

# The following materials were distributed by the Public or the Deputy Clerk to the Board of Commissioners at the Board Meeting.

From: Sabrina Brennan sabrina@dfm.com

Subject: Steven Miller removed Mavericks Invitational from Permit #2015-34

Date: June 21, 2017 at 12:14 PM

To: Steve McGrath smcgrath@smharbor.com

Cc: Anita Pyle apyle@smharbor.com, John Moren JMoren@smharbor.com, Debbie Gehret dgehret@smharbor.com,

Edmundo Larenas ELarenas@smharbor.com, Sabrina Brennan SBrennan@smharbor.com



Hello Steve.

In Feb. 2017, the Harbor District began working with bankruptcy attorney Emily Charley to address problems related to permit No. 2016-01 crafted by Steven Miller, Harbor District General Counsel.

Since Emily Charley began working for the Harbor District Steven Miller placed himself in the role of overseeing her work and filtering her communications to the Board. This is a concern because Charley's bankruptcy expertise is necessary only because Miller improperly prepared Special Use Permit No. 2015-34 and Special Use Permit No. 2016-01. The Harbor District is paying an attorney who mangled the permit (Miller) to oversee a bankruptcy attorney (Charley) while she is attempting to fix a mess caused by Miller's improperly prepared permit.

Apparently Miller's bankruptcy team is expanding and he is now overseeing a small group of lawyers that includes Raffi Zerounian and Emily Charley. Unbeknownst to the Board of Harbor Commissioners Miller decided that Zerounian would represent the District at the June 7, 2017 hearing in Los Angeles. Zerounian specializes in trademark and copyright law. The next hearing is scheduled for Sept. 20, 2017 also in LA.

Miller's 5-year "exclusive" permit created an asset that's tied up in knots at US Bankruptcy Court. A court ordered bankruptcy stay is negatively impacting the future of the 2017-2018 Mavericks surf competition. Miller's 5-year "exclusive" permit prevents other organizations from holding an event and does not require that the permittee (Cartel) hold an event. For this reason and others Miller's "exclusive" permit is preventing athletes from competing in the Mavericks competition.

As I stated in my June 14 emails I'm concerned that Miller placed the Harbor District in legal jeopardy. I'm also concerned that the District's legal fees related to Special Use Permit No. 2016-01 are through the roof because of the following:

Steven Miller, General Counsel for the Harbor District removed Mavericks Invitational (MII) from 2015-2016 Special Use Permit No. 2015-34 and 5-year Special Use Permit No. 2016-01 that terminates on March 31, 2021.

Two things happened that harmed the Harbor District and Mavericks Invitational:

- Steven Miller negotiated contracts in the background without oversight or review by the Board and executed the agreements without oversight or review by the Board.
- 2. Steven Miller altered, changed, or otherwise effected the entity to whom the permit was issued without review by the Board and without the permission of the entity that was removed from the permit.

Miller's decision to remove MII favored Cartel's interests instead of the interests of the Harbor District. Miller's permits never saw the light of day before they were "EXECUTED" on June 30, 2015 (No. 2015-34) and Nov. 6, 2015 (No. 2016-01).

Miller did not bring substantially altered permits back for Board consideration and for public comment at a public meeting. Miller denied the Harbor Commission and the public an opportunity to consider the changes he made to Special Use Permit No. 2015-34 AND Special Use Permit No. 2016-01.

On Nov. 6, 2015, Glenn Lazof (Interim General Manager at the time) emailed the "executed" 5-year permit to Cassandra Clark, Brain Waters, and Zoe Lee.

Miller and his firm Hanson Bridget has not provided the Board with any documents or emails that indicate that MII was notified about or agreed to the substantial changes Miller made in advance of the Nov. 6, 2015 email from Lazof.

Please include this email and the three attached PDF files in the June 21, 2017 meeting minutes.

Thank you, Sabrina



Lazof\_David\_Miller\_Clar k\_Hurd\_Ca...\_emails.pdf



Chang Kiraly + Bernardo Letter.pdf From: Sabrina Brennan sabrina@dfm.com &

Subject: Fwd: Steven Miller removed Mavericks Invitational from Permit #2015-34

Date: June 21, 2017 at 12:53 PM

To: Steve McGrath smcgrath@smharbor.com

Cc: Debbie Gehret dgehret@smharbor.com, Anita Pyle apyle@smharbor.com, John Moren JMoren@smharbor.com,

Edmundo Larenas ELarenas@smharbor.com, Sabrina Brennan SBrennan@smharbor.com



Debbie mentioned on the phone this afternoon that Steven Miller may need to approve the release of the two attached PDF files that include District email communications. I let Debbie know that Miller perviously reviewed the content of both PDFs and released the information in a Public Records Act request. The PDF's were provided to me by a member of the public. So no need for further review don't you think? It seems that the District should not pay counsel twice to review emails that were perviously released. They're part of the public record.

Thank you, Sabrina

Begin forwarded message:

From: Sabrina Brennan < sabrina@dfm.com>

Subject: Steven Miller removed Mavericks Invitational from Permit #2015-34

**Date:** June 21, 2017 at 12:10:56 PM PDT **To:** Steve McGrath <<u>smcgrath@smharbor.com</u>>

**Cc:** Anita Pyle <a href="mailto:apyle@smharbor.com">apyle@smharbor.com</a>, John Moren <a href="mailto:JMoren@smharbor.com">JMoren@smharbor.com</a>, Debbie Gehret <a href="mailto:dgehret@smharbor.com">dgehret@smharbor.com</a>, Edmundo Larenas <a href="mailto:ELarenas@smharbor.com">ELarenas@smharbor.com</a>, Sabrina Brennan

<SBrennan@smharbor.com>

Resent-From: < SBrennan@smharbor.com>

Hello Steve.

In Feb. 2017, the Harbor District began working with bankruptcy attorney Emily Charley to address problems related to permit No. 2016-01 crafted by Steven Miller, Harbor District General Counsel.

Since Emily Charley began working for the Harbor District Steven Miller placed himself in the role of overseeing her work and filtering her communications to the Board. This is a concern because Charley's bankruptcy expertise is necessary only because Miller improperly prepared Special Use Permit No. 2015-34 and Special Use Permit No. 2016-01. The Harbor District is paying an attorney who mangled the permit (Miller) to oversee a bankruptcy attorney (Charley) while she is attempting to fix a mess caused by Miller's improperly prepared permit.

Apparently Miller's bankruptcy team is expanding and he is now overseeing a small group of lawyers that includes Raffi Zerounian and Emily Charley. Unbeknownst to the Board of Harbor Commissioners Miller decided that Zerounian would represent the District at the June 7, 2017 hearing in Los Angeles. Zerounian specializes in trademark and copyright law. The next hearing is scheduled for Sept. 20, 2017 also in LA.

Miller's 5-year "exclusive" permit created an asset that's tied up in knots at US Bankruptcy Court. A court ordered bankruptcy stay is negatively impacting the future of the 2017-2018 Mavericks surf competition. Miller's 5-year "exclusive" permit prevents other organizations from holding an event and does not require that the permittee (Cartel) hold an event. For this reason and others Miller's "exclusive" permit is preventing athletes from competing in the Mavericks competition.

As I stated in my June 14 emails I'm concerned that Miller placed the Harbor District in legal jeopardy. I'm also concerned that the District's legal fees related to Special Use Permit No. 2016-01 are through the roof because of the following:

Steven Miller, General Counsel for the Harbor District removed Mavericks Invitational (MII) from 2015-2016 Special Use Permit No. 2015-34 and 5-year Special Use Permit No. 2016-01 that terminates on March 31, 2021.

Two things happened that harmed the Harbor District and Mavericks Invitational:

- Steven Miller negotiated contracts in the background without oversight or review by the Board and executed the agreements without oversight or review by the Board.
- 2. Steven Miller altered, changed, or otherwise effected the entity to whom the permit was issued without review by the Board and without the permission of the entity that was removed from the permit.

Miller's decision to remove MII favored Cartel's interests instead of the interests of the Harbor District. Miller's permits never saw the light of day before they were "EXECUTED" on June 30, 2015 (No. 2015-34) and Nov. 6, 2015 (No. 2016-01).



Miller did not bring substantially altered permits back for Board consideration and for public comment at a public meeting. Miller denied the Harbor Commission and the public an opportunity to consider the changes he made to Special Use Permit No. 2015-34 AND Special Use Permit No. 2016-01.

On Nov. 6, 2015, Glenn Lazof (Interim General Manager at the time) emailed the "executed" 5-year permit to Cassandra Clark, Brain Waters, and Zoe Lee.

Miller and his firm Hanson Bridget has not provided the Board with any documents or emails that indicate that MII was notified about or agreed to the substantial changes Miller made in advance of the Nov. 6, 2015 email from Lazof.

Please include this email and the three attached PDF files in the June 21, 2017 meeting minutes.

Thank you, Sabrina



Hurd.Miller.Permit.pdf



Lazof\_David\_Miller\_Clar k\_Hurd\_Ca...\_emails.pdf

Sabrina Brennan and Edmundo Larenas San Mateo County Harbor Commissioners

Monday, June 5, 2017

Virginia Chang Kiraly and Robert Bernardo San Mateo County Harbor Commissioners

Re: Cartel Management Case No. 2:17-bk-11179-DS

Dear Commissioners Chang Kiraly and Bernardo,

We herby request that Steven Miller not attend any closed session meetings regarding Cartel Management Case No. 2:17-bk-11179-DS due to our concerns about conflict of interest. We will meet with Emily Charley, Bankruptcy Counsel in closed session on June 5, 2017.

On May 25, 2017, we sent a letter to Andrew G. Giacomini, Managing Partner at Hanson Bridgett summarizing our concerns about the legal work Steven Miller has been performing as General Counsel for the San Mateo County Harbor District. We sent this letter because Giacomini refused to discuss these concerns with us.

On May 31, 2017, we sent a letter to Steven Miller requesting an audit of the billing related to the Mavericks permitting process and a refund for all legal costs associated with the improperly prepared Special Use Permit No. 2016-01.

On June 2, 2017, we requested that General Manager Steve McGrath agendize a closed session item to conduct a performance evaluation of the District's General Counsel. The item was not scheduled for tonight's meeting per our email request.

Please see the two attached letters to Andrew G. Giacomini and Steven Miller of Hanson Bridgett LLP and the attached email thread from Steve McGrath.

Sincerely,

Edmundo Larenas and Sabrina Brennan

Copy: Steve McGrath, General Manager, San Mateo County Harbor District

Anita C. Pyle, Director of Administrative Services, San Mateo County Harbor District

Andrew G. Giacomini, Managing Partner, Hanson Bridgett LLP Emily M. Charley, Bankruptcy Counsel, Hanson Bridgett LLP

From: Steve McGrath smcgrath@smharbor.com Subject: RE: Request to add an item to the Agenda

Date: June 2, 2017 at 11:58 AM

To: Sabrina Brennan Personal sabrina@dfm.com

Cc: Edmundo Larenas ELarenas@smharbor.com, Sabrina Brennan sbrennan@smharbor.com



Received, will do

Steve McGrath
San Mateo County Harbor District

From: Sabrina Brennan [mailto:sabrina@dfm.com]

Sent: Friday, June 2, 2017 11:57 AM

To: Steve McGrath <smcgrath@smharbor.com>

Cc: Edmundo Larenas < ELarenas@smharbor.com >; Sabrina Brennan < sbrennan@smharbor.com >

Subject: Fwd: Request to add an item to the Agenda

Hello Steve,

I'd like to add this item to the June 5th agenda as well.

Thank you, Sabrina

Sabrina Brennan 415-816-6111 SabrinaBrennan.com

### Begin forwarded message:

From: Edmundo Larenas < <u>ELarenas@smharbor.com</u>> Subject: Request to add an item to the Agenda

Date: June 2, 2017 at 11:46:07 AM PDT

**To:** Steve McGrath < smcgrath@smharbor.com > Cc: Sabrina Brennan < sbrennan@smharbor.com >

Hello Steve,

Please add Performance Evaluation of Steven Miller to our June 5 agenda.

I can be reached by mobile most of the day. 650.302.3131

Thanks very much,

Ed

Sabrina Brennan and Edmundo Larenas San Mateo County Harbor Commissioners

Wednesday, May 31, 2017

Steven Miller Partner Hanson Bridgett 425 Market St., 26<sup>th</sup> Floor San Francisco, CA 94105

Re: Cartel Management Case No. 2:17-bk-11179-DS

Dear Mr. Miller,

Last Thursday, we sent a letter to Andrew G. Giacomini, Managing Partner at Hanson Bridgett summarizing our concerns about the legal work you are performing as General Counsel for the San Mateo County Harbor District. Our outstanding concerns include: negligence, possible malpractice, lack of accountability, duplicative work, and conflict of interest.

We hereby request an audit of the billing related to the Mavericks permitting process and a refund for all legal costs associated with the improperly prepared Special Use Permit No. 2016-01.

We will notify the Board about our concerns during open session at the June 5, 2017 Special Meeting. We request that you not attend any future closed session meetings regarding Cartel Management Case No. 2:17-bk-11179-DS due to your conflict of interest. We will meet with Emily Charley, Bankruptcy Counsel in closed session on June 5.

Sincerely

Edmundo Larenas and Sabrina Brennan

Copy: Steve McGrath, General Manager, San Mateo County Harbor District

Anita C. Pyle, Director of Administrative Services, San Mateo County Harbor District

Andrew G. Giacomini, Managing Partner, Hanson Bridgett Emily M. Charley, Bankruptcy Counsel, Hanson Bridgett

Sabrina Brennan and Edmundo Larenas San Mateo County Harbor Commissioners

Thursday, May 25, 2017

Andrew G. Giacomini Managing Partner Hanson Bridgett 425 Market St., 26<sup>th</sup> Floor San Francisco, CA 94105

Re: Concerns about Harbor District General Counsel

Dear Mr. Giacomini.

This letter is in response to your May 24, 2017 letter.

We have concerns about the legal work your firm is providing to the San Mateo County Harbor District. Our concerns include duplicative work, legal advice based on self-interest rather than the best interests of the Harbor District, poor legal work, misrepresentation, possible malpractice, and lack of accountability.

It appears to us that the General Counsel for the District is more concerned about covering up past mistakes than giving correct and timely advice to the Harbor Commission.

It should be noted that one commissioner is recusing himself so only four commissioners are meeting in closed session regarding Cartel Management Case No. 2: 17-bk-11179-DS.

Based on your letter it is our understanding that you are unavailable to meet and unwilling to discuss these concerns at this time.

Sincerely,

Edmundo Larenas and Sabrina Brennan

Copy: Steve McGrath, General Manager, San Mateo County Harbor District
Anita C. Pyle, Director of Administrative Services, San Mateo County Harbor District

### **Debbie Nixon**

From:

Glenn Lazof

Sent:

Monday, June 08, 2015 11:18 AM

To:

Debbie Nixon Nicole David

Cc: Subject:

FW: Mavericks Quesiotns

Attachments:

Mavericks Questions for Jeff.docx

Please include this in the June 17 Packet.

I'm still not sure if approving the administrative permit will require be an administrative permit or be a commission action item, which would impact where it will go in the packet.

From: Nicole David

Sent: Friday, June 05, 2015 3:20 PM

To: Glenn Lazof

Subject: Mavericks Quesiotns

Hi Glenn,

I met with Jeff and Cassandra today and as suggested at the last regular meeting in South San Francisco I communicated some concerns to them that members of the public have told me about.

