

FIRST AMENDMENT TO AGREEMENT NO. 13-3125
BETWEEN THE CITY OF LOS ANGELES AND
WESTREC MARINA MANAGEMENT INC.

THIS FIRST AMENDMENT to Agreement No. 13-3125 is made and entered into by and between the CITY OF LOS ANGELES, a municipal corporation ("City"), acting by and through its Board of Harbor Commissioners ("Board"), and WESTREC MARINA MANAGEMENT INC. ("Operator") as follows:

1. ***Exhibit B, Scope of Work is replaced in its entirety with Exhibit B-1.***

Except as amended herein, all remaining terms and conditions of Agreement No. 13-3125 shall remain in full force and effect.

(Signature page to follow)

IN WITNESS THEREOF, the parties hereto have executed this First Amendment to Agreement No. 13-3125 on the date to the left of their signatures.


THE CITY OF LOS ANGELES, by its
Board of Harbor Commissioners


Dated: _____

By _____
EUGENE D. SEROKA
Executive Director

Attest _____
Board Secretary

Dated: Dec. 29, 2016

WESTREC MARINA MANAGEMENT INC.
By: 
William W. Anderson, President
(Print/type name and title)

Attest: 
Jeffrey K. Ellis, Vice President
(Print/type name and title)

APPROVED AS TO FORM AND LEGALITY

1/17, 2016
MICHAEL N. FEUER, City Attorney
Janna B. Sidley, General Counsel

By 
MINAH PARK, Deputy

EXHIBIT "B-1"

SCOPE OF WORK

Operator shall have the authority to fully and completely direct all day-to-day matters associated with operating the Premises.

1. PREMISES

1.1 Description of Improvements. The Premises, as depicted on Exhibit A, per Harbor Engineer's Drawing No. 1-2778, include the following improvements:

slips, dry boat storage, crane hoists, boater facilities, public restroom, landscaping, parking areas, buildings, structures, amenities, utility connections, equipment and all other improvements associated with the authorized use and operation under the Agreement. Improvements are described in greater detail as set forth below.

- 1.1.1 Slips. Six hundred ninety-two (692) recreational slips, with slip sizes ranging from twenty-eight feet (28 ft.) to one hundred thirty feet (130 ft.) as detailed in Attachment 1, Cabrillo Way Marina Slip Inventory. All references to the term "slip," mean a designated berth for mooring of a boat. Also known as a wet slip or berthing slip. While the Marina has been established for the mooring of vessels, in-slip boat maintenance and minor repairs are allowable only as provided in the Harbor Department's Cabrillo Marina Rules ("Marina Rules"), Attachment 2, to be attached and incorporated in all rental agreements.
- 1.1.2 Dry Boat Storage. The dry boat storage area includes accommodations for out-of-water vessel storage for approximately three hundred forty five (345) boats and trailers. Storage stalls range from eighteen feet (18 ft.) to forty-six feet (46 ft.) in length, and nine feet (9 ft.) to ten feet (10 ft.) in width. See Exhibit A, Parcel 7, Dry Boat Storage. Storage of a trailer in the dry boat storage area is allowable only when paired with a vessel. Boat repairs are allowable only as provided in the Marina Rules and in the rental agreements.
- 1.1.3 Crane Hoists. Capacity of four (4) crane hoists. Two (2) crane hoists are currently provided for dry boat storage use. Upon budget approval for Fiscal Year 2016/2017 a third crane hoist is to be installed on or after June 1, 2016, with the fourth to be installed sometime in the future, if needed. The crane hoists can lift a reasonable variety of boats up to forty-five (45 ft.) in length, depending upon the weight capacity of the crane hoists. All crane hoists shall be incorporated as part of the Improvements and all terms of this Agreement shall apply without further Board or Council action.
- 1.1.4 Boater Facilities. Boater facilities consist of three (3) restroom and laundry facilities. One facility each is allocated for men, women and laundry. Provisions of each facility are listed below.

Men's facility: two (2) bathroom stalls, two (2) urinals, and two (2) showers

Women's facility: four (4) bathroom stalls and two (2) showers

Laundry facility: two (2) washer hook-ups and two (2) dryer hook-ups

EXHIBIT "B-1"

- 1.1.5 Public Restrooms. Three (3) public restroom facilities are provided: two (2) stalls for women, one (1) stall and one (1) urinal for men.
- 1.1.6 Landscaping. The landscaped Premises include flowerbeds, groundcover, shrubs, trees, turf, and irrigation improvements.
- 1.1.7 Parking. A total of 1,256 parking spaces are located within the various parking areas, identified within Premises, Exhibit A.
- 1.1.8 Other Improvements. Other improvements generally include, but are not limited to, docks, slips, gangways, promenade walkways, light poles, utility connections, marina offices, and security office/shack.

1.2 City Ownership of Improvements. Upon the expiration of this Agreement, for any reason, all existing and any future installed fixtures, equipment (including all office furniture), improvements and appurtenances attached to or built into the Premises or in such a manner as to become part of the Premises whether or not by the expense of Operator, shall become and remain a part of and be surrendered with the Premises. Any furniture, furnishings, equipment or other articles of moveable personal property owned by Operator and located on Premises shall be and remain the property of Operator and may be removed by it at any time during the term of this Agreement so long as Operator is not in default of any obligations under this Agreement and the same has not become part of the Premises and so long as such do not materially affect Operator's ability to use such Premises and conduct its business as provided herein.

2. SLIP AND DRY BOAT STORAGE RENTALS

2.1 Rental Rates and Fees. The City shall set all slip rates, rates for crane hoist operations and any other rates and fees related to Marina operations. Such rates shall be consistent with the amounts set forth in Attachment 3, Slip Rates and Fees. City shall approve any changes to rental rates and associated fees, in advance and in writing.

- 2.1.1. Boat Slip Rates. Operator shall collect all fees associated with the rental of slip space. Boat slip rates, including guest slips, shall be based on either the vessel or the slip, whichever is longer. Slip rental rates do not include charges for electricity. The rental rates for slip tenants shall generally reflect current market rates levied by adjacent marinas. In no event shall the rates compromise the economic viability of those marinas.
- 2.1.2. Wait List Fee. Operator shall collect fees for the wait list in accordance with the current rental documents. The wait list deposit shall be applied toward the security deposit when applicant is assigned slip space.
- 2.1.3. Refundable Fee. The fee charged for the slip wait list shall be fully refundable if the applicant does not complete the slip transaction.
- 2.1.4. Liveaboards. In addition to the slip rate, the Operator shall collect an additional fee per boat.

