

SUBLEASE AGREEMENT

by and among

BY CI SMI SERIES,
a registered series of
BY CHANNEL ISLANDS SMI, LLC,
a Delaware limited liability company,
or its affiliated assignee

as Sublandlord,

BY CI SMI OPKO SERIES,
a registered series of
BY CHANNEL ISLANDS SMI, LLC,
a Delaware limited liability company

as Customer,

and

Legacy Marine, LLC,
a California limited liability company
as Subtenant and Service Provider

Dated as of May 22, 2024

SUBLEASE AGREEMENT

THIS SUBLEASE (this "Sublease") is made to be effective as of May 22, 2024 (the "Effective Date"), by and between BY CI SMI SERIES, a registered series of BY CHANNEL ISLANDS SMI, LLC, a Delaware limited liability company, or its affiliated assignee ("Sublandlord"), and LEGACY MARINE, LLC, a California limited liability company (the "Subtenant").

BY CI SMI OPCO SERIES, a registered series of BY CHANNEL ISLANDS SMI, LLC, a Delaware limited liability company ("Customer") is a necessary party to this Sublease but only to the extent expressly set forth herein.

ARTICLE I DEFINITIONS AND CERTAIN BASIC PROVISIONS

The following list enumerates certain defined terms and other information pertaining to this Sublease:

1.1 "Base Rent" shall mean the amount payable in advance each month, commencing on the Effective Date of the Agreement, and on or before the fifth (5th) day of each calendar month during the Sublease Term thereafter until the end of the Sublease Term, according to the following schedule, and otherwise payable as set forth in Article IV:

Time Period	Monthly Base Rent	Annual Base Rent
May 22, 2024 – April 30, 2025	\$23,916.67	\$287,000.00
May 1, 2025 – April 30, 2026	\$26,308.33	\$315,700.00
May 1, 2026 – April 30, 2027	\$28,939.17	\$347,270.00
May 1, 2027 – April 30, 2028	\$31,833.08	\$381,997.00
May 1, 2028 – April 30, 2029	\$35,016.39	\$420,196.70

1.2 "Commencement Date" shall mean May 22, 2024.

1.3 "Environmental Laws" shall mean any federal, California State, or local law, ordinance, rule, decree, order, regulation, or court decision relating to Hazardous Materials or other environmental conditions on, under, or about the Subleased Premises or the Land, or soil and ground water conditions, including but not limited to, the those rules and regulations found in the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. § 6901 et seq.) (1982 & Supp. IV 1986); the Hazardous Materials Transportation Act of 1975 (49 U.S.C. § 1801 et seq.); 40 CFR § 280; 53 Fed. Reg. 37,082 (1988); 53 Fed. Reg. 43322 (1988); 53 Fed. Reg. 51,273 (1988); the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) (42 U.S.C. § 9601 et seq.) (1982 & Supp. IV 1986); the California Carpenter-Presley-Tanner Hazardous Substance Account Act (Cal. Health & Safety Code § 78000 et seq.); the Hazardous Materials Release Response Plans and Inventory Act (Cal. Health & Safety Code § 25500 et seq.); the California Hazardous Waste Control Law (Cal. Health & Safety Code § 25100 et seq.); the California Safe Drinking Water and Toxic Enforcement Act of 1986 (Cal. Health & Safety Code § 25249.5 et seq.); the California Porter-Cologne Water Quality Control Act (Cal. Water Code § 13000 et seq.); and any other law or legal requirement concerning Hazardous Materials, and any amendments or successor statutes to the foregoing and all laws: (a) relating to the environment, human health, or natural resources; (b) regulating, controlling, or imposing liability or standards of conduct concerning any Hazardous Materials; (c) relating to Remedial Action; and (d) requiring notification or disclosure of releases

of Hazardous Materials or of the existence of any environmental conditions on or at the Subleased Premises or the Land, as any of the foregoing may be amended, supplemented, or supplanted from time to time.

1.4 “**Environmental Liabilities**” shall mean any loss, cost, expense, claim, demand, liability, obligation, action, or other responsibility of whatever kind, based upon or required under Environmental Laws or otherwise relating to: (a) any environmental, health, or safety matter or condition (including, but not limited to, on-site or off-site pollution or contamination, the welfare, safety, and health of people at the Subleased Premises or elsewhere, and the regulation of chemical substances or products); (b) fines, penalties, judgments, awards, settlements, legal or administrative proceedings, damages, losses, claims, demands, responses, and remedial, investigative, or inspection costs and expenses arising under or caused by application of Environmental Laws (including, but not limited to, fees for attorneys, engineers, and other professionals); (c) financial responsibility under Environmental Laws, for Remedial Action, or for any damages to natural resources; or (d) any other Remedial Action.

1.5 “**Hazardous Materials**” shall mean any and all substances, materials, chemicals, or wastes that now or hereafter are classified or considered to be hazardous or toxic under any Environmental Law, or that are or become regulated by any governmental authority because of toxicity, infectiousness, radioactivity, explosiveness, ignitability, corrosiveness, or reactivity under any Environmental Law applicable to the Subleased Premises and shall also include: (a) gasoline, diesel fuel, and any other petroleum hydrocarbons; (b) asbestos and asbestos containing materials, in any form, whether friable or non-friable; (c) polychlorinated biphenyls; (d) radon gas; and (e) flammable liquids and explosives.

1.6 “**Impositions**” shall mean all taxes, assessments, use and occupancy taxes, charges, excises, license and permit fees, and other charges by public or governmental authority, general and special, ordinary and extraordinary, foreseen and unforeseen, which are or may be assessed, charged, levied, or imposed by any public or governmental authority on the Subleased Premises or any portion thereof or with respect to any property located thereon or any business conducted thereon. If any Imposition relates to a fiscal period of the taxing authority, a part of which period is within the Sublease Term and a part of which is outside the Sublease Term, such Imposition shall be prorated between Sublandlord and Subtenant so that Sublandlord shall pay the portion of such Imposition attributable to any period outside the Sublease Term, and Tenant shall pay the portion thereof attributable to the period within the Sublease Term, except for May 2024, which Subtenant shall pay in full, irrespective of the Commencement Date.

1.7 “**Improvements**” shall mean all buildings, structures, drives, parking areas, landscaping and other improvements on the Land and any other improvements used in connection with the operation of the Master Leased Premises.

1.8 “**Land**” means the land leased by Sublandlord from Master Lessor under the Master Lease, such being legally described on EXHIBIT A attached hereto.

1.9 “**Letter of Credit**.” In lieu of a guaranty, Subtenant shall obtain a Letter of Credit in a face amount of \$287,000.00 pursuant to the additional terms and conditions set forth on EXHIBIT D.

1.10 “**Master Lease**” or “**Ground Lease**” shall mean that certain Second Amended and Restated Lease – Parcels N and P – Channel Islands Harbor, dated December 10, 2013, with the County of Ventura (the “**County**” or “**Master Lessor**”), a subdivision of the State of California, as amended by that certain First Amendment to Second Amended and Restated Lease – Parcels N and P – Channel Island Harbor, dated October 20, 2015, attached hereto as EXHIBIT C.

1.11 “**Master Leased Premises**” or “**Marina**” shall mean the Land and Improvements and has a street address of 3615 S. Victoria Avenue, Oxnard, California 93035. The Master Leased Premises is

leased by Sublandlord from the County under the Master Lease and is commonly known as Seaside Boatyard & Marina.

1.12 **“Master Lease Percentage Rent”** shall have the meaning ascribed in Section 4.2 below, which currently equals three percent (3%) of Subtenant’s Gross Receipts for watercraft maintenance services, boat/watercraft repairs, and boat/watercraft haul-and-launch services; twenty percent (20%) of Subtenant’s Gross Receipts for boatyard storage fees; one percent (1%) of Subtenant’s Gross Receipts for the sale of used or new boats, boat motors, or boat trailers; ten percent (10%) of Subtenant’s Gross Receipts for commissions from boat brokerage services; ten and a half percent (10.5%) of Base Rent; and five percent (5%) of Subtenant’s Gross Receipts for miscellaneous receipts.

1.13 **“Maximum Rate”** shall mean the greatest of the rates of interest from time to time permitted under applicable federal and state law. Wherever it is provided herein that a monetary sum shall be due to Sublandlord together with interest at the Maximum Rate and at such time there is no Maximum Rate, interest shall be due at the rate of eighteen percent (18%) per annum.

1.14 **Intentionally Omitted.**

1.15 **“Permitted Use”** shall mean a full-service marine repair and service shop (to include boat storage, trailer storage and haul-and-launch services), and vessel/boat sales (subject, however to Subtenant obtaining all necessary licenses), and all activities reasonably incidental thereto.

1.16 **“Prepaid Rent”** shall mean first and last month’s rent in the total amount of \$58,933.06 to be paid in full to Sublandlord by Subtenant concurrently with Subtenant’s execution of this Sublease.

1.17 **“Remedial Action”** shall mean the investigation, response, clean up, remediation, prevention, mitigation, or removal of any Hazardous Materials necessary to comply with any Environmental Laws (as reasonably approved in advance by Sublandlord in writing).

1.18 **Intentionally Omitted.**

1.19 **Sublease Extension Terms.** Provided that Subtenant shall not then be in default beyond any applicable notice and cure period set forth herein, Subtenant shall have two (2) options (each, an **“Extension Option”**) to extend the Sublease Term as to all of the Subleased Premises, for a period of five (5) years each (each, an **“Extension Term”**), each commencing on the day after the expiration of the then-existing Sublease Term. Sublandlord and Subtenant shall negotiate the terms and conditions of each Extension Term, if applicable, including, without limitation, Base Rent, prior to the date that is six (6) months before the expiration of the initial Sublease Term, with respect to the first Extension Term, or prior to the date that is six (6) months before the expiration of the first Extension Term, with respect to the second Extension Term; provided, however, that failure to finalize negotiations by such date shall cause the then-existing Extension Option(s) to automatically terminate and be of no further force or effect. Notwithstanding the foregoing to the contrary, in no event shall (a) Base Rent for the first Extension Term exceed the amount of Base Rent from the prior lease year adjusted by the Consumer Price Index for All Urban Consumers (**“CPI-U”**) and increased further by seven percent (7%) of Subtenant’s Gross Receipts or (b) Base Rent for the second Extension Term fall below the amount of Base Rent from the first Extension Term. For all purposes hereof, the CPI-U adjustment shall be calculated as follows: the base for computing the adjustment shall be the most recent applicable base year CPI-U, as determined by Sublandlord for the Ventura County, California area, as published by the United States Department of Labor, which is published for the month nearest the first day of the immediately preceding calendar year (the **“Beginning CPI-U”**). If the CPI-U published for the month nearest the commencement of the applicable calendar year (the **“Current CPI-U”**) has increased over the Beginning CPI-U, then the annual Base Rent for that calendar

year shall be increased by a fraction, the numerator of which is the Current CPI-U, and the denominator of which is the Beginning CPI-U. In the event the CPI-U is changed so that the base year differs from that contemplated herein, the CPI-U shall be converted in accordance with the conversion factor published by the United States Department of Labor. If the CPI-U is discontinued or substantially revised, another government index or computation or the index with which the CPI-U is replaced shall be used in order to obtain essentially the same result as would have been obtained if the CPI-U had not been discontinued or revised.

1.20 “**Sublandlord’s Address**” shall mean 17330 Preston Road, Suite 100C, Dallas, Texas 75252.

1.21 “**Subleased Premises**” shall mean approximately that certain area shown on EXHIBIT A-1 attached hereto, being further described as the Office Service Center Business Office/Break Room (appx. 1,200 square feet), the Parts and Inventory Building (appx. 900 square feet), Small Equipment Service Building (appx. 900 square feet), and the Secure/Gated Boat Service Repair Yard (appx. 114,500 square feet).

1.22 “**Sublease Term**” shall be the period commencing on the Commencement Date and ending on April 30, 2029, unless this Sublease shall be earlier terminated or extended. References to the “term” of this Sublease shall be deemed to refer to the Sublease Term.

1.23 “**Subtenant’s Address**” shall mean 3615 S. Victoria Avenue, Oxnard, California 93035.

1.24 “**Trade Name**” shall mean “Legacy Marine.”

Each of the foregoing definitions and basic provisions shall be construed in conjunction with the references thereto contained in the other provisions of this Sublease and shall be limited by such other provisions. Each reference in this Sublease to any of the foregoing definitions and basic provisions shall be construed to incorporate each defined term set forth above under such definition or provision.

ARTICLE II GRANTING CLAUSE

2.1 **Lease of Subleased Premises.** Sublandlord (and Customer, as it relates to Section 5.2), in consideration of the covenants, agreements and undertakings of Subtenant as herein set forth, does hereby sublease to Subtenant, and Subtenant does hereby sublease from Sublandlord, the Subleased Premises, to have and to hold for the Sublease Term, all upon and subject to the terms and conditions set forth in this Sublease. Possession of the Subleased Premises will be tendered to Subtenant on the Commencement Date.

2.2 **Reservations.** The Subleased Premises shall include the appurtenances specifically granted in this Sublease, but reserving and excepting to Sublandlord (i) the use of (a) the exterior faces of the exterior walls of any buildings on the Subleased Premises, but subject to Subtenant's rights under Section 5.9 herein, and (b) the upper surface of the roof of such buildings, and (ii) the right to install, maintain, use, repair and replace pipes, ducts, conduits and wires which now or hereafter may serve other parts of the Master Leased Premises and which now or hereafter may pass through the Subleased Premises; so long as such pipes, ducts, conduits and wires are not placed in locations which will materially adversely interfere with Subtenant's use and occupancy of the Subleased Premises and provided that Sublandlord, when asserting its rights hereunder, does so in a manner that minimizes any interference with Subtenants use and occupancy of the Subleased Premises..

ARTICLE III DELIVERY OF SUBLEASED PREMISES

3.1 “As Is” Condition. The Subleased Premises are being leased “AS IS” and “WITH ALL FAULTS,” and Sublandlord makes no warranty of any kind, express or implied, with respect to the Subleased Premises, except as expressly provided in this Sublease. Without limiting the generality of the preceding sentence, it is expressly agreed that Sublandlord makes no warranty as to the marketability, habitability or fitness for any particular purpose of the Subleased Premises. **TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, SUBLANDLORD HEREBY DISCLAIMS, AND SUBTENANT WAIVES THE BENEFIT OF, ANY AND ALL IMPLIED WARRANTIES, INCLUDING IMPLIED WARRANTIES OF HABITABILITY AND FITNESS OR SUITABILITY FOR A PARTICULAR PURPOSE.** Subtenant has performed such investigations and studies of the Subleased Premises as Subtenant has deemed necessary, and Subtenant has determined, based and in reliance only upon the investigations and studies conducted by Subtenant, that the Subleased Premises are suitable for Subtenant’s intended use thereof.

ARTICLE IV RENT

4.1 Payment of Base Rent. Base Rent shall accrue on the dates set forth in Section 1.1 above and shall be payable to Sublandlord at the Master Leased Premises address set forth in Section 1.11 above (or such other address as Sublandlord may designate from time to time), in advance, on or before the fifth day of each calendar month during the Sublease Term. Base Rent for any partial month of Sublease Term will be appropriately prorated, except for May 2024, which Subtenant shall pay to Sublandlord in full, irrespective of the Commencement Date. Prepaid Rent will be due and payable concurrently with Subtenant’s execution of this Sublease as set forth in Section 1.16 above.

Sublandlord and Subtenant agree that (i) the fair market value of personal property located on and used in connection with the Subleased Premises and leased to Subtenant under this Sublease, excluding personal property leased by Customer pursuant to Section 5.2, shall not exceed fifteen percent (15%) of the fair market value of the Subleased Premises and (ii) rent attributable to personal property, excluding personal property leased by Customer pursuant to Section 5.2, pursuant to Section 856(d) of the Internal Revenue Code of 1986, as amended (the “Code”), does not and will not, in any calendar year, exceed fifteen percent (15%) of the total rent payable with respect to the Subleased Premises.

4.2 Master Lease Percentage Rent. Each month, on or before the fifth day of each calendar month during the Sublease Term, Subtenant shall pay to Sublandlord all applicable fees in connection with Subtenant’s use of the Subleased Premises owed by Sublandlord to the County of Ventura Harbor Department pursuant to the Master Lease. The current rate of the Master Lease Percentage Rent is set forth above in Section 1.12. Master Lease Percentage Rent for any partial month of Sublease Term will be appropriately prorated, except for May 2024, which Subtenant shall pay to Sublandlord in full, irrespective of the Commencement Date.

4.3 Intentionally Omitted.

4.4 Gross Receipts.

(a) **“Gross Receipts”** means the entire amount of the actual sales price, whether for cash or on credit, for all services, repairs and merchandise sold and all other receipts of the business conducted by Subtenant at or from the Subleased Premises including, without limitation, mail or telephone orders received or filled at the Subleased Premises, off-site catering and delivery, whether conducted by or through

Subtenant, any assignee, any sublessee or licensee of the Subleased Premises or any portion thereof, any other successor of Subtenant with respect to the Sublease or any sublessee or licensee conducting business at the Subleased Premises including, again without limitation, vending and gaming machine receipts, deposits not refunded to customers, takeout orders and sales, delivery charges and orders filled in the Subleased Premises. Gift certificates shall be included as Gross Receipts at the time the certificate is purchased by the customer at the Subleased Premises. Each sale upon installment or credit shall be treated as a sale for the full price in the calendar year during which sale is made, irrespective of the time when Subtenant receives payment. No deduction shall be allowed for uncollected or uncollectible credit accounts. However, Gross Receipts shall not include (i) the amount of any cash or credit refund made upon any sale where the merchandise is returned by the customer, or (ii) retail sales tax, retail excise tax, TABC taxes or similar tax or any federal, state, county or other local taxes required to be charged and collected by Subtenant, or (iii) sales of equipment, fixtures or property of Subtenant which are not part of Subtenant's stock in trade, or (iv) tips and gratuities, (v) insurance or condemnation proceeds other than business interruption insurance proceeds, (vi) bona fide transfers of merchandise from the Subleased Premises to any other stores or warehouses of Subtenant that are not intended to avoid a sale at the Subleased Premises, including but not limited to transfer of inventory from the Subleased Premises to the premises of another dealer, (vi) returns to vendors, shippers or suppliers; (vii) any amount charged to customers for mailing, delivery, alterations, repairs or other services where such services are rendered to customers without profit to the Subtenant; (viii) separately stated interest, service or sales carrying charges, or other charges, however denominated, paid by customers for extension of credit on sales and not included in the merchandise sales price; (ix) donations of merchandise to charities, or (x) mail order and internet sales if the order relating thereto is not received or filled at the Subleased Premises. Customers include employees of Subtenant. All sales and/or revenue originating at the Subleased Premises shall be considered Gross Receipts, even though bookkeeping and payment of the account may be transferred to another place for collection and even though actual delivery of the merchandise may originate from or made from a place other than the Subleased Premises.