Jeff and Cassandra answered every one of them and I put them in writing.

Can you please include this in your next regular meeting staff report so we have this communication as a public record?

Please let me know if you have any questions. Thanks and Happy Weekend, Nicole

### **Mavericks Surf Contests**

Glenn Lazof

Sent:Friday, July 31, 2015 3:00 PM

To: Cassandra [maverickssurf@comcast.net]; Graham Stapelberg [graham@worldsurfleague.com]

Cc: Debbie Nixon

I will be recommending to the Harbor Board of Commissioners, at their August 5 meeting, that they table discussion of multi-year permits until April 2016, when they will have a chance to evaluate this year's contest. Knowing your interest in future big wave contest, I wanted to keep you informed.

Please contact me if you have any questions.

### **Re: Mavericks Surf Contests**

Cassandra [maverickssurf@comcast.net]

Sent:Friday, July 31, 2015 3:18 PM

To: Glenn Lazof

Cc: Guess, Griffin [griffin@cartel-management.com]; Lee, Zoe [zoe@cartel-management.com]; Waters, Brian [brian@cartel-management.com]; Overfelt, Brian [brianoverfelt@hotmail.com]; Jeff, Clark [maverickssurf@sbcglobal.net]

Interesting. I'd like to understand why and what is going on. Why is Graham Stapelberg from the World Surf League copied on this message?

From: "Glenn Lazof" <glazof@smharbor.com>

To: "Cassandra" <maverickssurf@comcast.net>, "Graham Stapelberg"

<graham@worldsurfleague.com>

Cc: "Debbie Nixon" <dnixon@smharbor.com>

Sent: Friday, July 31, 2015 3:00:46 PM

Subject: Mavericks Surf Contests

I will be recommending to the Harbor Board of Commissioners, at their August 5 meeting, that they table discussion of multi-year permits until April 2016, when they will have a chance to evaluate this year's contest. Knowing your interest in future big wave contest, I wanted to keep you informed.

Please contact me if you have any questions.

### Glenn Lazof

From:

Marc S. Hurd <mhurd@tiedtlaw.com>

Sent:

Friday, July 31, 2015 6:14 PM

To:

Steven D. Miller Glenn Lazof

Cc: Subject:

RE: SMCHD/Titans of Mavericks Permit Issues

Mr. Miller:

Thank you for the update regarding the next Board meeting and for the information regarding the "finalized" agenda for that next district meeting (on August 5, 2015). I have had an opportunity to review the Agenda from the SMCHD website and, to the extent that you had any input into the decision, wish to extend our appreciation for placing that item on the Agenda. Please be advised that it is our present intention to attend the August 5, 2015 meeting, to address the Board and advance our desires to have the extended permit application heard in a more expedited manner than what has been previously mentioned/proposed.

I also noted your comment that Mr. Lazof intended to reach out to "local Cartel/Mavericks folks to alert them of his plan" regarding the Cartel/Mavericks plan to request a 5 year extension that we, as counsel for our respective clients, have been discussing privately amongst ourselves. Upon receipt of that information, I forwarded same to our clients with instructions to "keep an eye out" for any such communication. I was later forwarded a copy of Mr. Lazof's email to Cassandra Clark advising that he would be recommending that the Harbor Board of Commissioners, at their August 5 meeting, table discussion of multi-year permits until April 2016. (We presume that this is a decision that needs to be made by the Board and not Mr. Lazof unilaterally, which is why the Board members are "being asked to provide direction as to when the Board wants to take up the issue of a long-term relationship with Cartel.") In any event, the proposed tabling of the issue until April 2016 is certainly much further out than waiting to the "end of August" 2015 time-frame that had been proposed by your last email.

Finally, we do also note, with some degree of bemusement, that the July 31, 2015 email from Mr. Lazof was addressed to not only Cassandra Clark of the Carte/Mavericks team, but also Graham Stapleberg of the Santa Monica based World Surf League. We certainly hope that the inclusion of Mr. Stapleberg on the email, who is certainly neither "local" nor part of the "Cartel/Mavericks folks," and the disclosure of the non-public information regarding Cartel/Mavericks' intentions to submit such an application, was simply done in error.

As always, if you wish to discuss the matter further, I welcome a call to do so.

Marc S. Hurd TIEDT & HURD 980 Montecito Drive, Suite 209 Corona, CA 92879 Tel: (951) 549-9400 Fax: (951) 549-9800

mhurd@tiedtlaw.com

Please consider the environment before printing this email.

The contents of this e-mail message and its attachments are intended solely for the addressee(s) hereof. In addition, this e-mail transmission may be confidential and it may be subject to privilege protecting communications between attorneys or solicitors and their clients. If you are not the named addressee, or if this message has been addressed to you in error, you are directed not to read, disclose, reproduce, distribute, disseminate or otherwise use this transmission. Delivery of this message to any person other than the intended recipient(s) is not intended in any way to waive privilege or confidentiality. If you have received this transmission in error, please alert the sender by reply e-mail; we also request that you immediately delete this message and its attachments, if any. UNAUTHORIZED INTERCEPTION PROHIBITED BY FEDERAL LAW

(1806 U.S.C. 2701(a) & 2702(a)). LEGAL NOTICE- If you send e-mail to Tiedt & Hurd in connection with a matter for which we do not already represent you, your communication may not be treated as privileged or confidential. If you communicate with us by e-mail in connection with a matter for which Tiedt & Hurd already represents you, please remember

that Internet e-mail is not secure and you may wish to consider other means of sharing the information.

From: Steven D. Miller [mailto:SMiller@hansonbridgett.com]

Sent: Friday, July 31, 2015 11:47 AM

To: Marc S. Hurd <mhurd@tiedtlaw.com>

Cc: glazof@smharbor.com

Subject: RE: SMCHD/Titans of Mavericks Permit Issues

Marc, I think we negotiated a fair agreement regarding the permit for this year. It would seem to me to serve no purpose to characterize the District as having acted arbitrarily or having contributed to "needless delays." The Harbor District, and its Board of Commissioners, have always acted consistent with its/their rights and obligations under the earlier permit granted to your client.

The agenda for next week's board meeting is now finalized. There is an item on the Agenda related to the surf event—the Board will not be asked (or able) to take action on a permit, but are solely being asked to provide direction as to when the Board wants to take up the issue of a long-term relationship with Cartel. I know that the General Manager intends on reaching out to local Cartel/Mavericks folks to alert them of his plan today. They, and you, are of course welcome to address the Board at the meeting if you wish.

Steve

Steven D. Miller
Partner
Hanson Bridgett LLP
(415) 995-5831 Direct (415) 995-3426 Fax
smiller@hansonbridgett.com
425 Market Street, 26th Floor
San Francisco, CA 94105

From: Marc S. Hurd [mailto:mhurd@tiedtlaw.com]

Sent: Wednesday, July 29, 2015 6:02 PM

To: Steven D. Miller

Subject: RE: SMCHD/Titans of Mavericks Permit Issues

Steve:

I would like to set up some time then to speak with you and Mr. Lazof together. While I appreciate the issues related to his "interim" title and his perceived need to "take the temperature" of the Board, I don't know that my clients are in a position to agree to wait on this until sometime in September after the vetting for a new GM percolates into "the end of August."

As we've addressed on a number of occasions, my clients' position is that their status as permit holders for the Event for the 2015/2016 season was arbitrarily and needlessly called into question, resulting in needless delays in securing the signed permit for 2015/2016, which only just within the last month was finalized, and only after we had to incur significant additional costs to appear before the Board to argue a case for a permit that had been approved two years ago. This "confusion" over the right of the Mavericks group to hold the Event was not caused by anything that they did or did not do. Further, based on emails and such that have been disclosed, it appears that certain members of the Board contributed to the delays. All this in turn created the uncertainty over the Event, the fallout of which we are now contending with. Existing and potential sponsors with whom we had dealt with prior to April have all started expressing concerns over Mavericks viability, severely limiting our clients' ability to make and secure the commitments necessary to

successfully stage the Event. Most potential sponsors would prefer to commit for terms longer than one year, but that one year is all that Cartel/Mavericks can safely offer at this point. This puts a severe burden on the team to secure the necessary deals, and has already stretched the budgets. For these reasons, and based on the sources of the "confusion" referenced above, we would prefer to address this sooner rather than later, and certainly not simply "wait and see" until September.

Please feel free to contact me if you would like to discuss this further.

Marc S. Hurd
TIEDT & HURD
980 Montecito Drive, Suite 209
Corona, CA 92879
Tel: (951) 549-9400
Fax: (951) 549-9800
mhurd@tiedtlaw.com

Please consider the environment before printing this email.

The contents of this e-mail message and its attachments are intended solely for the addressee(s) hereof. In addition, this e-mail transmission may be confidential and it may be subject to privilege protecting communications between attorneys or solicitors and their clients. If you are not the named addressee, or if this message has been addressed to you in error, you are directed not to read, disclose, reproduce, distribute, disseminate or otherwise use this transmission. Delivery of this message to any person other than the intended recipient(s) is not intended in any way to waive privilege or confidentiality. If you have received this transmission in error, please alert the sender by reply e-mail; we also request that you immediately delete this message and its attachments, if any. UNAUTHORIZED INTERCEPTION PROHIBITED BY FEDERAL LAW (1806 U.S.C. 2701(a) & 2702(a)).

LEGAL NOTICE- If you send e-mail to Tiedt & Hurd in connection with a matter for which we do not already represent you, your communication may not be treated as privileged or confidential. If you communicate with us by e-mail in connection with a matter for which Tiedt & Hurd already represents you, please remember that Internet e-mail is not secure and you may wish to consider other means of sharing the information.

From: Steven D. Miller [mailto:SMiller@hansonbridgett.com]

Sent: Monday, July 27, 2015 6:39 PM
To: Marc S. Hurd <a href="mailto:mhurd@tiedtlaw.com">mhurd@tiedtlaw.com</a>

Subject: RE: SMCHD/Titans of Mavericks Permit Issues

Marc, I would like to participate if you are going to talk to the interim GM. Thanks.

In any event, I think it would be premature for Cartel to reach out to the interim GM for two reasons: (1) he is presently taking the Board temperature and so won't be able to have a conversation of any substance, and (b) as you may know the District is nearing the end of its search for a permanent GM. That process should be complete by the end of August and it makes sense that a new GM be involved in the kind of long-term planning you are suggesting.

Steven D. Miller
Partner
Hanson Bridgett LLP
(415) 995-5831 Direct (415) 995-3426 Fax
smiller@hansonbridgett.com
425 Market Street, 26th Floor
San Francisco, CA 94105

From: Marc S. Hurd [mailto:mhurd@tiedtlaw.com]

Sent: Monday, July 27, 2015 3:58 PM

To: Steven D. Miller

Subject: RE: SMCHD/Titans of Mavericks Permit Issues

Steve:

Based on the email below, please advise if you have any objection to me contacting Mr. Lazof to follow up.

Marc S. Hurd
TIEDT & HURD
980 Montecito Drive, Suite 209
Corona, CA 92879
Tel: (951) 549-9400
Fax: (951) 549-9800
mhurd@tiedtlaw.com

Please consider the environment before printing this email.

The contents of this e-mail message and its attachments are intended solely for the addressee(s) hereof. In addition, this e-mail transmission may be confidential and it may be subject to privilege protecting communications between attorneys or solicitors and their clients. If you are not the named addressee, or if this message has been addressed to you in error, you are directed not to read, disclose, reproduce, distribute, disseminate or otherwise use this transmission. Delivery of this message to any person other than the intended recipient(s) is not intended in any way to waive privilege or confidentiality. If you have received this transmission in error, please alert the sender by reply e-mail; we also request that you immediately delete this message and its attachments, if any. UNAUTHORIZED INTERCEPTION PROHIBITED BY FEDERAL LAW (1806 U.S.C. 2701(a) & 2702(a)).

<u>LEGAL NOTICE</u>- If you send e-mail to Tiedt & Hurd in connection with a matter for which we do not already represent you, your communication may not be treated as privileged or confidential. If you communicate with us by e-mail in connection with a matter for which Tiedt & Hurd already represents you, please remember

that Internet e-mail is not secure and you may wish to consider other means of sharing the information.

From: Steven D. Miller [mailto:SMiller@hansonbridgett.com]

Sent: Monday, July 27, 2015 12:04 PM
To: Marc S. Hurd <a href="mailto:mhurd@tiedtlaw.com">mhurd@tiedtlaw.com</a>

Subject: RE: SMCHD/Titans of Mavericks Permit Issues

Hello Marc, Thanks for the email. The decision on whether and when to move forward with a longer-term relationship with Cartel is really an operational and not a legal decision for the District. I will forward your email on to Glenn Lazof, the District's General Manager, and will certainly communicate your client's desire for certainty now. But it is really up to him to decide at what point he wants to consider bringing a longer term permit proposal to the Board.

Best, Steve

From: Marc S. Hurd [mailto:mhurd@tiedtlaw.com]

Sent: Monday, July 27, 2015 10:41 AM

To: Steven D. Miller

Subject: RE: SMCHD/Titans of Mavericks Permit Issues

Steve;

Now that the Mavericks folks have the 2015-16 permit in hand (and we thank you for your efforts in assisting the completion of that task), the Titans/Mavericks folks want to move forward with the previously discussed plans for an extension of the permit. Securing a longer term commitment for holding the Event is a key component in making this event prosperous for all the involved parties, not the least of which is the District itself.

As we've discussed, Cartel, both by itself and with the assistance of the principals at Mavericks Invitational, Inc. ("MII"), has been working extremely hard at securing longer-term commitment from Event sponsors, whose money will be used in part to support the HMB business community and local charities (e.g. the Boys and Girls Club of the Coastside). However, our clients' most recent dealings with potential (and existing) partners was adversely affected by the delays in definitively establishing the rights of Cartel and/or MII to hold even the 2015-16 Event. We maintained all along that Cartel and MII had the right to produce the 2015/2016 Event, but that final approval/confirmation of that exclusivity was delayed, for reasons that were beyond its control. As I'm sure you are aware, the unfortunate chapter of delays occasioned by the WSL application for 2015/16, and certain District members apparently contributing to that whole level of confusion, Cartel and the Titans team have faced obstacles to securing the longer term commitments to ensure that the Event remains successful and profitable (for both the organizers and the SMCHD) moving forward. As such, so as to avoid such "confusion" in the future, we would like to act now, to secure a longer term deal.

As discussed previously, as recently as 6/16/15 (and as I addressed in prior emails), my clients are very much interested in seeking this longer term commitment between SMCHD and the Titans Event, in terms of securing a longer term extension for the 2016/2017 season and beyond. Our intention is to apply for a 5-year permit approval. This plan for such a longer term commitment is proposed so as to avoid the very same "chaos" (my term) that ensued during the April/May 2015 time-frame, addressed above. If we can assure ourselves of that longer term commitment, we can avoid that very same confusion that occurred the last few months, assuage any concerns that Cartel's sponsors may have about committing to the Event for more than one year, and work together harmoniously for years to come.

This longer term proposal will also benefit the SMCHD, as it would guarantee the SMCHD certain revenue for the next 5 years, perhaps even on additional terms that can be agreed upon by the parties. For example, my clients are willing to (and hereby propose) that we include some sort of escalator clause for an increase in the permit fees on a year to year basis. This can be done either (a) based on a cost of living percentage, or (b) if we want to keep it simple perhaps raising the fee by a flat \$500 or \$600 per year (a rate at just around 5% per year) over the term of the extended permit.

