and seldom presents a collision hazard to the pilot.
- o The water hose is made of heavy-duty polyester jacket fully encapsulated in UV-resistant synthetic rubber inside and outside. Control cable is designed to accommodate hose

elongations, and both the cable and hose are further protected by a special synthetic fabric jacket.

Monitoring and emergency measures

- o Safety interlocks prevent the engine from being started when the remote control is controlling throttle position, when the jetpack's throttle twist grip is not in the idle position, if there is excessive water in the bilge, or if the towing valve is not in the operating position (which would otherwise cut off cooling water to the exhaust system).
- o Two automatic 800 gallons per hour (gph) bilge pumps (one forward and one aft) remove any slow water leakage into the bilge.
- o If a major water leak occurs, a bilge water level sensor detects rising bilge water levels and lowers the pilot slowly then automatically stops the engine before more serious engine damage or swamping can occur.
- o If a Jetlev pilot is being supervised by a safety observer or instructor, the supervisor can take over throttle control to lower a rogue pilot or help a pilot in an emergency using the remote throttle control system.
- o The pilot can use either the start/stop button or the emergency engine shut off switch to stop the engine. A redundant emergency shut off switch is also located on the deck of the boat unit to allow a rescuer to lower the pilot slowly and stop the engine.
- o A warning LED system warns the pilot of abnormal operating conditions.

SECTION 2

WHO YOU CAN FLY

Since the Jetlev is a new piece of technology, there are strict rules around who can fly, who can teach individuals to fly and who can train flight instructors.

THE 3 LEVELS OF PILOT CERTIFICATION

Certified Pilot (CP) -

The buyer of a Jetlev R200 system, or another person designated by the buyer, must be trained and certified to Certified Pilot level (referred to as CP). The Certified Pilot training program covers terminology, handling and maintenance, flight skills training, and basic flight instructing. The CP student does most of the flying and learns from both actual flying and observing others fly. New CP graduates would have sufficient flying skills as well as knowledge on safety, equipment handling, maintenance, basic instructing and Jetlev equipment care, but they would have limited experience in instructing and should not train others to fly. Some CPs may gain sufficient proficiency after 10 hours or more of flight time to be able to teach family and friends how to fly, much as an experienced driver may teach family members to drive a car. Obviously, the caliber of this instructing will not meet the standards for a professional instructor, and some degradation of training skills may result with each successive generation of students. For that reason, Certified Pilots are not authorized to train students in a commercial Jetlev operation. Anyone who intends to train customers to fly must obtain CFI certification.

Certified flight instructor (CFI) -

The CFI program is designed to help the Certified Pilot graduate acquire more advanced flying skills and learn how to train beginners in a commercial setting where getting the pilot up safely and quickly is the priority. The student will also learn more advanced maintenance and servicing skills from production and service instructors. In the CFI training program, the student's and instructor's roles are reversed, in that the student is practicing being the instructor while the assistant instructor does most of the flying pretending to be a difficult student, and provides feedback to the student via radio communication and demonstrates consequences of incorrect instructions. A CFI- graduate has sufficient knowledge and experience to conduct flight experiences at a commercial flight center.

SECTION 3

GRADUATION FOR CERTIFIED PILOTS

- A. A CP designate has shown the ability to fly himself and understands the reactionary forces he creates in the Jetlev while flying
- B. Has been shown and understands the basic principles and operating standards of the remote control training program
- C. Has shown an understanding and knowledge of the transport and basic maintenance of the Jetlev
- D. Has passed both written tests

SECTION 4

GRADUATION FOR CERTIFIED FLIGHT INSTRUCTOR

- A. A CFI designate has shown the ability to fly at an advanced level
- B. Has shown advanced instructional ability in flying exercises, i.e. "pilot from hell", "tattletale"
- C. Has been shown and understands the advanced principles and operating standards of the remote control training program
- D. Has shown an understanding and knowledge of the transport and maintenance of the Jetlev.
- E. Has been introduced to and flown a new pilot completely from start (paperwork) to finish (exiting the water) and understands the principles and methods of advanced training

Master Instructor (MI)-

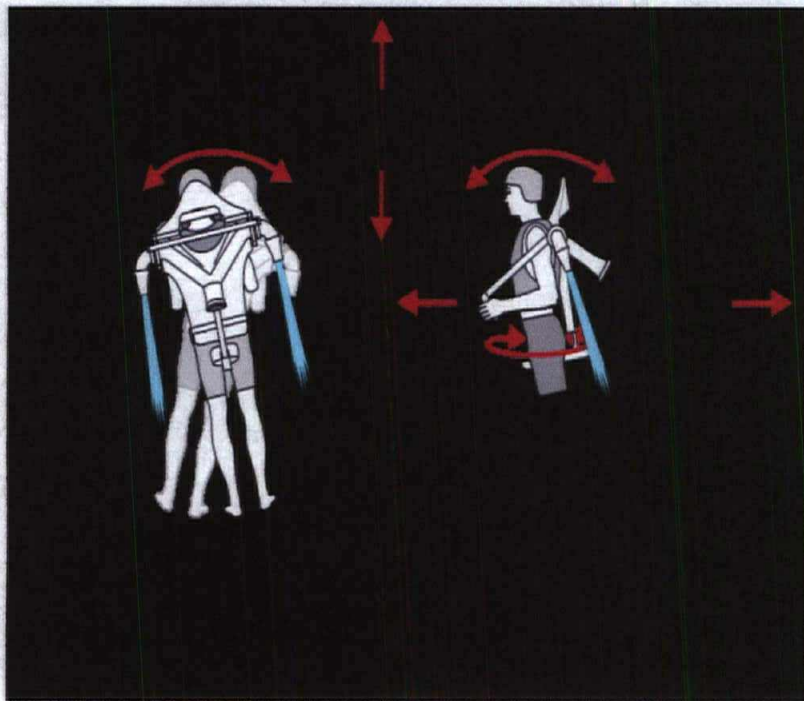
Master Instructors are instructors who can train individuals to be Certified Pilots or Certified Flight Instructors. Master Instructors are instructors who have trained over 5 Certified Pilots and 5 Certified Flight Instructors at a certified flight center under the guidance of another Master Instructor. This course is approx. 6 weeks long and, only upon completion of the course, are these individuals authorized to train Certified Flight Instructors. Failure to follow these rules will result in denial of all technical and mechanical support. These rules are in place to ensure the safety of the pilot, your business, the manufacturer and all operators within the organization.

SECTION 5

OPERATIONAL PRINCIPLES/5 DEGREES OF FREEDOM

The Jetlev R200 is capable of five degrees of freedom of movement in addition to hover flight. This unique capability allows the expert pilot to perform many different kinds of maneuvers. The following section describes the common types of maneuvers which can be attempted by Jetlev pilots as they learn and develop better skills. The high hover is one of the most dangerous positions for a new pilot to be in! High risk maneuvers at the end of this section and any other maneuvers not mentioned may be dangerous, and should not be attempted. Any such high risk maneuvers may result in damage to equipment, personal injuries, or even death.

Play it safe!

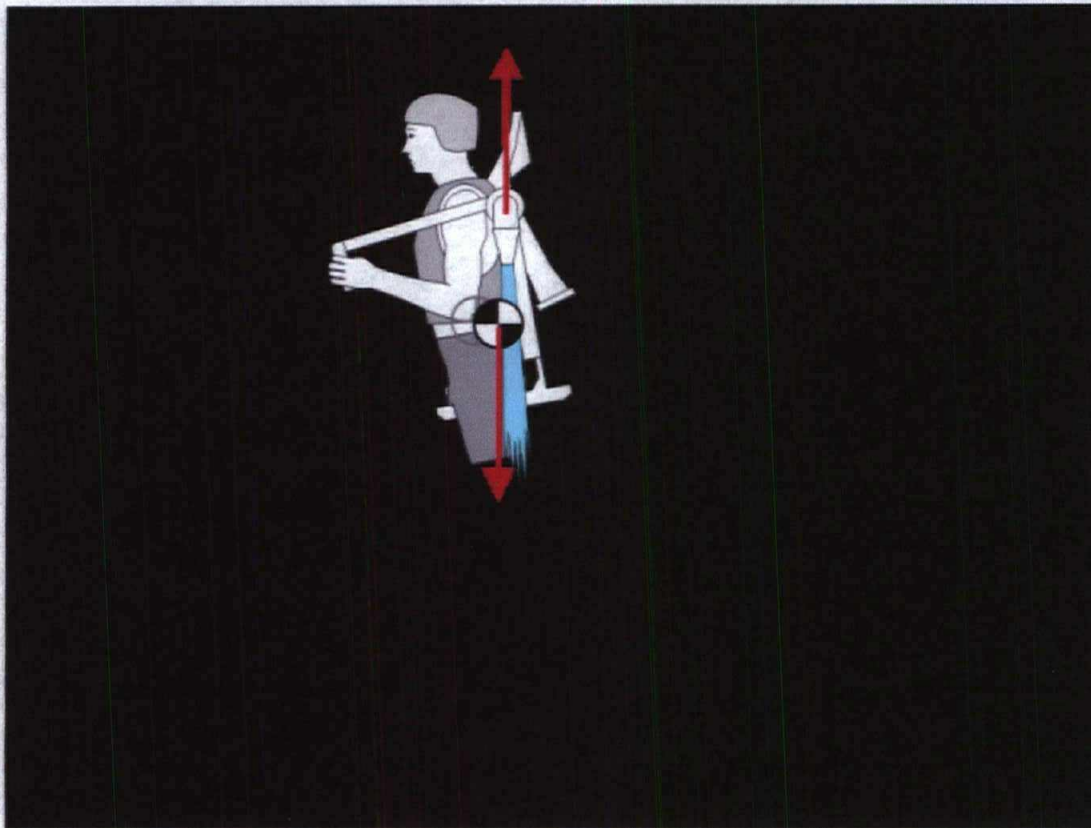


FIVE DEGREES OF FREEDOM

- 1) Forward/reverse
- 2) Climb/Descend
- 3) Pitch
- 4) Roll
- 5) Yaw

The Jetlev operates very differently from other watercraft in several important ways. It is beneficial to understand the operation principles in order to understand the inherent safety features, handling characteristics, flight controls, and to appreciate the importance of receiving proper flight instructions from certified Jetlev flight instructors using our state-of-the-art training system, before operating the Jetlev R200.

o The Jetlev R200 operates on the principle of water jet nozzle reaction force, and incorporates a number of design features to create inherent stability and control.



Nozzle Reaction Force

o Thrust for flight is controlled by the right hand grip twisting in a clockwise position (use the term "fly away") for more throttle and counter clockwise (use the term "come on home") for reducing the throttle. This action is needed to adjust engine throttle to vary the power output of the engine which drives a water pump that sends low pressurized water through a hose to the jetpack's directional nozzles. The pressure is very low. At maximum thrust the pressure is only approximately 68 psi. That is equal to most cities water pressure at the outside of your house. Lift is generated by the volume of the water exiting the

nozzles and this varies, depending on throttle positioning, from 800 to over a 1000 gallons of water a minute.

o The agility of Jetlev flight is achieved by removing the heavy propulsion source from the jetpack and supporting it in a boat unit on the water.

o Nozzle thrust is allocated by the pilot between lift (upward forces) and propulsion (forward or backward forces) with a pair of control arms which are adjustably connected to the nozzles. At any given throttle position, the further the nozzles are tilted backwards, the higher the forward speed and the lower the height. Nozzles directed straight down generate the most lift and no forward propulsion, which makes hovers possible with the Jetlev R200.

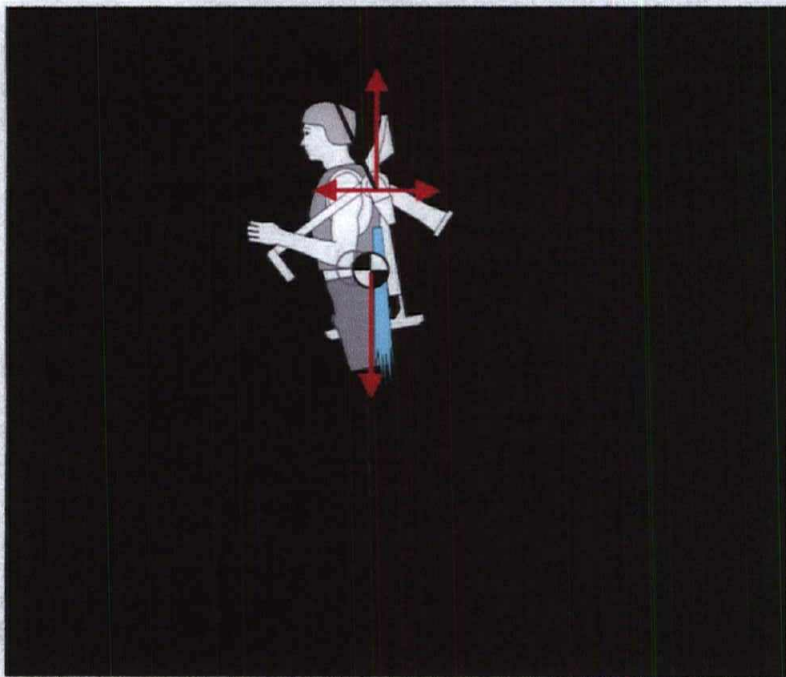


Figure 1 Thrust lift, Boat drag, Gravitational pull and Propulsion

Forces in Equilibrium

During hover or steady flight, forces are balanced. Lift balances Gravity, Propulsion balances boat drag.

