

## **LEASE AGREEMENT**

This LEASE AGREEMENT (“Lease”) is dated \_\_\_\_\_, 2024 (“Effective Date”) and is entered into by and between SAN MATEO COUNTY HARBOR DISTRICT (“Landlord”) and Pillar Point Harbor LLC., dba Pillar Point RV Park, a California limited liability company (“Tenant”). Landlord and Tenant are referenced in the aggregate as the “Parties” and sometimes, when a provision applies to each of them individually, as a “Party.”

### **RECITALS**

A. Landlord hereby leases to Tenant and Tenant hereby Leases from Landlord, the property located at Pillar Point Harbor, Half Moon Bay, County of San Mateo, State of California, described as a portion of San Mateo County Assessor’s Parcel 047-263-010, consisting of approximately 60,700 square feet of space as depicted in Exhibit “A” (“Premises”), together with the non-exclusive right of ingress and egress over such other properties of Landlord not Leased to or occupied by other Tenants for purposes of access to and from the Premises.

B. Tenant currently occupies the Premises on a month-to-month tenancy.

C. The Parties wish to enter this Lease to set forth the terms and conditions for Tenant to continue its use of the Premises.

NOW, THEREFORE, in consideration of the foregoing recitals and the terms and conditions hereinafter set forth, Landlord and Tenant agree as follows:

### **AGREEMENT**

#### **1. Premises.**

a. Landlord hereby leases the Premises to Tenant, and Tenant hereby leases the Premises from Landlord, upon and subject to the terms and conditions of this Lease.

b. Tenant accepts the Premises in an “As Is” condition without representation or warranty, express or implied, and subject to all matters of record, and acknowledges and agrees that Landlord shall not be under any obligation to improve the Premises (including without limitation making improvements that may be required by law, changes in laws, or new laws).

#### **2. Coastal Development Permit.**

a. Tenant shall, at Tenant’s sole cost and expense, perform all work required of Tenant pursuant to the July 9, 2019, Coastal Development Permit PDP-18-006 (“2019 Coastal Development Permit”).

b. Tenant shall on Oct 1, 2024, January 1, 2025, April 1, 2025, and July 1, 2025, provide to Landlord a written update on Tenant’s progress towards and continuing compliance with the requirements of the Coastal Development Permit.

c. Tenant's failure to fulfill its obligations under the 2019 Coastal Development Permit within 365 days of the Effective Date shall be an event of default, subject to termination pursuant to Section 18 of this Lease.

**3. Restroom Facility/Shower.**

a. Tenant, at Tenant's sole expense, shall:

- i. remodel/replace the existing restroom facility within the Premises to comply with the American Disability Act,
- ii. submit all required building permits to remodel/replace the existing restroom facility within 60 days of the Effective Date.

Failure to complete the remodel/replacement of the restroom within 365 days following the issue date of all required permits, shall be an event of default, subject to termination pursuant to Section 18 of this Lease.

b. Landlord, based on facility use, may require Tenant, at Tenant's sole expense, to install an appropriate outdoor beach shower within the facility at a location to be mutually agreed upon by the Parties.

**4. Use and Requirements of Premises.**

a. Permitted Uses: Tenant shall have an exclusive right to operate and maintain an overnight camping area for recreational vehicles, including all services and activities related thereto ("Permitted Uses").

b. Additional Services: Subject to the prior written approval of Landlord, Tenant may provide additional uses and services, which are ancillary to, and compatible with the Permitted Uses, and not incompatible with other uses and services allowed or required for other tenants at Pillar Point Harbor ("Additional Services").

c. Services Permitted: Permitted Uses and Additional Services shall be the only uses and services permitted on the Premises. Tenant shall not use the Premises for any other purpose nor engage in any other business activity within or from the Premises without Landlord's prior written approval.

d. Cooperation: Tenant shall cooperate with all other tenants of Landlord who are operating in the vicinity of the Premises and shall conduct its operations to avoid unreasonable interference with the operations of other tenants. If the operations of Tenant are impaired because of any acts or omissions of such other tenant, Tenant shall have no claim against Landlord on that account.

