

**LICENSE AGREEMENT BETWEEN THE CITY OF HUNTINGTON BEACH AND
THE HUNTINGTON BEACH INTERNATIONAL SURFING MUSEUM**

THIS LICENSE AGREEMENT ("Agreement") is made and entered into on _____, 2026 (Effective Date), by and between the CITY OF HUNTINGTON BEACH, a municipal corporation of the State of California, hereinafter referred to as "CITY," and HUNTINGTON BEACH INTERNATIONAL SURFING MUSEUM, a California non-profit corporation, hereinafter referred to as "Licensee." CITY and Licensee are sometimes hereinafter individually referred to as a "Party" and hereinafter collectively referred to as the "Parties."

RECITALS

WHEREAS, Licensee equips, operates, and maintains a Surfing Museum to preserve the history, culture and future of surfing through strong community bonds in Huntington Beach-Surf City USA and around the globe; and

The City Council wishes to provide a location and resources, as set forth in this Agreement, for Licensee to display the Surf Museum artifacts; and

The purpose of this Agreement is to address responsibilities of each Party related to the use of certain identified space by Licensee for Surf Museum activities at the Main Street Branch Library, located at 525 Main Street, Huntington Beach, California, ("Library") and associated services.

NOW, THEREFORE, the Parties do hereby agree as follows:

SECTION 1. TERM

This Agreement will become effective on the date approved by the City Council and shall terminate on _____, 2031, except with respect to any obligations which are to be performed thereafter. Upon mutual written consent of the Parties, this Agreement may be extended for two additional five year terms.

SECTION 2. TERMINATION

Either Party may terminate this Agreement without cause by giving the other Party written notice to terminate. The termination shall become effective sixty (60) calendar days after the other Party receives such notice.

SECTION 3. LICENSE FEE

Licensee will pay to the CITY a License Fee (Fee) for the use and occupancy of the Designated Area of \$500 a month. Licensee will pay the Fee monthly to CITY at the City Treasurer's Office, P.O. Box 711, Huntington Beach, California, 92648, or at such other place or places as the CITY may from time to time designate by written notice delivered to Licensee.

On each anniversary of the License Commencement Date (the "Adjustment Date"), the Fee shall be adjusted by the percentage increase, if any, in the Consumer Price Index for All Urban Consumers (CPI-U) for Los Angeles-Long Beach-Anaheim, CA. The adjustment shall be calculated by comparing the Index published immediately prior to the Adjustment Date (the "New Index") with the Index published one year prior (the "Base Index"). In no event shall the Fee increase by less than 3% or more than 6% per annum.

The Fee payment must be postmarked and/or received by the City Treasurer within ten (10) calendar days after the end of the month for which the Fee is being paid, or on the next business day if the tenth day falls on a weekend or holiday. If the Fee is not postmarked and/or received by the City Treasurer within ten (10) calendar days after the end of the month for which the Fee is being paid, or the next business day if the tenth day falls on a weekend or holiday, Licensee will pay the following late charge and penalty: (1) a late charge of 10 percent (10%) shall be applied to any outstanding balance after any payment hereunder is due but unpaid; and (2) one and half percent (1½%) penalty per month shall be added for each month the Fee is due but unpaid. With respect to any other payments required by Licensee, a one and a half percent (1½%) penalty per month shall be added for each month such payment hereunder is due but unpaid.

SECTION 4. OBLIGATIONS OF CITY

The obligations of the CITY pursuant to this Agreement are as follows:

A. CITY will provide space as set forth in the diagram (Attached hereto as "Exhibit A," and incorporated herein by this reference) for Licensee to use as a Surf Museum (the "Designated Area") at Main Street Branch Library ("Library").

B. CITY will provide power and at the City's sole discretion, access to pathways inside the Library for Licensee to establish its own network and internet connectivity.

C. CITY will continue to provide reasonable support and space as long as Licensee does not interfere unreasonably with CITY. If the City determines, at its sole discretion, Licensee is unreasonably interfering with CITY operations at the Library, the CITY may immediately terminate this Agreement.

D. CITY may promote and publicize Licensee through the CITY website, calendars, and other CITY resources at the CITY'S sole discretion.

E. CITY permits Licensee to use the Designated Area for Licensee programs and activities, as approved by the Director at his or her sole discretion. A nonexhaustive list of programs is set forth in Exhibit B (Attached hereto and incorporated by reference.)

F. Subject to availability, a prior approval of CITY, Licensee may hold up to twelve (12) meetings in the Library meeting rooms at no cost. Dates and times for such meetings shall be mutually agreed upon by CITY and Licensee. Except for free use, Licensee is subject to the same rules for use of CITY space as other organizations.

G. CITY agrees to work with Licensee regarding the organization, preservation and proper storage of Licensee's property including the "P.T. Collection."

