

FIRST AMENDMENT TO SUBLEASE

This First Amendment to Sublease (this "First Amendment") is dated as of March 3, 2026 (the "Effective Date") by and between Majestic KHM LLC, a Delaware limited liability company ("Lessor") and Bluewater Grill Redondo L.P., a California limited partnership ("Lessee").

- A. Lessor's predecessor in interest and Lessee's predecessor entered into that certain Sublease dated March 13, 1964 (the "Original Sublease") concerning those certain premises commonly known as 665 North Harbor Drive, Redondo Beach, California 90277 (the "Premises") consisting of approximately 55,000 square feet of land with a 15,600 square foot restaurant (the "Restaurant") located thereon. The Original Sublease was subsequently amended, sub-subleased and/or assigned and ultimately Lessee's predecessor in interest assigned its interest as lessee under the Sublease to Lessee pursuant to an Assignment of Lease (the "Assignment") which was approved and consented to by both (i) Lessor's predecessor in interest on August 21, 2000 and (ii) the City of Redondo Beach (the "Master Lessor") on October 17, 2000. The Original Sublease is subject to a restated master lease dated December 31, 1971 (the "Master Lease") entered into by and between Master Lessor and Lessor's predecessor in interest. In or about 2019 Lessor purchased the leasehold interest of its predecessor and succeeded as lessor under the Original Sublease and as lessee under the Master Lease.
- B. The Original Sublease, as amended, sub-subleased, and ultimately assigned to Lessor and further amended by this First Amendment, shall be collectively referred to herein as the "Sublease". This First Amendment shall be subject to the consent of the Master Lessor as required under the Master Lease.
- C. The Term of the Sublease expires on March 12, 2027 (the "Original Expiration Date"), and Lessee has no option to extend the Term of the Sublease.
- D. Lessor and Lessee now desire to amend the Sublease to, among other things, extend the Term of the Sublease for five (5) additional years in order to coterminously expire with the Master Lease and to amend the Minimum Guaranteed Rent, Percentage Rental and other terms in the Sublease, all as more particularly hereinafter provided.

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises herein contained, and for other good and valuable consideration, the receipt of which is hereby acknowledged, Lessor and Lessee agree as follows:

1. First Extended Term. The Term of the Sublease is hereby extended for a period of five (5) consecutive years (said period, the "First Extended Term") commencing on March 13, 2027 (the "First Extended Term Commencement Date") and expiring on March 12, 2032 (the "First Extended Term Expiration Date"), subject to all of the terms, covenants and conditions contained in the Original Sublease as amended by this First Amendment.

2. Minimum Guaranteed Rent. From the Effective Date and continuing through the Original Expiration Date, Lessee shall pay Minimum Guaranteed Rent in the amount of \$185,000.00 per year, and \$15,416.67 per month. Thereafter, commencing on the First Extended Term Commencement Date and again on March 13, 2030, the Minimum Guaranteed Rent shall be increased by the Consumer Price Index for All Urban Consumers (CPI-U) for Los Angeles-Long Beach-Anaheim compiled and published by the U.S. Bureau of Labor Statistics. Moreover, as of the Effective Date, (i) Section 1 of Article IV in the

Original Sublease; and (ii) all references to “\$13,992.00” and “five (5) year period” in Section 3 of Article IV in the Original Sublease, are hereby deleted in their entirety.

3. Percentage Rental. Retroactive to April 1, 2025 (the “Adjustment Date”), Lessee shall pay Lessor a total Percentage Rental equal to seven percent (7%) of Lessee’s total gross sales less (i) the Percentage Rental of three and one-half percent (3.5%) of Lessee’s total gross sales that is paid to Master Lessor; and (ii) the then current Minimum Guaranteed Rent. By way of example, if Lessee’s total gross sales for calendar year 2026 is \$7,000,000.00 then Percentage Rental would be calculated as follows: \$490,000.00 (i.e., 7% of \$7,000,000.00) - \$245,000.00 (i.e., 3.5% of \$7,000,000.00) - \$185,000.00 (i.e., annual Minimum Guaranteed Rent for 2026) = \$60,000.00. Accordingly, retroactive to the Adjustment Date, the tiered percentages for Percentage Rental set forth in Section 2 of Article III in the Original Sublease are hereby deleted in their entirety.

4. Real Estate Taxes. Retroactive to the Adjustment Date, Lessee shall pay its monthly proportionate share of the real estate taxes for the Premises (the “Real Estate Taxes”), which proportionate share shall equal to 9.24% (the “Lessee’s Share”). Lessee shall pay Lessee’s Share of Real Estate Taxes at the same time and manner each month as Minimum Guaranteed Rent is due and payable.