(b) Not later than the fifth day after each calendar month (or partial calendar month) during which Subtenant is open for business, Subtenant shall prepare and deliver to Sublandlord a statement of Gross Receipts for the just ended month, broken down into the various categories of Gross Receipts set forth in Section 1.12, together with the Master Lease Percentage Rent owed, if any, for that calendar month. Not later than the fifteenth (15th) business day after each calendar quarter (or partial calendar quarter) during which Subtenant is open for business, Subtenant shall prepare and deliver to Sublandlord a statement of Gross Receipts for the just ended calendar quarter, broken down into the various categories of Gross Receipts set forth in Section 1.12, together with the Master Lease Percentage Rent owed, if any, for that calendar quarter. If Subtenant fails to timely submit a quarter statement, the Master Lease Percentage Rent due shall be the greater of (A) the highest aggregate amount of Gross Receipts for any preceding calendar quarter, as previously reported by Subtenant on any quarterly statement, and (B) one hundred twenty-five percent (125%) times the then current aggregate monthly Base Rent payable by Subtenant for the calendar quarter for which the Master Lease Percentage Rent is due. Not later than the thirtieth (30th) day after the expiration of each calendar year, including the calendar year in which the Sublease Term expires, Subtenant shall prepare and deliver to Sublandlord a statement of total Gross Receipts for the just ended calendar year, broken down into the various categories of Gross Receipts set forth in Section 1.12, and the Master Lease Percentage Rent owed for the just ended calendar year, less any payments of Master Lease Percentage Rent already paid for that calendar year. All such statements of Gross Receipts must be created by Subtenant using commonly-available, third-party software specifically designed for such purposes which gathers sales data directly from Subtenant's point-of-sale equipment, and must be presented to Sublandlord in a form which is reasonably acceptable to Sublandlord printed directly from the point-of-sale software (as evidenced with the point-of-sale software's logo being included on such statement), including an excel format. Subtenant must also provide to Sublandlord copies of all sales reports submitted by Subtenant to the California Department of Tax and Fee Administration (CDTFA) or to any other government agency, at

the same time as Subtenant submits such reports to such CDTEFA or other governmental agency. If Subtenant fails to timely deliver required statements of Gross Receipts for two (2) consecutive months or if Sublandlord is not reasonably satisfied with the statements of Gross Receipts submitted by Subtenant, Sublandlord may have its auditors make a special audit of all books and records, wherever located, pertaining to sales made in or from the Subleased Premises, and Subtenant must reasonably cooperate with such audit. Subtenant shall provide a copy of a professionally audited financial statement if requested by Sublandlord or the City of Oxnard upon not less than thirty (30) days' notice.

(c) Subtenant shall maintain at the Subleased Premises, or at the contact address for Subtenant set forth in this Sublease, for a period of four (4) consecutive years following the end of each calendar year during the Sublease Term including the for the year in which the Sublease Term expires, a permanent, complete and accurate record of all Gross Receipts for such calendar year or portion thereof. All such records, including sales tax reports, business and occupation tax reports and all other records and books kept by Subtenant in relation to the business conducted at the Subleased Premises (to the extent such records directly pertain to the calculation of Master Lease Percentage Rent) shall be open to inspection and audit of Sublandlord and its agents at all reasonable times during ordinary business hours upon not less than ten (10) days' prior written notice. The receipt by Sublandlord of any statement of Gross Receipts or any payment of the Master Lease Percentage Rent for any period or the failure of Sublandlord to make an audit for said period shall not bind Sublandlord as to the correctness of the statement or the payment, nor bar Sublandlord from collecting at any time thereafter the correct Master Lease Percentage Rent due for said period. If any audit by Sublandlord or its agents of Subtenant's records shall reveal a deficiency in any payment of Master Lease Percentage Rent, Subtenant shall immediately pay to Sublandlord the amount of the deficiency. If the deficiency is greater than three percent (3%) of what should have been paid, Subtenant shall pay for the reasonable cost of the audit. If any audit by Sublandlord, or its agents, of Subtenant's records should reveal an overpayment of Master Lease Percentage Rent, Sublandlord shall either refund Subtenant within thirty (30) days or credit Subtenant on Subtenant's next invoice(s) for Rent until repaid to Subtenant in full. If Sublandlord and Subtenant disagree on the results of an audit and the parties are unable to come to an agreement within thirty (30) days of Subtenant's receipt of the findings of Sublandlord's audit, then Subtenant shall have the right, within five (5) business days after the expiration of such thirty (30) day period, to submit such dispute for resolution by binding arbitration with a mutually acceptable CPA having not less than seven (7) years' experience with respect to the auditing and review of gross receipts in the metropolitan area in which the Subleased Premises is located. If Sublandlord and Subtenant cannot agree on a CPA within fifteen (15) days after Sublandlord's receipt of Subtenant's election to submit such dispute to arbitration, then within five (5) days thereafter, each shall select a CPA, and within ten (10) days thereafter, the two appointed CPAs shall select a third CPA. The third CPA shall be the arbitrator to resolve such dispute. If the arbitrator determines that the findings of Sublandlord's audit were correct, then the appropriate party shall pay to the other party the deficiency or overpayment, as applicable, within thirty (30) days following such final determination; provided, however, that Sublandlord shall credit any overpayment determined by the arbitrator against the next Rent due and owing by Subtenant or, if no further Rent is due, refund such overpayment directly to Subtenant within thirty (30) days of determination. If the deficiency is greater than three percent (3%) of what should have been paid, Subtenant shall pay for the cost of the CPA. If the deficiency is less than or equal to three percent (3%) of what should have been paid, Sublandlord shall pay for the cost of the CPA.

(d) Sublandlord shall hold in the strictest confidence all sales figures and related information obtained from Subtenant's records, except as may be necessary for the enforcement of Sublandlord's rights under this sublease, in connection with prospective financing or prospective sale of the Subleased Premises, any tax proceedings, as necessary in connection with consultations with its investors, members, attorneys and accounts, or pursuant to any legal requirements.

4.5 Late Charge; Interest. If Subtenant shall fail to pay any installment of Base Rent, Master Lease Percentage Rent or any other amounts due hereunder on or before the fifth day after same becomes due. Subtenant shall pay to Sublandlord on demand a late charge (the "**Late Charge**") equal to five percent (5%) of such installment. It is understood and agreed that the Late Charge is for the purpose of reimbursing Sublandlord for the extra costs and expenses incurred in connection with the handling and processing of late installments of Base Rent. In addition to the Late Charge, all amounts of Base Rent, Master Lease Percentage Rent, and any other payment to be made by Subtenant to Sublandlord hereunder shall bear interest at the Maximum Rate. In no event, however, shall the charges permitted under this Section or elsewhere in this Sublease, to the extent the same are considered to be interest under applicable law, exceed the maximum rate of interest permitted by applicable law.

4.6 All Charges Deemed Rent. Prepaid Rent, Base Rent, Master Lease Percentage Rent and all other amounts becoming payable by Subtenant under this Sublease, including pursuant to Section 4.4 above, shall constitute rent (or "**Rent**") payable hereunder, and in the event Subtenant fails to pay any such amount when due according to the terms of this Sublease, Sublandlord shall have all remedies available hereunder or at law or in equity for failure to pay rent. No happening, event, occurrence or situation during the term of this Sublease, whether foreseen or unforeseen, and however extraordinary, shall relieve Subtenant from its liability to pay the Base Rent and other charges payable by Subtenant under this Sublease or relieve Subtenant from any of its other obligations under this Sublease.

4.7 Payments Under Sublease. All rent, payments and charges required to be paid by Subtenant to Sublandlord hereunder shall be payable in currency of the United States of America and without demand, set-off or deduction. No payment to or receipt by Sublandlord of a lesser amount than that then amount required to be paid hereunder shall be deemed to be other than on account of the earliest amount of such obligation then due hereunder. No endorsement or statement on any check or other communication accompanying a check for payment of any amounts payable hereunder shall be deemed an accord and satisfaction, and Sublandlord may accept such check in payment without prejudice to Sublandlord's right to recover the balance of any sums owed by Subtenant hereunder. Sublandlord's acceptance of any payment remitted by a third party, on behalf of Subtenant, shall be credited to the account of Subtenant only. In the event Sublandlord bills Subtenant for any charge permitted hereunder and within ninety (90) days of receipt of the same Subtenant does not provide Sublandlord with notice that it disputes such charge, then Subtenant waives any further right to dispute such charge.

4.8 No Termination. Except as may be otherwise expressly provided in this Sublease, Subtenant shall not have any right to terminate this Sublease during the Sublease Term, and Subtenant shall not be entitled to any setoff, abatement, suspension, deferment, diminution, deduction, or reduction of or to Base Rent or any other sums payable under this Sublease. It is the intention of the parties hereto that the obligations of Subtenant under this Sublease shall be separate and independent covenants and agreements, and that Base Rent and all other sums payable by Subtenant hereunder shall continue to be payable in all events, and that the obligations of Subtenant under this Sublease shall continue unaffected, other than as may be expressly provided in this Sublease.

ARTICLE V OPERATION OF BUSINESS

5.1 Use. The Subleased Premises may be used and occupied only for the Permitted Use and for no other purpose without the prior written consent of Sublandlord. Subtenant shall use in the transaction of business on the Subleased Premises only the Trade Name, or any other tradename used by Subtenant at all or substantially all of its other locations operating under the same tradename, and no other trade name without the prior written consent of Sublandlord, which consent will not be unreasonably withheld. Subtenant shall procure at its sole cost and expense any and all permits, licenses, zoning variances and other

governmental approvals which may be required in order to conduct the business of Subtenant on the Subleased Premises for the Permitted Use. Sublandlord agrees to use all reasonable efforts to cooperate with Subtenant in Subtenant's efforts to obtain each of the foregoing and, if required, shall join in the execution of any applications or other written requests provided that Sublandlord shall incur no liability or expense in connection therewith. Sublandlord shall also have the right to approve the uniform attire of all employees and contract service providers of the Subtenant which approval shall not be unreasonably withheld, conditioned, or delayed. Subtenant will use commercially reasonable efforts to cause its business to be open for the Permitted Use as quickly as is commercially possible.

5.2 Equipment. Subtenant shall provide at its own expense all furnishings, fixtures, signage (subject to Section 5.8 below), awnings, furnishings, and such other special equipment and other items of personal property necessary for the conduct of Subtenant's business operations at the Subleased Premises, including any remodeling of the Subleased Premises; provided, however, that Subtenant shall lease the personal property listed on the attached EXHIBIT E, incorporated herein by reference, from Customer on the same terms and conditions provided in this Section 5.2. Because Subtenant shall be leasing or otherwise permitted to use certain equipment and powered tools (the "**Equipment**") owned by Customer and located at the Subleased Premises in connection with Subtenant's Permitted Use, Subtenant shall be responsible for the maintenance and repair of all Equipment listed on EXHIBIT E and must monitor and inspect the condition of the Equipment prior to Subtenant's use, all at Subtenant's sole cost and expense. Subtenant acknowledges that all equipment located at the Subleased Premises, including the Equipment, is provided or leased to Subtenant "**AS IS**" and "**WITH ALL FAULTS**," and Sublandlord makes no warranty of any kind, express or implied, with respect to such equipment, except as expressly provided in this Sublease. Notwithstanding the foregoing to the contrary, Sublandlord, at Sublandlord's sole cost and expense, shall make any necessary repairs, identified by Subtenant to Sublandlord in writing, to the Travel Lift 50 MT 2005, Serial Number 3219-0605, Travelift 75 MT 2014, Serial Number 3586-0514, and Forklift D50C, Serial Number K600242, listed on EXHIBIT E, within the first thirty (30) following the Commencement Date; provided, however, that any repairs requested by Subtenant following such date shall be the sole responsibility of Subtenant and repaired by Subtenant, at Subtenant's sole cost and expense. In connection therewith, Subtenant shall be required to utilize the Whip Around Program and perform inspections of the Equipment prior to using the Equipment. All persons operating the Equipment on behalf of the Subtenant must be trained and certified by an OSHA Licensed Trainer. Subtenant shall reimburse Sublandlord on a monthly basis for the actual fee paid by Sublandlord with respect to Subtenant's use of the Whip Around Program. If the inspection reveals an issue with the Equipment, then Subtenant shall cause the Equipment to be repaired by a Factory Certified OEM Service Dealer at Subtenant's sole cost and expense. All personal property installed by Subtenant in the Subleased Premises at its sole cost (other than such personal property purchased and installed by Subtenant in replacement of any personal property or equipment existing in the Subleased Premises at time of delivery by Sublandlord) shall remain the property of Subtenant and shall be removed on or before the earlier to occur of the date of termination of this Lease or Subtenant's vacating of the Subleased Premises. Subtenant shall promptly repair, at Subtenant's sole cost and expense, any damage to the Subleased Premises caused by the removal of all such property. Any of Subtenant's property not so removed prior to the termination of this Lease or Subtenant's vacating of the Subleased Premises shall thereupon be conclusively presumed to have been abandoned by Subtenant, and Sublandlord may, at its option, take over possession of any and all of the foregoing and either (i) declare the same to be the property of Sublandlord by written notice to Subtenant at the address provided herein or (ii) at the sole cost and expense of Subtenant, remove, store, and/or dispose of the same, or any part thereof, in any manner that Sublandlord shall choose and without incurring liability to Subtenant or any other person. Notwithstanding the foregoing, or anything to the contrary in this Sublease, Customer represents and warrants to and for the benefit of Subtenant that all equipment located at the Subleased Premises, including the Equipment, is free and clear of all liens and encumbrances that might have an adverse effect on Subtenant's Permitted Use.

5.3 Business Hours. Subtenant covenants to continuously operate during the business hours of comparable businesses located in the trade area in which the Subleased Premises is located, or as reasonably approved by Lessor and Master Lessor, except for reasonable temporary periods necessary for maintenance, repairs, taking inventory, and installation of equipment and subtenant improvements, and except to the extent the Subleased Premises is untenable by reason of fire or other casualty (the "**Required Business Hours**"). If Subtenant fails to continuously operate its business and keep the Required Business Hours throughout the Sublease Term, Subtenant shall pay any Master Lease Percentage Rent imputed by Master Lessor pursuant to the Master Lease.

5.4 Security. SUBLANDLORD MAKES NO REPRESENTATION OR WARRANTY REGARDING WHETHER OR NOT SUBLANDLORD WILL PROVIDE SECURITY SERVICES OR, IF SO, WHAT FORM OF SECURITY SERVICES WILL BE PROVIDED. ANY SECURITY PROVIDED BY SUBLANDLORD SHALL BE DEEMED TO BE EXCLUSIVELY FOR THE BENEFIT AND PROTECTION OF SUBLANDLORD'S PROPERTY.

5.5 Pest Control. Subtenant shall, at its sole cost and expense, engage professional exterminators to service the Subleased Premises, at such frequency and to the extent necessary to keep the Subleased Premises free of insects, rodents, vermin and other pests and to prevent insects, rodents, vermin and other pests from the Subleased Premises infesting other areas of the Master Leased Premises. Subtenant shall provide to Sublandlord, upon request, reasonable proof that Subtenant is causing such exterminating to be regularly performed. In the event that Subtenant shall refuse or fail to have such exterminating regularly performed, then Sublandlord, after written notice to Subtenant and a period of fifteen (15) days for Subtenant to cure the same, may arrange for such work to be done, and Subtenant shall reimburse Sublandlord for the entire cost thereof. Sublandlord's arranging for such extermination shall not release Subtenant from Subtenant's obligations hereunder nor shall the same be deemed to be a waiver by Sublandlord of Subtenant's default for the failure to have such extermination performed.

5.6 Trash Removal. Subtenant shall keep the Subleased Premises neat, clean and in slightly condition at all times. Subtenant shall store all trash, refuse, waste and garbage inside the Subleased Premises or in dumpsters to be provided by Subtenant at its sole cost and expense, and no storage of trash or garbage or the like shall be had on docks, piers, grounds or otherwise. No garbage, trash, paper, rubbish or other similar mater may be buried or burned by Subtenant on the Subleased Premises or the Master Leased Premises. Subtenant shall obtain a trash dumpster for its exclusive use. Subtenants trash dumpster will be subject to the reasonable approval of Sublandlord as to type, size, location and screening. Subtenant must deposit all trash and garbage from the Subleased Premises in a Subtenant's trash dumpster. Subtenant must provide its trash employee(s) with trash cans and cart to move trash from the Subleased Premises to Subtenant's dumpster. Subtenant shall not deposit trash or garbage from the Subleased Premises in any dumpster/container located at other portions of the Marina other than the one required to be obtained by Subtenant hereunder and approved by Sublandlord. Subtenant shall keep the area around its dumpster in a neat and sanitary manner. Subtenant shall pay for the cost of service to remove Subtenant's trash and garbage from its dumpster. Subtenant shall schedule such service at not less than weekly. If Subtenant fails to properly store and dispose of its trash and garbage or fails to comply with other obligations under this Section 5.5 and such failure is not cure within fifteen (15) days after written notice from Sublandlord, Sublandlord (and without limitation of any remedies for an Event of Default) may remedy the subject condition and Subtenant will reimburse Sublandlord for all of its costs in doing so upon demand and as additional rent hereunder.

5.7 Parking. Provided that there has been no Event of Default hereunder and the Sublease is in full effect, Subtenant and Sublandlord agree that the customers of Subtenant's business have the right in common with the customers of the Master Leased Premises to make use of the twelve (12) Master Leased Premises parking spots located outside the Subleased Premises and in the area depicted in EXHIBIT B

attached hereto (the "Shared Parking"). Subtenant, at its sole cost and expense, shall maintain in an attractive, safe, code-compliant, and good condition and state of repair any paving within the Subleased Premises but shall not be responsible for replacing, re-paving, or slurry-sealing all or any portion of the Shared Parking. The in-common use of parking facilities shall be on a first come first served basis, and Sublandlord does not and will not reserve any parking spaces for Subtenant's customers. Such facilities shall at all times be subject to the exclusive control and management of Sublandlord, and Sublandlord shall have the right from time to time to change such facilities; restrict parking on certain major event weekends and impose such parking restrictions as may be necessary during such event; do such things as in the Sublandlord's reasonable discretion may be necessary regarding such facilities; and make reasonable rules and regulations pertaining to and necessary for the proper operation and maintenance of the common facilities.