SECTION 6

LIFT OR DESCENT OPERATIONAL PRINCIPLES

Lift or descent is controlled in two ways during flight, using the throttle and/or the position of the control arms.

Turning the throttle in a clockwise motion will increase engine speed which will cause lift unless acted on by lowering the arms. Similarly, turning the throttle counterclockwise will reduce engine speed which will lower you unless the arms are raised.

Lifting of the arms in a slow fashion will change the angle of the nozzles, which will generate lift and slow forward speed.

WARNING: Lifting the control arms too high will cause a continuous lift but being held at length by the supply hose will cause a rearward trajectory resulting in a dangerous backflip, possibly impacting the boat, unless arms are lowered in a quick downward fashion.

Lowering of the arms will cause the nozzles to change to more rearward angles reducing lift but increasing speed unless throttle is reduced.

o Flight control is achieved by the pilot shifting weight from side-to-side(Bicycle turns), and by deflecting the left and right thrust nozzles by different angles(Yaw turns, Advanced maneuver).

o Forward stability is generated from large centering forces created by the drag from the boat unit.

Therefore, **forward motion is necessary to generate directional stability.**

o Side-to-side (**ROLL**) stability is generated automatically by the balanced lifting forces of the nozzles, counteracting against the gravitational pull from the balanced weight of the pilot and the hose filled with water. The more throttle applied the more rigid the hose.

SECTION 7

TURNING/CONTROL PRINCIPLES

o Turning while flying forward is achieved by shifting weight off center (**BICYCLE TURN**) to roll the jetpack to the left or right. The nozzle jets start creating forces pushing the jetpack to one side or the other, resulting in a curved flight path influenced by the centering drag forces from the boat unit. More powerful turns can be made by gently lifting the control arm on the outside of the turn and lowering the arm on the inside of the turn (**YAW TURN**). This motion generates more lift and less propulsion from the nozzle on the outside of the turn and creates more roll. The lower propulsion on the outside of the turn is not material because the centering forces created by boat drag are much stronger.

o Forward-to-rearward tilt (**PITCH CONTROL**) is controlled by the pilot using the control arms to adjust the nozzle angles. Forward tilt (pitch) range is automatically limited by the jetpack's pivot mechanisms. In forward flight, there is stability because nozzle thrust is more or less aligned with the center of gravity or aligned behind it. Increasing height increases the weight of the hose and water, and the center of gravity shifts backwards and downwards. If the pilot does not pull down gently on the control arms to compensate, the nozzle thrust now starts to pull in a direction ahead of the center of gravity, and the pilot could start a backflip. Reverse nozzles are only used momentarily by expert pilots to stop quickly. When nozzles are pointing straight down, an experienced pilot would maintain a hover. If the nozzles point forward (reverse nozzles) after reaching the hover position, a back flip may result. Pilots will be made aware of this and learn to compensate. See instructional model.

SECTION 8

TERMINOLOGY TEST

This is not a graded test. This is to verify you understand the terminology as we teach it. It is important to be able to discuss the Jetlev in the proper terminology so you can better communicate issues with our office and or other pilots when describing conditions.

1. What is the approximate pressure of the water exiting the nozzles? _____
2. What is the approximate volume of water per minute? _____
3. Name the 2 types of turns you will learn? _____
4. What motion is necessary to generate directional stability? _____
5. What is forward or rearward tilt called? _____
6. What is the side to side motion called? _____
7. In two words please describe the pilots position with the nozzles pointing straight downward _____
8. In two words please describe the pilots position with the nozzles pointing rearward _____
9. Describe a YAW turn _____
10. What is the most dangerous position for a new pilot to be in? _____
11. What forces are in equilibrium during a hover? _____
12. How much does the jetpack weigh? _____

Students Name _____

Date _____

Please sign, remove this page only from your manual and give to the Instructor

Thank You

SECTION 9

IDENTIFICATION OF MAJOR COMPONENTS ON BOAT

Interior

1. Engine - The power source for the Jetlev
2. Servo - The electrical box on the throttle body that controls the opening of the throttle
3. Throttle body - The main body housing the butterfly float that controls air flow into the engine
4. Supercharger - The mechanical device that boosts air flow allowing more power to be generated than a standard fuel injected engine.
5. Starter - A mechanical device that generates the amount of torque to crank over the engine during start up and disengages when engine is running.
6. Starter relay/solenoid - An electrical device that gives the starter the proper voltage needed to generate the torque.
7. Battery - An electrical storage device
8. ECU/ECM Electronic control unit/module - This is the brain that controls all the proper voltages throughout all electrical components in the Jetlev
9. Main wiring harness - This is the supply line for all electrical components
10. Control module - This controls all the electrical signals generated from outside the boat i.e. Jetpack throttle, remote control, etc.
11. Receiver box - This houses the antennae for the remote control
12. Battery Switch box - This houses the main power switch for the entire boat and also houses the bilge switch
13. Oil filter - This ensures the oil remains as clean during operation
14. Coolant reservoir - This is the storage basin for fluid for cooling the engine
15. Coils - These are the long tubes that allow for a water sealed spark plug to get its electrical signal
16. Spark plugs - These three plugs provide the spark for the engine combustion
17. Heat Exchanger - This is for cooling the coolant fluid in a closed loop system

18. Inter-cooler - This device uses a jacketed body to cool the air going to the supercharger
19. Fuel pump - Gives fuel on demand
20. Fire Extinguisher – Used to put out any fires in or around the boat unit
21. Air intake - Allows for air to be introduced to the throttle
22. Bilge pumps - Used to expel water from inside boat. One front and one rear.
23. Pressure pipe - Large 4 "diameter tubing running the length of the boat that allows for water to be pushed in huge volume from the rear to the front of the boat
24. Z pipe - This pressure pipe is the final connection going through the bow of the boat
25. Bow pipe - This is the pipe at the front of the boat that the hose attaches to.
26. Jet Pump - This mechanical device that uses the angle of its "vaness" to increase the flow of water from a prop.
27. Information gauge – At the rear of the boat unit, provides important information about engine use, RPM, etc.
28. Prop - The bladed device used to give propulsion
29. Wear ring - A ring inserted into the Jetpump that allows for very close tolerance to the prop which allows for maximum thrust
30. Shaft - A device that connects the engine directly to the prop
31. Water baffle - Used to inject water into the exhaust to cool exhaust
32. Exhaust baffle - Used to quiet the exhaust

Exterior

33. Air baffles - The twin openings on the deck lid that allow for air to be drawn into the engine compartment yet provide a water separator for keeping water out of interior
34. Deck latch - Used to secure the deck lid closed to prevent water intrusion
35. Rear Deck Latch - Used to gain access to the rear of the boat
36. Power curve/emergency off button - Black button between lid and rear deck to adjust power settings and turn off engine in emergency situations
37. Tow valve - Used to shut off back flow of water to engine while being towed

- 38. Fuel cap – Standard fuel tank cap
- 39. Bilge ports - Used for exiting water from inside of boat
- 40. Bow tie down - Used to pull the boat onto a trailer
- 41. Rear tie down - Used for securing the boat to a trailer
- 42. Exhaust port - Large opening on left side of transom used to expel exhaust gas
- 43. Drain plug - Used for draining interior of boat
- 44. Flush port - Aluminum circle used in center of transom to flush interior engine

MAIN HOSE COMPONENTS

- 45. Hose - Supplies water to the jetpack
- 46. Nylon sleeve - Covers the rubber hose and carries the electrical hose through a pocket
- 47. Electrical hose cable - The main electrical line from the jetpack to the control board
- 48. Cable pass-through nut - The large female nut that secures the electrical hose to the boat
- 49. Nylon safety harness - A connection to the nylon sleeve and male hose connect
- 50. Male hose quick connect - A 4-inch male sleeve that fits inside the rubber hose
- 51. Quick connect clamp - A two part clamp that secures the hose to the bow pipe and jetpack
- 52. Spring plunger - The locking mechanism for the 2 part quick connect clamp
- 53. O-ring - (#240) The water seal between the 2-part quick connect clamp and the male hose quick connect
- 54. 4.25 Band clamp - The stainless steel clamps holding the hose, sheath on to the male hose quick connect.

JETPACK COMPONENTS

- 55. Back rest - The core foam injected back that supports the components of the Jetpack
- 56. Cross frame - Rear of Jetpack giving lateral and vertical support for mounting brackets

- 57. Padded seat - Unicycle seat
- 58. Seat tube - Forward to back adjustment
- 59. "Y" tube supply - Rear of Jetpack for division of water to each thrust elbows.
- 60. Swivel housing - Shoulder position
- 61. Thrust elbows (also referred to as shoulders) - Pipe for directional change of water flow
- 62. Thrust nozzles - Narrowed pipe for exit water flow control
- 63. Left and right arm controls - For lift and descent
- 64. Left hand grip - Stationary
- 65. Right hand grip - Twist grip throttle control, emergency engine shutoff, start/stop switch, and LED indicator lights
- 66. 5 point safety harness - Secures pilot in jetpack and can be released with a single twist in either direction
- 66. Foot trapeze - For advanced maneuvers and distance flying to relieve pressure off of the groin area
- 67. Torsion tube - Used to help keep arms parallel for beginning flyers

SECTION 8

COMPONENT ID TEST

Given on final day

Student should remove and give to the instructor when completed

Instructor _____

Student _____ Date _____

The instructor should ask the Student to identify and describe the location and purpose of the following components including what could result if a failure of that part occurs.

1. Spark plugs/ how many
2. Coils/ how many
3. Throttle body
4. Battery off switch
5. Battery location
6. Bilge switch
7. Hose
8. Drain plug
9. Flush out port

10. Exhaust port
11. Boat ID numbers
12. Main hood latch
13. Rear hood latch
14. Prop location
15. Tow valve
16. Emergency shut off/mode button
17. Fire extinguisher
18. Jetpump
19. Pressure Pipe
18. Air intake
19. Oil fill / dipstick
20. Coolant fill/ level
21. Remote indicator lights
22. Water baffle
23. Exhaust baffle
24. Oil filter

- 24. Fuel pump
- 25. Flight hose clamps and orings
- 26. Remote control antennae
- 27. Torsion bar
- 28. Control arms
- 29. Servo
- 30. Trapeze
- 31. Emergency off button
- 32. Throttle grip
- 33. Spring plunger
- 34. 4.25 band clamp
- 35. ECM UNIT
- 36. Control module
- 37. Training key
- 38. Flight Key

FLIGHT TRAINING SYLLABUS OUTLINE

Student pilot: _____

Instructor: _____

Start date: _____ End date: _____

Pass or Fail: _____

Comments: _____

1. Basic flight training

- Review basic flight controls:
 - fine adjustments of nozzle angles _____
 - neutral position _____
 - turning by weight shifting _____
 - throttle adjustment _____
- Review instructor commands list _____
- Jetpack fitting: arm angles and length for proper grip position, seat position, trapeze position. _____
- Donning and adjusting jetpack 5-point harness and egress. _____
- Importance of untangling hose _____
- Floating position, hand signals, emergency shut off _____
- Walk out to deep water takeoff and landing _____
- Starting and stopping engine:
 - Throttle position _____
 - LED lights _____
- Concepts of low taxi, mid taxi, high taxi, and liftoff. _____
- Flight skills 1:

Initials

- Straight run in low taxi in mid taxi _____
- Turning in one direction in mid taxi _____
- Turning at will in mid taxi _____
- Returning to neutral position after a turn _____
- Flight skills 2:
 - Straight run in high taxi _____
 - Turning in either direction in high taxi _____
 - Turning at will in high taxi _____
 - Maintaining hose tension/avoiding oscillations _____
 - Avoiding backflips _____
- Flight skills 3:
 - Straight run after liftoff _____
 - Turning in either direction after liftoff _____
 - Turning at will after takeoff _____
 - Wiggle fingers to avoid overgripping _____
- Flight skills 4:
 - Practice landing in deep water _____
 - Bottom landing in about 4 feet of water _____
- Flight skills 5:
 - Practice flying under own throttle control _____

2. Intermediate level training

- Situation awareness:
 - Learn to evaluate suitability of location _____
 - Preventing boat unit collisions with dock & shore _____
 - Anticipating threats and dangers during flight _____
- Checklists 1:
 - Trip pre-departure checklist _____
 - Preflight checklist _____
- Equipment handling 1:

Initials

- Trailering and launching procedures _____
- Handling hose assembly and cable quick connects _____
- Bilge pump and drain plugs _____
- Training equipment maintenance and operation _____
- Flight skills 6 (under own throttle control from this point on):
 - Maintaining steady height in steady forward flight _____
 - Maintaining height during turns _____
 - Turning at will in both directions (figure eights and slaloms) _____
- Flight skills 7:
 - Slow hovers _____
 - Stopping _____
 - Short reverse and turn (a go-around) _____
 - Yaw turns (90-degrees only) in both directions _____
 - Precision landing to a hover (simulated landing) _____

3. Advanced level:

- Flight skills 8:
 - High hovers _____
 - Going on plane and high speed runs _____
 - Donuts _____
- Flight skills 9:
 - Climbing and descending with and without turns _____
 - Controlling pitching oscillations _____
 - Controlling accidental yaw turns _____
 - Sensing and controlling cavitation _____
 - Restarting after a fall and checking for hose twist _____
- Sensing and reacting to equipment malfunctions:
 - Loss of power _____
 - Loss of speed/heavy drag _____
 - cavitation _____
 - Erratic throttle response _____