EXHIBIT "B-1"

- 2.1.4.1 Liveaboard Slip Inventory. Five percent (5%) of the six hundred ninety-seven (697) slips shall be afforded to liveaboard inventory, which is equal to and shall not exceed a maximum of thirty-five (35) liveaboard slips in the Premises at any time. The Executive Director of the City of Los Angeles Harbor Department, ("Executive Director"), or designee, may authorize an increase in the liveaboard allowance up to ten percent (10%), if sufficient boater facilities are available.
- 2.1.4.2 Liveaboard Fee. In addition to the slip rate, a fee of 40 percent (40%) of the slip rate shall be charged for each boat authorized liveaboard status.
- 2.1.4.3 Maximum Liveaboard Occupancy. Liveaboard occupancy is limited to a maximum of three (3) occupants per authorized liveaboard vessel. The Operator may authorize, in writing, additional occupants for large boats with permanent crews.
- 2.1.5 Dry Boat Storage Rates. Operator shall collect all rates and fees associated with the rental of dry boat storage stalls. City shall approve rates and fees associated with dry boat storage, in advance, and in writing.
 - 2.1.5.1 Wait List Fee. The wait list deposit shall be applied toward the security deposit when applicant is assigned a dry boat storage stall.
 - 2.1.5.2 Refundable Fee. The fee charged for the dry boat storage wait list shall be fully refundable if the applicant does not complete the stall transaction.
- 2.1.6 Utility Fees. City will provide electricity, water and sewer services to the entire Premises, including the office building, at no charge to the Operator. Consistent with the approved Annual Budget, Operator shall be responsible for the cost of telephone service used in the office building and trash service for the entire Premises.
 - 2.1.6.1 Marina Tenant Utility Use. Operator shall collect and remit to City fees from Marina tenants for electricity usage based on actual kilowatt-hour usage as recorded by the meter at each slip and the actual kilowatt-hour.
- 2.1.7 Other Fees. Operator shall pay for City fees including license fees, permit fees, impact fees, or inspection fees applicable to any work Operator performs on Premises. All permit or regulatory fees or costs shall be paid directly by Operator, subject to the approved Annual Budget or any subsequent approvals. City is not responsible for any penalty fees for improper work or fees related to inspections for improper work.

2.2 Rental Increases.

- 2.2.1 Economic Impact. In no event shall rental rates compromise the economic viability of adjacent marinas located within the Port of Los Angeles complex.
- 2.2.2 Slip Rate Increases. Upon the Effective Date of the Agreement, Operator shall provide all current slip tenants with a thirty (30) day written notice of intent to

EXHIBIT "B-1"

increase slip rates. The rate increases shall be in accordance with Attachment 3, Slip Rate Fees.

2.2.3 Dry Boat Storage Rate Increases. Increases of dry boat storage rental rates shall be applied in accordance with Attachment 3.

2.3 Rental Agreements. Operator shall enter into written and signed rental agreements with Marina tenants. The form of agreement shall be reviewed and approved in advance, and in writing, by the City. A sample agreement is provided in Attachment 4, Slip Assignment Agreement.

2.3.1 Rental Documents. Rental applications and agreements shall be used for all boat owners renting slip space and dry boat storage stalls on the Premises. Operator shall confirm Marina tenants' acknowledgement, understanding and completion of appropriate applications and agreements. Rental documents for the dry boat storage area shall be developed by Operator within forty-five (45) days of the Effective Date of the Agreement. All rental documents, and/or changes to the rental documents, shall be reviewed and approved in advance, and in writing, by the City.

2.3.2. Rental Applications. Operator shall utilize an application process for all proposed rentals on the Premises.

2.3.3 Completion of Rental Applications. Operator shall confirm each boat owner's acknowledgement, understanding, and completion of the respective rental applications.

2.4 Yacht Clubs. Operator shall coordinate with yacht clubs located adjacent to the Premises to facilitate the allocation of slip assignments.

2.4.1 Yacht Club Coordination Process. Coordination of yacht club slip assignments during the first five (5) years of the Agreement shall be subject to provisions set forth below.

2.4.1.1 During the first five (5) years of operations, Operator may be required to offer preferential slip rights to the Buccaneer Yacht Club ("Buccaneer") and the Los Angeles Yacht Club ("LAYC").

2.4.1.2 Slip allocations will be located adjacent to the respective Buccaneer and LAYC yacht clubs proposed building development pads within the Phase II area as depicted on Exhibit A, Proposed Yacht Club Development Pads, Parcel Nos. 16 and 17.

2.4.1.3 Preferential rights to Buccaneer and LAYC clubs shall not exceed ninety (90) slips total, unless approved in writing by the Executive Director.

2.4.2 Potential Ground Lease Opportunities. Throughout the term of this Agreement, including options periods, the City may, at its sole discretion, offer certain ground lease opportunities to third parties.

EXHIBIT "B-1"

2.5 Marina Tenant Lists.

- 2.5.1 Slip Tenants. Operator shall maintain, on the Premises, a comprehensive list of slip tenants and shall include occupants' names, slip size, slip assignment, corresponding slip rental rates, and vessel information.
- 2.5.2 Liveaboard Tenants. Operator shall maintain, on the Premises, a separate comprehensive list of liveaboard tenants and shall include all information required of slip tenants above.
- 2.5.3 Dry Boat Storage Tenants. Operator shall maintain, on the Premises, a comprehensive list of all dry boat storage tenants. Such list shall include vessel and trailer information, names of vessel owners, stall assignments, and corresponding stall rates.
- 2.5.4 Tenant List Report. Upon request from the City, the Operator shall prepare and submit a comprehensive report that shall include all information listed above in 2.5.1 through 2.5.3.

3. ADMINISTRATION

3.1 Billing and Collection

- 3.1.1 Billing. Operator shall analyze and direct the billing and collection of all accounts receivable due to the City with respect to authorized uses and operation pursuant to the Agreement.
- 3.1.2 Collect and Remit. Operator shall collect and remit all revenue (less expenses and Management Fee), including slip rentals and deposits, dry boat storage rentals and deposits, security deposits, key deposits, laundry machine revenue, coin operated machines, utility fees and all other receipts derived from authorized uses and operation, pursuant to the Agreement.
- 3.1.3 Funds Control. Operator shall establish policies and procedures for cash controls and handling of all Marina collections.
- 3.1.4 Delinquent and Insufficient Payments. Operator shall actively pursue delinquent accounts. Further, Operator shall establish policies and procedures to minimize the amount of delinquent payments and rental payments returned due to insufficient funds.

3.2 Personnel

- 3.2.1 Staff Training. Operator shall provide basic training and licensing to staff to conduct Marina operations in accordance with all applicable federal, state and local regulations, including requirements of the City. Continued training and licensing will be in accordance with the approved Annual Budget.
- 3.2.2 Dress Code. Operator shall implement and enforce a dress code for on-site personnel, and provide uniforms and identification badges to be worn while on

EXHIBIT "B-1"

duty on Premises.