H. Special Events require prior scheduling and permits in accordance with CITY's Facility Rental and Special Event policies. Licensee may use CITY meeting rooms and other spaces within the Library, subject to availability and prior approval by CITY.

I. CITY agrees to co-sponsor up to eight "Surfin' Sundays", dates, times and locations subject to mutual consent of parties. Subject to availability and at the CITY's sole discretion, CITY will provide the use of the Show Mobile at no cost. Licensee will be responsible for paying any related staffing costs for Surfin' Sundays.

J. CITY will provide Licensee a separate space for a work area, at the CITY discretion as to location, time and use, to receive, store, organize, and prepare static displays and art sales of surfing memorabilia.

K. CITY agrees to permit Licensee use of parking, at no cost, at the Huntington Beach Art Center located at 538 Main Street, Huntington Beach, CA 92648, on a "first come, first served" basis.

L. CITY agrees, at its own cost and expense, to maintain all structural elements of the Library including but not limited to foundations, walls and roofs.

M. CITY agrees, at its own cost and expense, to provide utility service to Licensee such as sewer, water, electricity and natural gas.

N. CITY shall have the right to enter the Designated Area or work area at any reasonable time without notice (and at any time during an emergency) for the purpose of inspecting the Designated Area or to make any repairs, including structural repairs.

SECTION 5. OBLIGATIONS OF LICENSEE

The obligations of Licensee pursuant to this Agreement include, but are not limited to, the following:

A. Licensee agrees that any possessory interest created by this License may be subject to California Revenue and Taxation Code Section 107.6, and payment of such property tax will be the sole responsibility of Licensee.

B. Licensee acknowledges that the notice required under California Revenue and Taxation Code Section 107.6 has been provided. _____ (Licensee Initials)

C. Licensee will work with the CITY to help ensure Library and Licensee staff and volunteers support each other and have a general understanding of how to guide patrons and visitors to the Surf Museum.

- D. Licensee is solely responsible for curating all exhibits in the Designated Area.
- E. In addition to Section 8 of this Agreement, Licensee is responsible for any liability resulting from any damage, management, safety and security of its own collections.
- F. Licensee will provide regular cleaning and maintenance of the Designated Area at its own cost and subject to CITY maintenance and cleaning standards determined at the sole discretion of CITY.
- G. Licensee will retain ownership of the entire Surfing Museum exhibits and/or artifact collection, including the P.T. Collection, and will be responsible for organization, preservation, storage, liability and the day-to-day management of the collection.
- H. Licensee will use established best practices for artifact storage.
- I. At CITY's direction, Licensee will be required to “rehouse”, quarantine or remediate materials that present health or safety risks. CITY may refuse materials that present health or safety risks and/or do not meet archival storage best practices.
- J. Licensee will work with Library staff to design surfing-related programming, which includes educational and recreational classes, and special events.
- K. Licensee will collaborate with CITY staff to apply for related grants.
- L. Licensee will assist the CITY in collecting of statistics on patrons and visitors on a monthly basis.
- M. Licensee agrees to conduct its operations so as to not disturb Library operations. CITY, at its sole discretion, may determine if Licensee operations are disturbing Library operations and may require, at its sole discretion, Licensee to discontinue said disruptive operations. If Licensee fails to discontinue disruptive operations, CITY may immediately terminate this Agreement.
- N. Licensee may collect contact information from visitors, patrons, and event participants at Surf Museum events that willingly give such information.
- O. Licensee will be responsible for all sales and donations given to the Surf Museum, including providing proof of donation to donors as requested or required by law. Licensee will maintain a record of all sales and donations using industry standards, and CITY may inspect said records as provided in Section 6.
- P. Licensee acknowledges that it does not have any authority to direct CITY personnel regarding CITY policies or decisions. The CITY has sole responsibility for developing and enforcing municipal codes, policies and procedures.

Q. Licensee agrees that it will, at its own cost and expense, make all repairs of whatever kind and nature, foreseen and unforeseen, to the "Designated Area, at its sole cost and expense. "Designated Area" as used in this Subparagraph includes, but is not limited to, heating, ventilating, interior walls, floor coverings and ceilings, painting and maintenance of interior walls, the interior and exterior portions of all doors, windows, plate glass, interior lighting fixtures, all trade fixtures, and any other improvements added by Licensee.

R. Licensee will be responsible for all cost of any improvements.

S. Licensee will obtain prior written approval from the CITY, in the form of a letter of authorization, for any proposed improvements to the Designated Area, before any modifications or additions are made. Licensee must obtain a signed letter of authorization executed by the CITY showing consent to any proposed improvements, modifications, fixtures, or other additions. The letter of authorization must be accompanied by drawings, plans, or other documentation sufficient to provide the CITY with all details of any proposed improvements. All costs and expense of approved improvements will be at Licensee's sole cost and expense.

