

LEASE AGREEMENT

This LEASE AGREEMENT (the "Lease") is dated _____, 2021, and is entered into by and between SAN MATEO COUNTY HARBOR DISTRICT ("Landlord") and MAVERICKS SURF COMPANY, LLC, 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 is the owner of certain real property located at Pillar Point Harbor, in the San Mateo County Harbor District, County of San Mateo, State of California, Assessor's Parcel Number 047-083-060 (the "Property"); and

B. Tenant and Landlord entered into that certain Retail Lease Agreement, dated June 11, 2010 (the "Prior Lease"), recorded in the Official Records of the County of San Mateo as document number 2010-006347, pursuant to which Tenant operates a retail surf shop offering surf products to include clothing, surfboards, photography, art and surf memorabilia on a portion of the Property, as described on Exhibit "A" (the "Premises").

C. On October 14, 2020, the Parties amended the Prior Lease to extend its term on a month-to-month basis until such time that either Party provides a written notice to terminate the Prior Lease.

D. The Parties hereby acknowledge that notice to terminate the Prior Lease has been duly given and that the Prior Lease shall terminate as of [insert date that is the day before the commencement date in section 4 below].

E. The Parties wish to enter into this Lease to replace the Prior Lease and set forth the terms and conditions for Tenant to continue its use of the Premises for the Tenant Operations.

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. Lease Terms and Conditions. Landlord hereby leases the Premises to Tenant, and Tenant hereby leases the Premises from Landlord, upon and subject to the following terms and conditions.

b. As Is Condition. 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).

c. Common Areas. Tenant shall have the non-exclusive right to use areas outside of the Premises that are intended and designated by Landlord from time to time for use by all tenants or the public, but Tenant shall comply with all rules and regulations promulgated by Landlord or Landlord's General Manager for such areas provided they are in writing and are applicable to all tenants ("Common Area"). Landlord may alter such common areas at any time, provided that access to the Premises is not substantially affected.

d. CASp Inspection. The subject Premises have been inspected by a Certified Access Specialist (CASp) and Tenant acknowledges receipt of that certain report entitled "District Facilities Access Compliance Survey Report," dated August 2018. Landlord and Tenant hereby agree, however, that Landlord shall not bear the cost of any repairs necessary to correct any violation of construction-related accessibility standards within the Premises, it being the intent and agreement of Landlord and Tenant that any such repairs be performed by Tenant.

e. On or before [insert date] Tenant shall execute and deliver to Landlord a termination of recorded lease, in such form attached hereto as Exhibit "B".

2. Use of Premises.

a. Permitted Uses. Tenant shall use and occupy the Premises solely for the purpose of operating a retail surf shop offering surf products to include clothing, surfboards, photography, art and surf memorabilia and providing rental surfboards, paddleboards and wetsuits (the "Tenant Operations").

b. Cooperation Among Tenants. Tenant shall cooperate with all other tenants of Landlord who are operating in the vicinity of the Premises and shall conduct its operations so as to avoid 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.

c. Continuous Operation. Tenant acknowledges that the Premises are within real property that contains multiple retail tenants which may be adversely affected if Tenant's Premises were to be vacated, and that Landlord would also be adversely affected. Consequently, 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 than five (5) days per week per calendar year, normally observed holidays excepted, consistent with sound business practice and weather and safety conditions. Reasonable interruptions in the operation will be permitted for periodic cleaning of the Premises, for taking inventory, if it becomes necessary to change the management of the Premises, or if the Premises should be closed and the business of Tenant temporarily discontinued therein on account of strikes, lockouts, pandemic, or similar causes beyond the reasonable control of Tenant.

d. Compliance with Laws. Notwithstanding the foregoing Section 2(a), 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.

e. 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-lessees 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 which are subsequently found to have adverse effects on the environment or the health and safety of persons.

f. Nondiscrimination. Tenant shall not unlawfully discriminate, harass or allow harassment against employee or applicant 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.

3. Parking.

Tenant and Tenant's invitees are permitted to park in unreserved, unassigned parking spaces adjacent to the Premises. Landlord shall not be obligated to, but may, monitor use of such spaces, tow any cars, install any signs, or mark the spaces.