e. Continuous Operation: Tenant shall continuously and diligently operate the Premises throughout the Term and shall keep or cause the Premises to be kept open for business for not less twenty-four (24) hours per day, seven (7) days per week, three hundred sixty-five (365) days per year.

f. Reasonable Interruptions: Tenant may request reasonable interruptions in its operations for periodic maintenance of the Premises, if it becomes necessary to change

the management of the Premises, or if the Premises should be closed and the business of Tenant is restricted or temporarily discontinued therein on account of strikes, lockouts, pandemic, disaster, or similar causes beyond the reasonable control of Tenant. Tenant shall make such request in writing to the Harbor District General Manager, who may waive Tenant's obligations under this Section, in the Harbor District General Manager's sole and absolute discretion.

g. Hazardous Materials: Tenant shall not cause or permit any Hazardous Materials to be generated, produced, brought upon, used, stored, treated, or disposed of in or about the Premises by Tenant, its agents, employees, contractors, sub-tenants, or invitees in violation of any applicable laws, codes, ordinances, or regulations governing the same. As used in this Lease, the term "Hazardous Materials" means any flammable items, explosives, radioactive materials, hazardous or toxic substances, material or waste or related materials, including any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" now or subsequently regulated under any applicable federal, state, or local laws or regulations, including without limitation petroleum-based products, paints, solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonia compounds, and other chemical products, asbestos, PCBs and similar compounds, and including any different products and materials that are subsequently found to have adverse effects on the environment or the health and safety of persons. Notwithstanding the foregoing, Tenant may use any ordinary and customary materials reasonably required in the normal course of Tenant's operations, so long as such use is in compliance with applicable laws and regulations.

h. Unlawful Discrimination/Harassment: Tenant shall not unlawfully discriminate, harass, or allow harassment against employees or applicants for employment because of race, color, religious creed, citizenship, political activity or affiliation, national origin, ancestry, disability (physical or mental), including HIV and AIDS, marital status, age (40 and above), medical condition (cancer/genetic characteristics), veteran status, sexual orientation, gender identity, gender expression, sex or gender (which includes pregnancy, childbirth, breastfeeding, or related medical conditions), taking or requesting statutorily protected leave, or any other characteristics protected under federal, state, or local Laws. The Tenant shall not unlawfully discriminate, harass, or allow harassment against customers due to race, color, religious creed, citizenship, political activity or affiliation, national origin, ancestry, disability (physical or mental), including HIV and AIDS, marital status, age (40 and above), medical condition (cancer/genetic characteristics), veteran status, sexual orientation, gender identity, gender expression, sex or gender (which includes pregnancy, childbirth, breastfeeding, or related medical conditions), or any other characteristics protected under federal, state, or local laws

i. Parking: Tenant and Tenant's invitees are permitted to park in unreserved, unassigned parking spaces adjacent to the Premises in compliance with San Mateo County Harbor District Ordinance Code. Landlord shall not be obligated to, but may, monitor use of such spaces, tow any vehicles at owner's expense, install any signs, or mark the spaces.

j. Use Restriction: Tenant shall not cause or permit the Premises to be used in any way that: (i) constitutes a violation of any law, ordinance, or governmental regulation or order regulating the manner of use by Tenant of the Premises (including, without limitation, any law ordinance, regulation, or order relating to Hazardous Materials); (ii) constitutes a nuisance or waste; or (iii) increases the cost of any insurance relating to the Premises paid by Landlord. Tenant shall obtain, at its sole cost and expense, all governmental permits, licenses, and authorizations of whatever nature required by any governmental agencies having jurisdiction over Tenant's use or improvement of the Premises. Further, Tenant, at its sole cost, will comply with all rules and regulations promulgated by Landlord, and make all improvements to the Premises that may be required by law, including changes in law and new laws'.

