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City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 2, 2010
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: JAMES K. HARTMANN, CITY MANAGER 
SUBJECT: APPROVAL OF TWO LICENSE AGREEMENTS WITH THE POTOMAC RIVERBOAT COMPANY AND POLAK STEAMBOAT, INC. TO BERTH THE *MATTHEW HAYES*, *ADMIRAL TILP*, *CHERRY BLOSSOM*, *MISS CHRISTIN* AND A *WORK BOAT* IN COMMERCIAL DOCK SPACE AT THE CITY MARINA.

ISSUE: Approval of a five-year license agreement with the Potomac Riverboat Company for the *Admiral Tilp*, *Miss Christin* and *work boat* and Polak Steamboat, Inc. for the *Matthew Hayes* and *Cherry Blossom*.

RECOMMENDATION: That City Council approve and authorize the City Manager to execute the attached five-year license agreements (January 1, 2010 through December 31, 2014) with the Potomac Riverboat Company and Polak Steamboat, Inc. allowing them to continue to berth the *Matthew Hayes*, *Admiral Tilp*, *Cherry Blossom*, *Miss Christin* and an unnamed *work boat* in commercial dock space at the City Marina.

DISCUSSION: The *Matthew Hayes*, *Admiral Tilp*, *Cherry Blossom*, and *Miss Christin* are used by the Potomac Riverboat Company and Polak Steamboat, Inc. to provide sightseeing tour boat and charter services. Existing agreements expired December 31, 2009. Current terms allowed the first right of negotiation for a new three-year agreement upon termination of the existing license. The dates specified were January 1, 2010, through December 31, 2012. In January 2010, after City staff and Potomac Riverboat had negotiated terms and conditions of new license agreements, City Council directed staff to amend and prepare renewal agreements with an initial term of five years with a right of first refusal extension of three years. Upon preparation of these license terms, staff received a request for numerous changes in the proposed license agreement from the attorney now representing the Potomac Riverboat Company in these license negotiations. It has taken four months to negotiate through all the requested changes.

In the course of negotiations, it was determined that the Potomac Riverboat Company was not the owner of all the vessels. Two of the vessels were owned by Polak Steamboat, Inc. but operated by Potomac Riverboat Company. To work around this issue it was agreed that separate license agreements would be prepared for the vessels of Potomac Riverboat Company and the vessels of Polak Steamboat, Inc. respectively.

The only remaining issue that the parties have not been able to reach agreement on is the issue of personal property taxes. City Code Sec. 3-2-224 (a) states that “boats and boat trailers owned or held by residents or citizens of the City or located within the territorial boundaries of the City or otherwise having a situs for taxation in the City, a tax of \$4.75 on every \$100 of assessed value thereof.” Potomac Riverboat Company and Polak Steamboat, Inc. want to continue the crediting of personal property tax against license fees that was the result of a 1998 settlement agreement. This agreement was between the Polak Steamboat, Inc. and the City of Alexandria and covered the *Miss Christin*, *Matthew Hayes*, and *Admiral Tilp* (the *Cherry Blossom* is docked in District of Columbia waters and is not liable for the City’s personal property tax). License payments from these three vessels were to be segregated each year by the City and applied against property taxes owed. License fees in excess of the taxes owed were retained by the City. The settlement agreement ran with the license agreements in effect in 1998 when the tax issue was litigated. The settlement was not structured to run with successive license agreements, so it is in the City’s discretion in how it wants to handle this issue. No other Marina license agreements contain a tax credit. At some point the City entered into license agreements with the Potomac Riverboat Company for these same vessels and continued the property tax credit. It was proposed in the January 2010 docket item presented to Council, and is proposed now that the tax credit not be extended. This has the effect of increasing the costs to Potomac Riverboat and Polak Steamboat and City revenues by about \$5,000 per year.

The major points of the proposed license agreements are:

1. An increase of the license agreement payments from the current level for each vessel to show a 0% increase in 2010 and a 3% annual increase in subsequent years. Proposed license fees are consistent with the market for commercial berths at other marinas within the geographic area.
2. A new provision that benefits operations of the Potomac Riverboat Company in allowing them to move all licensed vessels between docking locations. This was done to support their request for greater operational flexibility.
3. That the work boat would be added under the license as a permitted commercial boat in the City Marina to support Potomac Riverboat Company service needs.
4. That the ticket booth remains in use to support water taxi operations by the Potomac Riverboat Company in the event that they do not hold sightseeing or charter services in the future.
5. That the City of Alexandria accepts a limitation on the float that Potomac Riverboat Company constructed at its expense but the City owns to limit other docking services to recreational boats only. This limits the potential for any future commercial vessel services other than those by Potomac Riverboat Company.
6. Potomac Riverboat Company and Polak Steamboat, Inc. would have the right of first refusal to negotiate a new three-year license agreement in 2014, which would be the end of the initial five-year period. If negotiations were successful, the new lease agreement would run to the end of 2017.