4. Term.

The term of this Lease shall commence on December 1, 2021, (the "Commencement Date") and shall expire at 12:00 AM (midnight) on December 31, 2024 (the "Initial Term"). By written agreement, the General Manager of Landlord and Tenant may extend the Initial Term for an additional term not to exceed three years, and for a second additional term not to exceed an additional three years (the "Additional Term" and together with the Initial Term, the "Term"). Upon the expiration of the Term, or earlier termination of this Lease, Tenant shall remove all of its personal property, including trade fixtures, and if Tenant does not do so, Landlord may do so and may dispose of such property in any manner without liability to Tenant and Tenant hereby waives all statutes and other laws to the contrary.

5. 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.

6. Utilities.

Tenant shall pay for all utilities directly to the providers thereof, and acknowledges that electricity, gas and water are separately metered for the Premises. Tenant acknowledges that the District pays for water and sewer. Upon presentation of a report showing Tenant's water and sewer use and a bill from Landlord for the cost of water and sewer services supplied to the Premises, Tenant shall reimburse Landlord for the cost of water and sewer service supplied to the Premises, as additional rent. Tenant shall also pay directly (or promptly reimburse Landlord upon written demand for, as additional rent) the cost of any and all gas, telephone, and all other utilities and services supplied to the Premises by Landlord at Tenant's request.

7. Rent.

Amount; Adjustments. Commencing on the Commencement Date, Tenant shall pay Landlord, without offset, deduction, notice or demand, monthly rent on or before the first day of each and every calendar month. Commencing on January 1, 2022,

Calendar Year 2022, the amount of \$_____, (the "Rent Amount"),

Calendar Year 2023, the amount of \$_____.

Calendar Year 2024, the amount of \$_____.

and in January 1st of each subsequent year, the 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 calendar year ending with the most recent year 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. Rent for any period, which is less than one month, shall not be prorated and Tenant shall pay the full rent amount for any portion of a month.

a. Address for Payment. Rent shall be paid to Landlord at its address in Section 21 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.

8. Security Deposit.

Tenant acknowledges that Landlord currently holds \$9,750 previously deposited by Tenant (the "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 or to compensate Landlord for any damage sustained by Landlord resulting from Tenant's default. 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 8 shall govern in lieu thereof.

9. Lease Guaranty.

Concurrently with Tenant's execution and delivery of this Lease, and as a condition to Tenant's rights under this Lease, Cassandra Clark and Jeff Clark, who are affiliated with or own interests in Tenant and will benefit from Landlord entering into this Lease, shall

execute and deliver to Landlord a lease guaranty in the form attached hereto as Exhibit "C".

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, 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 5% per annum until paid.

11. Alterations.

No structure, sign or other improvement of any kind shall be constructed on the Premises or Property by Tenant, its employees, agents or contractors without the prior written approval of Landlord in each case. 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 Landlord as well as Landlord's, members, officers, directors, contractors, subcontractors, agents, and employees, harmless 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. Tenant General Maintenance and Repairs.

Tenant shall perform general maintenance and repair of the Premises and keep all portions of the Premises in a clean and orderly condition, as determined in the sole discretion of Landlord. Tenant's obligation to maintain and repair includes but is not limited to water, sewer, electric and gas lines located inside the Premises. Tenant at its own cost and expense shall provide for any janitorial, pest control, trash collection, and security services for the Premises and Landlord shall have no such obligations. Tenant shall be responsible for any damage done in or to the Premises caused by Tenant or its employees, agents, contractors and invitees. If Tenant fails to maintain or repair the Premises as required by this Section, Landlord may, upon a ten (10) days' prior written

notice to Tenant, enter the Premises 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 at Tenant's sole expense. Landlord shall not be obligated to make any repairs, replacement or renewals of any kind, nature or description whatsoever to the Premises, except that Landlord shall maintain the exterior and roof of the structure containing the Premises, including painting the exterior of the structure.

13. 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 on the Property. No signs, directional, guiding, or other stripes, lines, directions, or markings shall be installed or painted in or upon the Premises or removed by Tenant without prior written consent of Landlord.