T. Licensee will minimize disruptions to the Library during any construction or move in operations.

U. Licensee will obtain prior approval from the CITY before any signage is used.

V. Licensee understands the current limitations of the Main Street Library electrical system and will consult with CITY staff prior to initiating any electrical work or adding to existing electrical fixtures. The cost of any additions or alternations made by or for Licensee to the existing electrical system of the Library will be at the sole expense of Licensee.

W. Licensee will strive to increase the community's awareness of the Library and the Surf Museum through publicity and fundraising efforts. Such efforts shall reflect the CITY and its policies in a positive way and be coordinated as appropriate with CITY staff.

X. Licensee will be responsible for ensuring that all Surf Museum employees and volunteers submit a set of fingerprints as required by *California Education Code* Section 10911.5 at their own expense.

Y. Licensee agrees to maintain an updated list of members and their emergency contact information who may access the Library to be provided to the Library Services Manager or designee on an annual basis.

Z. With the exception of the designated Surf Museum storage and work areas, Licensee is not permitted in nonpublic areas of the Library without CITY permission. Licensee shall vacate the Library by closing time and not enter when CITY staff are not in the building, unless approved by CITY at its sole discretion. Licensee shall not interfere with normal library operations or library staff space.

SECTION 6. AUDIT

Licensee will keep in accordance with generally accepted accounting principles, a full and complete record of all transactions in books of account, and/or other records reflecting all transactions relating to funds generated or transferred pursuant to this Agreement. CITY shall have the right at all reasonable times during the term of this Agreement and for a period of five (5) years after termination or expiration to examine, audit, inspect, review, extract information from, and copy all financial books, records, accounts and other documents of Licensee relating to the funds generated or transferred pursuant to this Agreement. Licensee will cooperate fully with the CITY and its representatives in any audit. During the entire term of this Agreement, Licensee will remain a 501(c)(3) corporation.

SECTION 7. HOLD HARMLESS

Licensee hereby agrees to protect, defend, indemnify and hold harmless CITY, its officers, elected or appointed officials, employees, agents, and volunteers from and against any and all claims, damages, losses, expenses, judgments, demands and defense costs, and consequential damage or liability of any kind or nature, however caused, including those resulting from death or injury to Licensee's employees and damage to Licensee's property, arising directly or indirectly out of the obligations or operations herein undertaken by Licensee, caused in whole or in part by any negligent act or omission of anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, including but not limited to concurrent active or passive negligence, except where caused by the active negligence, sole negligence, or willful misconduct of the CITY. Licensee will conduct all defense at its sole cost and expense and CITY shall approve selection of Licensee's counsel. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Licensee.

SECTION 8. WORKERS' COMPENSATION INSURANCE

Pursuant to California Labor Code Section 1861, Licensee acknowledges awareness of Section 3700 et seq. of said Code, which requires every employer to be insured against liability for workers' compensation; Licensee covenants that it will comply with such provisions prior to commencing performance of the work hereunder.

In the event Licensee directly hires employees, Licensee will maintain workers' compensation insurance in an amount of not less than One Hundred Thousand Dollars (\$100,000) bodily injury by accident, each occurrence, One Hundred Thousand Dollars (\$100,000) bodily injury by disease, each employee, Two Hundred Fifty Thousand Dollars (\$250,000) bodily injury by disease, policy limit.

SECTION 9. GENERAL LIABILITY INSURANCE

In addition to the workers' compensation insurance (if needed) and Licensee's covenant to indemnify CITY, Licensee will obtain and furnish to CITY, a policy of general public liability

insurance, including motor vehicle coverage. Said policy shall indemnify Licensee, its officers, agents and employees, while acting within the scope of their duties, against any and all claims arising out of or in connection with this Agreement, and shall provide coverage in not less than the following amount: combined single limit bodily injury and property damage, including products/completed operations liability and blanket contractual liability, of \$1,000,000 per occurrence. If coverage is provided under a form which includes a designated general aggregate limit, the aggregate limit must be no less than \$1,000,000. Said policy shall name CITY, its agents, its officers, employees and volunteers as Additional Insureds, and shall specifically provide that any other insurance coverage which may be applicable shall be deemed excess coverage and that Licensee's insurance shall be primary.

Under no circumstances shall the above-mentioned insurance contain a self-insured retention, or a "deductible," or any other similar form of limitation on the required coverage.

SECTION 10. CERTIFICATES OF INSURANCE; ADDITIONAL INSURED ENDORSEMENTS

Prior to commencement of this Agreement, Licensee shall furnish to CITY certificates of insurance subject to approval of the City Attorney evidencing the foregoing insurance coverage as required by this Agreement; these certificates shall:

- (a) provide the name and policy number of each carrier and policy; and
- (b) state that the policy is currently in force; and
- (c) promise to provide that such policies shall not be canceled or modified without thirty (30) days' prior written notice of CITY; however, ten (10) days' prior written notice in the event of cancellation for nonpayment of premium.