I have had the Cartel folks prepare a proposed application for this 5-year commitment, and that proposed application is attached. We can discuss the specific format of the escalator clause(s), and re-incorporate those into a new proposal. However, in order to do that, we need to start the dialogue and get this process up and running. To reiterate, my clients have been damaged by the delays in the past, but we wish to move forward and simply seek to avoid those damaging delays and uncertainty moving forward.

I look forward to hearing from you further. As noted above, however, time is of the essence here, so your prompt reply is greatly appreciated.

Marc S. Hurd
TIEDT & HURD
980 Montecito Drive, Suite 209
Corona, CA 92879
Tel: (951) 549-9400
Fax: (951) 549-9800
mhurd@tiedtlaw.com

# Please consider the environment before printing this email.

The contents of this e-mail message and its attachments are intended solely for the addressee(s) hereof. In addition, this e-mail transmission may be confidential and it may be subject to privilege protecting communications between attorneys or solicitors and their clients. If you are not the named addressee, or if this message has been addressed to you in error, you are directed not to read, disclose, reproduce, distribute, disseminate or otherwise use this transmission. Delivery of this message to any person other than the intended recipient(s) is not intended in any way to waive privilege or confidentiality. If you have received this transmission in error, please alert the sender by reply e-mail; we also request that you immediately delete this message and its attachments, if any. UNAUTHORIZED INTERCEPTION PROHIBITED BY FEDERAL LAW (1806 U.S.C. 2701(a) & 2702(a)).

<u>LEGAL NOTICE</u>- If you send e-mail to Tiedt & Hurd in connection with a matter for which we do not already represent you, your communication may not be treated as privileged or confidential. If you communicate with us by e-mail in connection with a matter for which Tiedt & Hurd already represents you, please remember that Internet e-mail is not secure and you may wish to consider other means of sharing the information.

From: Marc S. Hurd

Sent: Thursday, June 25, 2015 1:35 PM

To: 'Steven D. Miller' < <a href="mailto:SMiller@hansonbridgett.com">Subject: RE: SMCHD/Titans of Mavericks Permit Issues</a>

Steve;

Per our discussion, I have reviewed the permit with my clients. We are in agreement with the revisions you made, and accept the additional terms. I have also modified the permit agreement to incorporate the additional items we discussed, namely the following:

Header-1 just updated the header to include the Districts address and phone numbers

Section 3.1- I made reference to the \$11,600 being already paid by stating that the District acknowledges receipt and deposit of that sum, and deleted any reference to the date it was paid.

4.3- No changes

4.9.3- no changes

The revised ("v.4") version is attached, with the revisions mentioned above. Per our discussion, given that we have essentially agreed to all these additional terms and conditions (which clearly were not part of the original permitting process for the 2013/2014 and 2014/2015 season), we are hopeful that we can obtain the signature of Mr. Lazof (or other appropriate, authorized District representative) on this permit ASAP.

Finally, though we did not address this issue in our conversation earlier today, once we have the 2015/2016 permit in hand, and this unfortunate chapter of delays behind us, I would once again like to discuss with you terms for our clients additional application for permits for the 2016/2017 season and beyond. In the interests of expediency, we have agreed to the additional terms described above, and hope that this is received by the District as a sign of good faith on our part, and that we can work together to a longer term solution to these issues that benefits both Cartel and the District.

Marc S. Hurd TIEDT & HURD 980 Montecito Drive, Suite 209 Corona, CA 92879 Tel: (951) 549-9400 Fax: (951) 549-9800 mhurd@tiedtlaw.com

Please consider the environment before printing this email.

The contents of this e-mail message and its attachments are intended solely for the addressee(s) hereof In addition, this e-mail transmission may be confidential and it may be subject to privilege protecting communications between attorneys or solicitors and their clients. If you are not the named addressee, or if this message has been addressed to you in error, you are directed not to read, disclose, reproduce, distribute, disseminate or otherwise use this transmission. Delivery of this message to any person other than the intended recipient(s) is not intended in any way to waive privilege or confidentiality. If you have received this transmission in error, please alert the sender by reply e-mail; we also request that you immediately delete this message and its attachments, if any. UNAUTHORIZED INTERCEPTION PROHIBITED BY FEDERAL LAW (1806 U.S.C. 2701(a) & 2702(a)).

LEGAL NOTICE- If you send e-mail to Tiedt & Hurd in connection with a matter for which we do not already represent you, your communication may not be treated as privileged or confidential. If you communicate with us by e-mail in connection with a matter for which Tiedt & Hurd already represents you, please remember

that Internet e-mail is not secure and you may wish to consider other means of sharing the information.

From: Steven D. Miller [mailto:SMiller@hansonbridgett.com]

Sent: Thursday, June 25, 2015 10:44 AM

To: Marc S. Hurd

Subject: RE: SMCHD/Titans of Mavericks Permit Issues

Calling you now

From: Marc S. Hurd [mailto:mhurd@tiedtlaw.com]

Sent: Thursday, June 25, 2015 9:33 AM

To: Steven D. Miller

Subject: RE: SMCHD/Titans of Mavericks Permit Issues

I am. Will await your call about that time.

Marc S. Hurd TIEDT & HURD 980 Montecito Drive, Suite 209 Corona, CA 92879 Tel: (951) 549-9400 Fax: (951) 549-9800 mhurd@tiedtlaw.com

Please consider the environment before printing this email.

The contents of this e-mail message and its attachments are intended solely for the addressee(s) hereof. In addition, this e-mail transmission may be confidential and it may be subject to privilege protecting communications between attorneys or solicitors and their clients. If you are not the named addressee, or if this message has been addressed to you in error, you are directed not to read, disclose, reproduce, distribute, disseminate or otherwise use this transmission. Delivery of this message to any person other than the intended recipient(s) is not intended in any way to waive privilege or confidentiality. If you have received this transmission in error, please alert the sender by reply e-mail, we also request that you immediately delete this message and its attachments, if any. UNAUTHORIZED INTERCEPTION PROHIBITED BY FEDERAL LAW 1806 U.S.C. 2701(a) & 2702(a)).

EGAL NOTICE- If you send e-mail to Tiedt & Hurd in connection with a matter for which we do not already represent you, your communication may not be treated as privileged or confidential. If you communicate with us by e-mail in connection with a matter for which Tiedt & Hurd already represents you, please remember

that Internet e-mail is not secure and you may wish to consider other means of sharing the information.

From: Steven D. Miller [mailto:SMiller@hansonbridgett.com]

Sent: Thursday, June 25, 2015 9:30 AM

To: Marc S. Hurd

Subject: RE: SMCHD/Titans of Mavericks Permit Issues

Are you available for a call around 11am. I have progress to report.

Steven D. Miller
Partner
Hanson Bridgett LLP
(415) 995-5831 Direct (415) 995-3426 Fax
smiller@hansonbridgett.com
425 Market Street, 26th Floor
San Francisco, CA 94105

From: Marc S. Hurd [mailto:mhurd@tiedtlaw.com]

Sent: Tuesday, June 23, 2015 5:35 PM

To: Steven D. Miller

Subject: RE: SMCHD/Titans of Mavericks Permit Issues

Steve;

Any update here? My client is justifiably anxious, given the deadlines we've advised you of.

Marc S. Hurd
TIEDT & HURD
980 Montecito Drive, Suite 209
Corona, CA 92879
Tel: (951) 549-9400
Fax: (951) 549-9800
mhurd@tiedtlaw.com

Please consider the environment before printing this email.

The contents of this e-mail message and its attachments are intended solely for the addressee(s) hereof. In addition, this e-mail transmission may be confidential and it may be subject to privilege protecting communications between attorneys or solicitors and their clients. If you are not the named addressee, or if this message has been addressed to you in error, you are directed not to read, disclose, reproduce, distribute, disseminate or otherwise use this transmission. Delivery of this message to any person other than the intended recipient(s) is not intended in any way to waive privilege or confidentiality. If you have received this transmission in error, please after the sender by reply e-mail; we also request that you immediately delete this message and its attachments, if any. UNAUTHORIZED INTERCEPTION PROHIBITED BY FEDERAL LAW (1806 U.S.C. 2701(a) & 2702(a))

EGAL NOTICE. If you send e-mail to Tiedt & Hurd in connection with a matter for which we do not already represent you, your communication may not be treated as privileged or confidential. If you communicate with us by e-mail in connection with a matter for which Tiedt & Hurd already represents you, please remember

that Internet e-mail is not secure and you may wish to consider other means of sharing the information.

From: Steven D. Miller [mailto:SMiller@hansonbridgett.com]

Sent: Friday, June 19, 2015 7:58 AM

To: Marc S. Hurd

Subject: RE: SMCHD/Titans of Mavericks Permit Issues

Thanks Marc. This is just to acknowledge receipt. I need to get with Glenn—I will make sure he understands the time pressures you explain in your email.

Best, Steve

Steven D. Miller
Partner
Hanson Bridgett LLP
(415) 995-5831 Direct (415) 995-3426 Fax
smiller@hansonbridgett.com
425 Market Street, 26th Floor
San Francisco, CA 94105

From: Marc S. Hurd [mailto:mhurd@tiedtlaw.com]

Sent: Thursday, June 18, 2015 5:26 PM

To: Steven D. Miller

Subject: RE: SMCHD/Titans of Mavericks Permit Issues

Steve;

Please allow this email to follow up on our telephone conversation of June 16, 2015, regarding issues related to the approved SMCHD permit for the upcoming Titans of Mavericks surf event ("Event").

As we're all aware, on May 20, 2015, the SMCHD approved (again) the permit held by Mavericks Invitational, Inc. ("MII") and Cartel Management, Inc. ("Cartel") for the holding of the Mavericks surf contest. Since that time, we have been waiting on receipt of a final, executed permit. As we discussed on 6/16, due to the "chaos" (my term used in our conversation) occasioned by the WSL's application for the permit for the 2015/2016 season (more on that below), our client's existing and potential sponsors have approached their roles (or potential roles) in the contest and their dealings with Cartel with a high degree of caution, if not outright skepticism, unless and until that permit (already approved by the District) is actually in hand. As we discussed on 5/20/15 and again on 6/16/15, Cartel and MII need the permit "in hand" to demonstrate to both potential and existing sponsors and media partners that the Titans team is, indeed, authorized to stage the event. Delays in securing the hard copy of the permit simply stymie our clients' efforts to secure that additional financial backing, which in turn limits the revenue that could be flowing into the Half Moon Bay community.

Now, I understand that between the District's approval of the permit on 5/20 and your email of 5/27, Mr. Lazoff and Cassandra Clark of MII discussed the permit and issues that concerned the district. Then, on or about May 31, 2015 Mr. Lazoff forwarded a "redline" version of the new permit (sorry to use that "pleading" term of "on or about," but that is the date that Ms. Clark forwarded the revised permit to Cartel via email).

On June 4, 2015, after I had reviewed the updated permit, I sent you and Mr. Lazof an email, with which I forwarded a revised copy of the permit to reflect our concerns and our efforts to address the District's issues. Since I had not heard further from you or Mr. Lazof after that, I reached out and that was the basis for our conversation on June 16.

At this point, based on our conversation of June 16, 2015 (and please correct me if I am incorrect here), as I understand it the only remaining issues regarding the permit relate to how to handle the "credit" that Cartel/MII have for the

payment of the \$11,600 in permit fees paid for the 2014/2015 event that did not take place, and/or collection of permit fees for the 2015/2016 event. In the past, as addressed on a number of occasions by Debbie Nixon, these fees have simply remained "on the books" and rolled over into the next year's event. However, you advised that the District incurred costs of approximately \$5,000 related to the 2014/2015 Event, notwithstanding the fact that the event did not take place, and that this sum needed to be addressed. (I recognize that this "\$5,000" number was merely your best estimate and not a figure we will "hold" you to, knowing that that we used this figure of "\$5,000" for example purposes.) Of course, we want to make sure that the SMCHD is "made whole" for any costs that it may have incurred as a result of handling the Event, and remain committed to doing so. We just need to know what those costs are/were, and be assured that the costs being claimed are indeed "Event-related." I assume (and I apologize if I am being too presumptuous here) that the SMCHD has some accounting for these costs, and would simply request that a copy of that accounting for those costs be provided.

In any event, I have discussed this issue with the "Titans" team, and have been authorized to propose the following:

- (1) That Cartel/MII agree that the "Application Fees" of \$5,000, already paid for the 2014/2015 season and again for the 2015/2016 season ( a total of \$10,000) are fees that are non-refundable and should remain with the District (this is consistent with the terms of the SMCHD Board approval of the 3-year permit in 2013), and Cartel wishes to honor that commitment; and
- (2) That, subject to the condition below\*, the costs incurred by the District for the 2014/2015 cancelled Event may be deducted from the already deposited \$11,600 in permit fees paid; and
- (3) that the remaining balance, after accounting for the District's costs will stay "on file" with the District, subject to further billing by the District for Event related costs incurred for the 2015/2016 Event; and
- (4) (a) that in the event that a balance remains after paying the District for costs incurred for the 2015/2016 Event, Cartel/MII will be issued a refund of that remaining balance, or
  - (b) that if the collective costs of the 2014/2015 season and 2015/2106 season exceed the deposit/credit of \$11,600 already paid, Cartel and/or MII will be responsible for the balance in excess of \$11,600.

\*(Aforementioned) Condition: Now, for the comfort of all parties, I think that there should be some agreement on the accounting, governed by "GAAP" (generally accepted accounting principles), so that all parties are assured that such costs are indeed "Event related." (For example, and for example only, if there were costs associated with surveys of District property to accommodate the Event, then surely we would not have any objection, or basis for objection to those costs. On the other hand, however, and by way of example/hypothetical only, one would certainly expect that legal costs incurred by the District for your attendance at the 5/20/15 hearing would not be considered "Event-related," considering that the scenario giving rise to those proceedings was occasioned by actions outside the control of Cartel/MII.)

We believe that this is not only a fair resolution of the issue we discussed on 6/16/15, but also entirely consistent with the terms approved by the District, both in 2013 when the original 3-year permit was approved, and on 5/20/15, when the District again addressed the permit for the 2015/2016 season.

As we discussed, our clients would like to move forward with this, and get the permit "in hand" as soon as possible, and certainly no later than by 6/26/15 (next Friday). As it is, our clients have already been damaged by the uncertainty that arose with the 2015/2016 permit (through no fault of their own), and the delays in getting this done since May 20, 2015 have only exacerbated that. Any further delays would seriously impact Cartel's and MII's ability to stage the Event, as July 1, 2015 is our *de facto* deadline for many of the negotiations with our client's sponsors (existing and proposed). Please advise if the foregoing proposal to address the District's concerns regarding costs and the permit fees paid is acceptable, and whether the "wet" signed permit can be provided by that June 26, 2015 date.

Moving forward, as we also discussed on 6/16/15 (and as I addressed in prior emails), my clients are very much interested in seeking a longer term commitment between SMCHD and the Titans Event, in terms of securing a longer term extension for the 2016/2017 season and beyond. Our intention is to apply for a 5-year permit approval. This plan for such a longer term commitment is proposed so as to avoid the very same "chaos" (again, my term) that ensued

during the April/May 2015 time-frame, when the WSL was apparently given the impression that the 2015/2016 permit was open for discussion. If we can assure ourselves of that longer term commitment, we can avoid that very same confusion that occurred the last few months, assuage any concerns that Cartel's sponsors may have about committing to the Event for more than one year, and work together harmoniously for years to come.

