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

OPERATION AND MAINTENANCE AGREEMENT

(AQUARIUM EDUCATION FEATURE)

This Operation and Maintenance Agreement (Aquarium Education Feature) ("Agreement") is entered into as of June 12, 2007, ("Effective Date") by and between LONG BEACH AQUARIUM OF THE PACIFIC, a non-profit public benefit corporation duly organized and existing under and by virtue of the laws of the State of California ("Aquarium"), and the CITY OF LONG BEACH, a municipal corporation organized and existing under and by virtue of its charter and the Constitution of the State of California ("City"), pursuant to a minute order adopted by the City Council of the City of Long Beach at its meeting held on June 12, 2007.

RECITALS

- A. WHEREAS, the California State Coastal Conservancy has authorized a grant (Grant Agreement No. 05-063) to Aquarium for the construction of a new outdoor Aquarium Education Feature known as "Our Watershed Story"; and
- B. In order to enhance the Aquarium experience, Aquarium has requested, and City has agreed, that Aquarium shall construct, operate, repair, refurbish and maintain the Aquarium Education Feature as described below in the area adjacent to the Pierpoint Landing Building in a location shown on the site plan ("Site Plan") attached hereto as Exhibit A and incorporated herein by this reference on the terms and conditions set forth in this Agreement.
- C. WHEREAS, improvements to be made by Aquarium include the installation of a lenticular billboard and graphic display station in the form of a 50 gallon metal water drum; and
- D. In order to enable the Aquarium to meet its obligations hereunder, City agrees to allow Aquarium access to and use of the area adjacent to the Pierpoint Landing Building as described herein for the term of this Agreement.

NOW THEREFORE, in consideration of the foregoing recitals and the covenants

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contained herein and for other good and valuable consideration, the receipt of which is hereby acknowledged. City and Aquarium hereby agree as follows:

- Incorporation of Recitals. The foregoing recitals are incorporated into this
 Agreement by this reference.
- 2. Term. The term of this Agreement shall be equal to the useful life of the Aguarium Education Feature (which term is defined in Section 3 below), which the parties estimate to be twenty (20) years ("Base Term"). Upon the expiration of the Base Term, the parties, by mutual agreement, may extend the Base Term, but in no event beyond the expiration of the Ground Lease (including any agreed upon extensions thereof). Upon the expiration of the useful life, or Base Term (or any mutually agreed extension thereto), City, in its sole discretion, shall be entitled to (I) require the removal of the Aquarium Education Feature and the paving over (or landscaping) of the affected area with a surface compatible with the surrounding hardscape and approved by City (which approval shall not be unreasonably withheld) at the sole cost of the Aquarium, or (ii) City may treat the Aguarium Education Feature as if City owned the Aguarium Education Feature for the then remaining term of the Ground Lease (including any agreed upon extensions thereof). including, without limitation, having the right to remove, alter, replace, reconstruct or operate the Aquarium Education Feature or any other improvements that City shall construct in the Aquarium Education Feature area on such terms as the City, in its sole discretion, shall deem appropriate. Notwithstanding the above, any extension of the Base Term may be terminated upon 180 days written notice from City to Aguarium, upon the expiration of such time period, City, in its sole discretion, shall be entitled to (I) require the removal of the Aquarium Education Feature and the paving over (or landscaping) of the affected area with a surface compatible with the surrounding hardscape and approved by the City (which approval shall not be unreasonably withheld) at the sole cost of Aquarium, or (ii) City may treat the Aquarium Education Feature as if City owned the Aquarium Education Feature for the then remaining term of the Ground Lease (including any agreed upon extensions thereof), including, without limitation, having the right to remove, alter,

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replace, reconstruct or operate the Aquarium Education Feature.

3. <u>Description of Aquarium Education Feature</u>. The Aquarium Education Feature shall be located in the area adjacent to the Pierpoint Landing Building. The description of the physical characteristics, design and dimensions of the Aquarium Education Feature, Including the surrounding area that the Aquarium shall be responsible to construct, repair and maintain (collectively, the "Aquarium Education Feature"), are set forth in <u>Exhibit B</u> which is incorporated into this Agreement by this reference. Notwithstanding any approval by City of any aspect of the Aquarium Feature, including, without limitation, its design, City shall incur no liability to Aquarium or any third party in connection with such approval, and Aquarium hereby releases City from any and all such liability to Aquarium.

