Fill in this information to identify the case:

Debtor West Marine Products, Inc.

United States Bankruptcy Court for the: _____ District of Delaware (State)

Case number 26-10801

Modified Official Form 410
Proof of Claim

04/25

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. **Do not send original documents;** they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to $500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) **that you received.**

Part 1: Identify the Claim

1. **Who is the current creditor?**

Bancap Marina Center, Inc.

Name of the current creditor (the person or entity to be paid for this claim)

Other names the creditor used with the debtor _____

2. **Has this claim been acquired from someone else?**

☑ No

☐ Yes. From whom? _____

3. **Where should notices and payments to the creditor be sent?**

Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)

Where should notices to the creditor be sent?	**Where should payments to the creditor be sent?** (if different)
Bancap Marina Center, Inc. Houser LLP 9970 Research Drive Irvine, California 92618	Alamitos Bay Marina Center 192 Marina Drive Long Beach, California 90803
Contact phone _____	Contact phone 562-598-3351
Contact email tschneider@houser-law.com	Contact email _____

(see summary page for notice party information)

Uniform claim identifier (if you use one):

_ _

4. **Does this claim amend one already filed?**

☑ No

☐ Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY

5. **Do you know if anyone else has filed a proof of claim for this claim?**

☑ No

☐ Yes. Who made the earlier filing? _____

26108012607130000000000002

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. **Do you have any number you use to identify the debtor?**

☑ No

☐ Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: ___ ___ ___ ___

7. **How much is the claim?** $ 0.00 . **Does this amount include interest or other charges?**

☑ No

☐ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. **What is the basis of the claim?**

Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.

Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).

Limit disclosing information that is entitled to privacy, such as health care information.

Lease

9. **Is all or part of the claim secured?**

☑ No

☐ Yes. The claim is secured by a lien on property.

Nature or property:

☐ Real estate: If the claim is secured by the debtor's principle residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.

☐ Motor vehicle

☐ Other. Describe: _____

Basis for perfection: _____

Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)

Value of property: $_____

Amount of the claim that is secured: $_____

Amount of the claim that is unsecured: $_____ (The sum of the secured and unsecured amount should match the amount in line 7.)

Amount necessary to cure any default as of the date of the petition: $_____

Annual Interest Rate (when case was filed)_____%

☐ Fixed

☐ Variable

10. **Is this claim based on a lease?**

☐ No

☑ Yes. **Amount necessary to cure any default as of the date of the petition.** $ 0.00

11. **Is this claim subject to a right of setoff?**

☑ No

☐ Yes. Identify the property: _____

26108012607130000000000002

12. **Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?**

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

	Amount entitled to priority
☑ No	
☐ Yes. *Check all that apply:*	
☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).	$_____
☐ Up to $3,800* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).	$_____
☐ Wages, salaries, or commissions (up to $17,150*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).	$_____
☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).	$_____
☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).	$_____
☐ Other. Specify subsection of 11 U.S.C. § 507(a)(__) that applies.	$_____

* Amounts are subject to adjustment on 4/01/28 and every 3 years after that for cases begun on or after the date of adjustment.

13. **Is all or part of the claim entitled to administrative priority pursuant to 11 U.S.C. § 503(b)(9)?**

☑ No

☐ Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

$_____

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(3) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to $500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

☐ I am the creditor.

☑ I am the creditor's attorney or authorized agent.

☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 07/13/2026
MM / DD / YYYY

/s/Timothy A. Schneider
Signature

Print the name of the person who is completing and signing this claim:

Name: Timothy A. Schneider
First name Middle name Last name

Title: Attorney

Company: Houser LLP
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address

Contact phone _____ Email _____



Verita (KCC) ePOC Electronic Claim Filing Summary

For phone assistance: Domestic (866) 967-1786 | International (310) 751-2686

Debtor:
26-10801 - West Marine Products, Inc.
District:
District of Delaware

Creditor:
Bancap Marina Center, Inc.
Houser LLP
9970 Research Drive
Irvine, California, 92618
Phone:
Phone 2:
Fax:
Email:
tschneider@houser-law.com

Has Supporting Documentation:
Yes, supporting documentation successfully uploaded
Related Document Statement:

Has Related Claim:
No
Related Claim Filed By:

Filing Party:
Authorized agent

Disbursement/Notice Parties:

Alamitos Bay Marina Center
192 Marina Drive
Long Beach, California, 90803
Phone:
562-598-3351
Phone 2:
Fax:
E-mail:
DISBURSEMENT ADDRESS

Alamitos Bay Marina Center
192 Marina Drive
Long Beach, California, 90803
Phone:
Phone 2:
Fax:
E-mail:
WhitLatimer@bancap.biz

Other Names Used with Debtor:

Amends Claim:
No
Acquired Claim:
No

Basis of Claim:
Lease

Last 4 Digits:
No

Uniform Claim Identifier:

Total Amount of Claim:
0.00

Includes Interest or Charges:
No

Has Priority Claim:
No

Priority Under:

Has Secured Claim:
No
Amount of 503(b)(9):
No
Based on Lease:
Yes, 0.00
Subject to Right of Setoff:
No

Nature of Secured Amount:
Value of Property:
Annual Interest Rate:
Arrearage Amount:
Basis for Perfection:
Amount Unsecured:

Submitted By:
Timothy A. Schneider on 13-Jul-2026 7:23:33 a.m. Pacific Time
Title:
Attorney
Company:
Houser LLP

VN: 60A9C6FD0A73C57228D59059FB69E031

WEST MARINE

L E A S E

THIS LEASE is made and entered, in duplicate, for reference purposes as of the 1st day of February, 1994 pursuant to a minute order adopted by the City Council of the City of Long Beach at its meeting held on the 1st day of February, 1994, by and between the CITY OF LONG BEACH a municipal corporation and trust grantee of the State of California of certain tide and submerged lands within said City ("Landlord") and WEST MARINE PRODUCTS, INC., a California corporation ("Tenant").

WHEREAS, Landlord is the owner of certain tide and submerged lands conveyed to it by the State of California, which lands were granted and are held upon certain trusts and conditions set forth in Chapter 676, Statutes of 1911, Chapter 102, Statutes of 1925, Chapter 158, Statutes of 1935, Chapter 29, Statutes of 1956, First Extraordinary Session, Chapter 1560, Statutes of 1959 and Chapter 138, Statutes of 1964, First Extraordinary Session.

WHEREAS, the City desires to lease a portion of these lands for the purposes authorized in the aforementioned Chapters and Tenant desires to lease from the City in accordance therewith; and

WHEREAS, the City anticipates that it may assign this Lease to a Master Lessee of the land of which the Premises are a part and, in that event, references to "Landlord" shall mean the City prior to or after any assignment and the Master Lessee after such assignment. With respect to Lease provisions where the City has certain rights, interests and obligations both before and after any assignment, the word "City" shall be used; and

WHEREAS, Master Lessee will upgrade the Marine Bazaar

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333 Wes ean Boulevard
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(310) 570-2200

Complex and the building containing the Premises by constructing the improvements described in Exhibit "A" in accordance with plans approved by the City and in connection therewith the Premises will be expanded to add approximately 6,630 square feet;

NOW, THEREFORE, for and in consideration of the faithful performance, at the time and in the manner herein specified, of the terms, covenants, and conditions herein imposed upon or to be performed by Tenant, the parties agree as follows:

1. RECITALS. The above Recitals are incorporated herein by this reference.

2. PREMISES. Landlord hereby Leases to Tenant and Tenant hereby accepts and leases from Landlord the real property described in Exhibit "B" attached hereto and incorporated herein by this reference and commonly known as 251 Marina Drive, a part of the area known as the Marine Bazaar Complex, in the City of Long Beach, Los Angeles County, California ("Premises") consisting of approximately 4,080 square feet of ground floor space and an outdoor display area consisting of approximately 250 square feet. Subsequent to the execution of this Lease the Premises will be expanded to add approximately 6,630 square feet of ground floor retail space (such that the total square footage contained within the Premises after such construction shall be approximately 11,475 square feet). Following completion of construction, any reference in this Lease to the Premises shall include the additional space.

3. TERM. A. The term of this Lease shall commence at 12:01 a.m. on July 1, 1994 (the "Effective Date"), and shall terminate ten (10) years after the substantial completion of the common area improvements and the additional ground floor retail

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shell improvements (the "Additional Shell Improvements") to be constructed and installed by Landlord (at its sole cost and expense) in accordance with Sections __ and __ of the attached Exhibit "A", unless sooner terminated as provided herein. Substantial completion of the Additional Shell Improvements shall be evidenced by the recordation of a Notice of Completion with the Los Angeles County Recorder. For the purpose of this Lease, the term "Commencement Date" shall mean the first day of the month following the month in which there is substantial completion of the Additional Shell Improvements, and the term "Lease Year" shall mean any twelve (12) month period commencing on the Commencement Date or any anniversary thereof. Upon substantial completion, the parties shall amend this Lease to specify the date of said substantial completion and the date of termination.

B. Tenant shall have the option to extend the term of this Lease for two (2) consecutive periods of five (5) years each on the same terms and conditions set forth in this Lease. Tenant shall notify Landlord at least six (6) months before the expiration of the original or an extended term of Tenant's election to extend. Tenant shall have the right to exercise this option only if Tenant is not in default hereunder at the time Tenant gives said notice. If, after Tenant exercises an option to extend, Tenant defaults and has not cured the default(s) prior to commencement of an extended term, then all options shall automatically terminate or be deemed withdrawn by Tenant as of the last day of the original or a previously extended term.

4. COMMON AREA. The term "Common Area" as used in this Lease shall mean the portions of the Marine Bazaar Complex not

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leased to tenants including walkways and sidewalks, landscaped or planted areas, public restrooms, structural parts of the building, the foundations, roofs (excluding skylights), bearing and exterior walls, plumbing, sewage, gas and electrical systems installed or furnished by Landlord, service areas, windows and exterior doors. The Common Area is shown or described in Exhibit "B" attached hereto and incorporated herein by this reference. Tenant, for the benefit and use of Tenant, its agents, employees, and patrons, shall have a non-exclusive right in common with Landlord, the City, other tenants, and their agents, employees, patrons and permittees to use the Common Area during this Lease. Subject to the provisions of Section 35.U, Tenant shall keep the Common Area free of any obstructions, merchandise, signs, and all other items of whatever kind. The Common Area shall be subject to the management and control of Landlord, and the City reserves the right to issues permits for use of the Common Area to Tenant and others. Except as provided in Sections 32 and 33, Landlord shall maintain in good condition the Common Area. Landlord shall maintain the Common Area and the structural parts of the Marine Bazaar Complex in good condition, in substantial repair, in a safe, clean, sanitary condition, and in compliance with applicable laws. If Landlord fails to so maintain and repair and if that failure materially and detrimentally affects Tenant's use and enjoyment of the Premises, then, within a reasonable time after notice from Tenant specifying the need for maintenance or repair, Tenant may perform such maintenance or repair and deduct from the next installment of Minimum Monthly Rent or Percentage Rent a sum which is the average of three (3) estimates obtained by Tenant for the cost of such

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maintenance or repair.

5. USE. A. Permitted Use. Tenant shall use the Premises solely for the operation of a retail and wholesale marine hardware and supply business, and for the sale of outboard motors, inflatable boats, and nautical apparel. No other use of the Premises is authorized or permitted.

B. Nuisance. Tenant shall not use the Premises nor conduct its business in any manner that will create a nuisance or unreasonable annoyance, or constitute waste. Tenant shall not make or permit any noise or odors that constitute a nuisance within the meaning of California Civil Code Section 3479 or California Penal Code Section 370.

C. Compliance. Tenant shall use the Premises in such a manner as to comply with all laws applicable to wages and hours of employment, occupational safety, and fire, health, sanitation and safety.

D. Licenses to Use. Tenant shall obtain and keep in effect any licenses, permits, or certificates required in the conduct of its business on the Premises.

E. Continuous Use. Tenant shall continuously use the Premises for the use specified in this Lease between the hours of 8:30 a.m. to 5:00 p.m., including Saturdays and Sundays, except for conditions beyond Tenant's reasonable control. Tenant may change the hours of operation with the prior approval of Landlord. If the Premises are partially destroyed or damaged and the Lease remains in full force and effect, Tenant shall continue the operation of its business to the extent reasonably practical in the exercise of Tenant's good business judgment during any reconstruction.

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F. Surface Use. Tenant understands and agrees that this Lease covers only the surface of the Premises and only so much of the subsurface as is reasonably necessary or convenient for Tenant's use of the Premises as permitted by this Lease.

G. Hazardous Use. Except as permitted and in accordance with any applicable law, no goods, merchandise, supplies, or materials shall be kept, stored or sold in or on the Premises which are explosive or hazardous unless kept or stored in compliance with applicable laws. Landlord and Tenant shall not dispose of any hazardous materials on the Premises. Landlord and Tenant shall comply with California Health and Safety Code Section 25359.7 or its successor statute.

As of the date of execution of this Lease, Lessor has received a Phase I Site Assessment dated July 7, 1993, by WPM Construction Technology which indicates that the Premises "does not appear to have any present or historical environmental liabilities." However, Landlord will remove or cause to be removed, in accordance with applicable laws, any asbestos discovered during construction of the additional ground floor retail space.

H. Non-Competing Use. During the term of this Lease, and as long as Tenant operates only as a retailer of marine supplies, boating gear, and apparel, Landlord agrees that it will not lease space in the Marine Bazaar Complex to another tenant whose primary business is the retail sale of marine supplies and boating gear provided, however, that other tenants of the Marine Bazaar Complex may sell marine supplies, boating gear, Marine apparel, tee shirts, sweat shirts, sweat pants, and jackets: 1) if such sales are secondary to the primary use of their premises; 2) the amount of

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space dedicated to the sale of marine supplies and boating gear does not exceed in the aggregate five (5) percent of the square footage contained within the premises of such tenant; and 3) the gross sales derived by the sale of marine supplies and boating gear does not exceed in the aggregate five (5) percent of the total gross sales of all products by such tenant.

6. RENT. Except as expressly provided in this Lease, Tenant shall pay to Landlord without set off, abatement, deduction, or offset a Percentage Rent and Additional Rent as stated herein.

