

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

30723

REIMBURSEMENT AGREEMENT

1
2 This Reimbursement Agreement (the "Agreement") is made and entered
3 into as of June 10, 2008 by and between SAVE THE QUEEN, LLC, a
4 Delaware limited liability company (the "Developer"), and the CITY OF LONG BEACH, a
5 municipal corporation (the "City") (collectively, the "Parties"), pursuant to a minute order
6 adopted by the City Council of the City of Long Beach on June 10, 2008.

7 Recitals

8 A. Developer is currently engaged in the planning and entitlement
9 stages of a major land use project within the City. This Agreement concerns the
10 development of that certain property located adjacent to the Queen Mary and including
11 the Queen Mary Land Area Site, the Queen Mary Water Area Site, the Queen Mary
12 Water Area Development Site, and the Special Events Park site, each as more
13 particularly depicted and described in Exhibit "A" attached hereto (the "Project").

14 B. In order for Developer to proceed with the Project, City must, among
15 other things, approve a Master Site Plan and a Development Agreement (collectively, the
16 "Discretionary Actions"). The processing of each of the Discretionary Actions may
17 require City to amend the existing entitlements and conduct additional environmental
18 reviews consistent with the requirements of the California Environmental Quality Act
19 (collectively, the "Developer Actions"). Developer, at its own expense, shall complete all
20 Developer Actions and City shall have no obligation whatsoever to financially participate
21 in such Developer Actions.

22 C. Developer desires City to complete processing of the Discretionary
23 Actions in as expeditious a manner as possible. In order for City to assist Developer in
24 achieving this objective, additional staff resources will be needed, and Developer is
25 willing to reimburse certain of City's costs related to providing such additional staff
26 resources, including without limitation costs associated with retaining outside consultants
27 and counsel, solely for the purposes of expediting Developer Actions and conducting
28 third-party peer reviews of Discretionary Actions.

1 4. City will maintain exclusive control over the work described herein.
2 Nothing in this Agreement shall be deemed to require City to approve any plan, proposal,
3 suggestion, application or request submitted by Developer, with the exception of the
4 initial Reimbursement Services budget.

5 5. City agrees to provide Developer with monthly invoices together with
6 reasonably detailed supporting documentation.

7 6. In the event that City wishes to revise the scope of services to
8 transfer money from one task to another, without increasing the overall Project costs, the
9 City Manager, or designee, may do so with the prior written approval of Developer.

10 7. City shall provide to Developer a monthly written request for
11 reimbursement of the costs described in Exhibit "B" that were incurred by City in the
12 previous month, together with reasonably detailed supporting documents including copies
13 of invoices for outside consultants that include number of hours, hourly rates and
14 description of tasks performed; provided, however, that invoices from outside legal
15 counsel will not include description of tasks performed to the extent that such
16 descriptions are reasonably determined by City to constitute work product which is
17 attorney-client privileged. Current hourly rate schedules for outside consultants are
18 provided in Exhibit "C" attached hereto, and such hourly rate schedules will be subject to
19 annual adjustment. Within sixty (60) days after receiving each such request from City,
20 Developer shall pay to City the total reimbursement amount set forth in such request.

21 8. City shall use its best efforts to expedite and complete the
22 processing of the Discretionary Actions.

23 9. This Agreement shall commence on the date this Agreement is fully
24 executed by both parties and shall terminate on December 31, 2009 (the "Termination
25 Date") unless sooner terminated as provided below. The City Manager may extend the
26 term of this Agreement with the prior written approval of the Developer for a period of one
27 (1) additional year. Notwithstanding anything to the contrary contained in this
28 Agreement, in no event shall the term of this Agreement extend beyond the end of the

1 month in which a Development Agreement is completed and entered into by the Parties.

2 10. Prior to the Termination Date, either of the Parties may terminate its
3 rights and obligations under this Agreement, with or without cause, upon sixty (60)
4 calendar days written notice given to the other. Upon termination of this Agreement, the
5 Parties' obligations under this Agreement shall terminate, except with respect to the
6 obligations of the Parties for time periods occurring prior to the Termination Date.

