

**AIRPORT AGREEMENT BETWEEN
COUNTY OF SAN MATEO / HALF MOON BAY AIRPORT
AND
MAVERICKS SURF VENTURES, LLC**

THIS AGREEMENT, made and entered into this _____ day of _____ 2007, by and between the **COUNTY OF SAN MATEO**, a political subdivision of the State of California, hereinafter called "County", and **MAVERICKS SURF VENTURES, LLC**, hereinafter called "Operator",

W I T N E S S E T H:

WHEREAS, County is owner of the airport in the **vicinity of the City of Half Moon Bay** known as the **Half Moon Bay Airport**, hereinafter called "Airport", a general aviation airport owned and maintained by County for the use and benefit of the public; and

WHEREAS, Operator will be conducting the Mavericks Surfing Contest at Pillar Point, hereinafter called "Contest", that will draw a certain number of spectators and traffic to the area; and

WHEREAS, Operator desires to use an area of the airport to provide parking for vehicles of spectators who are attending the Contest; and

WHEREAS, County is willing to permit Operator to park vehicles on the premises of Half Moon Bay Airport; and Operator desires to engage in parking activities described in this Agreement and use of facilities as described; and

WHEREAS, Government Code Section 25536 allows a county to enter into an agreement for such activities by a four-fifths (4/5ths) vote of its Board of Supervisors:

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO as

follows:

1. TERM. The purpose of this Agreement is to permit Operator to utilize airport property for the parking of vehicles of spectators that are attending the Contest. The term of this Agreement shall be for a total of three days. Because the timing of the Contest depends on weather and ocean conditions, the exact dates of the Contest will not be known until shortly before the Contest takes place. Day one shall be utilized for the set-up and staging of the parking area. Day two shall be the day of the Contest. Day three shall be used to clean and return the parking area to its original condition. The Contest shall occur between December 1st, 2007, and April 15th, 2008. The Operator agrees to inform and update the Airport of any developments with regard to anticipated contest dates, times, etc. so as to allow the Airport sufficient time to coordinate the closure of the south area of the Airport to aircraft. Operator shall provide a minimum of thirty-six (36) hours notification prior to the three (3) day term of this agreement. Parking activities will be open to the public from 6 a.m. to 5 p.m. on the day of the Contest.

2. ACTIVITIES PERMITTED. County and Operator agree that the following activities shall be permitted on airport property on the day of the Contest:

1. Sale of Contest tickets/parking permits.
2. Directing/parking of vehicles.
3. Activities related to the operation of a shuttle service.

3. USE OF AIRPORT FACILITIES. County shall allow Operator use of all facilities on the Airport that are normally open to and usable by the public, subject to Airport rules and regulations. The right to use Airport facilities shall be non-exclusive. The Airport and its operations shall remain under the control of County throughout the period of this

Agreement. Operator's use of the Airport is conditional upon complying with the terms and requirements of this Agreement including all reasonable instructions of County personnel during the term of the Agreement. Operator's use of the Airport premises for vehicle parking purposes is limited to the area described and shown on Appendix "A", "Parking Map".

4. PAYMENTS. Operator shall pay the County \$7.50 or fifty percent (50%) of the amount charged by Operator (whichever is greater) for each vehicle entering the Airport on the day of the Contest, with a minimum fee of \$2,000.00 as compensation for use of the facility for parking activities. Operator shall make full payment to the County within 30 days of the Contest. If full payment is not received within 30 days following the Contest, a late charge equal to six percent (6%) per month shall be assessed to the unpaid balance. Operator shall pay the County the minimum fee of \$2,000.00 whether or not the Contest takes place as compensation associated with the planning, setup and coordination of the parking activities.

5. LICENSES, FEES, TAXES. Operator shall, and County shall not, be responsible for any payment of licenses, fees, or taxes of any kind that might arise from Operator's activities.

6. INSURANCE.

a. During the full term of this Agreement, Operator shall maintain insurance coverage satisfactory to County as listed Appendix B, "Insurance Requirements". This requirement can be met through separate or combined policies, provided each policy is in the minimum amount as indicated on Appendix "B", "Insurance Requirements". Operator shall furnish County evidence of such insurance coverage as required by the County Risk Manager.

b. Each policy shall name County as an "additional insured" and

shall provide for written notice by the insurer to County and to the insured thirty days prior to any cancellation.

7. RIGHT OF INSPECTION. To the extent necessary to protect its rights and interests, County may inspect all premises and operations of the Operator related to its activities on the Airport to determine if Operator is performing in accordance with the terms of this Agreement.