3.2.3 Employee Conduct. Operator's employees in contact with the public shall perform their duties in an efficient and courteous manner. Operator shall ensure all its personnel are courteous and cooperative and present a neat, clean and professional appearance at all times. Failure of an employee to do so shall be grounds for the City to demand removal of said employee from duties on the Premises.

3.2.4 Key Personnel. Operator shall designate a manager responsible for administering this Agreement ("Marina Manager"). Operator shall notify Contract Administrator of any change to the manager within five (5) days of the change.

3.2.5 Subcontractors. Operator shall immediately advise City whether subcontractors will be used to perform services. In the event the use of subcontractors is offered, Operator shall provide the same assurance of competence for the subcontractor. The Operator shall also demonstrate ability to manage and supervise work performed by subcontractor.

3.2.5.1 Subcontractor Changes. Operator may change subcontractors as may be necessary from time to time. Operator shall notify City in the event of such change, provide the same assurance of competence for the subcontractors and demonstrate ability to manage and supervise work performed by the subcontractors.

3.2.5.2 Subcontracting by Subcontractors Prohibited. Subcontractors shall not be allowed to further sub-contract with others for work under the Agreement without approval or knowledge of the City.

3.3 Staffing and Hours of Business Operation

3.3.1 Minimum Hours of Business Operation. The Marina shall be in operation seven (7) days a week, including holidays, during hours approved by the City, except on the following national holidays: Thanksgiving Day, Christmas Day and New Year's Day.

3.3.1.1 Sufficient and Competent Staffing. Operator shall provide a sufficient number of trained, experienced and well-qualified staff to operate the on-site Marina office and crane hoists seven (7) days per week, at a minimum of eight (8) hours per day. Business operating hours, as of July 1, 2013, shall be 9:00 a.m. to 5:00 p.m., seven (7) days per week.

3.3.1.2 Staff Availability. The Marina Manager/Dock Masters together with office personnel shall be on site and available during business operating hours. Marina Manager shall generally be onsite Monday through Friday, however, scheduling may vary from time to time.

3.3.1.2.1 Operator shall provide an emergency contact person who is available twenty-four hours a day, seven days a week ("24/7"). Within thirty (30) days of the Effective Date of the Agreement,

EXHIBIT "B-1"

Operator shall provide the Contract Administrator with the name(s) and telephone numbers(s) of a management person(s) who will be on call at all times for emergencies or other matters related to the operations under this Agreement. Within five (5) days of any subsequent changes, Operator shall provide the City with such information on new on-call management personnel.

- 3.3.1.3 Crane Hoist Operation Hours. Crane hoist equipment and operations shall be managed in accordance with equipment requirements. Crane hoist personnel shall be available to respond to requests for emergency service 24/7.

3.4 Purchasing

- 3.4.1 Purchasing Policy. All purchases for the Premises, which fall under the Operator's area of responsibility, shall be made in compliance with the City's Purchasing Policy, Procedures and Codes. Purchasing Policy, Procedures and Codes is part of the City of Los Angeles Administrative Code Chapter 1, Division 10 and City Charter Section 370-380 and is available on the Internet at: [www.amlegal.com/nxt/gateway.dll/California/laac/administrativecode?f=templates\\$fn=default.htm\\$3.0\\$vid=amlegal:losangeles_ca_mc](http://www.amlegal.com/nxt/gateway.dll/California/laac/administrativecode?f=templates$fn=default.htm$3.0$vid=amlegal:losangeles_ca_mc)
- 3.4.2 Purchases and Acquisitions. Operator, shall make and execute, or supervise and have control over the making and executing of, all decisions concerning the acquisition of furniture, fixtures and supplies for the Premises, and the purchase, lease or other acquisition of the same, within the scope of the approved Annual Budget.
- 3.4.3 Negotiations. Operator shall have the authority to negotiate such agreements which Operator deems necessary or advisable for the furnishing of utilities, services, concessions and supplies for the maintenance, repair, operation and security of the Premises or incidental to the matters for which Operator is responsible in accordance with the Agreement.

3.5 Parking

- 3.5.1 Parking Inventory. The Premises contain 1,256 parking spaces. Of that amount, 51 are unavailable as of April 2013 while used on an interim basis for trash/waste oil sites, as well as temporary office buildings and restrooms used by the Operator. The parking lots are designated on Exhibit A: Parcel Nos. 1, 5,6,8, and 9, which include designated parking for tenants and guests of the Marina, as well as some spaces for potential use for public parking purposes. Any public parking uses must be approved in advance and in writing by the Executive Director.
- 3.5.2 Parking Permits. Operator shall issue parking permits to Marina tenants who have been allocated space in the parking areas.
- 3.5.3 Parking Restrictions. Parking areas designated as tenant parking are restricted for parking of vehicles associated with Marina operations only, including tenants and guests. Parking areas designated as public parking may not be rented and

EXHIBIT "B-1"

may be utilized by the City for special events or other purposes. Long term parking of recreational vehicles is strictly prohibited. Parking areas are not allowed for use as repair sites, storage facilities by boaters or visitors or through third party parking agreements.

3.5.4 City Use of Parking Areas. On occasion, City may authorize and request use of parking on the Premises to support Port sponsored special events.

3.5.5 Signage. Operator shall ensure adequate and appropriate parking signage is posted for all lots on the Premises.

3.5.6 Parking Management Program. Operator shall establish a parking management program, including procedures for enforcement of vehicles not permitted to park on Premises.

3.6 Crane Hoist Operations. Within forty-five (45) days of the Effective Date of this Agreement, Operator shall develop rules for crane hoist operations. Operator shall include information regarding all federal, state and local regulations applicable to such operation. Operator shall procure all materials, equipment and supplies needed for crane hoist operations consistent with the approved Annual Budget.

3.6.1 Crane Hoist Training. Operator shall provide crane hoist operations training to staff consistent with all applicable federal, state and local laws, rules and regulations.

3.7 Additional Services. City reserves the right to request additional services from Operator relating to this Agreement when approved by the Parties, if not covered in accordance with the Scope of Work.

3.8 Compliance with Rules and Regulations. Operator shall observe, obey, and comply with rules and regulations adopted by the City and all laws, ordinances, and rules and regulations of other governmental units and agencies having lawful jurisdiction, which may be applicable to the operations under this Agreement. Failure to do so will constitute a breach of this Agreement. Further, Operator shall procure all required permits, licenses and approvals for the operation and performance under this Agreement.