It is staff’s understanding that Polak Steamboat, Inc. and Potomac Riverboat Company agree to all terms contained in the proposed license agreement except for the tax credit issue.

These license agreements have no impact on the existing agreement for water taxi service provided by the Potomac Riverboat Company. That license with right to negotiate extensions runs through the end of 2018.

FISCAL IMPACT: The license revenues help offset part of the operating costs of the City in operating the City Marina. The total expected revenues to the City over the term of the five-year proposed license agreements are:

Year	License Fees	Property Taxes ¹
2010	\$79,212	\$5,430
2011	\$81,540	\$4,887
2012	\$83,952	\$4,398
2013	\$86,436	\$3,958
2014	\$89,004	\$3,563

¹Reflects projected depreciating values of vessels.

ATTACHMENTS:

Attachment 1. License agreement with the Potomac Riverboat Company for the *Admiral Tilp*, *Miss Christin* and *work boat* to allow commercial dock space at the City Marina.

Attachment 2. License agreement with Polak Steamboat, Inc. for the *Matthew Hayes* and *Cherry Blossom* to allow commercial dock space at the City Marina

STAFF:

Mark Jinks, Deputy City Manager

Jim Spengler, Director Recreation, Parks and Cultural Activities

**LICENSE AGREEMENT BETWEEN THE CITY OF
ALEXANDRIA AND THE POTOMAC RIVERBOAT COMPANY, LLC**

FOR THE MOORING OF THE
ADMIRAL TILP, MISS CHRISTIN AND
A SERVICE WORK BOAT AT THE ALEXANDRIA MARINA

THIS AGREEMENT ("Agreement") is made this _____ day of _____
2010, by the City of Alexandria, a municipal corporation of Virginia ("Licensor"), and the
Potomac Riverboat Company, LLC, a Virginia limited liability company ("Licensee").

WHEREAS, Licensee desires to operate a sightseeing tour boat service using the Admiral
Tilp and Miss Christin, and desires to utilize the Alexandria Marina in the City of Alexandria,
Virginia (the sightseeing tour boat service shall be referred to as the "Services"); and

WHEREAS, Licensor owns the Alexandria Marina as depicted on Attachment B hereto,
which is suitable for docking boats, including the licensed Vessels (as herein below defined); and

WHEREAS, Licensor is willing to permit Licensee to use the Alexandria Marina for
docking purposes in accordance with the terms and conditions set forth below;

NOW, THEREFORE, it is mutually agreed as follows:

1. Representations. By executing this Agreement, the Licensee warrants that it is the
legal owner of the vessels described in paragraph 14(a) below (the "Vessels") and a support
work boat described in paragraph 14(b) below (the "Work Boat"), to service the Vessels, and is
authorized to enter into this Agreement.

2. Applicability of City, State and Federal Law. This Agreement is subject to title 6,
chapter 3 of the Alexandria City Code and all applicable provisions of federal, state and local
law. In particular, this Agreement is subject to, and Licensee shall comply with, the criminal,
fire, health and safety laws of the City of Alexandria and the Commonwealth of Virginia
pertaining to the operation of the Vessels and Work Boat. Licensee shall permit officers and

employees of the City of Alexandria charged with the enforcement of such laws to board and inspect the Vessels and Work Boat for the purpose of enforcing such laws.

3. Rules and Regulations. Licensee shall comply with Rules and Regulations of the Alexandria Marina, including any amendments which may be adopted during the term of this Agreement. The current Rules and Regulations are set forth in Attachment A to this Agreement and are incorporated by reference into this Agreement as if fully set forth herein.

4. Insurance. Licensee shall provide a certificate of insurance to Licensor that shows that Licensee, the Vessels, the Work Boat and the Float (as defined in paragraph 15) are covered by:

(a) Property damage insurance in an amount sufficient to replace any of the Vessels in case of its total destruction;

(b) Liability insurance in an amount not less than \$1,000,000 per person per occurrence and \$3,000,000 in the aggregate per occurrence which insures the Licensee: (i) against claims of personal injury and property damage arising from the negligent operation of the Vessels or Work Boat by the Licensee or Licensee's agents and employees, and (ii) against claims of personal injury and property damage arising from use of the Float;

(c) Insurance in the amount of not less than \$1,000,000 per occurrence which insures Licensee, regardless of fault or negligence by Licensee or any agent or employee of Licensee, against claims of damage to property of the City of Alexandria caused by: (i) the operation of the Vessels or Work Boat by Licensee or any agent or employee of Licensee, and (ii) any casualty or event involving the Services, the Vessels, the Work Boat, the Float, or any agent, employee, invitee or guest of Licensee; and

(d) Wreck removal insurance to cover the cost of removing any Vessel or the Work Boat if it should sink or become awash, and Licensor shall be named as an additional beneficiary of such policy. Licensee agrees to maintain such insurance coverage throughout the term of this Agreement, and to furnish evidence to Licensor of such coverage prior to the effective date, and throughout the term, of this Agreement.