## 5. Term.

a. Term: The term of this Lease shall commence on the Effective Date and shall expire at 11:59 PM on June 30, 2026.

b. Option to Renew: Provided the Tenant is not in default, including, but not limited to complying with the requirements outlined in the 2019 Coastal Development Permit, the lease may be renewed for three (3) additional years. The first two (2) years, and the three (3) year renewal shall be referred to as the "Initial Term".

Upon written Notice, provided pursuant to Section 23, from Tenant to Landlord, which Landlord must receive no later than 120 days and no earlier than 180 days prior to the expiration of the Initial Term or any Additional Term (defined herein), the Lease may be extended by three (3) additional terms of up to five (5) years each (each an "Additional Term" and together with the Initial Term, the "Term"), provided Tenant is not in default. Failure to provide written Notice to Landlord within the specified period will result in the expiration of the Lease Term.

c. Removal of Property: Upon the expiration of the Term, or earlier termination of this Lease, Tenant shall remove all of its personal property, including trade fixtures, and return the Premises to their original condition. If Tenant does not remove all its personal property, Landlord may do so and may dispose of such property in any manner without liability to Tenant and Tenant hereby waives its rights under statutes and other laws to the contrary.

## 6. Taxes.

a. Personal Property Taxes: Tenant shall pay all taxes charged against trade fixtures, furnishings, equipment, or any other personal property belonging to Tenant. Tenant shall use commercially reasonable efforts to have personal property taxed separately from the Premises. If any of Tenant's personal property is taxed with the Premises and paid by Landlord, Tenant shall reimburse Landlord the taxes for the personal property within (30) days after Tenant receives a written statement from Landlord for such personal property taxes, together with reasonable evidence showing the amount of personal property taxes paid by Landlord.

b. Possessory Interest Taxes: Tenant acknowledges that this Lease and Tenant's interest hereunder constitutes a possessory interest subject to property taxation, and as a result tenant is required to pay possessory interest taxes (a property tax) levied on that interest. Tenant shall pay such taxes, when due, to the levying authority.

### **7. Utilities.**

a. Tenant shall be responsible for the payment of all utilities and services in connection with the Premises, including, but limited to, the following:

- i. Garbage and trash disposal,
- ii. Electricity,
- iii. Water,
- iv. Sewer,
- v. Telephone/Cable/Internet services,
- vi. Landscaping maintenance.

### **8. Rent.**

a. Rent: On the first day of each calendar month, without offset, deduction, notice or demand beginning on the Effective Date, Tenant shall pay a monthly rent of \$15,782 ("Base Rent").

b. Cost of Living Adjustment: Beginning January 1, 2027, and on each subsequent January 1, rent shall increase by the greater of 3% or the percentage increase in the Consumer Price Index, All Urban Consumers ("CPI-U") for San Francisco-Oakland-Hayward, during the twelve-month period ending with the most recent month that has been published by the U.S. Department of Labor, Bureau of Labor Statistics. Landlord shall notify Tenant of the adjusted rent amount, but Tenant shall continue paying rent at the non-adjusted rate until such notice is delivered, at which point Tenant shall pay the amount of the unpaid adjustments since the adjustment date within ten (10) days after the notice is given.

b. Address: Rent shall be paid to Landlord at its address in Section 23 below, without deduction or offset, in lawful money of the United States of America or to such other place as Landlord may from time to time designate in writing.

### **9. Security Deposit.**

a. Security Deposit: Tenant shall pay Landlord an amount equal to two (2) months of the Base Rent listed in Section 8(a), ("Security Deposit"). Such amount shall be held by Landlord as security for the faithful performance by Tenant of all the terms, covenants, and conditions of this Lease. Landlord may use the Security Deposit, or any portion of it, to cure Tenant's default, to pay past due rent, to repair physical damage to the property or attachments, to compensate Landlord for any damage sustained by Landlord resulting from Tenant's default, or any and all of the foregoing. Tenant shall not be entitled to, and Tenant hereby specifically waives any requirement that Landlord pay interest on the Security Deposit. Tenant hereby waives all statutes and laws governing the use of such Security Deposit and agrees that this Section 9 shall govern in lieu thereof. In the event Tenant has substantially performed all of the terms and conditions of this Lease

throughout the Term, upon Tenant's vacating the Premises in the condition required by this Lease, the Security Deposit shall be returned to Tenant.