7 11. Unless otherwise provided herein, any notice, request, consent,
8 instruction or other document to be given hereunder by either of the Parties to the other
9 shall be in writing and delivered in person or by courier, telegraph, telex, facsimile
10 transmission (with confirmed receipt) or mailed first-class, postage prepaid, as follows:

11 If to Developer: Save the Queen, LLC
12 7 Upper Newport Plaza
13 Newport Beach, CA 92660
14 Attn: Mr. Jeffrey S. Klein
15 Attn: Mr. Scott Whyte

16 If to City: City of Long Beach
17 Office of the City Manager
18 333 West Ocean Boulevard, 13th Floor
19 Long Beach, California 90802
20 Attn: Patrick H. West

21 With copy to: City of Long Beach
22 Office of the City Attorney
23 333 West Ocean Boulevard, 11th Floor
24 Long Beach, California 90802
25 Attn: J. Charles Parkin

26 Each such notice shall be effective on the date received and may be
27 delivered to such other place as either of the Parties may designate by written notice
28 given to the other.

12. This Agreement constitutes the entire agreement between the
Parties pertaining to the subject matter hereof and supersedes all prior agreements,
understandings, negotiations and discussions, whether oral or written, of the Parties. No
supplement, modification or waiver of this Agreement shall be binding unless executed in
writing by the parties to be bound thereby.

1 13. If any one or more of the provisions contained in this Agreement
2 shall be found to be invalid, illegal or unenforceable in any respect, the validity, legality
3 and enforceability of the remaining provisions contained herein shall not, in any way, be
4 affected or impaired thereby.

5 14. This Agreement shall be construed in accordance with and governed
6 by the laws of the State of California.

7 15. The headings and captions to the various articles, sections,
8 subsections, subdivisions and other provisions of this Agreement have been inserted for
9 convenient reference only, and shall not have the effect of amending or changing the
10 express terms and provisions of any such article, section, subsection, subdivision or
11 other such provision thereof.

12 16. This Agreement and all written documents pursuant thereto shall be
13 maintained as a public record.

14 17. The Parties agree that this Agreement is solely for the benefit, and it
15 does not, nor is it intended to, create any rights in favor of or obligation owing to any third
16 parties.

17 18. In entering into this Agreement, City does not waive any of its
18 regulatory rights and/or obligations or discretion with respect to its consideration of the
19 Discretionary Actions.

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1 IN WITNESS WHEREOF, the Parties have hereunto caused this
2 Agreement to be executed and delivered, as of the date first appearing above, by their
3 duly authorized offices.

