

Robert E. Shannon  
City Attorney of Long Beach  
333 West Ocean Boulevard  
Long Beach, California 90802-4664  
Telephone (562) 570-2200

PERMIT

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Pursuant to the provisions of Section 16.08.920 of the Long Beach Municipal Code and a minute order adopted by the City Council of the City of Long Beach, at its August 2, 2005 meeting, the CITY OF LONG BEACH ("City") hereby grants permission to AMERICAN CATAMARAN CHARTER SERVICES, LLC an Oregon limited liability company ("Permittee") to use and occupy portions of the docks, the slips and end ties in the Rainbow Harbor as determined by the Marine Bureau of the City's Department of Parks, Recreation and Marine ("Permit Area").

1. PERMIT AREA: The Permit Area shall be that area shown in Exhibit "D". The Permit Area shall be subject to change at the discretion of the Manager of the Marine Bureau of the Department of Parks, Recreation and Marine or his or her designee ("Manager of the Marine Bureau") on thirty day written notice, or in accordance with Rainbow Harbor Rules and Regulations.

2. USES: Permittee warrants that it will keep its vessel(s) in use for the uses described below on a near continuous basis during business hours agreed between the Permittee and the City Manager or his or her designee ("Manager").

A. The Permit Area and the improvements thereof shall be used for the purpose of berthing Permittee's vessel(s) and for embarking and disembarking passengers in connection with charters, except as referenced in subparagraph 2.D. below.

B. No use not specifically permitted by this section shall be allowed without the written permission

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of the Manager.

C. Permittee shall not be in breach of this warranty if the Permit Area fails to be in continuous use no more than forty-five (45) days in a calendar year, no more than thirty (30) of which shall be consecutive without the permission of the Manager of the Marine Bureau.

D. Permittee shall not operate scuba-diving charters and sportfishing charters within the limits of the City of Long Beach.

2.1. Delivery and Loading.

Permittee, its subpermittees, concessionaires or other person or entity operating under a contract with Permittee or on behalf of Permittee delivering, loading or unloading goods, services or merchandise to the Permit Area shall use the area(s) marked for loading located at Pine Avenue Circle, Shoreline Park parking lot and Aquarium Way for access. Permittee shall instruct all parties delivering, loading or unloading goods, services or merchandise to use hand trucks or cushion type carts with inflatable tires. No trucks or vans shall be allowed within the Permit Area or Rainbow Harbor.

2.1.1. Delivery and Loading Hours.

Delivery, loading and unloading shall be limited to the hours from midnight until 9:00 a.m., seven (7) days a week. Permittee shall contact the Manager of the Marine Bureau to coordinate deliveries outside of the hours defined.

2.2. Rainbow Harbor Rules and Regulations.

Permittee shall comply with the Rainbow Harbor Rules and

1 Regulations of the City of Long Beach whether known by that or  
2 some other name or names.

3 2.3. Customer Satisfaction. Permittee shall make  
4 available customer satisfaction evaluation surveys to all  
5 customers.

6 3. TERM: The term of this Permit shall be for three (3)  
7 years commencing on the Effective Payment Date, as that date is  
8 defined in subparagraph 4.3 below and shall terminate on December  
9 31, 2008. Notwithstanding the foregoing, either party may  
10 terminate this Permit at any time for any or no reason upon sixty  
11 (60) days' written notice to the other party. Upon termination of  
12 this Permit (whether by lapse of time or otherwise), Permittee  
13 shall quit and surrender possession of the Permit Area and remove  
14 its personal property therefrom. The term of this permit may be  
15 extended beyond December 31, 2008, for two additional periods of  
16 three (3) years at the sole discretion of the City Manager of the  
17 City of Long Beach.

18 4. COMPENSATION:

19 4.1. Dock Fee. Permittee shall pay to the City for the  
20 use of the Permit Area an amount equal to \$13.35 per lineal  
21 foot, per month, or other fee subsequently adopted by the City  
22 Council of the City of Long Beach, occupied and/or reserved by  
23 Permittee for any time such slip or end tie is so used. The  
24 Dock Fee shall be paid on or before the first day of each  
25 month during the term of this Permit. The Dock Fee shall be  
26 paid in advance and Permittee shall not have any right of  
27 abatement, deduction, set off, prior notice or demand.

28 4.2. Permit Fee. Permittee shall pay to the City

1 percentage fees in the amount of eight percent (8%) of  
2 Permittee's "gross receipts" (as that term is defined in  
3 subparagraph 4.5 below) or \$250, whichever is greater per  
4 month on the twentieth (20th) day of each month following each  
5 and every month in which gross receipts are received whether  
6 received by Permittee, its subpermittees, concessionaires or  
7 other person or entity operating under a contract with  
8 Permittee from all permitted concessions, operations and  
9 activities. Permittee shall not have any right of abatement,  
10 deduction, set off, prior notice or demand.

11 4.3. Effective Payment Date. Effective August 1, 2005  
12 Permittee shall begin payment of Dock Fees, and payment of the  
13 Permit Fee shall be effective November 1, 2005.

14 4.4. Charge for Late Payment.

15 A. If Dock Fee payment is not received within ten  
16 days after the same has become due, a late fee shall be  
17 assessed. The late fee shall be, in addition to the amount of  
18 the Dock Fee, a sum equal to ten percent (10%) thereof.

19 B. If Permit Fee payment is not received on the  
20 twentieth(20th) day following the preceding month, a late fee  
21 shall be assessed. The late fee shall be 5% or \$50, whichever  
22 is greater.

23 4.5. Gross Receipts. "Gross receipts" as used herein  
24 shall include the following:

25 A. The gross selling price of all boat tickets or  
26 other charges for the use of or passage aboard any Permittee  
27 authorized vessel that docks or ties up at the Permit Area.

28 B. The gross selling price for all food, beverages,

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1 and other merchandise or services sold or delivered by  
2 Permittee, its permitted licensees, concessionaires, and  
3 persons, firms, or corporations aboard said vessels.

4 C. Gross receipts shall include sales for cash,  
5 credit, or services whether collected or not. Gross receipts  
6 shall not include, or if included shall be deducted (but only  
7 to the extent they have been included), any sales and use  
8 taxes, transportation taxes, excise taxes, franchise taxes, and  
9 other similar taxes now or in the future imposed on the sale of  
10 tickets, food, beverages, merchandise, or services, but only if  
11 such taxes are added to the selling price, separately stated,  
12 collected separately from the selling price and collected from  
13 customers. Gross receipts shall not include any value imputed  
14 to charitable charters (i.e., any charter in which Permittee  
15 does not collect a fee or reimbursement for expenses).

16 4.6. Statement of Gross Receipts.

17 A. Permittee shall prepare and deliver or cause to  
18 be prepared and delivered to the City at:

19 Department of Parks, Recreation and Marine

20 2760 Studebaker Road

21 Long Beach, CA 90815-1697

22 Attention: Accounting Section

23 within twenty (20) days after the end of each month during the  
24 term of this permit or extension thereof, a financial statement  
25 showing in reasonable detail Permittee's gross receipts for the  
26 preceding calendar month or partial calendar month and a  
27 computation of the percentage fee provided for herein.

28 B. Permittee shall within thirty (30) days of each

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1 calendar year deliver to the City, at the address set forth in  
2 subparagraph 4.6.A. above, a statement showing gross receipts  
3 of the preceding calendar year or partial calendar year. Such  
4 statement shall be prepared and delivered to City in accordance  
5 with generally accepted accounting practices containing a  
6 statement of gross receipts and a computation of percentage of  
7 gross receipts.

8 C. Each statement shall be signed and certified to  
9 be correct by an officer of Permittee.

10 4.7. Deficiency. If there is a deficiency in the payment  
11 of rent due to City, the deficiency shall become immediately  
12 due and payable together with interest thereon at the rate of  
13 ten percent (10%) per annum from the date of City's demand for  
14 payment of the deficiency.

15 5. FEES AND CHARGES: All fees and charges associated with the  
16 permitted concessions, operations and activities and any changes to  
17 fee schedules shall be subject to the prior written approval of the  
18 Manager.

19 6. AUDIT: The City shall be entitled during the initial term  
20 or any extension thereof and within three (3) years after the  
21 expiration or termination of this Permit to inspect, examine, and  
22 audit all Permittee's books of account, records, cash receipts, and  
23 other pertinent data so City can ascertain Permittee's gross  
24 receipts. Permittee shall cooperate fully with City in making any  
25 such inspection, examination, and audit. The inspection,  
26 examination, or audit shall be conducted during usual business  
27 hours. If an audit shows that there is a deficiency in the payment  
28 of any sum due the City, the deficiency shall become immediately due

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1 and payable. The costs of the audit shall be paid by the City  
2 unless the audit shows that Permittee understated gross receipts by  
3 more than three percent (3%), in which case Permittee shall pay all  
4 City's costs of the audit. If it is determined by an audit that  
5 there is an overpayment of percentage fees, a refund shall become  
6 due from the City.

7 7. BOOKS OF ACCOUNT AND RECORDS:

8 A. Permittee shall keep, within the City of Long Beach,  
9 complete and accurate books of account, records, cash receipts,  
10 and other pertinent data showing all gross receipts, all in  
11 accordance with generally accepted accounting principles.

12 B. Permittee shall install and maintain accurate receipt  
13 printing cash registers or computer systems and shall record on  
14 the cash registers or computer systems every sale of  
15 merchandise and services or other transactions at the time of  
16 the transaction on either a cash register having a sealed,  
17 continuous cash register tape with cumulative totals that  
18 numbers, records and duplicates each transaction entered into  
19 the register, or serially numbered sales slips.

20 If Permittee chooses to record each sale by using a cash  
21 register, the continuous cash register tape will be sealed or  
22 locked in such a manner that it is not accessible to the person  
23 operating the cash register.

24 If Permittee chooses to record each sale by using a  
25 computer system, the computer generated receipts shall be  
26 retained in chronological order (including those canceled,  
27 voided or not used) for three (3) years.

28 If Permittee chooses to record each sale on individual

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1 slips, the sales slips (including those canceled, voided, or  
2 not used) will be retained in numerical sequence for three (3)  
3 years.

4 C. For the purpose of ascertaining the number of Rainbow  
5 Harbor passengers, Permittee will submit monthly, in writing,  
6 vessel schedules, including the name of the boat, and the  
7 passenger counts with the gross receipts statements to the  
8 Accounting Section of the Department of Parks, Recreation and  
9 Marine at the following address:

10 Department of Parks, Recreation and Marine  
11 2760 Studebaker Road  
12 Long Beach, CA 90815-1697  
13 Attention: Accounting Section

14 D. Permittee, will prepare or cause to be prepared,  
15 preserve, and maintain, for a period of not less than three (3)  
16 years these books, accounts and records:

17 1. daily cash register summary tapes and sealed,  
18 continuous cash register tapes or prenumbered sales slips  
19 or computer transaction receipts on transaction summary  
20 reports;

21 2. a single, separate bank account into which all  
22 receipts of business or other revenue from operations on  
23 or from the Permit Area are deposited;

24 3. all bank statements detailing transactions in or  
25 through any business bank account;

26 4. daily or weekly sales capitulations;

27 5. a general ledger or a summary record of all cash  
28 receipts and disbursements from operations on or from the



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Permit Area;

6. copies of all tax returns filed with any governmental authority that reflect in any manner sales, income, or revenue generated in or from the Permitted Premises, including, but not limited to, federal income tax returns and state sales or use tax returns;

7. daily vessel schedules, including the name(s) and identification number(s) of the boat(s), and passenger counts;

8. other records or accounts that City may reasonably require in order to ascertain, document, or substantiate gross receipts.

E. Permittee shall keep within the City of Long Beach all of the books, records, and other documents in the manner recited in this paragraph, and will make said books, records and documents available for inspection, examination, or audit by City or City's designated representative upon giving Permittee five (5) days' prior notice of City's intention to exercise its rights under this paragraph. In connection with an examination of audit, City will have the right to inspect the records of sales from any other store operated by Permittee, but only if the examination is reasonably necessary to ascertain gross sales from the Permit Area. If upon inspection or examination of Permittee's available books and records of account, City determines that Permittee has failed to maintain, preserve, or retain the documents, books, and records that this Permit requires Permittee to maintain in the manner set forth in this paragraph, City will give the

1 Permittee sixty (60) days to cure the deficiencies. Further,  
2 if Permittee is found to be deficient in maintaining any of  
3 documents, books, or records, Permittee will reimburse City for  
4 all reasonable expenses incurred by City in determining the  
5 deficiencies, including without limitation any audit or  
6 examination fees.

7 F. The receipt by City of any statement or any payment  
8 of compensation for any period shall not bind City as to the  
9 correctness of the statement or payment.