3.9 Consent. Any and all matters requiring consent by the City shall be provided in writing. Advance written approval is specifically required prior to implementing any of the following changes:

- (a) Original signage and graphics on the Premises
- (b) Crane hoist operations
- (c) Landscape plans
- (d) Parking areas
- (e) Any use of the City's name
- (f) Improvements or changes to the Premises
- (g) Hours of business operation
- (h) Marina décor installed or displayed on the Premises

EXHIBIT "B-1"

3.10 Commercial Use Prohibited. Commercial activity and operations, as defined in Tariff No. 4, Section 22 and in Section 3.10.2 below, are prohibited under this Agreement. Use of Premises is restricted to recreational boating purposes and vessels with recreational registration only. Operator shall not use, or authorize use of the Premises for any purpose not set forth in the Agreement without prior written approval of the Executive Director or designee.

3.10.1 Authorization for Commercial Use. Consistent with Tariff No. 4, the City reserves the right to add commercial activity and operations on slips and dock structures. However, in no event shall any approved commercial business compromise the economic viability of other commercial business on slips and dock structures located within reasonable proximity to the Premises.

3.10.2 Breach of Contract Due to Commercial Use. Operator shall be in breach of this Agreement if commercial activity and operations, or any unauthorized use or operation takes place on the Premises. Commercial business includes, but is not limited to:

3.10.2.1 Any operation of a vessel for compensation or hire;

3.10.2.2 Any service performed incidental to the operation of any vessel for which a fee is charged or compensation is received in the form of cash, credit, or any other method of valuable consideration;

3.10.2.3 Any vessel rentals, charters, tours or vessel operation for fishing; and,

3.10.2.4 Any of the above uses or operations, whether or not operator is licensed, registered or in compliance with all laws and regulations, whether vessel is used by owner or any other person, firm or entity for which use the owner, or other person or entity, receives cash, credit, or any other form of valuable consideration.

3.10.3 Notification to Vacate Premises. Upon the Effective Date of the Agreement, Operator shall immediately instruct any existing commercial tenant or operation to vacate the Premises, unless approved, in writing, by the Executive Director. If tenant is approved to remain on the Premises, the tenant must agree to immediately cease all commercial activity within the Premises and comply with Marina Rules and Tariff No. 4.

3.11 Transient Vessels. Operator shall prohibit unauthorized transient vessels and recreational vehicle use on the Premises.

3.12 Special Events. Operator shall prohibit use of the Premises for special events, fairs, swap meets, or filming activities unless the Executive Director, or designee, gives prior written consent. Collection of fees for such events is prohibited, unless written authorization is granted by the Executive Director, or designee. Upon prior approval by Executive Director, Operator shall be reimbursed for directly incurred expenses.

3.12.1 Special Event Paid Parking. Operator shall not enter into any agreements for special event parking.

EXHIBIT "B-1"

3.13 Liens. The City shall have a lien upon all personal property of Operator engaged in executing the requirements under this Agreement, to secure the payment to the City of any unpaid money accruing to the City under the terms of this Agreement.

3.14 Vessel Lien Sales. Within sixty (60) days of the Effective Date of the Agreement, Operator shall develop policies and procedures to prevent the need for vessel lien sales. In the event a lien sale is unavoidable, after all other feasible actions have been performed, Operator shall execute such sale in accordance with applicable federal, state and local laws, rules and regulations.

3.15 Facility Inventory Audit. The City shall have the right at any time to review and audit inventory and improvements on the Premises.

4. MARINA RULES AND REGULATIONS

4.1 Marina Rules and Regulations. Operator shall comply with Harbor Department's Cabrillo Way Marina Rules, Attachment 2.

4.2 Distribution of Marina Rules. Operator shall distribute Marina Rules to Marina tenants and owners of all vessels berthed in the Marina, or vessels and trailers stored in the dry boat storage area.

4.3 Marina Tenant Acknowledgements. Operator shall ensure best efforts to obtain acknowledgement and understanding of the Marina Rules by every Marina tenant renting space on the Premises.

5. BUDGET

5.1 Annual Budget Preparation. The City shall have input on the development of the annual budget for operation of the Marina and shall approve said budget ("Annual Budget"). Further, City may modify said budget at its discretion. The Annual Budget shall identify revenue projections and estimated expenditures, which are anticipated to be generated on behalf of the City by Operator's performance under this Agreement. Changes to the Annual Budget shall be approved, in advance and in writing, by the City. Operator shall prepare the Annual Budget using the format as shown in Attachment 5, Cabrillo Way Marina Proposed Operating Budget. Operator can offer changes to the budget format, subject to the approval, in writing, by the Contract Administrator.

5.1.1 First Year's Budget. Operator's first year's Annual Budget shall be based on Attachment 5, Cabrillo Way Marina Proposed Operating Budget.

5.1.1.1 Within six (6) months of the Effective Date of the Agreement, Operator shall prepare and submit an updated Annual Budget for the first year of operation and prepare proposed budgets for the remaining years of the initial term of the Agreement. The proposed budgets shall include detailed support documentation which justifies the revenue projections and estimates of expense.

5.1.2 Annual Budget Approval. During the term of the Agreement, Operator shall work

EXHIBIT "B-1"

with the City to develop and agree upon an Annual Budget for the operation of the Marina pursuant to the Agreement, for approval by the City no later than December 1 of each year. City shall provide Operator with a written confirmation to acknowledge approval of the Annual Budget.

- 5.1.3 Annual Budget Information. Operator's annual revenue projections shall identify all sources of estimated gross receipts. Operator's annual estimated expenditures shall include, but are not limited to, the following:
- (a) Personnel Costs. All Marina employees and staff shall be employed by Operator. Operator shall prepare an organizational chart listing all of the full and part-time positions proposed by Operator, their positions with titles, number in each position, job descriptions, proposed pay ranges, and benefit costs for each position. The personnel information shall be incorporated into the Annual Budget for the remaining years of the initial term of the Agreement.
 - (b) Marketing and Promotion Costs. Operator shall provide a detailed marketing and promotion annual budget document with detailed marketing and promotion cost information which shall be incorporated into the Annual Budget for the remaining years of the initial term of the Agreement.
 - (c) Proposed Minor Improvements, Repair and Maintenance Plan. Operator shall develop a minor improvements, repair and maintenance plan ("Improvement Plan") for the first five (5) years of the term of the Agreement. The proposed Improvement Plan shall provide line-item details and specific written justification to support the proposed activities and associated expenses. The Improvement Plan shall provide for preventive maintenance of the Premises, including, but not limited to, improvements, equipment, facilities, and landscaping, and shall incorporate the requirements of Section 7, Facility Maintenance. The Improvement Plan shall be incorporated into the Annual Budget for the remaining years of the initial term of the Agreement.
- 5.1.4 Budget and Projections. City acknowledges that any budgets or projections prepared by Operator for City are only estimates of revenues and expenses and may be affected by changes in financial, economic, competitive and other conditions and circumstances beyond Operator's control and that such projections and budgets are not to be construed as a guarantee by Operator of the actual results to be obtained from operations.
- 5.1.4.1 Operator shall notify the City, in writing, at least monthly, of material deviations from the Approved Budget. A material deviation from the Approved Budget shall be defined as a cumulative fiscal year to date budget variance, in either revenues or expenditures, which exceeds fifteen percent (15%) of the Approved Budget, respectively.

