

DANA POINT HARBOR PARTNERS DRYSTACK, LLC
Optionee Section 8.6 Submittal – Management Plan
Optionee Section 9.2.6(iii) Deliverable – Minimum Standards
Exhibit G – Minimum Standards

DRAFT

Organization & Operations (Option Section 8.6.1). Pursuant to Section 11.2 of the Lease, there shall be an on-site Property Manager who shall be responsible for the day-to-day operation and maintenance, cleanliness, and general order for the Property. Such Property Manager shall be vested with the authority of Bellwether Financial Group, Inc. (“BFG”). The Property Manager shall provide diligent, first class, professional and competent real property management for the Property. The Property Manager will supervise the operation and maintenance of the Property, including the authority to enforce compliance by Lessee’s tenants, agents, employees, concessionaires, or licensees with the terms and conditions of this Lease and any and all rules and regulations adopted hereunder. BFG intends to assume the operating contract of Vintage Marina Partners L.P. upon execution of the Lease and shall notify County in writing of the name of any successor Property Managers. Initially Vintage will report directly to BFG and be responsible for finance and accounting services overseen by BFG. BFG and/or its Property Manager will schedule regular meetings, but not more than once a month, with County staff to discuss and evaluate any issues related to the operation of the project site.

Safety & Security, Public Services (Option Section 8.6.2). The ultimate purpose of this Lease is the complete and continuous public use of the Property for the benefit of the public, and all facilities and services shall be made available to the public without discrimination. Property Manager shall operate the Property under sound business practices. Property Manager shall provide adequate security measures to reasonably protect persons and as to the overall safety and security on the Property. BFG hereby acknowledges that County’s Harbor Patrol is not responsible for routine security services or landside police services on the Property and the Harbor Patrol function is to provide emergency and marine oriented law enforcement and fire services to the boating public. Property Manager will agree to obey, abide by, and be in conformance with all applicable governmental codes, laws, rules and/or regulations concerning operations on the Property. BFG will provide an overall security program including onsite personnel to increase the safety and security of the leasehold, including, but not limited to its parking facilities, common areas and public spaces.

Financial Management Plan (Option Section 8.6.1). BFG shall provide for accounting in accordance with the Lease terms. Each month, BFG’s accounting will be compiled into a report to the County provided by BFG in a format previously agreed to by both parties. Further, as required by Section 15.8 of the Lease, Lessee shall provide the County a set of audited and certified financial statements within 90 days after the end of each Accounting Year.

Quality Service Plan (Option Section 8.6.4). BFG shall be responsible for the Property Manager and shall be responsible for making sure that the Property Manager provides diligent, first class, professional and competent real property management for the Property. Any change to a Property Manager shall abide by the provisions of the Lease. In addition, BFG will ensure that a 24/7 hotline to address service issues is maintained.

Maintenance Methodology (Option Section 8.6.5). Property shall be maintained in a safe, efficient, competent and clean manner for the public, visitors, tenants and vendors, and generally to the standards required under the Lease by the Property Manager. Property Manager will

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DRAFT

maintain a Policy & Procedures Manual pursuant to Section 8.6.6 below, which shall include the following programs:

- (i) Daily housekeeping, cleaning, trash disposal, litter removal and extermination;
- (ii) Preventative maintenance;
- (iii) Water quality management;
- (iv) Structural maintenance, preventative and predictive maintenance, routine repairs and replacement; and
- (v) Future capital improvements, expansions, renovations, modernizations and refurbishment, including, but not limited to the Subsequent Renovation Fund and the Capital Improvement Fund pursuant to Sections 5.15 and 5.16 of the Lease.

Standards and Requirements as Set Forth in Exhibit G to the Lease (Option Section 8.6.6)