10 8. IMPROVEMENTS: Permittee shall not install, erect, or  
11 construct any building, improvement, or structure on the Permit Area  
12 nor alter the same without the prior written approval of the  
13 Manager. In the event Permittee, with the prior written approval of  
14 the Manager, shall make any improvement to the structures within the  
15 Permit Area, title to any such improvement shall vest in the City.

16 Any approval shall be subject to conditions as may be required  
17 for such improvements and imposed by the Manager.

18 9. ADVERTISING:

19 9.1. Advertising Signs. Permittee, at its cost, may  
20 place or erect and maintain signs on the Permit Area, provided  
21 that Permittee obtains prior written approval from the  
22 Department of Parks, Recreation and Marine. Further,  
23 Permittee's sign shall be in compliance with City's sign  
24 ordinance and conditions of the Department of Parks, Recreation  
25 and Marine.

26 9.2. Advertising Budget. Within thirty (30) days after  
27 the commencement date of the term of this Permit, and within  
28 thirty (30) days after the end of each calendar year during the

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1 term of this Permit, Permittee shall submit to the Manager a  
2 written budget describing in reasonable detail proposed  
3 expenditures for advertising, publicity and promotion  
4 (including direct expenses for salaries associated therewith)  
5 proposed to be made during the calendar year. Beginning in  
6 year 2, the budget shall not be less than one percent (1%) of  
7 Permittee's gross sales for previous calendar year. Permittee  
8 shall submit to the Manager upon demand a detailed statement of  
9 expenditures made by it to advertise, publicize and promote the  
10 permitted concession, operations and activities. In the event  
11 Permittee fails or refuses to comply with the provisions of  
12 this paragraph, such failure or refusal shall be deemed a  
13 material breach and the City may terminate this Permit upon  
14 fifteen (15) days written notice Permittee.

15 10. UTILITIES: Permittee, at its cost, shall promptly pay or  
16 cause to be paid all utility fees, costs and charges resulting from  
17 such use or assessments for utilities levied against the Permit Area  
18 for any period during the term of this Permit. If Permittee  
19 requires utilities which are beyond the capacity provided, Permittee  
20 shall coordinate and submit request for additional services through  
21 the Manager of the Marine Bureau.

22 11. TRASH REMOVAL AND DISPOSAL: The City shall provide, for  
23 Permittee, at each dock for trash disposal except the floating docks  
24 located at Pierpoint Landing. Trash from Permittee's operation  
25 shall be disposed of in the trash bins for collection by the  
26 Maintenance Operations Bureau of the Department of Parks, Recreation  
27 and Marine. The Maintenance Operations Bureau shall perform  
28 collection services from the water and the collection schedule shall

1 be according to demand. The City shall have the right to modify or  
2 change the trash removal operation and Permittee agrees to accept  
3 and comply with such modifications or changes.

4 12. MAINTENANCE AND REPAIR: The City shall maintain the  
5 Permit Area and the improvements thereon in good condition and  
6 repair, reasonable wear and tear excepted. Permittee understands  
7 that the water area within the Rainbow Harbor area is subject to  
8 collection of debris from the Los Angeles River runoff. Further,  
9 Permittee acknowledges that water conditions including debris and  
10 sediment may occur at times in the adjacent area of the Los Angeles  
11 River which could affect access to the Rainbow Harbor. Neither the  
12 City nor its officers or employees shall be liable and Permittee  
13 waives all claims for damage to its vessels or its business as a  
14 result of any such condition. Permittee's vessels and their gear  
15 and Permittee's property thereon shall be at the Permit Area at  
16 Permittee's risk and the City shall not be liable for damage thereto  
17 or theft or appropriation thereof.

18 13. DAMAGE OR DESTRUCTION OF IMPROVEMENTS:

19 13.1. Responsibility for Repair. If any building or  
20 improvement at any time on the Permit Area shall be damaged or  
21 destroyed by any cause whatsoever during the Permit term,  
22 Permittee shall, with reasonable promptness, report the damage  
23 to the City. The City shall have responsibility to make  
24 repairs to replace the same, to at least the condition existing  
25 immediately prior to such damage or destruction. The Permittee  
26 shall be responsible for reimbursing the City for the pro rata  
27 share of expenses incurred to repair or replace the damage or  
28 destruction to the Permit Area to the extent contributed to by

1 the act or omission of Permittee, its employees or agents.  
2 Permittee shall be responsible for reimbursing the City even  
3 though the proceeds of any insurance policies covering the loss  
4 ("Insurance Proceeds") shall be insufficient to reimburse  
5 Permittee therefor; provided, however, that if such proceeds of  
6 insurance are more than sufficient to pay the cost of any such  
7 rebuilding, Permittee shall be entitled to receive any surplus.  
8 City at its discretion may authorize Permittee to make  
9 repairs to replace the same to at least the condition existing  
10 immediately prior to such damage or destruction. Such  
11 authorization shall be in writing.

12 13.2. Insurance Proceeds. Insurance Proceeds shall be  
13 held by an Insurance Trustee mutually agreed to by the parties,  
14 but shall be paid to the Permittee or as Permittee may direct  
15 from time to time as the restoration of the Permit Area  
16 progresses, to pay or reimburse City for the cost of such  
17 restoration upon the written request of City accompanied by  
18 evidence satisfactory to the Insurance Trustee that:

19 A. an amount equal to the amount requested is then due  
20 and payable or has been paid and is properly a part of  
21 such cost of restoration;

22 B. that the net Insurance Proceeds not yet advanced will  
23 be sufficient for the completion of the restoration.

24 If at any time during the period of restoration and/or  
25 reconstruction the City shall determine that the Insurance  
26 Proceeds are insufficient to cause such restoration, then  
27 upon delivery of written notice thereof and specifying the  
28 deficit Permittee shall deposit in trust with the Insurance

1 Trustee such additional sums as may be required to complete the  
2 restoration of the Permit Area. Upon receipt by the Insurance  
3 Trustee of evidence satisfactory to it that:

4 A. the restoration of the Permit Area has been  
5 completed;

6 B. the cost thereof has been paid in full; and

7 C. there are no mechanic's or similar liens for labor  
8 or materials supplied in connection therewith, the balance, if  
9 any, of such Insurance Proceeds shall be paid to Permittee or  
10 as the Permittee may direct.

11 13.3. Procedure for Restoration of Improvements. Following  
12 damage to all or any portion of the Permit Area, Permittee  
13 shall reimburse the City for restoration of the Permit Area  
14 and/or the improvements thereon, whether or not insurance  
15 proceeds are sufficient to do so.

16 13.4 No Termination. Except as otherwise expressly agreed  
17 to in writing by the parties hereto, no destruction of or  
18 damage to the Permit Area, improvements thereon or any part  
19 thereof, whether such damage or destruction be partial or total  
20 or whether such damage or destruction shall have been covered  
21 by insurance or not, shall entitle or permit either City or  
22 Permittee to surrender or terminate this Permit or relieve  
23 Permittee from liability to pay in full the fee payable by  
24 Permittee hereunder. Permittee hereby waives any rights now or  
25 hereafter conferred upon it by statute or other law to  
26 surrender this Permit or to quit or surrender the Permit Area  
27 or any part thereof, or to receive any suspension, diminution,  
28 abatement or reduction of fees or other sums and charges

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1 payable to Permittee hereunder on account of any such  
2 destruction or damage.

3 14. INSURANCE: Concurrent with the execution of this Permit  
4 and in partial performance of Permittee's obligations hereunder,  
5 Permittee shall procure and maintain at Permittee's expense for the  
6 duration of this Permit, including any extensions, renewals, or  
7 holding over thereof, the following insurance coverages from  
8 insurance companies that are admitted to write insurance in the  
9 State of California or from authorized nonadmitted insurers that  
10 have ratings of or equivalent to an A:VIII by A.M. Best and Company:

11 A. Commercial General Liability insurance  
12 (equivalent in coverage scope to ISO form CG 00 01 11 85  
13 or 11 88) in an amount not less than One Million Dollars  
14 (\$1,000,000) combined single limit per occurrence and  
15 covering the Permittee's operations under or in connection  
16 with this Permit. If the policy contains a general  
17 aggregate, the general aggregate shall be in an amount not  
18 less than Two Million Dollars (\$2,000,000). Such  
19 insurance shall include, as may be applicable to  
20 Permittee's operations under or in connection with this  
21 Permit, broad form contractual liability, products and  
22 completed operations liability and liquor liability. The  
23 City of Long Beach, its officials, employees and agents  
24 shall be added as additional insureds by endorsement  
25 (equivalent in coverage scope to ISO form CG 20 26 11 85).  
26 This insurance shall contain no special limitations on the  
27 scope of protection afforded to the City, its officials,  
28 employees and agents, and shall provide cross-liability

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1 protection.

2 B. Protection and Indemnity including, as may be  
3 applicable to Permittee's operations under or in  
4 connection with this Permit, injury to passengers, damage  
5 to piers, docks and pilings and property on piers and  
6 docks, wreck removal, and collision liability in an amount  
7 not less than One Million Dollars (\$1,000,000) per  
8 occurrence for each vessel operating under this Permit.  
9 If the policy contains a general aggregate, the general  
10 aggregate shall be in an amount not less than Two Million  
11 Dollars (\$2,000,000). The City of Long Beach, its  
12 officials, employees and agents shall be added as  
13 additional insureds by endorsement. This insurance shall  
14 contain no special limitations on the scope of protection  
15 afforded to the City, its officials, employees, and  
16 agents, and shall provide cross-liability protection.

17 C. Workers' Compensation as required by the State  
18 of California endorsed, as applicable, to include United  
19 States Longshoremen and Harbor Workers' Compensation Act  
20 coverage and Jones' Act coverage and Employer's Liability  
21 insurance with minimum limits of One Million Dollars  
22 (\$1,000,000).

23 Any self-insurance program or self-insured retention must be  
24 approved separately in writing by City and shall protect the City of  
25 Long Beach, its officials, employees, and agents in the same manner  
26 and to the same extent as they would have been protected had the  
27 policy or policies not contained retention provisions.

28 Each insurance policy shall be endorsed to state that coverage



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1 shall not be suspended, voided, materially changed, or canceled by  
2 either party except after thirty (30) days prior written notice to  
3 City, and shall be primary to City. Any insurance or self-insurance  
4 maintained by City shall be excess to and shall not contribute to  
5 insurance or self-insurance maintained by Permittee.

6 Permittee shall deliver to City certificates of insurance and  
7 the required endorsements for approval as to sufficiency and form  
8 prior to commencement of this Permit. The certificates and  
9 endorsements for each insurance policy shall contain the original  
10 signature of a person authorized by that insurer to bind coverage on  
11 its behalf. Permittee shall, at least thirty (30) days prior to  
12 expiration of such policies, furnish City with evidence of renewals.  
13 City reserves the right to require complete certified copies of all  
14 said policies at any time.

15 Such insurance as required herein shall not be deemed to limit  
16 Permittee's liability relating to performance under this Permit.  
17 The procuring of insurance shall not be construed as a limitation on  
18 liability or as full performance of the indemnification and hold  
19 harmless provisions of this Permit. Permittee understands and  
20 agrees that, notwithstanding any insurance, Permittee's obligation  
21 to defend, indemnify, and hold City, its officials, agents, and  
22 employees harmless hereunder is for the full and total amount of any  
23 damage, injuries, loss, expense, costs, or liabilities caused by or  
24 in any manner connected with the operations of Permittee.

25 Not more frequently than every three (3) years, if in the  
26 opinion of City the amount of the foregoing insurance coverages is  
27 not adequate, Permittee shall amend the insurance coverage as  
28 required by City's Risk Manager or designee.

1 Any modification or waiver of the insurance requirements herein  
2 shall be made only with the written approval of the City's Risk  
3 Manager or designee.

4 15. INDEMNIFICATION:

5 15.1. General Indemnity. Permittee shall defend and  
6 indemnify the City of Long Beach and its officers and employees  
7 while acting within the scope of their duties from and against  
8 any and all actions, suits, proceedings, claims and demands,  
9 costs (including attorneys' fees and court costs), expense and  
10 liability of any kind or nature whatsoever ("claims") for  
11 injury to or death of persons or damage to property (including  
12 property owned by or under the control of the City) which may  
13 be brought, made, filed against, imposed upon or sustained by  
14 the City, its officers or employees based upon or arising out  
15 of:

16 A. An act or omission of Permittee, its officers,  
17 agents, employees, contractors, licensees or invitees or of any  
18 person entering upon the Permit Area with the express or  
19 implied invitation of Permittee;

20 B. A violation by Permittee, its officers, agents,  
21 employees, contractors, licensees or invitees or of any other  
22 person entering upon the Permit Area with the express or  
23 implied invitation of Permittee of any law ordinance or  
24 governmental order of any kind;

25 C. The use or occupancy of the Permit Area by Permittee,  
26 its officers, agents, employees, contractors, licensees or  
27 invitees or of any other person entering upon the Permit Area  
28 with the express or implied invitation of Permittee.