A. Percentage Rent. Beginning on the Effective Date and continuing throughout the original term and any extensions, Tenant shall pay Percentage Rent in the amount of six percent (6%) of gross receipts from retail sales and two percent (2%) from wholesale sales and sales of boats and motors attributable to the Premises. Percentage Rent shall be due and payable on the twentieth (20th) day of the calendar month following the month to which it is attributable.

(i) Percentage Rent Prior to the Commencement Date. If prior to the Commencement Date, the Percentage Rent payable by Tenant during any calendar month does not exceed the Minimum Monthly Rent, then tenant shall pay to Landlord the Minimum Monthly Rent in the time and manner specified in Section 6.B. If, prior to the Commencement Date, the Percentage Rent payable by Tenant during any calendar month exceeds the Minimum Monthly Rent, then Tenant shall pay to Landlord the Percentage Rent in the time and manner specified in this Section 6.A.

(ii) Percentage Rent After the Commencement Date. If, after the Commencement Date, the Percentage Rent paid by Tenant

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Long Beach
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during any Lease Year does not exceed the Minimum Annual Rent (as adjusted), then Tenant shall pay to Landlord the difference between the Percentage Rent actually paid by Tenant and the Minimum Annual Rent due plus Tenant's first payment of Percentage Rent within fifteen (15) days after the expiration of each Lease Year. If, after the Commencement Date, the Percentage Rent paid by Tenant during any Lease Year exceeds the Minimum Annual Rent, then no adjusting payment shall be made by Tenant to Landlord.

B. Minimum Monthly Rent. Prior to the Commencement Date and during construction of Additional Shell Improvements, Tenant shall pay to Landlord as minimum monthly rent ("Minimum Monthly Rent") the sum of One Thousand Eight Hundred Thirty-two Dollars ($1,832.00). Minimum Monthly Rent shall be payable in advance on the first day of each calendar month.

C. Minimum Annual Rent Adjustment. Beginning on the Commencement Date and continuing thereafter until adjusted as hereinafter provided, the minimum annual rent ("Minimum Annual Rent") shall be One Hundred Twenty-five Thousand Dollars ($125,000.00) per Lease Year. If construction of the Additional Shell Improvements is completed in phases, then the Minimum Annual Rent specified in this Section 6.C shall be increased as each phase is completed in proportion to the amount of additional ground floor retail space delivered to Tenant and shall be computed as follows: 1) a ratio the numerator of which is the amount of completed additional ground floor retail space and the denominator of which shall be 6,630 multiplied by 2) a second ratio the numerator of which is the number of days such partially completed improvements have been completed and the denominator of which is 365 multiplied

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by 3) $125,000.

On the fifth anniversary of the Commencement Date (the "Adjustment Date"), the Minimum Annual Rent shall be automatically adjusted based on fifty percent (50%) of the cumulative change in the consumer Price Index (All Urban Consumers) for the Los Angeles-Anaheim-Riverside Metropolitan Area published by the Bureau of Labor Statistics of the U.S. Department of Labor ("CPI"). The adjustment shall be calculated by dividing the Index number for the month preceding the Adjustment Date by the base Index number for the month immediately preceding the Commencement Date. That percent, multiplied by the Minimum Annual Rent then in effect and divided by 2, shall be the adjusted Minimum Annual Rent. In no event, however, shall the Minimum Annual Rent ever be adjusted downward on any Adjustment Date and Tenant shall continue to pay the Minimum Annual Rent in effect prior to the adjustment calculation if the calculation results in a projected decrease in the Minimum Annual Rent.

D. Gross Receipts. The term "gross receipts" shall mean the total of:

(1) All sales made in, on, through or from the Premises, whether for cash or credit, and whether payment is actually made or not, and whether said sales are made by Tenant, its agents, assignees, sublessees, concessionaires, or licensees;

(2) All charges made for services rendered and orders placed at the Premises whether by Tenant, its agents, assignees, sublessees, concessionaires, or licensees;

(3) All sums received by Tenant relating to any coin-operated vending machine or other device maintained on the Premises,

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regardless of the ownership of the machine or device, and whether such sums are removed and counted by Tenant or others;

Gross receipts shall exclude:

(1) All sales and excise taxes payable by Tenant, its agents, sublessees, concessionaires, or licensees to federal, state, county, or municipal governments as a direct result of operations under this Lease but only if such taxes are added to the selling price of merchandise or services and collected from customers;

(2) Sales canceled, but only to the extent of the purchase price not retained by Tenant or to the extent no trade or exchange was made;

(3) Monies received by Tenant in settlement of claims for loss of or damage to Tenant's merchandise;

(4) Interest, service, or carrying charges paid by customers for extension of credit on sales and where not included in the merchandise sales price;

(5) Sales of trade fixtures, bulk sales of stock-in-trade, or operating equipment after use thereof in Tenant's business on the Premises.

E. Additional Rent. Beginning on the Effective Date, Tenant shall pay as Additional Rent any deficiency due under Section 7, the cost of audit pursuant to Section 7, the cost of maintenance pursuant to Section 11, the cost of sign removal pursuant to Section 17, and the cost to cure pursuant to Section 23(d). Beginning on the Commencement Date and continuing throughout the original term and any extensions, Tenant shall also pay to Landlord as Additional Rent the Common Area Maintenance Costs under Section 12.

F. Place of Payment. Tenant shall pay rent and file

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accounting records at City's Marine Bureau, 205 Marina Drive, Long Beach, California, or such other location as Landlord may designate in a notice to Tenant.

7. RECORDS.

A. Tenant shall keep or cause to be kept at Tenant's corporate headquarters but shall make available the Premises at Landlord's request accurate and complete records, books of account, records showing transactions relating to Tenant's business hereunder, general ledgers, journals including supporting documents such as vouchers, checks, tickets, bank statements and the like, sales tax returns, state and federal income tax returns, and any other accounting records that Landlord's Auditor deems reasonably necessary for proper reporting of gross receipts (collectively "records"). Tenant shall furnish or cause to be furnished to Landlord, on its request, copies of quarterly California Sales and Use Tax Returns filed with the State. Tenant shall install and maintain accurate receipt printing cash registers or an equivalent transaction processing system providing a cumulative total and shall record on them every sale and other transaction made from the Premises.

B. No later than the twentieth (20th) day of each month Tenant shall give to Landlord a written statement signed by Tenant detailing gross receipts during the preceding month, together with the amount payable to Landlord as Percentage Rent.

C. Tenant shall hold such records for a period of four (4) years after the end of its accounting year and make them available to Landlord, at Landlord's request, at the Premises. Landlord shall have the right at any reasonable time during the

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Lease term and for two (2) years after expiration or termination of this Lease to examine and audit said records without restriction for the purpose of determining the accuracy thereof and of the monthly statements of gross receipts, at Landlord's sole cost and expense. In addition, Landlord's Auditor may from time to time conduct an audit of said records and observe the operation of the business to confirm the accuracy of said records. If the audit shows that there is a deficiency in the payment of any Percentage Rent, the deficiency shall become immediately due and payable as Additional Rent. In the event that the audit shows that Tenant understated gross receipts by more than five percent (5%), then Tenant shall pay the cost of Landlord's audit as Additional Rent.

D. All accounting records audited by Landlord or received by Landlord shall be treated as confidential and exempt from public disclosure thereof to the extent permitted by law.

E. Within ninety (90) days after the end of each calendar year during the Lease term and within ninety (90) days after the expiration of the Lease term, Tenant shall submit to Landlord financial statements verifying gross receipts and including a balance sheet and income statement showing business transacted on or from the Premises during said year. Financial statements shall be certified as true and correct under penalty of perjury by an officer of Tenant or by an independent Certified Public Accountant.

8. TAXES.

A. Tenant acknowledges that this Lease may create a possessory interest subject to taxation and that Tenant may be subject to payment of taxes levied on such interest. Beginning on the Effective Date and continuing throughout the original term and

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any extensions, Tenant shall pay before they become delinquent all taxes levied against the Premises up to $9,000 per Lease Year and provide proof of payment to Landlord within ten (10) days of Landlord's request therefor. The cap of $9,000 shall increase two percent (2%) each Lease Year. If the taxes levied against the possessory interest created by this Lease exceed the cap specified in this Section 8.A (as such cap may be adjusted in accordance with this Section), Tenant may (as its non-exclusive remedy) pay such excess, bill Landlord for the amount of such excess and, if such excess is not paid within thirty (30) days after Tenant's invoice to Landlord, offset such excess payment against Percentage Rent or Additional Rent.

B. Tenant shall pay before they become delinquent all taxes, assessments, license fees and other charges levied on Tenant's personal property, equipment, furnishing or trade fixtures installed or located on the Premises and provide proof of payment to Landlord within ten (10) days of Landlord's request therefor.

9. INSURANCE. A. Concurrent with the execution of this Lease, Tenant shall procure and maintain, at its cost, during the term of this Lease and any extensions hereof, from an insurer admitted in California or having a minimum rating or of equivalent to A:VIII in Best's Insurance Guide:

(1) Comprehensive General Liability insurance including products and fire legal liability coverage with a combined single limit of at least One Million Dollars ($1,000,000) for each occurrence. Landlord, their officers, employees, and agents shall be covered as additional insureds with respect to liability arising from activities performed by or on behalf of Tenant. Said insurance

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shall be primary insurance with respect to Landlord and shall contain a cross liability endorsement.

(2) "All Risk" property insurance in an amount sufficient to cover the full replacement value of Tenant's personal property, improvements and equipment on the Premises.

Upon the execution of this Lease, Tenant shall deliver to Landlord certificates of insurance with original endorsements evidencing the coverage required by this Lease. The certificates and endorsements shall be signed by a person authorized by the insurer to bind coverage on its behalf. Landlord reserves the right to require complete certified copies of all policies at any time.

Said insurance shall contain an endorsement requiring thirty (30) days' prior written notice from insurers to Landlord before cancellation or change of coverage.

Said insurance may provide for such deductibles or self-insurance as may be acceptable to the Landlord's Risk Manager. In the event such insurance does provide for deductibles or self-insurance, Tenant shall fully protect Landlord, its officials, and employees in the same manner as these interests would have been protected had the policy not contained a deductible or self-insurance provisions. With respect to damage to property, Landlord and Tenant hereby waive all right of subrogation, one against the other, but only to the extent that collectible commercial insurance is available for said damage.

Not more frequently than every five (5) years, and following receipt of a written request by Landlord, Tenant shall increase its insurance so that it is reasonably equivalent to the types, quantities, and levels maintained by tenants of similar size

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and net worth and conducting similar businesses to that of Tenant, as determined by Landlord's Risk Manager.

The procuring of said insurance shall not be construed as a limitation on Tenant's liability or as full performance on Tenant's part of the indemnification provisions of this Lease. Tenant understands and agrees that, notwithstanding said insurance, Tenant's obligation to defend, indemnify, and hold Landlord, its officials and employees harmless hereunder is for the full and total amount of any damage, injuries, loss, expense, cost, or liability caused by the condition of the Premises or in any manner connected with or attributed to the acts or omissions of Tenant, its officers, agents, employees, licensees, patrons, or visitors, or the business conducted by Tenant, or Tenant's use, misuse or neglect of the Premises.

Any modification or waiver of these insurance requirements shall only be made with the written approval of the Landlord's Risk Manager or designee.

B. Landlord shall maintain or cause to be maintained through the term of this Lease:

(1) "All Risk" property insurance (excluding earthquake and flood insurance) for the full replacement cost of the Marine Bazaar Complex (excluding any improvements and equipment constructed and installed at Tenant's cost and expense); and

(2) Comprehensive General Liability insurance in the amount of $2 million covering bodily injury and property damage occurring in or about the Common Area. To the extent that any Comprehensive General Liability insurance hereunder may be provided by the City, such insurance may be provided through a formal program

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of self-insurance.

10. UTILITIES. Tenant shall arrange and pay for the use of all utilities, including but not limited to gas, electricity, water and sewer, and the use and installation of telephone service on the Premises.

11. MAINTENANCE OF PREMISES. Tenant shall, at its cost and to the satisfaction of Landlord, maintain the Premises and improvements thereon in good condition, in substantial repair, in a safe, clean, sanitary condition, and in compliance with applicable laws. Tenant's duty to maintain shall include but not be limited to the duty to repair the improvements to the Premises as needed, and to repair and replace plate glass, exterior doors and window frames when damaged due to the fault or negligence of Tenant. The City shall provide and Tenant shall use approved containers for trash and garbage and keep the Premises free of trash, garbage, rubbish and litter. If Tenant fails to maintain the Premises as required herein, Landlord may notify Tenant of said failure. If Tenant fails to correct the situation within thirty (30) days thereafter or such longer period as may be established by Landlord, Landlord may make the necessary correction and the cost thereof, including but no limited to the cost of labor, materials, equipment and administration, shall be paid by Tenant as Additional Rent within ten (10) days after receipt of a statement of said cost from Landlord. Landlord may, at its option, choose other remedies available herein or by law. Except as expressly set forth in this Lease, Tenant hereby waives to the extent permitted by law any right to make repairs at the expense of Landlord or to vacate the Premises in lieu thereof as may by provided by law. Landlord shall have no

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obligation to perform any maintenance on the Premises; however, the City shall maintain the parking lot serving the Marine Bazaar Complex and Landlord shall maintain the Common Area.

12. COMMON AREA MAINTENANCE. Beginning on the date of Assignment of this Lease by City to a master lessee and continuing during the original term and any extensions, Tenant shall pay to Landlord Tenant's prorata share of Common Area Maintenance Costs for the Marine Bazaar Complex ("Tenant's Common Area Maintenance Costs") based on the square feet identified in Section 2 hereof provided, however, that Tenant's Common Area Maintenance Costs during the first Lease Year shall not exceed One Dollar ($1.00) per square foot ("CAM Cap"). Tenant's Common Area Maintenance Costs shall be paid monthly, in advance, on the first day of each calendar month. Effective on the anniversary date in the second Lease Year and on each anniversary date thereafter, the CAM Cap shall be adjusted in the same manner stated in Section 6.C hereof for Minimum Annual Rent. In no event, however, shall Tenant's Common Area Maintenance Costs be adjusted to a sum less than $1.00 per square foot per year. Maintenance of the Common Area shall include but not be limited to general cleaning, gardening, landscaping, and repairs. Tenant shall have the right to inspect, review, and audit Landlord's books and records during Landlord's ordinary business hours and upon reasonable advance notice during the Lease term and for a period of two (2) years thereafter. If such inspection, review and audit reveals that Tenant overpaid its pro rata share of Common Area Maintenance Costs, Landlord will promptly refund such overpayment to Tenant. If such inspection, review and audit reveals that Tenant overpaid its pro rata share of Common Area Maintenance Costs by more than five

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percent (5%), Landlord will also pay the reasonable cost of such inspection, review and audit.