4 CITY OF LONG BEACH,
5 a municipal corporation

6 Date: 7.1.08

By: [Signature] Assistant City Manager
City Manager

**EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.**

8 SAVE THE QUEEN, LLC,
9 a Delaware limited liability company

10 Date: _____

By: _____
Name: _____
Title: _____

13 Approved as to form this 18 day of June, 2008.

14 ROBERT E. SHANNON, City Attorney

15 By: [Signature]
16 Deputy

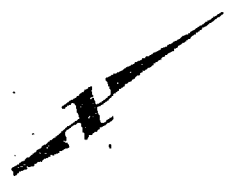
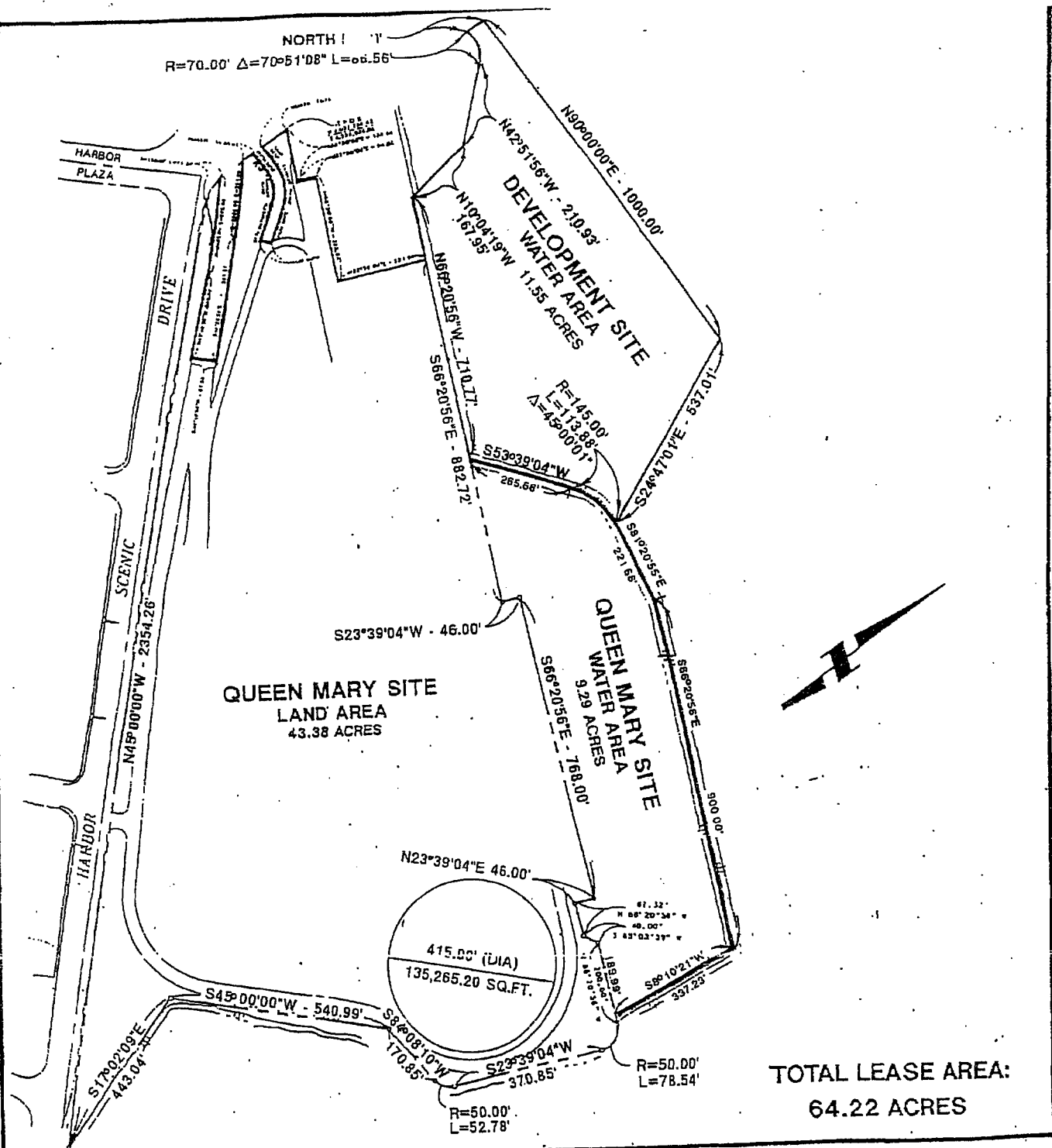
17 L:\APPS\CtyLaw32\WPDOCS\D006\P006\00120727.WPD
18 A08-00471
19 06-10-08

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EXHIBIT A

DESCRIPTION OF THE PROPERTY

[Copies of premises descriptions from Master Lease, Special Events Park Lease, and Submerged Land and Water Area Lease to be attached]