Robert E. Shannon  
City Attorney of Long Beach  
333 West Ocean Boulevard  
Long Beach, California 90802-4664  
Telephone (562) 570-2200

1           This indemnity shall not include claims based upon or  
2 arising out of the sole negligence, gross negligence, or  
3 willful misconduct of the City, its officers and employees.  
4 Further, this indemnity shall not require payment of a claim by  
5 the City or its officers or employees as a condition precedent  
6 to the recovery under the same.

7           This indemnification provision supplements and in no way  
8 limits the scope of the indemnifications set out in  
9 subparagraph 15.2 below. The indemnity obligation of Permittee  
10 under this paragraph shall survive the expiration or  
11 termination, for any reason, of this Permit.

12           15.2. Environmental Release and Indemnification.

13 Permittee hereby agrees to hold harmless, defend and indemnify  
14 the City and its employees, members and officials from and  
15 against all liability, loss, damage, costs, penalties, fines  
16 and/or expenses (including attorneys' fees and court costs)  
17 arising out of or in any way connected with or the activities,  
18 acts or omissions of Permittee, its permittees, employees,  
19 contractors or agents on or affecting the Permit Area without  
20 regard to fault or negligence including but not limited to the  
21 release of any hazardous materials into the air, soil,  
22 groundwater or surface water on, in, under or from the Permit  
23 Area whether such condition, liability, loss, damage, cost,  
24 penalty, fine and/or expense shall accrue or be discovered  
25 before or after termination of this Permit. This  
26 indemnification supplements and in no way limits the scope of  
27 the indemnification set forth in paragraph 15.1. above.

28           In addition, Permittee waives, releases, acquits and

Robert E. Shannon  
City Attorney of Long Beach  
333 West Ocean Boulevard  
Long Beach, California 90802-4664  
Telephone (562) 570-2200

1 forever discharges City, its employees, members and officials  
2 or any other person acting on behalf of City, of and from any  
3 and all claims, actions, causes of action, demands, rights,  
4 damages, costs, expenses, or compensation (collectively  
5 "claims") whatsoever (including, but not limited to, all claims  
6 at common law and/or under any federal, state or local  
7 environmental, health and/or safety-related law, rule,  
8 regulation or order, currently existing and as amended or  
9 enacted in the future ("Environmental Law"), whether direct or  
10 indirect, known or unknown, foreseen or unforeseen, which  
11 Permittee now has or may have or which may arise in the future  
12 on account of or in any way growing out of or in connection  
13 with any hazardous materials on, under from, or affecting the  
14 Permit Area, or any law or regulation applicable thereto.  
15 Permittee acknowledges that it is familiar with Section 1542 of  
16 the California Civil Code which reads: "A general  
17 release does not extend to claims which the creditor does not  
18 know or suspect to exist in his favor at the time of executing  
19 the release, which if known by him must have materially  
20 affected his settlement with the debtor."; and hereby releases  
21 the Permittee from any unknown claims and waives all rights it  
22 may have under Section 1542 of the Civil Code or under any  
23 other statute or common law principle of similar effect.

24 15.2.1. Exclusions.

25 A. Contamination on, beneath, or abutting the  
26 Permit Area which existed prior to the initial  
27 commencement date of the Permit.

28 B. Contamination which has emanated or emanates

Robert E. Shannon  
City Attorney of Long Beach  
333 West Ocean Boulevard  
Long Beach, California 90802-4664  
Telephone (562) 570-2200

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from a location off site the Permit Area and which has trespassed onto, underneath or across the Permit Area.

C. Contamination which is unrelated to Permittee's use, occupancy of Permittee's subpermittees, invitees, or guests, on the Permit Area.

D. Permittee need not indemnify City for activities carried on or around the Permit Area by City as part of occasional use of the Permit Area by City or its other permittees, licensees, or the like or actions of the public who have not been permitted or solicited by Permittee.

15.3. Definition. "Hazardous material" means any substance:

A. the presence of which requires investigation or remediation under any federal, state or local statute, regulation, ordinance, order, action, policy or common law; or

B. which is or becomes defined as a "hazardous waste," "hazardous substance," pollutant or contaminant under any federal, state or local statute, regulation, rule or ordinance or amendments thereto including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. section 9601 et seq.) and/or the Resource Conservation and Recovery Act (42 U.S. C. Section 6901 et seq.); or

C. which is toxic, explosive, corrosive, flammable,

1 infectious, radioactive, carcinogenic, mutagenic, or  
2 otherwise hazardous and is or becomes regulated by  
3 governmental authority, agency, department, commission,  
4 board, agency or instrumentality of the United States, the  
5 State of California or any political subdivision  
6 thereof; or

7 D. the presence of which on the Permit Area causes  
8 or threatens to cause a nuisance upon the Permit Area or  
9 to adjacent properties or poses or threatens to pose a  
10 hazard to the health or safety of persons on or about the  
11 Permit Area; or

12 E. the presence of which on adjacent properties  
13 could constitute a trespass by Permittee; or  
14 polychlorinated bipheynols (PCBs), asbestos or urea  
15 formaldehyde foam insulation.

16 16. FORCE MAJEURE: City and Permittee shall not be deemed to  
17 be in default in the performance of the terms, covenants or  
18 conditions of this Agreement if either party is prevented from  
19 performing said terms, covenants or conditions by causes beyond its  
20 control, including, without limitation, acts of God or the public  
21 enemy; failures due to nonperformance or delay of performance by  
22 suppliers or contractors; any order, directive or other interference  
23 by municipal, state, federal or other governmental official or  
24 agency; any catastrophe resulting from the elements, flood, fire,  
25 explosion, or any other cause reasonably beyond the control of a  
26 party, but excluding strikes or other labor disputes, lockouts, work  
27 stoppages or financial inability.

28 17. VESSELS: Permittee agrees, with respect to its operation

Robert E. Shannon  
City Attorney of Long Beach  
333 West Ocean Boulevard  
Long Beach, California 90802-4664  
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1 of charter cruises and its use of the Permit Area, Permittee shall  
2 at all times comply with the Rainbow Harbor Rules and Regulations of  
3 the City of Long Beach, including other conditions herein:

4 A. Permittee shall submit weekly, in writing, daily  
5 vessel schedules, including the name(s) and identification  
6 number(s) of the boat(s), and passenger counts. The schedules  
7 shall be submitted by the Friday of the preceding week.  
8 Permittee may amend the reported information to make changes to  
9 or correct information pursuant to the vessel schedule, boat  
10 name or identification number and passenger count. Permittee  
11 must give the Manager of the Marine Bureau prior written  
12 notification of any changes.

13 B. Permittee, at its cost, shall maintain each of its  
14 vessels in good, seaworthy condition. At all times, if any  
15 condition is discovered affecting the safety of the vessel or  
16 its seaworthiness, that vessel shall be immediately withdrawn  
17 from service and all necessary repairs promptly commenced.

18 Permittee's vessels shall be attractive in design and shall  
19 at all times be maintained in a neat and clean condition free  
20 from deteriorations. To maintain an attractive appearance at  
21 all times, Permittee, at its cost, shall cause its vessels to  
22 have all gear stored and to be regularly painted. No rips,  
23 tears or missing pieces or excessive fading shall be permitted.

24 18. LICENSE AND CERTIFICATION: Permittee shall not permit any  
25 person charged with the responsibility of operating any of its  
26 vessels providing dinner, harbor or charter cruises to do so unless  
27 and until that person is qualified and duly licensed to operate and  
28 in compliance with the U.S. Coast Guard regulations, the vessel or

1 vessels to which that person is assigned. Permittee shall deliver  
2 to the Manager of the Marine Bureau copies of such licenses for all  
3 vessel operators. Permittee's vessel operators and crew and ticket  
4 sellers shall at all times be dressed in clean, well-kept  
5 coordinated uniforms, except when performing required maintenance.

6 Permittee's vessels shall at all times be certified and  
7 licensed and inspected by those governmental agencies having  
8 jurisdiction over Permittee's activities. Permittee shall at all  
9 times comply with all United States Coast Guard regulations.

10 19. PARKING: Parking facilities at Shoreline Village shall  
11 not be used by Permittee's patrons.

12 19.1. Parking/Traffic Management. Permittee and  
13 employees of Permittee may be required to participate in a  
14 parking/traffic management program which may designate parking  
15 areas for Permittee's employees.

16 20. TICKETING: The City has the option for the future  
17 development of a central ticketing operation. Should Permittee  
18 desire to participate in the central ticketing operation, Permittee  
19 shall be required to contribute to the financing of the development.

20 21. ASSIGNMENT OR TRANSFER: Permittee shall not assign or  
21 transfer this Permit nor shall any interest herein be assignable or  
22 transferable by operation of law or by any process or proceedings of  
23 any court or otherwise. Any attempted transfer or assignment shall  
24 be void and confer no rights whatsoever upon a transferee or  
25 assignee.

26 Notwithstanding the foregoing, Permittee may grant subpermits,  
27 licenses or concessions to others provided Permittee shall first  
28 obtain the written consent of the Manager. The Manager shall not be



1 required to give any consent to a proposed subpermitting, licensing  
2 or grant of concession rights, unless and until Permittee has  
3 submitted to the Manager such additional information regarding the  
4 identity of proposed subpermittee, licensee or concessionaire and  
5 the terms and conditions of the proposed transaction as may be  
6 required by the Manager to make a determination to grant or withhold  
7 such consent. Further, the Manager shall have the right to impose  
8 such further conditions in connection with the granting of consent  
9 as may be required to assure that public health, safety, welfare and  
10 convenience will be best served by the proposed subpermit, license  
11 or concession.

12 If Permittee shall be adjudicated a bankrupt or become  
13 insolvent or any interest in this Permit be taken by virtue of  
14 attachment, execution, or receivership, the City may terminate this  
15 Permit upon five (5) days written notice to Permittee.

16 22. HOLDING OVER: This Permit shall terminate without any  
17 further notice as of the Permit expiration date set forth in  
18 paragraph three above. Any holding over by Permittee after the  
19 Permit expiration date shall not constitute a renewal or extension  
20 or give Permittee any rights in or to the Permit Area except as  
21 expressly provided in this Permit. Any holding over after the  
22 Permit expiration date with the consent of City shall be construed  
23 to be a tenancy from month to month, at fees equal to the fees due  
24 for the last year of the Permit term, and shall otherwise be on the  
25 terms and conditions herein specified.

26 23. INSPECTION: The City's authorized representatives shall  
27 have access to and across the Permit Area during business hours  
28 and, in the event of an emergency, at any other time for inspection,

Robert E. Shannon  
City Attorney of Long Beach  
333 West Ocean Boulevard  
Long Beach, California 90802-4664  
Telephone (562) 570-2200

1 repair of publicly-owned utilities and structures, and for fire and  
2 police purposes. The City, acting through the Marine Bureau of the  
3 Department of Parks, Recreation and Marine, shall have the right,  
4 but not the obligation, to board and inspect any such vessels to  
5 assure compliance by Permittee with the provisions of this Permit.  
6 City shall coordinate inspections with Permittee.

7 24. GENERAL PROVISIONS:

8 24.1. Notices, Demands and Communication Between the  
9 Parties. Written notices, demands, and communication between  
10 City and Permittee shall be in writing and shall be  
11 sufficiently given if personally served or if mailed by  
12 registered or certified mail, postage prepaid, return receipt  
13 requested addressed as follows:

14 TO CITY: City Manager  
15 13th Floor, City Hall  
16 333 West Ocean Boulevard  
17 Long Beach, California 90802

18 WITH A COPY TO: Director of Parks, Recreation & Marine  
19 2760 Studebaker Road  
20 Long Beach, California 90815-1697

21 TO PERMITTEE: American Catamaran Charter Services, LLC  
22 doing business as New Star One  
23 2616 S. Alma Street, Unit C  
24 San Pedro, CA 90731

25 Either party may change its address by notifying the other  
26 party of the change of address. Notice shall be deemed  
27 communicated within forty-eight (48) hours from the time of  
28 mailing if mailed as provided in this paragraph.

29 24.2. Conflict of Interest. No member, official or  
30 employee of City shall have any personal interest, direct or  
31 indirect, in this Permit, nor shall any such member, official  
32 or employees participate in any decision relating to this

1 Permit which affects his personal interest or the interests of  
2 any corporation, partnership or association in which he is,  
3 directly or indirectly, interested. No member, official or  
4 employee of City shall be personally liable to Permittee, or  
5 any successor in interest, in the event of any default or  
6 breach by City or for any amount which may become due to  
7 Permittee or successor or on any obligations under the terms of  
8 this Permit.

9 24.3. Enforced Delay: Extension of Time of Performance.