This longer term proposal will also benefit the SMCHD, as it would guarantee the SMCHD certain revenue for the next 5 years, perhaps even on additional terms that can be agreed upon by the parties. For example, my clients are willing to (and hereby propose) that we include some sort of escalator clause for an increase in the permit fees on a year to year basis. This can be done either (a) based on a cost of living percentage, or (b) if we want to keep it simple perhaps raising the fee by a flat \$500 or \$600 per year (a rate at just around 5% per year) over the term of the extended permit.

I look forward to hearing from you further. As noted above, however, time is of the essence here, so your prompt reply is greatly appreciated.

Marc S. Hurd
TIEDT & HURD
980 Montecito Drive, Suite 209
Corona, CA 92879
Tel: (951) 549-9400
Fax: (951) 549-9800
mhurd@tiedtlaw.com

Please consider the environment before printing this email.

The contents of this e-mail message and its attachments are intended solely for the addressee(s) hereof. In addition, this e-mail transmission may be confidential and it may be subject to privilege protecting communications between attorneys or solicitors and their clients. If you are not the named addressee, or if this message has been addressed to you in error, you are directed not to read, disclose, reproduce, distribute, disseminate or otherwise use this transmission. Delivery of this message to any person other than the intended recipient(s) is not intended in any way to waive privilege or confidentiality. If you have received this transmission in error, please alert the sender by reply e-mail; we also request that you immediately delete this message and its attachments, if any. UNAUTHORIZED INTERCEPTION PROHIBITED BY FEDERAL LAW (1806 U.S.C. 2701(a) & 2702(a)).

LEGAL NOTICE- If you send e-mail to Tiedt & Hurd in connection with a matter for which we do not already represent you, your communication may not be treated as privileged or confidential. If you communicate with us by e-mail in connection with a matter for which Tiedt & Hurd already represents you, please remember that Internet e-mail is not secure and you may wish to consider other means of sharing the information.

From: Steven D. Miller [mailto:SMiller@hansonbridgett.com]

Sent: Wednesday, May 27, 2015 8:43 AM To: Marc S. Hurd; glazof@smharbor.com

Subject: RE: SMCHD/Titans of Mavericks Permit Issues

Marc,

We've been working diligently and promptly in an effort to accommodate your client's reasonable needs. I believe that Glenn and Cassandra are meeting together this very morning to discuss the terms of a draft permit we have already prepared, consistent with the Board's direction earlier this month, as well as back in 2013 when the three-year arrangement was approved "conditioned upon the right of the Harbor District to review and modify its approval of the additional years as may be deemed appropriate by the District."

I hope your client will find that the District is eager to cooperate and facilitate the conduct of the surf event. My direction from Glenn Lazoff is to work collaboratively to arrange for the issuance of the permit without causing heartburn and without the need to seek any further Board approvals.

I hope this status update provides some reassurances that may be helpful given the high level of tension that has surrounding this issue in recent weeks. My hope is to dissipate that tension and help move this forward on mutually agreeable terms.

As to the longer term extension—the timing of that discussion is up to Glenn. As you indicated, there are a lot of issues on the District's plate right now.

Best, Steve

Steven D. Miller
Partner
Hanson Bridgett LLP
(415) 995-5831 Direct (415) 995-3426 Fax
smiller@hansonbridgett.com
425 Market Street, 26th Floor
San Francisco, CA 94105

From: Marc S. Hurd [mailto:mhurd@tiedtlaw.com]

**Sent:** Wednesday, May 27, 2015 8:33 AM **To:** Steven D. Miller; <a href="mailto:glazof@smharbor.com">glazof@smharbor.com</a>

Subject: SMCHD/Titans of Mavericks Permit Issues

Mr. Miller and Mr. Lazof;

Please allow this email to follow up on the events of May 20, 2015 at the San Mateo County Harbor District meeting of the date, and my discussions with Mr. Miller following same.

As you know, per staff recommendation, the previously approved permit to stage the 2015/2016 Mavericks surf event was again approved by the District, albeit with some minor modifications. At the conclusion of the meeting it was agreed that the District would provide a draft permit for your review, to ensure that the terms of the permit were consistent with the Board's action and the permittees' needs. I have not heard back from you with regard to that permit, and seek an update as to the status. As discussed on 5/20/15, Cartel and Mavericks need the permit "in hand" to demonstrate to potential and existing sponsors and media partners that the Titans team is, indeed, authorized to stage the event. Delays in securing the hard copy of the permit simply stymic our clients' efforts to secure that financial backing. Thus, while I understand the circumstances under which you both operate (Mr. Lazof new to the position of Interim GM and Mr. Miller occupied with a myriad of other issues facing the District), I would appreciate your prompt attention to this matter.

In addition, as addressed during our discussion after the May 20, 2015 Board hearing, the Titans team is interested in pursuing a further extension of the 3-year permit that expires at the end of the 2015/2016 Mavericks season. We would like to discuss the parameters of such a request with you, so as to avoid the kind of uncertainty (not of our own doing) that we have faced over the last few months. Securing a longer term extension would, in our humble opinions, bring a certain level of stability to this issue, at a time when we believe the District should find some stability wherever possible.

I look forward to hearing from you further.

Marc S. Hurd
TIEDT & HURD
980 Montecito Drive, Suite 209
Corona, CA 92879
Tel: (951) 549-9400
Fax: (951) 549-9800
mhurd@tiedtlaw.com

Please consider the environment before printing this email.

The contents of this e-mail message and its attachments are intended solely for the addressee(s) hereof. In addition, this e-mail transmission may be confidential and it may be subject to privilege protecting communications between attorneys or solicitors and their clients. If you are not the named addressee, or if this message has been

addressed to you in error, you are directed not to read, disclose, reproduce, distribute, disseminate or otherwise use this transmission. Delivery of this message to any person other than the intended recipient(s) is not intended in any way to waive privilege or confidentiality. If you have received this transmission in error, please alert the sender by reply e-mail; we also request that you immediately delete this message and its attachments, if any. UNAUTHORIZED INTERCEPTION PROHIBITED BY FEDERAL LAW (1806 U.S.C. 2701(a) & 2702(a)).

(1806 U.S.C. 2701(a) & 2702(a)).

LEGAL NOTICE- If you send e-mail to Tiedt & Hurd in connection with a matter for which we do not already represent you, your communication may not be treated as privileged or confidential. If you communicate with us by e-mail in connection with a matter for which Tiedt & Hurd already represents you, please remember that Internet e-mail is not secure and you may wish to consider other means of sharing the information.

### **RE: Mavericks Surf Contests**

Graham Stapelberg [graham@worldsurfleague.com] **Sent:**Saturday, August 01, 2015 2:27 PM

To: Glenn Lazof; Cassandra [maverickssurf@comcast.net]

Cc: Debbie Nixon

Glenn,

Appreciate the update. We are definitely interested in securing a permit at Mavericks in the future.

I would like to discuss at your convenience this in more detail. I have international meetings on Monday and Tuesday but available after that.

Let me know a suitable time to speak with you.

Regards, Graham

Sent via the Samsung GALAXY S® 5, an AT&T 4G LTE smartphone

----- Original message -----

From: Glenn Lazof <glazof@smharbor.com>

Date:07/31/2015 15:00 (GMT-08:00)

To: Cassandra <maverickssurf@comcast.net>, Graham Stapelberg <graham@worldsurfleague.com>

Cc: Debbie Nixon <a href="mailto:dnixon@smharbor.com">dnixon@smharbor.com</a>

Subject: Mavericks Surf Contests

I will be recommending to the Harbor Board of Commissioners, at their August 5 meeting, that they table discussion of multi-year permits until April 2016, when they will have a chance to evaluate this year's contest. Knowing your interest in future big wave contest, I wanted to keep you informed.

Please contact me if you have any questions.

# **RE: Mavericks Surf Contests**

Glenn Lazof

Sent:Monday, August 03, 2015 4:59 PM

To: Cassandra [maverickssurf@comcast.net]

Guess, Griffin [griffin@cartel-management.com]; Lee, Zoe [zoe@cartel-management.com]; Waters, Brian [brian@cartelmanagement.com]; Overfelt, Brian [brianoverfelt@hotmail.com]; Jeff, Clark [maverickssurf@sbcglobal.net]

Graham had also asked to be kept in the loop on these discussions. My desire is to be equally transparent to all who have expressed interest. The Staff report is on page 31 at this link.

I believe you were cc'd on Graham's response, but if my recommendation is approved the commission won't be discussing multi-year permits until after this year's contest, to give them the opportunity to evaluate this year's event before making a decision on future years.

http://www.smharbor.com/harbordistrict/packets/packet08052015.pdf

Feel free to call me, I'll share what I know.

Thanks

Glenn

From: Cassandra [mailto:maverickssurf@comcast.net]

Sent: Friday, July 31, 2015 3:19 PM

To: Glenn Lazof

Cc: Guess, Griffin; Lee, Zoe; Waters, Brian; Overfelt, Brian; Jeff, Clark

Subject: Re: Mavericks Surf Contests

Interesting. I'd like to understand why and what is going on.

Why is Graham Stapelberg from the World Surf League copied on this message?

From: "Glenn Lazof" < qlazof@smharbor.com>

To: "Cassandra" < maverickssurf@comcast.net >, "Graham Stapelberg" < graham@worldsurfleague.com >

Cc: "Debbie Nixon" < dnixon@smharbor.com> Sent: Friday, July 31, 2015 3:00:46 PM

Subject: Mavericks Surf Contests

I will be recommending to the Harbor Board of Commissioners, at their August 5 meeting, that they table discussion of multi-year permits until April 2016, when they will have a chance to evaluate this year's contest. Knowing your interest in future big wave contest, I wanted to keep you informed.

Please contact me if you have any questions.

# **FW: Mavericks Surf Contests**

Glenn Lazof

Sent:Monday, August 03, 2015 5:00 PM

To: Steven D. Miller [SMiller@hansonbridgett.com]

From: Glenn Lazof

Sent: Monday, August 03, 2015 5:00 PM

To: 'Cassandra'

Cc: Guess, Griffin; Lee, Zoe; Waters, Brian; Overfelt, Brian; Jeff, Clark

Subject: RE: Mavericks Surf Contests

Graham had also asked to be kept in the loop on these discussions. My desire is to be equally transparent to all who have expressed interest. The Staff report is on page 31 at this link.

I believe you were cc'd on Graham's response, but if my recommendation is approved the commission won't be discussing multi-year permits until after this year's contest, to give them the opportunity to evaluate this year's event before making a decision on future years.

http://www.smharbor.com/harbordistrict/packets/packet08052015.pdf

Feel free to call me, I'll share what I know.

Thanks

Glenn

From: Cassandra [mailto:maverickssurf@comcast.net]

Sent: Friday, July 31, 2015 3:19 PM

To: Glenn Lazof

Cc: Guess, Griffin; Lee, Zoe; Waters, Brian; Overfelt, Brian; Jeff, Clark

Subject: Re: Mavericks Surf Contests

Interesting. I'd like to understand why and what is going on.

Why is Graham Stapelberg from the World Surf League copied on this message?

From: "Glenn Lazof" < glazof@smharbor.com>

To: "Cassandra" < maverickssurf@comcast.net >, "Graham Stapelberg" < graham@worldsurfleague.com >

Cc: "Debbie Nixon" < dnixon@smharbor.com>

Sent: Friday, July 31, 2015 3:00:46 PM

Subject: Mavericks Surf Contests

I will be recommending to the Harbor Board of Commissioners, at their August 5 meeting, that they table discussion of multi-year permits until April 2016, when they will have a chance to evaluate this year's contest. Knowing your interest in future big wave contest, I wanted to keep you informed.

Please contact me if you have any questions.

### **RE: Mavericks Surf Contests**

Nicole David

Sent:Tuesday, August 04, 2015 7:33 AM

To: Glenn Lazof

Thanks Glenn.

From: Glenn Lazof

Sent: Tuesday, August 04, 2015 7:23 AM

To: Nicole David

Subject: RE: Mavericks Surf Contests

Works for me.

<u>Yes</u> you can advise me as a commissioner, <u>especially</u> when I ask for it. Giving me direction or issuing an order would be inappropriate. Please check with Steven on this, if you are unsure. It is important that I be able to consider the counsel of commissioners in decision making, as long as I am not violating the Brown Act).

Thanks!

Glenn

From: Nicole David

**Sent:** Monday, August 03, 2015 6:27 PM

To: Glenn Lazof

Subject: RE: Mavericks Surf Contests

Hi Glenn,

I would rather just state my preference at the public meeting.

I know I shared my thoughts with you but cannot advise you as a commissioner.

Thanks for checking in on this, Nicole

From: Glenn Lazof

**Sent:** Monday, August 03, 2015 5:09 PM

To: Nicole David

Subject: FW: Mavericks Surf Contests

See below, if she calls is it okay to let her know that you had advised me of a preference that we wait until after this year's event, and I agreed with your arguments? If you would like to have a commissioner to constituent chat with her, I can give you her number if you need it.

In the past I have mentioned that I believed the Commission needs to give direction to staff has to whether these events should continue to be treated the way they have in the past, or if you want to approach it in some way other than as a Special Events Permit. (Our events policy is not that clear on multi-year event permits).

Sent: Friday, July 31, 2015 3:19 PM

To: Glenn Lazof

Cc: Guess, Griffin; Lee, Zoe; Waters, Brian; Overfelt, Brian; Jeff, Clark

Subject: Re: Mavericks Surf Contests

Interesting. I'd like to understand why and what is going on.
Why is Graham Stapelberg from the World Surf League copied on this message?

From: "Glenn Lazof" < glazof@smharbor.com>

To: "Cassandra" < maverickssurf@comcast.net >, "Graham Stapelberg" < graham@worldsurfleague.com >

Cc: "Debbie Nixon" < dnixon@smharbor.com>
Sent: Friday, July 31, 2015 3:00:46 PM
Subject: Mavericks Surf Contests

I will be recommending to the Harbor Board of Commissioners, at their August 5 meeting, that they table discussion of multi-year permits until April 2016, when they will have a chance to evaluate this year's contest. Knowing your interest in future big wave contest, I wanted to keep you informed.

Please contact me if you have any questions.

From: Glenn Lazof

Sent: Monday, August 03, 2015 5:00 PM

To: 'Cassandra'

Cc: Guess, Griffin; Lee, Zoe; Waters, Brian; Overfelt, Brian; Jeff, Clark

Subject: RE: Mavericks Surf Contests

Graham had also asked to be kept in the loop on these discussions. My desire is to be equally transparent to all who have expressed interest. The Staff report is on page 31 at this link.

I believe you were cc'd on Graham's response, but if my recommendation is approved the commission won't be discussing multi-year permits until after this year's contest, to give them the opportunity to evaluate this year's event before making a decision on future years.

http://www.smharbor.com/harbordistrict/packets/packet08052015.pdf

Feel free to call me, I'll share what I know.

Thanks

Glenn

From: Cassandra [mailto:maverickssurf@comcast.net]

Sent: Friday, July 31, 2015 3:19 PM

To: Glenn Lazof

Cc: Guess, Griffin; Lee, Zoe; Waters, Brian; Overfelt, Brian; Jeff, Clark

Subject: Re: Mavericks Surf Contests

Interesting. I'd like to understand why and what is going on.

Why is Graham Stapelberg from the World Surf League copied on this message?