Initials

- Hose failures _____
- Control arm failures _____
- Jetlev operation courtesies:
 - Fly in mid taxi in congested waterways _____
 - Avoid spraying and misting _____
 - Environmental impact and precautions _____
- Equipment handling 2:
 - Flushing, cleaning and maintenance _____
 - Training equipment rinsing and charging _____
 - Emergency switch and other safety equipment _____
- Coaching 1:
 - Using jetpack stands _____
 - Headset FRS radios, helmet radios _____
 - Remote throttle control _____
 - Emergency remote shut down _____
 - Jetpack fitting skills _____
 - Delivering flight control instructions _____
- Flight skills 10 (effects of incorrect equipment conditions on flying):
 - Incorrect arm length or arm angle _____
 - Non-parallel arm angles _____
 - No torsion tube _____
 - Wrong seat position _____
 - Incorrect trapeze position _____
 - Off-center torso/incorrect trapeze weight distribution _____
- Flight skills 11 (handling emergencies):
 - Throttle jams _____
 - Fires _____
 - Major leaks _____
 - Stuck boat unit _____
- Flight skills 12:

Initials

- Superman takeoffs _____
- Otter turn _____
- Walking on water _____
- Penthouse express _____
- Dock takeoff and landing _____
- Coaching 2:
 - Flight coaching practices flying two instructors (normal) _____
 - Flight coaching with instructors as "students from hell" _____
- Coaching 3:
 - Practice flight training two or more beginners _____

Master Trainer Name (Please Print)

CFI Trainee Name (Please Print)

Master Trainer Signature

CFI Trainee Signature

Initials

FLIGHT TRAINING FOR CERTIFIED FLIGHT INSTRUCTORS

The Certified Flight Instructor program builds upon the skills learned in the Certified Pilot course, with a focus on advanced flight instruction skills, which will allow you to handle any and all possible customer scenarios at your commercial operation. The primary goal of the course is to teach you the skills to quickly get first-time pilots flying, while ensuring they are safe throughout the experience.

SECTION 1. Initial Flight Dynamics

1. Situational awareness
2. Flight Time Expectation and Fatigue Signs

SECTION 2. Jetpack/Pilot Adjustment Procedures

1. Life vest fitting
2. Seat fitting
3. Arm fitting
4. Trapeze adjustment

SECTION 3. Pre-Flight Instruction (with pack on the stand)

1. Donning 5 point safety harness
2. Arm control instructional
3. Turning instructional
4. Engine key/Kill switch
5. Entering the trapeze
6. Helmet instructional
7. Returning to base

SECTION 4. In-Water Instruction

1. Water entry
2. Water exit
3. Starting position
4. Boat unit starting position
5. Starting the engine
6. Flight instruction (refer to Correcting Problem Flying section)
7. Pilot throttle control

SECTION 1

INITIAL FLIGHT DYNAMICS

Safety and Situational Awareness

The term Situational Awareness will be used constantly through training and even past training on your own! This refers to being completely aware of everything going on around you, the pilot, and the surrounding environment as you prepare to fly. Looking for things such as debris in the water, people too close to you during takeoff or flight, or other boats in the area are all your responsibility.

Flight time expectation and Fatigue Signs

The average first time flight varies, however it is our experience that most pilots tire quickly during their first flight after approximately 20-30 minutes. This is due to the excitement and tenseness of not knowing what to expect. The flight time is left to the instructor, however there are several factors to watch out for:

1. Customer not relaxing during flight, gripping controls too hard
2. Customer flailing around in the water during start up tiring themselves out
3. Customer holding their breath while flying or starting
4. Repeated mistakes made during flight that pilot did NOT make earlier in flight
5. Continued splash downs from customer or too many breaks in between flying

We have found that, after the initial flight, the pilot is much more relaxed and able to maintain much longer flights. So during initial training, start with low flight times and ramp up quickly with each successive flight.

SECTION 2

JETPACK/PILOT ADJUSTMENT PROCEDURES

We adjust four things prior to pilot being strapped in the backpack: Control arm angle, arm length, seat adjustment and trapeze.

Pilot fitting prior to strapping in:

1. Confirm control arms are adjusted to 90-degree angles, which will greatly reduce the risk of backflips during initial flights
2. Adjust control arm length so the pilot's arms are no less than 90 degrees at elbow (Ensure adjustment knob is secure in slotted opening on control arm)
3. Set seat position to align buttocks sitting squarely on seat with back firmly rested against backrest. Confirm customer comfort.
4. Trapeze adjustment, *do not use on first flight*, remove or secure, if attached, so as to not interfere with pilot motions. Follow these procedures if trapeze is recommended by trainer: Adjust trapeze, with customer sitting in seat, to a length with a minor bend in their knees that would allow when they stand for their rump to raise approximately 2-3 inches above the seat.

Once the adjustments are done and confirmed, go to next step

SECTION 3

PRE-FLIGHT INSTRUCTION (with pack in stand)

5-POINT SAFETY HARNESS

1. Attach shoulder straps first, verifying secure with audible click. **Do not tighten yet**
2. Attach seat strap, verifying secure with audible click
3. Attach waist straps, verifying secure with audible click
4. Instruct pilot to unbuckle themselves without looking at buckle and repeat until pilot is comfortable with procedure
5. Re-strap according to Steps 1-3

6. Starting with shoulder straps, tighten one side and then the other until pilot is secure. This should be tight enough to not allow any body movement but not cut off air supply. The purpose for shoulder first is to raise the center latch to a position where the waist straps fall on a slight downward angle across the pelvic/hip bones as they are pulled tighter which allows for a more stable pilot.
NOTE, PULLING TOO HARD FROM ONE SIDE WITH OUT ALTERNATING, SLOWLY TIGHTENING FROM SIDE TO SIDE, CAN CAUSE AN UNBALANCED PILOT
7. Follow same procedure with waist straps
CONFIRM PILOT IS SQUARE AND STRAIGHT IN SEAT AND SMALL OF BACK IS FIRMLY PRESSED AGAINST BACKREST! IT IS CRITICAL THAT THE HARNESS LOCK IS CENTERED TO THE PILOT'S MIDSECTION. REMEMBER AN OFF BODY LEAN CAN CAUSE SEVERE DIFFICULTY IN RISING OUT OF THE WATER IN INITIAL FLIGHT!

ARM CONTROL

1. Have pilot raise control arms together to straight level. Express that the control arms should almost never be in the water and the object for a good first flight is to keep the control handles ***parallel*** just above the water after startup. This will keep the pilot in a forward motion allowing for further instructions. Explain the drag effect of allowing the control arms to enter the water and the bad effect on steering and stability it has on the pilot.
2. Show pilot, using the throttle as reference, that from the bottom of the throttle to the top of the first set of ridges on throttle are approximately 2 inches
3. Using the same command you will give on the radio have pilot move the arms in unison to a position you dictate, arms up, arms down. Emphasize that any command concerning arm movements is to mean the control arms and **NOT** the customers own arms again reemphasizing the arms must be ***parallel!***
4. Ask pilot to move arms to the following positions--Up 2, down 2. Verify pilot understands and follows commands. Express the minimal motions needed to adjust during flight. Explain that each command of "Arms Up" or "Arms Down" should be understood to be 1 millimeter.
NOTE: EXPLAIN TO PILOT THAT IF COMMANDS ARE NOT FOLLOWED IN A TIMELY MANNER, HE/SHE WILL BE LOWERED INTO THE WATER AND SHUT DOWN TO CONFIRM WHETHER PILOT CAN HEAR THROUGH THE HEADSET OR IF SOME OTHER ISSUE HAS DEVELOPED.

5. Explain the arms up position and the effect it has on pilot while flying. Moving arms up slowly will create thrust reaction that will *cause the pilot to slow forward speed increasing lift to the point of hovering.* **WARNING! INSTRUCT PILOT TO NEVER LIFT ARMS HIGHER THAN SHOULDERS DURING FLIGHT!** Continued lifting up on arms can create a hazardous situation where you can back up or even flip over. Explain to pilot that he must learn to “feel” forward motion and **maintain** it in all beginning flights in order to advance in skill.
6. Explain the arms down and the effect it has on pilot while flying. Slowly moving arms down will cause a thrust reaction that will cause the pilot to lower in height from where he is and move into a faster forward position.

NOTE: AGAIN EMPHASIZE THE PILOT’S RESPONSIBILITY TO MAINTAIN FORWARD MOMENTUM WITH ARMS PARALLEL WHICH HELPS IN MAINTAINING BALANCE.

TURNING AND STEERING

1. Explain the “taxi” positions:
 - a. Low taxi - water at chest level
 - b. Mid taxi - water at waist high
 - c. High taxi - just your feet are in the water. EMPHASIZE that keeping a high taxi, feet in the water, allows for stability and when pilot feels out of control he should lower the control arms so he gets into the high taxi position.
2. Explain that “Free Flight” is when your feet are completely out of the water. Turning and steering are much more sensitive and adjustments are magnified!
3. Explain the seating position in the water. This is an upright position centered in the jetpack.
4. Instruct pilot to turn head and slightly lean body in the direction they wish to turn.
5. Instruct pilot to return to neutral position
6. Explain what happens when you turn too quickly and cannot overcome the momentum of the lean. Your momentum overcomes the thrust in the opposite direction.
7. Explain the “pull” the pilot will feel when he turns too sharply. This is the resistance of the boat trying to overcome the friction of the quick turn.

8. Educate we want wide gentle turns. Multiple looks/light leans in the direction of the turn are better than a steady hard "lean".
9. If they turn too quickly, firmly raise the arm in the direction they are turning while lowering the opposite arm. This will lift you slightly and hopefully correct your out of control turn
10. If they cannot overcome the turn, instruct them to pull lanyard immediately
11. Instruct that as soon as they become comfortable flying straight we will ask them to do gentle "s" turns to prepare for a 180 wide turn.
12. An "S" turn is a gentle left to right swerve only 3-4 feet off your center line flying forward. This will give the pilot some basic feeling as to a 180 wide turn.
13. When they have successfully completed the "S" turns, prep them for the wide 180 turn.

ENGINE KEY/KILL SWITCH

1. Show pilot idle position on throttle.(All the way counterclockwise) Use fly away, throttle twist away from pilot to accelerate and then show come on home, throttle twist towards pilot to power down. Express he **WILL NOT** have throttle control but unit will not start unless throttle at idle.
2. Install lanyard on customer wrist with lanyard loop on the top part of pilots wrist while holding throttle. Important to have the lanyard strap tightly on top of wrist as a loose strap can cause a tension on the lanyard if the strap turns on the pilots wrist. This can cause the DESS post to pop off unexpectedly due to any wrist movement.
3. Insert key to DESS post
4. Light sequence, double red blink means key was recognized, green light then blinks to confirm power setting. Very rapid green means ready to start.
5. If you get no red double blink remove key and reinstall to post.
6. **DO NOT START AT THIS TIME, THIS IS FOR INSTRUCTION ONLY AND SHOULD ONLY BE STARTED IN WATER!** *Locate and press button on bottom of throttle*
7. Instruct pilot on pulling lanyard using only his arm and pulling AWAY from control arm. Reinsert key and have pilot look in opposite direction and repeat procedure. Pilot must be comfortable and understand the importance of pulling the lanyard. THE LANYARD IS TO BE PULLED UNDER ANY CIRCUMSTANCES THAT THE PILOT CANNOT SEE WHERE HE IS GOING OR CLOSES HIS EYES (AKA UNDER WATER) OUT OF CONTROL FLIGHT,

WATER ENTRY OR ANY PANIC OR NERVOUS SITUATION! PULLING THE LANYARD IS NOT A BAD THING BUT A SAFETY ONE AND SHOULD BE REINFORCED AS SUCH. EXPLAIN TURTLE MANUEVER AND EXPLAIN IT WILL BE SHOWED AT WATERS EDGE.

8. Explain any restart after a shutdown from the instructor will result in having to remove the key from the post and keeping it at least 12 inches away (the magnetic field is active when the lanyard key is held too close to the DESS post.)

ENTERING TRAPEZE

1. Instruct to never attempt to put feet in trapeze while in the water, this creates an unbalanced floating position making it difficult for new pilots to rise out of the water but wait until you are completely out of the water and moving forward comfortably.
2. When instructed by CFI, do not look down (remember, this will affect your height) but rather take one leg and while maintaining a forward flight, move your foot to where you can touch the strap of the trapeze. Slide your foot down the strap, while maintain a forward position, and apply a gentle pressure to the trapeze bar. Follow with your other foot tracing it down your leg and place it in the trapeze also
3. Now apply a gentle pressure to your legs and stand, this will reduce pressure and give better balance.
4. Instruct pilot that their feet should be out of the trapeze any time they approach any landing, water down situation or solid object.
5. Explain that you cannot put your feet in the trapeze while in the water but if you are in free flight and lower to the water you can keep them in the trapeze since your body position is already set.

HELMET INSTRUCTIONAL

1. Pretest helmet volume before placing on customer
2. Ask pilot to put on helmet (There are only 2 sizes to the helmets, small and large). You do not want to try to put on a snug helmet and trap the ears.
3. Hook up chin strap and back pinchers to make a snug fit.

4. Do a test hearing check to get a thumbs-up from the pilot that he can hear you through the helmet prior to him entering the water. If he does not respond, adjust volume or replace the helmet.