10 In addition to other provisions of this Permit, performance by  
11 either party hereunder, shall not be deemed to be in default  
12 where delays or defaults are unavoidable or performance is  
13 rendered impracticable, due to war; enemy action; insurrection;  
14 civil disturbance, strikes; lock-outs; riots; floods;  
15 earthquakes; fires; casualties; acts of God; acts of the public  
16 enemy; epidemics; quarantine restrictions; freight embargoes;  
17 lack of transportation; governmental restrictions or moratoria;  
18 failure or inability to secure materials or labor by reason of  
19 regulations or order of any governmental entity; litigation  
20 including eminent domain proceedings or related legal  
21 proceedings, acts or failure to act of the other party; acts  
22 or failure to act of any public or governmental agency or  
23 entity; and the time for such performance shall be extended for  
24 a period equal in length to such delay(s).

25 24.4. Defaults and Remedies.

26 24.4.1. Defaults - General. Failure by either party  
27 to perform any term or provision of this Permit  
28 constitutes default under this Permit, if not cured within

Robert E. Shannon  
City Attorney of Long Beach  
333 West Ocean Boulevard  
Long Beach, California 90802-4664  
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1 thirty (30) days from the date of receipt of a written  
2 notice from the other party specifying the claimed default  
3 provided that is such default cannot reasonably be cured  
4 within such thirty (30) day period, the party receiving  
5 such notice of default shall not be in default under this  
6 Permit if such party commences the cure of such default  
7 within such thirty (30) day period and thereafter  
8 diligently prosecutes the steps to cure such default to  
9 completion.

10 24.4.2. Institution of Legal Actions. In addition to  
11 any other rights or remedies, either party may institute  
12 legal action to cure, correct, or remedy any default, to  
13 recover damages for any default, or to obtain any other  
14 remedy consistent with the purpose of this Permit. Such  
15 legal actions must be instituted in the South Branch of  
16 the Superior Court of the County of Los Angeles, State of  
17 California, in an appropriate municipal court in that  
18 county, or in the Federal District court in the Central  
19 District of California. The prevailing party in any  
20 action commenced pursuant to this Permit shall be entitled  
21 to recover reasonable costs, expenses and attorneys' fees.

22 24.4.3. Applicable Law. The laws of the State of  
23 California shall govern the interpretation and enforcement  
24 of this Permit. Permittee during its use and occupancy of  
25 the Permit Area shall at all times comply with all laws,  
26 ordinances, rules, and regulations of and obtain permits  
27 from all federal, state, and local governmental  
28 authorities having jurisdiction over the Permit Area,

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Permittee's vessels and Permittee's activities thereon.

24.4.4. Service of Process. In the event any legal action is commenced by Permittee against City, service of process on City shall be made by personal service upon the City Clerk of the City, or in such other manner as may be provided by law.

In the event that any legal action is commenced by City against Permittee, service of process on Permittee shall be made as provided by law and shall be valid whether made within or without the State of California.

24.4.5. Rights and Remedies Are Cumulative. Except as otherwise expressly stated in this Permit, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

24.4.6. Inaction Not a Waiver of Default. Any failures or delays by either party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies or deprive either such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

24.4.7. Remedies. In the event of a default by Permittee, which is not cured by Permittee within the

Robert E. Shannon  
City Attorney of Long Beach  
333 West Ocean Boulevard  
Long Beach, California 90802-4664  
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1 times specified in this Permit, City without further  
2 notice to Permittee, may declare this Permit and/or  
3 Permittee's right of possession at an end and may reenter  
4 the Permit Area by process of law, in which event,  
5 City shall have the right to recover from Permittee:

6 24.4.7.1. The worth at the time of award of the  
7 unpaid fees which has been earned at the time of  
8 termination, plus interest;

9 24.4.7.2. The worth at the time of award of the  
10 amount by which the unpaid fees which would have  
11 been earned after termination until the time of award  
12 exceeds the amount of such fee loss that Permittee  
13 proves could have been reasonably avoided, plus  
14 interest;

15 24.4.7.3. The worth at the time of award of the  
16 amount by which the unpaid fees for the balance of  
17 the term after the time of award exceeds the amount  
18 of such fee loss for the same period the Permittee  
19 proves could be reasonably avoided, plus interest  
20 thereon; and

21 24.4.7.4. The remedies of City as hereinabove  
22 provided are cumulative to the other provisions of  
23 this Permit.

24 24.5. Right to Contest Laws. Permittee shall have the  
25 right after notice to City to contest or to permit its  
26 subpermittees to contest by appropriate legal proceedings,  
27 without costs or expense to City, the validity of any law,  
28 ordinance, order, rule, regulation or requirement to be

1 complied with by Permittee under this Permit and to postpone  
2 compliance with the same except such laws as may be adopted by  
3 City, provided such contest shall be promptly and diligently  
4 prosecuted at no expense to City and so long as City shall not  
5 thereby suffer any civil penalties, sanction or be subjected to  
6 any criminal penalties or sanctions, and Permittee shall  
7 protect and save harmless City against any liability and claims  
8 for any such noncompliance or postponement of compliance.

9 24.6. Partial Invalidity. If any term or provision of  
10 this Permit or the application thereof to any party or  
11 circumstances shall, to any extent, be held invalid of  
12 unenforceable, the remainder of this Permit, or the application  
13 of such term or provisions, to persons or circumstances other  
14 than those as to whom or which it is held invalid or  
15 unenforceable, shall not be affected thereby, and each term and  
16 provision of this Permit shall be valid and enforceable to the  
17 fullest extent permitted by law.

18 24.7. Entire Agreement, Waivers and Amendments. This  
19 Permit constitutes the entire understanding and agreement of  
20 the parties. This Permit integrates all the terms and  
21 conditions mentioned herein or incidental hereto, and  
22 supersedes all negotiations between the parties with respect to  
23 all or any part of the subject matter hereof.

24 24.8. Waivers. All waivers of the provisions of this  
25 Permit must be in writing by the appropriate authorities of  
26 City or Permittee and all amendments hereto must be in writing  
27 by the appropriate authorities of City and Permittee.

28 24.9. Successors in Interest. The provisions of this

1 Permit shall be binding upon and shall inure to the benefit of  
2 the heirs, executors, assigns and successors in interest of the  
3 parties hereto.

4 24.10. Nondiscrimination. In connection with performance  
5 of this Agreement and subject to applicable laws, rules and  
6 regulations, Consultant shall not discriminate in rendering  
7 services hereunder on the basis of race, color, religion,  
8 national origin, sex, sexual orientation, AIDS, HIV status,  
9 age, disability, handicap or veteran status.

10 24.11. No Joint Venture or Partnership. Nothing in this  
11 agreement shall be construed as creating either a partnership  
12 or joint venture between the parties hereto.

13 24.12. Jointly Drafted. This agreement is jointly drafted  
14 by the parties hereto and it is not to be construed against  
15 either party as the drafter.

16 24.13. Municipal Powers. Nothing contained herein shall  
17 be construed as a limitation upon powers of City as a chartered  
18 city of the State of California. This Permit is entered into  
19 by City in its proprietary capacity and nothing contained  
20 herein shall relieve Permittee from complying with all  
21 requirements, rules, regulations or ordinances of the City of  
22 Long Beach.

23 24.14. No Mineral Rights. This Permit creates no rights  
24 in Permittee to minerals, or proceeds from mineral production,  
25 which may lie below the Permit Area including but not limited  
26 to any unitized oil.

27 24.15. No Relocation Benefits. Permittee shall have no  
28 rights to relocation benefits mandated by the laws of the State



Robert E. Shannon  
City Attorney of Long Beach  
333 West Ocean Boulevard  
Long Beach, California 90802-4664  
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1 of California as to this Permit Area.

2 24.16 Americans with Disabilities Act. Permittee shall  
3 have and be allocated the sole responsibility to comply with  
4 the Americans with Disabilities Act ("ADA") as may be  
5 applicable with respect to Permittee's operation and the  
6 Permittee shall indemnify and hold City harmless from and  
7 against any claims of a violation of the ADA.

8 25. TAXES: This Permit may create a possessory interest  
9 subject to property taxation and Permittee may be liable for the  
10 payment of property taxes levied on such possessory interest.  
11 Permittee shall pay or cause to be paid, prior to delinquency, all  
12 taxes, assessments and other governmental and district charges that  
13 may be levied or assessed for buildings, improvements or property  
14 located on the Permit Area and upon possessory interests created by  
15 this Permit. Satisfactory evidence of such payments shall be  
16 delivered by Permittee upon demand therefor.

17 26. COASTAL DEVELOPMENT PERMIT: Permittee acknowledges that  
18 the California Coastal Commission requires that any permit issued  
19 for operation within the Rainbow Harbor area shall be subject to the  
20 terms and conditions of Coastal Development Permit no. 5-96-124,  
21 including the Chemical Management Plan and Coastal Development  
22 Permit no. 5-98-161. The conditions of Coastal Development Permit  
23 no. 5-96-124, the Chemical Management Plan and Coastal Development  
24 Permit no. 5-98-161 are incorporated herein and attached as exhibits  
25 A, B and C respectively:

26 Exhibit A - Coastal Development Permit no. 5-96-124

27 Exhibit B - Chemical Management Plan

28 Exhibit C - Coastal Development Permit no. 5-98-161

Robert E. Shannon  
City Attorney of Long Beach  
333 West Ocean Boulevard  
Long Beach, California 90802-4664  
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1           27.    FOURTH OF JULY : Permittee recognizes that it is the  
2 responsibility of the City to maintain a safe and secure environment  
3 for the public at all times.  Annually, the Rainbow Harbor area  
4 experiences exceptional visitor and activity levels related to the  
5 4th of July.  To mitigate the impact to public safety and security,  
6 the City may limit Rainbow Harbor activity.  Permittee agrees to be  
7 bound by reasonable restrictions on its activities in or around the  
8 Permit Area on such day or day(s) of 4th of July activities each  
9 year of the term of this Permit.  Such restrictions may include  
10 limitations on the hours businesses may operate including those of  
11 Permittee in the Permit Area.  Permittee waives any and all claim  
12 that it might ever have against City as a result of any adverse  
13 impact on its operations or business as a result of City  
14 restrictions.

15           28.    SPECIAL EVENTS: Permittee recognizes that the area of the  
16 City in which Permittee will operate further to this Permit is  
17 annually impacted by Special Events, including but not limited to  
18 the running of the Long Beach Grand Prix.  Permittee waives any and  
19 all claim that it might ever have against City or the operators of  
20 said Special Events, including but not limited to the Grand Prix as  
21 a result of any adverse impact on its operations or business as a  
22 result of said Special Events.

23           29.    EMPLOYMENT COOPERATION.  Permittee acknowledges that the  
24 Queensway Bay Project, including Permittee's operations under this  
25 Permit, is subject to the hiring requirements set forth in 24 C.F.R.  
26 Section 570.209.  Such requirements mandate that the Queensway Bay  
27 Project create 1,143 new jobs for low- or moderate-income persons  
28 (as defined in 24 C.F.R. Section 570.3) (hereinafter "low-income

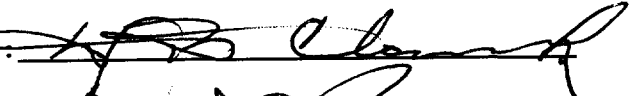
Robert E. Shannon  
City Attorney of Long Beach  
333 West Ocean Boulevard  
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Telephone (562) 570-2200

1 hires'). Accordingly, Permittee agrees that it shall use good faith  
2 efforts to create such low income hires, and shall report to the  
3 City of Long Beach, on an annual basis, the name, position, date of  
4 hire and income level for all low-income hires for its operations  
5 under this Permit. Permittee further agrees that all permits,  
6 subpermits, concession agreements and licenses entered into by  
7 Permittee regarding any portion of the permit area shall require  
8 that all subpermittees, concessionaires and licensees comply with  
9 such requirements. In furtherance of these requirements, Permittee  
10 agrees that it will reasonably cooperate with the City of Long  
11 Beach, through its Training and Employment Development Officer and  
12 staff with recruitment, screening and tracking. In implementing  
13 such efforts, the City of Long Beach, through its Training and  
14 Development Officer and staff, will provide to Permittee and all  
15 Queensway Bay permittees, subpermittees, concessionaires and  
16 licensees, staff assistance, at no cost, to pre-screen and qualify  
17 all potential job applicants. Such services include assisting with  
18 community outreach to recruit qualified job applicants and  
19 conducting pre-screening sessions to determine the most qualified  
20 applicants for jobs. All qualification and hiring decisions will be  
21 made by Permittee or its subpermittees, concessionaires or  
22 licensees. As part of its implementation program, the City of Long  
23 Beach will also provide for up to 240 hours of on-the-job training  
24 if the employee is determined to need such training and he/she meets  
25 Federal Job Training Partnership Act (JTPA) program eligibility.  
26 The City of Long Beach Training and Employment Development Officer  
27 is responsible for providing the staff necessary for pre-employment  
28 assistance. The requirements set forth in this Section shall

Robert E. Shannon  
City Attorney of Long Beach  
333 West Ocean Boulevard  
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1 terminate upon the City's written verification that 1,143 low-income  
2 hires have been created for the Queensway Bay Project.