8. INDEMNITY. Operator shall indemnify, defend, and hold harmless County, its officers, agents, employees, and servants, from any and all claims, suits or actions of every name, kind, and description brought for or on account of injuries to or death of any person, including Operator, or damage to property of any kind whatsoever and to whomsoever belonging (including any such claims, suits, or actions arising out of the concurrent active or passive negligence of County, its officers, agents, employees, and servants) which in any way arise from or are caused by the its activities and the use or occupation of the Airport by Operator under the provisions of this Agreement, including any acts, omissions, or negligence, whether active or passive, of Operator, its agents, officers, employees, or permittees.

a. This section shall not apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

b. The duty of Operator to indemnify and hold harmless as set forth herein shall include the duty to defend as set forth in California Civil Code Section 2778.

9. CO-PARTNERSHIP DISCLAIMER. It is mutually agreed and understood that nothing contained in this Agreement shall be deemed or construed to constitute a partnership or joint venture between the parties to this Agreement, or as constituting Operator

or their employees as employees, agents or representatives of the County for any purpose or in any manner whatsoever.

10. CONTROL. Neither County nor its officers, agents or employees shall have any control over the conduct of the Operator, or any of Operator's employees or independent contractors, except as herein set forth, and Operator expressly agrees not to represent that Operator, or any of Operator's agents, servants, employees or independent contractors, are in any manner agents, servants or employees of County.

11. NATURE OF INTEREST GRANTED. It is specifically understood and agreed by the parties hereto that the relationship created by this instrument is not one of landlord and tenant, principal and agent, or owner and contractor, it being the intention of the parties that this Agreement is merely for the purpose of allowing Operator to use the Airport and the facilities thereon for the purpose of staging and conducting parking activities on the airport and incidental thereto.

12. COMPLIANCE WITH LAW. Operator shall comply with all applicable federal, State, County and City laws, rules, regulations, certificates and licenses.

13. NO ASSIGNMENT, DELEGATION, NOR SUBLICENSING. This Agreement may not be assigned, delegated, nor can it as a whole, be the subject of a concession or sublicense agreement. However, Operator may allow concessionaires to enter upon the Airport for the performance of functions and provisions of this Agreement. To avoid uncontrolled vending of merchandise during the period of this Agreement, only those tenants having an agreement with County, and those concessionaires, exhibitors, and salespersons having written agreements with Operator will be allowed to sell to the public on the Airport.

14. OPERATION OF RADIO EQUIPMENT. Operator shall not operate any radio equipment transmitting electronic signals on the Airport that might interfere with the

operations of the Airport's Common Traffic Advisory Frequency (CTAF), Control Tower, County Radios, or other electronic transmissions essential to the operation of the airport.

15. NON-DISCRIMINATION. No person shall, on the grounds of race, color, religion, ancestry, gender, age (over 40), national origin, medical condition (cancer), physical or mental disability, sexual orientation, pregnancy, childbirth or related medical condition, marital status, or political affiliation be denied any benefits or subject to discrimination under this agreement.

16. OTHER REQUIREMENTS AND CONDITIONS. Operator agrees to abide by other special requirements/conditions contained in Appendix "C", "Special Requirements/Conditions"; and Appendix "D", "Standard Provisions for all Lease, Use and Other Agreements and Permits at San Mateo County Airports".

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

"COUNTY"

COUNTY OF SAN MATEO

BY

President, Board of Supervisors

ATTEST:

Clerk of said Board

"OPERATOR"