RETURNING TO BASE

1. Arms up as you slow down and enter the water. Remember to maintain forward motion and arm controls out of the water.
2. Feet removed from trapeze
3. Remove key only when instructor directs you too and at the same time do a turtle maneuver which the assistant will show you in the water.

SECTION 4

IN-WATER INSTRUCTION

WATER ENTRY

At this point, ask the pilot to place their feet directly under the body, move their hips slightly forward and stand straight up. The Instructor or Assistant should aid the pilot in getting up and out of the stand. This will allow the backpack to release from the stand. The CFI should assist and walk them to the edge where the assistant will instruct in the floating start position and the turtle maneuver.

While there are a lot of variations to water entry we will focus on two:
ramp/beach and boat/pontoon entry.

- A- Ramp/beach entry: the assistant should walk or guide the pilot (Holding the pilot by the vest or nozzles to prevent slipping or a fall) into water deeper than the pilot can stand. Extreme safety on pilot remaining upright should be in effect due to waves/slippery ramp, because of the new pilot being too excited to recognize his environment with a 28 lb. backpack on.
- B- Boat or pontoon entry: Before entering the water, the assistant should instruct the pilot that he should lie directly on his back after entering the water. The assistant then guides pilot to stepping off location by holding the control arms to balance the student, turning pilot to make sure the hose is in the water and the boat is far

enough away to avoid any impact and explain to pilot to take a big step into the water sideways. The assistant should be in the water almost instantly with pilot explaining the turtle position and to relax. (Refer to the Assistant Training Manual for the CFI class)

EXITING THE WATER

After pilot is shut down in water and no longer moving forward, the assistant should assist him/her, either to shallow water or to turtle in water and unstrap himself and verify he can swim to docking ladder/platform.

STARTING POSITION

1. Assistant should have pilot sit in upright position with feet dangling straight below
2. Instruct pilot on arms at water level or slightly above
3. Instruct pilot on turtle maneuver, while lying in forward position, pull down on either arm and roll to that side, an additional kick can complete the maneuver
4. Get pilot comfortable on back and enforce recognition of floating and wellbeing
5. INSTRUCT PILOT ON IMPORTANCE OF "TURNING "BACK IN THE SAME DIRECTION AFTER A "ROLL" OR TURTLE
6. Have pilot get to seated UPRIGHT position to prepare for start

BOAT UNIT STARTING POSITION

The boat unit should be either positioned directly behind or set to 90 degrees from pilot with some slack in the hose leaving pilot approximately 20 feet from pod. The slack allows a pilot to be raised to starting position without any drag from the unit allowing the pilot to transition to forward flight before trying to overcome the dead weight of the pod.

Having the boat unit parallel or at any angle alongside pilot is an extremely bad position and NOT to be used. Any start-up of this sort can cause a pilot to be pulled sideways at start up into the pod by the hose hanging underneath the water at start up.

STARTING THE ENGINE

1. Ask pilot to confirm he can hear instructions in the helmet by giving a thumbs-up response
2. Instruct pilot to place key on post and verify with a thumbs up GREEN FAST BLINKING lights
3. **Instruct pilot that as soon as he starts the engine he immediately moves to a slight leaning forward upright position WITH THE HANDS AT WATER LEVEL. EMPHASIZE KEEPING THE HANDS PARALLEL!**
4. Instructor then powers up the throttle and raises the pilot out of the water to a mid to high taxi position. As he does the pilot must follow the commands given to lower the arms and lean slightly forward as instructed quickly to get moving forward. **Repeat these instructions to verify pilots understanding of what to do in the initial 10 seconds!**
5. As instructor raises pilot now to a mid/high taxi he must be aware of any body lean or lack of forward motion and use commands to correct or lower the pilot back into the water (See Advanced Commands and Training for Certified Flight Instructors addendum)
6. Once pilot is moving forward in a comfortable position the instructor should ask them to start the gentle "S" curves and watch for any oversteering.
7. Once pilot has done these, the instructor should prep the pilot BEFORE having him make a wide turn. Inform him of the intent, response to be expected and result of a good turn.
8. The instructor must communicate to the new pilot prior to doing any throttle or maneuver changes to keep pilot confident of what is to come.

FLIGHT INSTRUCTION

The pilot should be flown and commands given for practicing several maneuvers. Once the pilot has shown comfort in the basic maneuvers:

- a. Taxi positions
- b. Free flight
- c. Bicycle turns
- d. Yaw turns.

He should now be ready to try to put his feet in the trapeze. Refresh the commands given at the stand and remember to keep throttle control. Once pilot gets their feet in the trapeze for the first time throttle down gently to help pilot maintain this new balance point and have them start to fly as if a beginner. The new body position is very disconcerting for a new pilot.

Once they have shown competency in the trapeze and have now repeated all the maneuvers above in the trapeze they are ready for their own throttle.

PILOT THROTTLE CONTROL

NOTE: This is the most dangerous time for pilots.

In order to safely transition to self-throttle, the pilot must have shown:

1. Forward flight
2. Bicycle turns
3. Basic free flight
4. Yaw turns
5. Stopping and restarting.

To test if the pilot is ready for their own throttle the instructor should ask the pilot to make a tight 180 degree yaw turn and then yaw away from the pod while watching carefully that the pilot does not come too close to the boat and in any close circumstance can still use the remote throttle to control the pilot away from danger!. When they are successful in this maneuver they should be ready for basic self-throttle.

First, the instructor should explain prior to lowering the pilot that he intends to give the throttle to the pilot and that he is slowing him down for that reason. Have the pilot lowered to complete idle with hands parallel to water and REEMPHASIZE that the motion of the throttle is very small. Remind the pilot of the fly away command and the return home command. EMPHASIZE that you as instructor can no longer "throttle him down" but can only drop him from flying.

Instruct the pilot at this time to confirm the throttle is all the way home at idle and then turn control over to pilot by flipping the control switch from Instructor to Pilot and using the same vocal command structure as if a new pilot is flying. Remind them to go no higher than 2 feet out of the water or you will have to shut him off IMMEDIATELY FOR HIS OWN SAFETY.

Watch for signs of control issues related to steering or throttle control in the first 10 seconds. The instructor should be poised to turn off unit in an instant depending on circumstances such as but not limited to,

1. Pilot shooting himself out of the water by using too much throttle
2. Pilot not using enough throttle and is lying face down in the water
3. Pilot is erratic on the throttle revving it up and down.

The instructor must not take their eyes off of the pilot for any reason during initial self-throttle. Instructions should be short and concise and directed in having the pilot "relearn flying". If the Pilot struggles with their own throttle and you have to "splash" them down, have them turn turtle and explain what they did wrong and without the power on, practice the motion until they feel comfortable to restart and try again. Any and all exercises after the first flight on self-throttle should be directed to help pilot establish a safety first attitude.

FLYING POSITIONS TO INSTRUCT

1. Taxi
2. Low hovers
3. Free flight at varying heights
4. Yaw turns
5. Yaw turns over hose
6. Donuts
7. Slalom runs
8. Speed runs
9. Dolphin
10. Submarine
11. No hands
12. Deep water stops and starts
13. Shallow water stops
14. Jet ski landing
15. Walk on water

There are many more, but each maneuver brings confidence and understanding of what exactly what the hose and boat are doing behind you.

Refer to the CFI Correcting Problem Flying section for information on how to handle various common occurrences with first-time flyers.

CORRECTING PROBLEM FLYING

Not all pilots will catch on and fly right away. Some will have issues that prevent them from attaining forward motion into flight position. Some may have difficulty keeping the control arms level. The goal of this document is to address the most common issues that new pilots encounter while trying to learn to fly the Jetlev. Keep in mind that every new pilot may present something you've never encountered, so it's important to closely monitor each pilot to address their specific needs.

•Commands and instructions for flying new pilots:

Command & Purpose

When you give a command, it must have a purpose. When a customer is having trouble, always ask yourself these questions:

1. What is your goal with a particular command?
2. What did they do right or wrong?
3. If they did something incorrectly, did you explain to them what it was and how to correct it? This is a new activity for the pilot, so it's up to you to explain the reasoning behind each command.

Command structure goals

1. Get new pilot flying from start position
2. Get pilot to mid taxi and forward movement
3. Have pilot steer correctly/ turns
4. Get pilot to free flight
5. Teach yaw turns in free flight

Recognizing issues prior to water entry

As the instructor, it is your responsibility to assess the person trying to fly. You do this through basic discussion with the pilot prior to strapping them in or during the instruction phase. Ask the pilot if they have any special circumstances that should be noted before their flight, such as a fear of heights, contact lenses, or neck problems. NEVER RIDICULE OR MAKE FUN OF ANY PHOBIA OR FEAR A CUSTOMER HAS! USING SYMPATHY AND QUIET TALK WILL DO MORE TO GET A PILOT TO FLY.

- a. **Do you have a problem with your face in the water?** Is this an issue that can be overcome by the turtle maneuver and the upright starting procedure? Be sure to do a

brief "swim test" to ensure the pilot feels comfortable with having their face in the water and turning turtle to get out of the forward-leaning position.

- b. **Have you had any surgeries lately that would affect your balance?** Neck and back issues are major question marks. While the Jetlev is safer than most other water sports, a splash down or sharp turn by the pilot could jolt them and this needs to be made very clear again that the pilot is releasing us from all liability and any pause or questioning of this policy will result in them being denied the right to fly. AN ANGRY CUSTOMER IS NOT IDEAL, BUT IS PREFERRED OVER A POTENTIAL INJURY SUFFERED IN THE WATER DUE TO A PRE-EXISTING CONDITION. Remember, spectators will assume the Jetlev injured the pilot and that can have disastrous consequences to future business.
- c. **Are you being pressured to do this?** This is extremely important to try to recognize. Using quiet diplomacy is a great way to release the pressure or put the onus on the instructor (yourself) to find/create a reason to remove pilot to save face. A lot of times the pilot will relax and let you try to fly them once you let them know you recognize the situation and quietly reassure them.
- d. **Is the customer under the influence of any narcotic or alcohol?** This will be your hardest determination, but absolutely anyone suspected of being under the influence is to be denied flight. Using common sense, ask your assistant to confirm what you suspect but remember you have the final responsibility. Red eyes, slurred speech, disorientation, overhyped actions, unbalanced or shaking hands, overly boisterous behavior, etc. While these situations can easily be recognized, it is your responsibility to watch for minor signs and react appropriately. If you are in doubt, do not allow the customer to fly.
- e. **Can the customer understand the language sufficiently to learn and react to commands quickly enough?** You can verify this in the stand by giving the customer commands and watching how fast they react. While people of other languages will profess to understanding, it is the speed of understanding the commands that will affect the learning. Again, it is your responsibility to insure a safe, fun flight, so use your judgment to determine if the pilot has sufficient understanding of the commands.

Recognizing the most common points of a difficult startup and how to correct

- a. **Making sure the pilot can do and is comfortable with the turtle maneuver.** The importance cannot be overstated that the customer must be able to roll onto their back by themselves and demonstrate this to the instructor. Failure to be able to do this basic maneuver is reason to pull the customer from flight. Do not let a pilot fly who has not demonstrated the ability to do this. Have the assistant work with the pilot in the water to achieve this.

- b. Have the customer in the seated position for start up. We teach the turtle for reassurance and comfort in the water after a splash down or stop throttle. We want the customer in an upright position for start. Lying back and starting the unit has shown to be very difficult for the pilot to transition to the forward position needed to start flight. Having the pilot in the seated upright position gives us the ability to lift straight up or have them transition to a forward lean much easier.
- c. Instructing the pilot NOT to place their feet into the trapeze while in the water. Explain the point of balance needed to maintain forward flight and also explain we will instruct the use of trapeze when in the air.

Water-falls and main issues on startup

- a. Pilots trying to use their feet to "swim" or balance themselves. It is very important to remind the pilot to let the feet dangle and not attempt to "kick" to balance. Reinforce this with the jerkiness that comes with kicking while they attempt to fly forward. Pilots using this will exhibit severe yaw motion on the arms flexing them way too much which causes unbalanced jet angles which increases their kicking to try to right themselves. If they continue to kick, lower them down and instruct why they should not use their legs!
- b. Pilots pulling down too hard on left or right arm creating a yaw motion which turns them into the boat. This is the most predominate issue affecting first-time pilots. It can be caused by several things which the instructor must recognize and correct:
 - i. Failing to keep the arms parallel
 - ii. Leaning as they come up out of the water
 - iii. Using the kicking motion described in previous section
 - iv. "Pushing" against the control arms forcefully
 - v. NOT pulling down on arms uniformly as they are raised out of the water
 - vi. Pilot not strapped in squarely to seat and or Pilot has slid in harness
 - vii. Not getting arms out of water before starting or lowering them below water surface level while flying
 - viii. Bending elbows out to the side ("bat wings")
 - ix. Boat was not started directly behind pilot causing drag in the hose which can be difficult for new pilots to overcome

As an Instructor, it is your responsibility to recognize the cause of the issue and correct it through communication with the pilot while the pilot is in a relaxed position in the water. If the attempt fails on several attempts, the assistant should enter the water to "shadow fly". See assistant's manual for directions on this maneuver.

Sometimes, using the remote to "pop" the customer to a mid to high Taxi will help them adjust a little faster but the instructor must be cognizant of the immediate impact

and result. If customer does not adjust fast enough you must lower them back into the water in a quick but steady fashion before the pilot can "loop" himself.