4 AMERICAN CATAMARAN CHARTER SERVICES,  
5 LLC  
6 an Oregon limited liability company  
7 doing business as NEW STAR ONE

7 5-18-06, 2006 By: 

8 5-18, 2006 By:   
9 PERMITTEE

11 CITY OF LONG BEACH, a  
12 municipal corporation

13 10.27, 2006 By:   
14 City Manager

15 CITY

17 Approved as to form this 2 day of October,  
18 2006.

19 ROBERT E. SHANNON, City Attorney

20  
21 By:   
22 Deputy

## CALIFORNIA COASTAL COMMISSION

SOUTH COAST AREA  
 245 W. BROADWAY, STE. 380  
 P.O. BOX 1450  
 LONG BEACH, CA 90802-4416  
 (310) 590-5071

Page 1 of 8  
 Date: 13 November 1996  
 Permit No. 5-96-124

COASTAL DEVELOPMENT PERMIT

On 12 September 1996, the California Coastal Commission granted to City of Long Beach this permit subject to the attached Standard and Special conditions, for development consisting of

Construct a downtown commercial harbor in Shoreline Park and Lagoon, reconstruct and improve Shoreline Park, demolish the Golden Shore public boat launch in order to create a 6.4 acre habitat mitigation area, transport approximately 109,000 cubic yards of excavated sand to 8th Place Beach area for beach replenishment, [and dispose of approximately 325,000 cubic yards of dredged materials at the LA-2 offshore disposal site (see Consistency Certification No. CC-98-96)].

more specifically described in the application file in the Commission offices.

The development is within the coastal zone in Los Angeles County at 200 W. Shoreline Drive (Shoreline Park), 199 S. Golden Shore (Golden Shore boat launch), and public beach between 1st Place and 15th Place (beach replenishment), City of Long Beach.

Issued on behalf of the California Coastal Commission by

PETER DOUGLAS  
 Executive Director

By: 

Title: Coastal Program Analyst

ACKNOWLEDGMENT

The undersigned permittee acknowledges receipt of this permit and agrees to abide by all terms and conditions thereof.

The undersigned permittee acknowledges that Government Code Section 818.4 which states in pertinent part, that: "A public entity is not liable for injury caused by the issuance. . . of any permit. . ." applies to the issuance of this permit.

IMPORTANT: THIS PERMIT IS NOT VALID UNLESS AND UNTIL A COPY OF THE PERMIT WITH THE SIGNED ACKNOWLEDGEMENT HAS BEEN RETURNED TO THE COMMISSION OFFICE. 14 Cal. Admin. Code Section 13158(a).

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Signature of Permittee

STANDARD CONDITIONS:

1. Notice of Receipt and Acknowledgment. The permit is not valid and development shall not commence until a copy of the permit, signed by the permittee or authorized agent, acknowledging receipt of the permit and acceptance of the terms and conditions, is returned to the Commission office.
2. Expiration. If development has not commenced, the permit will expire two years from the date on which the Commission voted on the application. Development shall be pursued in a diligent manner and completed in a reasonable period of time. Application for extension of the permit must be made prior to the expiration date.
3. Compliance. All development must occur in strict compliance with the proposal as set forth in the application for permit, subject to any special conditions set forth below. Any deviation from the approved plans must be reviewed and approved by the staff and may require Commission approval.
4. Interpretation. Any questions of intent or interpretation of any condition will be resolved by the Executive Director or the Commission.
5. Inspections. The Commission staff shall be allowed to inspect the site and the project during its development, subject to 24-hour advance notice.
6. Assignment. The permit may be assigned to any qualified person, provided assignee files with the Commission an affidavit accepting all terms and conditions of the permit.
7. Terms and Conditions Run with the Land. These terms and conditions shall be perpetual, and it is the intention of the Commission and the permittee to bind all future owners and possessors of the subject property to the terms and conditions.

SPECIAL CONDITIONS:

1. Regional Bicycle Route

Pursuant to the July 11, 1996 letter signed by Robert Paternoster, Director of the Queensway Bay Project, and addressed to Charles Posner, Coastal Program Analyst, the Commission's Long Beach office:

- a) During the construction phase of the proposed project, the City shall provide and maintain a temporary bicycle route connecting the existing Los Angeles River bicycle path to the existing beach bicycle path. The temporary bicycle route shall maintain regional bicycle circulation through the Downtown Shoreline area by generally following the route described in the July 11, 1996 letter.

- b) Prior to the closing or demolition of any portion of the existing regional bicycle route, a replacement bicycle route shall be constructed and opened in order to maintain the connection between the Los Angeles River bicycle path and the beach bicycle path.
- c) Prior to the removal of the temporary bicycle route, the City shall construct, open and maintain the proposed permanent regional bicycle route which connects the Los Angeles River bicycle path to the beach bicycle path as shown on Exhibit #11 of this report.

2. Public Restrooms

The City shall provide public restroom facilities in Riverfront Park. Either temporary or permanent restroom facilities shall be available for public use when Riverfront Park officially opens, and thereafter. The City shall install permanent restroom facilities in Riverfront Park within one year of the official opening the park to the public, or within such additional time as may be granted by the Executive Director for good cause. The permanent restroom facilities will require a Coastal Development Permit or a permit amendment approved by the Commission.

3. Parking Meters

Any parking meters installed on public parking spaces in Riverfront Park shall allow ninety minutes of parking when the maximum amount of coins are deposited. In addition, the users of such public parking spaces shall be permitted to use the metered parking spaces for at least four hours (if the required amount of coins are added) before being required to vacate the parking space.

4. Public Access

The City shall provide and maintain unobstructed public access to and along the Pine Avenue Pier, the Queensway Bay Harbor esplanade, and the plaza areas in front of and adjacent to the aquarium structure free of charge for the life of the development approved herein. Public access to the Pine Avenue Pier may only be interrupted for special events with a duration of six hours or less, or by special events permitted by a subsequent Coastal Development Permit. Public access may also be interrupted subject to those temporary safety limitations necessitated by unsafe conditions resulting from waves, extreme weather or required maintenance activities.

5. Public Boat Docks

The City shall provide and maintain a minimum of 200 linear feet of docking area within the Queensway Bay Harbor which shall be reserved for short-term public docking which shall be available for free or at rates comparable to automobile parking. Short-term shall be defined as any term between one hour and six hours. This public docking area shall not be leased or reserved by any individual, business or organization. Additional short-term and/or long-term public docking areas over and

above this minimum requirement may be provided. All public docking areas shall be identified with signage which clearly communicates the availability and limitations of the public docking facilities.

6. Future Uses and Improvements

This approval is limited to the uses and development specifically described in the project description and related findings contained in Coastal Development Permit 5-96-124. Any additional development, including intensification of use such as the lease of docks areas, esplanade areas, park areas, or the commercial use of docks by party boats or cruise ships, will require an amendment to the permit or a new Coastal Development Permit.

7. Leases to Private Operators

The lease of any area subject to the terms and conditions of Coastal Development Permit 5-96-124 to private operators shall explicitly incorporate the terms and conditions of Coastal Development Permit 5-96-124. In addition, such leases shall incorporate provisions for use, public access and public recreation consistent with all terms and conditions contained herein.

8. Chemical Management Plan

Prior to the issuance of the Coastal Development Permit, the City shall submit a Chemical Management Plan for the review and approval of the Executive Director. The purpose of the Chemical Management Plan shall be to address how the City will construct and operate the Queensway Bay Harbor in a manner that protects water quality from pollutants, typically associated with commercial harbors, such as boat cleaning chemicals, pesticides, fuels and oil. The Chemical Management Plan shall identify the equipment and structures that will be installed at the harbor to assist users in preventing any discharge of pollutants into the harbor. The Chemical Management Plan shall be in compliance with the standards and regulations of the California Regional Water Quality Control Board, the United States Environmental Protection Agency (EPA), and all other applicable local, state and federal regulations. The Executive Director will approve the Chemical Management Plan if it contains the following minimum elements:

- a. Harbor users shall be prohibited from discharging pollutants, including pesticides, varnishes, paints, sewage, cleaners, fuel, etc. into the harbor.
- b. The City will install the equipment necessary to prevent or reduce any discharge of pollutants into the harbor, including the equipment for the proper disposal of pollutants in compliance with all local, state and federal regulations.

The approved Chemical Management Plan shall be prominently posted near all docks and shall be explicitly incorporated into all leases to private



operators within the harbor. The Queensway Bay Harbor shall be constructed and operated consistent with the plan approved by the Executive Director. Should the City need to revise the plan, the proposed revisions shall be submitted to the Executive Director in order to determine if the proposed changes shall require a permit amendment pursuant to the requirements of the Coastal Act and the California Code of Regulations.

9. Public Boat Launch

Within two years of the demolition of the Golden Shore public boat launch, the City shall construct and open to the public a new boat launch of not less than two launching lanes and 60 parking spaces for autos with boat trailers within the Queensway Bay area.

10. Golden Shore Public Parking

The City shall retain a minimum of thirteen (13) existing public metered parking spaces in the existing public parking lot located near the entrance of the recreational vehicle park and the Golden Shore public boat launch (See Exhibit #15).

11. Habitat Mitigation Project

- a) The City shall construct, monitor and maintain the proposed habitat mitigation project consistent with the standards contained in the "Planting Plan, August 1996" and the "Monitoring Plan, August 1996" prepared for Moffatt & Nichol Engineers by Wetlands Research Associates, Inc.
- b) The implementation of the grading and planting plans (Exhibit #15) for the proposed habitat mitigation project shall commence prior to or simultaneous with the commencement of the proposed dredging of Shoreline Lagoon. Once the grading has commenced for the habitat mitigation project, the construction and planting of the habitat mitigation site shall proceed continuously until it is completed in conformance with the approved plan.
- c) The five-year monitoring period proposed by the "Monitoring Plan, August 1996," prepared for Moffatt & Nichol Engineers by Wetlands Research Associates, Inc., shall commence upon completion of the first planting of the project site. The City shall notify the Executive Director upon completion of the first planting of the project site.
- d) Upon completion of the first year of the monitoring period, and annually thereafter, the City shall submit to the Executive Director a report which documents the implementation of the planting and monitoring plans and which documents the status of the habitat mitigation project in relation to the performance standards contained in those plans.

- e) Any additional work or modifications to the habitat mitigation project which are necessary to meet the performance standards contained in the planting and monitoring plans shall be submitted to the Executive Director. Any change in the approved habitat mitigation project shall be submitted to the Executive Director in order to determine if the proposed change shall require a permit amendment pursuant to the requirements of the Coastal Act and the California Code of Regulations.
- f) The City shall be responsible for the ongoing maintenance of the habitat mitigation project and site. The required maintenance shall include regular cleaning and trash pick-up.

12. Siltation Control

Prior to the issuance of the Coastal Development Permit, the City shall submit, for the review and approval of the Executive Director, an erosion control and siltation prevention plan which controls erosion from the upland portions of the construction sites, and prevents silt from the upland portions of the construction sites from entering coastal waters during the construction of the proposed harbor and habitat mitigation project. The plan shall conform to the standards of the California Regional Water Quality Control Board and the U.S. Army Corps of Engineers. The approved plan shall be implemented during construction of the proposed project.

13. Turbidity Control

The City shall minimize negative impacts on the marine environment by using silt curtains, sand bags, or other forms of barriers during construction of the proposed harbor and habitat mitigation project to confine turbid water to the immediate areas of all dredging, excavation and deposition.

14. Suitability of Materials for Beach Replenishment

Prior to the issuance of the Coastal Development Permit, the City shall submit a written agreement, subject to the review and approval of the Executive Director, to provide a qualified expert at the sand source site to inspect and monitor all material proposed to be deposited at the approved deposition site. The inspector shall determine the geotechnical suitability of all such material using the sediment compatibility criteria contained in the Dredged Material and Sand Testing Program - Queensway Bay Downtown Harbor Facilities, City of Long Beach, by Kinnetic Laboratories, Inc. & ToxScan, Inc., June 19, 1996. Only material deemed "compatible" by the qualified expert pursuant to the criteria contained in the above-stated document may be deposited at the approved deposition site. All contracts involving the subject project shall include the above stated condition of approval.

15. Beach and Recreational Facility Closures

During the proposed beach replenishment project, all beach areas and recreation facilities shall remain open and available for public use during the normal operating hours on weekends. On weekdays, beach area closures shall be minimized and limited to areas immediately involved in transportation and deposition. On all days, except for the portions of the beach where transportation and deposition is occurring, all beach areas and recreation facilities shall remain open and available for public use during the normal operating hours. On all days, the beach bicycle path shall remain open and available for public use during the normal operating hours.