(e) In addition, Licensor shall be named on the liability insurance policy required by subparagraph 4(b) as an additional insured. In the event Licensee is unable to obtain

the insurance required by subparagraph 4(b)(ii) that names Licensor as an additional insured, or the insurance required by subparagraph 4(c), or both, Licensee agrees to indemnify and hold Licensor harmless against all of the claims identified in said subparagraph 4(b)(ii) or against all losses incurred by Licensor that are identified in said subparagraph 4(c), or against both such claims and such losses, as the case may be, up to the above-stated coverage limitations regardless of Licensee's lack of insurance coverage.

5. Indemnification. Subject to the dollar limitations set out in paragraph 4(b), Licensee agrees to indemnify and hold harmless Licensor and all of its officers, employees and agents from and against all suits, actions, causes of action, damages, claims, liability and expenses (including court costs and reasonable attorneys' fees), and against any losses incurred by Licensor, resulting from or arising out of any act or omission of the Licensee or any of its employees, agents, invitees, licensees or guests in the course of operating, maintaining or using the Vessels while located within or approaching or departing the Alexandria Marina or in the course of using the Float, except to the extent any such injury or damage arises from or relates to the negligence of Licensor, or its officers, agents, contractors or employees.

6. Waiver of Licensor's Liability. By executing this Agreement, Licensee expressly acknowledges and agrees that Licensor and its officers and employees shall not be liable to Licensee or to any of its employees, agents, invitees, licensees or guests for any bodily injury or property damage sustained by any of them while on the Vessels, the Work Boat or the Float or while at or on the Alexandria Marina, or for any property damage to Licensee's Vessels or Work Boat sustained while the Vessels or Work Boat are in or approaching or departing the Alexandria Marina, except to the extent such injury or damage is caused by the negligence of the Licensor or its officers, agents, contractors or employees.

7. Grant and Term of License.

(a) This Agreement grants a non-exclusive right and license for Licensee to operate, on a regular basis, the Services from the berths, located at the Alexandria Marina's North Pier and as more particularly set forth on Attachment B hereto (the "Berths") for the term of the Agreement. The parties expressly agree that, while Licensee's right to conduct the

Services at the Alexandria Marina shall be non-exclusive, Licensee has the exclusive right to use the Berths and Float except as otherwise expressly provided herein.

(b) Licensee shall have the right to employ the Berths for embarking and disembarking passengers of the Licensed Vessels. Licensee agrees to observe the maximum boat length and beam permitted for each Berth. Licensee may use the Berths to support the operational needs of its fleet, including docking, routine maintenance and the delivery of the Services, by moving vessels among the Berths for all vessels operated by Licensee and licensed with the City of Alexandria, provided that such vessels are (i) licensed by the City under this Agreement or such other license agreements between the City and Licensee; and (ii) Licensee agrees to observe the maximum boat length and beam permitted for each Berth.

Notwithstanding anything herein to the contrary, Licensee's affiliate, Polak Steamboat, Inc. ("PSI"), may utilize the Berths and the Float for its vessels; provided that such vessels are (i) licensed by the City under other license agreements between the City and PSI (the "PSI License"); and (ii) PSI observes the maximum boat length and beam for each Berth and the Float.

(c) In exchange for the Licensor's grant of permission to operate the Services and to dock the Vessels at the Alexandria Marina, Licensee agrees to operate a sightseeing tour boat service, using the Vessels, (i) six (6) days per week during the period from May 1 through Labor Day of each year; and (ii) on weekends only during April, September and October of each year. Notwithstanding the foregoing, Licensee may (x) take, on a reservation basis, groups of twenty-five (25) persons or more on sightseeing tour boat excursions on weekdays during the months of April, September and October, (y) provide year-round charter services on a contract basis; and (z) pursuant to, and subject to the conditions contained in, that certain consent of the Office of the City Manager dated March 10, 2010, which is attached hereto as Attachment C and incorporated herein by this reference (the "City Manager Consent"), operate a shuttle service to the Washington Nationals Baseball Stadium for the 2010 season, which additional service shall be reviewed annually during the term of this Agreement by the City Manager and reinstated each year upon terms that are mutually acceptable to the Licensor and the Licensee to be set forth in writing and signed by each party on or before March 1 of each year for the coming season. The parties may negotiate in the future a commuter taxi service and/or other service between the

Alexandria Marina and destinations in the District of Columbia, Maryland and Virginia, subject to approval by the City Manager.