5.8 Negative Covenants. Subtenant shall not overload, deface or otherwise damage the Subleased Premises or any part thereof or any equipment or installation therein or commit any nuisance; or permit the emission of any reasonably objectionable noise or odor; or use or permit the use of any advertising medium, including, without limitation, flashing lights, search lights, loudspeakers, televisions, phonographs, radios, sound amplifiers or other devices in a manner so as to constitute a nuisance or be heard or experienced outside the Subleased Premises; or burn any trash or refuse within the Subleased Premises; or install or cause to be installed any automatic garbage disposal equipment; or conduct business at, in, on, about or from all or any part of the Subleased Premises on any day when the conduct of business is prohibited by any statutes, laws, regulations, or ordinances of the state of California or any governmental authority having jurisdiction over the Subleased Premises, or make any use of the Subleased Premises or of any part thereof or equipment therein which is improper, offensive or contrary to any law or ordinance or reasonable rules and regulations of Sublandlord and Master Lessor such as may be promulgated from time to time (provided, however, that in case of any conflict or inconsistency between the provisions of this Sublease and of any rules and regulations as originally or as hereafter adopted, the provisions of this Sublease shall control), or which will invalidate or increase the cost of any of Sublandlord's insurance over a standard mercantile rating; or conduct any auction, fire, "going out of business", "close out" or bankruptcy sales, or do any act tending to injure the reputation of the Master Leased Premises, the Marina or the Subleased Premises; not to use or occupy the Subleased Premises, or to suffer or permit them to be used or occupied, in whole or in part, as a discount house, discount store, surplus store, Army-Navy type store, bargain store, or by any similar business or activity; or sell or display merchandise on, or otherwise obstruct the driveways, walks, parking areas and other common areas in the Master Leased Premises or use the walks for any purpose other than pedestrian traffic; or suffer or commit any nuisance or other act or thing which may disturb the quiet enjoyment of any tenant or licensee of the Master Leased Premises or the Marina which would disturb the quiet enjoyment of any persons within five-hundred (500) feet of the boundaries of the Subleased Premises.

5.9 Signage. Subtenant, at its sole cost and expense, shall provide and install suitable identification signage, mounted signage at the entrance of the Marina as well as on the wall of the building within the Subleased Premises facing the parking lot, and other signs of such size, design and character as Subtenant elects at a place or places within the Subleased Premises designated by Subtenant. All proposed signage must be approved in advance by Sublandlord (such approval not to be unreasonably withheld, delayed or conditioned) and Master Lessor and must comply with local zoning and building code regulations. Subtenant shall maintain any such sign or other installation in good condition and repair and shall pay any and all fees, if any, assessed by governmental agencies for approval of such signs or any other exterior work performed by Subtenant which requires governmental agency approval.

5.10 Compliance with the Master Lease.

(a) Subtenant acknowledges that it has received a copy of the Master Lease and is familiar with its terms. To the extent not in direct conflict with the terms of this Sublease, the obligations and covenants of the “Lessee” under the Master Lease with respect to the Subleased Premises, other than the obligations to pay any rent thereunder other than the Master Lease Percentage Rent, are incorporated herein and shall apply to Subtenant.

(b) If Sublandlord defaults under the Master Lease and Subtenant is notified of Sublandlord’s default, Subtenant shall attorn to the County or to the encumbrance holder and make rental payments to the County or to the encumbrance holder, if so instructed by the County.

(c) This Sublease is for a limited term, and Subtenant shall be required to relocate if the Master Lease is terminated.

5.11 Sublandlord’s Work. Notwithstanding Section 5.1, above, or any other provision in this Lease to the contrary, Sublandlord hereby represents, warrants, covenants and agrees as follows:

(a) Not later than ninety (90) days following the Commencement Date, Sublandlord shall, at its sole cost and expense, complete the repair and/or replacement of the wastewater management system (including the clarifier pump and uncovered hole in the ground near wash apron) as necessary to bring the system into good working condition and repair; and

(b) Prior to the Commencement Date, at its sole cost and expense, Sublandlord shall have removed the “Junker” boats (the “**Junker Boats**”), as more specifically described on EXHIBIT H attached hereto, from the Subleased Premises.

5.12 Work in Process. Work in process in respect of the boat repair business operated at the Subleased Premises for which Customer has not been paid or has been pre-paid as of the Commencement Date (the “**Work in Process**”) shall be prorated between Customer and Subtenant thirty (30) days after the Effective Date.

ARTICLE VI

PAYMENT OF IMPOSITIONS, INSURANCE AND OTHER EXPENSES

6.1 Impositions. Subtenant will pay or cause to be paid, as and when the same shall become due, all Impositions. Upon the written request of Sublandlord, Subtenant shall furnish to Sublandlord evidence satisfactory to Sublandlord of payment when due of all Impositions for which Subtenant is responsible or an exemption therefrom. If Subtenant fails to pay any Impositions which Subtenant is responsible for and Sublandlord pays same, Subtenant shall reimburse Sublandlord therefor within ten (10) days after demand.

Subtenant shall pay monthly its pro-rata share of ad valorem real property taxes with respect to the Master Leased Premises not later than the fifth day of the month, in the amount of \$2,208.33 for the 2024 calendar year and adjusted accordingly for annual ad valorem real property taxes as Sublandlord deems necessary or appropriate in its sole but reasonable discretion based on annual property valuation assessments.

Not later than the one hundred eightieth (180th) day after the expiration of each calendar year, including the calendar year in which the Sublease Term expires, Sublandlord shall deliver to Subtenant copies of the annual property valuation assessments. If such assessments reveal a deficiency in the payments collected from Tenant to Subtenant’s actual pro-rata share of ad valorem real property taxes for that calendar year, Subtenant shall immediately pay to Sublandlord the amount of the deficiency. If such

assessments reveal an overpayment by Subtenant, Sublandlord shall either refund Subtenant or provide Subtenant a credit on its next invoice(s) for Rent until repaid to Subtenant in full (provided that Sublandlord shall promptly pay Subtenant any overpayment if this Sublease had previously expired or terminated).

6.2 Utilities. Subtenant shall pay all charges for utilities used, rendered or supplied upon or in connection with the Subleased Premises, including specifically, without limitation, electricity, water, sanitary sewer service, waste, and gas, but specifically excepting telephone and internet services. Sublandlord shall contract with the public utility provider to provide that such utility services are separately metered to the Subleased Premises. Subtenant shall contract directly with the public utility provider for such utility services. Subtenant agrees to indemnify and hold harmless Sublandlord from and against any and all claims arising from the installation and maintenance of such utility services and from all costs and charges for utilities consumed on or by the Subleased Premises. Sublandlord shall not be liable to Subtenant for damages or otherwise (a) if any utilities shall become unavailable from any public utility company, public authority or any other person or entity supplying or distributing such utility, or (b) for any interruption in any utility service (including, but without limitation, any heating, ventilation or air conditioning) caused by the making of any necessary repairs or improvements to the Subleased Premises or by any cause beyond Sublandlord's reasonable control (provided that Sublandlord takes all commercially reasonable steps to minimize such interruption), and the same shall not constitute a default, termination or an eviction. Sublandlord shall pay for the cost of telephone services to the Subleased Premises and include on Subtenant's monthly invoice for Rent the cost of internet services to the Subleased Premises, which Subtenant shall not contract for separately but pay directly to Sublandlord on or before the fifth day of each calendar month during the Sublease Term, along with all other charges of Rent.

Sublandlord shall not be responsible for the supply of water to the Subleased Premises but shall use commercially reasonable efforts to insure an adequate supply of water; provided, however, Sublandlord shall be responsible for the maintenance of pipes from the point said pipes enter the Master Leased Premises to the point where the Subleased Premises begin. Provided, however, that any damage sustained to such pipes or wiring which result from Subtenant's use thereof shall be repaired at Subtenant's expense. Provided further, that Sublandlord shall not be responsible for any injury or loss sustained by Subtenant by any interruption in said services provided that Sublandlord complies with its obligations under this paragraph. Subtenant acknowledges that the current water supply to the Subleased Premises is from well water and a water filtration system. As a result, Sublandlord makes no representations or warranties regarding the portability of water supplied to the Subleased Premises.

6.3 Insurance by Subtenant. Subtenant shall obtain and keep in effect the following insurance insuring Subtenant, Sublandlord, Master Lessor, any mortgagee of Sublandlord (upon notice thereof from Sublandlord), and any other person or entity designated by Sublandlord as having an interest in the Subleased Premises (as their interests may appear):

(a) Special form-causes of loss property insurance in the amount of the full replacement value of the Subleased Premises, including, without limitation, all furniture, equipment, trade fixtures, inventory, and other personal property and for the restoration of Subtenant's alterations, additions, and improvements to the Subleased Premises. Sublandlord shall be named as loss payee with respect to the entire Subleased Premises;

(b) Worker's compensation insurance in accordance with the laws of the state or province in which the Subleased Premises are located with employer's liability insurance in an amount not less than \$1,000,000.00;

(c) Business automobile liability insurance covering owned, hired and non-owned vehicles with limits of \$1,000,000.00 combined single limit per occurrence;

(d) Boat repairers' legal liability coverage in the minimum amount of \$2,000,000.00 combined single limit per occurrence;

(e) Boat dealers' legal liability coverage for the stated value of the boats of others held for sale;

(f) Rental insurance and business interruption or disruption insurance with benefits payable to the Sublandlord in amounts not less than the greater of total Master Lease Percentage Rent payable to County for the previous six (6) months or one hundred percent (100%) of gross income for the previous six (6) months;

(g) Commercial general liability insurance which insures against claims for bodily injury, personal injury, advertising injury, and property damage occurring in or about the Subleased Premises. Such commercial general liability insurance shall afford, at a minimum, the following limits: each occurrence: \$1,000,000.00; general aggregate: \$4,000,000.00 per location; products/completed operations aggregate: \$1,000,000.00; personal and advertising injury liability: \$1,000,000.00; fire legal liability: \$500,000.00; medical payments: \$5,000.00; and product liability insurance for merchandise offered for sale or rental from the Subleased Premises. Such commercial general liability insurance shall name Sublandlord, its trustees, officers, directors, members, agents, and employees, Sublandlord's mortgagees, Master Lessor and Sublandlord's representatives, as additional insureds. This coverage shall include broad form blanket contractual liability, broad form property damage liability, premises-operations and products/completed operations and shall contain an exception to any pollution exclusion which insures damage or injury arising out of heat, smoke, or fumes from a hostile fire, a contractual liability endorsement, a broad form commercial general liability endorsement, and provide primary coverage to Sublandlord (any policy issued to Sublandlord providing duplicate or similar coverage shall be deemed excess over Subtenant's policies). Such insurance shall be written on an occurrence and not a claims-made basis and contain a standard separation of insureds provision; and

(h) Umbrella liability insurance which is over the commercial general liability policies, with a minimum limit of \$4,000,000.00 per occurrence and in the aggregate.

If required by (a) Master Lessor or (b) Sublandlord in its reasonable direction, Sublandlord may require Subtenant to increase the insurance coverages required by this Sublease at any time, but in no event more than once per year.

6.4 Requirements of Policies. All policies of insurance maintained by Subtenant shall be in a form reasonably acceptable to Sublandlord and shall (a) be issued by an insurer licensed to do business in the State of California with an A.M. Best rating of at least (A-)(VIII); (b) require at least thirty (30) days written notice to Sublandlord of termination or material alteration; and (c) provide that the interests of Sublandlord, its mortgagee, Master Lessor or any other ground lessor or those insureds designated by Sublandlord shall not be invalidated because of any breach or violation of any warranties, representations, declarations or conditions contained in the policies. All policies must contain a severability of interest clause, a cross-liability clause or similar policy language incorporated within the controlling policy form and shall be primary and shall not provide for contribution of any other insurance available to Sublandlord, Master Lessor or any other ground lessor, its mortgagee, or those named or additional insureds designated by Sublandlord. In addition, all policies must contain waiver of subrogation clauses satisfactory to Sublandlord. If requested by Sublandlord, Subtenant shall, upon the Commencement Date, and thereafter within fifteen (15) days prior to the expiration date of each such policy, promptly deliver to Sublandlord, or Sublandlord's designated representative, certified copies and written evidence satisfactory to Sublandlord that all premiums have been paid and all policies are in effect. If Subtenant fails to secure or maintain any insurance coverage required by Sublandlord, or should insurance secured not be approved by Sublandlord and such failure or approval not be corrected within forty-eight (48) hours after written notice

from Sublandlord, Sublandlord may, without obligation, purchase such required insurance coverage at Subtenant's expense. Subtenant shall promptly reimburse Sublandlord for any monies so expended by Sublandlord, together with interest thereon at the Maximum Rate from the date expended, as additional rent.

6.5 Insurance by Sublandlord.

(a) Subtenant shall pay monthly its pro rata share of the cost of the insurance premium for such property and liability and other insurance maintained by Sublandlord with respect to the Master Leased Premises not later than the fifth day of the month, in the amount of \$_____ for the 2024 calendar year and adjusted accordingly for annual insurance costs as Sublandlord deems necessary or appropriate in its sole but reasonable discretion. Sublandlord shall not be obligated to insure any furniture, equipment, trade fixtures, machinery, goods, or supplies which Subtenant may keep or maintain in the Subleased Premises or any alteration, addition, or improvement which Subtenant may make upon the Subleased Premises. Subtenant shall not be named as an additional insured on any policy of liability insurance maintained by Sublandlord.

(b) Not later than the one hundred eightieth (180th) day after the expiration of each calendar year, including the calendar year in which the Sublease Term expires, Sublandlord shall deliver to Subtenant copies of the invoices for the policies of insurance maintained by Sublandlord under Section 6.5(a) above. If such statements reveal a deficiency in the payments collected from Subtenant to Subtenant's actual pro-rata share of insurance costs for that calendar year, Subtenant shall immediately pay to Sublandlord the amount of the deficiency. If such statements reveal an overpayment by Subtenant, Sublandlord shall either refund Subtenant or provide Subtenant a credit on its next invoice(s) for Rent until repaid to Subtenant in full (provided that Sublandlord shall promptly pay Subtenant any overpayment if this Sublease had previously expired or terminated).

6.6 Waiver of Subrogation. REGARDLESS OF FAULT OR NEGLIGENCE (INCLUDING SOLE NEGLIGENCE), SUBLANDLORD AND SUBTENANT HEREBY WAIVE ANY CLAIM ARISING IN FAVOR OF ONE AGAINST THE OTHER, OR ANYONE CLAIMING THROUGH EITHER, BY WAY OF SUBROGATION OR OTHERWISE, FOR ANY LOSS OF OR DAMAGE TO ANY PROPERTY OF EITHER WHICH LOSS OR DAMAGE IS THE RESULT OF A PERIL COVERED BY THE PROPERTY INSURANCE REQUIRED TO BE CARRIED (OR OTHERWISE CARRIED) HEREUNDER. THIS WAIVER SHALL ONLY BE VALID IF THE INSURANCE POLICY OR INSURER IN QUESTION PERMITS SUCH A WAIVER OF SUBROGATION.

6.7 Subtenant's Contractor's Insurance. Subtenant shall require any contractor of Subtenant permitted to perform work in, on, or about the Subleased Premises to obtain and maintain the following insurance coverage at no expense to Sublandlord:

(a) Commercial general liability insurance, including the traditional broad form general liability coverages, in the amount of \$1,000,000.00, adding Sublandlord, Master Lessor, Sublandlord's mortgagee and Subtenant as additional insureds;

(b) Worker's compensation insurance for all contractor's employees working on the Subleased Premises in an amount sufficient to comply with applicable laws or regulations; and

(c) Employer's liability insurance in an amount not less than \$100,000.00.

Sublandlord may at any time require Subtenant to cause any contractor of Subtenant to increase the insurance coverages required by this Sublease if required by (a) Master Lessor or (b) Sublandlord in its reasonable discretion.

ARTICLE VII MAINTENANCE OF SUBLEASED PREMISES

7.1 Obligation to Maintain.

(a) Sublandlord's Obligation. Sublandlord shall be responsible, at its sole cost and expense, only for the maintenance, repair, and when necessary, replacement of (i) the Subleased Premises' roof and structural and foundation components, (ii) the interior of that certain shared restroom on the Subleased Premises used in common with other customers of the Marina, and (iii) other portions of the Subleased Premises if the necessity for any replacement or repairs are due to Sublandlord's or its employees, contractors, agents or vendors own actions, omissions, misconduct or negligence. Sublandlord will have no obligation with respect to the maintenance, repair or replacement of any other aspect of the Subleased Premises except as set forth in this Section 7.1(a) or elsewhere in this Sublease. Notwithstanding, if the necessity for any replacement or repairs are due to Subtenant's or its employees, customers, contractors, agents or vendors own actions, omissions, misconduct or negligence or caused by an Event of Default hereunder, then Sublandlord shall perform such repairs or replacements at Subtenant's expense and Subtenant shall reimburse Sublandlord for the cost thereof within thirty (30) days after receipt of invoice plus a fee in the amount of ten percent (10%) of the actual costs incurred by Sublandlord in making the subject repairs or replacements.

(b) Subtenant's Obligation. Except as provided in Section 7.1(a) above or herein, Subtenant, at its sole cost and expense, shall maintain in an attractive, safe, code-compliant, and good condition and state of repair and, as and when necessary, make replacements to the Subleased Premises including, without limitation, (i) the interior of the Subleased Premises including the interior and exterior side of exterior walls, except for that certain shared restroom on the Subleased Premises used in common with other customers of the Marina, which shall be maintained by Sublandlord; (ii) all electrical, lighting, fire prevention and suppression, plumbing, mechanical and similar systems located in, under and above the Subleased Premises, and (iii) the Equipment. Subtenant shall be responsible, at its sole cost and expense, for all repairs, maintenance, and replacement of all other parts (non-engine or non-frame/body) to the Equipment, including, but not limited to, moving and mechanical/wearable items (hydraulics, steering, hoses, straps, cables, tires, etc.).