16. Timing of Beach Replenishment Project

In order to reduce impacts on the grunion and the California least tern during the grunion breeding runs and the least terns' nesting and foraging season, no beach replenishment shall occur during the period commencing March 15 and ending September 1. However, limited beach replenishment activities may occur between March 15 and May 16 if the City submits, for the review and approval of the Executive Director, a mitigation program approved by the California Department of Fish and Game which insures that no adverse impacts will occur during grunion breeding or to least tern foraging areas.

17. Conformance with the Requirements of the Resource Agencies

The City shall comply with all permit requirements and mitigation measures of the California Department of Fish and Game, Regional Water Quality Control Board, U.S. Army Corps of Engineers, and the U.S. Fish and Wildlife Service with respect to preservation and protection of water quality and marine environment. Any change in the approved project which are required by the above-stated agencies shall be submitted to the Executive Director in order to determine if the proposed change shall require a permit amendment pursuant to the requirements of the Coastal Act and the California Code of Regulations.

18. Foundation Design

Prior to the issuance of the Coastal Development Permit, the City shall submit for review and approval by the Executive Director, final plans for the proposed harbor and habitat mitigation site which have been reviewed and approved for structural soundness and safety by a qualified engineer. The submitted plans must be in substantial conformance with the plans approved by the Commission and must contain the foundation design recommendations contained in the Geotechnical Investigation Report for Queensway Bay Downtown Harbor by Advanced Earth Sciences, Inc., June 28, 1996. Any changes in the design of the proposed project which was approved by the Commission which may be required by the engineer shall be submitted to the Executive Director in order to determine if the proposed change shall require a permit amendment pursuant to the requirements of the Coastal Act and the California Code of Regulations. The proposed harbor and habitat mitigation site shall be constructed in a manner consistent with the final approved plans.

COASTAL DEVELOPMENT PERMIT

Page 8 of 8  
Permit No. 5-96-124

19. Assumption of Risk

By acceptance of this Coastal Development Permit, the City agrees that: (a) the site may be subject to extraordinary hazard from storms, waves and erosion; and (b) the City hereby waives any future claims of liability against the Commission or its successors in interest for damage from such hazards.

20. City Acceptance of Conditions

Prior to the issuance of the Coastal Development Permit, the City Council shall adopt and submit a resolution, subject to the review and approval of the Executive Director, agreeing to abide by all terms and conditions of Coastal Development Permit 5-96-124. The City and its representatives shall abide by all terms and conditions of Coastal Development Permit 5-96-124.

CP:b11

Attach Exhibit Nos. 11 & 15

7727F



QUEENMARY BAY

PROJECT:  
Site of New Building  
1000 sq. ft. (approx.)  
1000 sq. ft. (approx.)  
1000 sq. ft. (approx.)  
1000 sq. ft. (approx.)

PROPOSED:  
1000 sq. ft. (approx.)  
1000 sq. ft. (approx.)  
1000 sq. ft. (approx.)  
1000 sq. ft. (approx.)

EXISTING:  
1000 sq. ft. (approx.)  
1000 sq. ft. (approx.)  
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1000 sq. ft. (approx.)

Site Preparation:  
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Site Work:  
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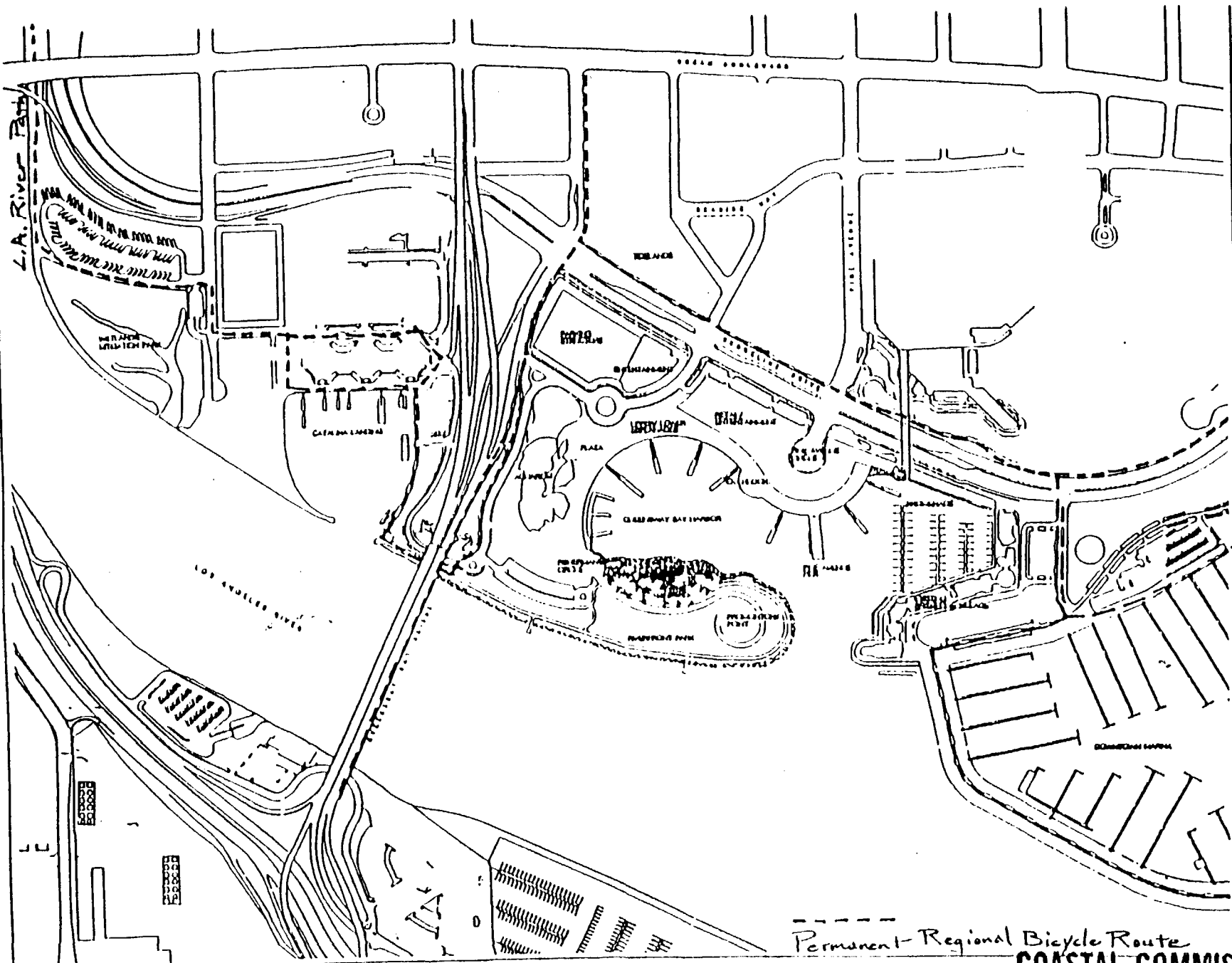


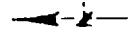
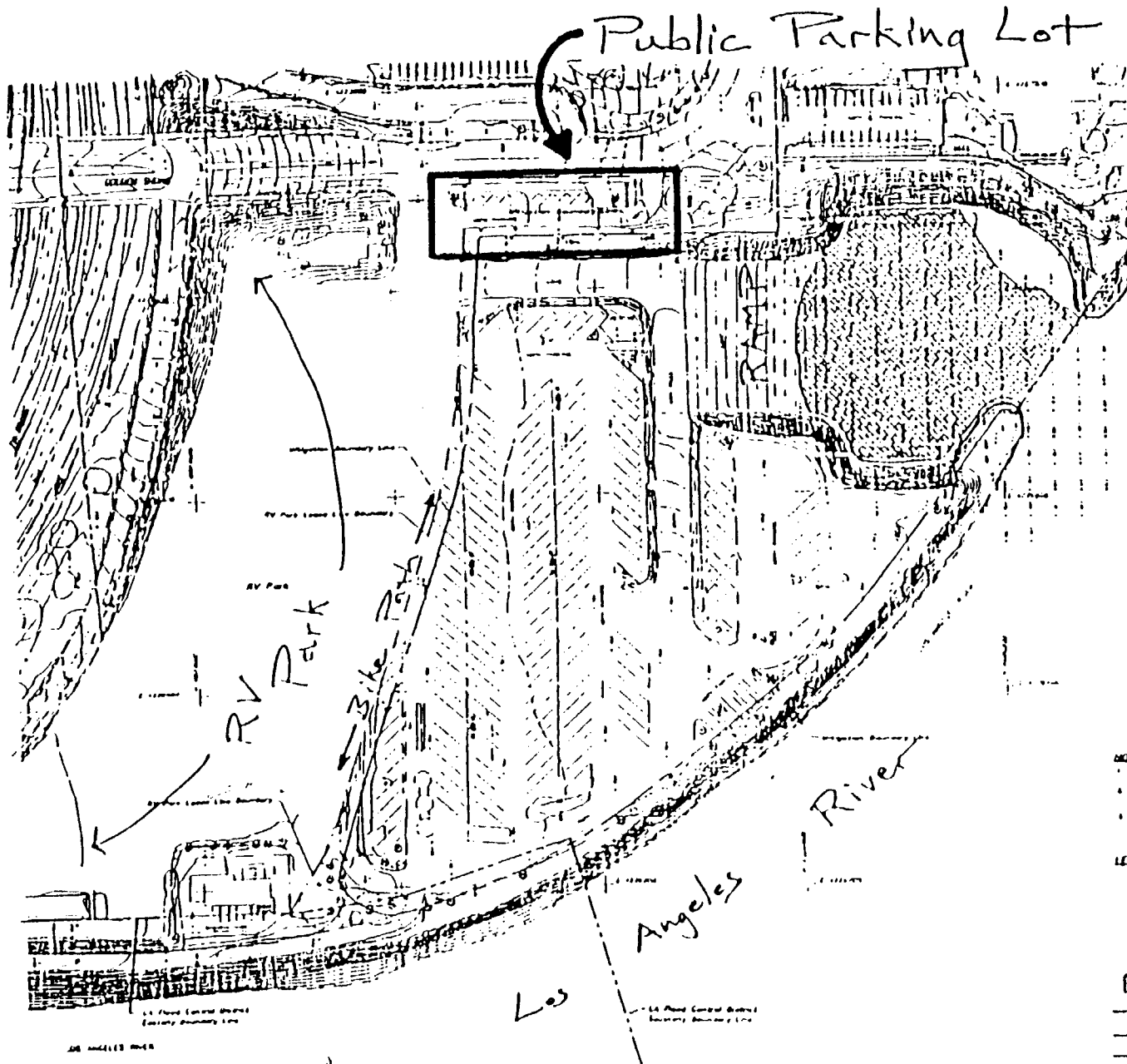
EXHIBIT A

----- Final Regional Bicycle Route

----- Permanent-Regional Bicycle Route  
COASTAL COMMISSION

EXHIBIT # 11

EXHIBIT A



- NOTES**
1. Existing structures are shown in solid black.
  2. Proposed structures are shown in dashed lines.
  3. Proposed structures are shown in solid lines.