4. Construction of Aquarium Education Feature.

- 4.1 <u>Costs; Approved Plans and Time Line</u>. Aquarium shall bear all costs of construction and installation of the Aquarium Education Feature. Aquarium shall bear all responsibility for constructing and installing the Aquarium Education Feature in accordance with Exhibit B.
- 4.2 <u>Construction of Aquarium Education Feature</u>. Aquarium shall exercise due diligence to complete the construction of the Aquarium Education Feature prior to June 10, 2007 (the "Time Line").
- 4.3 Coordination of Construction Activities: Staging Area. During the course of constructing the Aquarium Education Feature, Aquarium agrees to cause its contractors to stage their equipment and construction materials in that certain staging area location. Queensway Bay Supervisor, Paul Bays will assign and designate the staging area. Mr. Bays contact information office (562) 570-1596, cell (562) 577-8427. City shall cooperate with Aquarium in its construction of the Aquarium Education Feature in order to permit Aquarium to meet the Time Line.
- 5. Operation, Maintenance and Repair. During the term of this Agreement (as may be extended in accordance with Section 2 hereof), Aquarium shall be responsible

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for all costs of operation, maintenance and repair of the Aquarium Education Feature, and City shall have no responsibility in connection therewith. Aquarium shall operate, repair and maintain the Aquarium Education Feature in accordance with first class standards. Aquarium shall pay all utilities in connection with the operation of the Aquarium Education Feature including water and power, if any. Aquarium is hereby granted access to the Aquarium Education Feature in order to fulfill its obligations under this Agreement, including without limitation, its repair and maintenance obligations. In the event Aquarium breaches its repair and maintenance covenant under this Agreement, City shall be entitled, but not obligated, to complete any reasonably necessary repairs and maintenance to the Aquarium Education Feature from time to time, and shall be entitled to seek reimbursement from Aquarium for such costs within thirty (30) days after presentation of invoices.

- 6. <u>Payment of Taxes</u>. Aquarium shall promptly pay its pro rata share of all assessments, real property and other taxes, if any, attributable to the Aquarium Education Feature.
- 7. Insurance. The parties acknowledge that the City is self-insured for general liability. For so long as the Aquarium Education Feature shall exist, City and Aquarium shall each maintain sufficient reserves or insurance to fulfill its obligations under this Agreement. The foregoing requirement shall not operate to limit the liability of Aquarium or City in connection with the Aquarium Education Feature or this Agreement. City and Aquarium hereby waive all claims for insured losses against one another arising in connection with the Aquarium Education Feature and this Agreement, and waive subrogation in favor of both City and Aquarium.
- 8. <u>Indemnification</u>. Aquarium shall protect, defend (with counsel acceptable to City) indemnify and hold harmless City and its officers, directors, agents and employees (collectively, "City") from and against any and all claims arising out of or in connection with the Aquarium Education Feature, or from any activity, work or things done, permitted or suffered by City in or about the Aquarium Education Feature or elsewhere, and shall further

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protect, defend, indemnify and hold harmless City from and against any and all claims arising from any breach or default in the performance of any obligation on Aquarium's part to be performed under the terms of this Agreement, or arising from any negligence of Aquarium, or any of Aquarium's agents, contractors or employees, and from and against all costs, attorneys' fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon, except to the extent that any of the foregoing directly result from the actions of City, its employees, agents and contractors, other than actions (including the exercise of remedies) by City under this Agreement. Aquarium, as a material part of the consideration to City, hereby assumes all risk of damage to property or injury to persons, in, upon or about the Aquarium Education Feature arising from any cause other than the actions of City, its employees, agents and contractors, other than actions (including the exercise of remedies) by City under this Agreement, and Aquarium hereby waives all claims in respect thereof against City.