5. Remodel Work. Subject to review and approval of Lessee’s plans and specifications by Lessor and Master Lessor, Lessee agrees to complete a remodel of the interior of the Restaurant (the “Remodel Work”) (i) between January 2, 2026 and February 1, 2026; (ii) with similar or better quality of finishes and improvements as now exists in the interior of the Restaurant; and (iii) in compliance with Sections 6 and 7 of Article VI in the Original Sublease. Upon completion of the Remodel Work, Lessee shall provide Lessor with copies of paid invoices for labor and materials evidencing that Lessee has spent no less than \$475,000.00 for Remodel Work costs. Lessor shall not be obligated to provide any allowance for the Remodel Work and all Remodel Work costs shall be paid by Lessee at its sole cost and expense. During the Remodel Work, Lessee may close for business but must continue to pay Minimum Guaranteed Rent, Percentage Rental and Real Estate Taxes.

6. Insurance. As of the Effective Date, Sections 2 and 3 of Article X in the Original Sublease and Section 1 of the Article XI in the Original Sublease are hereby deleted in their entirety and replaced with the following: Lessee shall, at Lessee’s expense, obtain and keep in force the following insurance: (a) Commercial General Liability Insurance covering Bodily Injury and Property Damage for a minimum amount of \$3,000,000.00 per occurrence and \$3,000,000.00 in the annual aggregate per location and no less than \$2,000,000.00 in excess/umbrella coverage per occurrence and in the aggregate, which may be satisfied via combination of primary and umbrella/excess liability policies as needed; (b) Property Insurance written on a Cause of Loss-Special Form policy, with coverage for broad form water damage including earthquake sprinkler leakage, at replacement cost value and with a replacement cost endorsement covering all of Lessee’s business and trade fixtures, equipment, movable partitions, furniture, merchandise and other personal property within the Premises and any leasehold improvements performed by or for the benefit of Lessee; (c) Workers’ Compensation Insurance in amounts required by law; (d) Employer’s Liability Coverage of at least \$1,000,000.00 per accident; (e) business interruption insurance in amounts sufficient to reimburse Lessee for direct and indirect loss of earnings attributable to perils commonly insured against by prudent Lessees in Lessee’s business or due to loss of access to the Premises as a result of such perils and equal to at least twelve (12) months of rental value; (f) automobile liability insurance for Lessee owned, leased, hired, and non-owned vehicles that are used for business with a combined single limit of not less than \$1,000,000.00; and (g) liquor liability insurance which shall be a minimum of \$3,000,000.00 for each occurrence and \$3,000,000.00 in the aggregate. The limit of any such insurance shall not, however, limit the indemnification or liability of the Lessee hereunder.

7. Notices. Section 13 of Article XXVIII in the Original Sublease is hereby deleted in its entirety and replaced with the following: "All notices, statements, demands, requests and consents which may or are to be required or permitted to be given by either party on the other hereunder, shall be in writing and shall be sent by certified United States Mail postage pre-paid return receipt requested, or reputable overnight courier service (such as Federal Express) or hand delivered, and addressed to the respective parties at the addresses herein below, or to such other place that the parties may from time to time designate in a notice provided pursuant to this paragraph, and shall be deemed given on the date of delivery or refusal of delivery (or is designated as not deliverable):

To Lessor at:

c/o GGE Management LLC
208 Yacht Club Way
Redondo Beach, CA 90277
Attn: Patrick O. Elkin

To Lessee at:

630 Lido Park Drive
Newport Beach, CA 92663

With a copy to:

The Edgecumbe Law Firm
2780 Skypark Drive, Suite 201
Torrance, CA 90505
Attn: Craig Edgecumbe, Esq.

8. Condition of Premises. Lessee acknowledges that it has been in possession of the Premises for over twenty-four (24) years and has no claims against Lessor, and therefore releases Lessor from any claim, loss, liability, cost or expense in connection with the Premises up to the Effective Date. Lessee hereby accepts the Premise in as-is condition and subject to all applicable zoning, municipal, county and state laws, ordinances and regulations governing and regulating the Premises and accepts the Sublease subject thereto. Lessee acknowledges that it has satisfied itself by its own independent investigation that the Premises is suitable for its intended use, and that neither Lessor nor any of its agents has made any representation or warranty as to the present or future suitability of the Premises for the conduct of Lessee's business. Lessor has no knowledge if the Premises have undergone an inspection by a Certified Access Specialist (CASp). The following disclosure is hereby made pursuant to applicable California law: A CASp can inspect the Premises and determine whether the Premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the Premises, Lessor may not prohibit Lessee from obtaining a CASp inspection of the Premises for the occupancy or potential occupancy of Lessee, if requested by Lessee. If so requested, the parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the Premises.