- c. **Pilots not transitioning to forward position.** The pilot's assumption is that he is going to do a face plant when you tell him to lean forward. You must direct him to keep his arms parallel and "out of the water 6 inches". Explain this will keep his face out of the water and start moving him in the forward position he needs to begin flying. Some pilots will continue to go vertical with no forward motion. You must continue to instruct the pilot to bring the arms down to water's surface as many times as needed, as fast as possible, to get the pilot to respond. Be sure to NOT raise the pilot above the high taxi position until he transitions to the forward position

When to transition to full flight (out of water)

We must have the pilot comfortable doing "S" turns and a good wide 180-degree turn before raising them. If the pilot cannot make mid to high taxi turns they most likely will not be able to turn in full flight. When the pilot has shown controlled turns in a high taxi position, you should describe what sensations he will feel as you instruct him to lift his arms to rise out to free flight.

- a. **Pilots in a tense or not relaxed state while flying forward in mid to high taxi.** The sensation can be overwhelming so here is where you as the Instructor must relay a calm influence to the pilot. Encourage them to lean in to the harness and relax the neck by leaning forward. Explain that forcing the head back creates an unbalanced flight. Ask them to wiggle their fingers to show their arms are relaxed. This should be repeated several times through the course of the flight. Use humor to get them relaxed. Compliment them on a great start and reinforce the positive things they are doing. Always maintain a calm demeanor even if a pilot does something wrong.
- b. **Proper speed for flight.** At this time, you will need to adjust the speed for the weight of the pilot. A heavier pilot will take more throttle than a lighter, but their speed must be relative to their ability to climb slowly and under control. A rule of thumb to use is no more speed than the pilot could use to get three feet out of the water using his own arms up maneuver. This is an adjustment you will have to learn. This is based upon the safety paradigm of not letting new pilots raise their arms above their heads causing a backflip. Excessive throttle at this point could cause a flip into the boat if care is not exercised. The speed should be enough to maintain a slight forward lean with the feet 2-4 feet out of the water but not enough for a high climb. At this point the pilot will need to be instructed on the small arm motions needed to maintain free flight without dropping back into the water.

- c. **Yaw assisted turning in free flight.** Once the pilot has progressed to free flight you should instruct them in using the SLIGHT yaw to assist in turning. Explain that the bicycle turn works slower in free flight and the slight yaw will give greater control on turns. Again, emphasize small movements to avoid overcorrections.
- d. **Recognizing oscillations and how to prevent them.** While in forward free flight the new pilot can develop oscillations, a whipping motion that will cause unsteady flying. This can be caused by many things such as
- i. Pilot raising himself out of the water too fast causing their legs to swing forward starting the oscillation
 - ii. Pilot not using small arm adjustments as instructed
 - iii. Flight is too fast in forward position causing any adjustment to start the motion

Instruct the pilot to lower the control arms to get to a high taxi position in the water. Explain that by dipping the feet in the water the friction will stop the oscillation in a few seconds and explain what they did to cause it and how to avoid it.

- e. **Watching for the "dolphin effect".** When new pilots first get airborne, they will rise and fall slowly or even maybe quickly. This is caused by one of two things, either they are moving their arms too quickly in an effort to balance themselves or they are waiting too long to adjust. They wait till they are at the apex of their climb before reacting and lowering their arms and then waiting until their feet touch water before raising their arms to adjust. You should be giving firm instructions at this point letting them know what is causing this effect and instructing them to either slow their arm motion or make much smaller adjustments.
- f. **Increasing power.** Only when the pilot has shown the ability to turn in free flight in a controlled manner, and has shown some steady level flight should you power up. Always explain PRIOR to doing any throttle work what you plan to do and what effect it will have. The instructor must be on the lookout for any sign of instability and be able and ready to throttle down instantly.
- g. **Things to look for creating instability.** As the instructor, you must look for anything that could cause a pilot's instability:
- i. Pilot starts jerking controls, even slightly
 - ii. Pilot begins oscillating
 - iii. Pilot starts to turn too sharply
 - iv. Pilot stops forward transition and begins to hover and yaw turn
 - v. Distraction for pilot, i.e. boat, jet ski enters the training area
 - vi. Pilot fatigue
 - vii. Helmet gets into pilots eyes and removes his hand from control
 - viii. Pilot not aware of surroundings, i.e. incoming craft, debris in water

At this point the instructor must assess and throttle down according to the issue at hand. Instructing pilot as you control throttle so they can make appropriate adjustments is very important. But in the event any adjustment that throws pilot out of control you must throttle down immediately and use emergency shut off if needed.

Splash downs or any power off situation

After a pilot drops into the water, either due to a crash or accidental pull of the key, have the downed pilot give a thumbs-up to show they are okay. Instruct the downed pilot to be aware of the boat unit and which way they twisted. The assistant should be at the pilot's side immediately following any downed situation.

CFI-1 Component Test

Instructor _____

Student _____ Date _____

The instructor should ask the Student to identify and describe the location and purpose of the following components.

1. Spark plugs/how many
2. Coils/how many
3. Throttle body
4. Battery off switch
5. Battery location
6. Bilge switch
7. Hose
8. Drain plug
9. Flush out port
10. Exhaust port
11. FL numbers
12. Main hood latch
13. Rear hood latch
14. Prop location
15. Tow valve
16. Emergency shut off/mode button
17. Fire extinguisher
18. Air intake
19. Oil fill / dipstick
20. Coolant fill/ level
21. Remote indicator lights

- 22. Water baffle
- 23. Exhaust baffle
- 24. Fuel pump
- 25. Flight hose clamps and orings
- 26. Remote control antennae
- 27. Torsion bar
- 28. Control arms
- 29. Servo
- 30. Trapeze

- 33. Water bottle
- 33. Exhaust bottle
- 34. Fuel pump
- 35. Flight hose clamps and rings
- 36. Remote control antennae
- 37. Torsion bar
- 38. Control arms
- 39. Servo
- 30. Trapeze



Jetlev Assistant Training & Specifications/Guidelines

The assistant is an essential part of the flight experience and, as such, needs training in order to maintain the percentage of first time flyers having successful, fun flights. No Instructor can have a highly-successful flight record without a properly trained assistant. The quality of the flight for the consumer skyrockets when there is a properly trained assistant on the water with them.

SECTIONS:

1. Prepare for instructors needs. Pg. 1

2. Plan for water entry/Boat, Dock, Beach. Pg. 2

3. Instruct in floating technique, starting position and turtle maneuver. Pg. 3

4. Recognizing pilot's unease. Pg. 3

5. Communication with instructor. Pg. 4

6. Starting a pilot. Pg. 4

7. Jet Ski/Support Vessel training. Pg. 5

8. Untwisting hose. Pg. 5

9. Water exit. Pg. 6

SECTION 1- Prepare for instructors needs:

A. Have helmets turned on, paired with radios, volume set & microphone checked. (All helmets and radios should be turned to the same channel per team)

B. Turn on remote control to verify proper idle position as well as battery level.

C. Have lanyard and correct size helmet ready for instructor when the time comes.

SECTION 2- Plan for water entry by pilot- Boat, Dock, Beach:

- A. The assistant should recognize and prepare for the boat to float according to current and or wind and should have a plan to have boat in position for pilot.
- B. The hose should be untwisted and cleared.
- C. The assistant should communicate with the instructor on where they need pilot to be prior to moving them from the stand.
- D. The assistant takes control from the stand to the water's edge guiding the pilot to the proper depth/positioning required by location. The new pilot must be at least **30 feet from ANY object**, in any direction in the water to allow maximum safety spacing.

SECTION 3- Instruct on floating technique, starting position, as well as turtle maneuver:

A. Once in proper position the following should be instructed:

1. Have client's lie on their back to recognize they have full flotation

- "Everything is positively buoyant. Once on your back this is the most comfortable position when in the water. So if you splash down, pull your key or the instructor tells you to turn turtle this is what we mean. (You will always float now whether you float face first or on your back which is why we explain this.) Just rotate to your back. Now I will instruct you on how to do so."

2. Turtle maneuver:

- Reiterate in order to get to your back YOU MUST PULL THE KEY. Explain to the customer how to rotate to turtle prior to instructing on it. "Now to rotate to your back what you want to do is

©PULL KEY!

© Pull down on one arm keeping the other stationary and rotate the opposite way (so if you pull down on your right rotate left)

- Once instructed: Show them one time actually doing it for them. Hold the clients controls and do the turtle maneuver. Then have the client show you that they can rotate to turtle with ease. (DO NOT let the client control any situation)

© DO NOT let the client lay in a forward position for any appreciable time. This can cause a distraction by making the pilot afraid of putting their face near the water and tire them out prematurely by kicking trying to get upright.

3. Starting Position:

- Have client recognize the “seated” position which is a vertical position for the backpack. Reiterate to the client that this is the one and only time that the controls may be slightly under water. For the rest of the flight, controls should remain above the water’s surface.

- Legs and feet should be nice and relaxed. Also explain to the client to make sure they don’t tense up during flight. “The more relaxed you are the easier the flight will be.” Look for tenseness in the arms and hands and reiterate on being relaxed.

SECTION 4- Recognizing Pilots Unease:

A. Make sure pilot is RELAXED.

B. Pay close attention to body movement, body language, as well as expressions.

- Examples:

1. If client is gripping controls and the muscles in his/her forearms are flexed (the grip is too tight and might cause pilot to struggle)

2. Refer to the controls as them holding a “baby bird” to help them relax their grip.

3. If client wants to turn his/her face before getting it wet. He might have a fear of the water and could in turn keep throwing him/her off balance.

4. If a client is expressing pain or discomfort, ask and see what can be done to fix the situation.

SECTION 5- Communication with Instructor:

A. The assistant must ALWAYS be in communication with the instructor.

- The assistant and instructor should have hand signals that have already been pre-determined prior to on-site training. If hand signals are not being used then a waterproof radio must be used in order to stay in communication. (From 100 yds. away an instructor cannot tell if you are, giving thumbs up everything is ok or an index finger to wait one sec. or a go ahead signal. So make sure your signals are all set and able to differentiate them from one another at a distance.)

SECTION 6- Starting a Pilot:

A. Be sure that the pilot is in proper position in order to start.

- The Jetlev should be either positioned directly behind or set to 90 degrees from pilot with some slack in the hose, leaving pilot approximately 20 feet from pod. The slack allows a pilot to be raised to starting position without any drag from the unit allowing the pilot to transition to forward flight before trying to overcome the dead weight of the pod.

- **Having the Jetlev parallel or at any angle alongside pilot is an extremely bad position and NOT to be used.** Any startup of this sort can cause a pilot to be pulled into the pod by the hose hanging underneath the water at start up. Make sure there is some slack in the hose so that when started, the pilot doesn't feel a jerk, pulling them backwards and or to the side.

B. Once done instructing the in water training, give the instructor a signal allowing him to take charge and begin their instructions.

- The instructor will now tell the pilot. Insert key, hit the start button. This is where the assistant wants to stay on the right side on the pilot somewhat holding the controls so if they do start off out of control the assistant can correct the pilot or even pull the key if needed to do so. (Once started the assistant wants to try to stay close to

the pilot until certain they are in control and flying on their way. Being close to the pilot helps with instilling confidence in the pilot.)

- If the pilot seems to be having a problem starting off or having a problem keeping both control arms parallel then “**shadow flying**” might be necessary for starting to simply show the pilot what he or she is doing wrong.

- To “**shadow fly**”, the assistant must inform the instructor what is happening and the assistant will then place themselves in front of pilot holding controls below the pilots hands and as the pilot is lifted, forcefully control and instruct the pilot in proper control technique. The Instructor will keep throttle to a level that allows the assistant to fly backwards at water level showing the new pilot how to properly use the control arms.

- When the assistant feels the pilot has sufficient understanding as is showing comprehension the assistant will gently release the controls and lightly push pilot away in a forward motion.

SECTION 7- Jet Ski/Support Vessel Training:

A. Assistant should **NEVER** approach a pilot or unit head on. The jet ski/support vessel should always be aimed about 6 ft. away from both pilot as well as the unit.

B. Must approach at an appropriate speed to avoid causing unnecessary wake.

C. Make sure that the jet ski/support vessel is either tied to you (the assistant) using a rope/bungee or just secure the ski to the Jetlev unit. (Making sure that when the unit is started the ski will be clear and the rope/bungee **will not get sucked up into the unit.**

SECTION 8- Untwisting the Hose:

A. Theoretically the hose can twist 2 times and the pilot will not get shut down. Now 2.5-3 twists will cause an immediate loss of power and a “dropout”. No water going through the hose no thrust/lift is generated. ONE OF THE INSTRUCTOR'S MAIN JOBS IS TO PREVENT IT FROM GETTING TO THAT POINT. One twist can and will cause a first time pilot to be thrown off balance! So we ALWAYS UNTWIST and ALWAYS maintain the hose straight and clear.

B. Always watch the movement of the boat as well as the movements of the pilot to see which way the twist was generated and which way the pilot or boat has to be spun to untwist. (Can also recognize a twist in the hose by simply looking at the protective sheath where the electrical runs through and following it from the unit to the pack. Another way to tell if the hose is twisted is when the pack is on the stand, when you pick up the hose if the water drains out of it, the hose is straight no twists. If the water staying trapped in the hose there is a twist.)

C. When a pilot has a twisted hose:

1. Recognize it: Voice it/signal it to the instructor and have the instructor power down and have pilot pull key. Have pilot lie on their back.