7.2 Compliance with Laws. Subtenant shall, at Subtenant's sole cost and expense, (a) comply and cause the Subleased Premises, the Equipment, and Subtenant's business operations therein to comply with all laws, orders, ordinances, and regulations of federal, state, county, and municipal authorities having jurisdiction over the Subleased Premises and the Equipment, including, without limitation, (i) the Americans With Disabilities Act of 1990 and local accessibility laws, including without limitation, those which require the making of alterations, modifications or changes to the Subleased Premises or the Equipment, and (ii) or as any of laws, orders, ordinances and regulations may be amended from time to time, whether foreseen or unforeseen, ordinary or extraordinary, and whether or not the same are now or hereafter effective, (b) comply with any directive, order or citation made pursuant to law by any public officer requiring abatement of any nuisance or which imposes upon Sublandlord or Subtenant any duty or obligation arising from Subtenant's occupancy or use of the Subleased Premises, or required by reason of a breach of any of Subtenant's obligations hereunder or by or through other fault of Subtenant, (c) comply with all insurance requirements applicable to the Subleased Premises and the Equipment, and (d) indemnify and hold Sublandlord harmless from any loss, cost, claim or expense which Sublandlord incurs or suffers by reason of Subtenant's failure to comply with its obligations under clauses (a), (b), or (c) above. If

Subtenant receives notice of any such directive, order citation or of any violation of any law, order, ordinance, regulation or any insurance requirements, Subtenant shall promptly notify Sublandlord in writing of such alleged violation and furnish Sublandlord with a copy of such notice.

7.3 Fire Protection. Subtenant shall, at its sole cost and expense, obtain and maintain a fire detection/smoke alarm system for the Subleased Premises satisfactory to Sublandlord, which system shall include off-site alarms. Should Subtenant make improvements to the Subleased Premises, then Subtenant must comply with all city codes, rules, laws, regulations, or ordinances adopted or promulgated after the date of this Sublease (or new or different interpretations of any of the foregoing adopted or promulgated after the date of this Sublease) of any governmental authority or agency with jurisdiction over the Subleased Premises.

7.4 Specific Covenants Regarding Environmental Matters. Sublandlord agrees to indemnify and save harmless Subtenant and its affiliates, directors, officers, partners and employees from and against any and all liabilities, damages, claims, suits, costs, and actions of any kind arising or alleged to arise by reason of any violation of any Environmental Law which occurred prior to the Commencement Date. Subtenant expressly assumes all risks associated with any Hazardous Materials that are brought on to the Subleased Premises by Subtenant following the Commencement Date, and for any violation by Subtenant or its agents of any Environmental Law which occurs following the Commencement Date, and hereby agrees to indemnify and save harmless Sublandlord and its affiliates and their agents, servants, directors, officers, partners and employees from and against any and all Environmental Liabilities arising or alleged to arise therefrom. Notwithstanding the foregoing or any other provision of this Sublease to the contrary, Subtenant shall have no responsibility whatsoever for Hazardous Materials that are, or come to be, located on, under, or in the vicinity of the Subleased Premises due to migration or transfer from a neighboring property or other source of contamination beyond the boundaries of the Subleased Premises through no fault of Subtenant. The foregoing indemnification shall survive any assignment or termination of this Sublease. Subtenant warrants and agrees that, during the entire term of this Sublease and at its expense, Subtenant shall comply with all Environmental Laws. Such compliance shall include Subtenant's obligation to take Remedial Action when required by law and to pay all fines, penalties, interest, or other costs imposed by any governmental authorities in connection with any violation or requirement of any law. Subtenant shall notify Sublandlord promptly in writing and orally if: (i) Subtenant becomes aware of the presence or release or threatened release of any Hazardous Materials into, upon, under, or above any land, water, or air, or otherwise into the environment, including by means of burial, disposal, discharge, emission, spillage, leakage, seepage, leaching, or dumping ("**Release**") of any Hazardous Material at, on, under, over, emanating from, or migrating to the Subleased Premises in any quantity or manner which could reasonably be expected to violate, in any material respect, any Environmental Law or give rise to any material liability or the obligation to take Remedial Action; or (ii) Subtenant receives any written notice, claim, demand, request for information, or other communication from any person or entity, including without limitation, any governmental authority regarding the presence or Release of any Hazardous Material at, on, under, over, emanating from, or migrating to the Subleased Premises. Subtenant shall take and complete any Remedial Action with respect to the Subleased Premises in full compliance with all laws and shall, when such Remedial Action is completed, submit to Sublandlord written confirmation from the applicable person, entity, or governmental authority that no further Remedial Action is required. Subtenant shall provide Sublandlord with copies of all tests, studies, notices, claims, demands, requests for information, or other communications relating to the presence or Release of any Hazardous Materials at, on, under, over, emanating from, or migrating to the Subleased Premises.

7.5 No Mechanics' Liens. Subtenant shall keep the Subleased Premises and Sublandlord's interest therein free from any liens arising from any work performed, materials furnished, or obligations incurred by or on behalf of Subtenant. Notice is hereby given that Sublandlord shall not be liable for any labor or materials furnished to Subtenant and no mechanics' or other lien for any such labor or materials

shall attach to or affect the interest of Sublandlord in the Subleased Premises. If any lien is filed for such labor or materials, such lien shall encumber only Subtenant's leasehold interest in the Subleased Premises. Within ten (10) days after Subtenant learns of the filing of any such lien, Subtenant shall notify Sublandlord of such lien and shall either discharge and cancel such lien of record or post a bond sufficient under the laws of the State of California to cover double the amount of the lien claim plus any penalties, interest, attorneys' fees, court costs, and other legal expenses in connection with such lien. If Subtenant fails to so discharge or bond such lien within ten (10) days after written demand from Sublandlord, Sublandlord shall have the right (in addition to all other available remedies), at Sublandlord's option, to pay the full amount of such lien without inquiry into the validity thereof, and Sublandlord shall be promptly reimbursed by Subtenant, as additional rent, for all amounts so paid by Sublandlord, including expenses, interest at the Maximum Rate, and attorneys' fees.

7.6 Alterations. Subtenant, at its sole cost and expense, will be responsible for any and all alterations and improvements required in connection with its business at the Subleased Premises; provided, however, that Subtenant shall not construct any improvements within or make any alterations to the Subleased Premises without obtaining the prior written consent of Sublandlord and Master Lessor, which consent may be given or withheld in Sublandlord and Master Lessor's sole discretion with respect to improvements or alterations that affect the roof or structural elements of the buildings on the Subleased Premises and may not be unreasonably withheld, delayed or conditioned with respect to any other improvements or alterations. All entry into the Subleased Premises and work done by Subtenant shall be at Subtenant's risk. Prior to performing any work in the Subleased Premises, Subtenant shall prepare and submit to Sublandlord and Master Lessor plans and specifications therefor for approval by Sublandlord and Master Lessor, as aforesaid. All work performed by Subtenant shall be in accordance with good construction practices, all applicable laws, codes, ordinances, regulations, and insurance requirements and Sublandlord's reasonable rules and regulations. No material deviations from the final plans and specifications, once approved by Sublandlord or Master Lessor, shall be permitted. Sublandlord and/or Master Lessor's review of Subtenant's plans and specifications shall not constitute the assumption of any responsibility by Sublandlord or Master Lessor for their accuracy or sufficiency and shall in no event create an express or implied confirmation or representation that Subtenant's design and/or working drawings have been prepared in accordance with the requirements of applicable laws, codes, ordinances and regulations. Further, Sublandlord and Master Lessor shall have no responsibility or liability for any loss or damage to any property belonging to Subtenant. Subtenant shall obtain, at Subtenant's sole cost and expense, all certificates and approvals which may be necessary so that a certificate of occupancy for the Subleased Premises may be issued. Copies of all such certificates shall be delivered to Sublandlord prior to Subtenant commencing business in the Subleased Premises. Upon the issuance of the certificate of occupancy, a copy thereof shall be immediately delivered to Sublandlord.

ARTICLE VIII ASSIGNMENT AND SUBLETTING

8.1 Consent of Sublandlord and Master Lessor Required. Neither Subtenant nor its legal representatives or successors in interest shall, by operation of law or otherwise, assign, mortgage, pledge, encumber or otherwise transfer this Sublease or any part hereof, or sublet the Subleased Premises or any part thereof, or otherwise transfer the interest of Subtenant under this Sublease, without obtaining the prior written consent of Sublandlord and Master Lessor, which may not be unreasonably withheld, conditioned or delayed. An assignment of this Sublease shall be deemed to have occurred if in a single transaction or in a series of related transactions more than fifty percent (50%) of the ownership interests in Subtenant (whether stock, partnership interest, member interest or otherwise) is transferred, diluted, reduced, or otherwise affected with the result that the present holder or owners of Subtenant have less than a fifty percent (50%) interest in Subtenant. Subtenant shall reimburse Sublandlord for all of Sublandlord's reasonable out-of-pocket expenses in connection with any consent or review requested under this Article

VIII; provided, however, so long as Subtenant does not request any changes to this Sublease or Sublandlord's standard form of consent in connection with the proposed transaction, then such reimbursement shall not exceed \$1,250.00 for any one requested transaction.

Anything contained in this Sublease to the contrary notwithstanding, Subtenant shall not sublet the Subleased Premises on any basis such that the rental or other amounts to be paid by the subtenant thereunder would be based, in whole or in part, on either (a) the net income or profits derived by the business activities of the subtenant, or (b) any other formula such that any portion of the rent payable to Sublandlord under this Sublease would fail to qualify as "rents from real property" within the meaning of Section 856(d) of the Code, or any similar or successor provision thereto.

8.2 Attempted Assignment Void. Any attempted assignment or sublease by Subtenant in violation of the terms and provisions of this Article VIII shall be void and shall constitute a material breach of this Sublease. In no event shall any assignment, subletting or transfer, whether or not with Sublandlord's consent, relieve Subtenant of its primary liability under this Sublease for the entire term hereof, and Subtenant shall in no way be released from the full and complete performance of all the terms hereof. In the event that the rent due and payable by a sublessee pursuant to an approved sublease (or a combination of the rent payable under such sublease plus any bonus or other consideration therefor or incident thereto) exceeds the rent payable under this Sublease, or if with respect to a permitted assignment, permitted license or other transfer by Subtenant permitted by Sublandlord, the consideration payable to Subtenant by the assignee, licensee or other transferee exceeds the rent payable under this Sublease, then Subtenant shall be bound and obligated to pay Sublandlord all such excess rent and other excess consideration within ten (10) days following receipt thereof by Subtenant from such sublessee, assignee, licensee or other transferee, as the case may be. In the event of an assignment or subletting, it is understood and agreed that all rent paid to Subtenant by an assignee or sublessee shall be received by Subtenant in trust for Sublandlord, to be forwarded immediately to Sublandlord without offset or reduction of any kind. If Sublandlord takes possession of the Subleased Premises before the expiration of the term of this Sublease, Sublandlord shall have the right, at its option, to terminate all subleases, or to take over any sublease of the Subleased Premises or any portion thereof and such subtenant shall attorn to Sublandlord, as its landlord, under all the terms and obligations of such sublease occurring from and after such date, but excluding previous acts, omissions, negligence or defaults of Subtenant and any repair or improvement obligation of Subtenant.

8.3 Bankruptcy Proceedings. Subtenant acknowledges that this Sublease is a lease of nonresidential real property and, therefore agrees that Subtenant, as the debtor in possession, or the trustee for Subtenant (collectively, the "**Trustee**") in any proceeding under Title 11 of the United States Bankruptcy Code relating to Bankruptcy, as amended, or under any other similar Federal or state statute (collectively, the "**Bankruptcy Code**"), shall not seek or request any extension of time to assume or reject this Sublease or to perform any obligations of this Sublease which arise from or after the order of relief. If the Trustee proposes to assume or to assign this Sublease or sublet the Subleased Premises (or any portion thereof) to any person who shall have made a bona fide offer to accept an assignment of this Sublease or a subletting on terms acceptable to the Trustee, the Trustee shall give Sublandlord, Master Lessor and any other ground lessor and lessors and mortgagees of Sublandlord of which Subtenant has notice, written notice setting forth the name and address of such person and the terms and conditions of such offer, no later than twenty (20) days after receipt of such offer, but in any event no later than ten (10) days prior to the date on which the Trustee makes application to the Bankruptcy Court for authority and approval to enter into such assumption and assignment or subletting. Sublandlord shall have the prior right and option, to be exercised by written notice to the Trustee given at any time prior to the effective date of such proposed assignment or subletting, to accept an assignment of this Sublease or subletting of the Subleased Premises upon the same terms and conditions and for the same consideration, if any, as the bona fide offer made by such person, less any brokerage commissions which may be payable out of the consideration to be paid by such person for the assignment or subletting of this Sublease. The Trustee shall have the right to assume Subtenant's rights and

obligations under this Sublease only if the Trustee: (a) promptly cures, or provides adequate assurance that the Trustee will promptly cure, any default under this Sublease; (b) compensates, or provides adequate assurance that the Trustee will promptly compensate, Sublandlord for any actual pecuniary loss incurred by Sublandlord as a result of Subtenant's default under this Sublease; and (c) provides adequate assurance of future performance under this Sublease. Adequate assurance of future performance by the proposed assignee shall include, as a minimum, that: (i) the Trustee or any proposed assignee of this Sublease shall deliver to Sublandlord a security deposit in an amount equal to at least six (6) months' Base Rent accruing under this Sublease; (ii) any proposed assignee of this Sublease shall provide to Sublandlord an audited financial statement, dated no later than six (6) months prior to the effective date of such proposed assignment or sublease with no material change therein as of the effective date, which financial statement shall show the proposed assignee to have a net worth equal to at least twenty four (24) months' Base Rent accruing under this Sublease, or, in the alternative, the proposed assignee shall provide a guarantor of such proposed assignee's obligations under this Sublease, which guarantor shall provide an audited financial statement meeting the above requirements of this clause and execute and deliver to Sublandlord a guaranty agreement in form and substance acceptable to Sublandlord; and (iii) any proposed assignee shall grant to Sublandlord a security interest in favor of Sublandlord in all furniture, fixtures, and other personal property to be used by such proposed assignee in the Subleased Premises. All payments of Rent required of Subtenant under this Sublease, whether or not expressly denominated as such in this Sublease, shall constitute rent for the purposes of Title 11 of the Bankruptcy Code. The parties agree that for the purposes of the Bankruptcy Code relating to (A) the obligation of the Trustee to provide adequate assurance that the Trustee will "promptly" cure defaults and compensate Sublandlord for actual pecuniary loss, the word "promptly" shall mean that cure of defaults and compensation will occur no later than sixty (60) days following the filing of any motion or application to assume this Sublease; and (B) the obligation of the Trustee to compensate or to provide adequate assurance that the Trustee will promptly compensate Sublandlord for "actual pecuniary loss," the term "actual pecuniary loss" shall mean, in addition to any other provisions contained herein relating to Sublandlord's damages upon default, payments of Base Rent and other amounts owing by Subtenant hereunder, all attorneys' fees and all related costs of Sublandlord incurred in connection with any default of Subtenant and in connection with Subtenant's bankruptcy proceedings. Any person or entity to which this Sublease is assigned pursuant to the provisions of the Bankruptcy Code shall be deemed, without further act or deed, to have assumed all of the obligations arising under this Sublease and each of the conditions and provisions hereof on an after the date of such assignment. Any such assignee shall, upon the request of Sublandlord, forthwith execute and deliver to Sublandlord an instrument, in form and substance acceptable to Sublandlord, confirming such assumption.

8.4 Continuing Obligation of Subtenant. If Sublandlord expressly consents to an assignment or subletting, Subtenant and any guarantor of Subtenant's obligations under this Sublease shall at all times remain fully responsible and liable for the payment of the Base Rent and other rent herein specified¹ and for compliance with all of the other obligations under this Sublease (even if future assignments and sublettings occur subsequent to the assignment or subletting by Subtenant).

8.5 Assignment by Sublandlord. Notwithstanding anything contained in this Sublease to the contrary, Sublandlord shall have an absolute, unequivocal right to assign or transfer its interest in this Sublease, whether as collateral or absolutely, to any party whatsoever whether or not such party is related to Sublandlord, and Subtenant covenants and agrees that this Sublease shall remain in full force and unaffected by such transfer or assignment. In the event of the transfer or assignment by Sublandlord of its interest in this Sublease to any party expressly assuming Sublandlord's obligations under this Sublease, Sublandlord shall thereby be released from any further obligations hereunder, and Subtenant agrees to look solely to such successor in interest of the Sublandlord for performance of such obligations. Any security given by Subtenant to secure performance of Subtenant's obligations hereunder may be assigned and

transferred by Sublandlord to such successor in interest and Sublandlord shall thereby be discharged of any further obligations relating thereto.

8.6 REIT Compliance. Notwithstanding anything to the contrary in this Sublease, in the event that counsel or independent accountants for investors in Sublandlord ("**REIT Investor**") (if applicable) determine that there exists a material risk that the receipt of any payments under this Sublease ("**Payments**") payable hereunder by Sublandlord during a taxable year hereunder would generate income not described in Sections 856(c)(2)(A)-(H) and 856(c)(3)(A)-(I) of the Code (such income, "**Non-Qualifying Income**") and thereby create a material risk that REIT Investor would have Non-Qualifying Income for the applicable year in an amount in excess of 4.5% of gross income for such year (any amount so in excess, the "**Excess Non-Qualifying Income**"), the amount of Payments paid to Sublandlord pursuant to this Sublease in such tax year shall not exceed the maximum amount that can be paid to Sublandlord in such year without causing REIT Investor to have Excess Non-Qualifying Income for such year. If the amount of Payments paid for any tax year under the preceding sentence is less than the amount of Payments which would otherwise be paid to Sublandlord pursuant to this Sublease (the "**Deferred Rent Amount**"), then: Sublandlord shall not be entitled to any such amount, unless and until Sublandlord delivers to Subtenant, at the sole option of Sublandlord, (i) an opinion of such Sublandlord's tax counsel to the effect that such amount, if and to the extent paid, should not constitute Excess Non-Qualifying Income, (ii) a letter from the independent accountants of such Sublandlord indicating the maximum amount that should be payable at that time to Sublandlord without causing REIT Investor to have Excess Non-Qualifying Income for any relevant taxable year, in which case Sublandlord shall be paid such maximum amount, or (iii) a private letter ruling issued by the Internal Revenue Service indicating that the receipt of any Deferred Rent Amount hereunder will not cause REIT Investor or an entity that holds a direct or indirect ownership interest in REIT Investor to be ineligible to be taxed as a real estate investment trust pursuant to Section 856 of the Code. The obligations of Subtenant to pay any Deferred Rent Amount which is not paid as a result of this provision shall terminate five (5) years from the original date such amount would have been paid without regard to this provision and Sublandlord shall have no further right to receive any such amount.