- LEGEND**
- 1. Pavement (Hatched)
  - 2. Existing Structure (Solid Black)
  - 3. Proposed Structure (Dashed)
  - 4. Light Fixture (Star)
  - 5. Survey Control Point and Datum (Circle with cross)
  - 6. Existing Street (Solid Line)
  - 7. Proposed Street (Dashed Line)
  - 8. All Other Lines and Symbols (Various line styles)
  - 9. Right-of-Way Boundary Line (Dotted)

Golden Shore Boat Launch  
Existing



QUEEN MARY BAY  
CONSULTING SERVICES

**CLIENT**

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\_\_\_\_\_

**EXISTING**

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**PROPOSED**

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**DATE**

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**SCALE**

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**PROJECT**

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**DATE**

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**SCALE**

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**PROJECT**

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**DATE**

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**PROJECT**

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COASTAL COMMISSION

EXHIBIT # 15



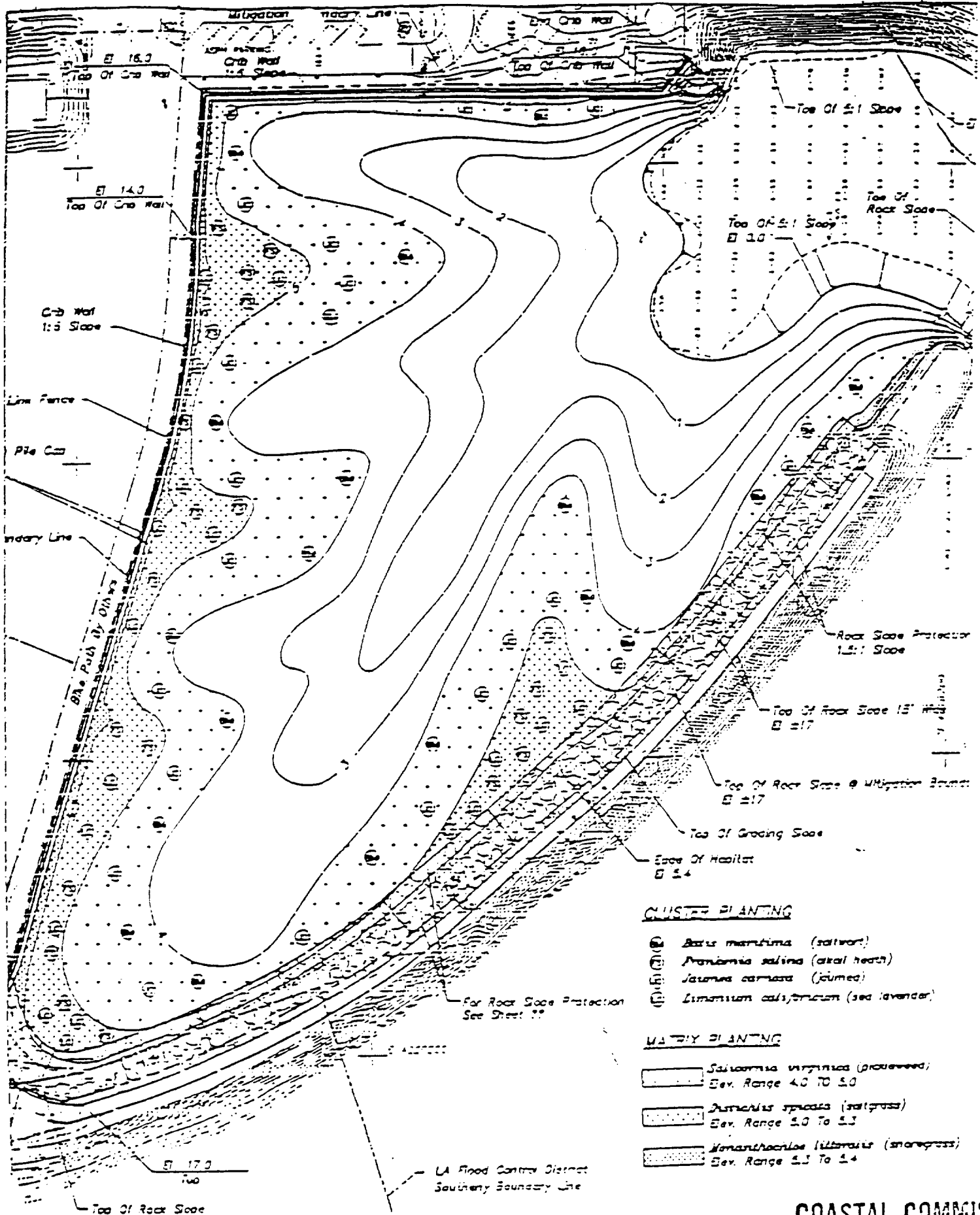


Figure 8: MITIGATION PLANTING PLAN

COASTAL COMMISSION

EXHIBIT # 15  
 PAGE 3 OF 3



RESOLUTION NO. C- 26100

1  
2  
3 A RESOLUTION OF THE CITY COUNCIL OF THE  
4 CITY OF LONG BEACH ACCEPTING ALL TERMS AND  
5 CONDITIONS OF CALIFORNIA COASTAL COMMISSION  
6 COASTAL DEVELOPMENT PERMIT 5-96-124 ISSUED IN  
7 CONNECTION WITH THE QUEENSWAY BAY PROJECT  
8

9 WHEREAS, on September 12, 1996, the California Coastal  
10 Commission granted to the City of Long Beach a Coastal Development  
11 Permit to: construct a downtown commercial harbor in Shoreline Park  
12 and Lagoon; to reconstruct and improve Shoreline Park; to demolish  
13 the Golden Shore public boat launch in order to create a 6.4 acre  
14 habitat mitigation area; to transport approximately 109,000 cubic  
15 yards of excavated sand to the 8th Place Beach area for beach  
16 replenishment; and to dispose of approximately 325,000 cubic yards  
17 of dredged materials at the LA-2 offshore disposal site; and

18 WHEREAS, the aforementioned Coastal Development Permit is  
19 subject to certain standard and special conditions for development,  
20 which conditions are fully set forth in the Notice of Intent to  
21 Issue Permit, a copy of which is attached hereto and incorporated  
22 herein by this reference; and

23 WHEREAS, it is the City's intent to abide by all terms and  
24 conditions of Coastal Development Permit 5-96-124;

25 NOW, THEREFORE, the City Council of the City of Long Beach  
26 resolves as follows:

27 Section 1. That the City agrees to accept all terms and  
28 conditions of Coastal Development Permit 5-96-124.

John A. Calhoun  
City Attorney of Long Beach  
333 West Ocean Boulevard  
Long Beach, California 90802 4664  
(310) 570-2200



**CALIFORNIA COASTAL COMMISSION**

South Coast Area Office  
200 Oceangate, Suite 1000  
Long Beach, CA 90802-4302  
(562) 590-5071



**IMMATERIAL AMENDMENT**  
**TO COASTAL DEVELOPMENT PERMIT**

July 26, 1997

Permit Number 5-96-124 issued to City of Long Beach for:

construct a downtown commercial harbor (Rainbow Harbor) in Shoreline Park and Lagoon reconstruct and improve Shoreline Park, demolish the Golden Shore public boat launch in order to create a 6.4 acre habitat mitigation area, transport approximately 109,000 cubic yards of excavated sand to 8th Place Beach area for beach replenishment, and dispose of approximately 325,000 cubic yards of dredged materials at the LA-2 offshore disposal site.

at: 200 W. Shoreline Drive and 199 S. Golden Shore (and public beach between 1st Place and 15th Place, Long Beach, Los Angeles County has been amended to include the following change: 1. revise the method for dewatering the lagoon during construction of the bulkhead foundation and wall for Rainbow Harbor: Instead of using 36" culverts under the temporary dam at the harbor entrance to drain the lagoon, the contractor is using pumps and hoses to dewater the habitat mitigation site; and 2. revise the use of the 109,000 cubic yards of upland soil excavated from the Golden shore mitigation site: Instead of using the material for beach replenishment, it will be used as fill within the Queensway Bay construction and other projects. The material was determined to be incompatible with the approved deposition site.

This amendment was determined by the Executive Director to be immaterial, was duly noticed, and no objections were received. Please note that the original permit condition unaffected by this amendment are still effect.

PETER M. DOUGLAS  
Executive Director

By: Charles Posner  
Title: Coastal Program Analyst

**ACKNOWLEDGMENT**

I have read and understand the above permit and agree to be bound by the conditions as amended of Coastal Development Permit 5-96-124.

Date: \_\_\_\_\_

Signature \_\_\_\_\_

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CP:

96124mam.doc.

**CALIFORNIA COASTAL COMMISSION**

South Coast Area Office  
 200 Oceangate, Suite 1000  
 Long Beach, CA 90802-4302  
 (562) 590-5071

**AMENDMENT TO COASTAL DEVELOPMENT PERMIT**

5-96-124-A2

page 1 of 2

August 20, 1997

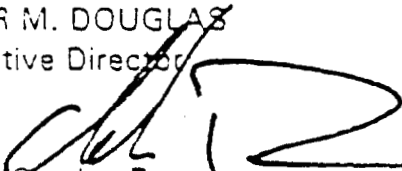
Permit Number 5-96-124 issued to City of Long Beach for:

construct a downtown commercial harbor (Rainbow Harbor) in Shoreline Park and Lagoon, reconstruct and improve Shoreline Park, demolish the Golden Shore public boat launch to create a 6.4 acre habitat mitigation area.

at: 200 W. Shoreline Drive, (Shoreline Park & Rainbow Harbor), City of Long Beach, Los Angeles County has been amended to include the following change: amend previously approved Rainbow Harbor and Shoreline Park project to include minor revisions to the previously approved plans and construction of two public restrooms, concession building, three tensile structures, lighthouse, water feature, informational signs, and light standards.

This amendment will become effective upon return of a signed copy of this form to the Commission office. Please note that the original permit condition unaffected by this amendment are still effect.

PETER M. DOUGLAS  
 Executive Director

By:   
 Title: Coastal Program Analyst

**ACKNOWLEDGMENT**

I have read and understand the above permit and agree to be bound by the conditions as amended of Coastal Development Permit 5-96-124.

Date: \_\_\_\_\_

Signature \_\_\_\_\_

AMENDMENT TO COASTAL DEVELOPMENT PERMIT

5-96-124-A2

Page: 2

SPECIAL CONDITIONS:

No new special conditions are added to the permit by this amendment. However, the original special conditions of Coastal Development Permit 5-96-124 remain in full force and effect.

CP:

96-124-A2

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# QUEENSWAY BAY HARBOR CHEMICAL MANAGEMENT PLAN

The Chemical Management Plan for the Queensway Bay Harbor involves three facets: the overriding law, the related harbor rules, and the plan for facility/equipment installation. This Plan will be incorporated into all Queensway Bay Harbor operating leases.

## LAW: CITY OF LONG BEACH MUNICIPAL CODE

The City of Long Beach Municipal Code, Section 16.08.420, states, "No person shall throw, discharge, dump, place, deposit, or leave any refuse, rubbish, sewage, waste matter, dead animals, fish, shellfish, bait, putrefying matter, oil, spirits, flammable liquid, coal tar, residuary product of coal, petroleum, asphalt, bitumen, carbonaceous material or other offensive matter of any kind into the waters of or upon a bank, sidewalk, seawall, wharf, wharf road, street leading to a wharf, float, pier, harbor structure, or beach within the marinas and shall be civilly liable to the City for all actual damages in addition to the reasonable costs actually incurred in the cleaning or abating activities."

## RULES: HARBOR ENVIRONMENTAL RULES

1. All self-employed boat workers and independent contractors must register with and receive approval from the Marine Bureau Manager.
2. Owners may undertake boat projects as needed to maintain their vessel's safety, appearance, and utility. New or substantial exterior work encompassing more than 10 percent of the hull's surface must be reviewed by the Marine Bureau Manager.
3. No material from vessel maintenance or operation can be allowed into the surrounding water or on the dock.

Marina Management encourages all vessel owners to adhere to the following Best Management Practices:

## **ENGINES AND BILGES**

- Use absorbent bilge pads to soak up oil and fuel in bilge.
- Recycle oil and diesel properly.
- Dispose of gasoline properly.
- Dispose of filters properly.
- Do not discharge bilge water if there is a sheen to it.
- Do not dispose of paint or solvents in the harbor's dumpsters.
- Contact Harbormaster for nearest disposal location.

## **PAINTING AND VARNISHING**

- Limit the amount of open solvents or paints on the docks to one gallon.
- Always mix paints and epoxy over a tarp.
- Always use a drip pan or drop cloth.
- Spray painting is not allowed within the harbor.
- Use up remaining bits of paint by spreading on an old board.
- Do not dispose of paint or solvents in the harbor's dumpsters.
- Contact Harbormaster for nearest disposal locations.

## **SURFACE PREPARATION**

- Use biodegradable cleaner and teak cleaner.
- Liberally use tarps to capture all scraping, debris and drips.
- Stretch tarps between side of boat and dock when working over the water.
- Vacuum dust and debris every time you move the tarp or every hour.
- Reverse the boat on the dock to work on the far side.

## **SEWAGE**

- Untreated sewage should never be discharged directly overboard.
- Store sewage in holding tanks and dispose of properly at pumpout stations.
- Ensure MSD Type 1 systems work properly and discharge only when underway.
- Do not discharge Type 1 while moored in harbor.
- Use shore-side facilities as often as possible.

## **SOLID WASTE DISPOSAL**

- Utilize the solid waste receptacles provided on each dock.

## **CHEMICAL STORAGE**

- Purchase only the amount of chemicals/paints you need for the project.
- Properly dispose of old or unnecessary products



## EQUIPMENT/FACILITIES / INSTALLATION

The following equipment/facilities will be installed as part of the Chemical Management Plan:

### Fuel Dock

Fueling will be done at the existing fueling facilities, which are located outside the Queensway Harbor.

### Oil Disposal

An oil dump will be installed on the fishing/dive landing. It is anticipated that large vessels (85 feet and over) will use oil dumping facilities at the fuel dock or at a maintenance facility. Smaller vessels not docked on the fishing/dive landing will use the oil dump in the Downtown Marina.

### Solid Waste

The plan will include solid waste retrieval from each dock.

### Sewage Pumpout

Each individual dock will include sewage pumpout capability.

### Spill Containment

On-side boom containment materials will be provided to immediately contain contaminant spills, and an emergency contract will be in place to cleanup spills.

### Signage

The Harbor Environmental Rules will be included on signs at each dock.