2. Once pilot is comfortable on their back, start at the unit and follow the hose all the way back to the pilot. Recognizing which way the hose is twisted and how many times so that when the pilot is reached you can untwist the pilot and set them headed in the correct direction. (It is easier to spin the pilot than it is to spin the boat to untwist but both can be done depending on each situation.)

SECTION 9- Water Exit:

A. When the instructor feels appropriate he will signal the assistant to head into the dock/shore/boat, secure the jet ski/support vessel to wait for the pilot on the approach. The assistant should make haste without endangering anyone or themselves and should exit the ski and be waiting for the pilot in the water (as a buoy or point of reference) on the approach.

B. The instructor will coach when appropriate to pull key and turn turtle. The assistant must make sure that the pilot is appropriately rotating to turtle and, if not, help in doing so.

C. From here, the assistant must use their judgment whether to unstrap or simply walk the pilot out.

- Examples:

1. If the pilot seems tired, don't add additional stress making them carry the pack out (Simply have them release and have assistant carry the pack to the stand).

2. If pilot seems ok and suitable to carry the pack back to the stand, have them do so, guiding them up the ramp/shore walking slightly past the stand (to allow tension in the hose to relax) and then backing them up and guiding them onto the stand.
3. When on any type of boat, floating dock, or when a ladder has to be used for exit of water the pilot **MUST** unstrap from the jetpack and walk up. **YOUR JOB** as the assistant is to grab the pack from the pilot, secure it and/or hand it up, if necessary.
4. This is where the assistant makes sure:
 - I. The hose is straight.
 - II. The pack is properly in the stand. (So when the following client sits down it doesn't fall or bend/break something.)
 - III. Stretch all straps out completely to prepare for the following client.
 - IV. Secure helmet and key from client/pilot and have ready for instructor for the following flight.
 - V. CHECK
 - a. All Knurled knobs. (Make sure still tight, arms position hasn't changed, nozzle angle.)
 - b. Full basic overview of the jetpack (everything tight and secure?), hose (tears, damage?), electrical (radios battery, helmets battery, remote battery), check fuel and check engine compartment etc. make sure no damage was caused, and start to prepare for the next flight starting over with wind, current, boat positioning, etc...
 - VI. Although, it is the instructor's responsibility to not miss anything during their instructional like correct arm, seat, and trapeze lengths as well as everything else in their instructional, it is the assistant's responsibility to bring it to the instructor's attention **DISCREETLY** so that every pilot gets the identical experience and **ALL** remain **SAFE**.

Jetlev Toolkit

- 3/8" Ratcheting Socket Wrench
- 3/8" Socket Set
 - 5/8" Spark Plug Socket
 - 11mm Socket (Hose assembly clamps)
 - 13mm Socket (Yamaha ride-plate)
 - 14mm Socket (Yamaha intake-grate)
- 3/8" Socket Extension (12")
- Wrenches
 - 8mm
 - 10mm
 - 11mm or 7/16"
- Adjustable Wrenches
 - 6"
 - 10" or 12"
- Needle Nose Pliers
- Adjustable Pliers
- Allen Key Set
 - 1.5mm-8mm
- Screwdriver Set
 - Philips and Flat head (2-3 sizes of each)
- Pack of Razor Blades
- Brush Set
 - Brass, Wire, and Plastic bristles
- Miscellaneous Bag
 - Caps for electrical
 - Pack of O-Rings for hose assembly
 - Magnets
 - Small for helmets
 - Large for pairing receiver
 - Zip ties
- Stainless hose assembly clamps
 - 0400 (Rubber only)
 - 0425 (Rubber and sheath)
- Complete anodized hose clamp (to attach hose to unit/jetpack)
- Flush Fitting (for hose to flush boat unit)
- Spark Plugs (3 new)
- 3M Silicone Paste
- Zip-Tech (Zipper lube for zippers and dry suits)

TECHNICAL BULLETIN

Written by: D.G. Hubbard Approved by: Raymond Li Distribution date: 10/23/2011

IMPORTANT NOTICE: Jetlev Technologies, Inc.'s (JTI's) Technical Bulletins are published and distributed to all participants in Jetlev sales and distribution, service centers, technicians, trainers, registered flight instructors, customers and pilots. Technical Bulletins shall be construed as having been distributed whether delivered by email to individuals and/or by posting to our online Technical Bulletins accessible soon on our website www.jetlev.com.

Technical Bulletins are designed to provide important updated information for the safe handling, storage, transport, operation, training, maintenance, servicing, repairs, and upgrades, as well as recall notices, safety information, warranty policies and procedures, and policy updates related to these issues. Once distributed, printed manuals cannot be easily changed or updated. Technical Bulletins are therefore published and distributed as integral parts of JTI's Operator's Manuals and Service Manuals.

Since improper procedures could dramatically reduce the durability, functionality and safety of Jetlev equipment and operation, all participants in Jetlev sales and distribution, service centers, technicians, trainers, registered flight instructors, customers and pilots have the responsibility to be knowledgeable and stay abreast of information provided in Operator's Manuals (and Service Manuals where the individual's responsibilities include maintenance and service) and Technical Bulletins, and should regularly and promptly read and understand Technical Bulletins and comply with their directives.

Relevant Manual: Operator's Manual

Relevant Chapter/Section: Maintenance

Subject: Maintenance procedures after use

At the end of each day of operating the Jetlev boat unit, jetpack, and hose, the following maintenance procedures must be performed immediately. It is especially important to do this as soon as possible if the connectors have been exposed to salt water, or if the boat's engine compartment had experienced water infiltration. In general, report any damages or irregular behavior to jetlev service department as soon as possible. Sometimes, small issues which are not corrected promptly can lead to big problems and long down time shortly thereafter because salt water is extremely corrosive.

1. Minimum facilities required for proper maintenance and inspection:

- a. **Fresh water flushing hose:** The owner/operator must ensure that there is a source of pressurized fresh water for flushing purposes. A blue plastic adaptor fitting is supplied with each Jetlev system for flushing the exhaust system more effectively. Do not lose this adaptor fitting. Flushing can be performed without it but would take longer and waste more water.
- b. **Rinsing bucket:** There should be a rinsing bucket for rinsing the helmets and lanyard properly. A larger one for rinsing the hose assembly, wet suits and water shoes would also be highly beneficial.
- c. **Compressed air:** Low pressure compressed air should be readily available for drying electrical connectors and engine compartment components after they get wet and after rinsing.
- d. **Dielectric grease:** A small container of a high-viscosity dielectric grease with a small brush is ideal for coating a thin, even layer of this protection on delicate electrical connectors and exposed terminals. Keep this handy in your support vessel or towing vehicle.
- e. **Electricity:** Electricity is needed, along with a large number of outlets on a surge-protected power bar(s), would be necessary to recharge electronic equipment.
- f. **Drying facilities for PFD's, wet suits, water shoes, helmets:** There should be ample rods and hangers to hang wet PFD's and wet suits after rinsing, and racks to air dry water shoes and helmets. A large electric fan would help to speed drying, but air conditioning and electric boot dryers would be especially helpful.
- g. **Access for inspecting engine compartment and bottom of boat:** The bottom of the boat, water intake, impeller and impeller nose cone must be inspected periodically to detect and repair collision damages and

other potential issues as early as possible. Placing the Jetlev boat unit on a watercraft dolly generally provides good access.

- h. **Space for inspecting and rolling hose assembly:** Whether it is a dock, a ramp, or the deck of a boat, there should be space to lay out the hose assembly to inspect it for damages and to roll it up for storage. The surface should be free from sharp debris such as glass shards or broken barnacle shells, which can damage the hose jacket very easily.

2. **Electrical cable connectors:**

- a. **Flushing with fresh water:** Each connector should be individually flushed thoroughly with fresh water (ideally distilled water) by immersion in a bucket and shaking back and forth or held against a low pressure spigot. DO NOT use salt water or high pressure water sprays to rinse as this may damage the connectors.
- b. **Drying:** Use a low pressure air gun (40 psi or below) or canned air (e.g. Dust-Off) to dry the connector pins and sockets thoroughly. Make sure to remove any grits of sand or similar debris, because connecting the male to female connectors with any gritty debris would damage the gold plating protection immediately.
- c. **Dielectric grease:** Using a small brush and a small tub of dielectric grease, coat the male pins only with a thin layer of the dielectric grease, then reconnect the hose to the female connector on the boat. This spreads a thin layer on both pin and socket surfaces. Do not brush dielectric grease on the female connector as this may deposit excessive amount of grease into the sockets, and result in excessive pressure buildup when the male connector is engaged. Repeat the same procedures with the connectors on the jetpack end.
- d. **Use of metal and vinyl connector caps:** The protective caps are designed to minimize exposure of the connector pins and sockets to water, road spray, and dust deposits. Use the protective caps only when towing on water, trailering, and during extended storage and only after the connectors have been flushed, dried, and protected with dielectric grease. Do not cap if connectors are wet, especially before long term storage. After rinsing, drying and coating male pins with dielectric grease, connect the two hose connectors together for protection.
- e. **Never use pliers to connect and disconnect electrical connectors.** If maintained properly, the connectors can be connected and disconnected by hand without using excessive force. Make sure the mechanical keys of the connectors are matched up properly. Do not use excessive force.

3. **Radio helmets:**

- a. Repeat the same rinsing, drying and protection procedures with radio helmets, making sure to flush the lining and the charging sockets carefully in a bucket of fresh water to remove as much of the salt water as possible.
- b. Dry the charging sockets thoroughly with gentle compressed air, and coat the charging plug with a thin film of dielectric grease before charging.
- c. Never charge with water in the sockets because rapid corrosion will result. The only reason that corrosion could take place in the charging sockets is improper maintenance, and this type of damage is not covered under manufacturer's warranty. Helmets are about \$400 to replace outside warranty.
- d. Store helmets in a cool, dry place and top up the battery charge before a flight. Air conditioned space would be ideal. Adding a fan to help dry the lining more quickly would also be a good idea to prevent molds and mildews.

4. **FRS radios:**

- a. Radios are not waterproof! Do not soak in water. Remove the battery pack from the FRS radios and wipe both the radio and battery pack dry with a clean, dry cloth. Never charge the radio or battery pack while it is wet, as the charging currents will accelerate corrosion rapidly. A radio could be damaged in one charging cycle when it is charged while wet.

5. **Boat unit:**

- a. **Flushing with fresh water:** Although the engine employs a closed-loop cooling system using automotive-type radiator fluids, the exhaust system uses ambient water for cooling. During operation, salt water circulates

through the pump, stainless steel towing valve, heat exchanger, supercharger intercooler, engine exhaust manifold, water box water injectors, water box, resonator, and exhaust port on the transom. If it is allowed to stay in the cooling passages, salt crystals develop and concentrated salt solutions can cause rapid corrosion of metal parts in the system. Flushing with fresh water is mandatory to avoid premature equipment breakdowns.

Use the provided flushing adaptor to attach fresh water hose to transom flushing port. Start engine before turning on the flow of water. Run engine for about 5 minutes with fresh water running, occasionally revving engine for a second or so.

With boat unit tilted back a few degrees and drain plug opened, flush the engine compartment with low pressure fresh water to remove salt water on the engine, electrical components, and the interior surfaces of the boat. Use low pressure compressed air gun to dry, or if that is not available, keep the hatches open to air dry out of the elements.

Flush the exterior of the boat unit and wipe dry to prevent the formation of spots. Remove any fuels, solvents, bird droppings, tars and other substances that may damage the surface finish. Occasionally, apply a good quality boat wax and buff to a shine to extend the life of the finish.

- b. Impeller nose cone/bottom damages:** Occasionally, the nose cone of the impeller may work loose under mechanical stresses. If that happens, water could enter the splined area of the drive shaft and impeller hub. Prolonged operation with salt water in these areas could cause premature corrosion of the drive shaft and splines, and premature bearing failures. With an active operating schedule, inspect the impeller nose cone daily with the engine and starting key off by looking into the water intake from under the boat. Use your fingers to check that there is no gap between the tail end of the nose cone and the leading edge of the impeller. Shake the nose cone to make sure that there is no play. If the nose cone is loose, consult JTI service department for step-by-step instructions.

While under the boat, look for any damages to the boat bottom, particularly around the water intake area. Any damages should be reported to JTI service department for step-by-step instructions on the best repair procedures.

- c. Hose clamps:** A water hose clamp failure can result in rapid swamping of the boat unit during operation. Once it becomes routine, it only takes a few minutes to do. We recommend checking the single hose clamp at the water pump water takeoff port, two clamps at the towing valve, four clamps at the heat exchanger inside the transom, three clamps at the T-connector on the hose leading to the exhaust manifold, two clamps on the intercooler, one clamp on the bottom of the forward end of the exhaust manifold, two clamps on the aft end of the exhaust manifold, and clamps on the two sets of water injector hoses leading to the water box inlet area. Also check the two clamps on the recirculating pump leading to and from the heat exchanger. Look for coolant fluids in the bilge which may indicate overheating or leaks.