CITY OF LONG BEACH - CALIFORNIA
DEPARTMENT OF PUBLIC WORKS

QUEEN MARY LEASE AREAS

LEGAL DESCRIPTIONS FOR
QUEEN MARY SITE - LAND AREA
QUEEN MARY SITE - WATER AREA
DEVELOPMENT SITE - WATER AREA

Those portions of the artificially created land within the tidelands and submerged lands conveyed to the City of Long Beach by the State of California under an act of May 1, 1911. Chapter 676, Page 1304, as amended, lying in both said City and the Harbor District of said City, County of Los Angeles, said State, more particularly those portions of the Queen Mary property transfer to the City of Long Beach, as shown on official drawing HD4-98 on file in the office of the Executive Director of the Port of Long Beach of said City, described as follows:

QUEEN MARY SITE - LAND AREA

Beginning at monument A-8 as shown on maps recorded in Book 81, page 50 and Book 84, pages 91 to 93 inclusive, of Record of Surveys of said County; thence North 89.82 feet; thence East 1,538.32 feet to the TRUE POINT OF BEGINNING, said TRUE POINT OF BEGINNING having coordinates North 4,022,788.63, East 4,228,926.06 of Zone 7 of the California Coordinate System, said TRUE POINT OF BEGINNING being also a point in the North line of Parcel 2 as shown on said map recorded in Book 84, pages 91 to 93 inclusive, said point being the northerly terminus of that certain course having a bearing of North and length of 167.84 feet on said map; thence South 66° 20' 56" East 134.66 feet; thence North 23° 39' 04" East 54.03 feet; thence South 66° 20' 56" East 272.57 feet; thence North 23° 39' 04" East 221.94 feet; thence South 66° 20' 56" East 882.72 feet; thence North 23° 39' 04" East 46.00 feet; thence South 66° 20' 56" East 768.00 feet; thence South 23° 39' 04" West 46.00 feet; thence South 66° 20' 56" East 82.32 feet; thence North 65° 03' 39" East 40.00 feet; thence South 66° 20' 56" East 200.00 feet to the beginning of a tangent curve concave southwesterly and having a radius of 50.00 feet; thence southerly along said curve an arc distance of 78.54 feet; thence tangent to said curve South 23° 39' 04" West 370.85 feet to the beginning of a tangent curve concave northwesterly and having a radius of 50.00 feet; thence westerly along said curve an arc distance of 52.78 feet; thence tangent to said curve South 84° 08' 10" West 170.85 feet; thence South 45° 00' 00" West 540.99 feet; thence South 17° 02' 09" East 443.04 feet; thence North 45° 00' 00" West 2,354.26 feet to the beginning of a tangent curve concave northeasterly and having a radius of 135.00 feet; thence northerly along said curve an arc distance of 74.38 feet to the beginning of a non tangent curve concave southwesterly and having a radius of 2,451.00 feet; thence southerly along said curve an arc distance of 278.68 feet; thence tangent to said curve South 43° 40' 32" East 245.00 feet; thence North 46° 19' 28" East 67.50 feet; thence North 46° 14' 35" West 357.57 feet to the beginning of a tangent curve concave southwesterly and having a radius of 2,505.00 feet; thence northerly along said curve an arc distance of 221.99 feet; thence along a non tangent line North 14.36 feet; thence South 77° 34' 28" East 71.16 feet to the beginning of a tangent curve concave southwesterly and having a radius of 70.00 feet; thence southeasterly along said curve an arc distance of 44.01 feet; thence tangent to said curve South 41° 32' 57" East 97.78 feet; thence North 52° 00' 00" East 44.08 feet; thence North 38° 00' 00" West 93.26 feet to the beginning of a tangent curve concave southwesterly and having a radius of 120.00 feet; thence

northerly along said curve an arc distance of 108.91 feet; thence tangent to said curve West 54.43 feet; thence North 75.76 feet to the TRUE POINT OF BEGINNING.

Said described land parcel contains 43.38 acres.