(d) The Work Boat shall be used solely for the repair, service and maintenance of Licensee's and PSI's vessels and to shuttle Licensee's and PSI's employees to, from and among their respective vessels. The Work Boat shall be moored at the north end of the water taxi float as identified on Attachment B.

(e) The term of this Agreement shall be from January 1, 2010, to and including December 31, 2014.

(f) Provided that Licensee is not in default at the expiration of the License on December 31, 2014, Licensee shall have, upon expiration of the Agreement, the first right to negotiate a new license agreement for a term of three (3) years, (i.e. January 1, 2015 terminating on December 31, 2017), and the parties agree to enter into good faith negotiations for such renewal commencing on or about June 1, 2014.

(g) The parties agree that the City intends to place the right to use some or all of the Berths out for competitive bid in or about June 2016, with new licenses commencing on January 1, 2018.

8. Special Conditions of License.

(a) Commuting Restriction. No voyage commencing before 9:30 a.m. on Monday through Friday of any week shall discharge passengers at any place other than the North Pier of the Alexandria Marina. The parties expressly agree that this condition is intended to prevent use of the Services or the Vessels for commuting purposes except as provided in paragraph 7(c), above; provided however, that this prohibition shall not preclude Licensee from undertaking new services utilizing the Vessels and the Berths with the prior written consent of the City Manager.

(b) Trash Removal and Disposal. Licensee shall provide convenient on-board trash receptacles for use by clients of the Services and shall, at its own expense, regularly remove and dispose of all trash and debris from the operation of the Services. No trash or debris shall be deposited on any part of the Alexandria Marina by Licensee. If Licensee should fail to fulfill its obligations under this section, as determined by Licensor and in its sole discretion, Licensor may arrange and pay for such collection of litter, debris and refuse.

Licensee shall, upon demand by Licensor, reimburse Licensor for expenses incurred for such collection of refuse within thirty (30) days of Licensee's receipt of a billing statement issued by Licensor itemizing such expenses.

(c) Navigation Hazard. Whenever Licensor shall reasonably determine that any Vessel or the Work Boat presents a navigational hazard if berthed at a Berth; the Vessel or Work Boat shall be berthed at another location. In such event, unless Licensor further reasonably determines that such operation of the Services also presents a navigational hazard, Licensee shall be permitted to embark and disembark passengers at the Berths. In the event of a determination that a navigational hazard exists that impedes Licensee's ability to continue the Services, Licensor shall use its best efforts to make reasonable arrangements for the Services to continue from another location at the Alexandria Marina, including but not limited to utilizing berths licensed to PSI by the City pursuant to the PSI License, but subject to the limitations applicable to such use set forth in Section 7(b).

(d) Refueling. Refueling operations are prohibited from taking place at the Alexandria Marina.

(e) Signs. Licensee shall not erect or maintain any sign in conjunction with or calling attention to the Services unless the sign complies with applicable provisions of the Alexandria Zoning Ordinance, and approval for such sign has been obtained from Licensor and, if applicable, the Alexandria Board of Architectural Review.

9. Annual Fee.

(a) Licensee shall pay to Licensor an annual fee for the license granted hereunder. The fee shall be as follows:

- (i) For the Miss Christin, Licensee shall pay to Licensor a monthly fee payable at the rate of \$1,543 per month for the period January 1, 2010 through December 31, 2010; the rate of \$1,589 per month for the period January 1, 2011 through December 31, 2011; the rate of \$1,637 per month for the period January 1, 2012 through December 31, 2012; the rate of \$1,686 per month for the period January 1, 2013 through December 31, 2013; and the rate of \$1,737 per month for the period January 1, 2014 through December 31, 2014.
- (ii) For the Admiral Tilp, Licensee shall pay to Licensor a monthly fee payable at the rate of \$1,371 per month for the period January 1, 2010 through

December 31, 2010; the rate of \$1,412 per month for the period January 1, 2011 through December 31, 2011; the rate of \$1,454 per month for the period January 1, 2012 through December 31, 2012; the rate of \$1,498 per month for the period January 1, 2013 through December 31, 2013; and the rate of \$1,543 per month for the period January 1, 2014 through December 31, 2014.

(iii) For the Work Boat, Licensee shall pay to Licensor an annual fee of \$1,296 for the period January 1, 2010 through December 31, 2010, due on July 1, 2010; and thereafter, the annual license fee shall be calculated based on the linear feet of the Work Boat at the then-applicable resident boat slip holder rate in effect for the Alexandria Marina.

(b) For all the payments set forth above, with the exception of the fee for the Work Boat which shall be paid on an annual basis as set forth in paragraph 9(a)(iii) above, they shall be made monthly and rendered in advance, on the first business day of the month for which such fees are due. Notwithstanding anything herein to the contrary, license fees due for the period of January 1, 2010 through June 30, 2010 may be paid by Licensee on or before July 1, 2010 without interest or penalty.