ARTICLE IX DAMAGE BY CASUALTY

9.1 Notice of Casualty. Subtenant immediately shall give written notice to Sublandlord of any damage to the Subleased Premises. If the Subleased Premises are totally destroyed by an insured peril, or so damaged by an insured peril that, in Sublandlord's estimation, rebuilding or repairs cannot be substantially completed within two hundred seventy (270) days after the date of Sublandlord's actual knowledge of such damage, then Sublandlord or (if such damage was not caused by Subtenant or its employees or agents) Subtenant may terminate this Sublease by delivering to the other written notice thereof within thirty (30) days after such damage, in which case, the Rent shall be abated during the unexpired portion of this Sublease, effective upon the date such damage occurred. Time is of the essence with respect to the delivery of such notices.

9.2 Rebuilding. Subject to Section 9.3 and Sublandlord's ability to obtain the necessary permits, if this Sublease is not terminated under Section 9.1, then Sublandlord shall restore the Subleased Premises to substantially its previous condition, except that Sublandlord shall not be required to rebuild, repair or replace any part of the partitions, fixtures, additions and other improvements or personal property required to be covered by Subtenant's insurance under Section 6.4. If the Subleased Premises are untenantable, in whole or in part, during the period beginning on the date such damage occurred and ending on the date of substantial completion of Sublandlord's repair or restoration work (the "**Repair Period**"), then the Base Rent for such period shall be reduced to account for the portions of the Subleased Premises that are untenantable and the Sublease Term shall be extended by the number of days in the Repair Period, provided that, in the event Subtenant is unable to use the Subleased Premises during the Repair Period, such

that the Subleased Premises are wholly untenable, no Base Rent shall be owed by Subtenant for such period during which Subtenant is unable to use the Subleased Premises.

9.3 Termination by Sublandlord. Notwithstanding anything contained in this Sublease to the contrary, if any mortgagee of Sublandlord's interest in the Subleased Premises requires that insurance proceeds be applied to the indebtedness secured by its mortgage, deed of trust or other security instrument, then Sublandlord may terminate this Sublease by delivering written notice of termination to Subtenant within twenty (20) days after such destruction or damage or such requirement is made known by any such mortgagee of Sublandlord, as applicable, whereupon all rights and obligations hereunder shall cease and terminate, except for any liabilities of Subtenant which accrued before this Sublease is terminated.

9.4 Termination by Subtenant. Notwithstanding anything to the contrary herein, if this Sublease is not terminated under Section 9.1 but Sublandlord has not commenced restoration or rebuilding of the Subleased Premises within one hundred eighty (180) days of the date of the casualty loss, or does not diligently proceed to complete such restoration or rebuilding so that the Subleased Premises are restored or rebuilt to its former condition within three hundred sixty (360) days of the date following the casualty loss, Subtenant will have the right, in either case, to terminate this Sublease by providing Sublandlord notice of such election.

ARTICLE X EMINENT DOMAIN

10.1 Total Taking. If all or substantially all of the Subleased Premises is taken under power of eminent domain (which term as used in this Sublease shall include any conveyance in avoidance or settlement of condemnation or eminent domain proceedings) or other similar proceeding, then this Sublease shall terminate as of the date of taking of possession by the condemning authority.

10.2 Partial Taking. Sublandlord and Subtenant agree that if less than all or substantially all of the Subleased Premises is taken under power of eminent domain or other similar proceeding, then this Sublease shall nevertheless continue in effect as to the remainder of the Subleased Premises; provided, however, that if Subtenant reasonably determines within thirty (30) days following the taking (under power of eminent domain or similar proceeding) that so much of the Subleased Premises has been taken or condemned as to make it economically unsound to attempt to use the remainder thereof for the conduct of Subtenant's business thereon, then this Sublease shall terminate upon possession of such portion of the Subleased Premises by the condemning authority exercising such power of eminent domain.

10.3 Award. All sums awarded (or agreed upon between Sublandlord and the condemning authority) for the taking of the interest of Sublandlord or Subtenant in the Subleased Premises, whether as damages or as compensation, will be the property solely of Sublandlord. Without derogating the rights of Sublandlord under the preceding sentence, Subtenant shall be entitled to recover from the condemnor such compensation as may be separately awarded by the condemnor to Subtenant or recoverable from the condemnor by Subtenant in its own right for the value of any alterations made by Subtenant, for the taking of Subtenant's personal property, for relocation expenses, and for the loss of good will.

10.4 Rental Abatement. In the event of a taking under power of eminent domain which does not result in the termination of this Sublease, Base Rent and the Pro-Rata Share shall be reduced in proportion to the effect which such taking has upon the business conducted upon the Subleased Premises, as reasonably determined by Sublandlord.

ARTICLE XI INDEMNIFICATION

11.1 Indemnification. SUBTENANT HEREBY WAIVES ALL CLAIMS AGAINST SUBLANDLORD FOR DAMAGE TO ANY PROPERTY OR INJURY TO, OR DEATH OF, ANY PERSON IN, UPON, OR ABOUT THE SUBLEASED PREMISES ARISING AT ANY TIME AND FROM ANY CAUSE (INCLUDING THE NEGLIGENCE OF SUBLANDLORD) OTHER THAN BY REASON OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUBLANDLORD OR SUBLANDLORD'S AGENTS. SUBTENANT, FOR ITSELF AND ITS AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, LICENSEES, CONCESSIONAIRES, INVITEES, SUCCESSORS AND ASSIGNS, EXPRESSLY ASSUMES ALL RISKS OF INJURY OR DAMAGE TO PERSON OR PROPERTY, EITHER PROXIMATE OR REMOTE, RESULTING FROM THE CONDITION OF THE SUBLEASED PREMISES OR ANY PART THEREOF OTHER THAN BY REASON OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUBLANDLORD OR SUBLANDLORD'S AGENTS. SUBTENANT AGREES TO INDEMNIFY AND SAVE HARMLESS SUBLANDLORD, MASTER LESSOR, SUBLANDLORD'S MORTGAGEES AND ITS AND THEIR AFFILIATES AND ITS AND THEIR AGENTS, SERVANTS, DIRECTORS, OFFICERS, MEMBERS, PARTNERS AND EMPLOYEES (COLLECTIVELY "INDEMNITIES") FROM AND AGAINST ANY AND ALL LIABILITIES, DAMAGES, CLAIMS, SUITS, COSTS (INCLUDING COURT COSTS, ATTORNEYS' FEES AND COSTS OF INVESTIGATION) AND ACTIONS OF ANY KIND ARISING OR ALLEGED TO ARISE BY REASON OF INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO OR LOSS OF PROPERTY OCCURRING ON, IN OR ABOUT THE SUBLEASED PREMISES OR BY REASON OF ANY OTHER CLAIM WHATSOEVER OF ANY PERSON OR PARTY OCCASIONED OR ALLEGED TO BE OCCASIONED BY ANY ACT OR OMISSION ON THE PART OF SUBTENANT OR ANY OFFICER, DIRECTOR, SERVANT, AGENT, EMPLOYEE, REPRESENTATIVE, CONTRACTOR, SUBCONTRACTOR, LICENSEE, CONCESSIONAIRE, INVITEE, SUCCESSOR OR ASSIGN, OR BY ANY BREACH, VIOLATION OR NONPERFORMANCE OF ANY COVENANT OF SUBTENANT UNDER THIS SUBLEASE, WHETHER OR NOT SUCH LIABILITY, CLAIMS, SUITS, COSTS, INJURIES, DEATHS OR DAMAGES ARISE FROM OR ARE ATTRIBUTED TO THE NEGLIGENCE (EXCEPT GROSS NEGLIGENCE OR WILLFUL MISCONDUCT) OF ANY INDEMNITEE. IF ANY ACTION OR PROCEEDING SHALL BE BROUGHT BY OR AGAINST ANY INDEMNITEE IN CONNECTION WITH ANY SUCH LIABILITY OR CLAIM, UNLESS SUBLANDLORD'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT IS PLEADED OR ALLEGED IN THE ACTION, SUBTENANT, ON NOTICE FROM SUBLANDLORD, SHALL DEFEND SUCH ACTION OR PROCEEDINGS AT SUBTENANT'S EXPENSE, BY OR THROUGH ATTORNEYS REASONABLY SATISFACTORY TO SUBLANDLORD. THE PROVISIONS OF THIS SECTION SHALL APPLY TO ALL ACTIVITIES OF SUBTENANT WITH RESPECT TO THE SUBLEASED PREMISES, WHETHER OCCURRING BEFORE OR AFTER EXECUTION OF THIS SUBLEASE. SUBTENANT'S OBLIGATIONS UNDER THIS SECTION SHALL NOT BE LIMITED TO THE LIMITS OF COVERAGE OF INSURANCE MAINTAINED OR REQUIRED TO BE MAINTAINED BY SUBTENANT UNDER THIS SUBLEASE. THIS PROVISION SHALL SURVIVE THE TERMINATION OF THIS SUBLEASE.

ARTICLE XII SUBLANDLORD'S RIGHTS OF ACCESS AND ALTERATION

12.1 Sublandlord's Right of Access.

(a) Sublandlord or its agents may enter the Subleased Premises at all reasonable times and upon reasonable prior written notice to Subtenant to inspect the Subleased Premises or to show the Subleased Premises to potential purchasers, investors, subtenants, or other parties, or for any other purpose

Sublandlord deems commercially reasonable or necessary. Sublandlord shall at all times have and retain a key with which to unlock all the standard entrances and exit doors in, upon, and about the Subleased Premises, excluding Subtenant's vaults, safes, and files. Sublandlord may place customary "For Sale" or "For Lease" signs on or about the Subleased Premises but may not place "For Lease" signs in or in front of the Subleased Premises until six (6) months prior to the end of the term of this Sublease or if Subtenant vacates the Subleased Premises prior to the expiration of the term of this Sublease.

(b) Customer and Subtenant acknowledge that Customer is in ownership of certain inventory depicted in EXHIBIT F (the "**Inventory**") as of the Effective Date hereof. Subtenant shall have thirty (30) days following the Effective Date to identify any specific Inventory from EXHIBIT F which Subtenant desires to purchase from Customer. In the event that Subtenant has identified specific Inventory from EXHIBIT F which Subtenant desires to purchase from Customer, and Customer desires to sell the same to Subtenant, then such Inventory shall be conveyed by Customer to Subtenant pursuant to an Inventory Bill of Sale in substantially the same form as that attached hereto as EXHIBIT G at a purchase price to be mutually agreed upon by Customer and Subtenant. The Inventory to be sold by Customer to Subtenant will be set forth on Schedule A to the Inventory Bill of Sale. Customer and Subtenant further agree that any Inventory not sold to Subtenant within such thirty (30) day period may be auctioned off by Customer during business hours at the Subleased Premises or removed from the Subleased Premises by Customer, at Customer's sole discretion, and Customer or its agents may enter the Subleased Premises at all reasonable times for these purposes. Subtenant shall reimburse Customer for the fair market value of any such Inventory used by Subtenant prior to it being sold, auctioned off, or removed from the Subleased Premises.

(c) Except in the case of emergencies, Sublandlord shall exercise all reasonable efforts so that any entry into the Subleased Premises is reasonably designed to minimize interference with the operation of Subtenant's business in the Subleased Premises. Except to the extent caused by Sublandlord's gross negligence or willful misconduct, Sublandlord shall not be liable to Subtenant for any injury or inconvenience to or interference with Subtenant's business, any loss of occupancy or quiet enjoyment of the Subleased Premises, any eviction of Subtenant, any right to abatement of Base Rent, or any other loss occasioned by Sublandlord's exercise of any of its rights under this Section.

(d) Notwithstanding any provision in this Sublease to the contrary, Subtenant may, at its own expense, provide its own locks to certain areas within the Subleased Premises (each, a "**Secured Area**"). Subtenant need not furnish Sublandlord with a key to any such Secured Area, but upon the expiration or earlier termination of this Sublease, Subtenant shall surrender all such keys to Sublandlord. If Sublandlord must gain access to a Secured Area in a non-emergency situation, Sublandlord shall provide Subtenant with not less than twenty-four (24) hours' notice and Sublandlord and subtenant shall arrange a mutually agreed upon time for Sublandlord to do so. Sublandlord shall comply with all reasonable security measures pertaining to the Secured Area. If Sublandlord determines in its reasonable discretion that an emergency in or about the Subleased Premises, including, without limitation, a suspected fire or flood, requires Sublandlord to gain access to the Secured Area, Sublandlord shall give Subtenant prior notice of such emergency entry to the extent such prior notice may be reasonable under the circumstances, and if prior notice is not possible because of an emergency, Sublandlord shall provide notice to Subtenant as soon as practicable thereafter.

12.2 Sublandlord's Right to Alter. Sublandlord shall have the right, at any time and from time to time, without notice to or consent of Subtenant, to change the size, location, elevation, configuration and nature of any of the Improvements or other elements of the Master Leased Premises, including, without limitation, the right to locate and/or erect structures and other buildings and improvements of any type, provided the foregoing does not adversely impact Subtenant's rights under this Sublease, including its use and occupancy of the Subleased Premises or any ingress or egress thereto.

ARTICLE XIII EVENTS OF DEFAULT

13.1 Default. The occurrence of any one or more of the following events shall constitute an Event of Default (herein so called) of Subtenant under this Sublease: (a) if Subtenant fails to pay Base Rent or any other amount payable by Subtenant hereunder as and when same becomes due and such failure shall continue for more than five (5) days following Subtenant's receipt of written notice from Sublandlord; (b) if Subtenant fails to pay Base Rent or the same other amount payable by Subtenant hereunder as and when due more than twice in any period of twelve (12) months, notwithstanding that no notice has been given or that such payments have been made within the applicable cure period; (c) if the Subleased Premises become vacant, deserted, or abandoned for more than ten (10) consecutive days or if Subtenant fails to take possession of the Subleased Premises on the Commencement Date or promptly thereafter and such failure shall continue for more than ten (10) days after Sublandlord gives Subtenant notice of such failure; (d) if Subtenant fails to continuously operate its business and keep the Required Business Hours throughout the Sublease Term; (e) if Subtenant attempts to make an unpermitted assignment or sublease of this Sublease; (f) if Subtenant fails to maintain in force all policies of insurance required by this Sublease and such failure shall continue for more than ten (10) days after Sublandlord gives Subtenant notice of such failure; (g) if any petition is filed by or against Subtenant or any guarantor of this Sublease under any present or future section or chapter of the Bankruptcy Code, or under any similar law or statute of the United States or any state thereof (which, in the case of an involuntary proceeding, is not permanently discharged, dismissed, stayed, or vacated, as the case may be, within sixty (60) days of commencement), or if any order for relief shall be entered against Subtenant or any guarantor of this Sublease in any such proceedings; (h) if Subtenant or any guarantor of this Sublease becomes insolvent or makes a transfer in fraud of creditors or makes an assignment for the benefit of creditors; (i) if a receiver, custodian, or trustee is appointed for the Subleased Premises or for all or substantially all of the assets of Subtenant or of any guarantor of this Sublease, which appointment is not vacated within sixty (60) days following the date of such appointment; (j) if Subtenant fails to perform or observe any other term of this Sublease and such failure shall continue for more than ten (10) days after Sublandlord gives Subtenant notice of such failure, or, if such failure cannot be corrected within such ten (10) day period, if Subtenant does not commence to correct such default within said ten (10) day period and thereafter diligently prosecute the correction of same to completion as soon as possible thereafter; or (k) if Subtenant fails to perform the same term (other than the payment of Rent) of this Sublease more than two (2) times in any period of twelve (12) months, notwithstanding that Subtenant has corrected any previous failures within the applicable cure period.

13.2 Remedies. Upon the occurrence of any Event of Default, Sublandlord shall cumulatively have all rights and remedies available to a landlord at law or in equity and, at Sublandlord's option, then or at any time thereafter, to exercise any one or more of the following remedies to the fullest extent allowed by applicable law:

(a) Without releasing Subtenant from any obligations under this Sublease, make any payment or take any action as Sublandlord may deem necessary or desirable to cure any such Event of Default in such manner and to such extent as Sublandlord may deem necessary or desirable, and Sublandlord may do so without demand on, or written notice to, Subtenant and without giving Subtenant an opportunity to cure such Event of Default. Subtenant covenants and agrees to pay to Sublandlord, within (60) days after demand, all advances, costs, and expenses of Sublandlord in connection with the making of any such payment or the taking of any such action, including attorneys' fees, together with interest at the Interest Rate from the date of payment of any such advances, costs, and expenses by Sublandlord.

(b) Terminate this Sublease and the Subtenant's right to possession of the Subleased Premises and recover all of the following:

(i) The worth at the time of the award of all unpaid Base Rent and other rent which had been earned as the time of termination;

(ii) The worth at the time of the award of the amount by which all unpaid Base Rent which would have been earned after termination until the time of award exceeds the amount of such Base Rent loss that Subtenant proves could have been reasonably avoided;

(iii) The worth at the time of award of the amount by which all unpaid Base Rent for the balance of the term of this Sublease after the time of award exceeds the amount of such Rent loss that Subtenant proves could be reasonably avoided; and

(iv) All other amounts necessary to compensate Sublandlord for all the detriment proximately caused by Subtenant's failure to perform all Subtenant's obligation under this Sublease or which in the ordinary course of things would be likely to result therefrom.

The "worth at the time of award" of the amounts referred to in paragraphs (i) and (ii) above shall be computed by allowing interest at the Interest Rate. The "worth at the time of award" of the amount referred to in paragraph (iii) above shall be computed by discounting such amount at the discount rate of two percent (2%) per annum, over the fair market rental value on a net basis of the balance of the term as of the time of such default, discounted to the then present value at a rate of two percent (2%) per annum. Any rents or other amounts Sublandlord shall receive from Subtenants shall be credited against Subtenant's Base Rent obligations under this Sublease.