From: "Glenn Lazof" <glazof@smharbor.com>

To: "Cassandra" <maverickssurf@comcast.net>, "Graham Stapelberg" <graham@worldsurfleague.com>

Cc: "Debbie Nixon" < dnixon@smharbor.com> Sent: Friday, July 31, 2015 3:00:46 PM

Subject: Mavericks Surf Contests

I will be recommending to the Harbor Board of Commissioners, at their August 5 meeting, that they table discussion of multi-year permits until April 2016, when they will have a chance to evaluate this year's contest. Knowing your interest in future big wave contest, I wanted to keep you informed.

Please contact me if you have any questions.

Glenn Lazof Interim General Manager

# e-mail to Cassandra, et al

Glenn Lazof

Sent:Tuesday, August 04, 2015 3:02 PM

To: Nicole David

From: Glenn Lazof

Sent: Monday, August 03, 2015 5:00 PM

To: 'Cassandra'

Cc: Guess, Griffin; Lee, Zoe; Waters, Brian; Overfelt, Brian; Jeff, Clark

Subject: RE: Mavericks Surf Contests

Graham had also asked to be kept in the loop on these discussions. My desire is to be equally transparent to all who have expressed interest. The Staff report is on page 31 at this link.

I believe you were cc'd on Graham's response, but if my recommendation is approved the commission won't be discussing multi-year permits until after this year's contest, to give them the opportunity to evaluate this year's event before making a decision on future years.

http://www.smharbor.com/harbordistrict/packets/packet08052015.pdf

Feel free to call me, I'll share what I know.

Thanks

Glenn

From: Cassandra [mailto:maverickssurf@comcast.net]

Sent: Friday, July 31, 2015 3:19 PM

To: Glenn Lazof

Cc: Guess, Griffin; Lee, Zoe; Waters, Brian; Overfelt, Brian; Jeff, Clark

Subject: Re: Mavericks Surf Contests

Interesting. I'd like to understand why and what is going on.

Why is Graham Stapelberg from the World Surf League copied on this message?

From: "Glenn Lazof" < glazof@smharbor.com>

To: "Cassandra" < maverickssurf@comcast.net >, "Graham Stapelberg" < graham@worldsurfleague.com >

Cc: "Debbie Nixon" < dnixon@smharbor.com>

Sent: Friday, July 31, 2015 3:00:46 PM

Subject: Mavericks Surf Contests

I will be recommending to the Harbor Board of Commissioners, at their August 5 meeting, that they table discussion of multi-year permits until April 2016, when they will have a chance to evaluate this year's contest. Knowing your interest in future big wave contest, I wanted to keep you informed.

Please contact me if you have any questions.

### Re: Mavericks Surf Contests

graham stapelberg [graham@worldsurfleague.com]

Thursday, August 06, 2015 11:03 PM Sent:

Glenn Lazof; Cassandra [maverickssurf@comcast.net] To:

Cc: Debbie Nixon

Attachments: Mavericks organizers get 5~1.pdf (149 KB)

Glen,

To say that I am astounded is an understatement.

The organization that has been approved for a 5 year permit by the Harbor Board, has in fact never run an event at Mavericks. Has there been any due diligence on their financial background, and what financial guarantees is the Board insisting on? Where do they plan to stage the festival which to my understanding is a mandate to run the event, which they happened to cancel last year?

In my entire career of 25 years running professional surfing events around the world, I have never ever witnessed such an outcome as this.

Good luck with it all, make sure you know what you getting yourself into and protect the well being of the community.

Regards, Graham

Graham Stapelberg **EVP/ General Manager Tours** WSL Santa Monica 147 Bay Street Santa Monica, CA 90405 USA

C: +1 949-697-3340 P: +1 310-450-1212

From: Glenn Lazof <glazof@smharbor.com> Date: Friday, July 31, 2015 at 3:00 PM

To: Cassandra <maverickssurf@comcast.net>, graham stapelberg <graham@worldsurfleague.com>

Cc: Debbie Nixon < dnixon@smharbor.com >

**Subject:** Mavericks Surf Contests

I will be recommending to the Harbor Board of Commissioners, at their August 5 meeting, that they table discussion of multi-year permits until April 2016, when they will have a chance to evaluate this year's contest. Knowing your interest in future big wave contest, I wanted to keep you informed.

Please contact me if you have any questions.

### **Fwd: Mavericks Surf Contests**

Cassandra [maverickssurf@comcast.net]

Sent:

Friday, August 07, 2015 7:48 AM

To:

Glenn Lazof; Debbie Nixon

Attachments: Mavericks organizers get 5~1.pdf (149 KB)

Glenn,

I am sorry that you had to receive this e-mail. It is not representative of the overall surf community's spirit of support and excitement around this event and of surfing as a sport. And while his comments may be directed toward Cartel, he knows well that we have run this contest and have the experience, but more than that, the expert knowledge of this break, the conditions to hold a safe contest and this community.

We look forward to building the relationship with the district. As I said in the meeting, the issues who brings up are not the responsibility of one agency, but of all of us working to create a great

experience. Thank you,

Cassandra

From: "graham stapelberg" < graham@worldsurfleague.com>

To: "Glenn Lazof" <glazof@smharbor.com>, "Cassandra" <maverickssurf@comcast.net>

Cc: "Debbie Nixon" <dnixon@smharbor.com> Sent: Thursday, August 6, 2015 11:03:00 PM

Subject: Re: Mavericks Surf Contests

Glen.

To say that I am astounded is an understatement.

The organization that has been approved for a 5 year permit by the Harbor Board, has in fact never run an event at Mavericks. Has there been any due diligence on their financial background, and what financial guarantees is the Board insisting on? Where do they plan to stage the festival which to my understanding is a mandate to run the event, which they happened to cancel last year?

In my entire career of 25 years running professional surfing events around the world, I have never ever witnessed such an outcome as this.

Good luck with it all, make sure you know what you getting yourself into and protect the well being of the community.

Regards, Graham

Graham Stapelberg EVP/ General Manager Tours WSL Santa Monica 147 Bay Street Santa Monica, CA 90405 USA C: +1 949-697-3340 P: +1 310-450-1212

From: Glenn Lazof <glazof@smharbor.com> Date: Friday, July 31, 2015 at 3:00 PM

To: Cassandra < maverickssurf@comcast.net >, graham stapelberg < graham@worldsurfleague.com >

Cc: Debbie Nixon < dnixon@smharbor.com >

**Subject:** Mavericks Surf Contests

I will be recommending to the Harbor Board of Commissioners, at their August 5 meeting, that they table discussion of multi-year permits until April 2016, when they will have a chance to evaluate this year's contest. Knowing your interest in future big wave contest, I wanted to keep you informed.

Please contact me if you have any questions.



Zoe Lee

To:

Glenn Lazof

Cc:

Brian Waters; Cassandra; Steven D. Miller; Marc S. Hurd; Steve McGrath; Betty Cortes

Subject

Re: Five Year Permit

Date:

Friday, November 06, 2015 12:26:41 PM

Many thanks for everyone's help and support! We are very much looking forward to working with you in the coming years! Happy Friday :-)

Warm Regards, Zoe

Zoe Lee Cartel Management

(p) 323.790.7333

(w) cartel-management.com



This e-mail and any attachments contain information that is/may be covered by the Electronic Communications Privacy Act, 18 U.S.C. 2510-2521. It is proprietary and confidential in nature. If you are not the intended recipient, please be advised that you are legally prohibited from retaining, using, copying, distributing or otherwise disclosing this information in any manner. Instead, please reply to the sender, that you received this communication in error, then immediately delete it. If you have produced a hard copy of this email you must immediately destroy that copy. Thank you in advance for your cooperation. Cartel Inc. 2015

# On Nov 6, 2015, at 11:18 AM, Glenn Lazof <glazof@smharbor.com> wrote:

Please find attached executed Permit. We will send a hard copy next week. Also next week, we will send a Transmittal memo regarding Cartel's access to Public use areas in the Harbor, on the same basis as all other public access to those areas. That memo will be executed by the District's new General Manager, (Stephen McGrath) who takes office Monday.

Congratulations on the Coastal Commission's action yesterday. We look forward to a



successful relationship through the 2021 season.

Sincerely,

Glenn Lazof
Deputy Department Director
Regional Government Services Authority
glazof@rgs.ca.gov

<i style="text-align: right;">Assignment:
Interim General Manager
San Mateo County Harbor District
glazof@smharbor.com
(650)-583-4400
</ re>
<i style="text-align: right;">(650)-583-4400

<Permit Number 2016-01.pdf>



Steve McGrath

To:

Brian Waters; Glenn Lazof

Cc:

Zoe Lee; Cassandra; Steven D. Miller; Marc S. Hurd; Betty Cortes RE: Five Year Permit

Subject: Date:

Friday, November 06, 2015 12:20:40 PM

Attachments:

image001.jpg

Well done, all.

Steve McGrath

From: Brian Waters [brian@cartel-management.com]

Sent: Friday, November 06, 2015 12:04 PM

To: Glenn Lazof

Cc: Zoe Lee; Cassandra; Steven D. Miller; Marc S. Hurd; Steve McGrath; Betty

Cortes

Subject: Re: Five Year Permit

Glenn,

Thank you so much for sending this over. This is great timing following the coastal commission permit approval. Glad to have seen you yesterday, look forward to working with the Harbor District for years to come!

Best regards,

**Brian Waters** 

Cartel Management Chief Operating Officer

- (m) 408-348-5508<tel:408-348-5508>
- (p) 323-790-7333<tel:323-790-7333>
- (w) cartel-management.com<a href="http://cartel-management.com/">http://cartel-management.com/</a>

This e-mail and any attachments contain information that is/may be covered by the Electronic Communications Privacy Act, 18 U.S.C. 2510-2521<tel:2510-2521>. It is also proprietary and confidential in nature. If you are not the intended recipient, please be advised that you are legally prohibited from retaining, using, copying, distributing or otherwise disclosing this information in any manner. Instead, please reply to the sender that you received this communication in error, then immediately delete it, and if you have produced a hard copy of this email you must immediately destroy that copy. Thank you in advance for your cooperation. Cartel Inc. 2015

On Nov 6, 2015, at 11:18 AM, Glenn Lazof <glazof@smharbor.com<mailto:glazof@smharbor.com>> wrote:

Please find attached executed Permit. We will send a hard copy next week.

Also next week, we will send a Transmittal memo regarding Cartel's access to Public use areas in the Harbor, on the same basis as all other public access to those areas. That memo will be executed by the District's new General Manager, (Stephen McGrath) who takes office Monday.

Congratulations on the Coastal Commission's action yesterday. We look forward to a successful relationship through the 2021 season.

Sincerely,

Glenn Lazof
Deputy Department Director
Regional Government Services Authority
glazof@rgs.ca.gov<mailto:glazof@rgs.ca.gov>

[cid:372D76AF-E0D7-4E44-A65A-25F547B19257@hsd1.ca.comcast.net.]

Assignment:
Interim General Manager
San Mateo County Harbor District
glazof@smharbor.com<mailto:glazof@smharbor.com>
(650)-583-4400

<Permit Number 2016-01.pdf>

Brian Waters

To: Cc: Glenn Lazof

Subject:

Zoe Lee; Cassandra; Steven D. Miller; Marc S. Hurd; Steve McGrath; Betty Cortes

Re: Five Year Permit

Date:

Friday, November 06, 2015 12:05:00 PM

#### Glenn,

Thank you so much for sending this over. This is great timing following the coastal commission permit approval. Glad to have seen you yesterday, look forward to working with the Harbor District for years to come!

Best regards,

**Brian Waters** 

Cartel Management
Chief Operating Officer

- (m) 408-348-5508
- (p) 323-790-7333
- (w) cartel-management.com

This e-mail and any attachments contain information that is/may be covered by the Electronic Communications Privacy Act, 18 U.S.C. 2510-2521. It is also proprietary and confidential in nature. If you are not the intended recipient, please be advised that you are legally prohibited from retaining, using, copying, distributing or otherwise disclosing this information in any manner. Instead, please reply to the sender that you received this communication in error, then immediately delete it, and if you have produced a hard copy of this email you must immediately destroy that copy. Thank you in advance for your cooperation. Cartel Inc. 2015

On Nov 6, 2015, at 11:18 AM, Glenn Lazof <glazof@smharbor.com> wrote:

Please find attached executed Permit. We will send a hard copy next week. Also next week, we will send a Transmittal memo regarding Cartel's access to Public use areas in the Harbor, on the same basis as all other public access to those areas. That memo will be executed by the District's new General Manager, (Stephen McGrath) who takes office Monday.

Congratulations on the Coastal Commission's action yesterday. We look forward to a successful relationship through the 2021 season.



Sincerely,

Glenn Lazof
Deputy Department Director
Regional Government Services Authority
glazof@rgs.ca.gov

Assignment:

Interim General Manager San Mateo County Harbor District glazof@smharbor.com (650)-583-4400

GS

<Permit Number 2016-01.pdf>



To:

Brian Waters; Zoe Lee; Cassandra

Cc:

Steven D. Miller; Marc S. Hurd; Steve McGrath; Betty Cortes

Subject: Date:

Five Year Permit

Friday, November 06, 2015 11:18:58 AM

**Attachments:** 

Permit Number 2016-01.pdf

Please find attached executed Permit. We will send a hard copy next week. Also next week, we will send a Transmittal memo regarding Cartel's access to Public use areas in the Harbor, on the same basis as all other public access to those areas. That memo will be executed by the District's new General Manager, (Stephen McGrath) who takes office Monday.

Congratulations on the Coastal Commission's action yesterday. We look forward to a successful relationship through the 2021 season.

Sincerely,

Glenn Lazof

**Deputy Department Director** 

Regional Government Services Authority

glazof@rgs.ca.gov

Assignment:

Interim General Manager

San Mateo County Harbor District

glazof@smharbor.com

(650)-583-4400



# San Mateo County Harbor District

Physical: 504 Avenue Alhambra, El Granada, CA 94018 Mailing: PO Box 1449, El Granada, CA 94018 Phone Number: (650)583-4400/ Fax Number (650)583-4611

### Special Use Permit

(5-Year term: 2016/2017 through 2020/2021)

Permit Number: 2016-01

### 1. Special Use Permittee

1.1. Name of Permittee:

Cartel Management, Inc.

1.2. Contact Person:

Zoe Lee Ahn (Cartel)

1.3. Address of Permittee:

25 Johnson Pier, HMB, CA 94019 5870 Melrose Ave., LA 90038

1.4. Phone Number:

Day: (510) 305-6262/ Cell: (310) 480-2577

## 2. Special Use Permit Description

- 2.1. This Special Use Permit is issued only for the purpose of using the portion of the property controlled by the San Mateo County Harbor District ("District") and/or other District facilities as approved by the General Manager (collectively referred to as "District Property") for use during a Surfing Event at Mavericks surf break (the "Event"). District Property is specified in Section 2.1.1, with an accompanying map for illustration purposes only attached as Exhibit A.
  - 2.1.1 District Property to be utilized by Permittee is specifically defined as follows:
    - West Trail (Law enforcement will have this blocked off and be controlling area)
    - b. West Trail Parking Lot (a.k.a. "MIT Lot")- Minimum is ½ the spaces. The Harbormaster can agree to include 100% of the spaces as needed for the success and safety of the event.
    - c. "C-1" Lot Minimum 25% of spaces. The Harbormaster can agree to include 50% and up to 100% of the spaces as needed for the success and safety of the event, 100% dependent on availability and seasonal needs of the space as Harbormaster and Staff will advise. (100% most likely not available November through January 3rd)
    - d. Perch Beach Exclusive use of up to 100% of the vacant space. The
      Harbormaster will work with Permittee to minimize the space based on
      area needed for the success and safety of the event;
    - e. One lane of launch ramp;
    - f. 10' X 10' tent at H dock in vicinity of Fuel Dock Ice Machine as determined by the Harbormaster that interference with commercial and charter boats is limited.
  - 2.1.2 The District and Permittee understand that circumstances may change during the term of this Permit, such that Permittee may be required to seek additional or different access to District Property, and/or that the District may need to modify Permittee's access to District Property. Therefore, the Parties mutually agree that, in the event that such changes are required, they will meet and confer in

Special Use Permit

(5-Year term: 2016/2017 through 2020/2021)

Permit Number: 2016-01

Page 2 of 6

good faith, in concert with the General Manager or his designee, to reach agreement on such modifications.