City shall protect, defend, indemnify and hold harmless Aquarium and its officers, directors, agents and employees from and against any and all claims and against all costs, attorneys' fees, expenses and liabilities relating to the Aquarium Education Feature or the operation thereof from any breach or default in the performance of any obligation on City's part to be performed under the terms of this Agreement, or arising from the actions of City, its employees, agents or contractors.

- 9. <u>Events of Default</u>. The following shall be deemed to be events of default ("Events of Default") under this Agreement.
- 9.1 Monetary Default. Any failure to pay any sum due hereunder to either party or any third party (such as a utility) within thirty (30) days after receipt of written notice to do so from City.
- 9.2 <u>Nonmonetary Default</u>. Any breach of any other requirement, covenant or condition of this Agreement not involving the payment of money, where cure of such breach is not commenced within thirty (30) days after receipt of written notice to do so from either party, and thereafter completed in the exercise of due diligence.

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10. Remedies. In the event any Event of Default is not cured within the time periods prescribed in Section 9 above, or in the event of an Event of Default described in Section 9.2 above that is incurable, either party shall be entitled to exercise any remedy available at law or in equity, including without limitation the following:

- 10.1 <u>Damages</u>. Either party shall be entitled to seek damages when available under applicable law.
- 10.2 <u>Equitable Remedies</u>. Either party shall be entitled to equitable remedies, including without limitation, specific performance and/or injunctive relief, when available under applicable law.
- require the Aquarium to remove the Aquarium Education Feature at the Aquarium's sole cost and expense in the event of a Nonmonetary Default which is not cured within ninety (90) days of written notice thereof by City. In such event, Aquarium shall cause the removal of the Aquarium Education Feature to be commenced within thirty (30) days following notice from City to remove same, and shall cause the removal to be completed within a reasonable time thereafter in the exercise of due diligence. In the event Aquarium does not cause the Aquarium Education Feature to be removed on a timely basis, City may, but shall not be required to, cause the Aquarium Education Feature to be removed, and Aquarium shall reimburse City for all removal costs within thirty (30) days after presentation of invoices.

No remedy or election by either party shall be deemed to be exclusive, but shall, wherever possible, be cumulative with all other remedies at law or in equity.

11. General Provisions.

- 11.1 <u>Attorneys' Fees</u>. In the event legal action is commenced to enforce or interpret any provision or right under this Agreement, the prevailing party in such litigation shall be entitled to recover from the other its reasonable attorneys' fees, costs and expenses.
 - 11.2 No Third Party Beneficiaries. This Agreement is entered into solely

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for the benefit of City and Aquarium and no third party shall be entitled to enforce, or obtain the benefit of any provision of this Agreement.

11.3 Incorporation of Prior Agreements; Amendment. This Agreement contains all of the agreements of the parties with respect to the Aquarium Education Feature and any other matter mentioned herein. No prior agreement or understanding pertaining to any such matter shall be effective. This Agreement may be modified in writing only, signed by the parties in interest at the time of the modification.

11.4 <u>Severability</u>. The invalidity of any provision of this Agreement, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

11.5 <u>Notices</u>. Any notice required or permitted to be given hereunder shall be in writing and may be given by personal delivery, overnight courier service, or certified mail, and, if so given, shall be deemed sufficiently given when received, if personally delivered, or delivered by overnight courier service, or if sent by mail, five (5) days after being deposited in the United States mail, postage prepaid, and addressed to the party at the following addresses:

To City: City of Long Beach

333 West Öcean Boulevard Long Beach, California 90802 Attention: City Manager Telephone: (562)570-6979 Facsimile: (562)570-6583

To Aquarium: Long Beach Aquarium of the Pacific 310 Golden Shore

Long Beach, California 90802

Attention: Vice President of Finance and Administration

Telephone: (562)951-1600 Facsimile: (562)590-3109

Either party may by notice to the other specify a different address for notice purposes to the maximum extent reasonably possible, all contacts and communications by and between Aquarium and agencies and departments of the City shall be made by Aquarium through the person designated to receive notices to City hereunder (the City Manager), or through such person's designees.

11.6 <u>Waivers</u>	s. No waiver by either party of any provision of this Agreement
shall be deemed a waiver of	any other provision of this Agreement, or of any subsequent
breach by either party of the	same or any other provision of this Agreement. Either party's
consent to, or approval of,	any act, shall not be deemed to render unnecessary the
obtaining of that party's cons	sent to, or approval of, any subsequent act by the other party.