13. IMPROVEMENTS TO THE PREMISES. Tenant shall not make any improvements to the Premises except with the prior approval of Landlord and in accordance with this Lease provided, however, that Landlord's prior approval shall not be required for any alterations to the Premises that do not require the issuance of a building permit and do not exceed cumulatively $10,000 in any Lease Year.

A. Prior to commencement of work on any tenant improvements to the Premises ("Work"), Tenant shall file with Landlord a Performance Bond in the amount of fifty percent (50%) of the estimated cost of Work, conditioned on faithful performance of the Work and a Labor and Material Bond (also known as a Payment Bond) in the amount of fifty percent (50%) of the estimated cost of Work, conditioned on payment of all claimants for labor and materials used or required in the performance of the Work, executed by Tenant or Tenant's contractor, as Principal, and by a surety authorized to do business in California as Surety. Said bonds shall name Landlord as a joint obligee with Tenant. Nothing contained herein shall be deemed to release Tenant from the duty of keeping the Premises free of labor and material liens. The Performance Bond shall remain in effect until completion of the Work to the reasonable satisfaction of Landlord. The Payment Bond shall remain in effect until the expiration of the statutory period for liens or stop notices or until the Premises are free from the effect of same, if filed. This sub-section 13.A shall not be in force or effect if and for the period during which the City assigns this Lease to a Master Lessee.

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B. Tenant shall notify Landlord twenty (20) days prior to commencement of the Work to enable Landlord to post and record notices of nonresponsibility.

C. Tenant shall promptly commence the Work and diligently proceed with it to completion.

D. Tenant shall keep the Premises free of any mechanic's, materialman's or similar lien for any Work done, labor performed or material furnished by or for Tenant, and Tenant shall defend, indemnify and hold Landlord, its officials and employees harmless from and against all claims, liens, demands, causes of action, liability, loss, costs, and expenses (including reasonable attorney's fees) of whatever kind or nature for any Work done, labor performed, or materials furnished on the Premises or to Tenant. In addition, if a lien is imposed on the Premises, Tenant shall notify Landlord, record a valid release of lien, or deposit with Landlord cash in an amount equal to 125% of the amount of said lien and authorize payment to the extent of said deposit to any subsequent judgment holder with regard to said lien.

E. On completion of the Work, Tenant shall file a Notice of Completion in the Official Records of the County Recorder of Los Angeles County.

F. On the expiration or sooner termination of this Lease, all improvements to the Premises shall become the property of Landlord at no cost to Landlord provided, however, that Tenant may remove any of its furniture, fixtures, and equipment from the Premises so long as Tenant repairs all damage resulting from such removal.

G. As used in this Section, Landlord shall include the

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City and any assignee of this Lease.

14. CONSTRUCTION. In addition to the work to be performed by Landlord in improving the Common Area and in constructing the Additional Shell Improvements, Landlord shall either give to Tenant a tenant allowance equal to $20 per square foot of interior ground floor space for Tenant's construction of tenant improvements, all as more fully described in Exhibit "A", or Landlord shall construct the tenant improvements described in Exhibit "A".

15. ASSIGNMENT OR SUBLEASE.

A. Tenant shall not assign or transfer this Lease or any interest herein nor sublease the Premises or any part thereof (collectively in this Section 15 "transfer") during the initial term of this Lease. Thereafter, Tenant shall not transfer this Lease without the prior approval of Landlord, which shall not be unreasonably withheld. The approval of Landlord to any transfer shall not relieve Tenant of the obligation to obtain such approval to any further transfer. Furthermore, neither this Lease nor any interest herein shall be subject to transfer by attachment, execution, proceedings in insolvency or bankruptcy (either voluntary or involuntary), or receivership (unless said receivership is sought by Landlord). In the event of transfer, either voluntarily or involuntarily or by operation of law, without the prior approval of landlord. such transfer shall be voidable at Landlord's election and, if avoided by Landlord, shall convey no interest and shall constitute a default of this Lease.

B. Notwithstanding subsection 15.A, Tenant may sell additional shares, assign, merge, consolidate or otherwise change

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its corporate form without Landlord's consent if the change is not related to a transaction involving only this Lease. For example, if the corporation controlling Tenant is merged or consolidated into or with a parent corporation, or if the corporation offers its shares to the public in a transaction registered under the Securities Act of 1933, where the ultimate control of Tenant remains with its existing shareholders, Landlord's consent shall not be required unless Tenant makes such change or enters such transaction solely to facilitate the transfer of this Lease, in which case Landlord's written consent shall be required.

C. If Tenant desires a transfer, then at least thirty (30) days prior to the date when Tenant desires the transfer to be effective ("Transfer Date"), Tenant shall notify Landlord stating the Transfer Date, the name, street address, telephone number, and business of the proposed transferee (including details of its business experience), the terms and conditions of the proposed transfer, a statement whether the proposed transferee is an individual, partnership or corporation, and if a partnership the names and addresses of the general partners, and if a corporation the names and addresses of the officers and directors and the State of incorporation. Tenant shall demonstrate that the proposed transferee is financially responsible, and experienced in operating the proposed business, to Landlord's satisfaction as determined in Landlord's good faith judgment, by providing financial statements, bank references and such supplemental information as Landlord may thereafter request. Landlord's approval of the transfer shall not release Tenant from performance by it of the covenants herein.

D. Landlord and Tenant agree (by way of example and

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without limitation) that it shall be reasonable for Landlord to withhold Landlord's consent if any of the following conditions exist or may exist: (i) the proposed transferee's use of the Premises conflicts with or is inconsistent with the use of the Premises as set forth in Section 5, with any Tidelands trust limitation, or with the Local Coastal Program; (ii) in Landlord's reasonable business judgment, the proposed transferee lacks sufficient business reputation or experience or management experience to operate or manage a business or property like the Premises; (iii) Tenant is in default under this Lease; (iv) the proposed transferee has not demonstrated the financial ability to perform the terms and conditions of this Lease; (v) the business of the proposed transferee will result in a material increase in the demands on available parking; and (vi) Landlord has a reasonable belief that the Percentage Rent will decline substantially.

E. Each permitted transferee other than a sublessee shall assume and be deemed to have assumed this Lease and shall be jointly and severally liable with Tenant for the payment of rent and for the performance of the terms, covenants, and conditions of this Lease. No permitted transfer shall be binding on Landlord until the transferee shall deliver to Landlord a counterpart of the transfer documents which contain a covenant of assumption by transferee, except no covenant shall be required of a sublessee. But, the failure or refusal to execute such instrument of assumption shall not release transferee from liability as set forth herein.

F. Landlord shall notify Tenant fifteen (15) days prior to the Transfer Date whether Landlord approves or disapproves the proposed transfer.

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G. The City shall have the absolute right to assign this Lease.

16. ENCUMBRANCES. Tenant may encumber its leasehold estate, or any portion thereof, by deeds of trust or mortgages as security for payment of money loaned to Tenant for the purpose of construction of improvements on the Premises. The encumbrances shall be subject to the terms, covenants, and conditions of this Lease, none of which is or shall be waived by Landlord in consenting to the encumbrance. In the event there is any conflict between this Lease and any deed of trust or mortgage, this Lease shall control. If the lender is a person or entity other than a savings bank, savings and loan association, commercial bank, trust company, or other similar lending institution (collectively "Commercial Lender"), the lender shall be subject to the approval of Landlord's City Manager. The foreclosure (whether by trustee's sale, judicial foreclosure or deed in lieu of foreclosure) of any deed of trust on the leasehold by any Commercial Lender or by any other lender not a Commercial Lender that has been approved by Landlord shall not be deemed a transfer requiring Landlord's approval under this Section.

Tenant shall furnish Landlord with a copy of any deed of trust or mortgage encumbering the leasehold together with the name and address of the holder of same. Immediately after the recording of a deed of trust or mortgage, Tenant shall record a written request, as provided in Section 2924b of the California Civil Code or its successor statute, requiring service upon Landlord of any notice of default and notice of sale.

17. SIGNS. Tenant shall not place, affix, maintain, or permit any sign, advertisement, name, insignia, logo, descriptive

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material, or similar item (collectively "sign") on the Premises without the prior approval of Landlord provided, however, that Tenant may install "Sale" or other temporary promotional signs attached to the inside of windows on the Premises without Landlord's prior consent. Any sign so approved shall be maintained by Tenant, at its cost, in good condition. Any sign not so approved may be removed by Landlord at Tenant's cost, and the cost of removal shall be Additional Rent.

18. NONDISCRIMINATION. Subject to applicable rules and regulations, Tenant in the conduct of its business on the Premises shall not discriminate against any employee or applicant for employment or invitee or business visitor on the basis of age, sex, sexual orientation, marital status, race, disability, handicap, color, religion, creed, ancestry, national origin, AIDS, AIDS related condition, or Vietnam Era veteran status.

19. INDEMNIFICATION.

A. Tenant shall protect, defend, indemnify and hold Landlord, its officials, and employees harmless from all claims, demands, damages, causes of action, losses, liability, costs, or expenses, including reasonable attorney's fees, of any kind or nature whatsoever (collectively referred to in this Section and Section 28 as "Claim or Claims Against Landlord") which Landlord, its officials, or employees may incur for injury to or death of persons or damage to or loss of property occurring in, on, or about the Premises, arising from the condition of the Premises, the alleged acts or omissions of Tenant, its officers, agents, or employees, the occupancy, use, or misuse of the Premises by Tenant, its officers, agents, employees, licensees, patrons, or visitors,

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or any breach of this Lease. If it is necessary for Landlord to incur or to pay any cost or expense, including attorney's fees, for the purpose of resisting, adjusting, compromising, settling, or defending any Claim Against Landlord, Tenant shall pay same or reimburse Landlord for same promptly on demand by Landlord. Tenant shall pay any settlement and satisfy any judgment that may be rendered against either Tenant or Landlord as a result of any Claim Against Landlord. As used in this Section, Landlord shall include the City and any assignee of this Lease.

B. Landlord shall protect, defend, indemnify and hold Tenant, its officials, and employees harmless from all claims, demands, damages, causes of action, losses, liability, costs, or expenses, including reasonably attorney's fees, of any kind or nature whatsoever (collectively referred to in this Section as "Claim or Claims Against Tenant") which Tenant, its officials, or employees may incur for injury to or death of persons or damage to or loss of property occurring in, on, or about the Premises or the Common Area, arising from the condition of the Common Area, the alleged acts or omissions of Landlord, its officers, agents, or employees, the management and supervision of the Common Area by Landlord, its officers, agents, employees, or contractors, or any breach of this Lease. If it is necessary for Tenant to incur or to pay any cost or expense, including attorney's fees, for the purpose of resisting, adjusting, compromising, settling, or defending any Claim Against Tenant, Landlord shall pay same or reimburse Tenant for same promptly on demand by Tenant. Landlord shall pay any settlement and satisfy any judgment that may be rendered against either Tenant or Landlord as a result of any claims.

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20. CONDEMNATION.

A. Partial or Total Taking. If the Premises or any portion thereof are taken by power of eminent domain or sold under threat of the exercise of said power ("condemnation"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs.

If only a portion of the Premises is taken and, as a result of the taking, the remainder of the Premises cannot be restored to an economically operable business of a comparable kind and quality to the business existing prior to the taking, then Tenant may at its option terminate this Lease by giving notice ten (10) days after the date the condemning authority takes title or possession, whichever first occurs, to Landlord, which termination shall be effective as of the date the condemning authority takes title or possession, whichever first occurs. If Tenant fails to give said notice, Tenant shall be deemed to have elected to stay in possession.

If only a portion of the Premises is taken and the remainder of the Premises can be restored to an economically operable business of a comparable kind and quality to the business existing prior to the taking, then this Lease shall remain in full force and effect as to the remaining Premises, except that Minimum Monthly Rent or Minimum Annual Rent (as the case may be) shall be reduced in the proportion that the portion taken bears to the total Premises immediately before the date of taking.

B. Any condemnation award shall belong to and be paid to Landlord, except that Tenant shall receive from the award the following: 1) A sum attributable to the value of Tenant's leasehold

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estate, which sum shall be first applied to any outstanding balance due a Tenant's lender; 2) A sum attributable to severance damages to be used solely for the restoration of the Premises; and 3) A sum attributable to loss of Tenant's personal property.

21. RELOCATION. Tenant agrees that nothing contained in this Lease shall create any right in Tenant for any relocation assistance or payment pursuant to the provisions of Title 1, Division 7, Chapter 16 of the California Government Code, from the City upon termination of this Lease (whether by lapse of time or otherwise).

22. DEFAULT. The occurrence of any of the following acts shall constitute a default by Tenant:

(a) Failure to pay rent when due if the failure continues after five (5) days' notice to Tenant;

(b) Abandonment of the Premises, providing that failure to occupy or operate the Premises or business thereon for ten (10) consecutive days shall be deemed an abandonment except for conditions beyond Tenant's reasonable control;

(c) Failure to perform any of the terms, covenants, or conditions of this Lease if said failure is not cured within thirty (30) days after notice to Tenant of said failure. If the default cannot reasonably be cured in thirty (30) days, Tenant shall not be in default if Tenant begins to cure within the thirty-day period and diligently proceeds to cure to completion;

(d) Any attempted assignment, transfer, or sublease except as approved by Landlord pursuant to Section 15; and

(e) Failure to maintain all necessary permits and business licenses required by the City of Long Beach in its

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municipal or regulatory capacity for operation of the businesses located on the Premises, and failure to pay all fees for permits and licenses to the City of Long Beach when due;

(f) Failure to timely pay when due all fees and charges for refuse services, gas, water, sewer or other utility or service provided by the City of Long Beach;

(g) Failure to report or pay to the City of Long Beach all applicable sales taxes, transient occupancy taxes, utility use tax, or other excise taxes when due, if applicable.