Licensee will maintain the foregoing insurance coverage in force during the entire term of the Agreement or any renewals or extensions thereof or during any holdover period.

The requirement for carrying the foregoing insurance coverage shall not derogate from Licensee's defense, hold harmless and indemnification obligations as set forth in this Agreement. CITY or its representatives shall at all times have the right to demand the original or a copy of any or all the policies of insurance. Licensee will pay, in a prompt and timely manner, the premiums on all insurance hereinabove required.

SECTION 11. ASSIGNING AS BREACH

Neither Party shall encumber, assign, or otherwise transfer this Agreement, or any right or interest in this Agreement, without the express written consent of the other Party. A consent by Party to one assignment or transfer to another person shall not be deemed to be a consent to any subsequent assignment or transfer to another person. Any encumbrance, assignment or transfer, without the prior written consent of the other Party, whether it is voluntary or

involuntary, by operation of law or otherwise, is void and shall, at the option of the other Party, terminate this Agreement.

SECTION 12. CONFLICT OF INTEREST

Licensee will employ no CITY official or any regular CITY employee in the work performed pursuant to this Agreement. No officer or employee of CITY shall have any financial interest in this Agreement in violation of the applicable provisions of the California Government Code.

SECTION 13. PHOTOGRAPHY

CITY may grant permits to persons engaged in the production of still and motion pictures, television programs, advertising and related activities, to take photographs and/or motion pictures of Licensee activities. However, consistent with good safety practices, CITY will endeavor to give 24-hour advance notification of such activities to Licensee. In addition, if CITY receives compensation from such persons for such production, CITY will grant 50% of such compensation to Licensee for support of Licensee's activities as set forth under this Agreement.

SECTION 14. NONDISCLOSURES/PRESS RELEASES

Licensee will consult with CITY prior to issuing any press releases or otherwise making any public statements with respect to this Agreement, the transactions contemplated herein, or matters arising here from.

SECTION 15. WAIVER OF BREACH

The waiver by either Party of any breach by the other Party of any of the provisions of this Agreement, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such breach or a waiver of any subsequent breach by the other Party, either of the same or another provision of this Agreement.

SECTION 16. NOTICE

Any written notice, given under the terms of this Agreement, shall be either delivered personally or mailed, certified mail, postage prepaid, addressed to the Party concerned, as follows:

CITY OF HUNTINGTON BEACH
Attn: Director Community & Library Services
CITY OF HUNTINGTON BEACH
2000 Main Street
Huntington Beach, CA 92648

HUNTINGTON BEACH
INTERNATIONAL SURFING MUSEUM
525 Main Street
Huntington Beach, CA 92648

If a Party desires to change the address for notices set forth herein, said Party shall provide 30 days advance written notice to the other Party of any such change.

SECTION 17. ATTORNEY'S FEES

In the event suit is brought by either Party to enforce the terms and provisions of this Agreement or to secure the performance hereof, each Party shall bear its own attorney's fees. The prevailing Party shall not be entitled to recover its attorney's fees from the non-prevailing Party.

SECTION 18. SECTION TITLES

The section titles in this Agreement are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of intent of this Agreement or in any way affect this Agreement.

SECTION 19. MODIFICATIONS IN WRITING

This Agreement contains and embraces the entire Agreement between the Parties hereto and neither it nor any part of it may be changed, altered, modified, limited or extended orally or by any other agreement between the Parties unless such agreement be expressed in writing, signed and acknowledged by CITY and Licensee, or their successors in interest.

SECTION 20. PARTIAL INVALIDITY

Should any provision of this Agreement be held by court of competent jurisdiction to be either invalid, void, or unenforceable, the remaining provisions of this Agreement shall remain in full force and their effect unimpaired by the holding, so long as the reasonable expectations of the Parties hereto are not materially impaired.

SECTION 21. AGREEMENT IN COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same document.

SECTION 22. ENTIRETY

The foregoing sets forth the entire agreement between the Parties.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by and through their authorized officers the day, month and year first above written.

HUNTINGTON BEACH
INTERNATIONAL SURFING MUSEUM, a
California non-profit corporation,

CITY OF HUNTINGTON BEACH, a
municipal corporation of the State of
California

By: _____

(print name)

Mayor

Its: *(circle one)* Chairman/President/Vice President

City Clerk

AND

By: _____

(print name)

INITIATED AND APPROVED:

Director of Community & Library Services

ITS: *(circle one)* Secretary/Chief Financial
Officer/Asst. Secretary-Treasurer

REVIEWED AND APPROVED:

City Manager

APPROVED AS TO FORM:

City Attorney

EXHIBIT A: DESIGNATED AREA