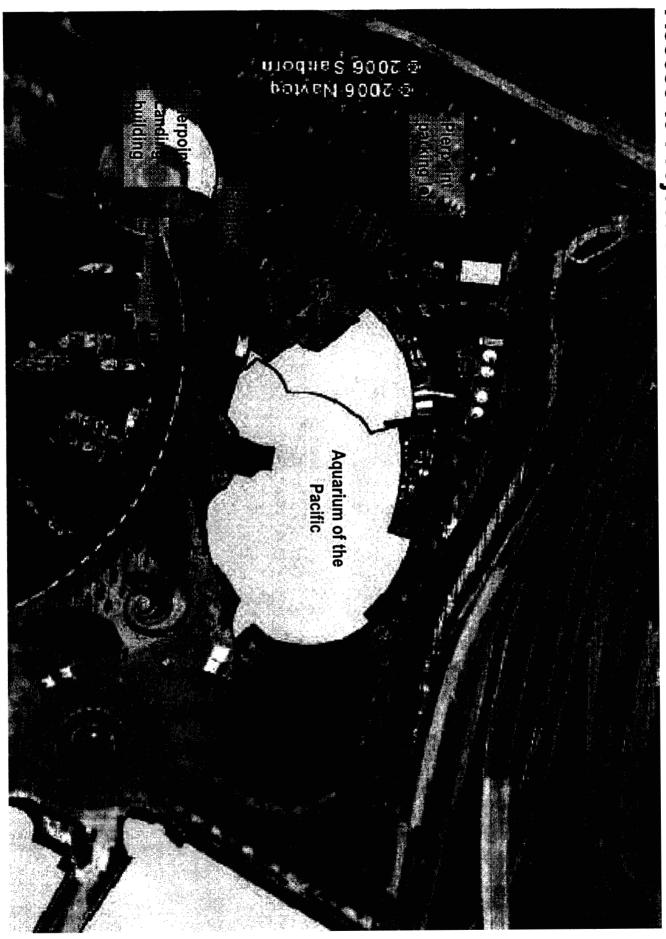
- 11.7 <u>Covenants and Conditions</u>. Each provision of this Agreement performed by either party shall be deemed both a covenant and a condition.
- 11.8 <u>Binding Effect; Choice of Law</u>. This Agreement shall bind the parties, their personal representatives, successors and assigns. This Agreement shall be governed by the laws of the State of California.
- 11.9 <u>Captions</u>. The captions and headings in this Agreement are inserted only as a matter of convenience and for reference, and they in no way define, limit or describe the scope of this Agreement or the intent of any provision hereof.
- 11.10 Force Majeure. City's construction and repair activities shall be excused for such period when the performance of such activity is unavoidably delayed due to events beyond the control of City, including without limitation, in connection with any war, strike, labor unrest, unavailability of materials, act of God, or unusually inclement weather.
- 11.11 <u>Possessory Interest Tax</u>. Aquarium acknowledges that this Agreement may create a possessory interest subject to possessory interest taxes. Aquarium shall pay, prior to delinquency, all taxes on such possessory interest and deliver satisfactory evidence of payment to the City on request.
- 12. Access and Use. City hereby grants permission to the Aquarium for access to and use of the area described in Exhibit A solely for the construction, operation, and maintenance of the Aquarium Education Feature.

IN WITNESS WHEREOF, City and Aquarium have executed this Agreement as of the date first set forth above.