No notice of default hereunder shall be deemed a forfeiture or termination of this Lease unless Landlord so elects in the notice.

23. REMEDIES. Upon the occurrence of any default, in addition to any other rights or remedies of Landlord hereunder, by law or in equity, Landlord shall have the following rights and remedies:

(a) Landlord may terminate this Lease by giving Tenant notice of termination, and Tenant shall immediately surrender possession of the Premises, leaving them in good repair and broom-clean condition subject to reasonable wear and tear. Termination hereunder shall not relieve Tenant from the payment of any sum due Landlord or any claim for damages. Landlord shall be entitled to recover from Tenant all damages incurred by Landlord including but not limited to the cost of recovering possession, expenses of reletting including renovation and alteration, reasonable attorney's fees, real estate commissions paid, and (1) the worth at the time of award of the unpaid rent which had been earned at the time of termination; (2) the worth at the time of award of the amount by

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which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rent loss that the Tenant proves could have been reasonably avoided; (3) the worth at the time of award of the amount by which the unpaid rent for the balance of the Lease term after the time of award exceeds the amount of such rent loss that the Tenant proves could be reasonably avoided. The "worth at the time of award" in subparagraph (3) is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%). The "worth at the time of award" in subparagraphs (1) and (2) is computed by allowing interest at the maximum rate allowed by law.

(b) Without terminating this Lease, Landlord may re-enter and relet the Premises or any part thereof for the account and in the name of Tenant or otherwise. Any reletting may be for the remainder of the term or for a longer or shorter period. Landlord may execute leases under this provision either in its name or in Tenant's name, and shall be entitled to the rent from the Premises. Tenant hereby appoints Landlord its attorney-in-fact for the purpose such reletting. Tenant shall nevertheless pay to Landlord when due all sums required hereunder, plus Landlord's expenses, including but not limited to remodeling, commissions, and advertising, less the sum received by Landlord from any reletting. No act by Landlord under this provision shall constitute termination of this Lease unless and until Landlord gives Tenant notice of termination.

(c) Landlord shall have the right to have a receiver appointed in accordance with Title 7, Chapter 5, Sections 564 et seq. of the California Code of Civil Procedure. Neither the filing

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of a petition for the appointment or a receiver nor the appointment itself shall constitute an election by Landlord to terminate this Lease.

(d) Landlord, after Tenant defaults, can cure the default at Tenant's cost, provided that the default is not a failure to pay rent. If Landlord does cure Tenant's default by paying any sum (except rent) or doing any act that requires the payment of any sum, the sum paid by Landlord shall be immediately due and payable to Landlord by Tenant as Additional Rent.

(e) These remedies are not exclusive but cumulative to other remedies provided by law in the event of Tenant's default, and the exercise by Landlord of one or more rights and remedies shall not preclude the Landlord's exercise of additional or different remedies for the same or any other default by Tenant.

24. RIGHT TO ENTER PREMISES. Landlord, its employees, agents, and representatives shall have the right to enter the Premises at all reasonable times and on twenty-four (24) hours' prior announcement (except for emergencies) to determine whether the Premises are in good condition and whether Tenant is complying with its obligations under this Lease; to do any maintenance or restoration to the Premises; to serve or post any notices; to post "for rent" or "for lease" signs during the last 120 days of the term, any time that Tenant is in default, or during thirty (30) days prior to termination to show the Premises to prospective brokers, agents, buyers, tenants or otherwise; to do any act or thing necessary for the safety or preservation of the Premises; and to take any reasonable or necessary action to protect the Premises. Landlord shall not be liable for inconvenience, disturbance, loss

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of business, nuisance or other damage arising from Landlord's entry. Tenant shall not be entitled to an abatement or reduction of rent if Landlord exercises its right of entry hereunder.

25. RIGHT TO RE-ENTER. Tenant shall peaceably deliver possession of the Premises to Landlord on the date of termination of this Lease, whatsoever the reason for termination. On giving notice of termination to Tenant, Landlord shall have the right to re-enter and take possession of the Premises on the date termination becomes effective without further notice of any kind and without instituting summary or regular legal proceedings. Termination of this Lease and re-entry by Landlord shall in no way alter or diminish any obligation of Tenant under this Lease and shall not constitute an acceptance or surrender. Tenant hereby waives any right of redemption under any existing or future law in the event of eviction from or dispossession of the Premises for any reason or in the event Landlord re-enters and takes possession of the Premises in a lawful manner. Tenant agrees that should the manner or method used by Landlord in re-entering or taking possession of the Premises give Tenant a cause of action for damages or in forcible entry and detainer, the total amount of damages to which Tenant shall be entitled in such action shall not exceed Five Thousand Dollars ($5,000). Tenant agrees that this Section may be filed in such action and that when filed it shall be a stipulation of Tenant fixing the total damages to which Tenant is entitled in such action.

26. WAIVER BY LANDLORD. Any waiver by Landlord or Tenant of any breach of any one or more of the terms, covenants, or conditions of this Lease shall be in writing and shall not be construed to be a waiver of any subsequent or other breach of the

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same or of any other term, covenant, or condition of this Lease, nor shall failure on the part of Landlord or Tenant to require exact, full and complete compliance with any of the terms, covenants, or conditions of this Lease be construed as in any manner changing the terms, covenants, or conditions hereof or preventing Landlord or Tenant from enforcing the provisions hereof, nor shall the conduct of the parties be deemed to change or modify the terms, covenants, or conditions of this Lease. No delay, failure or omission of Landlord to re-enter the Premises to insist on strict enforcement of any term, covenant, or condition or to exercise any right, power, privilege or option arising from any default shall impair any such right, power, privilege or option or be construed as a waiver of or acquiescence in such default or as a relinquishment of any right. The receipt and acceptance by Landlord of delinquent rent shall not constitute a waiver of any other default but shall only constitute waiver of timely payment for the particular rent payment involved. No notice to Tenant shall be required to restore "time is of the essence" after the waiver by Landlord of any default. No option, right, power, remedy or privilege of Landlord or Tenant shall be construed as being exhausted by the exercise thereof in one or more instances.

27. NOTICES. Any notice or approval required by this Lease shall be in writing and either personally delivered or deposited in the U.S. Postal Service, registered or certified mail, return receipt. Notices shall be effective on the date shown on the return receipt or on the date personal delivery is made, whichever first occurs. Notices shall be addressed as follows:

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TO LANDLORD: City of Long Beach
333 West Ocean Boulevard
Long Beach, CA 90802
Attn: Director, Community Development

With copy to: Director, Parks, Recreation
and Marine
2760 Studebaker Road
Long Beach, CA 90815

TO TENANT: West Marine Products, Inc.
500 Westridge Drive
Watsonville, CA 95076
Attn: Real Estate

Either party may from time to time by notice given as prescribed herein designate a different address which shall be substituted for the one above.

28. EXCULPATION. Landlord shall not be liable to Tenant for any damage to Tenant or Tenant's property from any cause, except for the gross negligence or willful misconduct of Landlord or Landlord's agents, employees, or contractors. To the extent permitted by law and subject to the provisions of Section 19, Tenant waives all Claims Against Landlord for damage or injury to persons or property arising or alleged to have arisen from any cause whatsoever, except Landlord's gross negligence or willful misconduct or the gross negligence or willful misconduct of Landlord's agents, employees or contractors. As used in this Section, Landlord shall include the City and any assignee of this Lease.

29. HOLDING OVER. If Tenant holds over after the expiration of this Lease, with or without the express or implied consent of Landlord, such tenancy shall be from month-to-month only, and not a renewal hereof or an extension for any further term. Such month-to-month tenancy shall be subject to the terms, covenants, and conditions herein. Nothing in this Section shall be construed as

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a consent by Landlord to any holding over by Tenant, and Landlord expressly reserves the right to require Tenant to surrender possession of the Premises on the expiration of the term or on sooner termination as provided herein.

30. ABANDONED PERSONAL PROPERTY. If Tenant abandons the Premises or is dispossessed thereof by process of law or otherwise, Tenant shall be deemed to have abandoned any personal property belonging to Tenant left on the Premises forty-five (45) days after the date of abandonment or dispossession, and title to said personal property shall be deemed to have been transferred to Landlord. Landlord shall have the right to remove and to dispose of said personal property without liability therefor to Tenant or to any person claiming under Tenant, and shall not need to account for its disposal. Tenant hereby designates City's City Manager and any corporate officer of an assignee of this Lease from City as its attorney-in-fact to execute and deliver any documents that are required to dispose of said personal property and transfer title thereto.

31. PARKING. No specific parking spaces are assigned to or reserved to Tenant or its patrons. The City reserves the right to assign parking spaces to boat owners holding permits issued by the City in areas adjacent to the Marine Bazaar Complex. Within the areas shown on Exhibit "C" attached hereto there are at least 148 unreserved parking spaces to the north of the Marine Bazaar Complex and 93 unreserved parking spaces to the south thereof, which shall remain unreserved and available to tenants of the Marine Bazaar Complex.

32. DAMAGE OR DESTRUCTION. If the Marine Bazaar Complex,

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the Premises, the Common Area, or any portion thereof is damaged by fire or other perils covered by Landlord's extended coverage insurance and if the damage is such that the Marine Bazaar Complex, the Premises, the Common Area, or the damaged portions thereof may be repaired, reconstructed or restored within one hundred fifty (150) days after the date of such casualty and Landlord will receive insurance proceeds (less deductibles) sufficient to cover substantially all of the cost of such repair, reconstruction or restoration, then Landlord shall commence and proceed diligently with the repair, reconstruction or restoration and the Lease shall continue in full force and effect. Landlord shall give Tenant notice of its election to repair any damage or destruction to the Premises, the Common Area and the Marine Bazaar Complex within sixty (60) days after the date of such damage. If Landlord fails to notify Tenant of its election to perform such restorative work within said sixty-day period, Tenant shall have the right to terminate this Lease by giving notice of termination to Landlord. If the repair, reconstruction or restoration is estimated to require or in fact requires longer than one hundred fifty (150) days after the date of such damage or if the insurance proceeds (less deductibles) will not be sufficient to cover the cost of repair, reconstruction or restoration, then either party may elect (i) to repair, reconstruct or restore (in which event the Lease shall continue in full force and effect) or (ii) not to repair, reconstruct or restore (in which event either party may terminate this Lease). If Landlord elects or is required hereunder to repair, reconstruct or restore, then Landlord shall not be required to expend sums therefor in excess of insurance proceeds received by

Jo[illegible]alhoun
City Atto[illegible] Long Beach
333 Wes[illegible]ocean Boulevard
Long Beach, California 90802-4664
(310) 570-2200

Landlord by reason of the casualty.

B. On termination of this Lease under this Section, each party shall be released of its obligations to the other party from the date possession of the Premises is surrendered to Landlord except for obligations which have accrued prior to said date and which remain unfulfilled or unpaid.

C. If Landlord repairs, reconstructs or restores, then Tenant's rent under this Lease shall be abated proportionately as of the date of the casualty with the degree to which Tenant's use of the Premises is impaired during such repair, reconstruction or restoration. Tenant shall not be entitled to any compensation or damages for loss in the use of the whole or any part of the Premises and any inconvenience or annoyance occasioned by such damage, repair, reconstruction or restoration.

D. Tenant shall not be released from any of its obligations under this Lease except to the extent and on the conditions stated in this Section. Notwithstanding anything to the contrary in this Section, if Landlord is delayed or prevented from completing such repair, reconstruction or restoration within one hundred fifty (150) days after the casualty by reason of acts of God, war, governmental restrictions, inability to procure labor or materials, or other cause beyond Landlord's control, then Landlord shall be relieved of its obligation to repair, reconstruct or restore and Tenant shall be released from its obligations under this Lease as of the end of said one hundred fifty day period.

E. If substantial damage affecting the Marine Bazaar Complex, the Premises or the Common Area is due to any cause other than a peril covered by property insurance, then either Landlord or

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City Attc Long Beach
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Tenant may elect to terminate this Lease provided, however, that if substantial damage affects only the Premises, then Tenant shall notify Landlord that Tenant intends to or does not intend to rebuild, repair and reconstruct the Premises and Common Area in which the Premises are located, including but not limited to the slab, exterior walls, exterior doors, windows, roof, electrical, sewage and plumbing systems at Tenant's sole cost and expense. If Tenant notifies Landlord that it intends to rebuild, repair or reconstruct, then this Lease shall continue in full force and effect. Tenant's work shall be done in accordance with Section 13 and with plans that have Landlord's prior written approval. Tenant's work shall commence promptly after Landlord's approval of said plans and shall be completed within eighteen (18) months after commencement.

F. Landlord shall only be obligated to repair, reconstruct or restore those portions of the Marine Bazaar Complex, Premises or Common Area which were originally provided at Landlord's expense or which were insured by either party and the proceeds of such insurance have been received by Landlord, and the repair, reconstruction and restoration of items not provided at Landlord's expense shall be the obligation of Tenant.

G. Tenant shall have no interest in or claim to all or any portion of the proceeds of insurance maintained by Landlord hereunder.

H. Notwithstanding anything to the contrary in this Section, Landlord shall not have any obligation to repair, reconstruct or restore the Premises when damage from any casualty occurs during the last two (2) years of the term of this Lease or

John Calhoun
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
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any extension hereof. If Landlord elects not to repair, reconstruct or restore the Premises pursuant to this subsection, then Tenant shall have the right to terminate this Lease. If Tenant has an option to extend this Lease which has not been exercised at the time of such damage or destruction, and if Landlord exercises its right to terminate this Lease because less than two (2) years of the term remains, then Tenant may cancel Landlord's right arising under Section 32.H to terminate this Lease by giving notice within thirty (30) days after receipt of Landlord's notice to terminate that Tenant is exercising its option to extend. Landlord's notice to terminate under Section 32.H shall be automatically cancelled when Tenant gives notice to extend.