QUEEN MARY SITE - WATER AREA

Beginning at a point on the northerly line of Parcel 1 of said official drawing HD-4-98, said point being the True Point of Beginning of Parcel 2, also as shown on said official drawing, and having coordinates of North 4,022,667.65 feet and East 4,229,890.23 feet, Zone 7 of the California Coordinate System of 1927; thence North 53° 39' 04" East 265.66 feet to a tangent curve concave to the south and having a radius of 145.00 feet; thence northeasterly and easterly 113.88 feet along said curve through a central angle of 45° 00' 01" to a tangent line; thence South 81° 20' 55" East 221.68 feet; thence South 66° 20' 56" East 900.00 feet; thence South 8° 10' 21" West 337.23 feet; thence North 66° 20' 56" West 190.00 feet; thence South 65° 03' 39" West 40.00 feet; thence North 66° 20' 56" West 82.32 feet; thence North 23° 39' 04" East 46.00 feet; thence North 66° 20' 56" West 768.00 feet; thence South 23° 39' 04" West 46.00 feet; thence North 66° 20' 56" West 358.23 feet to the point of beginning.

Said described water parcel contains 9.29 Acres.

DEVELOPMENT SITE - WATER AREA

Beginning at a point on the northerly line of Parcel 1 of said official drawing HD-4-98 said point being the True Point of Beginning of Parcel 2, also as shown on said official drawing, and having coordinates of North 4,022,667.65 feet and East 4,229,890.23 feet, Zone 7 of the California Coordinate System of 1927; thence North 66° 20' 56" West 710.77 feet; thence North 10° 04' 19" West 167.95 feet; thence North 42° 51' 56" West 210.93 feet to the beginning of a tangent curve concave to the south and having a radius of 70.00 feet; thence northwesterly, westerly and southwesterly 86.56 feet along said curve through a central angle of 70° 51' 08" to a non-tangent line; thence North 50.00 feet; thence East 1000.00 feet; thence South 24° 47' 01" East 537.01 feet to the beginning of a non-tangent curve concave to the south and having a radius of 145.00 feet and to which beginning a radial line bears North 8° 39' 05" East; thence westerly 113.88 feet along said curve through a central angle of 45° 00' 01" to a tangent line; thence South 53° 39' 04" West 265.66 feet to the point of beginning.

Said described water parcel contains 11.55 Acres.

