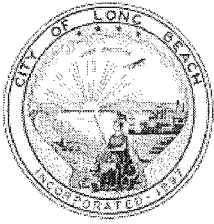


H-3



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT
BUSINESS RELATIONS BUREAU

333 WEST OCEAN BOULEVARD 7TH FLOOR • LONG BEACH, CA 90802 • (562) 570-6211

Recommended Conditions of Operation

Club Investments LP, DBA Lush Lounge

49 South Pine Avenue

Application for Entertainment with Dancing

The Department of Financial Management recommends **approval** of the permit subject to the following conditions associated with the Downtown Dining and Entertainment District:

“Entertainment” as used here shall have the same definition as “entertainment activity” contained in LBMC Section 5.72.115:

- A. “Entertainment activity” means any activity conducted for the primary purpose of diverting or entertaining a clientele in a premises open to the general public. Said activity shall include, but shall not be limited to, dancing, whether by performers or patrons of the establishment, live musical performances, instrumental or vocal, when carried on by more than two (2) persons or whenever amplified; musical entertainment provided by a disc jockey or karaoke, or any similar entertainment activity involving amplified, reproduced music.

Permittee understands and agrees that the conditions attached here are in addition to the requirements of LBMC Sections 5.72 and 21.115.110. In the event of a conflict between the permittee’s ABC license and this permit, or between a conditional use permit and this permit, the more stringent conditions shall apply.

Permittee understands and agrees that he or she is excused from complying with the Tiered Conditions so long as his or her operation complies with all of the conditions in this permit as well as all other applicable laws and regulations. Failure to comply will result in the enforcement of increasingly more stringent Tiered Conditions and may result in a decision to suspend or revoke the Entertainment Permit.

This permit does not modify or limit in any way the authority of the Chief of Police to enforce Penal Code Section 415 (disturbing the peace) against any person or entity, or of the Chief of Police or the Fire Marshal to immediately take action in the event of an imminent threat to public health or safety.

CONDITIONS OF OPERATION

1. Indoor entertainment and outdoor non-amplified entertainment that otherwise conforms with the requirements of state and local laws and regulations may be offered pursuant to permit until 2 a.m., seven days a week.

Outdoor amplified entertainment is prohibited, except for rooftop entertainment that was permitted on or before February 3, 2007, or except in conjunction with a special events permit.

2. Each holder of an existing entertainment permit within the entertainment district and each new applicant for a downtown area entertainment permit, including an applicant who acquires an existing business through a change of ownership, shall within ninety (90) days of application, attend a permit orientation session conducted by or at the direction of the City. Each new applicant for a downtown area entertainment permit, including an applicant who acquires an existing business through a change of ownership, shall, within ninety (90) days of application, submit proof of attending the LEAD program offered by the Department of Alcoholic Beverage Control.
3. The permittee shall comply with all applicable laws, regulations, ordinances and stated conditions. It is the intent of the City that each permittee make his or her own business decisions as to how to implement compliance; however, if the permittee fails to comply with the conditions of this permit, or if his or her operations result in excessive police service as defined below, the permittee will be required to operate under the more restrictive conditions described in Attachment "B" and made a permanent part of this permit without further hearing.
4. The permittee shall be responsible for all entertainment activities at the location, including those conducted by promoters. Each permittee and promoter conducting business within the City of Long Beach must have or obtain a City of Long Beach Business License prior to conducting entertainment activities governed by this permit. The permittee shall provide all promoters and agents hired to conduct entertainment activities with a copy of the approved permit, which shall include a copy of the approved conditions of operation.
5. The operation of the establishment shall be limited to those activities expressly indicated on the entertainment permit application and approved by the City Council. Any change in the operation that exceeds the conditions of the approved permit will require approval by City Council.
6. The permittee shall comply with the requirements of LBMC Sec. 8.80 (Noise) at all times. In addition, in response to a complaint, the Police Department will enforce Penal Code Section 415 (disturbing the peace) and all other state and local provisions related to the "public peace." Permittee shall conduct all aspects of his or her operation, including before- and after-hours deliveries and maintenance, in consideration of residences located nearby. Permittee agrees that the following standard is reasonable: Noise emanating from Permittee's premises shall not be audible from the middle of the street adjoining the premises.
7. No adult entertainment, as defined by section 5.72.115(B) LBMC shall be conducted on the permitted premises. The permittee shall not allow, permit, procure, or encourage, anyone to expose male or female genitals, cleft of the buttocks, the areola or any portion of the female breast below the areola, while or inside the business.
8. Current occupancy loads shall be posted at all times, and the permittee shall have an effective system to keep count of the number of occupants present at any given time and provide that information to public safety personnel upon request. (LBMC section 18.48.320)