33. RESTORATION. Tenant shall promptly notify Landlord of damage or destruction to the Premises and improvements thereon and the date of same. Tenant and Landlord shall promptly make proof of loss and proceed to collect all valid claims that Tenant and Landlord may have against insurers or others based on such damage or destruction. All amounts recovered as a result of said claims shall be used first for the repair, reconstruction or restoration of the property insured by Tenant and Landlord, respectively, which each party shall promptly begin and diligently pursue so that the property is restored to substantially the same condition as it was in immediately before such damage or destruction. If existing laws do not permit repair, reconstruction or restoration, then either party may terminate this Lease by notice to the other.

34. QUIET ENJOYMENT. Landlord covenants that Tenant, if Tenant performs the terms, covenants, and conditions of this Lease, shall peaceably and quietly hold and enjoy the Premises during the

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City Attc , Long Beach
333 West Ocean Boulevard
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(310) 570-2200

term of this Lease.

35. MISCELLANEOUS.

A. The headings and numbers of this Lease are not a part of the Lease and the grouping of the provisions of this Lease into separate sections, paragraphs and clauses are for convenience only and shall have no effect on the construction or interpretation of this Lease.

B. Each provision of this Lease to be performed by Tenant shall be construed as both a covenant and a condition of this Lease.

C. If any term, covenant, or condition of this Lease is found to be invalid, void, ineffective, or unenforceable for any reason, the remaining terms, covenants, and conditions shall remain in full force and effect.

D. This Lease shall not be modified or amended except in writing duly executed by the parties.

E. The neuter gender includes the feminine and masculine, the masculine includes the feminine and neuter, and the feminine includes the masculine and neuter, and each includes corporation, partnership, or other legal entity when the context so requires. The singular includes the plural when the context so requires.

F. Both Landlord and Tenant represent and warrant that there are no claims for brokerage commissions in connection with the execution of this Lease, and each of the parties agrees to and shall indemnify the other against any such claims, including attorney's fees.

G. This Lease represents and constitutes the entire understanding between the parties and supersedes all other agreements and communications between the parties, whether oral or

Jor alhoun
City Attc . Long Beach
333 Wes, Ocean Boulevard
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(310) 570-2200

written, concerning the subject matter herein.

H. This Lease shall not be recorded, except that if either party requests the other to do so, the parties shall execute a Memorandum of Lease in recordable form.

I. Time is of the essence in this Lease.

J. In any action or proceeding relating to this Lease, the prevailing party shall be entitled to its costs, including reasonable attorney's fees.

K. This Lease shall be binding on and inure to the benefit of the parties and their successors, heirs, personal representatives, transferees, and assignees except as provided in Section 15, and all of the parties hereto shall be jointly and severally liable hereunder.

L. Minimum Monthly Rent, Minimum Annual Rent, Percentage Rent or Additional Rent not paid when due shall bear interest at the maximum rate allowed by law from the date due until paid.

M. This Lease shall be construed in accordance with and governed by the laws of the State of California (except those provisions of California law pertaining to conflicts of laws because this Lease shall control).

N. If a Memorandum of Lease has been recorded, Tenant shall execute and deliver to the City on the expiration or sooner termination of this Lease, immediately on City's request, a quitclaim deed to the Premises designating City as transferee.

O. This Lease is created as a joint effort between the parties and fully negotiated as to its terms, covenants, and conditions. This Lease shall not be construed against either party as the drafter.

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P. Tenant at its sole cost shall comply with all laws, ordinances, rules and regulations of and obtain such permits, licenses, and certificates required by all federal, state, and local governmental authorities having jurisdiction over the Premises and business thereon.

Q. Any approval or consent to be given or required from Landlord or City under this Lease shall be in writing.

R. Tenant shall have and be allocated the sole responsibility to comply with the Americans with Disabilities Act ("ADA") with respect to the Premises and Tenant shall indemnify and hold Landlord harmless from and against any claims of a violation of the ADA.

S. If the time for performance of any duty to be performed by Tenant under this Lease or if the time for exercise of any right or option contained in this Lease falls on a Saturday, Sunday, or legal holiday, such performance or exercise shall be timely if performed or exercised on the next business day.

T. Landlord and Tenant, on request from the other, shall execute, acknowledge, and deliver a written statement certifying that this Lease is unmodified and in full force and effect (or, if modified, describing the nature of the modifications and attaching a copy thereof), that Tenant is not in default in any of its monetary and non-monetary obligations under this Lease (or, if such defaults exist, specifying the nature thereof), that no events have occurred and are continuing that, with the passage of time, the giving of notice, or both would constitute events of default under this Lease (or, if such events have occurred, specifying the nature thereof), and such other information as may be reasonably requested

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City Atto. r Long Beach
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(310) 570-2200

by any transferee or lender (whose loan is secured by the Premises or leasehold interest in the Premises and improvements thereon).

U. Tenant may display a selection of inflatable boats and motors and may install a "marine-style" flagpole in the Common Area directly in front of the Premises provided, however, that Tenant shall be liable for any damage to property or injury to and death of persons arising from such display. Such display shall be presented in a "first class" manner.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed with all of the formalities required by law as of the date first stated above.

WEST MARINE PRODUCTS, INC., a California Corporation

June 14, 1994

By _____

Its: CEO

June 14, 1994

By _____

Its: Real Estate Mgr

"Tenant"

CITY OF LONG BEACH, a municipal corporation

June 28, 1994

By _____
City Manager

"Landlord"

//

//

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//

Jo' Calhoun
City Attc of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
(310) 570-2200

LIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

No. 51

State of California

County of Santa Cruz

On 6/14/94 (DATE) before me, Sharon P. Rummel (NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC")

personally appeared Randy Repass & Bonnie Tragni (NAME(S) OF SIGNER(S))

☑ personally known to me - OR - ☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

SHARON P. RUMMEL
Comm. # 966233
NOTARY PUBLIC - CALIFORNIA
Santa Cruz County
My Comm. Expires Nov 13, 1996

PWR1

WITNESS my hand and official seal.

Sharon P. Rummel
SIGNATURE OF NOTARY

OPTIONAL SECTION

CAPACITY CLAIMED BY SIGNER

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the document.

- ☐ INDIVIDUAL
- ☐ CORPORATE OFFICER(S) _____ TITLE(S)
- ☐ PARTNER(S) ☐ LIMITED ☐ GENERAL
- ☐ ATTORNEY-IN-FACT
- ☐ TRUSTEE(S)
- ☐ GUARDIAN/CONSERVATOR
- ☐ OTHER: _____

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

OPTIONAL SECTION

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED AT RIGHT:

Though the data requested here is not required by law, it could prevent fraudulent reattachment of this form.

TITLE OR TYPE OF DOCUMENT _____

NUMBER OF PAGES _____ DATE OF DOCUMENT _____

SIGNER(S) OTHER THAN NAMED ABOVE _____

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This Lease is hereby approved as to form this 24th day of June, 1994.

JOHN R. CALHOUN, City Attorney

By L T Gunn

Deputy

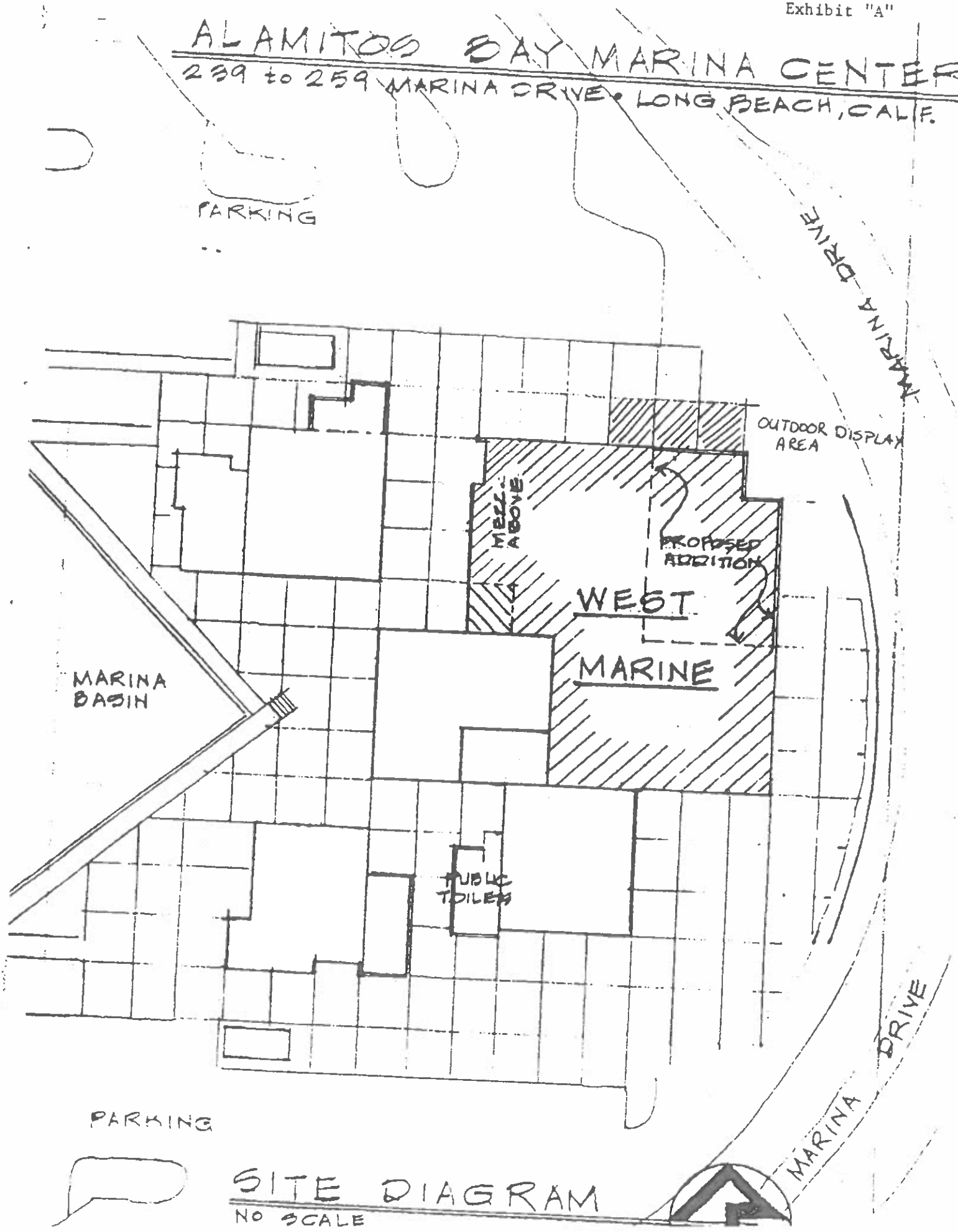
John R. Calhoun
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
(310) 570-2200

DFG:lh/ggw;rmb
Rev.3-9-93;Rev.3-19-93;
Rev.6-4-93;Rev.6-22-93;
Rev.1-20-94;Rev.3-1-94;
Rev.3-9-94;Rev.4-20-94;
Rev.4-26-94;Rev.4-28-94;
Rev.5-23-94;Rev.6-10-94
(LEA4)WMARINE.LEA

Exhibit "A"

ALAMITOS BAY MARINA CENTER

239 to 259 MARINA DRIVE • LONG BEACH, CALIF.



SITE DIAGRAM

NO SCALE

3. **Defined Terms**. Unless otherwise defined herein, all defined term used in this Amendment shall have the same meanings attributed to them in the Lease.

3. **Affirmation.** Except as modified by this Amendment, the Lease remains unchanged.

IN WITNESS WHEREOF, the parties have executed this Amendment.

LANDLORD:

BANCAP Marina Center, Inc.

By: _____
Title: President

By: _____
Title: Secretary

TENANT:

West Marine Products, Inc.

By: _____
Frank G. Fawcett, A.V.P.

By: _____
Linda I. Leyba
Sr. Director, Store Development

The undersigned hereby consents to terms and provisions of the foregoing Amendment.

DATE: 03/18/03.

City of Long Beach

By: _____
Title: Acting City Manager

The foregoing Amendment is hereby approved as to form on Feb 19, 2003.

Office of the City Attorney, City of Long Beach

By: _____
Deputy

SECOND AMENDMENT OF LEASE

THIS SECOND AMENDMENT OF LEASE is entered into by and between Bancap Marina Center, Inc. as successor to the City of Long Beach (hereinafter called "Landlord") and West Marine Products, Inc. (hereinafter called "Tenant") this 1st day of December, 2008.

WHEREAS, on or about February 1, 2004, Landlord and Tenant entered into a Lease Agreement ("Lease") whereby Tenant agreed to lease from Landlord those certain Premises commonly described as 251 Marina Drive, Long Beach, CA 90803 of that certain Building known as the Alamitos Bay Marina Center as more particularly described in the Lease and which was amended by a First Amendment of Lease on or about January 6, 2003.

WHEREAS, Landlord and Tenant desire to modify, alter or amend certain provisions of said Lease as set forth in this Addendum;

NOW THEREFORE, Landlord and Tenant agree as follows:

1. Tenant hereby agrees to exercise its second and final Option of the existing Lease Agreement which shall extend the term from July 1, 2009 to June 30, 2014.

2. Minimum Monthly Rent during this 5-year Lease Term shall be $12,718 over the term or the equivalent of $14.25 per square foot per year on the defined premises under the Lease of 10,710 square feet.

3. In addition to the above Base Rent, Tenant will continue to pay Percentage Rent as it may be calculated over and above the Base Rate as defined in Section 6 of the original and existing Lease.

4. Tenant will continue the payment of a Common Area Maintenance Fee as defined under Section 12 of the existing Lease. At the present time, this CAM charge is an amount of $1,121.65 effective from July 1, 2008 to June 30, 2009 as defined in the letter from West Marine dated August 21, 2008. Going forward under the terms of the extension to the Lease, this Common Area Maintenance Charge is adjusted annually, pursuant to the terms of the Lease, in an amount equivalent to ½ of the change in the Consumer Price Index during the prior 12-month period.

5. Landlord hereby agrees to grant Tenant two additional 5-year Options which, if exercised, would extend the lease maturity to June 30, 2024 under the provisions of 3 (B) in the Lease Agreement. The monthly Base Rent during either of the two Option periods shall increase by 10% over the previous monthly base rent.