b. Maintenance of Security Deposit: Tenant shall replenish the Security Deposit, as needed, throughout the Lease term. Failure to do so shall be deemed a default and shall be grounds for immediate termination of the Lease. If any portion of the Security Deposit is withdrawn by Landlord for payment of default monies owed Landlord, Landlord shall notify Tenant in writing, and Tenant shall have thirty days to replenish the Security Deposit to its full amount.

#### **10. Late Charges; Interest.**

Tenant acknowledges that late payment of rent or other sums due will cause Landlord to incur costs, the exact amount of which will be difficult to ascertain; accordingly, if any installment of rent or any other sum due from the Tenant is not received by Landlord within five (5) days of the date on which it is due, Tenant shall pay to Landlord as additional rent, the sum of five percent (5%) of such overdue amount as liquidated damages. In addition, after rent payments are five (5) business days delinquent, the Tenant shall pay Landlord any attorneys' fees or notice/process service fees incurred by Landlord by reason of Tenant's failure to pay rent or other charges when due hereunder. In addition, all unpaid amounts shall accrue interest from the date due the lesser of the maximum rate allowed by law or five percent (5%) per annum until paid.

#### **11. Alterations.**

No structure, sign, or other improvement of any kind shall be constructed on the Premises by Tenant, its employees, agents, or contractors without the prior written approval of Landlord in each case. However, Landlord agrees that Tenant may replace existing signs provided they are of similar size and design with written approval by Landlord. Approval may be withheld, conditioned, or delayed in Landlord's sole and absolute discretion. In making any approved improvements or alterations, Tenant shall comply with all applicable laws, including prevailing wage laws (California Labor Code Sections 1720 et seq.) and shall defend, indemnify, and hold harmless Landlord as well as Landlord's members, officers, directors, contractors, subcontractors, agents, and employees, from and against any and all claims by contractors and subcontractors for prevailing wages. No approval by Landlord of any plans or specifications shall constitute: (i) approval of architectural or engineering sufficiency or representation; or (ii) warranty by Landlord as to the adequacy or sufficiency of the plans and specifications or the improvements contemplated for Tenant's use or purpose. Landlord, by approving the plans and specifications, assumes no responsibility or liability for any defect in any improvements constructed on the basis of the plans and specifications. Tenant expressly agrees to comply with all applicable signage ordinances.

#### **12. General Maintenance and Repairs.**

a. Tenant's Responsibility: Maintenance and Repairs:

Tenant shall during the term of this Lease, at Tenant's own cost and expense, maintain the Premises, and every part thereof, and including the exterior and interior of any structure leased or constructed and leased for the use of Tenant, all landscaping, and all

trade fixtures, machinery, equipment, and other property situated in or upon the Premises, owned, operated, installed, or caused to be installed, or to be at, on or upon the Premises by Tenant, including all utilities, fixtures, and appurtenances owned, operated, installed, or caused to be installed on or upon the Premises in good, clean, safe and sanitary condition and repair. If Tenant fails to clean, maintain, or repair the Premises or portions of the exterior area under exclusive control of the Tenant, as required by this Section 13, Landlord may, upon a ten (10) days' prior written notice to Tenant, enter the Premises, as necessary, and perform such maintenance or repair (including replacement, as needed) on behalf of Tenant. In such case, Tenant shall reimburse Landlord for all costs incurred in performing such maintenance or repair within ten (10) days after delivery of invoice. Tenant shall fulfill all of Tenant's obligations under this Section 12 at Tenant's sole expense.

b. Landlord's Responsibility: Landlord shall not be required or obligated to make any changes, alterations, additions, improvements, or repairs in, on, or about the Premises, or any part thereof, during the term of this Lease.