14. Insurance; Indemnity.

Tenant shall procure and maintain insurance issued by an insurer reasonably satisfactory to Landlord. 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. **Certificate of Workers' Compensation Insurance** as required by the statutory laws of the State of California Labor Code.

b. **Certificate of General Liability Insurance** with accompanying "Additional Insured" endorsement documents. All endorsements shall clearly state policy number.

(1) Commercial General Liability policies shall include endorsements naming San Mateo County Harbor District, Its Commissioners, Officers, Agents, Volunteers and Employees as additional insured.

(2) 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.

(3) 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
- One million dollars (\$1,000,000) for damage to rented premises including fire protection
- Special endorsements for coverage related to the rental of water related equipment, including but not limited to surf and paddleboards.

c. **Certificate of Auto Liability Insurance** with accompanying “Additional Insured” endorsement documents. All endorsements shall clearly state policy number.

(1) Commercial Auto Liability policies shall include endorsements naming San Mateo County Harbor District, Its Commissioners, Officers, Agents, Volunteers and Employees as additional insured.

(2) 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.

(3) The Auto Liability Insurance requirement may be waived if Tenant and Tenant’s employees will not be using any vehicle for business purposes on District property. This waiver will only be effective if the Tenant signs and delivers to the District a waiver form for non-auto use.

(3) Minimum Insurance Requirements – Auto Liability Insurance:

- One million dollars (\$1,000,000) per occurrence for bodily injury and/or property damage
- Policy shall cover any auto.

d. 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.

e. 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 insureds 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.

15. Disclaimer; Risk of Loss.

Landlord shall not be liable for injury to any person or for any damage to personal property sustained by Tenant or others, or any service facilities or due to the happening of accident, including any damage caused by water, wind storm, or by any gas, steam, electrical wiring, sprinkler system, plumbing, heating or conditioning apparatus; or acts or omissions of other occupants of the, or hereafter occurring therein or due to any part or appurtenance thereof, including any and all furniture, fixtures, and equipment of Tenant becoming out of repair.

16. 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 have any other default under this Lease within ten (10) business days after written notice from Landlord, then Landlord may treat any such event as a material breach of this Lease and 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.

c. No Relocation Assistance. Tenant acknowledges that Landlord may develop the Premises at some future date and Tenant may be displaced, but Tenant hereby agrees that Landlord shall have no obligation to Tenant under the California Relocation Assistance and Real Premises Acquisition statutes and guidelines. Tenant, after diligent review and consideration of possible impacts, hereby waives and forever releases Landlord, including its successors, officers, employees, attorneys, agents, representatives and anyone else acting on Landlord's behalf, of and from any and all claims, demands, actions or causes of action, obligations, liabilities, or claims for further compensation, known or unknown, based upon or relating to the California Relocation Assistance and Real Premises Acquisition statutes and guidelines and Landlord's subsequent use and development of the Premises, or Tenant's displacement therefrom. By such release, Tenant expressly waives its rights, if any, under California Civil Code Section 1542 which provides:

“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

17. 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.

18. 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.

19. Inspections by Landlord.

Landlord and its representatives, employees, agents or independent contractors may enter and inspect the Premises or any portion of the Premises or any improvements on the Premises at any time during business hours, or in an emergency, and at other times after Landlord has provided Tenant with 48 hours advance notice, for any purpose Landlord reasonably deems necessary.

20. Prohibition on Assignment and Subletting.

Tenant may not sublet the Premises or assign, or otherwise transfer its interest under this Lease without Landlord's prior written consent, which consent may be withheld on Landlord's sole and absolute discretion. Any transfer of fifty percent (50%) or more of the ownership interests in Tenant in one or a series of transactions, any change in control of Tenant, or any change in the persons providing the Lease Guaranty pursuant to Section 9, shall be deemed to constitute an assignment (and shall therefore require Landlord's prior written consent). 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, the greater of \$10,000 or 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; provided, however, that in the event only one of the signatories to this Lease transfers his or her ownership interest, to

the other lease signatory the amount paid by Tenant for such costs shall not exceed \$1,000.

21. Notices.

All notices, demands and requests which may be given or which are required to be given by any party to this Agreement must be sent by certified U.S. mail to the following:

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

To Tenant: At the Premises.

22. 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.

23. 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.

24. 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.

25. 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.

26. 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.

27. 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.

28. 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.