Except as expressly modified, altered or amended by this Addendum, all other terms, conditions, and covenants of said Lease shall remain in full force and effect.

Landlord

Bancap Marina Center, Inc.
Dba Alamitos Bay Marina Center

John Hancock

Tenant

West Marine Products, Inc.

Christopher Bolling
SVP Business Development

ASSIGNMENT OF RIGHTS AND DELEGATION OF DUTIES

THIS AGREEMENT captioned "Assignment of Rights and Delegation of Duties" is made as of this 1st day of July, 1994, by and between the CITY OF LONG BEACH, a municipal corporation ("Assignor") and BANCAP MARINA CENTER, INC., a California corporation ("Assignee"), whose business address is 6265 East Second Street, Long Beach, California 90803.

WHEREAS, Assignor is the owner of the underlying fee in and to certain real estate commonly known as the Marine Bazaar Complex which fee is subject to a certain lease dated as of February 1, 1994 (the "Lease") by and between Assignor as Landlord and West Marine Products, Inc. as Tenant for the particular premises known as 251 Marina Drive, Long Beach, California (the "Property") which is more specifically described in the Lease on file with the City Clerk of the City of Long Beach as Lease No. 23512; and

WHEREAS, the Lease is for a term commencing on July 1, 1994, and ending on ten years from completion of common area, ____; and

WHEREAS, Assignor desires to assign its rights and delegate its duties under the Lease to Assignee and Assignee desires to accept the assignment and delegation in consideration for which Assignee will construct certain improvements to the Marine Bazaar Complex and undertake management of it;

NOW, THEREFORE, for the consideration recited above, the parties agree as follows:

1. Assignor hereby assigns its rights and delegates its duties under the Lease to Assignee.

City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
(310) 570-2200

2. Assignee hereby accepts the assignment and delegation under the Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment of Rights and Delegation of Duties with all of the formalities required by law as of the date first stated above.

CITY OF LONG BEACH, a municipal corporation

_____, 1994

By _____
City Manager

"Assignor"

BANCAP MARINA CENTER, INC., a California corporation

June 29, 1994

By _____
Its: President

June 29, 1994

By _____
Its: Secretary

"Assignee"

This Assignment of Rights and Delegation of Duties is approved as to form this 20th day of July, 1994.

JOHN R. CALHOUN, City Attorney

By _____
Deputy

DFG:rmb
1-28-94
ASSGNBAZ.251

R. Calhoun
City A. y of Long Beach
333 Wes. Ocean Boulevard
Long Beach, California 90802-4664
(310) 570-2200

L-99(9/93)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

No. 5907

State of California

County of Los Angeles

On 7-1-94 (DATE) before me, Barbara J. Owens Notary Public (NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC")

personally appeared John Walker Hancock & Robert Whitney Latimer (NAME(S) OF SIGNER(S))

☐ personally known to me - **OR** - ☑ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

BARBARA J. OWENS
COMM. #901083
Notary Public — California
LOS ANGELES COUNTY
My Comm. Expires DEC 2,1994

WITNESS my hand and official seal.

Barbara J. Owens
SIGNATURE OF NOTARY

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

☐ INDIVIDUAL
☑ CORPORATE OFFICER
President & Secretary
TITLE(S)

☐ PARTNER(S) ☐ LIMITED ☐ GENERAL

☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER: _____

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

DESCRIPTION OF ATTACHED DOCUMENT

Assignment of Rights
TITLE OR TYPE OF DOCUMENT

2
NUMBER OF PAGES

6-29-94
DATE OF DOCUMENT

SIGNER(S) OTHER THAN NAMED ABOVE

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THIRD AMENDMENT OF LEASE

THIS THIRD AMENDMENT OF LEASE (hereinafter called "Amendment") is made and entered into August 16, 2012, by and between **BANCAP Marina Center, Inc.**, a California corporation, as successor to the City of Long Beach (hereinafter called "Landlord") and **West Marine Products, Inc.**, a California corporation (hereinafter called "Tenant").

RECITALS

A. By Lease Agreement dated February 1, 1994, as amended by that First Amendment of Lease dated January 6, 2003, and that Second Amendment of Lease dated December 1, 2008, (hereinafter collectively "Lease"), Landlord leased to Tenant an approximately ten thousand seven hundred ten (10,710) square-foot premises ("Tenant's Existing Space") located in the County of Los Angeles, State of California, commonly known as 251 N Marina Drive, Long Beach, California (the "Premises"). The Premises is more particularly described in the Lease.

B. Landlord and Tenant now desire to amend the Lease in certain respects.

AGREEMENT

For and in consideration of the recitals above made and the promises and agreements that follow, and other good and valuable consideration, the parties agree as follows:

1. **Expansion of Tenant's Existing Space**. Landlord and Tenant do hereby agree that the Premises shall be expanded by no less than three thousand sixty (3,060) square feet (the "Tenant's Expansion Space") as shown on Exhibit "A" attached to this Amendment and made a part hereof. Upon the Commencement Date as hereinafter defined, Exhibit "A" showing the Premises attached hereto and made a part hereof shall supersede and replace Exhibit "A" to the Lease. The Term for the combined Premises, as hereinafter defined, shall begin on the date Tenant opens for business in the combined Premises (the "Commencement Date"), and shall end on June 30, 2019(" Term").

2. **Premises**. It is the intent of the parties that Tenant shall continue to operate in the Premises during expansion of Premises into the Tenant's Expansion Space. Upon the Commencement Date, all references in the Lease to the Premises shall be the same as the original Premises and Tenant's Expansion Space combined.

3. **Demised Premises Rent**. Landlord and Tenant do hereby agree that the Minimum Monthly Rent commencing on the Commencement Date and continuing through the last day of the month of the fifth (5th) year anniversary of the Term, shall be as follows:

Rate	Monthly Amount	Annual Amount
$15.82 SF	$18,152.00	$217,824.00

The Minimum Monthly Rent shall incorporate the Landlord's insurance premium cost. Except as modified hereinbelow and without regard to the Second Amendment, in accordance with the terms of the Lease, Minimum Annual Rent shall be automatically adjusted every five years based on the cumulative change in the consumer Price Index (All Urban Consumers) for the Los Angeles-Anaheim-Riverside Metropolitan Area published by the Bureau of Labor Statistics of the U.S. Department of Labor ("CPI"). That percent, multiplied by the Minimum Annual Rent then in effect, shall be the adjusted Minimum Annual Rent.

In addition to the above Monthly Minimum Rent, Tenant will continue to pay Percentage Rent as it may be calculated over and above the Base Rent defined in Section 6 of the original and existing Lease. Tenant shall continue to pay Monthly Minimum Rent on Tenant's Existing Space until the Commencement Date.

4. **Delivery of the Tenant's Expansion Space**.

(A) Upon the full execution of this Amendment, Landlord shall proceed with diligence in completing Landlord's Work as hereinafter defined. Landlord's Work shall defined to include delivery of Tenant's Expansion Space to Tenant vacant; broom clean; free of hazardous substances. Additionally, Tenant's Expansion Space shall be in compliance with all applicable codes and laws; with all utilities split from any adjacent spaces; with new HVAC units for the new Premises (existing Premises and Tenant's Expansion Premises) with Landlord warranting the maintenance and repair of the same for the Initial Lease Term; and with all other equipment (plumbing, electrical, etc.) in good working condition with a minimum of five year warranty.

(B) All Landlord's Work shall be done by Landlord at its own cost and expense in a good and workmanlike manner, using first quality materials and in full compliance with all laws, rules and regulations of all governmental authorities having jurisdiction thereof. Landlord hereby agrees to deliver to Tenant Tenant's Expansion Space with all Landlord's Work completed by September 8, 2012.

(C) If the Tenant's Expansion Premises shall not be delivered to Tenant in accordance with this Section on September 8, 2012, then, Tenant shall then pay ½ Rent on the Premises until such items are complete.

5. **Option to Extend**. Intentionally omitted.

6. **Tenant's Prorata Share**. Beginning on the Commencement Date and continuing throughout the remainder of the Term of the Lease and Tenant's Renewal Periods, if exercised, the square footage of the Premises shall be used to calculate Tenant's prorata share for any reimbursable expenses Tenant shall owe to Landlord under the Lease. The new prorata share shall be 37.2% based upon the Premises at 13,770 square feet divided by the square footage of the entire development of 37,026 square feet.

7. **Common Area Maintenance Fee**. Beginning on the Commencement Date, Tenant will pay a Common Area Maintenance Fee as defined under Section 12 of the Lease without regard to the modification set forth in the Second Amendment with the

exception that Landlord hereby agrees that Tenant shall not be required to reimburse Landlord for the following line item - Janitorial & Restroom Supplies (actual 2011 amount was $17,957).

8. **Commencement Letter**. Promptly after the occurrence of the Commencement Date, Landlord and Tenant will execute a commencement letter setting forth the exact Commencement Date, and exact square footage of the Premises, Tenant's pro rata share for the Premises, and other usual and customary provisions.

9. **Tenant's Alterations**. Landlord hereby grants Tenant permission and Tenant shall have the right, but not the obligation, to make alterations and improvements to the Premises which it deems desirable without the requirement to place any bonds on the work to be performed. Tenant shall not have the obligation to restore the Premises to its original condition upon surrender of the Premises at the expiration of the Term of the Lease or any renewal term, if exercised.

Tenant hereby notifies Landlord of its intent to commence alterations and improvements as soon as possible after delivery by Landlord of Tenants Expansion Space.

10. **Signage**. Upon the commencement of any construction of Tenant's Expansion Premises, Tenant may remove Tenant's signage from the exterior of the Premises. At Tenant's option, Tenant shall either (A) re-install its current building signage on the Premises or (B) install new building signage on the Premises, in which event Tenant shall obtain all approvals for such signage in accordance with the Lease and local laws and ordinances. Regardless of Tenant's election of option (A) or (B) above, Tenant shall obtain all governmental permits for the installation or re-installation of the signage.

11. **Defined Terms**. Unless otherwise defined in this Amendment, all capitalized terms and phrases used in this Amendment shall have the same meaning attributed to them in the Lease.

12. **Affirmation**. Except as modified by this Amendment, the Lease remains unchanged.

IN WITNESS WHEREOF, the parties have executed this Amendment.

LANDLORD:

BANCAP Marina Center, Inc.
Dba Alamitos Bay Marina Center

By: _____
John Hancock

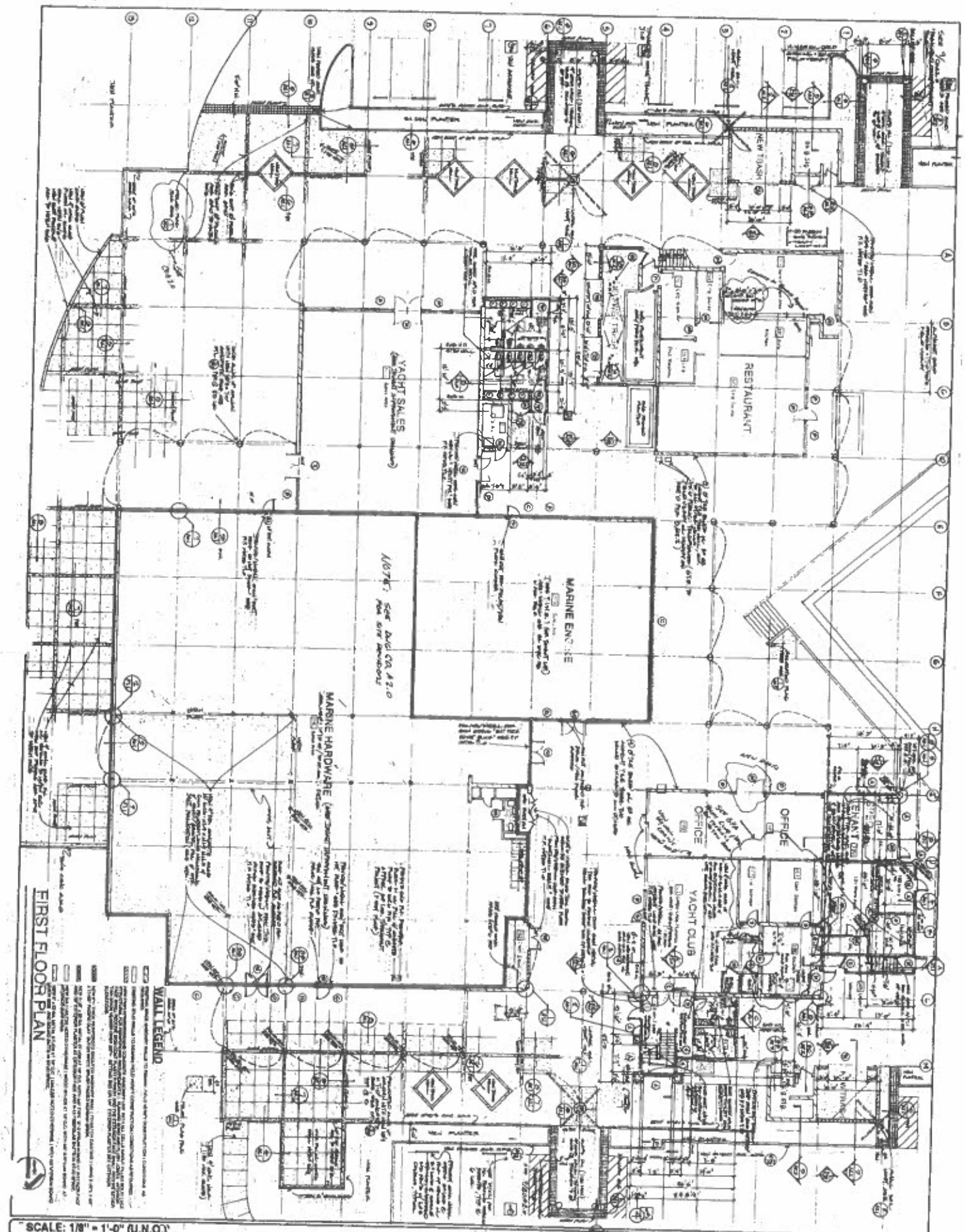
Title: President

TENANT:

West Marine Products, Inc., a California corporation

By: _____
CHRISTOPHER BOLLING

Title: SVP BUSINESS DEVELOPMENT



SCALE: 1/8" = 1'-0" (U.N.O.)