### **13. Landlord's Access.**

The duly authorized officers or representatives of Landlord shall have the right to enter the Premises during normal business hours and in emergencies at all times:

- i. To inspect the area and premises for compliance with the terms of this Lease;  
and
- ii. For any other lawful purpose.

### **14. Signage Program.**

Tenant agrees to comply with Landlord's regulations, policies, and guidelines governing signage, and pay costs and operational expense of installing and maintaining signage for the Premises.

### **15. Insurance; Indemnity.**

Tenant shall procure and maintain insurance issued by an insurer reasonably satisfactory to Landlord. Landlord shall be named as an additional insured on all insurance policies of Tenant that are taken out under this Lease. The Tenant shall purchase, maintain, and keep in force during the term of this Lease at Tenant's sole cost and expense the following insurance:

a. Workers' Compensation: Workers' Compensation as required by the statutory laws of the State of California Labor Code.

b. Commercial General Liability: Commercial General Liability with accompanying "Additional Insured" endorsement documents. All endorsements shall clearly state the policy number.

- i. Commercial General Liability policies shall include endorsements naming San Mateo County Harbor District, Its Commissioners, Officers, Agents, Volunteers, and Employees as additional insureds.

- ii. Endorsements for General Liability shall state that the Tenant's insurance is "primary" and San Mateo County Harbor District is "non-contributory," or copies of the complete policy which state the equivalent may be submitted in their entirety.
- iii. Minimum Insurance Requirements – General Liability Insurance:
  - Two million dollars (\$2,000,000) each occurrence (combined single limit);
  - Two million dollars (\$2,000,000) for personal injury liability;
  - Four million dollars (\$4,000,000) in the aggregate; and
  - One million dollars (\$1,000,000) for damage to rented premises.

Or other means of coverage acceptable to Landlord as confirmed in writing.

c. Property Insurance: Property Insurance against all risks of loss to any tenant improvements or betterments, at full replacement cost with no coinsurance penalty provision.

d. Certificate of Auto Liability Insurance: Certificate of Auto Liability Insurance with accompanying "Additional Insured" endorsement documents. All endorsements shall clearly state the policy number.

- i. Commercial Auto Liability policies shall include endorsements naming San Mateo County Harbor District, Its Commissioners, Officers, Agents, Volunteers, and Employees as additional insureds.
- ii. Endorsements for Auto Liability shall state that the Tenant's insurance is "primary" and San Mateo County Harbor District is "non-contributory," or copies of the complete policy which state the equivalent may be submitted in their entirety.
- iii. The Auto Liability Insurance requirement may be waived if Tenant and Tenant's employees will not be using any vehicle for business purposes on Landlord's property. This waiver will only be effective if the Tenant signs and delivers to the Landlord a waiver form for non-auto use.
- iv. Minimum Insurance Requirements – Auto Liability Insurance:
  - One million dollars (\$1,000,000) per occurrence for bodily injury and/or property damage; and
  - Policy shall cover any auto.

e. Certificate of Insurance for Claims arising out of the Americans with Disabilities Act: Tenant shall, at its sole cost and expense, obtain an insurance policy with coverage for claims arising out of the Americans with Disabilities Act (ADA). In the event that Tenant cannot obtain such coverage, Tenant shall provide Notice to Landlord, along with an explanation about Tenant's inability to obtain such coverage. Landlord may, in its sole and absolute discretion waive the requirement to obtain insurance coverage for claims arising out of the Americans with Disabilities Act.

f. Written Notice of Cancellation: All policies shall state by their terms and by an endorsement that said policy shall not be canceled until District shall have had at least thirty (30) days written notice of such cancellation.