- (i) **Launch Ramp.** The launch ramp facility shall be open for the benefit of the public twenty-four (24) hours per day, every day of each year, except as Property Manager, County or any governmental agency with regulatory jurisdiction may deem conditions to be unsafe to the public and order closure. In the event a governmental agency ordered closure, Property Manager shall immediately notify the County of such closure and unsafe condition existing. All rates charged for launching, parking and boat wash down shall be fair and reasonable. Property Manager shall not allow any third party to conduct or solicit business activity or allow mechanical servicing activity on or from the launch ramp facility.
- (ii) **Dry Boat Storage.** Property Manager shall make dry boat storage available on fair and reasonable terms and without discrimination. Property Manager shall use reasonable and diligent efforts to develop and implement procedures or services to allow for removal of boats from dry storage for after-hours access and departures.
- (iii) **Parking Plan.** Property Manager shall operate the Property under the provisions of a Parking Plan. The Parking Plan shall be updated annually by the Property Manager during the term of this Lease and shall be made available to County at any time upon written request from the County. The purpose of the plan is to provide the public an adequate number of parking spaces, efficient internal traffic circulation, and access to the Property. The Plan shall include, but not be limited to the following issues and considerations:
 - a. Required and optional use mix;
 - b. Employee parking;
 - c. Launch ramp parking;
 - d. Surface area utilized for dry boat storage;
 - e. Controlled parking;
 - f. Site plan of parking areas; and
 - g. Parking signage program.

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Optionee Section 8.6 Submittal – Management Plan
Optionee Section 9.2.6(iii) Deliverable – Minimum Standards
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DRAFT

All parking shall comply with applicable parking standards as regulated by any governmental agency with jurisdiction. Property Manager agrees to comply with any Harbor-wide parking program or shared parking arrangement as may be required by the County.

- (iv) Entry Gates. All entry gates to the launch ramp and dry storage area and any County authorized controlled parking area shall be attended by Property Manager's employees or controlled by automated systems. Such automated systems shall be convenient and efficient with regard to public use, capable of processing each type of transaction made for the various activities within the Property. Property Manager shall make attendants available for controlling launch ramp activity at all times of heavy congestion and overflow conditions.
- (v) Leasing. The leasing program shall consider the following criteria, not listed in any order of priority, and including but not limited to:
 - a. Use consistent with the Tidelands Grant from the State of California;
 - b. Feasible use that will produce a market value rental return;
 - c. Optimum land utilization;
 - d. Appropriate required and optional use mix;
 - e. Compatibility with other uses on the Property and within Dana Point Harbor;
 - f. High degree of public service;
 - g. Parking constraints and traffic circulation;
 - h. Aesthetics associated with the character of Dana Point Harbor; and
 - i. Compliance with the terms and conditions of this Lease.
- (vi) Protection of Environment. Lessee shall take reasonable steps to prevent:
 - a. Littering within the Property;
 - b. Excessive noise from emanating within the Property;
 - c. Excessive light and glare from light fixtures within the Property that could impact the safe operation of automobiles, watercraft and airplanes in the area.
 - d. Discharge or runoff of pollutants, including petroleum products, waste and debris from any source, into the waters within or adjacent to the Property or other activities that are harmful to water quality.
- (vii) Protection Measures. Reasonable steps to prevent littering, excessive noise, and discharge of pollutants into the waters within the Property shall include, but are not limited to:
 - a. Appropriate signs warning tenants and visitors to the Property against littering, production of excessive noise and discharge of pollutants into the waters within the Property shall be posted in conspicuous places within the Property. All such signs shall be approved by the County.
 - b. All leases and rental agreements with tenants shall contain provisions which specify that littering, production of excessive noise and discharge of pollutants into the waters within the Property constitute a material breach of such leases and rental agreements.