Total Lease Area contains 64.22 Acres

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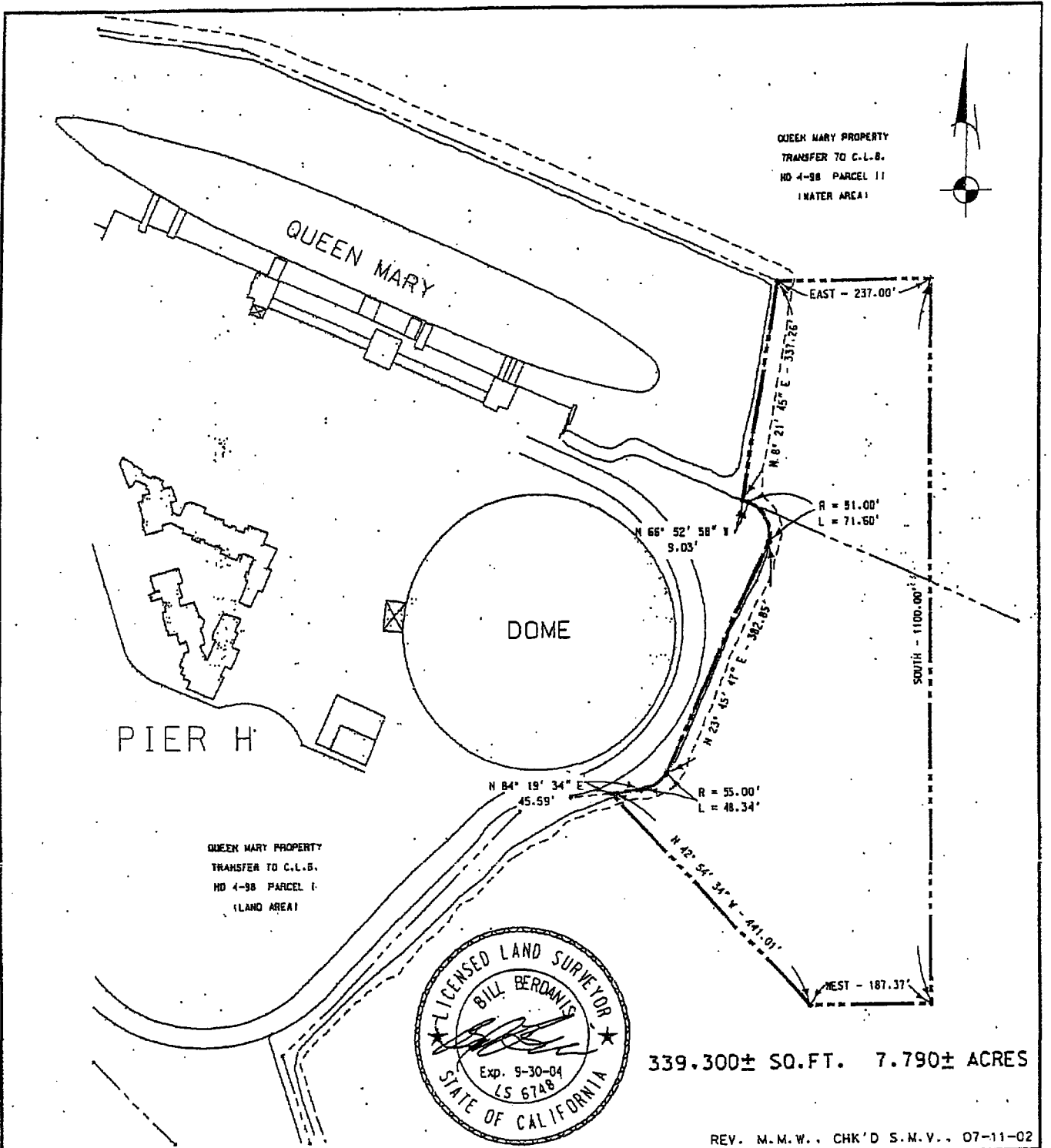
LEGAL DESCRIPTION
FOUR ACRE
SPECIAL EVENTS PARK

That portion of the artificially created land within the tidelands and submerged lands conveyed to the City of Long Beach by the State of California under an act of May 1, 1911, Chapter 676, Page 1304, as amended, lying in both said City and the Harbor District of said City, County of Los Angeles, said State, particularly that portion of the Queen Mary property transfer City of Long Beach, as shown on official drawing HD2-760 on file in the Office of the Executive Director of the Port of Long Beach of said City, described as follows:

Beginning at a point on the northerly line of Parcel 1, said point being the true point of beginning of Parcel 2, both as shown on said official drawing, and having coordinates of North 4,022,667.65 feet and East 4,229,890.23 feet, Zone 7 of the California Coordinate System of 1927; thence North $66^{\circ} 20' 56''$ West 524.50 feet along last said northerly line of said Parcel 1 to the TRUE POINT OF BEGINNING; thence continuing along the prolongation of last said northerly line North $66^{\circ} 20' 56''$ West 186.27 feet; thence North $10^{\circ} 04' 19''$ West 167.95 feet; thence North $42^{\circ} 51' 56''$ West 210.93 feet to the beginning of a tangent curve concave to the south and having a radius of 70.00 feet; thence northwesterly, westerly and southwesterly 86.56 feet along said curve through a central angle of $70^{\circ} 51' 08''$ to a tangent line; thence South $66^{\circ} 16' 56''$ West 157.77 feet to the beginning of a tangent curve concave to the north and having a radius of 90.00 feet; thence southwesterly, westerly and northwesterly 77.28 feet along said curve through a central angle of $49^{\circ} 12' 00''$ to a point of cusp with a curve concave to the northeast and having a radius of 562.00 feet and to which point a radial line bears South $25^{\circ} 28' 56''$ West; thence southeasterly 97.77 feet along said curve through a central angle of $9^{\circ} 58' 02''$ to a tangent line; thence South $74^{\circ} 29' 06''$ East 69.67 feet; thence South 326.47 feet; thence South $66^{\circ} 20' 56''$ East 430.89 feet; thence North $23^{\circ} 39' 04''$ East 221.94 feet to the TRUE POINT OF BEGINNING