6. Jetpack:

- a. Fresh water flushing:** use a fresh water hose to rinse the surfaces and inside of the tubes on the jetpack, the harness webbing, and the buckles and rotary latches.
- b. Drying:** Use low pressure compressed air to remove as much water from inside and outside of the rotary latches and harness buckles as possible. Salt crystals developing on the harness webbing and buckles surfaces will increase friction and make adjustments more and more difficult. Use low pressure compressed air or wipe the composite and metal surfaces with a soft, dry cloth to speed drying and prevent formation of spots.
- c. Inspect for damages:** Look for any damages to the composite back rest, thrust nozzle assemblies or control arms. Small dents in the thrust elbows would not affect flight. Look for significant fraying or disintegration of sewing threads in the harness webbing or trapeze. If any cracks or other obvious damages are observed, contact JTI service department for instructions.
- d. Waxing harness webbing:** When dry, rub a light film of solid paraffin wax or similar hard wax on the surfaces of the webbing where adjustments occur. This will help reduce adjustment friction.

7. Hose assembly:

- a. **Fresh water flushing:** The most effective way to flush the hose assembly is to connect the undamaged electrical connectors together and soak the entire hose assembly in a large bucket of fresh water for a few minutes. If that is not possible, rinse the hose jacket with a fresh water hose thoroughly.
- b. **Inspection:** With hose assembly extended prior to rolling, inspect both sides of the hose jacket for any cuts and other damages. Small cuts and scratches will not affect performance. Look for any cuts or sharp bends in the electrical cable, and report any significant damage to Jetlev service for diagnosis and instructions.
- c. **Air dry:** Allow the hose assembly to air and drip dry in a rolled coil, with the hose surfaces oriented vertically. A good breeze or an electric fan will speed drying and minimize molds and mildew formation over time. Avoid putting the hose assembly under a hot sun as O-rings and fabrics may deteriorate more quickly with high UV exposure.

8. *Pre-trip and pre-flight checklists:*

Checklists are beyond the scope of this Technical Bulletin. Please refer to separate sections on pre-trip and pre-flight checklists.

[illegible]

5.1. Maintenance schedule

PART / TASK	HOURS OF USE:	Daily	10	50	100	200	1 YR	Performed by
ENGINE								
Engine oil (1) and filter			R	R				SC
Rubber mounts			I		I			SC
Corrosion protection				L				SC
EXHAUST SYSTEM								
Exhaust system including intercooler	I (2)		I		I			O, SC
Supercharger clutch						RB(3)		SC
COOLING SYSTEM								
Hose and fasteners			I					O
Coolant			I			R		O
FUEL SYSTEM								
Fuel cap, filler neck, fuel tank, fuel tank straps, fuel lines & connections			I		I			O
Fuel system leak test			I		I			SC
Throttle body			I(4)		L			O
Fuel tank straps			I		I			O
Air intake baffles			I		I			SC
ENGINE MANAGEMENT SYSTEM								
EMS sensors			I		I			SC
EMS fault codes			I		I			SC
ELECTRICAL SYSTEM								
Spark plug			I		R(5)			O
Electrical connections & fastening (ignition system, starting system, fuel injectors, etc.)			I		I			O
Key/key post			I		I			O
Battery & fasteners			I		I			O
PROPULSION SYSTEM								
Carbon ring & rubber boot			I		I			SC
Impeller boot (nose cone)			I		I			SC
Impeller shaft seal, sleeve and O-ring					I			SC
Drive shaft/impeller splines					I, L			SC
Impeller & impeller wear ring clearance			I		I			SC
HULL & DECK								
Hull		I			I			O
Water intake & tunnel		I			I			O
JETPACK								
Jetpack		I					I	SC
HOSE ASSEMBLY								
Hose, sleeve		I				I		O
Cable connectors & clamps		I				I		O

Maintenance is very important for keeping your watercraft in safe operating condition. Proper maintenance is the owner's responsibility. Perform periodic checks and follow the maintenance schedule.

⚠ WARNING

Failure to properly maintain the watercraft according to the maintenance schedule and procedures can make it unsafe to operate.

The schedule should be adjusted according to operating conditions and use. Intensive use of watercraft will require greater frequency of inspection and maintenance.

This section includes instructions for basic maintenance procedures. If you have the necessary mechanical skills and the required tools, you can perform these procedures. If not, see your authorized Sea-Doo watercrafts dealer.

Other important items in the maintenance schedule that are more difficult and require special tools are best performed by your authorized Sea-Doo watercrafts dealer.

R: Replace
I: Inspect
L: Lubricate
SC: Service Center
O: Operator

- (1) Check level before each trip
- (2) Daily flushing when used in salt or foul water
- (3) Replace or rebuild by authorized service center
- (4) Lubricate immediately after ingesting salt water
- (5) Replace more frequently as needed after ingesting salt water due to mishaps or rough water use

MISCELLANEOUS TASKS						
Clean all wetsuits and vests with soap and dry in sun						
Clean hose with Salt Away and allow to dry in sun						
Clean pontoon outboard with Salt Away						
Restock Dock Box (Air, T9, etc.)						
Wash off and sweep Pontoon Boat						
Clean wetsuit drip pans with scrub brush						
Restock Dock Box (Air, T9, etc.)						
Wash off and sweep Pontoon Boat						

UNIT #						
Note Hours on Pod (Check Maintenance Schedule for tasks coming due)						
Inspect pod for damage and note any new items						
Flush pod and wash with Salt Away						
Check/tighten All Bolts on pack						
Inspect Fuel lines						
Check and add oil (change every 50 hours - note if added)						
Check coils and reseal with Dielectric grease						
Change plugs (every 75 hours)						
Inspect all electrical connections						
Check Impeller (note date of check, since cannot check in water or on dock)						
Wash Pod, remove paint marks, dry with chamois						
Clean engine keys with wire brush and T9						
Spray buckles with Corrosion X						



Daily Pre-Departure Checklist

- 1) **Drain plug** in
- 2) **Tow valve** on (dot facing out rather than forward) for towing to training location
- 3) **Hose and electrical** connected to pod and pack
- 4) **Fuel level** checked (pod, ski, pontoon) and filled to at least half tank (make sure fuel fill cap is tight)
- 5) **Battery switch** inside pod turned to "on" and **bilge pump switch** turned to "auto"
- 6) **Engine key** tested and green light confirmed
- 7) **Transmitter tested** in Instructor mode to confirm pairing (increase throttle on transmitter and verify that the servo rotates)
- 8) **Jet ski key** attached to jet ski and **kill switch** on
- 9) **Cell phone** on boat for communication with office



Jetlev Training Overview

- 1) Jetpack weight/buoyancy**
- 2) Water pressure**
- 3) 4 commands**
- 4) Walkie-talkie helmet**
- 5) Remote control**
- 6) Small movements**
- 7) Customer in pack**
- 8) Five-point safety harness**
- 9) Arms up while in water**
- 10) Starting the engine**
- 11) Stopping the engine**
- 12) Control review**
- 13) Starting initial movement**
- 14) Priority #1 – Level control arms**
- 15) Priority #2 – Avoid hovering**



Jetlev Training Script

1) Jetpack weight/buoyancy

- Pack weighs about 25 pounds (majority of weight has been offloaded to the boat unit, which contains the engine, fuel and pump)
- Made of carbon fiber
- Pack, vest, wetsuit all float, so no risk of sinking

2) Water pressure

- Water comes out both nozzles with equal pressure
- 500 lbs of thrust
- 1000 gallons per minute

3) 4 commands

- Arms Up, Arms Down, Lean Right, Lean Left

4) Walkie-talkie helmet

- One-way communication from the instructor
- Customer can talk to assistant on the jet ski, if necessary

5) Remote control

- After student starts engine, instructor flips switch to take throttle control
- Instructor will always tell student when throttling up or down

6) Small movements

- Each command represents a millimeter adjustment
- If instructor wants large movement, will repeat the commands

7) Customer in pack

- Let customer sit in pack
- Put engine key on right wrist

8) Five-point safety harness

- Loosely strap customer into pack to get a feel for harness
- Explain how to release by twisting buckle

9) Arms up while in water

- Neutral position with arms at shoulder/water level
- Never let go of control arms or face will go in the water
- Always keep arms level



10) Starting the engine

- **Four step process:**
 - o **Step 1 – Place key on post (use left hand to hold up control arm to place firmly on post)**
 - o **Step 2 – Confirm throttle is OFF (knuckles in)**
 - o **Step 3 – Wait for green flashing light**
 - o **Step 4 – Press and hold ignition button for 3 seconds**

11) Stopping the engine

- **Pull the engine key from the post with the right hand**
- **Practice once to ensure they remove with right hand**
- **Practice again with customer looking at right hand and closing eyes, explaining that's to mimic a scenario where they may be underwater**

12) Control review

- **Practice Arms Up, Arms Down, ensuring very small movements and level control arms**
- **Practice Lean Right, Lean Left, ensuring look over shoulder and maintain level control arms**

13) Starting initial movement

- **Instructor will slowly throttle up**
- **Customer will slowly bring the arms down together to get into forward motion**
- **Customer should let feet go behind them**
- **Gently raise arms to keep face out of water**

14) Priority #1 – Level control arms

- **Emphasize importance of keeping arms level**
- **Explain that they may have to correct as the hose tugs behind them until the boat unit straightens out**

15) Priority #2 – Avoid hovering

- **Once the customer is flying, explain their new top priority becomes avoiding the hover**
- **Forward momentum is critical to stability**
- **Each increase in throttle *must* be accompanied by a lowering of the arms to avoid hovering and potential backflip**

16) Follow Instructor Commands

- **Explain that the easiest way to fly is to listen to instructor commands**



Jetlev Southwest Roles and Responsibilities

Roles and Responsibilities

Office Rep

- Setting up eVoice to route office calls to cell phone:
- Changing email routing to receive info@jetlevsouthwest.com emails:
- Reviewing flight calendar to see who needs to pay
- Entering flight payments into Sales Report
- Documenting selected song for flight video
- Directing customers to training area (providing map, if necessary)
- Updating Appointment Plus with Customer information (from sign-in sheet):
 - o Customer Name (if reservation was made by different person in the group)
 - o Mailing Address
 - o Email address
 - o Phone Number
- Answering phone calls and emails
 - o Answer any general questions
 - Copy Dean on any email responses
 - Send Dean email with summary of any phone calls/voicemails returned
 - o Forward any specific/urgent issues to Dean (dean@jetlevsouthwest.com, 949-400-9790)
- Editing flight videos (see Jetlev Video Process Overview document for details)
- Selling follow-up flight time and merchandise
- Encouraging customers to share photos and videos on Facebook page
- Printing documents, as needed (waivers, maps, certificates, etc.)
- Sending Gift Certificate emails via Constant Contact
- Tell customers to check JetlevCustomerVideos YouTube channel (there's a link to it on our website Video Gallery page) for their video in a few days, in case they don't receive the Congratulations email

Office Instructor

- Greeting customers
- Collecting flight payments
- Upselling to video packages



- Overseeing sign-in and waiver signing
- Documenting selected song for flight video
- Showing training video
- Going over pack, controls and flight instruction to reduce training time on the beach
- Directing customers to training area (providing map, if necessary)
- Texting beach crew with the following info:
 - o Customer First Name(s)
 - o Flight Time (20 or 30 min)
 - o Video Package Info (Standard or Premium – 3 angle)
- Signing Pilot Certificates to give to first-time flyers
- Selling follow-up flight time and merchandise
- Encouraging customers to share photos and videos on Facebook page

Instructor

- Preparing pontoon, ski and Jetlev for training day
- Towing Jetlev to and from training area
- Training customers from the pontoon boat
- Monitoring battery levels of radios, transmitter, helmets, etc.
- Cleaning Jetlev, flushing unit, washing hose and pack
- Bringing Jetlev gear up to the office after washing
- Filling out Jetlev Incident Report for any of the following:
 - Customer contact with pod (any)
 - Customer backflips
 - Customer contact with boat/jet ski/other item, where injury of any sort occurs (bump, scratch, etc.)
 - Customer injury outside of the pack (scratch from pontoon, fall on beach, etc.)
 - Staff injury of any sort
 - Equipment damaged or lost

Instructor Assistant

- Preparing pontoon, ski and Jetlev for training day
- Driving pontoon to and from training area (side-tying jet ski, if necessary)
- Driving jet ski during customer training
- Shadow flying, if necessary
- Filming second half of customer's flight, if video package purchased
- Filming customer exiting the water after the flight, asking for a smile and thumbs up



- Shuttling customers to and from the beach
- Monitoring Jetlev and jet ski fuel levels
- Refueling Jetlev and jet ski, as necessary
- Unloading pontoon and assisting with clean-up
- Assisting with flushing of Jetlev, washing hose and pack
- Bringing Jetlev gear up to the office after washing

Floating Assistant

- Preparing pontoon, ski and Jetlev for training day
- Monitoring text messages to see when customers are arriving
- Keeping in contact with office to ensure good customer hand-offs between office and boat
- Greeting customers as they arrive at the pontoon boat
- Getting customers fitted in wetsuits and life vests
- Ensuring next customer is ready to go when previous customer completes flight
- Strapping customer into pack
- Loosening straps after each flight to get pack ready for next customer
- Switching GoPro memory cards for each customer/group
- Ensuring helmets are powered up/down to save batteries
- Answering customer questions
- Keeping pontoon boat tidy
- Hanging up wetsuits to dry
- Providing customers with GoPro memory cards in Ziploc bag and instructions to return to office to have videos edited
- Encouraging customers to purchase follow-up flights and merchandise
- Unloading pontoon and assisting with clean-up
- Washing down all wetsuits, life vests and helmets



Jetlev Video Process Overview

- 1) Ask customer what music they want for their video
- 2) Enter song choice in customer record in Appointment Plus
- 3) Open Windows Movie Maker with the template with the selected song (templates are stored in Videos folder – shortcut on Desktop)
- 4) Save video with new filename (“Jetlev Flight Movie – Pilot Name – Flight Date”) in the current date’s folder (create folder under Videos, if one does not yet exist)
- 5) Change video to Widescreen in the Project tab
- 6) Update date and pilot name in video opening credits
- 7) When customer returns to office, copy files from memory card into current date’s folder
- 8) Drag all video files into Movie Maker for editing
- 9) Review video footage and remove bad footage, only leaving the best, most varied footage
- 10) Select all video clips and choose Animations – Cross Fade
- 11) Select the last video clip and choose Visual Effects – Fade to Black
- 12) Copy video footer (www.JetlevSouthwest.com) to start at the first video clip
- 13) Change the Text Duration for the footer to 300 seconds to run the full duration of the video
- 14) Confirm the closing statement (“Come Back and Fly with Us Again Soon!”) is positioned in the last black slide
- 15) Remove the red placeholder slide
- 16) Double check each of the above items before saving file
- 17) Save Movie for High Definition Display using the same filename in the same folder
- 18) After the movie saves, upload to YouTube (Login: JetlevCustomerVideos, PW: jetlevsw)
- 19) In YouTube:
 - a. Delete the extension (.wmv) from the Filename field
 - b. Enter the following text in the YouTube Description field: “Be sure to change settings to 1080p and Full Screen for best viewing. Call Jetlev Southwest at 888-553-6471 to book your flight today!”
 - c. Enter the following text in the YouTube Tags field: “jetlev water jetpack flight”
 - d. Select “Sports” as the YouTube video Category
 - e. Save video
 - f. After video completes uploading, confirm it plays correctly by clicking the link

Jetlev Incident Report

Date _____

Employee

Name _____

Title/position _____

Manager

Name _____

Title/position _____

Incident

Date _____

Time _____

Location _____

Description of incident (equipment damage, injuries, waivers signed, etc.)