- 2.2 The term of this Permit shall be for Five (5) "seasons," each "season" being defined as the period from November 1 through March 31, and specifically November 1, 2016 through March 31, 2017, November 1, 2017 through March 31, 2018, November 1, 2018 through March 31, 2019, November 1, 2019 through March 31, 2020, and November 1, 2020 through March 31, 2021.
- 2.3 Each Event will be a paddle-in event and will take place on one day. The exact date will be determined by Permittee but must be between November 1 and March 31 for each season, as defined in 2.2 above, and as set forth more fully in Section 4.10.

# 3. Special Use Permit Fee

- 3.1 Payment by Permittee of the Application Fee of Five thousand dollars (\$5,000), which the District acknowledges for the 2016/2017 season was made on August 5, 2015. For each successive season, payment of the application fee shall be due by no later than July 1 of each season year (e.g. payment for the 2016/2017 season shall be due by July 1, 2016).
- 3.2 Payment by Permittee of a Permit Fee of Eleven thousand six hundred dollars (\$11,600.00), which shall be due on or before November 1 of each season (e.g. payment of the Permit Fee for the 2016/2017 season shall be due by November 1, 2016). The parties agree to the following with regard to the Permit Fees payable by the Permittee.
  - 3.2.1 The Permit Fee is intended to cover the District's costs for each season's Event, including administrative costs as well as costs incurred by the District in planning for and supporting Permittee's holding the Event each season. The Parties agree to work cooperatively to minimize costs where possible.
  - 3.2.2 To the extent the District costs relating to a specific season's Event are in excess of \$11,600.00, the District shall provide to the Permittee an invoice setting forth the costs incurred and the Permittee agrees to pay any undisputed invoice thirty days from the date of the invoice. This provision applies regardless of whether or not an Event actually occurs in a particular season.
  - 3.2.3 To the extent the District costs relating to a specific season's Event are less than \$11,600, the amount less than \$11,600 shall be credited to Permittee's Permit Fee for the following season. Notwithstanding the foregoing, The District will not refund any amount upon the expiration or termination of this Permit, even if District Costs associated with the 2020/2021 Event are less than \$11,600. This provision applies regardless of whether or not an Event actually occurs in a particular season.
  - 3.2.4 Along with any invoice submitted in accordance with Section 3.2.2, the District will provide Permittee an accounting of District Costs. Permittee will notify District within 15 days of receipt of any invoice if it disputes such accounting.

Special Use Permit

(5-Year term: 2016/2017 through 2020/2021)

Permit Number: 2016-01

Page 3 of 6

In such an event, the parties agree mutually to use best efforts to try and resolve any dispute.

- Payments of undisputed amounts not paid by the due date shall bear interest at 10.00% per annum until paid.
- 3.4 Permittee shall be charged \$30.00 for each check that is returned to the District for lack of sufficient funds.

#### 4. Terms and Conditions

- 4.1 Operating Hours: This Permit is in force on the day of the Event from approximately 5 a.m. to approximately 11 p.m.
- 4.2 Permittee shall provide on-water safety arrangements during the Event that meet all District requirements and any other requirements imposed on Permittee by other regulatory agencies.
- 4.3 Public safety for the non-participating public during the Event is of paramount importance. Both Permittee and the District are committed to conducting the Event in a manner that allows for the public to view the Event safely. At the District's direction, Permittee shall prohibit public access (a) to the District's marsh parking lot, (b) to the trail connecting the District's marsh parking lot to the Maverick's beach and (c) to the Maverick's beach, and use of these areas may be limited to use by law enforcement and public safety personnel and equipment.
- 4.4 Permittee's access (a) to the District's marsh parking lot, and (b) to the trail connecting the District's marsh parking lot to the Maverick's beach shall be limited to access required to comply with the terms of Section 4.3 above, or as may otherwise be permitted in writing by the District's Harbormaster, or for emergency use by Permittee staff with prior notice to District staff.
- 4.5 Permittee shall not provide for or use the Property for Event vehicles parking, except as required to comply with the terms of Section 4.3 above, or as may otherwise be permitted in writing by the District's Harbormaster.
- 4.6 Permittee must use reasonable care and may not unreasonably increase the burden on the Property. Permittee shall ensure the immediate area of the Event and all of the Property are kept free of debris, trash, etc., and shall return the Property to its original condition following completion of the Event.
- 4.7 Permittee shall provide an adequate number of portable toilets as determined by the General Manager in consultation with the Harbor Master.
- 4.8 Solicitation of Business and Advertising
  - 4.8.1 On-site advertising, including informational and directional signs is allowed in the form prescribed at the discretion of the General Manager in consultation with the Harbor Master. Permittee shall obtain prior approval of the General Manager before placing any advertising or signs on the Property. Other than as set forth above, Permittee shall not alter, modify, remove any portion of, or affix any item

Special Use Permit (5-Year term: 2016/2017 through 2020/2021) Permit Number: 2016-01

Page 4 of 6

to any structure on the Property at any time during the term of this Permit, except as specifically authorized by the District's General Manager or Harbor Master.

- 4.8.2 Companies other than those authorized by Permittee are not permitted to advertise on District property and any such advertising must comply with section 4.8.1.
- 4.9 Permittee shall be required to obtain and/or comply with the following:
  - 4.9.1 Permittee shall provide the District with a copy of the Seller's Permit issued from the California State Board of Equalization, which entitles the Permittee to sell products and any other licenses, which may be required by other agencies. Licenses shall be maintained in accordance with law and Permittee must be able to produce licenses when requested to do so by a representative of the District.
  - 4.9.2 The District will not grant a Commercial Activity Permit to other vendors for use of the Property for commercial purposes during the Event without prior authorization of the Permittee. Even with Permittee authorization, the District will grant any such Commercial Activity Permit at its sole discretion, to be exercised in accordance with its policies.
  - 4.9.3 A Certificate of Insurance for the Permittee's activities related to the Event described in Section 2.1 attesting to liability coverage consisting of a Comprehensive General Liability policy with a Broad Form Endorsement that provides coverage for bodily injury and property damage in the amount of \$1,000,000.00 per occurrence and \$2,000,000.00 per aggregate and a \$5,000,000.00 Umbrella and naming the San Mateo County Harbor District as an Additional Insured. The Certificate of Insurance shall provide evidence that the insurance includes the following endorsements: Additional Insured, Primary and Non-Contributory wording; and Waiver of Subrogation in favor of the District. It is understood that as provided for in Section 4.13 below, Permittee shall defend, indemnify, and hold harmless San Mateo County Harbor District. This certificate shall be maintained in full force and effect during the term of the permit. The Permittee will provide the District a Certificate of Insurance, or other proof of insurance, no later than November 1 for each season.
  - 4.9.4 Permittee shall obtain and comply with all permits and other approvals, licenses and certifications as required by other government agencies and departments. Permittee shall furnish satisfactory evidence of such compliance upon request of the District. In particular, the effectiveness of this permit is subject to the California Coastal Commission and/or San Mateo County granting a Coastal Development Permit as necessary, after appropriate environmental review under the California Environmental Quality Act; Permittee is expressly subject to any mitigation measures required through any environmental review process.
  - 4.9.5 Permittee shall not sell or permit to be sold alcoholic beverages on the Property.
- 4.10 Term of Permit. This Permit is effective from November 1, 2016, and shall terminate on the earlier of 11:00 pm on the day of the last Event for the 2020/2021 season, or on March 31, 2021. This Permit becomes immediately null and void should any of the

Special Use Permit

(5-Year term: 2016/2017 through 2020/2021)

Permit Number: 2016-01

Page 5 of 6

conditions specified in Section 4 not be met, or should any required certificates expire or be revoked or suspended.

- 4.11 This Permit shall be the sole Permit issued for the purpose of using the Property in connection with holding a Surfing Event(s) at Mavericks surf break during the term of this Permit.
- 4.12 This Permit is for Permittee's exclusive use and is not assignable without the prior consent of the District, to be granted at its sole discretion.
- 4.13 Permittee, as a material part of the consideration to be rendered to the District under this Permit, waives all claims against the District for damages to all personal property in, on or about the District's facilities, and for injuries to persons in or about the District's facilities from any cause arising at any time. Permittee hereby agrees to defend, indemnify, and save harmless the District, its governing board, officers, employees and agents, from and against any and all claims, suits, actions liability, loss, damage, expense, cost (including, without limitation, costs and fees of litigation) of every nature, kind or description, which may be brought against, or suffered or sustained by, the District, its governing board, officers, employees or agents arising or resulting from the use of the Property by Permittee, its agents, employees, contractors, subcontractors or invitees or Permittee's breach of this Permit. The duty of the Permittee to indemnify and save harmless, as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code. It is the express intent of the parties that Permittee will indemnify and hold harmless the District from any and all claims, suits or actions arising from any cause whatsoever as set forth above, other than the sole negligence, willful misconduct or criminal acts of the District. Permittee waives any and all rights to any type of express or implied indemnity against the JPB arising out of Permittee's use of or activities on the Property. This indemnity shall survive expiration or termination of this Permit.
- 4.14 Should either party to this agreement bring any legal action, dispute, or proceeding arising out of or relating to this permit, the parties shall meet in mediation and attempt to reach a resolution with the assistance of a mutually acceptable mediator. Neither party shall be permitted to file legal action without first meeting in mediation and making a good faith attempt to reach a mediated resolution. The costs of the mediator, if any, shall be paid equally by the parties. If a mediated settlement is reached neither party shall be deemed the prevailing party for purposes of settlement and each party shall bear its own legal fees and costs.
- 4.15 The laws of the State of California shall govern this agreement and any suit or action initiated by either party shall be brought in the County of San Mateo, California. In the event of litigation between the parties hereto to enforce any provision of the agreement, the unsuccessful party will pay the reasonable attorney's fees, court costs, discovery costs and expenses of litigation of the successful party.
- 4.16 Permittee shall pay a fee pursuant to Section 1719 of the Civil Code for the State of California for each check that is returned to the District for lack of sufficient funds.

Special Use Permit

(5-Year term: 2016/2017 through 2020/2021)

Permit Number: 2016-01

Page 6 of 6

4.17 Any person, firm or corporation Permittee authorizes to work upon or enter upon the Property, including any contractor(s) and subcontractor(s), shall be deemed to be Producer's agent and shall be subject to all the applicable terms of this Permit.

# 5.0 Revocation or Suspension of Permit

This Permit is effective from November 1, 2016, and shall terminate on March 31, 2021. This Permit becomes immediately null and void should Permittee not submit the Permit Fee by November 1 of each year, should any of the conditions specified in Section 4 above not be met, or should any required certificates or permits expire or be revoked or suspended.

This Permit may be revoked or suspended by the San Mateo County Harbor District at any time and without notice by the District for violation of any Terms or Conditions of the Permit, or for violation of the Ordinances of the District.

PERMITTEE;	SAN MATEO COUNTY HARBOR DISTRICT
Zoe Lee Ahn	Glenn Lazof
Print Name Oocusigned by:	Print Name
Cartel Management, Inc. – Signature	Ilem Day
10/28/2015	SMCHD
Date	11/0/2015 Date

Glenn Lazof

To: Subject: Marc S. Hurd RE: Mavericks

Date:

Tuesday, September 01, 2015 10:11:00 AM

Mr. Hurd,

I understand you are working with our general counsel and would prefer that you communicate with him. I have communicated to Mr. Miller clarifications regarding the e-mail I sent to Cassandra.

Regarding communications, know that I value the District's (and my) relationship with the Clarks, not just from their association with the contest but also as community leaders and tenants, but I did not mean to slight the chain of command at Cartel. I'm happy to include Zoe on any Cartel/Mavericks communications I have with Cassandra or Jeff Clark.

Thank you,

Glenn Lazof

Deputy Department Director Regional Government Services Authority glazof@rgs.ca.gov

KGS

Assignment:

Interim General Manager San Mateo County Harbor District glazof@smharbor.com (650)-583-4400

Marc S. Hurd glazof@smharbor.com

To: Cc:

Steven D. Miller Mavericks

Subject: Date:

Monday, August 31, 2015 11:53:01 AM

Mr. Lazof;

I was forwarded an email sent by you on Friday, August 28, 2015 10:59:57 AM to Cassandra Clark. On behalf of the Cartel/Titans folks I wanted to address the issues raised by that email, though perhaps not in the exact order in which you raised your points. In the interests of transparency, I am "cc-ing" Mr. Miller on this email.

First of all, the 8/28 email provided that "[t]he Permit we issued is 'null and void' if all other required permits are not obtained by Cartel Mavericks." (Emphasis added) We presume that this is in reference to Section 5.0 of the 2015/2016 permit, in conjunction with section 4.9.4 thereof. The latter section states: "Permittee shall obtain and comply with all permits and other approvals, licenses and certifications as required by other government agencies and departments. Permittee shall furnish satisfactory evidence of such compliance upon request of the District." Since we do not believe that the District has previously requested satisfactory evidence of compliance with other agency approvals, etc., we have reviewed this email as a request that Cartel/Mavericks provide such proof. Further, since we do not believe that the District has previously requested such proof, absent some additional notice from you and/or the District, we have also presumed that this statement was not meant as a declaration that the permit is, in fact, immediately "null and void," but rather a statement that the District may make such a declaration if Cartel/Mavericks cannot or does not comply with the terms of section 4.9.4 prior to the event. Please advise if this understanding is in error.

Related to the item immediately above, as we believe the District has been advised on numerous occasions, the Mavericks surf event requires cooperation from/with multiple agencies, at the local, state and federal levels. However, in the past, there has not been any requirement that Mavericks (either in its present form or through Mavericks Invitational, Inc.) obtain permits, approvals, etc. from the County. (Your 8/28 email even provides that "... beginning this year a permit will be required from County Parks...", thus indicating that such had not previously been required.) It is for this reason that I would request that you provide me with a copy of that Notice from the County. (Your email provides that such was given to "Cartel Mavericks," but I personally do not have a copy. I cannot dispute that was provided, and I do not mean to suggest that it was not; I'm only requesting a copy since I do not have one in my files.) In any event, since this County permit is, as you concede, a "new" requirement, Cartel/Mavericks should be given a reasonable opportunity to secure this new permission/approval. I believe that the tenor of your email provides Cartel/Mavericks that reasonable opportunity, given your comment that the District will "request information regarding all permits obtained" at some point "prior to the Event."

I might also add that it appears that Brian Waters of Cartel has already been in contact with the Coastal Commission regarding permitting from that organization, and that reps therefrom have already addressed a "consolidated permit decision made by the Commission" that would "involve

both the Commission's and the County's permit jurisdictions" rather than a permit each from the Commission and the County. Thus, Cartel has already "jumped on" this new issue of additional permitting (if any) which may be required.