g. Certificate(s) of Insurance: Tenant shall deliver to Landlord, certificate(s) of insurance evidencing that such insurance is in force and effect and evidencing that Landlord, as well as Landlord's, members, officers, directors, contractors, subcontractors, agents, and employees have been named as an additional insured thereunder, if applicable. As a material part of the consideration to Landlord, Tenant shall indemnify, defend (with counsel acceptable to Landlord) and hold Landlord, as well as Landlord's, members, officers, directors, contractors, subcontractors, agents, and employees harmless from any third party loss, damage, injury, accident, casualty, liability, claim, cost or expense (including, but not limited to, reasonable attorneys' fees) of any kind or character to any person or property (collectively, "Claims") arising from or related to Tenant's use of the Premises before, during, and after the Term, the conduct of Tenant's business and/or any act or omission of Tenant, its employees, agents, contractors or invitees. All obligations under this Section shall survive the expiration or termination of this Lease.

h. Notice of Cancellation: All policies shall state by their terms and by an endorsement that said policy shall not be canceled until Landlord has had at least thirty (30) days written notice of such cancellation.

i. Indemnification: As a material part of the consideration to Landlord under this Lease, Tenant shall promptly indemnify, defend (with counsel acceptable to Landlord) and hold Landlord, Landlord's, members, officers, directors, contractors, subcontractors, agents, and employees (collectively, the "Landlord Indemnified Parties") harmless from any loss, damage, injury, accident, casualty, liability, claim, cost or expense (including, but not limited to, reasonable attorneys' fees and expenses) of any kind or character to any person or property (collectively, "Claims") arising from or related to (i) any act or omission of Tenant Parties within the Premises; (ii) the use of the Premises for the conduct of Tenant's business by Tenant or any other Tenant Parties, or any other activity, work or thing done, permitted or suffered by Tenant or any Tenant Parties, in or about the Premises, or done or permitted by Tenant or any other Tenant Parties in or about the Property; and/or (iii) any default by Tenant of any obligations on Tenant's part to be performed under the terms of this Lease. In case any action or proceeding is brought against Landlord or any Landlord Indemnified Parties by reason of any such Claims, Tenant, upon notice from Landlord, agrees to promptly defend the same at Tenant's sole cost and expense by counsel approved in writing by Landlord. Tenant agrees to indemnify, defend and hold Landlord Indemnified Parties harmless from and against any loss, cost, expense, damage or liability, including reasonable attorneys' fees and court costs, incurred as a result of a claim by any person or entity (i) that it is entitled to a commission, finder's fee or like payment in connection with this Lease, or (ii) relating to or arising out of this Lease or any related agreements or dealings. All obligations under this Section shall survive the expiration or termination of this Lease, including with respect to any injury, illness, death or damage occurring prior to such expiration or termination. For the purpose of this section, "Tenant Parties" shall mean Tenant and its contractors, clients, customers, suppliers, officers, directors, employees, representatives, licensees, agents, guests, invitees, or any other permitted occupant or user of the Premises.

## **16. Disclaimer; Risk of Loss.**

Landlord Indemnified Parties shall not be liable for loss or damage to any property by theft or otherwise, nor for any injury to or damage to persons or property resulting from an accident, including without limitation fire, explosion, falling plaster, steam, gas, electricity, windstorm, water or rain which may leak from any part of the Property or from the pipes, appliances or plumbing works therein or from the roof, street or subsurface or for any other place resulting from dampness or any other cause whatsoever, unless caused by or due to the gross negligence or willful misconduct of Landlord's agents, contractors, servants, or employees. Landlord or its agents shall not be liable for interference with the light, or loss of business by Tenant, nor shall Landlord be liable for any latent defect in the Premises or in the Property. Tenant shall give prompt notice to Landlord in case of fire accidents in the Premises or on the Property or of defects therein or in the fixtures or equipment.