6. MARINA SECURITY

6.1 Safety and Emergency Plan. Within sixty (60) days of the Effective Date of the

EXHIBIT "B-1"

Agreement, Operator shall implement a Safety and Emergency Plan. Operator shall work with the Port Police, the City of Los Angeles Fire Department and other appropriate personnel to develop and implement adequate safety and emergency plans for the Premises ("Safety and Emergency Plan"). The Safety and Emergency Plan shall comply with the United States Public Health Service, United States Coast Guard, California Occupational Safety and Health Administration requirements, Tariff, City of Los Angeles fire codes and any other federal, state or local regulations relating to fire protection and safety and health regulations, as applicable.

6.2 City Emergency Contact. The City shall provide to Operator the names and telephone numbers of personnel designated to respond to emergency situations at all times.

6.3 Professional Security Patrol Detail. Operator shall implement and operate a professional security patrol detail to provide protective services and ensure boater and public safety and security of City property. Security patrol shall be on duty, as scheduled, to ensure the safety and protection of the Premises, its assets, boat tenants and employees.

6.4 Security Personnel. Operator shall schedule a sufficient number of security patrol personnel on the Premises to provide for 24/7 coverage. Security shall patrol the Premises when operational staff is not present in order to achieve optimum security coverage at all times.

6.4.1 Additional Security. Operator acknowledges that additional security and patrol may be required for holidays and busy weekends.

6.4.2 Dock Gate Security. Operator shall also manage all dock gates to ensure proper function and will re-set and adjust access code status as necessary to ensure proper security.

6.4.3 Security Monitoring. Operator personnel on duty shall monitor all activities on the Premises and report incidents to the City as appropriate. Vehicles, equipment, tools and supplies shall be secured when not in use.

6.4.4 Communication Devices. Operator shall ensure that security patrol personnel on the Premises are equipped with and carry communication devices such as cell phones or 2-way radios.

6.4.4.1 Operator shall coordinate with Port Police prior to installing any radio or telecommunications equipment to avoid frequency interference with any public safety communications.

6.4.5 Firearms Prohibited. All security personnel, and all other employees, are prohibited from carrying firearms on the Premises.

6.5 Security Phone Number. Operator shall post, on the Premises, an emergency telephone number and assure that a member of Operator's staff is available to answer the phone 24/7.

EXHIBIT "B-1"

6.6 Facilities Access. Monitor and maintain access to key and electronically controlled facilities.

7. FACILITIES MAINTENANCE

7.1 Facilities Maintenance Requirements. Requirements of this section and findings of the initial inspection of the Premises shall be incorporated into the development of the Improvement Plan, Section 5.1.3(c).

7.2 Maintenance of Premises. Operator shall maintain the facilities in good order and in sanitary and safe condition as acceptable to City. Maintenance shall be performed on all buildings, facilities, landscaping, irrigation systems, docks, signage, parking areas, cleaning of storm drains and all other improvements on the Premises.

7.2.1 Initial Inspection of Premises. Within thirty (30) days of the Effective Date of the Agreement and in conjunction with Section 5.1.3, Improvement Plan, Operator, accompanied by Contract Administrator / Construction and Maintenance Division, shall complete an initial examination of the Premises and develop an annual maintenance schedule to ensure the safety, quality and integrity of the Premises, and for prevention of deterioration of facilities and equipment. Operator shall submit an inspection report to the to the Contract Administrator.

7.2.2 Mandatory Facilities Maintenance. Maintenance work shall be performed using best management practices. Mandatory maintenance is applicable, but not limited to, the facilities and equipment set forth below.

- (a) All docks and gangways
- (b) Interior and exterior of all Harbor-owned buildings and improvements
- (c) Crane hoists
- (d) Pump-out stations and related sewage lines
- (e) Used-oil recycling facilities
- (f) Boater and public restrooms
- (g) Laundry facilities and janitorial closets
- (h) Associated utility service panels
- (i) Storage facilities
- (j) Gates and locks, including electronic key access control systems
- (k) Irrigation systems
- (l) Lighting systems
- (m) Parking areas
- (n) Promenade walkways
- (o) Bike paths
- (p) Dry boat storage area
- (q) Storm drain filtration system
- (r) Signage throughout the Premises
- (s) Fire extinguishers, fire hoses, and fire hose boxes

7.2.3 Operator shall ensure that the building façades, doors, walls, roofs and eaves, and docks, fingers and gangways, are free and clear of appurtenances, permanent fixtures and all other improvements, modifications, attachments and alterations that may potentially void warranties or cause safety hazards.

EXHIBIT "B-1"

7.3 Routine Day-to-Day Maintenance.

7.3.1 Minor Improvements. In connection with performance of routine day-to-day maintenance, repair and landscaping, Operator shall negotiate and supervise the installation of minor capital improvements related to the Premises which Operator, in its reasonable discretion, deems necessary or appropriate, provided however, that Operator shall obtain the prior written approval of the City for all expenditures in excess of five thousand dollars (\$5,000) for any one item (except monthly or recurring operating charges and emergency repairs if in the opinion of Operator such expenditures are necessary to protect the Premises from damage or to maintain services to Marina tenants as called for in their agreements).

7.3.2 Mechanic's Lien. Operator shall not contract for any products or services that might allow any mechanic's liens or lien of any kind to be placed on the Premises.

7.4 Facilities and Equipment Damage. Operator shall provide immediate notification to Port Police and the Contract Administrator to report any damage to the Premises and/or equipment. Operator shall follow up with a written report to the Contract Administrator, summarizing facility and equipment damages.

7.5 Pump-Out and Waste Oil Operations. Operator shall maintain and oversee operation including, proper disposal of all waste from sewer pump-out operations of the fifty-three (53) in-slip hydrant and hook-ups located on the gangways of the larger slips throughout the Marina, of which six (6) are sewer vacuum pump-out systems. Operator shall also provide for pump-out accessibility to Marina tenants and the boating public during business operating hours. Pump-out and waste oil operations shall be performed in accordance with Tariff.

