

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

Permit Number: 2015-34

1. Special Use Permittee

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|------|-----------------------|---|
| 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 |
| 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 any portion of the Pillar Point/Mavericks beach controlled by the San Mateo County Harbor District ("District") and/or other District facilities as approved by the General Manager (collectively referred to as "Property") or designate during a Surfing Event at Mavericks surf break (the "Event").
- 2.2. The 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, 2015 and March 31, 2016 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 was made on May 6, 2015. Payment of a Permit Fee of Eleven thousand six hundred dollars (\$11,600.00), which the District acknowledges has already been paid and deposited pursuant to a permit granted for a similar event in the 2014/2015 season (the 2014/15 Permit), although that event was ultimately cancelled. The parties agree to the following with regard to the Permit Fee already submitted by the Permittee.

3.1.1 The Permit Fee is intended to cover the District's Costs, defined as the sum of the following: (a) the District's reasonable costs pertaining to the administration of this Permit and the Permittee's use of the Property under this Permit, and (b) the District's reasonable costs pertaining to the administration of the 2014/15 Permit and Permittee's use of the Property pursuant to the 2014/15 Permit.

3.1.2 District Costs are those actual administrative costs that the District would not incur but for the Permittee's activities in association with planning for and holding the Event (both under this Permit and the 2014/15 Permit). For avoidance of doubt, District Costs do not include any costs associated with the processing or granting of either this Permit or the 2014/2015 Permit - such costs are covered by the Application Fee - and do not include any legal costs incurred prior to the effective date of this Permit.

3.1.3 To the extent the District Costs 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.

3.1.4 To the Extent the District Costs are less than \$11,600, the District shall reimburse Permittee any remaining amount within 60 days of the Event.

3.1.5 Along with any invoice submitted in accordance with Section 3.1.3, or along with any reimbursement submitted in accordance with Section 3.1.4, 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. In such an event, the parties agree mutually to use best efforts to try and resolve any dispute.

- 3.2 Payments of undisputed amounts not paid by the due date shall bear interest at 10.00% per annum until paid.
- 3.3 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 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. 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 4.12 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 no later than November 1, 2015.
- 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.

- 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, 2015, and shall terminate on the earlier of 11:00 pm on the day of the Event, or on March 31, 2016. This Permit becomes immediately null and void should any of the 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 District facilities in connection with holding a Surfing Event 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, which consent shall not be unreasonably withheld
- 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, commissions, 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, commissions, 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. Producer 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.

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, 2015**, and shall terminate on **March 31, 2016**. This Permit becomes immediately null and void should any of the conditions specified in Section 4 above not be met, or should any required certificates 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:

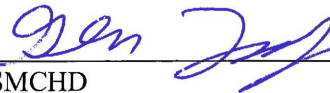
**SAN MATEO COUNTY
HARBOR DISTRICT**

Zoe Lee Ahn

Glenn Lazof

Print Name

Print Name



Cartel Management, Inc. – Signature

SMCHD

6/29/15

6/30/2015

Date

Date