Said described parcel contains 4.00 Acres





PORT OF LONG BEACH - CALIFORNIA
OFFICE OF THE EXECUTIVE DIRECTOR

SCALE 1" = 200' DATE 11-28-00

DRAWN S.M.V.

CHECKED M.L.B.

PIER H

QUEEN'S SEAPORT DEVELOPMENT, INC

HD 2-903

**EXHIBIT B
SCOPE OF SERVICES**

The City of Long Beach agrees to work with Save the Queen (STQ), LLC to create a master development plan for the master lease area of the Queen Mary that includes the special event park, submerged land, and water area lease. The City's Development Services Department – Redevelopment Bureau will lead the City's efforts to assist STQ in this undertaking.

To expedite the completion of the development plan, additional resources are required by the City. STQ agrees to provide funding to the City for the following activities:

Activities	Consultant/Staff *	Estimated Cost
Land Use Counsel	Richard Watson Gershon	\$ 500,000
Urban Design Consultant	Johnson Fain	\$ 125,000
Real Estate and Economic Advisor	Keyser Marston Associates	\$ 40,000
Engineering/Geotechnical Advisors	TBD	\$ 30,000
Historic Consultant	PCR & Historic Resources	\$ 100,000
City staff costs	Community Development and Development Services	\$ 150,000
Bike Path Consultant	RRM Design	\$ 30,000
Subtotal		\$ 975,000
10% Contingency		\$ 97,500
TOTAL		\$1,072,500

For these activities, STQ agrees to reimburse the City on a monthly basis based on receipts submitted by City, for actual costs incurred. Actual costs may differ.

*City reserves the right to replace or substitute consultants & staff in its sole discretion.

**EXHIBIT C
RATE SCHEDULES FOR OUTSIDE CONSULTANTS
SAVE THE QUEEN, LLC**

The following is the hourly rate schedule for specific consultants to be utilized by the City on the Queen Mary project.

Richard Watson Gershon (land use counsel)	
Special Council	\$450/hour
Paralegal	\$105/hour
Johnson Fain (urban design consultant)	
Partner	\$285/hour
Associate Principal	\$198/hour
Senior Staff	\$120-255/hour
Support Staff	\$80-150/hour
Keyser Marston Associates (real estate/ economic advisor)	
Managing Principal	\$260/hour
Principal	\$230/hour
Manager	\$205/hour
Senior Associate	\$175/hour
Associate	\$155/hour
Senior Analyst	\$140/hour
Analyst	\$120/hour
Administrative Staff	\$ 75/hour
Firm TBD (engineering/geotechnical advisor)	
Principle	\$ TBD hourly rate
Administrative Assistant	
PCR & Historic Resources Group (historic consultant)	
Principle	\$ 210/hourly rate
Administrative Assistant	\$ 79/hourly rate
RRM Design (bike consultant)	
Principal	\$310/hour
Administrative Assistant	\$ 85/hour
City Staff	
Building and Planning Manager	\$79.05/hour
Project Management Officer	\$63.50/hour
Planner V	\$59.54/hour
Planner II	\$43.93/hour
Administrative Assistant	\$27.23/hour

This list of staff positions is not all-inclusive. The City's consultants may utilize the service of other staff position within their perspective firms not listed above. It is expected that all staff positions providing service to the City on the Queen Mary Project will be reimbursed in accordance with the terms of this agreement.