(c) If Licensee fails to pay any installment in full within ten calendar days of the installment's due date, Licensee shall be liable for a penalty, equal to ten percent (10%) of said installment, plus interest, based upon the amount unpaid and a rate of ten percent (10%) per annum (compounded annually), from the due date. Any such penalty and interest shall be due at the next installment due date.

(d) In the event that, during its operating season, a Vessel is, for mechanical reasons that are beyond the capacity of Licensee to repair, unable to operate for more than seven (7) consecutive days, Licensor agrees that Licensee may identify and utilize a substitute vessel on a temporary basis until such time that the inoperable Vessel is returned to service; provided that (i) the temporary vessel does not exceed the size limitations associated with the assigned Berth; and (ii) the Licensor provides its written consent, which consent shall not be unreasonably withheld conditioned or delayed.

(e) In the event that, during its operating season, Licensee is unable to obtain a replacement vessel under Section 9(d) above, for a Vessel that is licensed for use as a sight-

seeing vessel under this Agreement, then, for each such consecutive-day period of eight (8) or more days, Licensee shall be entitled to a credit against future license fees payable for such Vessel in an amount equal to $(X/30) \times (Y)$, where "X" represents the total number of days during which the Vessel is out of service in the consecutive-day period and "Y" represents the monthly installment of the license fee for such Vessel.

10. Waterfront Events. Use of the Berths described in paragraph 7(b) shall be dependent upon the scheduling by Licensor of waterfront upkeep and maintenance activities, dredging activities, pier construction, repair and renovation activities, any other waterfront construction and harbor improvement activities, and any emergency repairs or events that restrict access of the Vessels to the Berth (collectively, "Waterfront Events"). If a Waterfront Event requires the moving of any Vessel from an assigned Berth, Licensor shall exercise its best efforts to locate another docking location for Licensee at the Alexandria Marina. In the event that Licensor is unable to secure an alternate berth for any licensed Vessel, Licensee shall be responsible for finding an alternate docking location, including any berths licensed under the PSI License, but subject to the limitations applicable to such use set forth in Section 7(b). For each day in excess of two (2) days per calendar month between May 1 and Labor Day that Licensee is unable to dock at the Berth because of a Waterfront Event, the license fee applicable to that Vessel shall be abated day-for-day for the entire period that the Berth assigned to such Vessel is unavailable. Moreover, if a Waterfront Event renders Licensee unable to use the Berths for the purpose of embarking or disembarking passengers, Licensor shall use its best efforts to find alternate docking facility suitable for loading and discharging passengers at the Alexandria Marina for each such affected Vessel. Notwithstanding anything herein to the contrary, with the exception of Waterfront Events required as emergency measures to ensure public safety of persons using the Alexandria Marina or arising from an act of God, Licensor represents, warrants and covenants to Licensee that it shall not schedule or permit a Waterfront Event to occur during the period of April 30 and November 1 of any year during the term of the Agreement.

11. Assignment. This Agreement may not be assigned by Licensee without the consent of Licensor, which consent shall not be unreasonable withheld but which may require action by the Alexandria City Council.

12. Termination. In the event that Licensee violates any of the terms of this Agreement, Licensee shall be considered in default. If such default continues for thirty (30) days after Licensee has received written notice of the default, then this license may be terminated, effective immediately, by Licensor. Notwithstanding the above, Licensor shall have the right to terminate this license, effective immediately, in the event Licensee shall be adjudicated bankrupt, or if a receiver is appointed in a legal proceeding of any kind to take possession of the assets of Licensee, or if any creditor of Licensee shall seize, take possession of or foreclose upon the Vessels.

13. Removal. If this Agreement is terminated, the Vessels and Work Boat shall be immediately removed from and cease utilizing the Alexandria Marina and any alternate docking facility owned by Licensor. If it becomes necessary for Licensor to remove or cause the removal of any Vessel or Work Boat through any legal proceeding, or otherwise, then Licensor shall be entitled to recover all costs incurred in conjunction with such proceeding, including reasonable attorneys' fees, from Licensee.

14. Vessels.

(a) The Vessels subject to this Agreement are:

- i. Miss Christin or any replacement vessel licensed by the City of Alexandria, having an overall length not to exceed 65 feet and a width not to exceed 25 feet, permitted under subparagraph 14(c).
- ii. Admiral Tilp or any replacement vessel licensed by the City of Alexandria, having an overall length not to exceed 36 feet and a width not to exceed 17 feet, permitted under subparagraph 14(c).

(b) Work Boat. The Work Boat shall be no more than 15 feet in length with an outboard engine and a six (6) foot beam, center console, rigid inflatable vessel, or any replacement vessel that is classified as a non-certified passenger carrying vessel of a size and dimension that fits at the location provided in subparagraph 7(d) or within boat slip at the City Marina subsequently assigned to the Work Boat, permitted under subparagraph 14(c).

