

### THIRD AMENDMENT TO LEASE

THIS THIRD AMENDMENT TO LEASE AGREEMENT ("**Third Amendment**") dated effective as of April 30, 2014 ("**Effective Date**") is entered into by and between the CITY OF ALAMEDA, a charter city and municipal corporation ( "**City**" or "**Landlord**") and ARTEMIS RACING USA, INC., a Delaware corporation ("**Tenant**"), with reference to the following:

#### RECITALS

A. WHEREAS, Landlord and Tenant entered into that certain Lease Agreement dated as of May 8, 2012 as amended by that First Amendment to Lease Agreement dated as of February 12, 2013 and as further amended by that Second Amendment to Lease Agreement dated as of October 31, 2013 (collectively, the "**Lease**") whereby Tenant leased from Landlord certain premises located at the former Naval Air Station Alameda ("**Property**") which premises are a portion of Building 12, located at 1050 West Tower, Alameda, California (the "**Premises**") together with appurtenant parking privileges and use of Common Areas, Taxiway H Premises and the Seaplane Lagoon, as more particularly described in the Lease; and

B. WHEREAS, at the time of execution of the Lease, that portion of the Property upon which the Premises are located was leased to Landlord by the United States of America, acting by and through the Department of the Navy pursuant to that certain Lease in Furtherance of Conveyance dated June 6, 2000, as amended (the "**LIFOC**") as a result of which, the Original Lease was a "sublease" such that the leasehold estate afforded by the Lease was junior to and subject to the provisions of the LIFOC; and

C. WHEREAS, on or about June 4, 2013, the Government quitclaimed to the City of Alameda certain property, including that portion of the Property upon which the Premises are located; and

D. WHEREAS, Landlord and Tenant desire by this Third Amendment to further amend the Lease upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant hereby agree as follows:

#### AGREEMENT

1. Recitals. The Recitals set forth above are incorporated herein as though set forth in full herein.

2. Extension of Term. The Term of the Lease shall be extended for twenty-four (24) months commencing on the later of (a) May 1, 2014 or (b) one (1) day after this Third Amendment has been approved by the City Council, the date of which approval shall be deemed to be the effective date of an ordinance approving this Third Amendment as required by the City Charter (the "**Extension Term Commencement Date**"). This Lease shall terminate at midnight on the last day of the twenty-fourth (24th) full calendar month following the Extension Term Commencement Date ("**Extension Term Expiration Date**"), unless sooner terminated or extended as hereinafter provided. Promptly following the Extension Term Commencement Date, Landlord and Tenant shall enter into a letter agreement substantially in the form attached hereto as **Exhibit A**, specifying and confirming the Extension Term Commencement Date and

the Extension Term Expiration Date; if Tenant fails to execute and deliver such letter agreement to Landlord within ten (10) business days after Landlord's delivery of the same to Tenant, said letter agreement will be deemed final and binding upon Tenant.

3. Option to Renew:

(a) Renewal Options. Tenant shall have two (2) options to further extend the Extension Term (each a "**Renewal Option**") for periods of eighteen (18) months and six (6) months respectively (each a "**Renewal Term**"). A Renewal Options may be exercised only by the entity identified as the Tenant herein and may not be exercised by any other sublessee or assignee or by any other successor or assign. A Renewal Options shall be effective only if Tenant is not in Default under this Lease, either at the time of exercise of the Renewal Option or the time of commencement of the Renewal Term. Tenant shall exercise each Renewal Option, if at all, by written notice ("**Election Notice**") from Tenant to Landlord, in a form substantially the same as Exhibit B, given not more than ten (10) months nor less than four (4) months prior to expiration of the Extension Term with respect to the first Renewal Option and not more than ten (10) months nor less than four (4) months prior to the expiration of the first Renewal Term thereafter with respect to the second Renewal Options. Any such notice given by Tenant to Landlord shall be irrevocable. If Tenant fails to exercise a Renewal Option in a timely manner as provided for above, the Renewal Option shall be void.

(b) Terms and Conditions. If Tenant exercises the first Renewal Option, the Extension Term shall be extended for an additional period of eighteen (18) months ("**First Renewal Term**") upon the same terms and conditions as the Extension Term except that (i) there shall be but one Renewal Option available to Tenant at the expiration of the First Renewal Term, (ii) Tenant shall continue to occupy the Premises in its "as-is" condition without any tenant improvement allowance from Landlord, and (iii) the Base Rent during the First Renewal Term shall be an amount equal to the Base Rent in effect at the end of the Extension Term increased by three percent (3%). If Tenant exercises the second Renewal Option, the First Renewal Term shall be extended for an additional period of six (6) months ("**Second Renewal Term**") upon the same terms and conditions as the First Renewal Term except that (A) there shall be no further Renewal Options available to Tenant at the expiration of the Second Renewal Term, and (B) Tenant shall continue to occupy the Premises in its "as-is" condition without any tenant improvement allowance from Landlord.

(c) Broker Commissions. Tenant shall be responsible for all brokerage costs and/or finder's fees associated with Tenant's exercise of any Renewal Option made by parties claiming through Tenant. Landlord shall be responsible for all brokerage costs and/or finder fees associated with Tenant's exercise of any Renewal Options made by parties claiming through Landlord.

(d) Month Base Rent Increase. The Monthly Base Rent for the Premises shall increase at the annual rate of three percent (3%) throughout each Renewal Term.