(c) Re-enter and take possession of the Subleased Premises or any part thereof, without demand or notice, and repossess the same and expel Subtenant and any party claiming by, under, or through Subtenant, and remove the effects of both, by unlawful detainer or other summary proceedings, or as otherwise permitted by law. Sublandlord shall have the right to have a receiver appointed for Subtenant, upon application by Sublandlord, to take possession of the Leased Premises, to apply any rental collected from the Leased Premises and to exercise all other rights and remedies granted to Sublandlord pursuant to this Sublease. No notice or other act by Sublandlord shall be construed as an election by sublandlord to terminate this Sublease unless a written notice of such intention is given to Subtenant. No notice from Sublandlord hereunder or under an unlawful detainer statute or similar law shall constitute an election by Sublandlord to terminate this Sublease unless such notice specifically so states.

(d) Sublandlord shall have the remedy described in California Civil Code Section 1951.4 (Sublandlord may continue the lease in effect after Subtenant's breach and abandonment and recover rent as it becomes due, if Subtenant has the right to sublet or assign, subject only to reasonable limitations). Without limiting the generality of the foregoing, Sublandlord shall have the right to continue this Sublease in effect after Subtenant's abandonment of the Leased Premises or Event of Default hereunder and enforce all Sublandlord's rights and remedies under this Sublease, including the right to recover all rent as it becomes due hereunder.

In the event Sublandlord elects to relet the Subleased Premises, Subtenant shall pay to Sublandlord on demand the cost of repossession, repairing, and altering the Subleased Premises for a new subtenant or subtenants and any deficiency between the rent payable hereunder and the rent paid under such reletting; provided, however, that Subtenant shall not be entitled to any excess payments received by Sublandlord from such reletting. Sublandlord's failure to relet the Subleased Premises shall not release or affect Subtenant's liability for rent or for damages.

Acts of maintenance or preservation, efforts to relet the Subleased Premises, or the appointment of a receiver upon Sublandlord's initiative to protect its interest under this Sublease shall not constitute a termination of Subtenant's right to possession of the Subleased Premises.

(e) Enter the Subleased Premises without terminating this Sublease and without being liable for prosecution of any claim for damages therefor and maintain the Subleased Premises and repair or replace any damage thereto or do anything for which Subtenant is responsible hereunder. Subtenant shall reimburse Sublandlord immediately upon demand for any expenses which Sublandlord incurs in thus effecting Subtenant's compliance under this Sublease, and Sublandlord shall not be liable to Subtenant for any damages with respect thereto.

13.3 No Acceptance of Surrender. No agreement to accept a surrender of the Subleased Premises and no act or omission by Sublandlord or Sublandlord's agents during the Sublease Term shall constitute an acceptance or surrender of the Subleased Premises unless made in writing and signed by Sublandlord. No reentry or taking possession of the Subleased Premises by Sublandlord shall constitute an election by Sublandlord to terminate this Sublease unless a written notice of such intention is given to Subtenant.

13.4 Intentionally Omitted.

13.5 Intentionally Omitted.

13.6 Mitigation. Sublandlord shall use commercially reasonable efforts to mitigate any damages resulting from an Event of Default by Subtenant under this Sublease. Sublandlord's obligation to mitigate damages after an Event of Default by Subtenant under this Sublease shall be satisfied in full if Sublandlord undertakes to lease the Subleased Premises to another subtenant (a "**Substitute Subtenant**") in accordance with the following criteria: (1) Sublandlord shall have no obligation to solicit or entertain negotiations with any other prospective subtenants for the Subleased Premises until Sublandlord obtains full and complete possession of the Subleased Premises; (2) Sublandlord shall not be obligated to show the Subleased Premises, on a priority basis, when other premises in the Master Leased Premises suitable for that prospective subtenant's use are (or soon will be) available; (3) Sublandlord shall not be obligated to lease the Subleased Premises to a Substitute Subtenant for a rent less than the current fair market rent then prevailing for similar uses in comparable buildings in the same market area as the Master Leased Premises, nor shall Sublandlord be obligated to enter into a new lease under other terms and conditions that are unacceptable to Sublandlord under Sublandlord's then current leasing policies for comparable space in the Master Leased Premises; (4) Sublandlord shall not be obligated to enter into a lease with a Substitute Subtenant that is a governmental entity or whose use would: (i) violate any restriction, covenant, or requirement contained in the lease of another tenant of the Master Leased Premises; (ii) adversely affect the reputation of the Master Leased Premises; or (iii) be incompatible with the operation of the Master Leased Premises; and (5) Sublandlord shall not be obligated to enter into a lease with any proposed Substitute Subtenant which does not have, in Sublandlord's reasonable opinion, sufficient financial resources to operate the Subleased Premises in a first class manner and to fulfill all of the obligations in connection with the lease thereof as and when the same become due.

13.7 Contractual Lien. In addition to the statutory landlord's lien, Sublandlord shall have at all times a valid security interest to secure payment of all rentals and other sums of money becoming due hereunder from Subtenant, and to secure payment of any damages or loss which Sublandlord may suffer by reason of the breach by Subtenant of any covenant, agreement or condition contained herein, and Subtenant hereby grants to Sublandlord a security interest in all goods, wares, equipment, machinery, fixtures, furniture, improvements and other personal property of Subtenant presently, or which may hereafter be, situated on the Subleased Premises, and all proceeds therefrom, and such property shall not be removed, other than in the ordinary course of business, without the consent of Sublandlord until all arrearages in

rental as well as any and all other sums of money then due to Sublandlord or to become due to Sublandlord hereunder shall first have been paid and discharged and all the covenants, agreements and conditions hereof have been fully complied with and performed by Subtenant. Upon Sublandlord regaining possession of the Subleased Premises following the occurrence of an Event of Default by Subtenant, Sublandlord may, in addition to any other remedies provided herein, take possession of any and all goods, wares, equipment, fixtures, furniture, machinery, improvements and other personal property of Subtenant situated on the Subleased Premises, without liability for trespass or conversion, and sell the same at public or private sale, with or without having such property at the sale, after giving Subtenant reasonable notice of the time and place of any public sale or of the time after which any private sale is to be made, at which sale the Sublandlord or its assigns may purchase such property unless otherwise prohibited by law. Unless otherwise provided by law, and without intending to exclude any other manner of giving Subtenant reasonable notice, the requirements of reasonable notice shall be met if such notice is given in the manner prescribed in this Sublease at least ten (10) days before the time of sale. Any sale made pursuant to the provisions of this Section shall be deemed to have been a public sale conducted in a commercially reasonable manner if held on the Subleased Premises or where the property is located after the time, place and method of sale and a general description of the types of property to be sold have been advertised in a daily newspaper published in Ventura County, California, for five (5) consecutive days before the date of the sale. The proceeds from any such disposition, less any and all expenses in connection with the taking of possession, holding and selling of the property (including reasonable attorney's fees and legal expenses), shall be applied as a credit against the indebtedness secured by the security interest granted in this Section. Any surplus shall be paid to Subtenant or as otherwise required by law, and Subtenant shall pay any deficiencies forthwith. Subtenant hereby authorizes Sublandlord to file with the appropriate governmental office a financing statement to perfect the security interest of Sublandlord in the aforementioned property and proceeds thereof under the provisions of the Uniform Commercial Code (or corresponding state statute or statutes) in force in the State of California, as well as any other state the laws of which Sublandlord may at any time consider to be applicable. This Sublease, at the election of Sublandlord, may be filed and used as a non-standard financing statement. Notwithstanding the foregoing, (a) Sublandlord hereby waives any contractual, statutory, constitutional, or other landlord's lien on Subtenant's inventory, machinery and equipment, and (b) Sublandlord, upon Subtenant's request, shall enter into a Landlord Waiver on behalf of Subtenant's lender which provides for the following: Subtenant's has taken a loan that is secured by Subtenant's machinery, equipment, and/or inventory (the "**Property**"); the Property shall be deemed to be personal property and shall not be considered a part of the Subleased Premises to the extent Sublandlord has any interest in or lien on the Property, Sublandlord hereby subordinates such interest or lien to the security interest which Subtenant's lender now has or may hereafter acquire in the Property; and Sublandlord consents to Subtenant's lender, its agents, employees and invitees entering upon the Subleased Premises for the purpose of exercising any right the Subtenant's lender may have under the terms of its loan to Subtenant and to remove the Property; provided, however, that Subtenant's lender shall repair any physical damage to the Subleased Premises caused by its removal of the Property.

13.8 No Waiver. No provision of this Sublease shall be deemed to have been waived by either Sublandlord or Subtenant unless such waiver is in writing and signed by the waiving work. Sublandlord's acceptance of Base Rent or other rent following an Event of Default hereunder shall not be construed as a waiver of such Event of Default. No custom or practice which may occur or develop between the parties in connection with the terms of this Sublease shall be construed to waive or lessen either party's right to insist upon strict performance of the terms of this Sublease, without a written notice thereof of the waiving party.

13.9 Rights Cumulative. The rights granted to Sublandlord in this Article and elsewhere in this Sublease shall be cumulative of every other right or remedy provided in this Sublease or which Sublandlord may otherwise have at law or in equity or by statute, and the exercise of one or more rights or remedies shall not prejudice or impair the concurrent or subsequent exercise of other rights or remedies or constitute a forfeiture or waiver of rent or damages accruing to Sublandlord by reason of any Event of Default under

this Sublease. In the event of any Event of Default, each party may be entitled to recover any costs and expenses that it incurred, including its attorneys' fees, in accordance with Section 17.13 herein.

13.10 Sublandlord's Default. If Sublandlord fails to perform or observe any other term of this Sublease and such failure shall continue for more than thirty (30) days after Subtenant gives Sublandlord notice of such failure, or, if such failure cannot be corrected within such thirty (30) day period, if Sublandlord does not commence to correct such default within said thirty (30) day period and thereafter diligently prosecute the correction of same to completion as soon as possible thereafter, then Subtenant shall have the option to pursue all rights and remedies available to Subtenant hereunder and/or in law or in equity.

ARTICLE XIV SUBORDINATION; ATTORNMENT; ESTOPPELS

14.1 Subordination. This Sublease and all rights of Subtenant hereunder are subject and subordinate to the Master Lease and any other ground lease and all deeds of trust, mortgages, or other security instruments which now or hereafter cover all or any portion of the Subleased Premises, and to any advances made on the security thereof, and to any increases, renewals, modifications, consolidations, replacements, and extensions of the Master Lease or such deed of trust, mortgages or other security instruments provided that so long as Subtenant shall not be in default in the performance of its obligations under this Sublease beyond and applicable notice and cure period, neither this Sublease nor Subtenant's right to remain in exclusive possession of the Sublease Premises shall be affected or disturbed by reason of any default under any mortgage, deed of trust or other security instrument entered into by Sublandlord and if such mortgage, deed of trust or other security instrument shall be foreclosed or if such mortgagee, trustee or holder thereof shall exercise any of its remedies under such mortgage, deed of trust or security instrument, this Sublease and all of Subtenant's rights and obligations hereunder shall survive such foreclosure and continue in full force and effect. This provision is declared by Sublandlord and Subtenant to be self-operative and no further instrument shall be required to affect such subordination of this Sublease. Upon demand, however, Subtenant shall execute, acknowledge, and deliver to Sublandlord any further instruments and certificates evidencing such subordination as Sublandlord, and the Master Lessor or any mortgagee of Sublandlord, shall reasonably require, and if Subtenant fails to so execute, acknowledge and deliver such instruments within fifteen (15) days after Sublandlord's request, such failure shall constitute an Event of Default by Subtenant. Subtenant hereby irrevocably appoints Sublandlord as Subtenant's agent and attorney-in-fact for the purpose of executing, acknowledging, and delivering any such instruments and certificates if Subtenant fails to do so within fifteen (15) days after request. Subtenant shall not unreasonably withhold, delay, or defer its written consent to reasonable modifications in this Sublease which are a condition of any financing for the Subleased Premises or any reciprocal easement agreement with facilities developed by Sublandlord in the vicinity of the Subleased Premises, provided that such modifications do not increase the obligations of Subtenant hereunder or materially and adversely affect Subtenant's use and enjoyment of the Subleased Premises. This Sublease is further subject and subordinate to all applicable ordinances of any governmental authority having jurisdiction over the Subleased Premises. It shall be the sole responsibility of Subtenant to conduct its activities in a manner that complies with the terms of the Master Lease, and Subtenant shall not cause any default to occur under the Master Lease. If requested by Subtenant, Sublandlord will present a non-disturbance and attornment agreement to Master Lessor and use commercially reasonable efforts (at no cost to Sublandlord) to assist Subtenant in obtaining the same; provided, however, that Sublandlord shall not be in default for Master Lessor's refusal to provide such an agreement and Subtenant's performance under this Sublease shall not be conditioned upon obtaining such an agreement from Master Lessor.

14.2 Option to Subordinate Deed of Trust. Notwithstanding the generality of the foregoing provisions of Section 14.1, any mortgagee of Sublandlord shall have the right at any time to subordinate

any such deed of trust or mortgage to this Sublease, or to any of the provisions hereof on such terms and subject to such conditions as such mortgagee of Sublandlord may consider appropriate in its discretion. At any time, before or after the institution of any proceedings for the foreclosure of any such deed of trust or mortgage, Subtenant shall, upon request of such mortgagee or any person or entities succeeding to the interest of such mortgagee or the purchaser at any foreclosure sale ("Successor Sublandlord"), automatically become the Subtenant of the Successor Sublandlord, without change in the terms or other provisions of this Sublease. This agreement of Subtenant to attorn to a Successor Sublandlord shall survive any such foreclosure sale, trustee's sale or conveyance in lieu thereof. Subtenant shall upon demand at any time, before or after any such foreclosure, execute, acknowledge, and deliver to the Successor Sublandlord any written instruments and certificates evidencing such attornment as such Successor Sublandlord may reasonably require; provided, however, that Sublandlord shall use its reasonable efforts to require that such agreement provide that upon such attornment and as long as Subtenant is not in default hereunder, Subtenant's possession of the Subleased Premises under this Sublease shall not be disturbed.

14.3 Estoppel Certificate. Subtenant shall, from time to time, within ten (10) days after request from Sublandlord, Master Lessor or any other ground lessor or from any mortgagee of Sublandlord, execute, acknowledge and deliver in recordable form a certificate certifying, to the extent true, that this Sublease is in full force and effect and unmodified (or, if there have been modifications, that the same is in full force and effect as modified and stating the modifications); that the term of this Sublease has commenced and the full amount of the rent then accruing hereunder; the dates to which the rent has been paid; that Subtenant has accepted possession of the Subleased Premises; that no rent under this Sublease has been paid more than thirty (30) days in advance of its due date; that the address for notices to be sent to Subtenant is as set forth in this Sublease (or has been changed by notice duly given and is as set forth in the certificate); that Subtenant, as of the date of such certificate, has no charge, lien, or claim of offset under this Sublease or otherwise against rent or other charges due or to become due hereunder; that, to the knowledge of Subtenant, Sublandlord is not then in default under this Sublease; and such other matters as may be reasonably requested by Sublandlord, Master Lessor or any other ground lessor or any mortgagee of Sublandlord. Any such certificate may be relied upon by Sublandlord, any Successor Sublandlord, or any mortgagee of Sublandlord. Sublandlord agrees periodically to furnish, when reasonably requested in writing by Subtenant, certificates signed by Sublandlord containing information similar to the foregoing information. If Subtenant does not timely deliver the requested certificate within such ten (10) day period and thereafter does not deliver such estoppel certificate within five (5) days after a second written request therefor, then Subtenant will be deemed to have appointed, and by its inaction will have irrevocably appointed, Sublandlord as attorney-in-fact for the Subtenant with full power and authority to execute and deliver in the name of Subtenant such certificate and such certificate as signed by Sublandlord or Sublandlord's designee, as the case may be, shall be fully binding on Subtenant.

14.4 Notice to Mortgagee and Master Lessor. No act or failure to act on the part of Sublandlord which would entitle Subtenant under the terms of this Sublease, or by law, to be relieved of Subtenant's obligations hereunder or to terminate this Sublease, shall result in a release of such obligations or a termination of this Sublease unless (a) Subtenant has given notice by registered or certified mail to Master Lessor and any mortgagee of Sublandlord whose address shall have been furnished to Subtenant, and (b) Subtenant offers Master Lessor and mortgagee of Sublandlord a reasonable opportunity to cure the default, including time to obtain possession of the Subleased Premises by power of sale or of judicial foreclosure, if such should prove necessary to effect a cure.

ARTICLE XV SURRENDER AND HOLDOVER

15.1 Surrender of Subleased Premises upon Termination of Sublease. On the effective date of any expiration or earlier termination of this Sublease, Subtenant shall surrender to Sublandlord the

Subleased Premises free and clear of all claims of Subtenant and any parties claiming by, through or under Subtenant and with all of Subtenant's removal and repair obligations set forth in Sections 5.2 and 7.6 above fully performed and with all of the improvements, parts and surfaces thereof broom clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear and casualty excepted (and excluding any repairs required to be made by Sublandlord as expressly provided herein) and in a good, safe and clean condition. If Subtenant fails to comply with the terms of this Section, then, without limitation of any other remedies of Sublandlord, Sublandlord may perform such obligations and Subtenant shall reimburse Sublandlord for such costs upon written demand and such obligation will survive the expiration or earlier termination of this Sublease.

15.2 Holdover. If Subtenant continues to hold the Subleased Premises after the expiration or earlier termination of this Sublease, such holding over, unless otherwise agreed to by Sublandlord in writing, shall constitute and be construed as a tenancy at will at a rental equal to two hundred percent (200%) of the rental (including Base Rent and other charges) in effect as of the date of expiration or earlier termination, and subject to all of the other provisions set forth herein. Subtenant shall also be liable to Sublandlord for all damage which Sublandlord suffers because of any holding over by Subtenant, and Subtenant shall indemnify Sublandlord against all claims made by any other subtenant or prospective subtenant against Sublandlord resulting from delay by Sublandlord in delivering possession of the Subleased Premises to such other subtenant or prospective subtenant. The provisions of this Section shall survive the expiration or earlier termination of this Sublease.

ARTICLE XVI NOTICE

16.1 Sending of Notices. Wherever any notice is required or permitted hereunder, such notice shall be in writing. Any notice or document required or permitted to be delivered hereunder shall be deemed to be delivered when actually received (or delivery is first refused) by the designated addressee or, if earlier and regardless of whether actually received or not, when deposited in the United States mail, postage prepaid, certified mail, return receipt requested, addressed to the parties hereto at Sublandlord's Address and Subtenant's Address (or, at Sublandlord's option, to Subtenant at the Subleased Premises), or at such other addresses as they have theretofore specified by written notice.