29. Time of Essence.

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

30. No Brokers.

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

31. In Trust.

The parties hereto acknowledge that District 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, the District must exercise continuous supervision and control over the Premises. This Lease is subject to District'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 (the "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.

TENANT:

MAVERICKS SURF COMPANY, LLC

By: _____
Cassandra Clark, Managing Partner

By: _____
Jeff Clark, Partner

LANDLORD:

SAN MATEO COUNTY HARBOR
DISTRICT

By: _____
James B. Pruett
General Manager

APPROVED AS TO FORM:

Trisha Ortiz, General Counsel

EXHIBIT "A"

DESCRIPTION OF PREMISES, AND "SITE PLAN"

The premises described as Parcel 5 located at Pillar Point Harbor, Half Moon Bay, California consisting of approximately 800 square feet of space within the existing concession building and .02 acres of land. Together with the following: (1) non-exclusive rights of ingress and egress over other properties of the District; (2) the right to place tanks for propane, butane or similar gas on a suitable platform Northerly of the demised premises at a location approved by District and which shall be not less than twelve (12) feet from the said building, and the right to make suitable connections from said tanks to said building.



FORM OF TERMINATION OF RECORDED LEASE

RECORDING REQUESTED BY, AND
WHEN RECORDED RETURN TO:

San Mateo County Harbor District
P.O. Box 1449
El Granada, California 941018
Attn.: General Manager

APN: 047-083-060

[Space Above For Recorder's Use Only]

The undersigned declare that this Termination of Recorded Lease is exempt from Recording Fees pursuant to California Government Code Section 27383.

TERMINATION OF RECORDED LEASE

THIS TERMINATION OF RECORDED LEASE (this "**Termination**") is dated as of _____, 2021, and is entered into by and between the SAN MATEO COUNTY HARBOR DISTRICT, a public entity ("**Landlord**") and MAVERICKS SURF COMPANY, LLC, a California limited liability company ("**Tenant**").

RECITALS

- A. Tenant and entered into that certain Retail Lease dated June 11, 2010 (the "**Recorded Lease**") which was recorded on June 17, 2010 as Document Number 2010-066347 in the Official Records of the County of San Mateo, California (the "**Memorandum**").
- B. Landlord and Tenant desire to terminate the Recorded Lease of record.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant agree as follows:

1. Termination of Recorded Lease. Landlord and Tenant hereby terminate the Recorded Lease.
2. Counterparts. This Termination may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, taken together, shall be deemed to be one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Termination of Recorded Lease as of the date first written above.

LANDLORD:

SAN MATEO COUNTY HARBOR
DISTRICT

By: _____
James B. Pruett
General Manager

APPROVED AS TO FORM:

Trisha Ortiz, General Counsel

TENANT:

MAVERICKS SURF COMPANY, LLC

By: _____
Print Name: **NAME TITLE** _____
Title: _____

Draft

EXHIBIT "C"

FORM OF LEASE GUARANTY

GUARANTY OF LEASE

THIS GUARANTY OF LEASE ("Guaranty") is made by _____ ([collectively and jointly and severally,] and by _____ ([collectively and jointly and severally,] ("Guarantor"), in favor of the SAN MATEO COUNTY HARBOR DISTRICT ("Landlord") in connection with that certain Lease Agreement dated _____, 2021 (the "Lease") pursuant to which Landlord leases to Mavericks Surf Company, LLC, a California limited liability company ("Tenant"), certain "Premises" (as more particularly defined in the Lease) on property owned by the Landlord in the County of San Mateo.

As a material inducement to and in consideration of Landlord entering into the Lease, Landlord having indicated that it would not enter into the Lease without the execution of this Guaranty, Guarantor does hereby agree with Landlord as follows:

1. Guarantor does hereby unconditionally and irrevocably guarantee, as a primary obligor and not as a surety, and promise to perform and be liable for any and all obligations and liabilities of Tenant under the terms of the Lease.
2. Guarantor does hereby agree that, without the consent of Guarantor and without affecting any of the obligations of Guarantor hereunder: (a) any term, covenant or condition of the Lease may be hereafter amended, compromised, released or otherwise altered by Landlord and Tenant, and Guarantor does guarantee and promise to perform all the obligations of "Tenant" under the Lease as so amended, compromised, released or altered; (b) any guarantor of or party to the Lease may be released, substituted or added; (c) any right or remedy under the Lease may be exercised, not exercised, impaired, modified, limited, destroyed or suspended; (d) Landlord or any other person acting on Landlord's behalf may deal in any manner with Tenant, any guarantor, any party to the Lease or any other person; and (e) all or any part of the Premises or of the rights or liabilities of "Tenant" under the Lease may be sublet, assigned or assumed. This is a continuing guaranty.
3. Guarantor hereby waives and agrees not to assert or take advantage of (a) any right to require Landlord to proceed against Tenant or any other person or to pursue any other remedy before proceeding against Guarantor; (b) any right or defense that may arise by reason of the incapacity, lack of authority, death or disability of Tenant or any other person; and (c) any right or defense arising by reason of the absence, impairment, modification, limitation, destruction or cessation (in bankruptcy, by an election of remedies, or otherwise) of the liability of Tenant (other than any defense based on Landlord's acts or omissions), of the subrogation rights of Guarantor or of the right of Guarantor to proceed against Tenant for reimbursement. Without in any manner limiting the generality of the foregoing, Guarantor hereby waives the benefits of the provisions of Sections 2809, 2810, 2819, 2845, 2849, 2850, 2899 and 3433 of the California Civil Code and any similar or analogous statutes of California or any other jurisdiction.

4. Guarantor hereby waives and agrees not to assert or take advantage of any right or defense based on the absence of any or all presentments, demands (including demands for performance), notices (including notices of adverse change in the financial status of Tenant or other facts which increase the risk to Guarantor, notices of non-performance and notices of acceptance of this Guaranty) and protests of each and every kind.
5. Until all Tenant's obligations under the Lease are fully performed, Guarantor: (a) shall have no right of subrogation against Tenant by reason of any payments or acts of performance by Guarantor under this Guaranty; and (b) subordinates any liability or indebtedness of Tenant now or hereafter held by Guarantor to the obligations of Tenant under, arising out of or related to the Lease or Tenant's use or occupancy of the Premises.
6. The liability of Guarantor and all rights, powers and remedies of Landlord hereunder and under any other agreement now or at any time hereafter in force between Landlord and Guarantor relating to the Lease shall be cumulative and not alternative and such rights, powers and remedies shall be in addition to all rights, powers and remedies given to Landlord by law and/or in equity.
7. This Guaranty applies to, inures to the benefit of and binds all parties hereto, their heirs, devisees, legatees, executors, administrators, representatives, successors and assigns (including any purchaser at a judicial foreclosure or trustee's sale or a holder of a deed in lieu thereof). This Guaranty may be assigned by Landlord voluntarily or by operation of law.
8. Guarantor shall not, without the prior written consent of Landlord, commence, or join with any other person in commencing, any bankruptcy, reorganization or insolvency proceeding against Tenant. The obligations of Guarantor under this Guaranty shall not be altered, limited or affected by any proceeding, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of Tenant, or by any defense which Tenant may have by reason of any order, decree or decision of any court or administrative body resulting from any such proceeding. Guarantor shall file in any bankruptcy or other proceeding in which the filing of claims is required or permitted by law all claims which Guarantor may have against Tenant relating to any indebtedness of Tenant to Guarantor and will assign to Landlord all rights of Guarantor thereunder. Landlord shall have the sole right to accept or reject any plan proposed in such proceeding and to take any other action which a party filing a claim is entitled to do. In all such cases, whether in administration, bankruptcy or otherwise, the person or persons authorized to pay such claim shall pay to Landlord the amount payable on such claim and, to the full extent necessary for that purpose, Guarantor hereby assigns to Landlord all of Guarantor's rights to any such payments or distributions to which Guarantor would otherwise be entitled; provided, however, that Guarantor's obligations hereunder shall not be satisfied except to the extent that Landlord receives cash by reason of any such payment or distribution. If Landlord receives anything hereunder other than cash, the same shall be held as collateral for amounts due under this Guaranty.
9. During the Term of the Lease, Guarantor shall, upon ten (10) days prior written notice from Landlord, provide Landlord with current financial statements for Guarantor and if requested by Landlord, financial statements of the two (2) years prior to the current

financial statement year. Such statements shall be prepared in accordance with generally accepted accounting principles and, if such is the normal practice of Guarantor, shall be audited by an independent certified public accountant. Notwithstanding anything to the contrary contained herein, if Guarantor is a publicly traded corporation making annual 10-K filings with the Securities and Exchange Commission, Guarantor may satisfy the requirements of this section with respect to delivery of financial information by delivery of Guarantor's most recent annual report filed with the Securities and Exchange Commission.