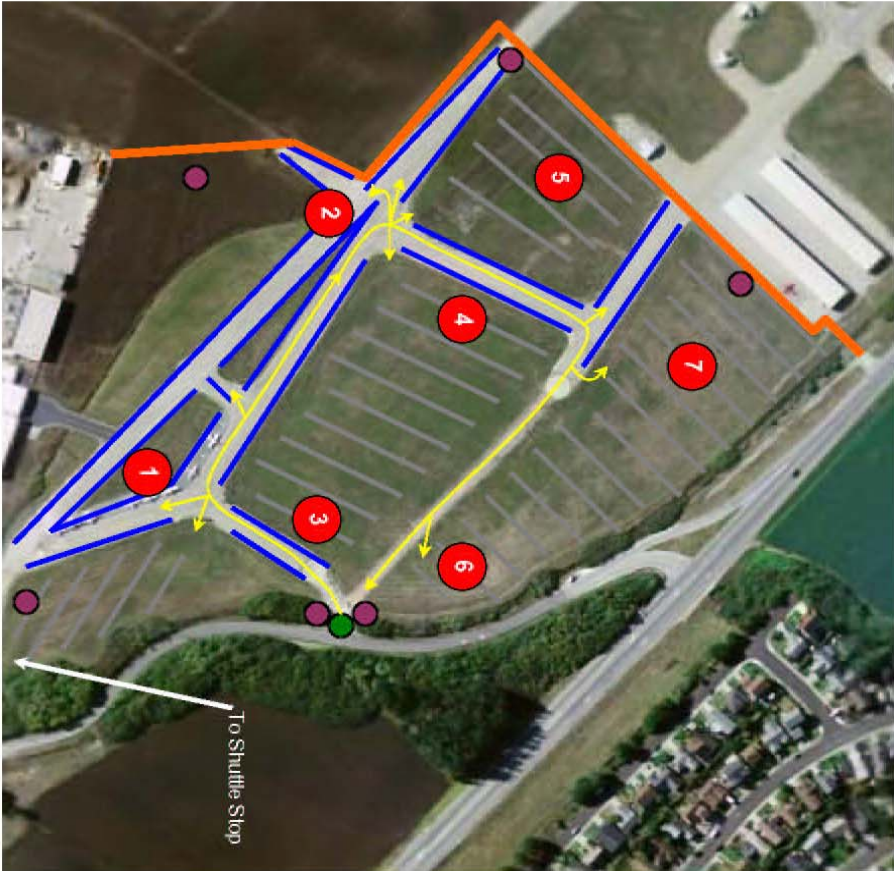
MAVERICKS SURF VENTURES, LLC

BY

Doug Epstein, President
Mavericks Surf Ventures, LLC

APPENDIX "A"
"PARKING MAP"
 TO AIRPORT AGREEMENT WITH
 MAVERICKS SURF VENTURES, LLC

Venue Layout



- Vehicle Parking Strips
(Dry Conditions ONLY - Cars Parked Perpendicular to Lines, Facing Exit)
- Vehicle Parking Strips
(Foul Weather)
- Event Staff/Security
- Traffic Flow
- Parking Area Order
- Snow Fencing
- Entry Gate

***Description:**
 Vehicles will enter via N. Capistrano Gate only, either show a pre-paid parking pass or pay cash at the gate, then proceed along yellow flow route as escorted by 8-10 staff with vests/flags. Staff will place cars in order of the red area dots. In case of inclement weather, only the blue parking strips will be used. Parking is open from 6am - 5pm.

APPENDIX "B"
"INSURANCE REQUIREMENTS"
TO AIRPORT AGREEMENT WITH
MAVERICKS SURF VENTURES, LLC

The Operator shall obtain insurance coverages and amounts as required by the County Risk Manager.

The Operator shall obtain applicable liability insurance having limits for general liability, bodily injury, personal injury, and property damage in an amount not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate. This insurance will provide coverage for premises liability, products liability, contractual liability, general liability and provide coverage for any liability incurred by independent contractors, as well as hired and non-owned automobile liability.

Insurance shall contain an endorsement requiring thirty (30) days' notice from the insurance company to both parties before cancellation or change in the coverage, scope, or amount of any policy.

The County of San Mateo, its officers, agents, employees, and members of Boards and Commissions shall be named as additional insured on all policies.

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APPENDIX "C"
"SPECIAL REQUIREMENTS/CONDITIONS"
TO AIRPORT AGREEMENT WITH
MAVERICKS SURF VENTURES, LLC