(c) In the event Licensee wishes to replace any Vessel or the Work Boat with another vessel during the term of this Agreement, it may do so, provided the following conditions are met: (i) the replacement vessel is able to safely dock within the Berths provided by this Agreement, or in the case of the Work Boat, within the area permitted under subparagraph 14(b); (ii) Licensor consents in writing to the replacement vessel, which consent shall not be unreasonably withheld; (iii) the original Vessel or the Work Boat that is being replaced shall no longer have the right to utilize the Berths or in the case of the Work Boat, the location described in subparagraph 14(b), at the Alexandria Marina; and (iv) Licensor and Licensee agree upon an annual fee that shall be comparable to the other fees charged under this Agreement.

15. Float and Ticket Booth.

(a) Licensor has permitted the Licensee to install a floating dock and gangway (collectively, the "Float") as depicted on Attachment B and a ticket booth at the western end of the Torpedo Factory North Pier, which Float is the property of Licensor. It shall be the sole responsibility of Licensee, throughout the term of this Agreement, and at its sole cost and expense, to maintain and repair, and if necessary due to damage caused by one of the Vessels or any other vessel in Licensee's fleet to replace, the Float; provided, however, that Licensor shall repair or, if necessary, replace the Float where the need for such repair or replacement has been caused by any vessel other than the Licensee's vessels, or by normal wear and tear.

(b) With respect to the ticket booth:

(i) Licensee shall use the ticket booth only for the purpose of vending tickets for sightseeing tour boat services provided by the Vessels (or such other vessels within Licensee's fleet to the extent permitted under paragraph 7(b)) and PSI's vessels, while any of these vessels are berthed at the Alexandria Marina pursuant to a current license Agreement with Licensor, and for distributing information on such sightseeing tour boat service and on other sightseeing and related services that are available to visitors. Any other use of the booth may conflict with an existing Agreement between Licensor and Alexandria Waterfront Associates and, therefore, may not be maintained without the express consent of Licensor.

Notwithstanding anything herein to the contrary, Licensee shall be permitted to sell water taxi tickets for other vessels in its fleet operating water taxi services to and from the Alexandria Marina pursuant to separate licensing agreements with Licensor or otherwise authorized in writing by Licensor;

(ii) Licensee shall not place any signs, advertisements or notices of any nature, other than those shown on Attachment B, on any part of the exterior portion or on any wall, window or door of the ticket booth, or on any part of the dock of the Alexandria Marina, without Licensor's consent and without such sign, advertisement or notice complying with all applicable law, including the City of Alexandria Zoning Ordinance; and

(iii) Licensee shall remove the ticket booth at the termination of this Agreement, unless Licensee or PSI owns other vessels licensed by the City which require use of the ticket booth.

(c) Licensor's dock master may allow other recreational vessels weighing less than 15,000 pounds to use the Float; provided, that such use shall not interfere with Licensee's or PSI's use of the Float.

16. Parking. Licensee shall take all reasonable efforts to advise passengers of the Service to avoid on-street parking in the City, including, without limitation, providing passengers and their agents with maps and directions to off-street parking facilities in the City and making such maps and directions available at Licensee's office and on any vessels used under this Agreement. Licensee shall also consider in good faith Licensee's participation in programs that call for retailers in Old Town Alexandria to provide financial incentives to their customers to use off-street parking facilities.

17. Utility and Service Costs. Licensee shall pay the cost of bringing or otherwise making available any utility service to the Vessels, the Float, or the ticket booth, the cost of sub-metering any service providing utilities to the Vessels, the Float, or the ticket booth and the cost of all utilities, with the exception of water consumed or utilized by the Vessels, the Float, or the ticket booth. Licensor shall provide Licensee with invoices for monthly utility usage, and

Licensee shall pay such invoices or reimburse Licensor for such invoices, as the case may be, within thirty (30) days of receipt.

18. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

CITY OF ALEXANDRIA, a municipal
corporation of Virginia

Date: _____

By: _____
James K. Hartmann, City Manager

Approved as to form:

Karen S. Snow
Assistant City Attorney

POTOMAC RIVERBOAT COMPANY, LLC

Date: _____

By: _____
Willem Polak, President

ATTACHMENT A

Alexandria Marina 2010 Rules and Regulations

Welcome to Alexandria

We ask that you and your guests please observe the following rules and regulations while at the City Marina. This will ensure a more enjoyable stay in Alexandria for you and others.

All vessels must register and pay dockage fees with the Dockmaster or his/her representatives upon arrival. The following rules and regulations are applicable to ALL vessels docking at the Alexandria City Marina.