9. Brokers. Each party to this First Amendment represents and warrants to the other that it has not dealt with any broker in connection with the negotiation and consummation of this First Amendment, and it knows of no other real estate broker, agent or finder who is, or might be, entitled to a commission or compensation in connection with this First Amendment. Each party agrees to indemnify and defend the other party against, and hold the other party harmless from, any and all claims, demands, losses, liabilities, damages, lawsuits, judgments, and costs and expenses (including, without limitation, reasonable attorneys' fees and costs) with respect to any other leasing commission or equivalent compensation alleged to be owing on account of the indemnifying party's dealings with any real estate broker or agent.

10. Exculpation. It is expressly understood and agreed that notwithstanding anything in the Sublease to the contrary, and notwithstanding any applicable law to the contrary, the liability of Lessor and Lessor's officers, directors, agents, managers, members, partners, shareholders, successors and assigns ("Lessor Parties") and any recourse by Lessee against Lessor or the Lessor Parties shall be limited solely and exclusively to an amount which is equal to the interest of Lessor in the Premises, and neither Lessor nor any of the Lessor Parties shall have any personal liability therefore, and Lessee hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Lessee.

11. OFAC. Lessee represents and warrants to, and covenants with, Lessor that neither Lessee nor any of its respective constituent owners or affiliates currently are, or shall be at any time during the Term hereof, in violation of any laws relating to terrorism or money laundering, including without limitation Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, and/or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56).

12. Authorization. Lessor and Lessee covenant that each individual executing this First Amendment by and on behalf of such party is a person duly authorized to execute this First Amendment for that party.

13. Successors and Assigns. All of the terms and provisions of this First Amendment shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto.

14. Execution Required. This First Amendment shall not be binding upon Lessor and Lessee until such time as Lessor and Lessee both have executed the same.

15. Ratification. All terms and conditions under the Sublease shall remain in full force and effect unless expressly modified herein. Lessee hereby ratifies and reaffirms all terms, covenants, and conditions of the Sublease as amended by this First Amendment. In the event of any conflict between the terms of the Sublease and the terms of this First Amendment the terms of this First Amendment shall govern and prevail.

16. Definitions; Exhibits. The definition of all capitalized terms shall be the same as set forth in the Sublease, unless otherwise defined herein. All Exhibits attached to this First Amendment are incorporated into and made a part of this First Amendment.

17. Counterparts; PDF. This First Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same instrument. Delivery of an executed counterpart of this First Amendment by facsimile or electronic (PDF) transmission shall be equally as effective as delivery of a manually executed counterpart of this First Amendment.

18. California Certified Access Specialist Inspection Compliance: Pursuant to the requirements of California Civil Code Section 1938, Landlord hereby notifies Tenant that the Premises has not been inspected by a California Certified Access Specialist (a "CASp"). As required by California Civil Code Section 1938 (e), Tenant is hereby notified that

“A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.”

Should Tenant elect to have the Leased Premises inspected by a CASp (the "**Inspection**"), the Inspection will be at Tenant's sole cost and expense, limited to the Leased Premises and must be performed by a CASp who has been approved or designated by Landlord prior to the inspection or by a CASp. Any Inspection must be performed in a manner which minimizes the disruption of business activities in the Shopping Center and at a time mutually convenient to Landlord and Tenant. Landlord reserves the right to be present during the Inspection. Tenant agrees to: (i) promptly provide to Landlord a copy of the report or certification prepared by the CASp (the "**Report**"), (ii) keep the information contained in the Report confidential, except to the extent required by laws or to the extent disclosure is needed in order to complete any necessary modifications or improvements required to comply with all applicable accessibility standards under state or federal law as well as any other improvements or alterations required by the Report or that may be otherwise required to comply with applicable Laws accessibility requirements (the "**Access Improvements**"). In the event there is a need to perform Access Improvements, Tenant agrees that it will promptly complete all of the Access Improvements, at its sole cost and expense, as part of the Tenant's Work or alterations to the Premises, in accordance with plans approved by Landlord pursuant to this Lease. This Section only applies to the Access Improvements and does not in way amend or modify any other repair, maintenance, compliance with law or other obligation of Landlord or Tenant under this Lease.

[REMAINDER INTENTIONALLY BLANK, SIGNATURE PAGE FOLLOWS]

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

LESSOR:

MAJESTIC KHM LLC,
a Delaware limited liability company

By: The Kobe Group, Inc.
a California corporation,
its Managing Member

By:  _____

Name: Allen A. Ginsburg

Title: President

LESSEE:

BLUEWATER GRILL REDONDO L.P.,
a California limited partnership

By: Bluewater Redondo Beach, Inc.
General Partner

By:  _____

Name: Richard Staunton

Title: Chief Executive Officer

Consent of City of Redondo Beach

The undersigned is the Master Lessor under the Master Lease described in the above First Amendment and consents to the First Amendment, waiving none of its rights under the Master Lease.

Date: _____

CITY OF REDONDO BEACH

By: _____

Name: _____

Title: _____