Employee explanation

Witnesses

Action to be taken (repairs, medical attention required, etc.)

By signing this document, you acknowledge that you have read and understood the information contained herein.

Employee

Manager

Date

Date

Jetlev Toolkit

- 3/8" Ratcheting Socket Wrench
- 3/8" Socket Set
 - 5/8" Spark Plug Socket
 - 11mm Socket (Hose assembly clamps)
 - 13mm Socket (Yamaha ride-plate)
 - 14mm Socket (Yamaha intake-grate)
- 3/8" Socket Extension (12")
- Wrenches
 - 8mm
 - 10mm
 - 11mm or 7/16"
- Adjustable Wrenches
 - 6"
 - 10" or 12"
- Needle Nose Pliers
- Adjustable Pliers
- Allen Key Set
 - 1.5mm-8mm
- Screwdriver Set
 - Philips and Flat head (2-3 sizes of each)
- Pack of Razor Blades
- Brush Set
 - Brass, Wire, and Plastic bristles
- Miscellaneous Bag
 - Caps for electrical
 - Pack of O-Rings for hose assembly
 - Magnets
 - Small for helmets
 - Large for pairing receiver
 - Zip ties
- Stainless hose assembly clamps
 - 0400 (Rubber only)
 - 0425 (Rubber and sheath)
- Complete anodized hose clamp (to attach hose to unit/jetpack)
- Flush Fitting (for hose to flush boat unit)
- Spark Plugs (3 new)
- 3M Silicone Paste
- Zip-Tech (Zipper lube for zippers and dry suits)



In the matter of the petition of

JETLEV SPORTS, INC.

for an exemption from Subparts B, C, F,
I, J and Section 183.610(a)(2) of Subpart K*
of Part 183 of Title 33, Code of Federal
Regulations

FEB 2 2011

CGB 10-009

GRANT OF EXEMPTION

By letter dated December 6, 2010, Mr. Raymond Li of Jetlev Sports, Inc., 1111 Old Griffin Road, Dania, Florida, petitioned the Coast Guard for an exemption from Subparts B, C, F, I, J, and Section 183.610(a)(2) of Subpart K of Part 183 of Title 33, Code of Federal Regulations.

The exemption is sought for the Jetlev R200 personal jetpack manufactured by the petitioner. The Jetlev R200 consists of a boat unit which is 127 inches in length, has a 48-inch beam and which houses a three cylinder, four stroke engine driving a water-jet pump that delivers pressurized water to an airborne jetpack via a flexible, four-inch diameter water hose. The boat unit is designed to function as a passive floating pump and has no direct propulsion and neither carries the operator, nor any passengers. Instead, the operator wears a harness and "flies" through the air propelled by the pressurized water delivered to the jetpack. The Jetlev R200 boat unit has a dry weight of 370 kilograms and contains 7.8 cubic feet of foam flotation material. The net engine compartment volume is 19 cubic feet.

The requirement for the Display of Capacity Information in Subpart B of Part 183 requires the manufacturer of a monohull boat less than 20 feet in length to display on a label affixed to the boat the maximum weight capacity and maximum persons capacity determined in the Safe Loading Standard. The Safe Loading Standard in Subpart C of Part 183 requires the manufacturer to calculate the maximum weight capacity and maximum persons capacity of a boat in accordance with the procedures and formulae provided in the regulations.

The Flotation Standard in Subpart F of Part 183 requires the manufacturer of an inboard powered monohull boat less than 20 feet in length to calculate and provide the quantity of flotation material necessary to support the submerged weight of the boat and two-fifteenths of the dry weight of the persons capacity. Two of the weights the manufacturer must use in determining the quantity of flotation material needed, are the maximum persons capacity and maximum weight capacity found in the Safe Loading Standard.

In the Safe Loading Standard, calculation of the persons capacity according to the regulations requires adding weights along the outboard extremity of the passenger carrying area, at the height of the seat nearest the center of that area, until the boat assumes maximum list without water coming into the boat. Calculation of the maximum weight capacity in accordance with the regulation involves immersing the boat in calm water up to the point where water would flow into the hull of the boat. Since the Jetlev R200 has no open load carrying area into which water will flow as envisioned by the Safe Loading Standard, it is impossible to test the boat for maximum persons capacity and maximum weight capacity. Also, the Jetlev R200 is not designed to carry the operator or any passengers or gear. For those reasons, the petition requests an exemption from the Safe Loading Standard and from the Flotation Standard, which utilizes weight capacities found under the Safe Loading Standard. In addition, the petition requests an exemption from the requirement for the Display of Capacity Information, since it follows that if the information cannot be determined, then it cannot be displayed.

The Coast Guard has carefully considered all information presented in the petition. The formulation and wording of the Coast Guard Safe Loading Standard, as well as the validity of the capacities determined in the standard are predicated on the conventional type hull in which persons and portable gear are carried within a finite volume or area of the hull. In view of the unique configuration of the Jetlev R200, the Coast Guard considers that the calculations and tests prescribed in the Safe Loading Standard cannot reasonably be made to apply to this boat. The boat unit is designed to function as a passive floating pump and has no direct propulsion and neither carries the operator, nor any passengers. Instead, the operator wears a harness and "flies" through the air propelled by the pressurized water delivered to the jetpack. In addition, the Coast Guard recognizes that if the maximum persons capacity and maximum weight capacity cannot be reasonably and practically determined in the Safe Loading Standard, then the Flotation Standard cannot reasonably apply either. Also, a U.S. Coast Guard Maximum Capacities label cannot reasonably be required.

The basic intent of the Safe Loading Standard is to avoid the situation in which the careless or inexperienced boat operator crowds too many people or too much portable gear into a boat, reducing its stability and freeboard and making it more susceptible to capsizing and swamping. The Coast Guard's experience has been that such overloading occurs because of the simple fact that a small boat hull can physically accommodate a much greater load than the boat can safely carry. After careful examination of the Jetlev R200 design and operation method, the Coast Guard considers that it would be very difficult to either inadvertently or deliberately overload one of the petitioner's boats.

The Flotation Standard in Subpart F requires the manufacturer to equip the boat with sufficient flotation to support the submerged weight of the boat and two fifteenths of the persons capacity. The petitioner states that the Jetlev R200 is equipped with 7.4 cubic feet of foam flotation material. The petition also states that the company's own testing shows that the amount of flotation material installed is sufficient to meet the intent of the Flotation Standard.

With regard to the petition for an exemption from the Electrical System Standard in Subpart I of Part 183, the petitioner states that the electrical system is ignition-protected and special attention has been paid to insulation of terminals on ignition components and grounding of metallic

surfaces. The petitioner states that the battery is securely mounted and installed in such a way that excess movement is prevented; ungrounded battery terminals are insulated to prevent accidental contact with metallic objects; and battery terminals are secured by bolt-on type connectors.

With regard to the petition for an exemption from the Fuel System Standard in Subpart J of Part 183, the petitioner states that the fuel system in the Jetlev R200 is a closed fuel injection system which is sealed to prevent leakage even when the boat unit is capsized. The petitioner also states that the Jetlev R200 is equipped with a fuel tank that will withstand the test pressure specified in the standard; the fuel pump is operable only while the engine is running and the ignition switch is turned to the "on" position; and that the fuel system will not leak any significant amount of fuel from the fuel line, filter and strainer. The petitioner states hose clamps are worm drive and corrosion resistant; flexible fuel hoses are equivalent to "U.S. Coast Guard Type A1" hose; and the entire fuel system has been pressurized to 3 psi with no leakage as specified in the standard. The petition also states that the small engine compartment volume minimizes the amount of oxygen available for combustion.

The requirements of Subparts I and J were intended to reduce the incidence of boat fires and explosions, which cause property damage, injuries and fatalities. The elements of those regulations were based upon voluntary standards of the National Fire Protection Association, the American Boat and Yacht Council, the Society of Automotive Engineers, Underwriters Laboratories and Coast Guard sponsored research. All of those voluntary standards and the Coast Guard research considered only conventional inboard and sterndrive boats which were typically larger than 16 feet in length and which typically have conventional hull construction in which the operator and passengers ride within the confines of the hull adjacent to or directly above the engine spaces.

The Coast Guard considers that the Jetlev R200 achieves a level of safety which meets the intent of Subpart J of Part 183, because the operator does not ride within the confines of the hull adjacent to or directly above the engine spaces, there is no leakage from the fuel system even when the boat unit is capsized, the electrical system is ignition-protected, and because the small volume of the engine compartment minimizes the oxygen available to support combustion.

The petition also requests an exemption from the powered ventilation requirements in §183.610(a)(2) of the Ventilation Standard in Subpart K of Part 183. The petitioner states that due to the small net compartment volume, powered ventilation is unnecessary.

The present ventilation regulations in Subpart K of Part 183 were intended to apply to conventional types of boats powered by inboard or sterndrive engines or equipped with gasoline generators. These engines may emit gasoline fuel vapors. The ventilation regulations are intended to remove such vapors; however, the fuel system on the Jetlev R200 is not designed in the same way as the fuel system on a conventional inboard or sterndrive boat. The fuel system on the Jetlev R200 is sealed to prevent leakage. As a result, the Jetlev R200 achieves an acceptable level of safety, and compliance with §183.610(a)(2) is unnecessary.

In consideration of the foregoing, I find that to grant this exemption would not adversely affect boating safety. Therefore, pursuant to the authority contained in 46 U.S.C. 4305 and Department of Homeland Security Delegation No. 170.1(92), which authority has been delegated to me by the Commandant, an exemption from the requirements of Subparts B, C, F, I, J and Section 183.610(a)(2) of Subpart K of Part 183 of Title 33, Code of Federal Regulations is hereby granted to Jetlev Sports, Inc., subject to the following provisions:

(1) The exemption applies only to the following boat manufactured by Jetlev Sports, Inc.:

Jetlev R200

Length: 127"

Beam: 48"

Dry Weight: 370 kgs.

CuFt Flotation: 7.8

(2) Each Jetlev R200 boat, in lieu of a certification label, shall have permanently affixed to it, in a location clearly visible to the operator when boarding the boat or getting the boat underway, a label which contains the following information:

(a) The name, Jetlev Sports, Inc., and the city and State where the company is located;
and

(b) The words:

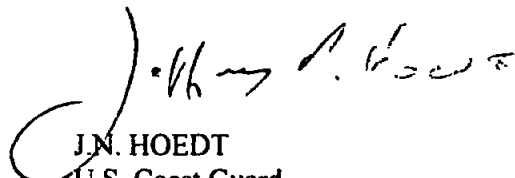
"THIS BOAT IS NOT REQUIRED TO COMPLY WITH THE FOLLOWING U.S. COAST GUARD SAFETY STANDARDS IN EFFECT ON (insert date of certification or the words 'THE DATE OF CERTIFICATION'):

- * Display of Capacity Information
- * Safe Loading
- * Flotation
- * Electrical System
- * Fuel System
- * Powered Ventilation

AS AUTHORIZED BY U.S. COAST GUARD GRANT OF EXEMPTION
(CGB 10-009)."

(3) The label required as a provision of this exemption must meet the requirements of §§181.17 and 181.19 Title 33, Code of Federal Regulations.

(4) This exemption is effective on its date of issuance and terminates three years from the date of issuance below, unless sooner superseded, rescinded or otherwise terminated.


J.N. HOEDT
U.S. Coast Guard
Chief, Office of Boating Safety
By direction of the Commandant

Issued in Washington, D.C. on: FEB 2 2001