1. Vessels must have operational engine(s) and, except in the case of an emergency, must be under power, not sail, when entering or leaving the marina.
2. Vessels shall be subject to periodic inspection by the City to ensure the following: Conformity with United States Coast Guard rules and regulations; maintenance of proper safety conditions while at the Marina, including such safety concerns as the proper placement of dock lines and properly operating engine(s); and the overall cleanliness, appearance and maintenance of the vessel.
3. Vessels shall be registered, documented, marked and maintained as required by law and safe practice. Boats that are not marked or identified and licensed as required by law will not be permitted to use the municipal facilities.
4. One (1) 30amp electrical connection is available per boat slip. 50amp connection is available on T-Heads. 100 amp connection is available at North T-Head. One (1) water hose bib connection available per boat slip, in season.
5. If a vessel needs to be moved and the occupants cannot be reached after a reasonable attempt has been made, the City reserves the right to have a vessel moved to another location, at the owner's expense, but the City shall not be liable for any damages that result from such relocation.
6. Vessels that are abandoned or whose owners have not paid dockage fees after notice is provided by the City to the vessel, by the procedures set forth in section 6-3-7 of the Alexandria City Code, may be removed by the City.
7. The vessel owner shall be responsible for the conduct of his or her guests and for any damage caused by the vessel while located within, departing, or approaching the City Marina. Boisterous conduct and loud music are prohibited.
8. Maintenance, painting or repair of vessels while the vessel is tied up at the City Marina is prohibited without prior approval of the Dockmaster.
9. All walkways, pilings, and other marina facilities shall be kept clear of obstructing materials such as carpeting, bicycles, scooters, storage boxes, dinghies, and cushions. Hoses and power cords to shore must be neatly positioned so as not to impede traffic.
10. All refuse and trash must be placed in the receptacles provided on the pier. The off-loading of items such as waste oil and batteries are prohibited without the Dockmaster's prior approval.
11. Laundry shall not be hung from boat rigging, lifelines, pulpits, slips or docks.
12. All boats shall be equipped with a fully operating bilge pump.
13. Discharge of raw sewage or other waste into the river is prohibited.
14. No swimming, windsurfing, jet skiing, diving, or fishing is permitted at the City Marina.
15. Commercial advertising, including "For Sale" signs, is prohibited.
16. While at the City Marina, no vessel may engage in boat charters or boat rides, nor may merchandise or services be sold from it, nor may any other commercial activity be conducted from it without the prior approval of the Dockmaster.
17. City pier facilities are available for commercial docking. Commercial docking must be approved in advance by the Park Operations Recreation Supervisor. A commercial vessel is defined as any passenger carrying vessel maintained for hire by the public or any vessel used for the production of income.
18. Open fires, barbecues and grills on docks and/or boats are prohibited.
19. Pets must be leashed at all times while on City property (Code 5-7-35). Owners must cleanup after their pets (Code 5-7-42).
20. Rafting of vessels tied, docked, or moored to City property is prohibited.
21. Violation of any of these rules and regulations and/or other improper conduct by a vessel owner and/or his or her guest constitutes (at the

discretion of the City) cause for immediate cancellation of the owner's contract.

22. The City reserves the right to not refund fees for the rental of any slip at the City Marina when the City terminates a slip rental contract pursuant to a violation of these rules and regulations.
23. The City reserves the right to refuse docking.
24. The City shall not be held liable for any loss, damage or injury suffered by persons and vessels while at City-operated marina facilities.
25. The City reserves the right to reassign transient dock space if a transient boat leaves than returns to the marina. The City restricts transient docking to a maximum stay of 5 nights or 5 days (which ever is reached first) at which time the vessel must leave the marina for a minimum of 24 hours.
26. The public consumption of alcoholic beverages on the City Piers, board walk, and/or park property is prohibited.
27. The sale of merchandise and/or services at the City Marina piers, boardwalk, or walkways is prohibited.
28. Fees do not include charges for work of any kind, including emergency work. The City Marina shall be paid by the owner for all services performed, or goods or materials used in any work done to safeguard the boat, whether or not the work was successful. Failure to pay such charges when due may, at the City's option, be treated in the same manner as failure to pay slip rent when due.
29. The City shall have the authority to interpret and enforce these rules and regulations in its best interests.
30. Alterations or changes to City property including but not limited to piers, pilings and decking is prohibited.