A. GENERAL

1. Operator shall be deemed to have accepted the condition of the Airport premises prior to its occupation and use thereof and shall make no demand upon County for any alterations, repairs, or construction.
2. Operator may use areas and facilities at the Airport as designated by the County. Operator shall have the right to construct and maintain such temporary facilities and/or structures as are necessary for the activities permitted by this Agreement, including controlling the ingress and egress of the public. Said temporary facilities and/or structures must be satisfactory to the County. Operator shall immediately remove said temporary facilities and/or structures upon request of the County.
3. It is understood that Operator's use of County real or personal property shall be at no cost to the County. Operator shall bear all costs connected with its parking activities incidental thereto, and the sole function of County is to allow Operator to make use of the Airport facilities and to enforce the provisions of this Agreement.
4. Safety shall be paramount at all times and Operator shall take any and all reasonable steps to ensure that unsafe actions or conditions are corrected immediately. County may stop any activities until the unsafe or unsatisfactory condition is corrected.
5. Operator shall obtain and bear the expense of all licenses, permits, and other authorization required by applicable agencies in connection with its activities on the Airport. Operator shall pay promptly and discharge all lawful taxes and assessments which may be levied by the federal, state, county, city, or other tax levying body on any taxable interest of Operator as well as all taxes and assessments on taxable personal property of whatever nature owned by Operator and located on the Airport. Operator shall promptly obtain and pay all excise, license, and permit fees of whatever nature applicable to the Operator's activities under this Agreement.
6. No lessee or owner shall be denied access to his or her business, aircraft or hangar during the period of this agreement without airport authorization nor shall they be charged an entry or parking fee for such use. Operator shall ensure that access to and from aircraft hangars and businesses can be provided for airport tenants at all times.
7. Airport shall remain open to the flying public at all times during the term of this agreement. Operator shall ensure that no members of the flying public are required to pay a fee for the parking of their aircraft or use of the airport facilities. Operator shall ensure that its personnel and staff are aware of and comply with this requirement.
8. No overnight camping or parking is permitted.

9. It is specifically understood and agreed that any and all of the terms and conditions of this permit are subordinate to FAA grant, County and/or Airport projects; and that Operator shall not be entitled to any compensation or damages from County for loss of the use of the whole or any part of the premises or any inconvenience or annoyance caused by such projects.

B. SECURING/STAGING OF PARKING ACTIVITIES

1. Operator shall place snow fencing around the designated parking area as depicted in Exhibit A. Snow fencing shall be placed and attached in such a manner as to be secure and prevent any damage to existing airport infrastructure.

2. Any necessary preparation (rolling, mowing, etc.) shall be completed at the sole expense of the Operator.

3. Operator shall ensure a minimum of three security guards placed along all snow fencing as depicted in Exhibit A to ensure separation of vehicles and attendees from active airport areas.

4. Operator shall provide sufficient staff to manage the flow of vehicle traffic and parking logistics on the airfield as well as for the purpose of parking fees collection.

5. Operator shall ensure that the vehicle gate is manned or fully closed at all times.

C. VEHICLE OPERATION AND PARKING

1. Operator shall ensure that all vehicles operated on the Airport are operated in a safe and responsible manner. **A speed limit of 10 MPH shall be strictly enforced.** Vehicles shall not be operated in the vicinity of operating aircraft nor shall they enter onto or cross the runway without proper authorization from the Airport. Unless specifically authorized by the County, no vehicles shall be permitted on any active taxiway or runway or outside of the fenced area as depicted in Exhibit A.

2. The Airport Terminal Parking Lot shall not be utilized by spectators or their vehicles during the day of the Contest.

3. Supervision of parking facilities shall be the responsibility of Operator.

4. Camper trucks, trailers and/or other temporary living facilities may not be parked overnight on the Airport. No overnight camping or parking is permitted.

D. SERVICES TO BE PROVIDED BY OPERATOR.

1. Operator shall provide adequate toilet facilities to accommodate spectators and staff.

E. SECURITY

1. Aircraft based on the Airport shall not be disturbed in any manner. Operator shall rope-off the based aircraft as needed.

2. Operator shall provide security, as necessary, to protect aircraft, buildings and property from activities related to the parking activities.

F. CLEAN UP AND REPAIRS

1. Operator shall provide sufficient personnel and equipment to collect and remove all debris, trash, garbage, or other rubbish generated by its parking activities from the Airport to the satisfaction of the Airport. Inside the fenced area, said collection and removal shall be completed by 5 p.m. on the day following the Contest. In the event such collection and removal is not performed in a timely manner, County shall have the right to perform such collection and removal itself, and to bill Operator all expenses for doing so.

2. Operator shall be responsible for the repair and maintenance of any area of the Airport impacted by operations under this Agreement. Immediately subsequent to the close of the parking area, but no later than 5 p.m. on the day following the Contest, Operator shall clean the entire area used by it and shall restore the area insofar as possible to the condition existing immediately prior to the commencement of this Agreement.

3. Operator shall repair at its own expense any and all damage to the property of the County or to the property of others on the Airport, and which damage has been caused by Operator, its agents, employees or others who may be on the Airport for any purpose connected with the staging and operation of its parking activities.

4. Operator shall remove any vehicles left on airport property after 6pm on the day of the Contest at the sole expense of the Operator.