## **17. Damage or Destruction.**

If a total destruction (the rendering totally unusable fifty percent (50%) or more of Tenant's improvements on the Premises), or a partial destruction (less than fifty percent (50%)) occurs to Tenant-owned improvements, the loss of which is covered by the insurance required by this Lease, Tenant shall within ninety (90) days thereafter commence and diligently prosecute the repair, restoration, or replacement such that the completed work, which may be different in design, shall be equal in value, quality, and use to the condition of the improvements before the event giving rise to the work. If any of the Tenant-owned improvements are damaged or destroyed by any casualty not covered by the insurance provisions of this Lease, and if the Premises are hereby rendered unfit for the uses prescribed herein, Tenant shall have the option of: (i) clearing the land and returning it as it was at any time prior to the inception of this Lease, in which event Tenant may terminate this Lease; or (ii) rebuilding the structure(s) in such a way that it would be comparable in use and value (but not necessarily design) to the structure(s) which had existed prior to the casualty.

## **18. Default and Remedies; Holding Over; Waiver of Relocation Assistance.**

a. Events of Default. Should Tenant be in default with respect to any monetary obligation pursuant to the terms of this Lease for a period of five (5) days after written notice from Landlord, or should Tenant fail to cure any other default under this Lease within thirty (30) days after written notice from Landlord, then Landlord may treat any such event as a material breach of this Lease. Provided, that if such default cannot reasonably be cured within thirty (30) days, Tenant shall not be in default of this Lease if Tenant commences to cure the default within the thirty-day period and diligently and in good faith continues to cure the default. In addition to any or all other rights or remedies of Landlord provided by law, Landlord shall have the right, at Landlord's option, without further notice or demand of any kind to Tenant, or any other person, to immediately terminate this Lease by written notice to Tenant and to re-enter and take possession of the Premises and remove all persons and property therefrom, and dispose of any property in any manner, without liability to Tenant. The form of notice of default hereunder may be in the form required by unlawful detainer statutes, such that Landlord need not give additional cure time to Tenant before termination and unlawful detainer proceedings.

b. Remedies; Damages. If Landlord terminates this Lease based on a default by Tenant, Landlord shall have rights to damages as provided by California Civil Code Section 1951.2. Landlord may also keep this Lease in effect and sue for rent as it comes due under California Civil Code Section 1951.4. Landlord reserves all of its equitable remedies, including rights to obtain injunctive relief.

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

\_\_\_\_\_  
(Tenant's Initials)

**19. Waiver by Landlord.**

Any waiver by Landlord of any default or breach of any covenant, condition, term, and agreement contained in this Lease shall not be construed to be a waiver of any subsequent or other default or breach. The rights, powers, options, privileges, and remedies available to Landlord under this Lease shall be cumulative.

**20. Attorneys' Fees.**

Should either party to this Lease resort to litigation to enforce any provision of this Lease, the prevailing party shall be entitled to its attorneys' fees and reasonable costs incurred in litigating any dispute. However, if reasonable, prior to commencing litigation, the parties agree to meet and use good faith efforts to resolve their dispute within sixty (60) days.

**21. Environmental Protection Provisions.**

In addition to all other duties and obligations imposed upon Tenant by this Lease with respect to care and maintenance of the Premises, and the conduct of Tenant's business thereon, Tenant, by signing this Lease, expressly covenants and agrees to comply with all applicable provisions of and amendments to governmental laws and regulations related to environmental protection, including any laws or regulations that may impose requirements upon the San Mateo County Harbor District as a governmental agency.

**22. Prohibition on Assignment and Subletting.**

Tenant may not sublet or assign the Premises, or any portion of the Premises, or otherwise transfer its interest under this Lease without Landlord's prior written consent, which consent shall not be unreasonably withheld. Any attempted assignment, sublet, or transfer made in violation of this provision shall be void. If Tenant requests Landlord's consent to an assignment or subletting, then Tenant shall pay to Landlord, as additional rent, within ten (10) days after written demand, Landlord's actual attorneys' fees incurred in connection with evaluating the request and any assignment documents or sublease

and in connection with processing any required documents, or \$10,000.00, whichever is greater.