Secondly, your email referenced an "e-mail attached from County Staff indicating their view that a Coastal Development Permit is not required for this event." However, the copy of the email I received did not contain that attachment. Thus, I do not have that email, or any record in <u>my files</u>. (Again, I'm not trying to say that such was not provided, only that I do not have any record thereof in my files.) Thus, if you could be so kind as to provide me directly with a copy of the "e-mail attached from County Staff...", and the memoranda referenced therein ( the "1998 memoranda from Peter Douglas, Coastal Commission Executive Director 'Regulation of Temporary Events in the Coastal Zone" and a 1993 memorandum "Guidelines for Exclusion of Temporary Events from Coast Development Permit Requirements"), such would be greatly appreciated.

I also note your comments regarding the 5-year permit and agree that our office has been working with Staff's outside counsel, Steve Miller, on the final version of that new permit. We are trying to make sure that the language of the new permit hews as closely as possible to the existing permit for this year, and I expect to get the details of that worked out over the next couple of days.

Finally, it appears that there may have been some delays in addressing the District's concerns. I believe that some of these difficulties could be alleviated (and the process streamlined) if any communication with Cartel/Mavericks go through Zoe Lee Ahn at Cartel. While we recognize that the District has over the years communicated directly with Cassandra Clark and/or Jeff Clark, the permit for 2015/2016 specifies that the "contact" person is Ms. Lee-Ahn. We have appreciated, and still appreciate the dedication and effort the Clarks have shown to this Mavericks project over the years, and continue to seek out their involvement moving forward. However, to ensure that communications directed to "Cartel/Mavericks" reach their intended recipients, we would request that such communications be directed to Zoe Lee Ahn. In deference to the ever-dedicated Cassandra Clark, and in recognition of her direct continued involvement in this project, we would have no objection to (and would certainly welcome and/or suggest that) Cassandra Clark be "cc'd" on any communication sent to Cartel.

Thank you for your time and attention to this matter.

Marc S. Hurd
TIEDT & HURD
980 Montecito Drive, Suite 209
Corona, CA 92879
Tel: (951) 549-9400
Fax: (951) 549-9800
mhurd@tiedtlaw.com

Please consider the environment before printing this email.

The contents of this e-mail message and its attachments are intended solely for the addressee(s) hereof. In addition, this e-mail transmission may be confidential and it may be subject to privilege protecting communications between attorneys or solicitors and their clients. If you are not the named addressee, or if this message has been addressed to you in error, you are directed not to read, disclose, reproduce, distribute, disseminate or otherwise use this transmission. Delivery of this message to any person other than the intended recipient(s) is not intended in any way to waive privilege or confidentiality. If you have received this transmission in error, please alert the sender by reply e-mail; we also request that you immediately delete this

message and its attachments, if any. UNAUTHORIZED INTERCEPTION PROHIBITED BY FEDERAL LAW (1806 U.S.C. 2701(a) & 2702(a)). LEGAL NOTICE: If you send e-mail to Tiedt & Hurd in connection with a matter for which we do not already represent you, your communication may not be treated as privileged or confidential. If you communicate with us by e-mail in connection with a matter for which Tiedt & Hurd already represents you, please remember that Internet e-mail is not secure and you may wish to consider other means of sharing the information.

Marc S. Hurd

To:

Steven D. Miller; glazof@smharbor.com RE: SMCHD/Titans of Mavericks Permit Issues

Subject: Date:

Tuesday, June 09, 2015 10:18:13 AM

Mr. Miller & Mr. Lazof;

I am just following up on this to see if we can finally get this 2015/2016 permit issue finalized. I would also note that given the fact that the 2014/2015 Event did not go forward, but that Cartel/Mavericks had already paid the Permit Fee, it would appear that Cartel and the Titans team has a credit for the \$11,600 permit fee on the District's ledgers. In addition, since Cartel has already paid the application fee of \$5,000 May of this year, it would appear that the 2015/2016 fees payable to SMCHD are fully funded, such that the permit should be immediately issued. Having that actual signed permit in hand is indeed vital to The Titans of Mavericks' efforts to confirm existing sponsors and secure new sponsors for the upcoming event; or stated conversely, not having that permit "in hand" is proving to be a detriment to our efforts.

I look forward to resolving this matter with you forthwith.

Marc S. Hurd TIEDT & HURD 980 Montecito Drive, Suite 209 Corona, CA 92879 Tel: (951) 549-9400 Fax: (951) 549-9800 mhurd@tiedtlaw.com

Please consider the environment before printing this email.

The contents of this e-mail message and its attachments are intended solely for the addressee(s) hereof. In addition, this e-mail transmission may be confidential and it may be subject to privilege protecting communications between attorneys or solicitors and their clients. If you are not the named addressee, or if this message has been addressed to you in error, you are directed not to read, disclose, reproduce, distribute, disseminate or otherw use this transmission. Delivery of this message to any person other than the intended recipient(s) is not intended in any way to waive privilege or confidentiality. If you have received this transmission in error, please alert the sender by reply e-mail; we also request that you immediately delete this message and its attachments, if any. UNAUTHORIZED INTERCEPTION PROHIBITED BY FEDERAL LAW (1806 U.S.C. 2701(a) & 2702(a)). LEGAL NOTICE- If you send e-mail to Tiedt & Hurd in connection with a matter for which we do not already represent you, your communication may not be treated as privileged or confidential. If you communicate with us by e-mail in connection with a matter for which Tiedt & Hurd already represents you, please remember that Internet e-mail is not secure and you may wish to consider other means of sharing the information.

From: Marc S. Hurd

Sent: Thursday, June 4, 2015 6:12 PM

To: 'Steven D. Miller'; glazof@smharbor.com

Subject: RE: SMCHD/Titans of Mavericks Permit Issues

Steve and Glenn;

Our office was forwarded a copy of the proposed revised/updated permit for the Mayericks "Special Use Permit" (now apparently numbered 2015-34), by/through Cassandra Clark. I understand that Mr. Lazof and Cassandra spoke about and/or communicated via email regarding this permit. I do have a few comments and/or suggested revisions, if that is okay with you both, as follows.

- ¶¶ 1.1 & 1.2- I believe that this issue was addressed between Mr. Lazof and Mrs. Clark, but for the sake of accountability and ease of contact, those sections should reflect that Cartel Management, Inc. will be/is the sole "permittee", and that the contact person will be Zoe Lee (now Zoe Lee Ahn) of Cartel Management, Inc.
- ¶ 3.1 the due date for the payment of the Permit Fees should be a date certain. This is all just a matter of managing expectations, on both sides.
- ¶ 4.4- I believe that this was also addressed between Cassandra and Mr. Lazof, but Cartel (the Permittee) will need access and to use the "District's marsh parking lot and trail connecting the lot to the beach." I think that the initial reason for this is shown in ¶ 4.3, which requires the Permittee to prohibit access to those very same areas. It is difficult, if not impossible, for them to prohibit public access without having their presence on that property to enforce that prohibition. (Imagine being hired as a security guard to protect a warehouse and not being allowed to access the property on which that warehouse is situated.) As such, Cartel will need at least some access to and use of the marsh parking lot, if for no other purpose than to ensure that security personnel have a staging area to secure that area and the trail from public access. Also, while Cartel does not expect to have any great need for "use" of that area, the need may arise where a camera crew will need to access the beach from that location. In order to provide greater assurances to the District that this privilege of accessing these areas is not abused, we can add that permission may be granted within the discretion of a certain District point of contact. To us the most logical choice would be the Harbormaster, as he has "boots on the ground" for that location, and would likely be best suited to assess Cartel's needs in relation to the District's concerns. Given the foregoing, we would suggest revising that paragraph so as to permit limited access, so as permit Cartel to satisfy its obligations under ¶ 4.3, and as may otherwise be permitted by the Harbormaster.
- ¶ 4.5- Similar issue as with 4.4- While we don't expect that there will be any need for "parking" per se in that area described above, beyond that necessary for staging of security or, as the need may arise. However, again, we believe that this can be effectively addressed by establishing the Harbormaster as the "point of contact" (rather than the rather vague "District" approval), such that any plans to place any vehicle(s)in that area should be run through the Harbormaster.
- ¶4.10- The Event is scheduled to take place, waves permitting, somewhere between November 1, 2015 and March 31, 2016. Thus, this section should be filled in to reflect the effective dates for the permit.

As an additional side note, Cartel has no issue whatsoever with ¶4.6, as it fully intends to pick up any trash or debris, and has already budgeted for a clean-up crew to handle that task.

The only remaining issue, as I see it, is the issue of, if Cartel is required to post the Permit Fees before the Event, whether Cartel will be entitled to a refund of the Permit Fees in the event that the Titans of Mavericks surf does not go forward. Presumably, the Permit Fees (unlike the Application Fee, which is non-refundable and we all accept that), are paid to pay the District for actual use, and/or reimburse the District for costs associated with Cartel's use. As such, the Permit Fees should be refundable (even though, as we acknowledge above, that the Application Fees are not), if the weather does not cooperate and allow the Event to go forward.

In the interests of time-saving, I have taken the liberty of preparing a revised draft of the permit. That revised draft is attached. The only "blank" in this is the due date for the payment of the permit Fees, as outlined in bullet points above. I believe that all these issues are consistent with the terms previously agreed to and/or as were discussed at the recent District Meeting on May 20.

Please feel free to contact me further is

Marc S. Hurd TIEDT & HURD 980 Montecito Drive, Suite 209 Corona, CA 92879 Tel: (951) 549-9400 Fax: (951) 549-9800 mhurd@tiedtlaw.com

Please consider the environment before printing this email.

The contents of this e-mail message and its attachments are intended solely for the addressee(s) hereof. In addition, this e-mail transmission may be confidential and it may be subject to privilege protecting communications between attorneys or solicitors and their clients. If you are not the named addressee, or if this message has been addressed to you in error, you are directed not to read, disclose, reproduce, distribute, disseminate or otherw use this transmission. Delivery of this message to any person other than the intended recipient(s) is not intended in any way to waive privilege or confidentiality. If you have received this transmission in error, please alert the sender by reply e-mail; we also request that you immediately dele continentiality. If you have received this transmission in error, please alex the sender by reply e-mail; we also request that you immediately definessage and its attachments, if any. UNAUTHORIZED INTERCEPTION PROHIBITED BY FEDERAL LAW (1806 U.S.C. 2701(a) & 2702(a)). LEGAL NOTICE- If you send e-mail to Tiedt & Hurd in connection with a matter for which we do not already represent you, your communication may not be treated as privileged or confidential. If you communicate with us by e-mail in connection with a matter for which Tiedt & Hurd already represents you, please remember that Internet e-mail is not secure and you may wish to consider other

From: Steven D. Miller [mailto:SMiller@hansonbridgett.com]

Sent: Wednesday, May 27, 2015 8:43 AM To: Marc S. Hurd; glazof@smharbor.com

Subject: RE: SMCHD/Titans of Mavericks Permit Issues

Marc,

We've been working diligently and promptly in an effort to accommodate your client's reasonable needs. I believe that Glenn and Cassandra are meeting together this very morning to discuss the terms of a draft permit we have already prepared, consistent with the Board's direction earlier this month, as well as back in 2013 when the three-year arrangement was approved "conditioned upon the right of the Harbor District to review and modify its approval of the additional years as may be deemed appropriate by the District."

I hope your client will find that the District is eager to cooperate and facilitate the conduct of the surf event. My direction from Glenn Lazoff is to work collaboratively to arrange for the issuance of the permit without causing heartburn and without the need to seek any further Board approvals.

I hope this status update provides some reassurances that may be helpful given the high level of tension that has surrounding this issue in recent weeks. My hope is to dissipate that tension and help move this forward on mutually agreeable terms.

As to the longer term extension—the timing of that discussion is up to Glenn. As you indicated,

there are a lot of issues on the District's plate right now.

Best,
Steve
Steven D. Millich
Partner
Hanson Bridgett LLP
(415) 995-5831 Direct (415) 995-3426 Fax
smiller@hansonbridgett.com
425 Market Street, 26th Floor
San Francisco, CA 94105

From: Marc S. Hurd [mailto:mhurd@tiedtlaw.com]
Sent: Wednesday, May 27, 2015 8:33 AM
To: Steven D. Miller; glazof@smharbor.com
Subject: SMCHD/Titans of Mavericks Permit Issues

Mr. Miller and Mr. Lazof;

Please allow this email to follow up on the events of May 20, 2015 at the San Mateo County Harbor District meeting of the date, and my discussions with Mr. Miller following same.

As you know, per staff recommendation, the previously approved permit to stage the 2015/2016 Mavericks surf event was again approved by the District, albeit with some minor modifications. At the conclusion of the meeting it was agreed that the District would provide a draft permit for your review, to ensure that the terms of the permit were consistent with the Board's action and the permittees' needs. I have not heard back from you with regard to that permit, and seek an update as to the status. As discussed on 5/20/15, Cartel and Mavericks need the permit "in hand" to demonstrate to potential and existing sponsors and media partners that the Titans team is, indeed, authorized to stage the event. Delays in securing the hard copy of the permit simply stymie our clients' efforts to secure that financial backing. Thus, while I understand the circumstances under which you both operate (Mr. Lazof new to the position of Interim GM and Mr. Miller occupied with a myriad of other issues facing the District), I would appreciate your prompt attention to this matter.

In addition, as addressed during our discussion after the May 20, 2015 Board hearing, the Titans team is interested in pursuing a further extension of the 3-year permit that expires at the end of the 2015/2016 Mavericks season. We would like to discuss the parameters of such a request with you, so as to avoid the kind of uncertainty (not of our own doing) that we have faced over the last few months. Securing a longer term extension would, in our humble opinions, bring a certain level of stability to this issue, at a time when we believe the District should find some stability wherever possible.

I look forward to hearing from you further.

Marc S. Hurd TIEDT & HURD 980 Montecito Drive, Suite 209 Corona, CA 92879 Tel: (951) 549-9400 Fax: (951) 549-9800 mhurd@tiedtlaw.com

Please consider the environment before printing this email.

The contents of this e-mail message and its attachments are intended solely for the addressee(s) hereof. In addition, this e-mail transmission may be confidential and it may be subject to privilege protecting communications between attorneys or solicitors and their clients. If you are not the named cut is transmission. Delivery of this message to any person other than the intended recipient(s) is not intended in any way to waive privilege or confidentiality. If you have received this transmission in error, please alert the sender by reply e-mail; we also request that you immediately delete this communication may not be treated as privileged or confidential. If you communication may not be treated as privileged or confidential. If you communicate with us by e-mail in connection with a matter for means of sharing the information.

Marc S. Hurd

Subject:

Steven D. Miller; glazof@smharbor.com RE: SMCHD/Titans of Mavericks Permit Issues

Date: Attachments: Thursday, June 04, 2015 6:12:17 PM

(HB review) Mavericks Permit 15 16) TC 5 26 for Permittee (Rev Cartel).doc

### Steve and Glenn:

Our office was forwarded a copy of the proposed revised/updated permit for the Mavericks "Special Use Permit" (now apparently numbered 2015-34), by/through Cassandra Clark. I understand that Mr. Lazof and Cassandra spoke about and/or communicated via email regarding this permit. I do have a few comments and/or suggested revisions, if that is okay with you both, as follows.