A3.0

DWIGHT E. BENNETT & ASSOCIATES
A MEMBER OF THE AMERICAN INSTITUTE OF ARCHITECTS
3628 LONG BEACH BOULEVARD 427 8941
LONG BEACH, CALIFORNIA, 90807 595 1991

Alamitos Bay Marina Center
239 to 259 Marina Drive Long Beach, CA 90803
Owner: City of Long Beach Developer & Master Lessee: Bancap

SECOND AMENDMENT OF LEASE

THIS SECOND AMENDMENT OF LEASE is entered into by and between Bancap Marina Center, Inc. as successor to the City of Long Beach (hereinafter called "Landlord") and West Marine Products, Inc. (hereinafter called "Tenant") this 1st day of December, 2008.

WHEREAS, on or about February 1, 2004, Landlord and Tenant entered into a Lease Agreement ("Lease") whereby Tenant agreed to lease from Landlord those certain Premises commonly described as 251 Marina Drive, Long Beach, CA 90803 of that certain Building known as the Alamitos Bay Marina Center as more particularly described in the Lease and which was amended by a First Amendment of Lease on or about January 6, 2003.

WHEREAS, Landlord and Tenant desire to modify, alter or amend certain provisions of said Lease as set forth in this Addendum;

NOW THEREFORE, Landlord and Tenant agree as follows:

1. Tenant hereby agrees to exercise its second and final Option of the existing Lease Agreement which shall extend the term from July 1, 2009 to June 30, 2014.

2. Minimum Monthly Rent during this 5-year Lease Term shall be $12,718 over the term or the equivalent of $14.25 per square foot per year on the defined premises under the Lease of 10,710 square feet.

3. In addition to the above Base Rent, Tenant will continue to pay Percentage Rent as it may be calculated over and above the Base Rate as defined in Section 6 of the original and existing Lease.

4. Tenant will continue the payment of a Common Area Maintenance Fee as defined under Section 12 of the existing Lease. At the present time, this CAM charge is an amount of $1,121.65 effective from July 1, 2008 to June 30, 2009 as defined in the letter from West Marine dated August 21, 2008. Going forward under the terms of the extension to the Lease, this Common Area Maintenance Charge is adjusted annually, pursuant to the terms of the Lease, in an amount equivalent to ½ of the change in the Consumer Price Index during the prior 12-month period.

5. Landlord hereby agrees to grant Tenant two additional 5-year Options which, if exercised, would extend the lease maturity to June 30, 2024 under the provisions of 3 (B) in the Lease Agreement. The monthly Base Rent during either of the two Option periods shall increase by 10% over the previous monthly base rent.

Except as expressly modified, altered or amended by this Addendum, all other terms, conditions, and covenants of said Lease shall remain in full force and effect.

Landlord

Bancap Marina Center, Inc.
Dba Alamitos Bay Marina Center

John Hancock

Tenant

West Marine Products, Inc.

Christopher Bolling
SVP Business Development

THIRD AMENDMENT OF LEASE

THIS THIRD AMENDMENT OF LEASE (hereinafter called "Amendment") is made and entered into August 16, 2012, by and between **BANCAP Marina Center, Inc.**, a California corporation, as successor to the City of Long Beach (hereinafter called "Landlord") and **West Marine Products, Inc.**, a California corporation (hereinafter called "Tenant").

RECITALS

A. By Lease Agreement dated February 1, 1994, as amended by that First Amendment of Lease dated January 6, 2003, and that Second Amendment of Lease dated December 1, 2008, (hereinafter collectively "Lease"), Landlord leased to Tenant an approximately ten thousand seven hundred ten (10,710) square-foot premises ("Tenant's Existing Space") located in the County of Los Angeles, State of California, commonly known as 251 N Marina Drive, Long Beach, California (the "Premises"). The Premises is more particularly described in the Lease.

B. Landlord and Tenant now desire to amend the Lease in certain respects.

AGREEMENT

For and in consideration of the recitals above made and the promises and agreements that follow, and other good and valuable consideration, the parties agree as follows:

1. **Expansion of Tenant's Existing Space**. Landlord and Tenant do hereby agree that the Premises shall be expanded by no less than three thousand sixty (3,060) square feet (the "Tenant's Expansion Space") as shown on Exhibit "A" attached to this Amendment and made a part hereof. Upon the Commencement Date as hereinafter defined, Exhibit "A" showing the Premises attached hereto and made a part hereof shall supersede and replace Exhibit "A" to the Lease. The Term for the combined Premises, as hereinafter defined, shall begin on the date Tenant opens for business in the combined Premises (the "Commencement Date"), and shall end on June 30, 2019(" Term").

2. **Premises**. It is the intent of the parties that Tenant shall continue to operate in the Premises during expansion of Premises into the Tenant's Expansion Space. Upon the Commencement Date, all references in the Lease to the Premises shall be the same as the original Premises and Tenant's Expansion Space combined.

3. **Demised Premises Rent**. Landlord and Tenant do hereby agree that the Minimum Monthly Rent commencing on the Commencement Date and continuing through the last day of the month of the fifth (5th) year anniversary of the Term, shall be as follows:

Rate	Monthly Amount	Annual Amount
$15.82 SF	$18,152.00	$217,824.00

The Minimum Monthly Rent shall incorporate the Landlord's insurance premium cost. Except as modified hereinbelow and without regard to the Second Amendment, in accordance with the terms of the Lease, Minimum Annual Rent shall be automatically adjusted every five years based on the cumulative change in the consumer Price Index (All Urban Consumers) for the Los Angeles-Anaheim-Riverside Metropolitan Area published by the Bureau of Labor Statistics of the U.S. Department of Labor ("CPI"). That percent, multiplied by the Minimum Annual Rent then in effect, shall be the adjusted Minimum Annual Rent.

In addition to the above Monthly Minimum Rent, Tenant will continue to pay Percentage Rent as it may be calculated over and above the Base Rent defined in Section 6 of the original and existing Lease. Tenant shall continue to pay Monthly Minimum Rent on Tenant's Existing Space until the Commencement Date.

4. **Delivery of the Tenant's Expansion Space**.

(A) Upon the full execution of this Amendment, Landlord shall proceed with diligence in completing Landlord's Work as hereinafter defined. Landlord's Work shall defined to include delivery of Tenant's Expansion Space to Tenant vacant; broom clean; free of hazardous substances. Additionally, Tenant's Expansion Space shall be in compliance with all applicable codes and laws; with all utilities split from any adjacent spaces; with new HVAC units for the new Premises (existing Premises and Tenant's Expansion Premises) with Landlord warranting the maintenance and repair of the same for the Initial Lease Term; and with all other equipment (plumbing, electrical, etc.) in good working condition with a minimum of five year warranty.

(B) All Landlord's Work shall be done by Landlord at its own cost and expense in a good and workmanlike manner, using first quality materials and in full compliance with all laws, rules and regulations of all governmental authorities having jurisdiction thereof. Landlord hereby agrees to deliver to Tenant Tenant's Expansion Space with all Landlord's Work completed by September 8, 2012.

(C) If the Tenant's Expansion Premises shall not be delivered to Tenant in accordance with this Section on September 8, 2012, then, Tenant shall then pay ½ Rent on the Premises until such items are complete.

5. **Option to Extend**. Intentionally omitted.

6. **Tenant's Prorata Share**. Beginning on the Commencement Date and continuing throughout the remainder of the Term of the Lease and Tenant's Renewal Periods, if exercised, the square footage of the Premises shall be used to calculate Tenant's prorata share for any reimbursable expenses Tenant shall owe to Landlord under the Lease. The new prorata share shall be 37.2% based upon the Premises at 13,770 square feet divided by the square footage of the entire development of 37,026 square feet.

7. **Common Area Maintenance Fee**. Beginning on the Commencement Date, Tenant will pay a Common Area Maintenance Fee as defined under Section 12 of the Lease without regard to the modification set forth in the Second Amendment with the

exception that Landlord hereby agrees that Tenant shall not be required to reimburse Landlord for the following line item - Janitorial & Restroom Supplies (actual 2011 amount was $17,957).

8. **Commencement Letter**. Promptly after the occurrence of the Commencement Date, Landlord and Tenant will execute a commencement letter setting forth the exact Commencement Date, and exact square footage of the Premises, Tenant's pro rata share for the Premises, and other usual and customary provisions.

9. **Tenant's Alterations**. Landlord hereby grants Tenant permission and Tenant shall have the right, but not the obligation, to make alterations and improvements to the Premises which it deems desirable without the requirement to place any bonds on the work to be performed. Tenant shall not have the obligation to restore the Premises to its original condition upon surrender of the Premises at the expiration of the Term of the Lease or any renewal term, if exercised.

Tenant hereby notifies Landlord of its intent to commence alterations and improvements as soon as possible after delivery by Landlord of Tenants Expansion Space.

10. **Signage**. Upon the commencement of any construction of Tenant's Expansion Premises, Tenant may remove Tenant's signage from the exterior of the Premises. At Tenant's option, Tenant shall either (A) re-install its current building signage on the Premises or (B) install new building signage on the Premises, in which event Tenant shall obtain all approvals for such signage in accordance with the Lease and local laws and ordinances. Regardless of Tenant's election of option (A) or (B) above, Tenant shall obtain all governmental permits for the installation or re-installation of the signage.

11. **Defined Terms**. Unless otherwise defined in this Amendment, all capitalized terms and phrases used in this Amendment shall have the same meaning attributed to them in the Lease.

12. **Affirmation**. Except as modified by this Amendment, the Lease remains unchanged.

IN WITNESS WHEREOF, the parties have executed this Amendment.

LANDLORD:

BANCAP Marina Center, Inc.
Dba Alamitos Bay Marina Center

By: _____
John Hancock

Title: President

TENANT:

West Marine Products, Inc., a California corporation

By: _____
CHRISTOPHER BOLLING

Title: SVP BUSINESS DEVELOPMENT

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

CONSENT AND AGREEMENT TO ASSUME LEASE

This Consent and Agreement to Assume Lease ("Agreement") is made and entered, in duplicate, as of April 12, 2018, pursuant to a minute order adopted by the City Council of the City of Long Beach on September 18, 2012, by and between the CITY OF LONG BEACH, a municipal corporation ("City" or "Landlord") and WEST MARINE PRODUCTS, INC., a California corporation ("Tenant").

WHEREAS, City and BANCAP Marina Center, Inc., a California corporation ("BANCAP") entered into a Master Lease dated June 29, 1994 (as amended, the "Master Lease"), pursuant to which City leases to BANCAP certain real property commonly known as the Alamitos Bay Marina Center ("Center") and more particularly described in the Master Lease; and

WHEREAS, BANCAP (as successor-in-interest to City) and Tenant are parties to a certain Lease dated February 1, 1994, as amended by amendments dated January 6, 2003, December 1, 2008 and August 16, 2012, respectively (as amended, the "Lease"), pursuant to which BANCAP subleases to Tenant a certain portion of the Center more particularly described in the Lease ("Premises"); and

WHEREAS, BANCAP and Tenant wish to further amend the Lease which would, among other things, extend the term of the Lease beyond the current term of the Master Lease, and City is willing to consent to such amendment upon the following terms and conditions.

NOW, THEREFORE, City and Tenant mutually agree as follows:

1. City hereby consents to the execution of the Fourth Amendment of Lease attached hereto as Exhibit "A" ("Fourth Amendment").

2. If during the term of the Lease (as extended by the Fourth Amendment), for any reason, the term of the Master Lease terminates or expires, then effectively immediately upon such termination or expiration of the term of the Master Lease, City shall assume the obligations of BANCAP, as landlord under the Lease, and shall recognize the effectiveness of the Lease through the term of the Lease as extended

by the Fourth Amendment through June 23, 2023, and as may be further extended by three (3) separate extension options granted to Tenant of five (5) years each. Notwithstanding the foregoing, City shall not be bound by any amendments to the Lease which are executed after the Fourth Amendment, unless City agrees to be bound by such amendments in its sole and absolute discretion. Until such time as the Master Lease terminates or expires, BANCAP shall remain the sole landlord under the Lease, and City shall not be a party to the Lease and shall have no rights or obligations in connection therewith.

3. If City assumes the Lease pursuant to Section 2, then effective upon the first day of each five-year option period as provided in the Fourth Amendment (each, an "Adjustment Date") and notwithstanding anything to the contrary contained in the Fourth Amendment, the Minimum Monthly Rent payable by Tenant to City under the Lease shall be adjusted to reflect the then-current fair market value of the Premises as follows:

3.1 Beginning on the date which is one hundred eighty (180) days prior to each Adjustment Date, City and Tenant shall negotiate in good faith to determine an appropriate Minimum Monthly Rent for the Premises based upon the fair market rental value of the Premises, and either or both parties may commission an appraisal to assist with such negotiations. If by the date which is one hundred twenty (120) days prior to an Adjustment Date, City and Tenant have failed to agree upon the fair market rental value of the Premises, then each party shall be obligated to obtain its own appraisal (unless a party has already obtained an appraisal as described above – in which case such appraisal shall constitute that party's appraisal for purposes of determining fair market rental value as described in this Section 3), which may be used throughout subsequent steps in the rental adjustment process. All appraisals prepared pursuant to this Section 3 shall be in the form of complete, self-contained narrative written appraisal reports supported by facts and analysis.

3.2 The fair market rental value shall be determined by appraisals

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ROBERT E. SHANNON, City Attorney
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prepared by two appraisers, one appointed by City at its expense and one appointed by Tenant at its expense, both of whom shall be based in Los Angeles County, licensed by the State of California as Certified General Appraisers and members of the American Institute of Real Estate Appraisers or a successor organization in the event the American Institute of Real Estate Appraisers ceases to exist. Each appraisal shall be commissioned on or before the date which is one hundred twenty (120) days prior to an Adjustment Date, and such appraisals shall be completed within sixty (60) days thereafter.

3.3 If the higher of the two appraisals exceeds the lesser by less than ten percent (10%), then the two appraisals shall be averaged and the average of the appraisals shall constitute the Minimum Monthly Rent until the subsequent Adjustment Date.