9. Should the permittee's operations give rise to a substantial increase in complaints/calls for police service, the permittee shall increase security staff, implement the use of electronic metal detection equipment, increase outside lighting, or make other changes to the premises or operation as the Chief of Police determines are necessary to protect the safety of the public. In the event of a conflict on this issue between the requirements of this permit and any permit issued by the Alcoholic Beverage Commission, the more stringent regulation shall control.
10. The permittee shall be responsible for maintaining an adequate security staff to supervise patrons and those waiting to enter. Potential patrons awaiting entry in a defined "queue" shall be counted toward the calculation of required security staffing levels. For up to fifty (50) people inside (or in a defined queue waiting to enter) an establishment, the permittee shall provide a minimum of one (1) uniformed licensed security guard per floor. There shall be one additional guard for each subsequent increment or each partial increment of 50, plus one guard per each additional floor. (Example: a one-story establishment with 75 patrons present must have two guards. A two-story establishment with 75 patrons present must have three guards.) Potential patrons awaiting entry in a defined "queue" shall be counted toward the calculation of required security staffing levels. The Chief of Police may relax these staffing levels during daylight hours, or during hours in which the primary activity in the establishment is dining, if he determines that a lower level of security staffing is consistent with the protection of public health and safety.

The attire of each security guard shall clearly indicate the guard's affiliation with the establishment by means of a pin, shirt, or other clearly-visible form of identification.

11. To operate a restaurant with alcohol and entertainment in the Downtown Dining and Entertainment District, the proprietor must operate and maintain the licensed premises as a bona fide eating place. He or she must make actual and substantial sales of meals, during at least one full normal mealtime, at least five days a week. Normal meal times are 6:00 a.m. – 9:00 a.m., 11:00 a.m. – 2:00 p.m., and 6:00 p.m. – 9:00 p.m. Minors are only allowed on the premises during mealtime hours.
12. Persons under eighteen (18) years of age shall not be permitted to enter nor permitted to remain on the premises after 10 p.m., unless accompanied by a parent or legal guardian.
13. The permittee shall establish a program to discourage loitering and littering outside any of the entrance/exit doors at all times open for business. This should be done by use of security guards and/or signs near all exits that encourage patrons to "respect our neighbors" and the provision of trash receptacles.
14. At the conclusion of each event and at closing time, the permittee's staff shall remind patrons to refrain from loitering in the immediate area, littering or making excessive noise. Patrons should be reminded to use trash receptacles and to walk directly and quietly to their cars or other transportation.

15. The permittee shall not distribute, post or attach, and shall be responsible for ensuring that its promoters and or agents do not distribute, post or attach, advertising matter on public property or on any vehicle on public property.
16. Any graffiti painted or marked upon the premises or on any adjacent area under the control of the permittee shall be removed or painted over within 24 hours of being applied.
17. When the Chief of Police determines that excessive police services are required as the result of any incident or nuisance arising out of or in connection with the permittee's operations, the cost of such services shall be billed to the permittee as an expense of an emergency response. "Expense of an emergency response" means those costs incurred by the city of Long Beach in making any appropriate emergency response to the incident, and shall be comprised of all costs directly arising because of the response to the particular incident, including, but not limited to, the cost of providing police, firefighting, rescue, and emergency medical services at the scene of the incident, as well as the salaries of the personnel responding to the incident."

ADDITIONAL CONDITION

18. The permittee shall install and maintain a video surveillance system that monitors no less than the front and rear of the business with full view of the public right-of-ways and any parking lot under the control of the permittee. The video system must be capable of delineating on playback the activity and physical features of persona and areas within the premises. Recordings shall be retained for a minimum of 30 days and be accessible via the Internet by the Long Beach Police Department. A Public Internet Protocol (IP) address and user name/password is also required to allow the Long Beach Police Department to view live and recorded video from these cameras over the internet. All video security cameras shall be installed to the satisfaction of the Chief of Police, Director of Technology Services, and Director of Development Services. At the discretion of the Chief of Police, the permittee may be required to add additional video cameras.
19. If the permittee utilizes an independent third party event promoter to provide entertainment related services resulting in any public safety call for service, the City reserves the right to remove and/or restrict the use of independent third party promoters.