**CALIFORNIA COASTAL COMMISSION**

South Coast Area Office  
 200 OceanGate, Suite 1000  
 Long Beach, CA 90802-4302  
 (562) 590-5071

Page: 1 of 4  
 Date: July 22, 1998  
 Permit No: 5-98-161

**COASTAL DEVELOPMENT PERMIT**

On 10 June 1998, the California Coastal Commission granted to City of Long Beach Coastal Development Permit 5-98-161, subject to the attached Standard and Special Conditions, for development consisting of: establishment of on-the-water commercial concessions to be provided by approximately forty vessels operating out of Rainbow Harbor. More specifically described in the application file in the Commission offices.

The development is within the coastal zone in Los Angeles County at Rainbow Harbor, Downtown Shoreline, City of Long Beach.

Issued on behalf of the California Coastal Commission on July 22, 1998.

PETER DOUGLAS  
 Executive Director

By:   
 Title: Coastal Program Analyst

**ACKNOWLEDGMENT**

The undersigned permittee acknowledges receipt of this permit and agrees to abide by all terms and conditions thereof.

The undersigned permittee acknowledges that Government Code Section 818.4 which states in pertinent part, that: "A public entity is not liable for injury caused by the issuance . . . of any permit . . ." applies to the issuance of this permit.

**IMPORTANT:** THIS PERMIT IS NOT VALID UNLESS AND UNTIL A COPY OF THE PERMIT WITH THE SIGNED ACKNOWLEDGMENT HAS BEEN RETURNED TO THE COMMISSION OFFICE. 14 CAL. ADMIN. CODE SECTION 13158(a).

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Signature of Permittee

Please sign and return one copy of this form to the Commission office at the above address.

# COASTAL DEVELOPMENT PERMIT

No. 5-98-161

Page 2 of 4

## STANDARD CONDITIONS

1. Notice of Receipt and Acknowledgment. The permit is not valid and development shall not commence until a copy of the permit, signed by the permittee or authorized agent, acknowledging receipt of the permit and acceptance of the terms and conditions, is returned to the Commission office.
2. Expiration. If development has not commenced, the permit will expire two years from the date on which the Commission voted on the application. Development shall be pursued in a diligent manner and completed in a reasonable period of time. Application for extension of the permit must be made prior to the expiration date.
3. Compliance. All development must occur in strict compliance with the proposal set forth in the application for permit, subject to any special conditions set forth below. Any deviation from the approved plans must be reviewed and approved by the staff and may require Commission approval.
4. Interpretation. Any questions of intent or interpretation of any condition will be resolved by the Executive Director or the Commission.
5. Inspections. The Commission staff shall be allowed to inspect the site and the project during its development, subject to 24-hour advance notice.
6. Assignment. The permit may be assigned to any qualified person, provided assignee files with the Commission an affidavit accepting all terms and conditions of the permit.
7. Terms and Conditions Run with the Land. These terms and conditions shall be perpetual, and it is the intention of the Commission and the permittee to bind all future owners and possessors of the subject property to the terms and conditions.

## SPECIAL CONDITIONS:

1. Public Boat Docks

Prior to the issuance of the Coastal Development Permit, the City shall submit a plan which identifies at least 200 linear feet of docking area within Rainbow Harbor which is reserved for short-term public docking as required by Coastal Development Permit 5-96-124. The public docking area shall not be leased or reserved by any individual, business or organization. The vessels which provide the commercial uses permitted by this permit (Coastal

# COASTAL DEVELOPMENT PERMIT

No. 5-98-161

Page 3 of 4

Development Permit 5-98-161) shall not be permitted to use the public docking areas. All public docking areas shall be identified with signage which clearly communicates the availability, cost and time limits of the public docking facilities.

## 2. Public Parking

All parking spaces within the Shoreline Park parking lot shall be reserved for the use of the general public and shall be available for use on a first-come, first-served basis. There shall be no reserved parking spaces or exclusive use of the parking spaces within the Shoreline Park public parking lot by any person or group other than the general public (handicapped spaces excluded).

## 3. Temporary Trailer

A 440 square foot trailer may be placed in the Shoreline Park public parking lot on a temporary basis for the administration of fishing and diving boat expeditions operating at Pierpoint Landing in Rainbow Harbor. The trailer must be removed from the Downtown Shoreline area prior to September 15, 1998. The Executive Director may grant an extension to the September 15, 1998 deadline for good cause.

## 4. Shoreline Park and Rainbow Esplanade

The commercial uses and associated activities permitted by this permit (Coastal Development Permit 5-98-161) shall not interfere with public use or access to Shoreline Park and the Rainbow Esplanade. The park and esplanade areas shall be kept free of any barriers which could impede public access through the area, or impede public use of the area.

## 5. Leases to Private Operators

The lease of any dock area in Rainbow Harbor to private operators shall explicitly incorporate the terms and conditions of Coastal Development Permits 5-96-124 and 5-98-161. Such leases shall incorporate provisions for use, public access and public recreation consistent with all terms and conditions contained in Coastal Development Permits 5-96-124 and 5-98-161.

## 6. Assumption of Risk

By acceptance of this Coastal Development Permit, the City agrees that:  
(a) the site may be subject to extraordinary hazard from storms, waves, floods, and earthquake induced liquefaction; and (b) the City hereby waives

COASTAL DEVELOPMENT PERMIT

No. 5-98-161

Page 4 of 4

any future claims of liability against the Commission its successors in interest for damage from such hazards.

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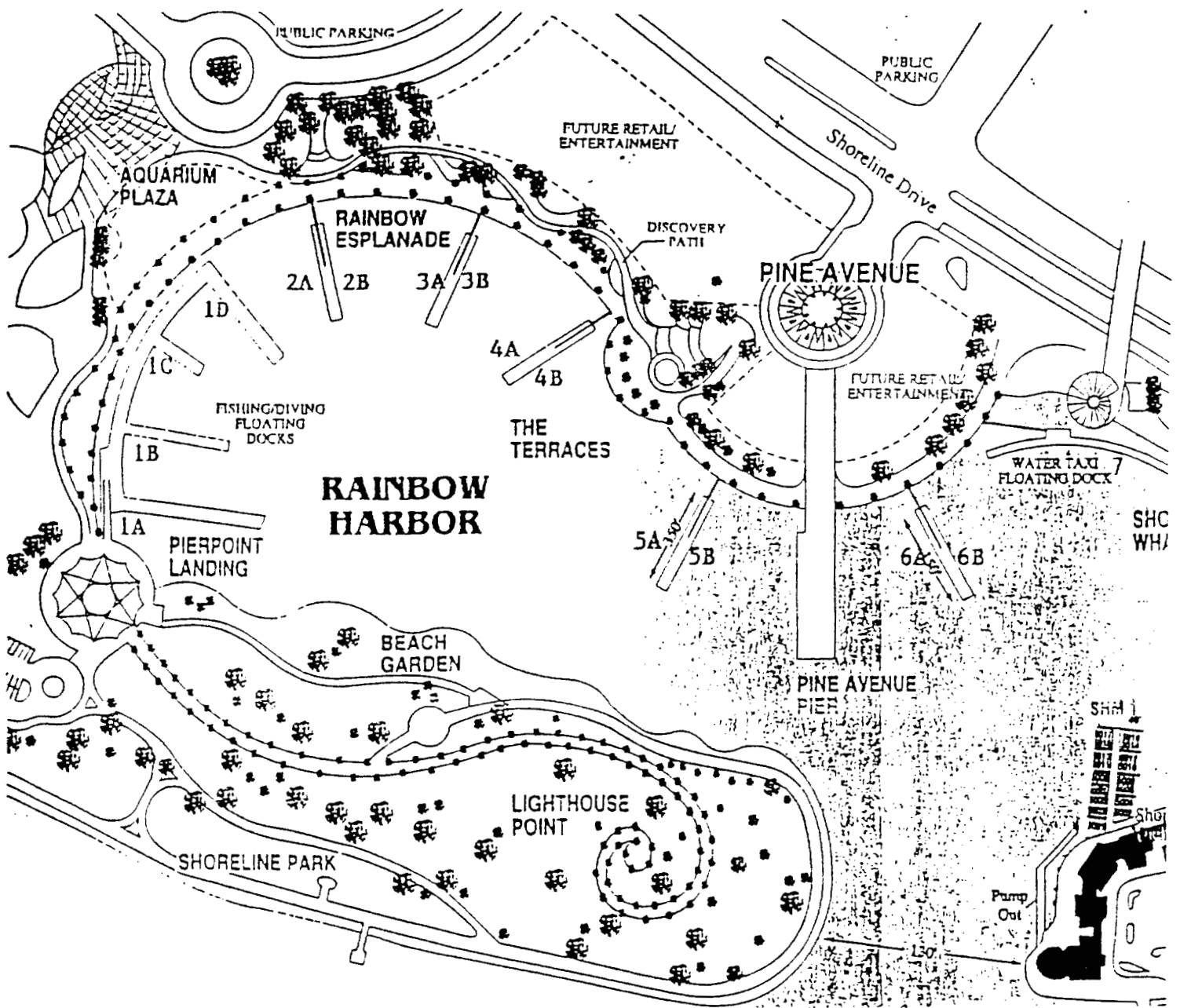
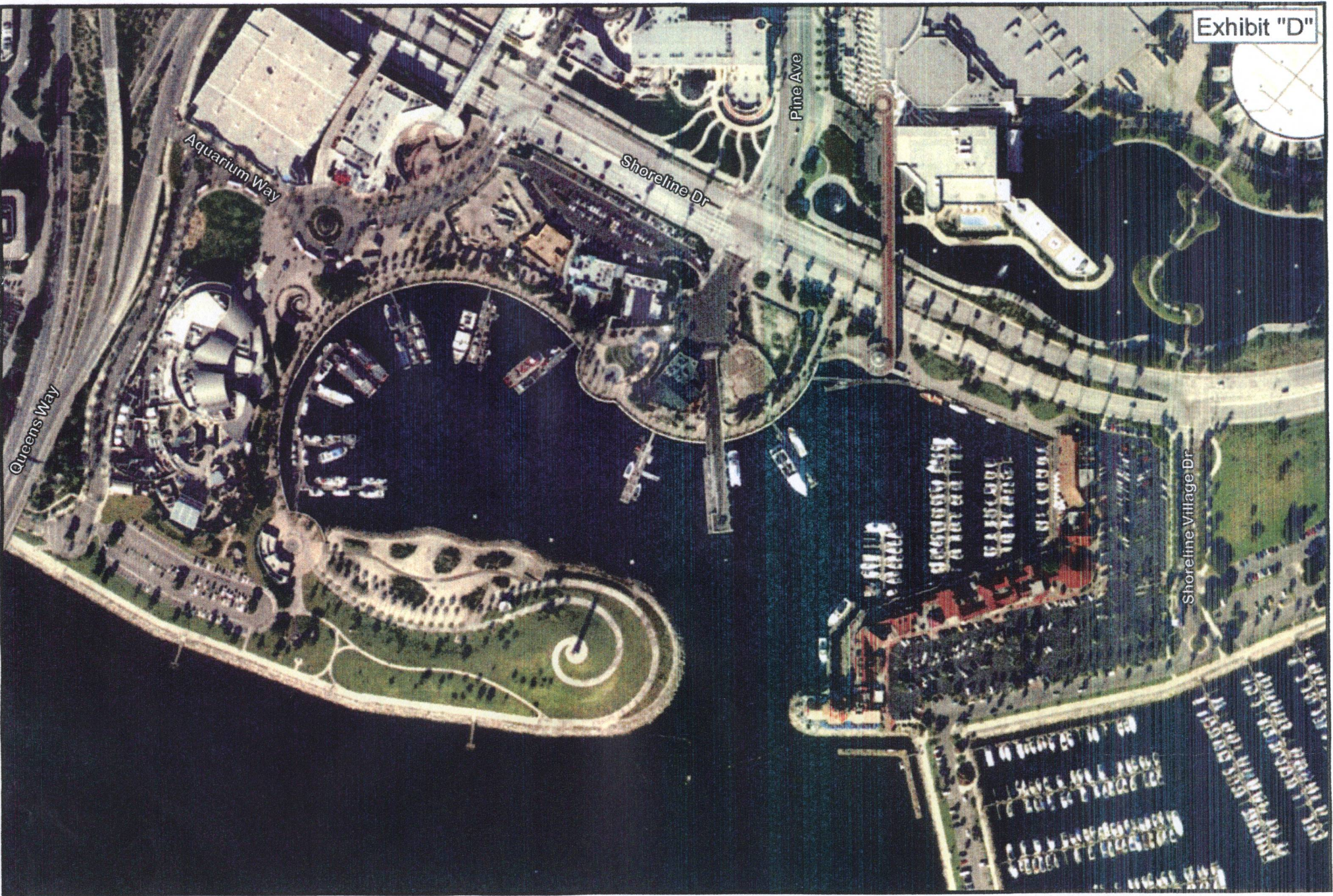


EXHIBIT D





Rainbow Harbor