3.4 If the higher of the two appraisals exceeds the lesser by ten percent (10%) or more, then the two appraisers shall appoint a third appraiser, also based in Los Angeles County and licensed by the State of California as a Certified General Appraiser and a member of the American Institute of Real Estate Appraisers or equivalent organization. Selection of the third appraiser, if necessary, shall occur no later than ten (10) days after both initial appraisals are completed. The cost of such third appraiser shall be shared equally by City and Tenant. In order to select such third appraiser, if the two appraisers do not agree on a third appraiser, the appraisers shall obtain a list of five (5) appraisers from the President of the Southern California Chapter of the American Institute of Real Estate Appraisers and shall alternately strike names from such list until one remains to become the third appraiser. The two appraisers shall flip a coin to determine which appraiser first strikes a name from the list. If the selected third appraiser is unwilling or unavailable to serve or cannot complete the appraisal report within the required time limit, the fourth stricken name shall be the third appraiser, and so on in reverse order until the third appraiser is selected. The third appraiser shall complete and submit the required appraisal to both parties within sixty (60) days after

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appointment. City and Tenant shall cause a copy of their appraisals prepared by their respective appraisers to be delivered to the third appraiser upon receipt of the completed third appraisal. All selected market data used in the appraisal reports shall be gathered, reviewed and analyzed independently by the respective appraisers. The two of the three appraisers arriving at values closest to each other shall attempt to concur on a value. Disagreements between the two appraisers as to the method of appraisal shall be resolved by the third appraiser. The third appraiser's decisions as to the method of appraisal shall be final for purposes of the appraisal process. If the two appraisers are unable to concur on a value within fifteen (15) days after completion of the third appraisal, the two closest appraisals shall be averaged and that value shall constitute the Minimum Monthly Rent.

3.5 In the event the rental adjustment process is not completed prior to an Adjustment Date, rent shall be based upon the lower of the two appraised rental rates until such time the rental adjustment process is complete. The final adjusted rental rate shall be retroactive to the applicable Adjustment Date, and shall be effective through the five-year option term until the succeeding Adjustment Date. In no event shall the Minimum Monthly Rent decrease by virtue of the adjustment process described in this Section 3.

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ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

"City"

CITY OF LONG BEACH, a California municipal corporation

By: _____
Name: Patrick West
Title: City Manager

"Tenant"

WEST MARINE PRODUCTS, INC.,
a California corporation

By: _____
Name: Randy Kelley
Title: EVP Stores & Wholesale

By: _____
Name: _____
Title: _____

Approved as to form this 12 day of April, 2018.

CHARLES PARKIN, City Attorney

By: _____
Deputy

A10-00365

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

FOURTH AMENDMENT OF LEASE

THIS FOURTH AMENDMENT OF LEASE (hereinafter called "Amendment") is made and entered into April 11, 2018 by and between **BANCAP Marina Center, Inc.**, a California corporation, as successor to the City of Long Beach (hereinafter called "Landlord") and **West Marine Products, Inc.**, a California corporation (hereinafter called "Tenant").

RECITALS

A. By Lease Agreement dated February 1, 1994, as amended by that First Amendment of Lease dated January 6, 2003, that Second Amendment of Lease dated December 1, 2008, and that Third Amendment of Lease dated August 16, 2012 (hereinafter collectively "Lease"), Landlord leased to Tenant an approximately thirteen thousand seven hundred seventy (13,770) square-foot premises ("Tenant's Existing Space") located in the County of Los Angeles, State of California, commonly known as 251 N Marina Drive, Long Beach, California (the "Premises"). The Premises is more particularly described in the Lease.

B. Landlord and Tenant now desire to amend the Lease in certain respects.

AGREEMENT

For and in consideration of the recitals above made and the promises and agreements that follow, and other good and valuable consideration, the parties agree as follows:

1. **Extension of the Term**. Landlord and Tenant do hereby agree that the expiration of the Term of the Lease shall be extended from June 30, 2019, through June 23, 2023, under the same terms and conditions set forth in the Third Amendment.

2. **Option to Extend**. Notwithstanding anything in the Lease to the contrary, Landlord grants to Tenant three (3) separate options to extend the term for three (3) separate consecutive additional periods commencing after the expiration of the Initial Lease Term hereunder (hereinafter "Renewal Periods") of five (5) years each on the same terms and conditions as set forth in this Lease for the term except that Rent during the Renewal Options shall be Fair Market Value Rent as defined hereinbelow.

3. **Market Rent**. Landlord and Tenant do hereby agree that the Minimum Annual Rent during the each Renewal Period shall be fair market rent ("Fair Market Value Rent"), and shall be determined as follows:

Fair Market Value Rent shall be defined as being the rent at which similar premises, possessing similar amenities and features of the Demised Premises, as determined between persons dealing in good faith and at arms-length, inclusive of all

concessions and excluding a broker's commission, would rent for a five-year term ("Fair Market Value Rent"), but not less than the then existing Minimum Annual Rent. The Fair Market Value Rent shall be a modified gross rent which incorporates only the Landlord's insurance premium cost.

In addition to the above Monthly Minimum Rent, Tenant will continue to pay Percentage Rent as it may be calculated over and above the Base Rent defined in Section 6 of the original and existing Lease.

Beginning on the date which is one hundred eighty (180) days prior to each Adjustment Date, City and Tenant shall negotiate in good faith to determine an appropriate Minimum Monthly Rent for the Premises based upon the fair market rental value of the Premises, and either or both parties may commission an appraisal to assist with such negotiations. If by the date which is one hundred twenty (120) days prior to an Adjustment Date, City and Tenant have failed to agree upon the fair market rental value of the Premises, then each party shall be obligated to obtain its own appraisal (unless a party has already obtained an appraisal as described above – in which case such appraisal shall constitute that party's appraisal for purposes of determining fair market rental value as described in this Section 3), which may be used throughout subsequent steps in the rental adjustment process. All appraisals prepared pursuant to this Section 3 shall be in the form of complete, self-contained narrative written appraisal reports supported by facts and analysis.

The fair market rental value shall be determined by appraisals prepared by two appraisers, one appointed by City at its expense and one appointed by Tenant at its expense, both of whom shall be based in Los Angeles County, licensed by the State of California as Certified General Appraisers and members of the American Institute of Real Estate Appraisers or a successor organization in the event the American Institute of Real Estate Appraisers ceases to exist. Each appraisal shall be commissioned on or before the date which is one hundred twenty (120) days prior to an Adjustment Date, and such appraisals shall be completed within sixty (60) days thereafter.

If the higher of the two appraisals exceeds the lesser by less than ten percent (10%), then the two appraisals shall be averaged and the average of the appraisals shall constitute the Minimum Monthly Rent until the subsequent Adjustment Date.

If the higher of the two appraisals exceeds the lesser by ten percent (10%) or more, then the two appraisers shall appoint a third appraiser, also based in Los Angeles County and licensed by the State of California as a Certified General Appraiser and a member of the American Institute of Real Estate Appraisers or equivalent organization. Selection of the third appraiser, if necessary, shall occur no later than ten (10) days after both initial appraisals are completed. The cost of such third appraiser shall be shared equally by City and Tenant. In order to select such third appraiser, if the two appraisers do not agree on a third appraiser, the appraisers shall obtain a list of five (5) appraisers from the President of the Southern California Chapter of the American Institute of Real Estate Appraisers and shall alternately strike names from such list until one remains to become the third appraiser. The two appraisers shall flip a coin to determine which appraiser first strikes a name from the

list. If the selected third appraiser is unwilling or unavailable to serve or cannot complete the appraisal report within the required time limit, the fourth stricken name shall be the third appraiser, and so on in reverse order until the third appraiser is selected. The third appraiser shall complete and submit the required appraisal to both parties within sixty (60) days after appointment. City and Tenant shall cause a copy of their appraisals prepared by their respective appraisers to be delivered to the third appraiser upon receipt of the completed third appraisal. All selected market data used in the appraisal reports shall be gathered, reviewed and analyzed independently by the respective appraisers. The two of the three appraisers arriving at values closest to each other shall attempt to concur on a value. Disagreements between the two appraisers as to the method of appraisal shall be resolved by the third appraiser. The third appraiser's decisions as to the method of appraisal shall be final for purposes of the appraisal process. If the two appraisers are unable to concur on a value within fifteen (15) days after completion of the third appraisal, the two closest appraisals shall be averaged and that value shall constitute the Minimum Monthly Rent.

In the event the rental adjustment process is not completed prior to an Adjustment Date, rent shall be based upon the lower of the two appraised rental rates until such time the rental adjustment process is complete. The final adjusted rental rate shall be retroactive to the applicable Adjustment Date, and shall be effective through the five-year option term until the succeeding Adjustment Date. In no event shall the Minimum Monthly Rent decrease by virtue of the adjustment process described in this Section 3.

4. **Defined Terms**. Unless otherwise defined in this Amendment, all capitalized terms and phrases used in this Amendment shall have the same meaning attributed to them in the Lease.

5. **Affirmation**. Except as modified by this Amendment, the Lease remains unchanged.

IN WITNESS WHEREOF, the parties have executed this Amendment.

LANDLORD:

BANCAP Marina Center, Inc.
Dba Alamitos Bay Marina Center

By: _____
John Hancock

Title: President

TENANT:

West Marine Products, Inc., a California corporation

By: _____

Title: EVP Store & Wholesale

23509

CONSENT TO LEASE EXTENSION

This Consent to Lease Extension ("Consent") is made and entered, in duplicate, as of May 5, 2023, pursuant to a minute order adopted by the City Council of the City of Long Beach on September 18, 2012, by the CITY OF LONG BEACH, a municipal corporation ("City" or "Landlord").

WHEREAS, City and BANCAP Marina Center, Inc., a California corporation ("BANCAP") entered into a Master Lease dated June 29, 1994 (as amended, the "Master Lease"), pursuant to which City leases to BANCAP certain real property commonly known as the Alamitos Bay Marina Center ("Center") and more particularly described in the Master Lease; and

WHEREAS, BANCAP (as successor-in-interest to City) and West Marine Products, Inc., a California corporation ("Tenant") are parties to a certain Lease dated February 1, 1994, as amended by amendments dated January 6, 2003, December 1, 2008, August 16, 2012, and April 11, 2018, respectively (as amended, the "Lease"), pursuant to which BANCAP subleases to Tenant a certain portion of the Center more particularly described in the Lease ("Premises"); and

WHEREAS, City and Tenant have previously executed that certain Consent and Agreement to Assume Lease dated as of April 12, 2018 ("Assumption Agreement"), pursuant to which, among other things, City consented to the extension of the Lease term beyond the Master Lease term, and further agreed to assume BANCAP's obligations under the Lease in the event the Master Lease terminated, subject to certain conditions contained therein; and

WHEREAS, BANCAP and Tenant wish to further amend the Lease which would, among other things, again extend the term of the Lease beyond the current term of the Master Lease, and City is willing to consent to such amendment upon the following terms and conditions.

NOW, THEREFORE, City agrees as follows:

1. City hereby consents to the execution of the Fifth Amendment of

OFFICE OF THE CITY ATTORNEY
DAWN MCINTOSH, City Attorney
411 West Ocean Boulevard, 9Th Floor
Long Beach, CA 90802-4664

Lease attached hereto as Exhibit "A" ("Fifth Amendment").

2. City shall recognize the effectiveness of the Lease through the term of the Lease as extended by the Fifth Amendment through June 30, 2028.

3. Except as specifically supplemented by this Agreement, the Assumption Agreement remains in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

"City"

CITY OF LONG BEACH, a municipal corporation

By: Linda F. Tatum
Name: LINDA F. TATUM
Title: ASST CITY MANAGER

Approved as to form this 1 day of May, 2023.

EXECUTED PURSU... TO SECTION 301 ... THE CITY CHART...

DAWN MCINTOSH, City Attorney

By: _____
Deputy

A10-00365

OFFICE OF THE CITY ATTORNEY
DAWN MCINTOSH, City Attorney
411 West Ocean Boulevard, 9Th Floor
Long Beach, CA 90802-4664

DocuSign Envelope ID: BD197912-6CF5-48C8-9ADA-DE984FC30DB8

FIFTH AMENDMENT OF LEASE AGREEMENT

THIS FIFTH AMENDMENT AGREEMENT OF LEASE is entered into by and between Bancap Marina Center, Inc. as successor to the City of Long Beach (hereinafter called "Landlord") and West Marine Products, Inc. (hereinafter called "Tenant") this 20th day of April 2023.

WHEREAS, on or about February 1, 2004, Landlord and Tenant entered into a Lease Agreement ("Lease") whereby Tenant agreed to lease from Landlord those certain Premises commonly described as 251 Marina Drive, Long Beach, CA 90803 of that certain Building known as the Alamitos Bay Marina Center as more particularly described in the Lease and which was amended by further amendments in January 2003, December 2008, August 2012 and most recently April of 2018.

WHEREAS, Landlord and Tenant desire to modify, alter or amend certain provisions of said Lease as set forth in this Addendum;

NOW THEREFORE, Landlord and Tenant agree as follows:

1. Tenant hereby agrees to exercise its First Option of the April 2018 Agreement which shall extend the term from June 23, 2023 to June 30, 2028.

2. Minimum Monthly Rent during this 5-year Lease Term shall be $19,935 plus the increase in the Consumer Price Increase since the 2018 renewal.

3. In addition to the above Base Rent, Tenant will continue to pay Percentage Rent as it may be calculated over and above the Base Rate as defined in Section 6 of the original and existing Lease.

4. Tenant will continue the payment of a Common Area Maintenance Fee as defined under Section 12 of the existing Lease. At the present time, this CAM charge is an amount of $2,210 of which is adjusted annually.

5. Pursuant to the April 2018 amendment, Landlord hereby agrees to grant Tenant two additional 5-year Options which, if exercised, would extend the lease maturity to June 30, 2038.

Except as expressly modified, altered or amended by this Addendum, all other terms, conditions, and covenants of said Lease shall remain in full force and effect.

Landlord	Tenant
Bancap Marina Center, Inc. Dba Alamitos Bay Marina Center	West Marine Products, Inc.
R Whitney Latimer President for Agent	DocuSigned by: Rob Koch 0721166B8EC248A... Chief Customer Officer