4. Base Rent. For the first year of the Extension Term, the monthly Base Rent for the Premises shall be Forty-Seven Thousand Six Hundred Twenty-Four and 40/100 Dollars (\$47,624.40) and shall thereafter increase at an annual rate of three percent (3%) throughout the Extension Term and any Renewal Terms. In the event Tenant cancels its license for use of the Taxiway H Premises, in accordance with Section 1 of the Lease, the

monthly Base Rent shall decrease by Three Thousand Four Hundred Dollars (\$3,400.00) per month.

5. Miscellaneous.

(a) This Third Amendment and the attached Exhibits, which are hereby incorporated into and made a part of this Third Amendment, sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements.

(b) Except as herein modified or amended, the provisions, conditions and terms of the Lease shall remain unchanged and in full force and effect.

(c) In case of any inconsistencies between the provisions of the Lease and this Third Amendment, the provisions of this Third Amendment shall govern and control.

(d) As of the Effective Date of this Third Amendment, Tenant represents and warrants to Landlord that: (a) there are no defaults on the part of Landlord under the Lease and there are no events currently existing (or which the passage of time, giving of notice or both, which would exist) which would be deemed a default of Landlord or which would give Tenant the right to cancel or terminate the Lease, and (b) there are no claims against Landlord, including without limitations, claims of credit, offset or deduction from or against the rent due under the lease.

(e) Capitalized terms used in this Third Amendment shall have the same definitions as set forth in the Lease to the extent that such capitalized terms are defined therein and not redefined in this Third Amendment.

(f) Tenant hereby represents to Landlord that Tenant has dealt with no broker in connection with this Third Amendment. Tenant agrees to defend, indemnify and hold Landlord harmless from any and all claims of any brokers claiming to have represented Tenant in this Third Amendment. Landlord hereby represents to Tenant that Landlord has dealt with no broker in connection with this Third Amendment, other than PMG Realty Group LP. Landlord agrees to defend, indemnify and hold Tenant harmless from all claims of any brokers claiming to have represented Landlord in connection with this Third Amendment.

(g) If Tenant is a corporation, partnership, trust, association or other entity, Tenant and each person executing this Third Amendment on behalf of Tenant does hereby covenant and warrant that (a) Tenant is duly incorporated or otherwise established or formed and validly existing under the laws of the state or county of incorporation, establishment or formation, (b) Tenant has and is duly qualified to do business in California, (c) Tenant has full corporate, partnership, trust, association or other power and authority to enter into this Third Amendment and to perform all of Tenant's obligations hereunder and (d) each person (and all of the persons if more than one signs) signing this Third Amendment on behalf of Tenant is duly and validly authorized to do so. At execution hereof and upon Landlord's request, Tenant shall provide Landlord with evidence reasonably satisfactory to Landlord confirming the foregoing representations and warranties.

(h) Tenant hereby represents to Landlord that Tenant is currently in compliance with and shall at all times remain in compliance with the regulations of the Office of

Foreign Asset Control of the Department of the Treasury and any statute, executive order (including the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental actions relating thereto.

(i) This Third Amendment may be executed in multiple counterparts each of which is deemed an original but together constitutes one and the same instrument. This Third Amendment may be transmitted in "pdf" format and each party has the right to rely upon a pdf counterpart of this Third Amendment signed by the other party to the same extent as if such party had received an original counterpart.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Third Amendment as of the Effective Date set forth above.

**LANDLORD:**

CITY OF ALAMEDA,  
a charter city and municipal corporation


By: \_\_\_\_\_  
John Russo  
City Manager

Approved as to Form

By: \_\_\_\_\_  
Janet Kern  
City Attorney

**TENANT:**

ARTEMIS RACING USA, INC.,  
a Delaware corporation

By:   
Name: Charlie Perkins  
Its: CFO


By:   
Name: MELINDA ERICELENS  
Its: GENERAL COUNSEL

EXHIBIT A

COMMENCEMENT LETTER

Date: \_\_\_\_\_

Re: Third Amendment to Lease dated as of April 30, 2014, by and between the City of Alameda, as Landlord, and Artemis Racing USA, Inc., a Delaware corporation as Tenant

Dear \_\_\_\_\_:

In accordance with the terms and conditions of the above referenced Third Amendment to Lease, Tenant agrees:

1. The Extension Term Commencement Date is \_\_\_\_\_;
2. The Extension Term Expiration Date is \_\_\_\_\_.

Please acknowledge your agreement to the terms set forth above by signing all 3 counterparts of this Commencement Letter in the space provided and returning 2 fully executed counterparts to my attention.

Sincerely	Agreed and Accepted:
_____ Property Manager	Tenant: Artemis Racing USA, Inc., By: _____ Name: _____ Title: _____

[Exhibit Do not sign]

**EXHIBIT B**

**RENEWAL NOTICE**

Date: \_\_\_\_\_

Re: Third Amendment to Lease ("Third Amendment") dated as of April 30, 2014, by and between City of Alameda, as Landlord, and Artemis Racing USA, Inc. as Tenant.

Dear \_\_\_\_\_:

In accordance with Section 3 (a) of the above referenced Third Amendment, by this notice Tenant hereby irrevocably exercises its Renewal Option for the Renewal Term upon the terms and conditions specified in Section 3 of the Third Amendment.

Sincerely :

\_\_\_\_\_  
[Name of Tenant]

By: \_\_\_\_\_

Its: \_\_\_\_\_

[Exhibit Do not sign]