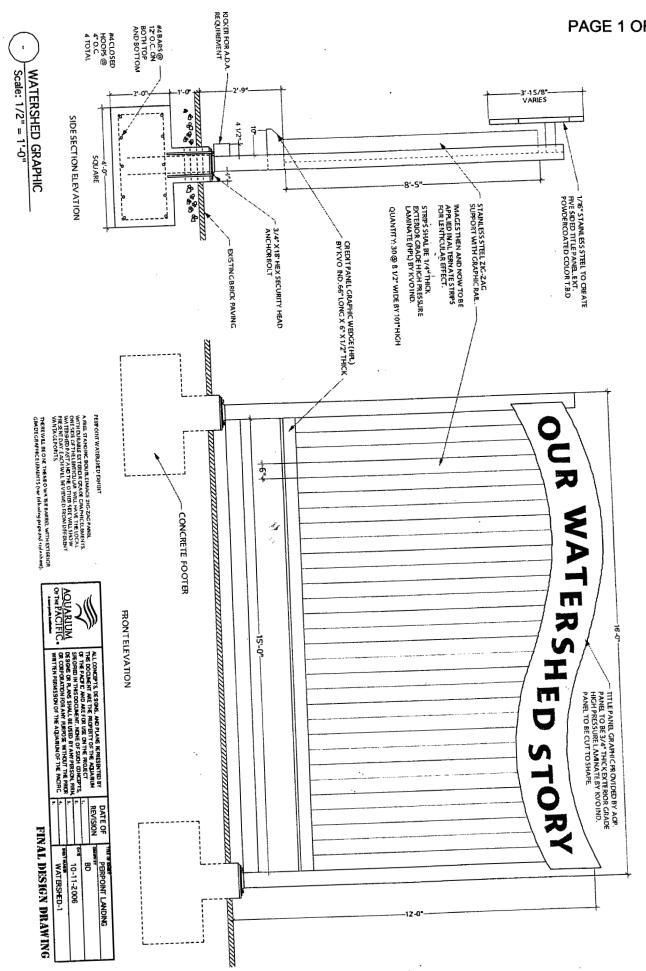
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Robert E. Shannon City Attorney of Long Beach 333 West Ocean Boulevard Long Beach, California 90802-4664 Telephone (562) 570-2200	1 2 3 4 5	7/24,2007	CITY OF LONG BEACH, a municipal corporation By City Manager CITY
	6 7 8 9 10 11	<u>4/22</u> , 2007	LONG BEACH AQUARIUM OF THE PACIFIC By Salvan Song Title Oice President AQUARIUM
	12 13 14 15	Approved as to form this <u>27</u> 2007.	_day of <u>Jone</u> ,
	16 17 18 19		By Charles Parkin Principal Deputy
	2021222324	JCP:abc 5/24/07 07-00112 L:\APPS\CtyLaw32\WPDOCS\D018\P005\00099245.WPD	
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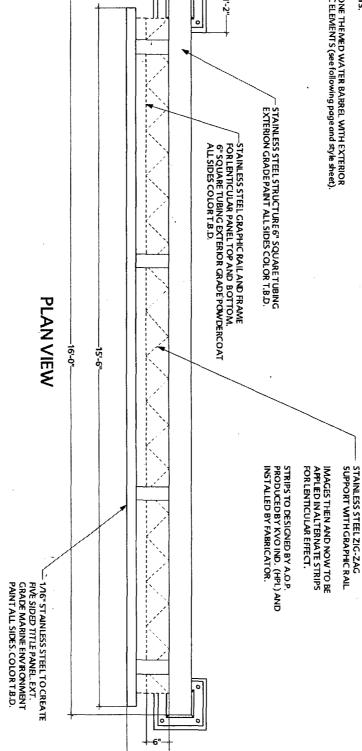
PAGE 1 OF 2



PEIRPOINT WATERSHED EXHIBIT

A FREEST ANDING BOUBLE IMAGE ZIG-ZAG PANEL WITH DURABLE EXTEROR GRADE GRAPHK ELEMBNTS. ONE SIDE OF THE LENTKCULAR WILL HAVE THE LOCAL WATER SHEDPAST AND THE OTHER SIDE WILL SHOW PRESENT DAY, EACH WILL BEVIEWED FROM DIFFERENT VANTAGE POINTS.

THERE WILL BE ONE THEMED WATER BARREL WITH EXTERIOR GRADE GRAPHIC ELEMENTS (see following page and style sheet).



WATERSHED GRAPHIC Scale: 3/4" = 1'-0"

DATE OF REVISION BB PERPOINT LANDING WATERSHED-2 10-11-2006

FINAL DESIGN DRAWING