ARTICLE XVII MISCELLANEOUS

17.1 Intentionally Omitted.

17.2 No Joint Venture. Nothing in this Sublease shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto, it being understood and agreed that no provision contained herein, nor any acts of the parties hereto, shall be deemed to create any relationship between the parties hereto other than the relationship of sublandlord and subtenant.

17.3 Independent Covenant. Subtenant shall not for any reason withhold or reduce Subtenant's required payments of rental and other charges provided in this Sublease, it being agreed that the obligations of Sublandlord under this Sublease are independent of Subtenant's obligations.

17.4 Sublandlord's Liability. Anything contained in this Sublease to the contrary notwithstanding, Subtenant agrees that Subtenant shall look solely to the estate and property of Sublandlord in the Subleased Premises for the collection of any judgment or other judicial process requiring the payment of money by Sublandlord for any default or breach by Sublandlord under this Sublease. No other assets of

Sublandlord or any partners, shareholders, members or other principals of Sublandlord shall be subject to levy, execution or other judicial process for the satisfaction of Subtenant's claim. In no event shall Sublandlord be responsible for, and Subtenant hereby waives all claims for, consequential damages (e.g., lost profits), punitive damages, or any damages other than direct, actual and compensatory damages incurred by Subtenant.

17.5 Brokerage Fee. Subtenant and Sublandlord each represent and warrant to the other that it has not entered into any agreement with, or otherwise had any dealings with, any broker or agent in connection with the negotiation or execution of this Sublease which could form the basis of any claim by any such broker or agent for a brokerage fee or commission, finder's fee, or any other compensation of any kind or nature in connection herewith, and each party shall, and hereby agrees to, indemnify and hold the other harmless from all costs (including, but not limited to, court costs, investigation costs, and attorneys' fees), expenses or liability for commissions or other compensation claimed by any broker or agent with respect to this Sublease which arise out of any agreement or dealings, or alleged agreement or dealings, between the indemnifying party and any such agent or broker. The foregoing provision shall survive the expiration or earlier termination of this Sublease.

17.6 No Implied Waiver. One or more waivers of any covenant, term or condition of this Sublease by either party shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition. The consent or approval by either party to or of any act by the other party requiring such consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.

17.7 Headings. The article headings contained in this Sublease are for convenience only and shall not enlarge or limit the scope or meaning of the various and several articles hereof. Words in the singular number shall be held to include the plural, unless the context otherwise requires.

17.8 Entire Agreement; Amendments. This Sublease and the Exhibits attached hereto set forth the entire agreement between the parties and cancel all prior negotiations and understandings, if any, between Sublandlord and Subtenant regarding the subject matter of this Sublease. No amendment or modification of this Sublease shall be binding or valid unless expressed in a writing executed by both parties hereto.

17.9 Authority of Subtenant. If Subtenant signs as a corporation, execution hereof shall constitute a representation and warranty by Subtenant that Subtenant is a duly organized and existing corporation, that Subtenant has been and is qualified to do business in the State of California and is in good standing with the State of California, that the corporation has full right and authority to enter into this Sublease, and that all persons signing on behalf of the corporation were authorized to do so by appropriate corporate action. If Subtenant signs as a limited liability company, partnership, trust, or other legal entity, execution hereof shall constitute a representation and warranty by Subtenant that Subtenant has complied with all applicable laws, rules, and governmental regulations relative to Subtenant's right to do business in the State of California, that such entity has the full right and authority to enter into this Sublease, and that all persons signing on behalf of Subtenant were authorized to do so by any and all necessary or appropriate partnership, trust, or other actions. If Subtenant signs as an individual, Subtenant certifies that he is a resident of the State of California.

17.10 Governing Law; Venue. This Sublease shall in all respects be interpreted, governed and enforced in accordance with the laws of the State of California applicable to contracts entered into and to be performed therein. The parties agree that this Sublease was made and entered into in Ventura County, California and that this Sublease and the parties' obligations under this Sublease are to be performed in Ventura County. Accordingly, the parties agree that any action, suit or other legal proceeding concerning

this Sublease shall be in a forum with jurisdiction over Ventura County, California, with venue in Ventura County.

17.11 Time of Essence. Time is of the essence of this Sublease.

17.12 Acceptance by Sublandlord. The submission of this Sublease to Subtenant shall not be construed as an offer and Subtenant shall not have any rights with respect thereto unless Sublandlord executes a copy of this Sublease and delivers the same to Subtenant.

17.13 Professional Fees. To the extent permitted by law, in any action or proceeding brought by either party against the other under this Sublease, the prevailing party shall be entitled to recover from the other party its actual professional fees such as appraisers', accountants' and attorneys' fees, investigation costs, and other legal expenses and court costs incurred by the prevailing party in such action or proceeding.

17.14 Expenses. In the event Subtenant requests from Sublandlord the written consent of Sublandlord to any proposed action for which this Sublease requires such consent, Sublandlord may not unreasonably withhold, delay or condition its consent unless this Sublease specifically allows Sublandlord to withhold its consent in its sole discretion.

17.15 Severability. If any provision of this Sublease should be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Sublease shall not be affected thereby, and the provision held to be invalid or unenforceable shall be deemed replaced by a provision similar in substance which is valid and enforceable.

17.16 Successors and Assigns. The terms, provisions and covenants contained in this Sublease shall apply to, inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors in interest and legal representatives except as otherwise herein expressly provided.

17.17 Memorandum. This Sublease shall not be recorded by either party without the consent of the other. In the event that such consent is requested and given, the parties hereto agree to execute and record a Memorandum of Sublease evidencing this Sublease which encumbers the Subleased Premises in a form satisfactory to both parties.

17.18 Rules and Regulations. Sublandlord and Master Lessor shall have the right, at any time and from time to time, to establish, modify, amend and enforce reasonable rules and regulations with respect to the Master Leased Premises and the Marina and the use thereof. Subtenant agrees to abide by and conform with such rules and regulations on notice thereof and to cause its invitees and agents to do the same.

17.19 Prohibited Persons and Transactions. Subtenant represents and warrants to Sublandlord that (a) Subtenant is currently in compliance with and shall at all times during the Sublease Term (including any extension thereof) remain in compliance with the regulations of the Office of Foreign Asset Control ("**OFAC**") of the Department of the Treasury (including those named on the OFAC's Specially Designated and Blocked Persons List) and any statute, executive order (including the September 24, 2001, Executive Order No. 13224 Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism (the "**Executive Order**")), or other governmental action relating thereto; and (b) Subtenant is not, and will not be, a person with whom Sublandlord is restricted from doing business under the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA Patriot Act), H.R. 3152, Public Law 107-56 and the Executive Order and regulations promulgated thereunder and including persons and entities named on the OFAC Specially Designated Nations and Blocked Persons List.

17.20 Subtenant Waiver Regarding Property Damage. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE, SUBLANDLORD SHALL HAVE NO LIABILITY WHATSOEVER FOR ANY PROPERTY DAMAGE OR LOSS WHICH MIGHT OCCUR ON THE PARKING AREAS OR AS A RESULT OF OR IN CONNECTION WITH THE PARKING OF MOTOR VEHICLES IN ANY OF THE PARKING SPACES UNLESS, AND THEN ONLY TO THE EXTENT, CAUSED BY SUBLANDLORD'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

17.21 Intentionally Omitted.

17.22 Intentionally Omitted.

17.23 Acts or Omissions. SUBLANDLORD WILL NOT BE RESPONSIBLE FOR OR LIABLE TO SUBTENANT FOR ANY LOSS OR DAMAGE THAT MAY BE OCCASIONED BY OR THROUGH THE ACTS OR OMISSIONS OF PERSONS OCCUPYING ADJOINING PREMISES OR ANY PART OF THE PREMISES ADJACENT TO OR CONNECTED WITH THE PREMISES OR ANY PART OF THE BUILDINGS OR FOR ANY LOSS OR DAMAGE RESULTING TO SUBTENANT OR ITS PROPERTY FROM BURST, STOPPED OR LEAKING WATER, GAS, SEWER OR STEAM PIPES OR FALLING PLASTER, OR ELECTRICAL WIRING OR FOR ANY DAMAGE OR LOSS OF PROPERTY WITHIN THE PREMISES FROM ANY CAUSES WHATSOEVER, INCLUDING BUT NOT LIMITED TO THEFT, AND/OR ACTS OR THREATENED ACTS OF TERRORISM, DAMAGE OR INJURY DUE TO MOLD, EXCEPTING ONLY LOSSES OR DAMAGES RESULTING FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUBLANDLORD. NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY UNDER ANY CIRCUMSTANCES FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES.

17.24 Waiver of Premises Liability of Guests of Subtenant. SUBLANDLORD, ITS AGENTS, SERVANTS, EMPLOYEES, INVITEES, OR CONTRACTORS (EACH AN "INDEMNIFIED PARTY") SHALL NOT BE LIABLE TO SUBTENANT AND SUBTENANT HEREBY WAIVES ALL CLAIMS AGAINST EACH INDEMNIFIED PARTY FOR ANY INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO OR DESTRUCTION OF PROPERTY IN OR ABOUT THE SUBLEASED PREMISES OR THE MARINA BY OR FROM ANY CAUSE WHATSOEVER, INCLUDING, WITHOUT LIMITATION, GAS, FIRE, OIL, ELECTRICITY OR LEAKAGE OF ANY CHARACTER FROM THE ROOF, WALLS, BASEMENT OR OTHER PORTION OF THE PREMISES OR THE MARINA, BUT EXCLUDING, HOWEVER, THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY INDEMNIFIED PARTY.

17.25 Intentionally Omitted.

17.26 Intentionally Omitted.

17.27 Disclaimers. SUBLANDLORD AND SUBTENANT AGREE THAT THERE ARE AND WERE NO VERBAL OR WRITTEN REPRESENTATIONS, WARRANTIES, UNDERSTANDINGS, STIPULATIONS, AGREEMENTS OR PROMISES PERTAINING TO THIS SUBLEASE WHICH ARE NOT INCORPORATED IN WRITING INTO THIS SUBLEASE. SUBLANDLORD AND SUBTENANT AGREE THAT THERE ARE AND SHALL BE NO IMPLIED WARRANTIES OF MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER KIND ARISING OUT OF THIS SUBLEASE AND THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THOSE EXPRESSLY SET FORTH IN THIS SUBLEASE.

17.28 WAIVER OF JURY TRIAL. SUBLANDLORD AND SUBTENANT EACH WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER PARTY AGAINST THE OTHER CONCERNING ANY MATTER RELATED TO THIS SUBLEASE.

17.29 QUIET ENJOYMENT. So long as Subtenant shall observe and perform the covenants and agreements binding on it hereunder, Subtenant shall peaceably and quietly have and enjoy possession of the Subleased Premises without any encumbrance or hindrance by, from or through Sublandlord, subject, however, to the terms of this Sublease.

17.30 Intentionally Omitted.

17.31 CONFIDENTIALITY. Both Sublandlord and Subtenant agree to keep confidential: (a) the terms of this Sublease, and (b) all written and verbal negotiations and communications between the parties (collectively, the “**Confidential Information**”) in connection with this Sublease, and neither Sublandlord nor Subtenant will disclose or make available any Confidential Information to any other person or entity, except (i) to such party’s accountants, brokers, attorneys, and other agents for the purpose of providing advice to such party in connection with the Confidential Information, and (ii) to such party’s prospective investors and lenders who agree to preserve the confidential nature of the Confidential Information, and (iii) as required in accordance with all applicable laws. The foregoing covenant of confidentiality shall not be applicable to any information published by Sublandlord or Subtenant as public knowledge or otherwise available in the public domain. Sublandlord may disclose such information as may be recommended by Sublandlord’s legal counsel in order to comply with all financial reporting, securities laws and other legal requirements applicable to Sublandlord, including any required disclosures to the Securities and Exchange Commission.

17.32 Negotiated by Counsel. The parties acknowledge that this Sublease is the result of arms-length negotiations between them, both of whom are represented by counsel. The parties have consulted with their attorneys throughout the negotiations and have been fully advised of all of the ramifications of this Sublease, including the rights they are waiving herein and the affirmative obligations they are agreeing to undertake.

17.33 EXHIBITS. The following exhibits are attached hereto and made a part hereof:

EXHIBIT A: LAND (Legal Description)
EXHIBIT A-1: OUTLINE OF SUBLEASED PREMISES
EXHIBIT B: PARKING OUTSIDE OF SUBLEASED PREMISES
EXHIBIT C: MASTER LEASE
EXHIBIT D: LETTER OF CREDIT
EXHIBIT E: LIST OF EQUIPMENT LEASED TO SUBTENANT
EXHIBIT F: DEPICTION OF INVENTORY
EXHIBIT G: FORM OF INVENTORY BILL OF SALE
EXHIBIT H: JUNKER BOATS

[SIGNATURES FOLLOW ON NEXT PAGE]

EXECUTED as of the date set forth on the cover page.

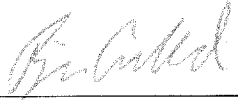
SUBLANDLORD:

BY CI SMI SERIES,
a registered series of
BY CHANNEL ISLANDS SMI, LLC
a Delaware limited liability company

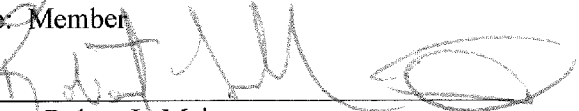
By: _____
Name: _____
Title: _____

SUBTENANT:

LEGACY MARINE, LLC,
a California limited liability company

By:  _____
Name: Brian Collard
Title: Member

By:  _____
Name: Jack LeMaire
Title: Member

By:  _____
Name: Robert LeMaire
Title: Member

CONSENTED TO AND ACKNOWLEDGED BY MASTER LESSOR:

COUNTY OF VENTURA, CALIFORNIA

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the party listed below, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby duly executes this Sublease with proper authority, solely for the purpose of acknowledging the obligations and rights as set forth herein. Any notices or demands to it hereunder may be made in the same manner as if being delivered to Sublandlord.

CUSTOMER:

BY CI SMI OPCO SERIES,
a registered series of
BY CHANNEL ISLANDS SMI, LLC
a Delaware limited liability company

By: _____

Name: _____

Title: _____

EXHIBIT A

LAND

[From legal description attached to Exhibit B of the Master Lease.]

Parcela N & P

A portion of Lots 12 and 25 of the Patterson Ranch Subdivision, as per that certain map recorded in the office of the County Recorder of Ventura County in Book 8 of Miscellaneous Records (Maps) at Page 1, et seq., more particularly described as follows:

Commencing at the southeast corner of Lot 7, as shown on said map; thence, along the east lines of said Lot 7 and Lot 12, North 1°11'29" East 1,397.82 feet; thence, leaving said east line, North 88°42'29" West 97.00 feet to the True Point of Beginning; thence,

- 1st - North 88°42'29" West 220.77 feet; thence,
- 2nd - North 64°59'35" West 93.24 feet; thence,
- 3rd - North 88°42'29" West 17.25 feet; thence,
- 4th - South 1°11'29" West 40.32 feet; thence,
- 5th - North 88°42'29" West 86.26 feet; thence,
- 6th - North 12°16'20" West 375.50 feet; thence,
- 7th - North 1°11'29" East 1,362.90 feet; thence,
- 8th - South 88°42'29" East 497.01 feet to a line parallel with and distant 97.00 feet easterly with said east lines of Lot 7 and Lot 12; thence, along said parallel line,
- 9th - South 1°11'29" West 1,523.10 feet to the True Point of Beginning;

-Containing an area of 16.99 acres, more or less.

EXHIBIT A-1

OUTLINE OF SUBLEASED PREMISES

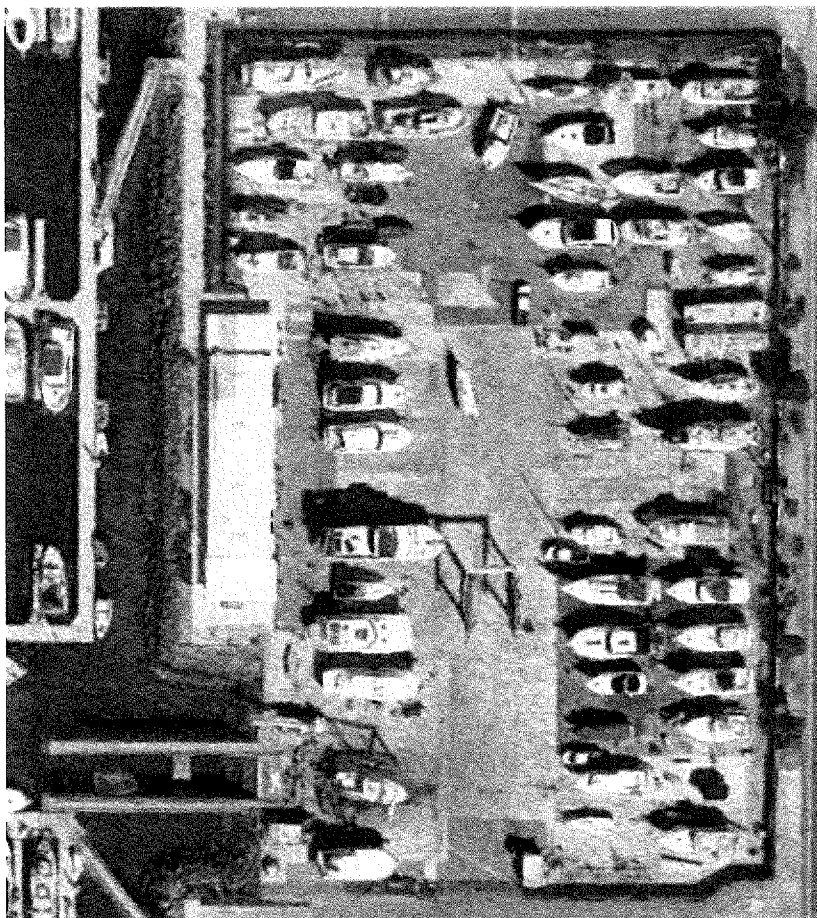


EXHIBIT B

PARKING OUTSIDE OF SUBLEASED PREMISES

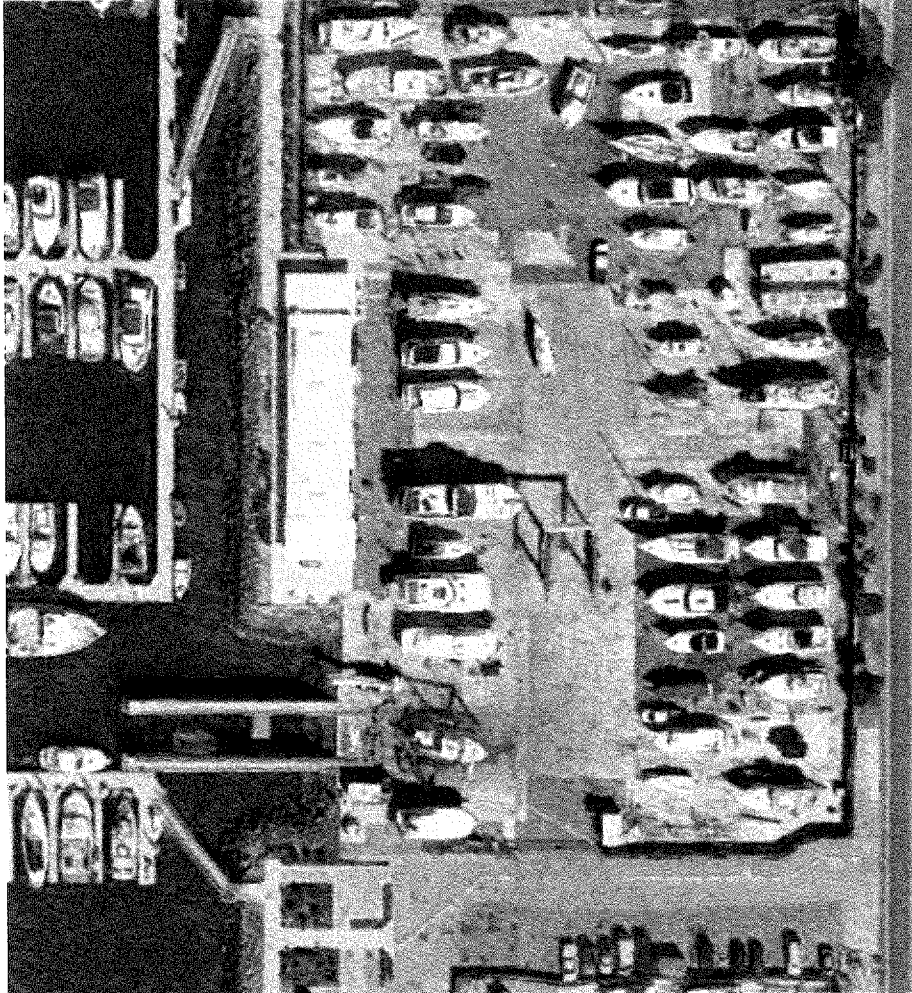


EXHIBIT C
MASTER LEASE

[See attached]