7.6 Graffiti Removal. Operator shall remove any and all graffiti immediately from any part of the Premises.

7.7 Pest Control. Operator shall implement and maintain a continuous pest control program applying humane prevention of infestation of pests, animals and nuisances (Pest Control Program) with a minimum monthly inspection. The Pest Control Program shall comply with all federal, state, local or county statutes, ordinances and regulations. Pests shall include, but are not limited to, the following:

- (a) Insects and vermin
- (b) Pigeons
- (c) Seagulls
- (d) Raccoons
- (e) Dogs
- (f) Feral cats

7.7.1 Operator shall utilize a licensed pest control operator to control rodents in a humane and professional manner.

EXHIBIT "B-1"

7.8 Custodial and Janitorial Services. Operator shall provide custodial services maintaining the Premises in a safe and sanitary condition at all times.

7.8.1 Schedule of Services. At minimum, Operator shall perform services in accordance with the provisions and schedule outlined below.

7.8.1.1 Daily.

- (a) Check trash receptacles throughout the Premises and empty as necessary.
- (b) Clean all restrooms, including floors, walls, windows, bathroom stalls, urinals, toilets, mirrors, and counter tops and sinks.
- (c) Clean all showers and laundry rooms; re-stock restroom supplies; empty trash receptacles.
- (d) Pick up litter.
- (e) Patrol all walkways, gangways, driveways and grounds for debris and hazards.
- (f) Walk the docks to make sure no vessel is listing or in danger of capsizing or sinking.
- (g) Sweep, clean or wash any areas as required to avoid accumulation of all debris, including animal feces, dirt, sand and leaves.

7.8.1.2 Weekly.

- (a) Perform preventive maintenance tasks on docks, equipment and facilities to ensure minimal failure and proper sufficiency.

7.8.1.3 Semi Monthly (every two weeks).

- (a) Check dock lights and replace broken or expired lamps and photocells as necessary.
- (b) Inspect the surface of walkways, gangways and dock floats for hazardous conditions such as trip hazards, holes or missing or broken sections of concrete, missing or deteriorated non-skid coatings, float instability or listing, exposed nails, screws or bolts. Notify the Contract Administrator of any defects or irregularities.
- (c) Walk docks to inspect for any indications of structural failure including deteriorated gusset boards, broken blocks or guides, broken float connections, or insufficient freeboard. Notify the Contract Administrator of any defects or irregularities.

EXHIBIT "B-1"

- (d) Inspect fire hose enclosures for broken glass or door latch failure. Verify fire extinguishers are in proper locations and fully charged. Ensure fire hoses are properly stowed.
- (e) Inspect fire hoses for leaking valves.

7.8.1.4 Monthly.

- (a) Lubricate locks and hinges on all gates and doors to prevent corrosion.

7.8.1.5 Annually.

- (a) Service all HVAC units by qualified certified technicians to ensure proper operation.
- (b) Recharge and re-certify all portable fire extinguishers.
- (c) Perform bolt adjustments on all fingers and docks to maintain integrity.

7.8.1.6 As-Needed.

- (a) Operator acknowledges that the Marina is new and that the Operator shall not attempt modifications or repairs to any improvements whatsoever covered by warranty but shall immediately notify the Contract Administrator of any defects, failures or malfunctions.
- (b) Paint interior and exterior of facilities as needed or as determined by the City.
- (c) Operator shall perform preventative maintenance of Marina infrastructure (gates, locks, key systems, floats, rollers, gangways, etc.) in accordance with manufacturer recommendations or, industry standards if manufacturer does not provide care or maintenance guidelines.
- (d) Wash trash receptacles as needed.
- (e) Sweep parking areas as needed.
- (f) Sweep dry boat storage areas as needed.

7.9 Landscape and Hardscape Area Services. Operator shall furnish all labor, tools, and equipment needed to provide full service landscape maintenance services to the areas covered by this Agreement. Operator shall provide personnel fully trained in all phases of landscape irrigation system operations, maintenance, equipment adjustments, repair, including copper, galvanized, and plastic piping and all brands of components, and sprinkler heads. Within thirty (30) days of the Effective Date of the Agreement, Operator

EXHIBIT "B-1"

shall designate a landscape services supervisor ("Landscape Supervisor") for communication and coordination purposes and provide the Contract Administrator with contact information. Operator shall provide updates within five (5) days of any changes to contact information.

7.9.1 Consistency and Enforcement of Scheduling. Operator shall commit to and enforce a consistent schedule of landscape services.

7.9.2 Monthly Inspections. Operator shall participate in monthly inspections of all maintained areas with landscaping personnel to ensure proper care is being provided.

7.9.3 Landscape Service Provisions. Operator shall provide landscape maintenance services in accordance with the provisions and schedule outlined below.

7.9.3.1 Maintenance Parcels.

(a) Collect and remove all debris from the maintenance parcels, including litter, leaves, down branches, etc., and take away from site at the conclusion of the day's work or the end of the day, whichever occurs first.

(b) Operate blowers no earlier than 9:00 a.m. and no later than 5:00 p.m.

7.9.3.2 Turf – Mow and Edge

(a) Mow all turf areas once each week and on the same day throughout the contract period.

(b) Reschedule any mow service to the first acceptable day when missed due to inclement weather or ground conditions from such weather.

(c) Ensure removal and proper disposal of all debris including, but not limited to, paper and glass, from surfaces to be groomed prior to mowing.

(d) Adjust cutting heights seasonally.

(e) Neatly and uniformly edge all turf grass borders concurrent with every mowing.

(f) Perform edging using mechanical methods except where physically impossible or impractical.

7.9.3.3 Groundcover and Flowerbeds.

(a) Maintain and cultivate groundcover and flowers to promote healthy growth.

EXHIBIT "B-1"

- (b) Trim groundcover and flowers to restrict growth onto hardscape, as well as tree, shrub and turf areas.
- (c) Maintain full coverage of groundcover which may include drought tolerant options including bark.
- (d) Advise the Landscape Supervisor of bare areas for approval of purchase and placement of additional plants or bark to achieve full coverage.
- (e) Rid groundcover and flowerbeds of all weeds and volunteer growth, grasses, leaves, litter and other debris to ensure continuous acceptable appearance.

7.9.3.4 Shrubs.

- (a) Maintain shrubs to promote their healthy growth.
- (b) Trim shrubs to restrict growth from hardscape, groundcover, turf and other shrub areas.
- (c) Advise Landscape Supervisor of areas for approval of purchase and placement of necessary additional shrubs to ensure continuous acceptable appearance.
- (d) Rid shrubs of all weeds, grasses, leaves and other debris to ensure a continuous acceptable appearance.

7.9.3.5 Hardscape Areas.

- (a) Remove and properly dispose of all accumulated debris, including plant materials and litter, and the same from promenades, streets, roadways, sidewalks, steps, parking lots and parking lot corners immediately adjacent to the maintenance parcels. Such removal and disposal shall be an integral part of the area service.
- (b) Empty all refuse containers and properly dispose of all contents. Such empty and disposal activity shall be an integral part of each visit.
- (c) Remove all weeds or other growth from cracks or breaks in street, roadway, sidewalk, and steps.
- (d) Provide immediate notification to Contract Administrator upon observation of the presence of excessive refuse or evidence of dumping.