10. As a further material part of the consideration to Landlord to enter into the Lease with Tenant, Guarantor agrees: (a) the law of the State of California shall govern all questions with respect to the Guaranty; (b) any suit, action or proceeding arising directly or indirectly from the Guaranty, the Lease or the subject matter thereof shall be litigated only in courts located within the county and state in which the Premises is located; (c) Guarantor hereby irrevocably consents to the jurisdiction of any local, state or federal court located within the county and state in which the Premises is located; and (d) without limiting the generality of the foregoing, Guarantor hereby waives and agrees not to assert by way of motion, defense or otherwise in any suit, action or proceeding any claim that Guarantor is not personally subject to the jurisdiction of the above-named courts, that such suits, action or proceeding is brought in an inconvenient forum or that the venue of such action, suit or proceeding is improper.
11. This Guaranty shall constitute the entire agreement between Guarantor and the Landlord with respect to the subject matter hereof. No provision of this Guaranty or right of Landlord hereunder may be waived nor may any Guarantor be released from any obligation hereunder except by a writing duly executed by an authorized officer or director of Landlord. When the context and construction so requires, all words used in the singular herein shall be deemed to have been used in the plural. The word "person" as used herein shall include an individual, company, firm, association, partnership, corporation, trust or other legal entity of any kind whatsoever. Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions shall nevertheless be effective. The waiver or failure to enforce any provision of this Guaranty shall not operate as a waiver of any other breach of such provision or any other provisions hereof. Time is strictly of the essence under this Guaranty and any amendment, modification or revision hereof. If Guarantor is a corporation, limited liability company, partnership or other entity, each individual executing this Guaranty on behalf of such corporation, limited liability company, partnership or other entity represents and warrants that he or she is duly authorized to execute and deliver this Guaranty on behalf of such corporation, limited liability company, partnership or other entity in accordance with the governing documents of such corporation, limited liability company, partnership or other entity, and that this Guaranty is binding upon such corporation, limited liability company, partnership or other entity in accordance with its terms. If Guarantor is a corporation, limited liability company, partnership or other entity, Landlord, at its option, may require Guarantor to concurrently with the execution of this Guaranty, deliver to Landlord a certified copy of a resolution of the board of directors of said corporation, or other authorizing documentation for such entity authorizing or ratifying the execution of this Guaranty. If either party hereto participates in an action against the other party arising out of or in connection with this Guaranty, the prevailing party shall be entitled to have and

recover from the other party reasonable attorneys' fees, collection costs and other costs incurred in and in preparation for the action. The term "Landlord" whenever hereinabove used refers to and means the Landlord in the foregoing Lease specifically named and also any assignee of said Landlord, whether by outright assignment or by assignment for security, and also any successor to the interest of said Landlord or of any assignee of such Lease or any part thereof, whether by assignment or otherwise. The term "Tenant" whenever hereinabove used refers to and means Tenant and also any assignee of the interest of "Tenant" in the Lease or any subtenant of all or any part of the Premises and their respective successors in interest. If there is more than one undersigned Guarantor, (a) the term "Guarantor", as used herein, shall include all of the undersigned; (b) each provision of this Guaranty shall be binding on each one of the undersigned, who shall be jointly and severally liable hereunder; and (c) Landlord shall have the right to join one or all of them in any proceeding or to proceed against them in any order.

12. Any notice, request, demand, instruction or other communication to be given to any party hereunder shall be in writing and shall be delivered by certified mail or reputable overnight delivery service addressed to the party to be notified at the address set forth below, or to such other place as the party to be notified may from time to time designate by at least ten (10) days' notice to the notifying party.

To Landlord:

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

To Guarantor:

Executed as of _____, 2021.