- c. In addition to the lease and rental agreement provisions required by subsection (b) above, all leases and rental agreements with owners of watercraft occupying slips, mooring, docks or other places within the Property, where a boat may be secured shall contain provisions that all such watercraft equipped with a head or other permanent installation designed to hold human waste must be equipped with a marine holding tank and will be subject to inspection of such heads/installations upon demand by BFG, will permit the placement (at BFG's discretion) of a dye tablet in the head's holding tank and its Y-Valve must be placed in a closed and locked position within the Harbor.
- (viii) Policy and Procedures.
- a. Property Manager agrees to obey, abide by, and be in conformance with all applicable governmental codes, laws, rules and/or regulations concerning operations on the Property. Property Manager further agrees to maintain a written policy and procedures manual (hereinafter referred to as "Policy and Procedures Manual") on the Property pertinent to the conduct of the required and optional services and uses provided for by this Lease. The Policy and Procedures Manual shall include, but not be limited to, maintenance, run-off management disposal of flammable liquids, hazardous waste, waste management, the discharge of waste from boats within the Property, and the annual County Parties NPDES inspections pursuant to the Lease and the address of concerns determined therein.
 - b. Upon written request Property Manager shall furnish the County a copy of said Policy and Procedures Manual. Should County, upon review and conference with Lessee, decide any part of said Policy and Procedures Manual is not in accordance with the Lease or any applicable governmental code, law, rule, and/or regulation, Lessee, upon written notice from County, shall modify said Policy and Procedures Manual to the satisfaction of the County. Primary consideration shall be the health, safety, and welfare of the public and protection of the environment.
 - c. Subject to the limitations set forth in Subsection 10.1 of the Lease:
 1. Maintenance obligations shall include, but shall not be limited to the launch ramps, racks, quay wall and structural elements of the dock system, decks, pilings, ramps, gangways, handrails, landing platforms, flotation systems, dry rot repair, repair of deteriorated areas resulting from corrosion, repair of concrete cracking and deterioration, hardware, cleats, bumper stripping, utilities and connections, storage boxes and fire suppression systems servicing the dry storage area.
 2. Preventative Maintenance Program (PMP). The following PMP is based on regular periodic inspections of launch, trailer areas, racks, dock systems and related equipment and components. The various intervals of inspection noted in this PMP shall be considered a minimum acceptable standard for Lessee's performance of maintenance activities. Actual conditions and rates of failure may require added measures or more immediate action.
 3. Daily:

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- a. Walk docks to enforce compliance with marina rules and regulations, evaluate maintenance and repair needs, and identify potential environmental or other hazards.
 - b. Clean all restrooms restocking supplies and emptying trash.
 - c. Empty all trash containers.
 - d. Inspect all parking gates for proper operation.
 - e. Police all landside areas for litter.
4. Weekly:
- a. Thoroughly sweep all parking lots of debris.
5. Semi Monthly (every two weeks):
- a. Dock Light Check: Replace broken or spent lamps and photocells as necessary.
 - b. Clean trash containers & wash around the service building.
 - c. Walking surface: Inspect the surface of the concrete dock floats - for hazardous conditions. Hazardous conditions include but are not limited to: trip hazards of lift ½” or greater, holes or missing or broken sections of concrete, float instability or listing, exposed nails, screws or bolts.
 - d. Structural Concerns: Inspect the structural integrity of launch, racks, docks for signs of failure: Look for signs of gusset board deterioration, pile roller failure, water deterioration or failure of floatation connections, insufficient freeboard.
 - e. Fire Systems: Check fire hose enclosures for broken glass or door latch failure. Ensure fire extinguisher is charged & present. Hose should be inspected for deterioration and to ensure properly hung. Gate valve should be inspected for leaking. Backflow leaks should be repaired by certified contractor.
 - f. Gangways: Inspect surface for non-skid integrity, exposed nails, screws or bolts, and stability of hand railings.
 - g. Water System: Replace leaking hose bibs and repair all other types of water leaks. Replace leaking gangway hoses.
6. Monthly:
- a. Thoroughly scrub all restroom floors and walls.
 - b. Inspect facility sidewalks for trip hazards (1/2” lift or greater).
 - c. Wash sidewalks which have become stained or otherwise dirty.
 - d. Inspect docks for rub rail problems.
 - e. Accessory item attachment: Inspect and repair connections to all cleats, dock boxes, fire hose enclosures and electrical panels.
 - f. Check all dock utility lines that may be submerged or improperly supported. Re-support lines as required.
 - g. Electrical System: Inspect & repair all power centers. Repair cover and hinge assemblies, replacing receptacles and breakers as necessary. More serious electrical issues must be repaired by licensed electrical contractor.
 - h. Replace missing pile caps and dock box lids.
 - i. Inspect gangways for excessive wear or misalignment.

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Optionee Section 9.2.6(iii) Deliverable – Minimum Standards
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- j. Building & Parking lighting should be inspected. Replace spent lights, ballasts, or photocells, broken lenses or covers. Inspect all areas for rules violations. Such violations often violate fire or safety codes.
- 7. Quarterly:
 - a. Performance testing on all public pump-out systems to include a 5-gallon bucket test, vacuum test and visual hose inspection.
- 8. Annually:
 - a. Recharge & certify all fire extinguishers.
 - b. Recertify all back-flow devices.
 - c. Inspect all piles for signs of failure, i.e. listing, cracking, and excessive deterioration.