EXHIBIT "B-1"

7.9.3.6 Trees.

- (a) Maintain trees so as to promote their healthy growth.
- (b) Edge and weed tree beds to maintain a continuous clean and attended appearance.
- (c) Prune trees to twelve feet (12 ft.) as necessary to remove dead and dying branches and to remove hazards and obstacles extended over streets, sidewalks, turf, groundcover and shrubs.
- (d) Replace trees as needed.

7.9.3.7 Weed Control.

- (a) Utilize an ongoing program of physical effort, and chemical application as necessary, to eliminate weeds, pests, fungus and insects.
- (b) Operator shall enforce observance of all safety requirements including, but not limited to, use of personal protective equipment on the part of those applying chemicals.

7.9.3.8 Fertilization.

- (a) Fertilize all non-turf areas with 12-12-12 fertilizer at the rate of one pound actual nitrogen per one thousand square feet (1,000 sf) then re-fertilize at the same rate every ninety (90) days thereafter.
- (b) Perform deep root feedings to all new trees and large shrubs then re-feed every six (6) months thereafter.
- (c) Minimize moisture in fertilization areas prior to broadcast.
- (d) Thoroughly irrigate fertilized areas immediately following fertilization.

7.9.3.9 Irrigation and Irrigation System.

- (a) Perform all irrigation in accordance with effective City ordinances. Effective City ordinances are available on the Internet at www.Ladwp.com/ladwp/cms/ladwp001257.jsp.
- (b) Irrigate all areas as necessary to maintain adequate growth and continuous acceptable appearance.
- (c) Perform irrigation between 1:00 a.m. and 4:45 a.m. To the extent it can be performed through automatic control, irrigation shall be

EXHIBIT "B-1"

scheduled to supply quantities and frequencies consistent with seasonal requirements of the plant materials in the landscape.

- (d) If an automatic control system is not present, watering must be performed manually. Operator shall make all adjustments necessary for prevention of under or over irrigating, and sprinkler head adjustments to prevent excessive runoff and erosion, and watering of hardscape.
- (e) Provide personnel fully trained in all phases of landscape irrigation system operations, maintenance, equipment adjustments, repair, including copper, galvanized, and plastic piping and all brands of components, and sprinkler heads.
- (f) Perform irrigation care as part of routine landscape upkeep to adjust all sprinkler heads and risers, clean and flush heads, lines, emitters, screens and to remove obstructions as necessary to provide adequate coverage to all landscaped areas.
- (g) Test all irrigation systems the first (1st) and third (3rd) week of each month and correct any and all irrigation system problems. City shall provide Operator with the computer password necessary for performance of manual testing of irrigation system.
- (h) Test any irrigation system when damage is suspected, observed or reported by others.
- (i) Perform all repairs to landscape or to irrigation systems.

8. INSPECTIONS

8.1 City Inspections. Operator shall provide personnel to accompany Contract Administrator on periodic inspections of the Premises to determine Operator's compliance with the Agreement.

8.1.1 Deficiencies. Within thirty (30) days of written notice by the City, Operator shall provide written confirmation to the City of all efforts and/or corrections made with respect to all deficiencies documented during City staff inspections of the Premises. If corrections have not been made and more time is required, Operator and City shall agree on an extension to accomplish such corrections.

8.2 Other Agency Inspections. Operator shall provide appropriate responses in compliance with any federal, state and local agency inspections.

8.3 Dock Box Inspections. Operator shall conduct random dock box inspections to ensure no hazardous, or illegal materials, are stored inside.

8.4 Facility and Equipment Inspections. Operator shall perform scheduled monthly inspections and accurately document the condition of the facilities and equipment on the Premises. Inspections shall include a property control process to safeguard and account

EXHIBIT "B-1"

for City property. Operator shall maintain inspection records on file in the Marina office during the entire term of the Agreement.

8.5 Fire Safety Inspection. Operator shall coordinate and cooperate with the City and City's Fire Department for annual inspections of fire safety and equipment, or more frequently as deemed necessary.

8.6 Liveaboard Inspections. City authorized staff shall perform inspections of liveaboard vessels consistent with Tariff Item No. 2230. Operator is responsible for ensuring inspections are performed. Such inspections shall be performed on vessels of new and existing Marina tenants with liveaboard status.

8.7 Parking Area Inspections. Operator shall monitor and inspect all vehicles parked on Premises to verify compliance with all requirements set forth in parking permits.

8.8 Roof Inspections. The City shall perform an annual inspection of all facility roofs.

8.9 Vessel Inspections. Operator shall inspect vessels to determine seaworthiness, as defined in Tariff Item No. 2215, and for verification of compliance with navigational requirements pursuant to the Inland Navigational Rule Act of 1980. Operator shall inspect vessels when a rental application is filed or upon entry on the Premises, and on-going vessel inspections shall be performed in accordance with this Section.

8.9.1 In-Slip Vessels. Operator shall conduct vessel inspections consistent with Tariff. Inspection shall include all vessels berthed in the Marina to verify among other observations, conformance with all requirements set forth in the agreements for slip assignment, current Department of Motor Vehicle registration and United States Coast Guard documentation, including proper vessel display of such registration and documentation, as applicable.

Vessel inspections shall also provide for condition of vessels identifying any vessel that is not in compliance with environmental requirements, including vessels that may be listing, capsize or sink.

8.9.2 Dry Boat Storage Vessels and Trailers. Operator shall conduct inspections of stored vessels and trailers consistent with the Tariff. Inspection shall include all items located in the dry boat storage area to verify among other observations, conformance with all requirements set forth in the agreements for dry boat storage stall assignment, current Department of Motor Vehicle registration and United States Coast Guard documentation, including proper vessel and trailer displays of such registration and documentation, as applicable.

9. ENVIRONMENTAL

9.1 Environmental Operational Requirements. Operator shall comply with all applicable federal, state, local and City environmental rules, regulations, policies, and requirements.

EXHIBIT "B-1"

9.2 Clean Marina. Operator shall implement Clean Marina best management practices, as detailed in the Clean Marinas California Program, incorporating any City clean marina requirements. The Clean Marinas California Program is accessible in the City's Clean Marina Program Guidebook which is available on the Internet at:

www.portoflosangeles.org/pdf/Clean_Marina_Guidebook.pdf. Operator shall strive to obtain Clean Marina certification no later than six (6) months after the Effective Date of the Agreement, or earlier if feasible.

9.2.1 Submittal of Certification. Immediately upon receipt of certification, Operator shall mail a copy to the Harbor Department's Environmental Management Division ("Environmental Management Division") and the Contract Administrator, which will remain on file.