- Second Amended and Restated Lease - Parcels N and P dated December 10, 2013;
- First Amendment to Second Amended and Restated Lease - Parcels N and P Channel Islands Harbor dated October 20, 2015; and
- Ground Lease Assignment and Assumption - Parcels N and P dated October 4, 2022, and recorded October 6, 2022.

EXHIBIT D

LETTER OF CREDIT

1. Delivery of Letter of Credit. As a condition precedent for Sublandlord entering into the Sublease, and in order to secure compliance and performance by Subtenant of all of the terms and conditions of the Sublease, concurrently with Subtenant's execution of the Sublease, Subtenant shall deliver to Sublandlord a Letter of Credit in a face amount of TWO HUNDRED EIGHTY SEVEN THOUSAND AND NO/100 DOLLARS (\$287,000.00 - the "**LOC Amount**") meeting the requirements of this Exhibit. Promptly upon termination or expiration of the Letter of Credit as provided herein, Sublandlord shall return the Letter of Credit to Subtenant.

2. Form of Letter of Credit. The Letter of Credit shall: (i) be issued by (and at all times be drawable upon) a federally insured national bank approved by Sublandlord in its reasonable discretion; (ii) be an irrevocable and unconditional standby Letter of Credit issued in the full amount of the required LOC Amount; (iii) be issued in the name of Sublandlord as beneficiary; (iv) have a term commencing on the date of issuance and ending on the first anniversary of the Commencement Date (the "**Expiration Date**"); (v) expressly provide that Sublandlord (and/or its successors and assigns) is entitled to make one or more draws under the Letter of Credit upon delivery to issuer of a sight draft (a "**Draft**") in a banking office of issuer in the City of Oxnard, California (or such other location as is approved by Sublandlord) and signed by a purported officer or authorized agent or representative of Sublandlord and certifying to the issuer that a Draw Event (hereinafter defined) has occurred and that Sublandlord is entitled to draw upon the Letter of Credit in the amount of the draft submitted therewith; (vi) allow partial draws by Sublandlord at its discretion from time to time; (vii) provide that the Letter of Credit will be honored by the issuing bank without inquiry as to the accuracy of the Draft or the authority of any person or party executing same and regardless of whether Subtenant disputes the content of the Draft or the authority of any person or party executing same; (viii) specifically provide that it may be transferred by Sublandlord, without cost to Sublandlord, to a subsequent owner of the Marina (including a foreclosing mortgage lender) by written notice by the transferring Sublandlord/beneficiary to the issuer, at which time the issuer of the Letter of Credit must be obligated to issue a new Letter of Credit on the identical terms to the transferee (naming the transferee as beneficiary) upon written request by such transferee and surrender of the previously issued Letter of Credit; (ix) remain in effect notwithstanding any assignment of the Sublease or subletting by Subtenant; (x) be subject to the International Standby Practices 1998 (or such other recognized standards as Sublandlord may elect), and (xi) otherwise be in a form reasonably satisfactory to Sublandlord, in substantially the same form as attached hereto as **Schedule I**.

3. Extension/Replacement Letter of Credit. In the event that the expiration date of the Letter of Credit is earlier than the Expiration Date of the Sublease, as such may be extended, then not later than sixty (60) days prior to the current expiration date of the Letter of Credit, Subtenant shall cause the delivery to Sublandlord either of a new Letter of Credit meeting the conditions and requirements detailed in Section 2 above or an amendment to the existing Letter of Credit which provides that its expiration date is extended for a period of not less than one (1) year. If, as a result of any drawing upon the Letter of Credit, the balance secured by such Letter of Credit shall be less than the then required LOC Amount, Subtenant shall, upon demand, provide Sublandlord with additional letter(s) of credit which comply with the provisions of the Sublease in an amount equal to restore such balance to the required LOC Amount. If the Letter of Credit is not timely renewed, or if a new Letter of Credit is not timely received by Sublandlord, or if Subtenant fails to maintain such Letter of Credit in the amount and subject to the other terms set forth herein, Sublandlord shall have the right (in addition to Sublandlord's other rights to draw upon the Letter of Credit under the Sublease and without any requirement for notice to Subtenant under any provision of the Sublease or

otherwise) to immediately present the Letter of Credit to the issuing bank, and draw any portion of or the entire amount of such Letter of Credit.

4. Draw Events. As used herein, a “**Draw Event**” shall mean each or any of the following occurrences: (i) Subtenant has failed to comply with or perform under the terms and conditions of the Sublease; (ii) a petition has been filed by or against Subtenant commencing a case under Title 11 of the United States Code or other state or federal bankruptcy or insolvency laws, as amended or reenacted with the passage of time; or (iii) Subtenant has failed to cause the delivery to Sublandlord of a new Letter of Credit or an amendment to the existing Letter of Credit, in form and substance acceptable to Sublandlord, extending the expiration date of the Letter of Credit for a period of not less than one (1) year, which amendment is received by Sublandlord not less than sixty (60) days prior to the expiration date of the Letter of Credit, as required under Section 3 above.

5. Proceeds. The proceeds of the Letter of Credit shall be held or applied by Sublandlord in its sole discretion, and the receipt by Sublandlord of proceeds of the Letter of Credit under one or more draws hereunder shall not relieve Subtenant of any obligations to make installment or other payments of Rent under the Sublease, or otherwise discharge or relieve the Subtenant of compliance or performance of any terms and conditions under the Sublease.

6. Letter of Credit an Independent Contract. Subtenant acknowledges and agrees that the Letter of Credit shall constitute an independent contract between the issuing bank and Sublandlord, and the proceeds of any draws by Sublandlord under the Letter of Credit shall not constitute property of Subtenant as debtor in any bankruptcy proceeding. Without limitation, neither the Letter of Credit nor any proceeds thereof shall constitute a security deposit under the Sublease. The delivery of the Letter of Credit and/or exercise by Sublandlord of its rights thereunder shall not constitute liquidated damages or otherwise release, waive, or estop Sublandlord from asserting any and all claims, or exercising any and all rights and remedies Sublandlord has or may have with the passage of time under the Sublease and applicable law. If a petition is filed by or against Subtenant under the Bankruptcy Code or other state or federal bankruptcy or insolvency laws, as amended from time to time, then Sublandlord shall have the right (in addition to Sublandlord's other rights to draw upon the Letter of Credit and without the requirement for notice to Subtenant under any provision of the Sublease or otherwise) to immediately present such Letter of Credit to the issuing bank, in accordance with the terms hereof, and draw the entire amount of such Letter of Credit, which funds shall be held by Sublandlord and applied against Subtenant's obligations under the Sublease provided that, at Sublandlord's option, amounts drawn under the Letter of Credit shall be deemed to be applied first to the payment of Rent due Sublandlord for all periods prior to the filing of the petition.

7. Transfer of Letter of Credit by Sublandlord. In the event of a transfer of Sublandlord's interest in the Sublease, Sublandlord shall have the right to transfer the Letter of Credit to the transferee, without cost to Sublandlord, and thereupon Sublandlord shall, without any further agreement being required between the parties, be released by Subtenant from all liability therefor, and it is agreed that the provisions hereof shall apply to every transfer or assignment of such Letter of Credit by Sublandlord to any successor to Sublandlord's interest under the Sublease.

8. No Assignment by Subtenant. Subtenant shall not transfer, assign or otherwise encumber the Letter of Credit or any part thereof. Neither Sublandlord nor its successors or assigns will be bound by any such attempted assignment, transfer or encumbrance by Subtenant. Notwithstanding the foregoing, Subtenant shall be permitted to assign its interest in such Letter of Credit to an assignee of Subtenant's interest as lessee under the Sublease expressly permitted under the terms of the Sublease.

SCHEDULE I

FORM OF LETTER OF CREDIT

[STIFEL BANK & TRUST LETTERHEAD]

IRREVOCABLE STANDBY LETTER OF CREDIT NO. _____

DATE OF ISSUANCE: May ___, 2024

EXPIRATION DATE: April 30, 2025

AMOUNT: \$287,000.00

BENEFICIARY: **BY CI SMI SERIES**, a registered series of
BY CHANNEL ISLANDS SMI, LLC,
a Delaware limited liability company,
or its affiliated assignee
3615 S. Victoria Avenue
Oxnard, California 93035

WITH COPY TO:

17330 Preston Road, Suite 100C
Dallas, Texas 75252
Attn: General Counsel

ACCOUNT PARTY: **Legacy Marine, LLC**
a California limited liability company

Attn: _____

Ladies and Gentlemen:

STIFEL BANK & TRUST (the “**Bank**”) hereby establishes this Irrevocable Standby Letter of Credit (this “**Letter of Credit**”) in favor of the above-named Beneficiary at the request of and for the account of the above-named Account Party in an amount up to but not exceeding the aggregate sum of TWO HUNDRED EIGHTY-SEVEN THOUSAND AND NO/100 United States Dollars (\$287,000.00 USD) available by Beneficiary’s draft(s) drawn prior to the expiration hereof at sight and presentation of the original of this Letter of Credit, including all amendments hereto, if any, on STIFEL BANK & TRUST at One Financial Plaza, 501 North Broadway, St. Louis, Missouri 63102.

The Bank hereby undertakes to promptly honor Beneficiary’s sight draft(s) drawn on the Bank during business hours in the form of the attached **Exhibit A** for all or any part of this Letter of Credit if presented at the Bank’s office specified above on or before the expiration date specified above.

This Letter of Credit shall be available to be drawn in full or in partial amounts; provided however, upon presentment for a partial draw, Beneficiary shall present the Bank with the original of this Letter of Credit, including all amendments hereto, if any, and upon payment the Bank will, within three (3) business days

thereafter, provide a new or amended Letter of Credit under the same terms as provided herein reduced by the amount drawn.

The Letter of Credit will (i) be honored by the Bank without inquiry as to the accuracy of the draft or the authority of any person or party executing same, and regardless of whether Account Party disputes the content of the draft or the authority of any person or party executing same; (ii) remain in effect notwithstanding any assignment of the Sublease dated May ___, 2024, by and between Account Party, Beneficiary, and BY CI SMI OPCO SERIES, a registered series of BY CHANNEL ISLANDS SMI, LLC, a Delaware limited liability company, or any subletting by Account Party; and (iii) be subject to the International Standby Practices 1998, or such other recognized standards as Beneficiary may elect.

This Letter of Credit is transferrable in whole, but not in part, to (and may be drawn by) any successor to Beneficiary and in such case the original Letter of Credit shall be surrendered to the Bank, and an amended Letter of Credit shall be issued by the Bank in the name of the new beneficiary. Account Party shall be solely responsible for all costs charged by the Bank in connection with any transfer of this Letter of Credit and the Bank's receipt of the same is not a condition of transfer. Notwithstanding the foregoing, this Letter of Credit cannot be transferred, nor shall the Bank ever be obligated to fund a drawing hereunder, if Beneficiary or its successor is a Specially Designated National or Blocked Person under the United States Treasury Department or Foreign Assets Control Regulations or subject to the denial of export privileges by the U.S. Department of Commerce.

The Bank hereby agrees that drafts drawn and presented in conformity with the terms of this Letter of Credit will be duly honored not later than two (2) business days after the date of a properly conforming presentment and surrender of the original this Letter of Credit, including all amendments hereto, if any.

Except as otherwise provided herein, this Letter of Credit shall be governed by and construed in accordance with the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce Publication No. 600 ("*UCP*"). As to matters not covered by the UCP, and to the extent not inconsistent with the UCP or made inapplicable by this Letter of Credit, this Letter of Credit shall be governed by the laws of the State of California, including the Uniform Commercial Code as in effect in the State of California.

STIFEL BANK & TRUST

By: _____

Name: _____

Title: _____

EXHIBIT A

to

IRREVOCABLE STANDBY LETTER OF CREDIT NO. _____

Form of Draft

Date: _____

This Draft is “**DRAWN UPON STIFEL BANK & TRUST IRREVOCABLE STANDBY LETTER OF CREDIT NO. _____** dated _____, 2024” (the “*Letter of Credit*”), and constitutes a demand upon Stifel Bank & Trust for payment of the sum of _____ AND _____/100 DOLLARS (\$_____) in U.S. Dollars in accordance with the terms of the Letter of Credit. Unless otherwise noted, capitalized words and phrases used in this Draft shall have the meanings defined in the Letter of Credit.

The presentation of this signed Draft for payment constitutes Beneficiary’s certification to Stifel Bank & Trust that the amount of the requested drawing is due and owing by Account Party to Beneficiary.

Beneficiary acknowledges that a conforming presentation of this Draft must be accompanied by the delivery to Stifel Bank & Trust of the original Letter of Credit and all amendments thereof, if any, and that if this Draft is for less than the full amount available under the Letter of Credit, a new or amended Letter of Credit shall issue to Beneficiary under the same terms as provided thereunder reduced by the amount drawn.

Unless otherwise agreed, the amount drawn hereunder shall be paid by domestic wire transfer pursuant to the following directive (*insert below domestic wire transfer instruction at time of drawing*):

[*Insert wire instructions here*]

Beneficiary:

BY CI SMI SERIES, a registered series of
BY CHANNEL ISLANDS SMI, LLC,
a Delaware limited liability company,
or its affiliated assignee

By: _____

Name: _____

Title: _____

EXHIBIT E
LIST OF EQUIPMENT

[See attached]

EXHIBIT F
INVENTORY

[See attached]

EXHIBIT G

FORM OF INVENTORY BILL OF SALE

THIS INVENTORY BILL OF SALE (“**Bill of Sale**”) is made to be effective as of the ____ day of _____, 2024, by and between **BY CI SMI OPCO SERIES**, a registered series of **BY CHANNEL ISLANDS SMI, LLC**, a Delaware limited liability company (“**Assignor**”), and **LEGACY MARINE, LLC**, a California limited liability company (“**Assignee**”).

WHEREAS, reference is hereby made to that certain Sublease Agreement dated May __, 2024 (the “**Sublease**”), with regard to the Subleased Premises (as defined in the Sublease) by and between Assignor (as Customer thereunder) and Assignee (as Subtenant thereunder). All capitalized terms not defined herein shall have the meaning given in the Sublease; and

WHEREAS, simultaneously with the execution and delivery of this Bill of Sale, pursuant to the terms and conditions of the Sublease, Assignor is conveying to Assignee that certain inventory located in Ventura County, California, described on Schedule A attached hereto, incorporated herein, and made a part hereof (the “**Inventory**”).

NOW, THEREFORE, in consideration of Ten and No/100 Dollars (\$10.00) and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Assignor hereby agrees as follows:

1. Assignor hereby sells, transfers, assigns and conveys to Assignee all of Assignor's right, title and interest in and to the following, if any and to the extent assignable, and Assignee hereby accepts all right, title and interest in and to the following:

(a) The Inventory set forth on Schedule A.

2. The Inventory shall be free and clear of any and all liens and encumbrances. Subject to the foregoing, this Bill of Sale is made without any covenant, warranty or representation by, or recourse against, Assignor other than as set forth in the Sublease.

3. This Bill of Sale may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument, and may be executed by facsimile, .pdf format, DocuSign or other form of electronic communication and such form of execution shall be deemed an original signature for execution purposes.

4. This Bill of Sale shall inure to the benefit of and be binding upon the heirs, personal representatives, successors, and assigns of each of the parties hereto.

5. This Bill of Sale shall be governed by, interpreted under, and construed and enforceable in accordance with the laws of the State of California.

6. If any term or provision of this Bill of Sale or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Bill of Sale or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Bill of Sale shall be valid and enforced to the fullest extent permitted by law.

ASSIGNOR:

BY CI SMI OPCO SERIES,
a registered series of
BY CHANNEL ISLANDS SMI, LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

ASSIGNEE:

LEGACY MARINE, LLC,
a California limited liability company

By: _____

Name: _____

Title: _____

SCHEDULE A
LIST OF INVENTORY

[See attachment to Exhibit F of the Sublease]

EXHIBIT H

JUNKER BOATS

1. Sea Jay



2. CHB