- ¶¶ 1.1 & 1.2- I believe that this issue was addressed between Mr. Lazof and Mrs. Clark, but for the sake of accountability and ease of contact, those sections should reflect that Cartel Management, Inc. will be/is the sole "permittee", and that the contact person will be Zoe Lee (now Zoe Lee Ahn) of Cartel Management, Inc.
- ¶ 3.1 the due date for the payment of the Permit Fees should be a date certain. This is all just a matter of managing expectations, on both sides.
- $\P$  4.4- I believe that this was also addressed between Cassandra and Mr. Lazof, but Cartel (the Permittee) will need access and to use the "District's marsh parking lot and trail connecting the lot to the beach." I think that the initial reason for this is shown in ¶ 4.3, which requires the Permittee to prohibit access to those very same areas. It is difficult, if not impossible, for them to prohibit public access without having their presence on that property to enforce that prohibition. (Imagine being hired as a security guard to protect a warehouse and not being allowed to access the property on which that warehouse is situated.) As such, Cartel will need at least some access to and use of the marsh parking lot, if for no other purpose than to ensure that security personnel have a staging area to secure that area and the trail from public access. Also, while Cartel does not expect to have any great need for "use" of that area, the need may arise where a camera crew will need to access the beach from that location. In order to provide greater assurances to the District that this privilege of accessing these areas is not abused, we can add that permission may be granted within the discretion of a certain District point of contact. To us the most logical choice would be the Harbormaster, as he has "boots on the ground" for that location, and would likely be best suited to assess Cartel's needs in relation to the District's concerns. Given the foregoing, we would suggest revising that paragraph so as to permit limited access, so as permit Cartel to satisfy its obligations under ¶ 4.3, and as may otherwise be permitted by the Harbormaster.
- ¶ 4.5- Similar issue as with 4.4- While we don't expect that there will be any need for "parking" per se in that area described above, beyond that necessary for staging of security or, as the need may arise. However, again, we believe that this can be effectively addressed by establishing the Harbormaster as the "point of contact" (rather than the rather vague "District" approval), such that any plans to place any vehicle(s)in that area should be run through the Harbormaster.
- ¶4.10- The Event is scheduled to take place, waves permitting, somewhere between
   November 1, 2015 and March 31, 2016. Thus, this section should be filled in to reflect the

effective dates for the permit,

As an additional side note, Cartel has no issue whatsoever with ¶4.6, as it fully intends to pick up any trash or debris, and has already budgeted for a clean-up crew to handle that task.

The only remaining issue, as I see it, is the issue of, if Cartel is required to post the Permit Fees before the Event, whether Cartel will be entitled to a refund of the Permit Fees in the event that the Titans of Mavericks surf does not go forward. Presumably, the Permit Fees (unlike the Application Fee, which is non-refundable and we all accept that), are paid to pay the District for actual use, and/or reimburse the District for costs associated with Cartel's use. As such, the Permit Fees should be refundable (even though, as we acknowledge above, that the Application Fees are not), if the weather does not cooperate and allow the Event to go forward.

In the interests of time-saving, I have taken the liberty of preparing a revised draft of the permit. That revised draft is attached. The only "blank" in this is the due date for the payment of the permit Fees, as outlined in bullet points above. I believe that all these issues are consistent with the terms previously agreed to and/or as were discussed at the recent District Meeting on May 20.

Please feel free to contact me further is

Marc S. Hurd
TIEDT & HURD
980 Montecito Drive, Suite 209
Corona, CA 92879
Tel: (951) 549-9400
Fax: (951) 549-9800
mhurd@tiedtlaw.com

Please consider the environment before printing this email.

The contents of this e-mail message and its attachments are intended solely for the addressee(s) hereof. In addition, this e-mail transmission may be confidential and it may be subject to privilege protecting communications between attorneys or solicitors and their clients. If you are not the named addressee, or if this message has been addressed to you in error, you are directed not to read, disclose, reproduce, distribute, disseminate or otherwise use this transmission. Delivery of this message to any person other than the intended recipient(s) is not intended in any way to waive privilege or confidentiality. If you have received this transmission in error, please alent the sender by reply e-mail; we also request that you immediately delete this message and its attachments, if any. UNAUTHORIZED INTERCEPTION PROHIBITED BY FEDERAL LAW (1806 U.S.C. 2701(a) & 2702(a)). LEGAL NOTICE- If you send e-mail to Tiedt & Hurd in connection with a matter for which we do not already represent you, your communication may not be treated as privileged or confidential. If you communicate with us by e-mail in connection with a matter for which we do not already represently you, your means of sharing the information.

From: Steven D. Miller [mailto:SMiller@hansonbridgett.com]

**Sent:** Wednesday, May 27, 2015 8:43 AM **To:** Marc S. Hurd; glazof@smharbor.com

Subject: RE: SMCHD/Titans of Mavericks Permit Issues

Marc,

We've been working diligently and promptly in an effort to accommodate your client's reasonable needs. I believe that Glenn and Cassandra are meeting together this very morning to discuss the terms of a draft permit we have already prepared, consistent with the Board's direction earlier this month, as well as back in 2013 when the three-year arrangement was approved "conditioned upon

the right of the Harbor District to review and modify its approval of the additional years as may be deemed appropriate by the District."

I hope your client will find that the District is eager to cooperate and facilitate the conduct of the surf event. My direction from Glenn Lazoff is to work collaboratively to arrange for the issuance of the permit without causing heartburn and without the need to seek any further Board approvals.

I hope this status update provides some reassurances that may be helpful given the high level of tension that has surrounding this issue in recent weeks. My hope is to dissipate that tension and help move this forward on mutually agreeable terms.

As to the longer term extension—the timing of that discussion is up to Glenn. As you indicated, there are a lot of issues on the District's plate right now.

Best,
Steve
Steven D. Miller
Partner
Hanson Bridgett LLP
(415) 995-5831 Direct (415) 995-3426 Fax
smiller@hansonbridgett.com
425 Market Street, 26th Floor
San Francisco, CA 94105

From: Marc S. Hurd [mailto:mhurd@tiedtiaw.com]
Sent: Wednesday, May 27, 2015 8:33 AM
To: Steven D. Miller; <a href="mailto:glazof@smharbor.com">glazof@smharbor.com</a>
Subject: SMCHD/Titans of Mavericks Permit Issues

Mr. Miller and Mr. Lazof;

Please allow this email to follow up on the events of May 20, 2015 at the San Mateo County Harbor District meeting of the date, and my discussions with Mr. Miller following same.

As you know, per staff recommendation, the previously approved permit to stage the 2015/2016 Mavericks surf event was again approved by the District, albeit with some minor modifications. At the conclusion of the meeting it was agreed that the District would provide a draft permit for your review, to ensure that the terms of the permit were consistent with the Board's action and the permittees' needs. I have not heard back from you with regard to that permit, and seek an update as to the status. As discussed on 5/20/15, Cartel and Mavericks need the permit "in hand" to demonstrate to potential and existing sponsors and media partners that the Titans team is, indeed, authorized to stage the event. Delays in securing the hard copy of the permit simply stymie our clients' efforts to secure that financial backing. Thus, while I understand the circumstances under which you both operate (Mr. Lazof new to the position of Interim GM and Mr. Miller occupied with a

myriad of other issues facing the District), I would appreciate your prompt attention to this matter.

In addition, as addressed during our discussion after the May 20, 2015 Board hearing, the Titans team is interested in pursuing a further extension of the 3-year permit that expires at the end of the 2015/2016 Mavericks season. We would like to discuss the parameters of such a request with you, so as to avoid the kind of uncertainty (not of our own doing) that we have faced over the last few months. Securing a longer term extension would, in our humble opinions, bring a certain level of stability to this issue, at a time when we believe the District should find some stability wherever possible.

I look forward to hearing from you further.

Marc S. Hurd TIEDT & HURD 980 Montecito Drive, Suite 209 Corona, CA 92879 Tel: (951) 549-9400 Fax: (951) 549-9800 mhurd@tiedtlaw.com

Please consider the environment before printing this email.

The contents of this e-mail message and its attachments are intended solely for the addressee(s) hereof. In addition, this e-mail transmission may be confidential and it may be subject to privilege protecting communications between attorneys or solicitors and their clients. If you are not the named addressee, or if this message has been addressed to you in error, you are directed not to read, disclose, reproduce, distribute, disseminate or otherwise use this transmission. Delivery of this message to any person other than the intended recipient(s) is not intended in any way to waive privilege or confidentiality. If you have received this transmission in error, please alert the sender by reply e-mail; we also request that you immediately delete this message and its attachments, if any. UNAUTHORIZED INTERCEPTION PROHIBITED BY FEDERAL LAW (1806 U.S.C. 2701(a) & 2702(a)).

I FCAL NOTICE. If you send e-mail to Tiert & Hurd in connection with a matter for which we do not already represent you your LEGAL NOTICE- If you send e-mail to Tiedt & Hurd in connection with a matter for which we do not already represent you, your communication may not be treated as privileged or confidential. If you communicate with us by e-mail in connection with a matter for which Tiedt & Hurd already represents you, please remember that Internet e-mail is not secure and you may wish to consider other

Marc S. Hurd

To:

Steven D. Miller

Cc:

glazof@smharbor.com

Subject: Date:

RE: SMCHD/Titans of Mavericks Permit Issues Wednesday, May 27, 2015 10:51:52 AM

Steve.

Thank you for your prompt response. I appreciate the diligence, and I understand the pressures you and Mr. Lazof face. I also understand that the meeting between Mr. Lazof and Mrs. Clark will attempt to address the immediate issues regarding the 2015/2016 permit. I think it's in everyone's best interests to get this resolved quickly, and I can assure you that you will have our full cooperation toward that end.

I also look forward to hearing from you and/or Mr. Lazof further regarding the extension. In light of recent disclosures at the SMCHD meeting regarding Ms. Brennan, I know that Cartel and the Titans team are weighing options, but want to cooperate with the district toward a successful resolution of any future issues regarding the permits beyond 2015/2016.

Thank you again for your prompt reply and I look forward to hearing from you and/or Mr. Lazof further.

Marc S. Hurd TIEDT & HURD 980 Montecito Drive, Suite 209 Corona, CA 92879 Tel: (951) 549-9400 Fax: (951) 549-9800 mhurd@tiedtlaw.com

Please consider the environment before printing this email.

The contents of this e-mail message and its attachments are intended solely for the addressee(s) hereof. In addition, this e-mail transmission may be confidential and it may be subject to privilege protecting communications between attorneys or solicitors and their clients. If you are not the named addressee, or if this message has been addressed to you in error, you are directed not to read, disclose, reproduce, distribute, disseminate or otherwise addressee, or if this message has been addressed to you in error, you are directed not to read, disclose, reproduce, distribute, disseminate or other use this transmission. Delivery of this message to any person other than the intended recipient(s) is not intended in any way to waive privilege or confidentiality. If you have received this transmission in error, please alert the sender by reply e-mail; we also request that you immediately deleted message and its attachments, if any. UNAUTHORIZED INTERCEPTION PROHIBITED BY FEDERAL LAW (1806 U.S.C. 2701(a) & 2702(a)). LEGAL NOTICE- If you send e-mail to Tiedt & Hurd in connection with a matter for which we do not already represent you, your communication may not be treated as privileged or confidential. If you communicate with us by e-mail in connection with a matter for which a laterally represents you, please remember that Internet e-mail is not secure and you may wish to consider other. which Tiedt & Hurd already represents you, please remember that Internet e-mail is not secure and you may wish to consider other

From: Steven D. Miller [mailto:SMiller@hansonbridgett.com]

**Sent:** Wednesday, May 27, 2015 8:43 AM To: Marc S. Hurd; glazof@smharbor.com

Subject: RE: SMCHD/Titans of Mavericks Permit Issues

Marc.

We've been working diligently and promptly in an effort to accommodate your client's reasonable needs. I believe that Glenn and Cassandra are meeting together this very morning to discuss the terms of a draft permit we have already prepared, consistent with the Board's direction earlier this month, as well as back in 2013 when the three-year arrangement was approved "conditioned upon the right of the Harbor District to review and modify its approval of the additional years as may be deemed appropriate by the District."

I hope your client will find that the District is eager to cooperate and facilitate the conduct of the surf event. My direction from Glenn Lazoff is to work collaboratively to arrange for the issuance of the permit without causing heartburn and without the need to seek any further Board approvals.

I hope this status update provides some reassurances that may be helpful given the high level of tension that has surrounding this issue in recent weeks. My hope is to dissipate that tension and help move this forward on mutually agreeable terms.

As to the longer term extension—the timing of that discussion is up to Glenn. As you indicated, there are a lot of issues on the District's plate right now.

Best,
Steve
Steven D. Miller
Partner
Hanson Bridgett LLP
(415) 995-5831 Direct (415) 995-3426 Fax
smiller@hansonbridgett.com
425 Market Street, 26th Floor
San Francisco, CA 94105

From: Marc S. Hurd [mailto:mhurd@tiedtlaw.com]
Sent: Wednesday, May 27, 2015 8:33 AM
To: Steven D. Miller; glazof@smharbor.com
Subject: SMCHD/Titans of Mavericks Permit Issues

Mr. Miller and Mr. Lazof:

Please allow this email to follow up on the events of May 20, 2015 at the San Mateo County Harbor District meeting of the date, and my discussions with Mr. Miller following same.

As you know, per staff recommendation, the previously approved permit to stage the 2015/2016 Mavericks surf event was again approved by the District, albeit with some minor modifications. At the conclusion of the meeting it was agreed that the District would provide a draft permit for your review, to ensure that the terms of the permit were consistent with the Board's action and the permittees' needs. I have not heard back from you with regard to that permit, and seek an update as to the status. As discussed on 5/20/15, Cartel and Mavericks need the permit "in hand" to demonstrate to potential and existing sponsors and media partners that the Titans team is, indeed, authorized to stage the event. Delays in securing the hard copy of the permit simply stymie our clients' efforts to secure that financial backing. Thus, while I understand the circumstances under

which you both operate (Mr. Lazof new to the position of Interim GM and Mr. Miller occupied with a myriad of other issues facing the District), I would appreciate your prompt attention to this matter.

In addition, as addressed during our discussion after the May 20, 2015 Board hearing, the Titans team is interested in pursuing a further extension of the 3-year permit that expires at the end of the 2015/2016 Mavericks season. We would like to discuss the parameters of such a request with you, so as to avoid the kind of uncertainty (not of our own doing) that we have faced over the last few months. Securing a longer term extension would, in our humble opinions, bring a certain level of stability to this issue, at a time when we believe the District should find some stability wherever possible.

I look forward to hearing from you further.

Marc S. Hurd
TIEDT & HURD
980 Montecito Drive, Suite 209
Corona, CA 92879
Tel: (951) 549-9400
Fax: (951) 549-9800
mhurd@tiedtlaw.com

Please consider the environment before printing this email.

The contents of this e-mail message and its attachments are intended solely for the addressee(s) hereof. In addition, this e-mail transmission may be confidential and it may be subject to privilege protecting communications between attorneys or solicitors and their clients. If you are not the named addressee, or if this message has been addressed to you in error, you are directed not to read, disclose, reproduce, distribute, disseminate or otherwise use this transmission. Delivery of this message to any person other than the intended recipient(s) is not intended in any way to waive privilege or confidentiality. If you have received this transmission in error, please alert the sender by reply e-mail; we also request that you immediately delete this message and its attachments, if any. UNAUTHORIZED INTERCEPTION PROHIBITED BY FEDERAL LAW (1806 U.S.C. 2701(a) & 2702(a)).

LEGAL NOTICE- If you send e-mail to Tiedt & Hurd in connection with a matter for which we do not already represent you, your communication may not be treated as privileged or confidential. If you communicate with us by e-mail in connection with a matter for which Tiedt & Hurd already represents you, please remember that Internet e-mail is not secure and you may wish to consider other means of sharing the information.