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APPENDIX "D"
"STANDARD PROVISIONS FOR ALL LEASE,
USE, AND OTHER AGREEMENTS AND PERMITS
SAN MATEO COUNTY AIRPORTS"

1. Operator/Lessee for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree "as a covenant running with the land" that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this lease, agreement or permit for a purpose for which a United States Department of Transportation (DOT) provision of similar services or benefits, Operator/Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, (CFR), DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
2. Operator/Lessee for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under the lands and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that Operator/Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, CFR, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
3. In the event of breach of any of the above nondiscrimination covenants, County may terminate the lease agreement or permit and reenter and repossess the land and the facilities thereon and hold them as if the lease, agreement or permit had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed, including expiration of appeal rights.
4. Operator/Lessee shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users and shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided that Operator/Lessee may make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.
5. Non-compliance with Provision 4 above shall constitute a material breach of the lease, agreement or permit. In the event of such non-compliance, County may terminate this lease, agreement or permit and the estate hereby created without liability thereof; or, at the election of County or the United States either or both of these governments may

judicially enforce the Provision.

6. Operator/Lessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Operator/Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by Subpart E. Operator/Lessee will require its covered suborganizations to provide assurances to Operator/Lessee that they similarly will undertake affirmative action programs and will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.
7. County may further develop or improve the landing area of the airport as it sees fit, regardless of the desires or view of Operator/Lessee and without interference or hindrance.
8. County may, but shall not be obligated to Operator/Lessee to, maintain and keep in repair the landing area of the airport and all publicly-owned facilities of the airport. County also may direct and control the activities of Operator/Lessee in this regard.
9. The lease, agreement or permit shall be subordinate to the provisions and requirements of any existing or future agreement between the County and the United States relative to the development, operation or maintenance of the airport.
10. There is hereby reserved to County, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the premises covered by the lease, agreement or permit. This public right of flight shall include the right to cause in this airspace any noise inherent in the operation of any aircraft used for navigation or flight through the airspace or to land at, take off from or operate on the San Carlos or Half Moon Bay airport, as the case may be.
11. Operator/Lessee shall comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations if future construction of a building is planned for the premises covered by the lease, agreement or permit or in the event of any planned modification or alteration of any present or future building or structure on the premises.
12. Operator/Lessee, by accepting this lease, agreement or permit, expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object nor permit the growth of any tree on any land leased that would be in conflict with the provisions of Part 77 of the Federal Aviation Regulations. If these covenants are breached, County may enter upon the land and remove the offending structure or object and cut the offending tree, all of which shall be at Operator/Lessee's expense.
13. Operator/Lessee, by accepting this lease, agreement or permit, agrees for itself, its successors and assigns that it will not make use of the premises covered by the lease,

agreement or permit in any manner which might interfere with the landing and taking off of aircraft from the airport or otherwise constitute a hazard. If this covenant is breached, County may enter upon the premises and cause the abatement of such interference at Operator/Lessee's expense

14. Nothing contained in the lease, agreement or permit shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958 (49 U.S.C. 1349A).
15. The lease, agreement or permit and all its provisions shall be subject to whatever right the United States Government now has or in the future may have or acquire, affecting the control, operation, regulation and taking over of the airport or the exclusive or non-exclusive use of the airport by the United States during the time of war or national emergency.
16. Operator/Lessee will conduct its programs and operate its facilities in accordance with the requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and will assure that no qualified handicapped person shall, solely by reason of his or her handicap be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination, including discrimination in employment. Operator/Lessee will conduct its programs and operate its facilities in compliance with all the requirements imposed by or pursuant to 49 CFR Part 27.
17. Operator/Lessee hereby assures that no person shall be excluded from participation, denied the benefits of or otherwise discriminated against in connection with the award and performance of any contract(s), including leases, covered by 49 CFR Part 23 on the grounds of race, color, national origin or sex. It is the policy of the Department of Transportation that minority business enterprises - as defined in 49 CFR Part 23.5 to mean a small business concern (pursuant to Section 3 of the Small Business Act) which is at least 51% owned, privately or through shares of public stock, by one or more minorities or women and whose management and daily business operations are controlled by one or more such individuals - shall have the maximum opportunity to participate in the performance of leases and, consequently, this lease/agreement/permit is subject to the applicable sections of 49 CFR Part 23, and those Regulations as may be amended.
18. Operator/Lessee shall insert the above Provisions in any lease, agreement, contract, permit, etc., by which it grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the premises covered by the lease, agreement or permit, including any subleases, and hereby assures that the above Provisions will be included in any agreement, contract, permit or further sub-lease granted or entered into by any sub-lessee of the Operator/Lessee.

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