Attachment “B”

TIERED CONDITIONS

This page contains progressively more stringent regulations on entertainment and related activities in the Dining and Entertainment District. By applying for a permit, the applicant agrees to the conditions contained here and understands that he or she is not entitled to a public hearing if these conditions are applied. The City Council may add further conditions not listed here, or revoke the permit, if the permittee does not comply with the conditions imposed in this permit.

The conditions on this attachment do not modify or limit in any way the authority of the Chief of Police to enforce Penal Code Section 415 (disturbing the peace) against any person, or of the Chief of Police or the Fire Marshal to immediately take action in the event of an imminent threat to public health or safety.

Tier 1 Conditions:

Permittee may have entertainment on the premises during the maximum hours permitted in the district, consistent with ABC requirements and conditions imposed under a Conditional Use Permit. As long as the primary requirements for safety and noise are met (Conditions 1-17), Permittee may choose the methods of meeting those requirements.

Noncompliance with Tier 1 conditions: when the Chief of Police determines that Permittee has violated the terms of the permit, including the Permittee’s obligation to comply with all other laws and regulations, but believes those violations can be remedied through education and/or minor modifications to Permittee’s operation, Permittee will be asked to attend a meeting with the involved departments, pilot program area residents and businesses, and other interested persons to address community concerns and discuss how the implementation of Tier 2 Conditions can be avoided.

Tier 2 Conditions:

Noise:

Following the receipt of 3 or more noise complaints that require a response by the Police Department within a 30-day period and which are found to violate the “middle of the street” standard for noise, Permittee will be notified that his or her premises must comply with those Tier 2 Noise Conditions which the Chief of Police determines are necessary to protect the public peace and to comply with the City’s noise ordinance, from among the following list:

- Permittee must keep all doors and windows closed except while patrons are entering or exiting.
- Meet with Health Department staff to discuss best practices to be implemented to mitigate noise.
- No outdoor entertainment of any kind will be permitted after 10 p.m.
- No queue after midnight. Any persons gathering outside the establishment shall be considered to be loitering.

Security/Public Safety:

For the purposes of this section, an “incident” means a complaint or occurrence that requires a police or Fire Marshal response to Permittee’s premises due to Permittee’s noncompliance with

the terms and conditions of the Entertainment Permit. Following 3 or more incidents within a 30-day period, the Chief of Police or Fire Marshal will notify Permittee of additional measures and conditions to be implemented. These additional measures will be some or all of the following:

- Additional security personnel at hours determined necessary by the Chief of Police to prevent Permittee's operations from creating a public nuisance.
- Additional security checks on incoming patrons.
- No queue after midnight. Any persons gathering outside the establishment shall be considered to be loitering.
- Any additional measures deemed necessary by the Chief of Police or the Fire Marshal to protect health and safety.

NOTE: upon the request of a permittee who has been required to implement Tier 2 conditions, the Chief of Police, in consultation with the Fire Marshal and the Health Department, shall review the permittee's recent compliance history and determine whether some or all conditions can be returned to Tier 1 levels consistent with the protection of public health and safety.

Tier 3 Conditions:

The failure of a permittee to resolve noise and/or security/public safety issues as directed by the Chief of Police or the Fire Marshal within a reasonable period, not to exceed 30 days in any case, shall result in the implementation of Tier 3 conditions:

Noise:

- No outdoor entertainment of any kind will be permitted at any time.
- Only non-amplified entertainment will be permitted at any time OR amplified entertainment will only be permitted until 10 p.m. any night.
- Contain all noise within the premises. No noise audible outside the establishment.
- Implement Health Department recommendations to mitigate noise. Provide pre- and post-implementation monitoring data collected by a certified noise expert approved by the Health Department.

Security/Public Safety:

- The establishment must cease entertainment not later than 10 p.m. on Sunday through Wednesday nights and no later than midnight on Thursday through Saturday nights. The Chief of Police is authorized to make adjustments of up to one hour in these times to protect the public peace.
- Permittee shall limit the queue outside the establishment to no more than 20 people. There shall be no queue within 2 hours of the lawful closing time. Any persons gathering outside the establishment shall be considered to be loitering.
- Any additional measures determined necessary by the Chief of Police or the Fire Marshal to protect health and safety.

If the City determines that Permittee has not modified his or her operations in compliance with Tier 3 conditions and Permittee continues to fail to comply with the terms and conditions of the Entertainment Permit, the City shall begin revocation or suspension proceedings. Permittee is entitled to a hearing to contest such revocation or suspension.