**23. Notices.**

All notices, demands, and requests that may be given or which are required to be given by any party to this Agreement must be sent by (i) certified U.S. mail, postage prepaid, return receipt requested; or (ii) a recognized private courier company (i.e., UPS, FedEx), to the following addresses, and shall be deemed delivered upon the date received:

To Landlord: San Mateo County Harbor District  
P.O. Box 1449  
El Granada, California, 94018  
Attn.: General Manager

To Tenant: Pillar Point Harbor LLC  
Mr. Keet Nerhan  
P.O. Box 158  
Half Moon Bay, Ca 94019

**24. No Principal/Agent Relationship.**

Nothing contained in this Lease shall be construed as creating the relationship of principal and agent, or of partnership or joint venture between Landlord and Tenant.

**25. General Manager as Authorized Agent.**

The General Manager of the San Mateo Harbor District is authorized to take any and all actions and to make any and all determinations on behalf of the Landlord for the purposes of this Lease.

**26. Joint and Several.**

If Tenant consists of more than one person, the obligation of all such persons shall be joint and several.

**27. Complete Agreement.**

This Lease constitutes the entire agreement between Landlord and Tenant pertaining to the specific subject matter of this Lease and supersedes all prior and contemporaneous agreements, representations, and understandings of Landlord and Tenant, oral or written.

**28. Modification.**

No supplement, modification, amendment, or change in any terms of this Lease shall be binding on the Parties unless in writing and executed by Tenant and Landlord.

**29. Severability.**

If any provision of this Lease or the application of any such provision shall be held by a court of competent jurisdiction to be invalid, void, or unenforceable to any extent, the

remaining provisions of this Lease and the application thereof shall remain in full force and effect and shall not be affected, impaired, or invalidated.

**30. Applicable Law and Venue.**

This Lease shall be construed and enforced in accordance with, and governed by, the laws of the State of California. The parties consent to the jurisdiction of the California courts with venue in San Mateo County.

**31. Counterparts.**

This Lease may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

**32. Time of Essence.**

Time is of the essence of every provision of this Lease in which time is a factor.

**33. No Brokers.**

Each Party represents and warrants that it has not engaged a broker, salesperson, or finder to whom fees or commissions might be owed, and shall defend, indemnify, and hold harmless the other Party from and against any and all claims and liabilities for fees or commissions based on communications with such broker, salesperson, or finder.

**34. In Trust.**

The parties hereto acknowledge that Landlord holds all portions of the District (including, but not limited to, the Premises and tidelands) in trust for the People of the State of California. As trustee, Landlord must exercise continuous supervision and control over the Premises. This Lease is subject to Landlord's obligation, as trustee, with respect to the Premises, as such obligation has been, or may in the future be, further defined or described under California law. Notwithstanding anything to the contrary, express or implied in this Lease, this Lease is subject and subordinate to that certain grant of lands from the State to San Mateo County Harbor District pursuant to Stats. 1960, first Extraordinary Session, Chapter 68, effective July 7, 1960 ("Grant Conditions"), including without limitation Sections 1(a) and (b) (affecting permitted uses, and allowing use by the State of California), 1(c) (prohibiting discrimination in charges, uses, and services) and 1(f) (giving the State the right to use for highway purposes without compensation). Tenant hereby acknowledges, represents, and warrants that it has reviewed and approved the Grant Conditions. Tenant hereby agrees to comply with and not violate the Grant Conditions.

Signatures on following page:

IN WITNESS WHEREOF, Landlord and Tenant have executed this instrument as of the Effective Date.

**LANDLORD:**

SAN MATEO COUNTY HARBOR  
DISTRICT

By: \_\_\_\_\_  
James B. Pruett  
General Manager

APPROVED AS TO FORM:

\_\_\_\_\_  
Trisha Ortiz, General Counsel

**TENANT:**

PILLAR POINT HARBOR LLC., a Limited  
Liability Company

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

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

*(Two signatures of corporate officers  
required for corporations under  
Corporations Code Section 313, unless  
corporate documents authorize only one  
person to sign this Agreement on behalf  
of the corporation.)*

# EXHIBIT "A"

## DESCRIPTION OF PREMISES

The premises described in Paragraph A of the Recitals consist of approximately 60,700 square feet of space.