9.3 Environmental Policy. Operator shall comply with Harbor Department's Cabrillo Way Marina Rules, Attachment 2, which includes Environmental Procedures for In-Water Boat Maintenance. Operator shall communicate environmental policy information to Marina customers, and affix Attachment 2 to every rental agreement, to be incorporated thereof.

9.4 Marina Tenant Environmental Knowledge. Operator shall ensure best efforts in oversight of Marina tenant compliance with said laws and regulations and shall alert and report violators to proper authorities, including an immediate written report to Environmental Management Division. Operator shall mail report to the Environmental Management Division, with a copy to Contract Administrator.

9.5 Illegal Discharge. Ensure best efforts to prevent illegal or illicit discharge from occurring from vessels, in accordance with all applicable Tariffs and regulations.

9.6 Hazardous Spill. Operator shall act in accordance to Tariff in response to hazardous spills. Operator shall also immediately notify Port Police Haz-Mat Investigations and the City of Los Angeles Fire Department of any hazardous spills.

9.7 Waste Material Disposal. Ensure that the waste oil collection center for used oil, used oil filters, and used bilge pad collection is maintained and disposal of waste materials is handled properly. The City encourages coordination with outside agencies to implement a grant-funded bilge pad exchange program. Grants may be available through the City of Los Angeles, Department of Public Works, Bureau of Sanitation, or the Santa Monica Bay Restoration Foundation or others.

9.8 Recycling Program. Within sixty (60) days of the Effective Date of the Agreement, Operator shall implement and maintain a recycling program for paper, plastics, glass, household batteries, zinc and other metal anodes, used oil, and any other recyclable materials ("Recycling Program"). Operator shall coordinate with the Harbor Department's Recycling Coordinator to confirm said Recycling Program has been accomplished as described herein.

9.9 Grooming. Groom, clean, and maintain harbor waters to keep free of debris and obstructions. Ensure proper disposal of all debris and obstructions from harbor waters.

EXHIBIT "B-1"

10. REPORTS

- 10.1 Reporting Format and Due Dates.** Reports shall be transmitted in an electronic format, whenever possible, and via mail using the address(es) provided in Section 13.
- 10.2 Vessel Engine Report.** In coordination with the Environmental Management Division, Operator shall prepare an annual report comprised of collected engine information, including type and age, on all vessels which are berthed at the Marina ("Vessel Engine Report"). The Vessel Engine Report shall be developed in a database format using Excel, Access, or another software program acceptable to the City. Operator shall transmit the Vessel Engine Report to the Environmental Management Division and the Contract Administrator.
- 10.3 Marina Rental Rates Report.** Operator shall conduct an annual survey and prepare a list of the rates charged at adjacent marinas ("Marina Rental Rates Report"). The Marina Rental Rates Report shall be due December 1 of each calendar year and shall be transmitted to the Contract Administrator.
- 10.4 Marine Sanitation Devices Inventory Report.** Operator shall perform an annual inventory of marine sanitation devices ("MSD") and prepare a report documenting the types of devices ("Marine Sanitation Devices Inventory Report"). Operator shall perform the initial inventory on all new Marina slip tenants and dry boat storage tenants with permanent occupancy status. The Marine Sanitation Devices Inventory Report shall be transmitted to the Environmental Management Division and the Contract Administrator.
- 10.5 Parking Permits Report.** Operator shall maintain, on the Premises, an updated report which lists all parking permits assigned to Marina tenants ("Parking Permits Report"). The Parking Permits Report shall include, but is not limited to, the information set forth below.
- (a) Marina tenant's name
 - (b) Parking permit number
 - (c) Marina tenant's slip space assignment
 - (d) Marina tenant's dry boat storage stall number
 - (e) Parking permit expiration date

11. MARKETING, ADVERTISING AND PROMOTION

- 11.1 Marketing Plan.** Within six (6) months of the Effective Date of the Agreement, Operator shall develop a Marketing Plan, identifying activities and strategies to achieve a successful Marina operation. The Marketing Plan shall focus on attracting new customers outside the Los Angeles harbor marinas. The Marketing Plan shall include policies and procedures which Operator deems necessary or advisable for directing marketing subject to the Annual Budget proposal.
- 11.1.1 Marketing Plan Implementation.** The Marketing Plan shall include an implementation schedule identifying items to be completed within one (1) year of the Effective Date of the Agreement.

EXHIBIT "B-1"

11.1.2 Signage and Advertising Materials. All advertising of the Marina including signs may be carried under the Operator's name and the name of the City. Any marketing or promotion documents prepared by Operator using the City or Port of Los Angeles logo, including advertisements and brochures, shall be approved by the Port of Los Angeles Public Relations Director prior to their implementation, publication, distribution or dissemination.

11.1.3 Promotion of Los Angeles Harbor Facilities. Operator shall in good faith and with all reasonable diligence use its best efforts, by suitable advertising and other means, to promote use of the Marina as authorized by this Agreement and cultivate access to the waterfront and harbor areas.

11.1.4 Publications. Operator shall include the Marina in newsletters or periodicals which it publishes or distributes.

12. BOOKS AND RECORDS

12.1 On-Site Records. Maintain on-site, all books, accounts, and other records related to the Marina operations, including but not limited to the records set forth below. Upon the expiration of this Agreement, Operator shall deliver all records, documents, accounts, ledgers, waiting lists, reports, electronic files, agreements and other work product produced pursuant to this Agreement to City in an organized, usable form.

- (a) Slip tenants
- (b) Boat and trailer storage tenants
- (c) Launch and retrieval operations
- (d) Occupancy and identification of liveboards
- (e) Security activities, including electronic key card access information
- (f) Financial, management and operational issues
- (g) Maintenance records
- (h) Guest slips and interim rentals
- (i) Wait lists for slips and dry boat storage
- (j) Transfer request lists for slips and dry boat storage
- (k) Collection of rents, deposits and all other related fees

12.2 Regulatory Records. Operator shall maintain copies of, or have prompt access to, federal, state and local regulatory requirements applicable to Marina and boating activities and ensure compliance of such regulations.

13. MAILING ADDRESSES. Transmittal of information requested by mail shall be mailed to the designated address provided in this Section, unless City provides a change of address, in writing, to Operator.

Environmental Management Division
Harbor Department, City of Los Angeles
P.O. Box 151
San Pedro, CA 90733-0151
Attn: Director of Environmental Management

EXHIBIT "B-1"

The following mailing address shall be used for the Real Estate Division/Contract Administrator:

Waterfront and Commercial Real Estate Division
Harbor Department, City of Los Angeles
P.O. Box 151
San Pedro, CA 90733-0151
Attn: Director of Commercial and Waterfront Real Estate Division