City Marina Administrative Office
1108 Jefferson Street, Alexandria Virginia 22314
email: City.Marina@alexandriava.gov



Department of Recreation, Parks and Cultural Activities

Alexandria City Marina

0 Cameron Street
Alexandria, Virginia 22314



VHF Channel 16; Working Channel 68
(703) 838-4265

Operating Hours

Transient docking not permitted during non-operating hours

June through August

Monday through Thursday: 10am to 9pm
Friday 10am - 10pm
Saturday 9am - 10pm
Sunday 9am - 9pm

April - May & September - December

Friday 10am - 10pm
Saturday 9am - 10pm
Sunday & Holiday 9am - 9pm
Monday through Thursday 11am - 9:00pm

January - February

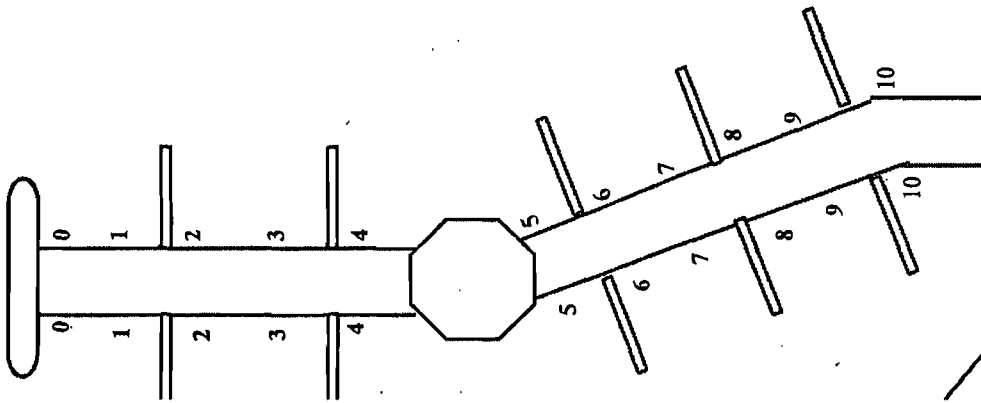
Daily 10am to 5pm (Closed for some City Holidays)

ATTACHMENT B

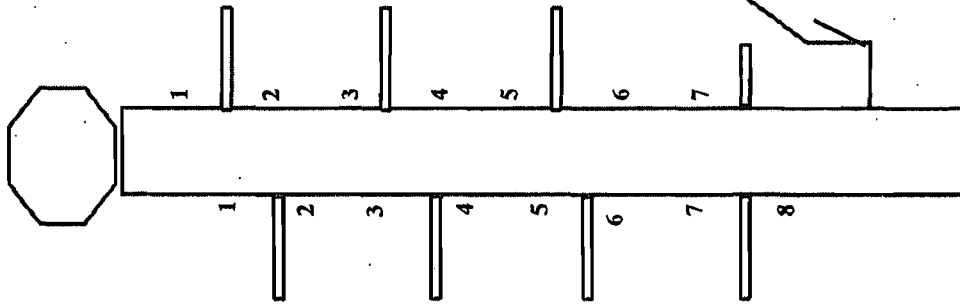
Alexandria Marina Map and Berth/Float Identification

City of Alexandria Marina

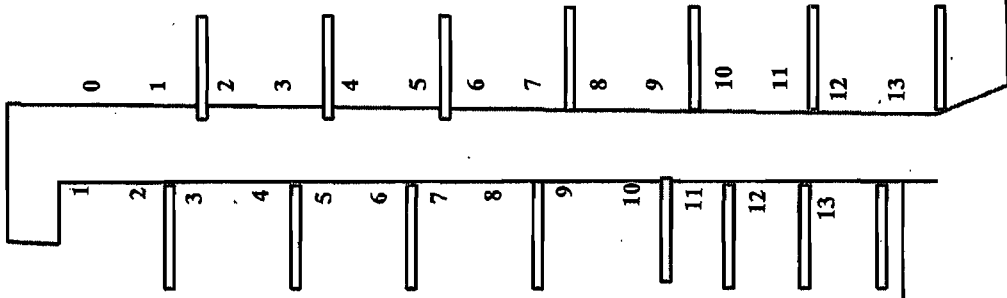
(H) Founders North Pier



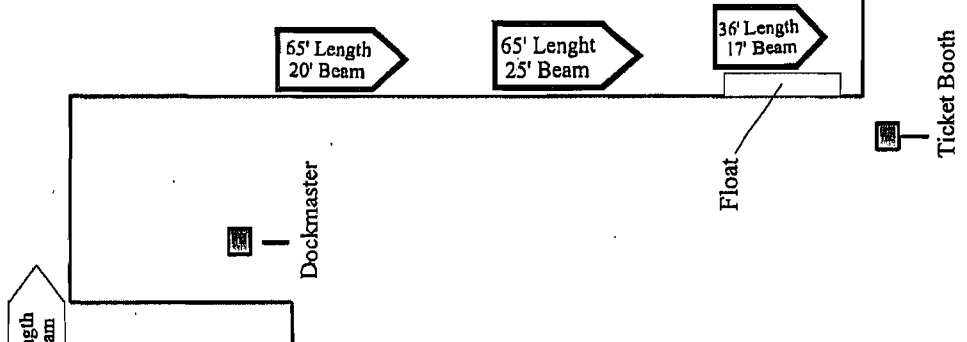
(F) Founders South Pier



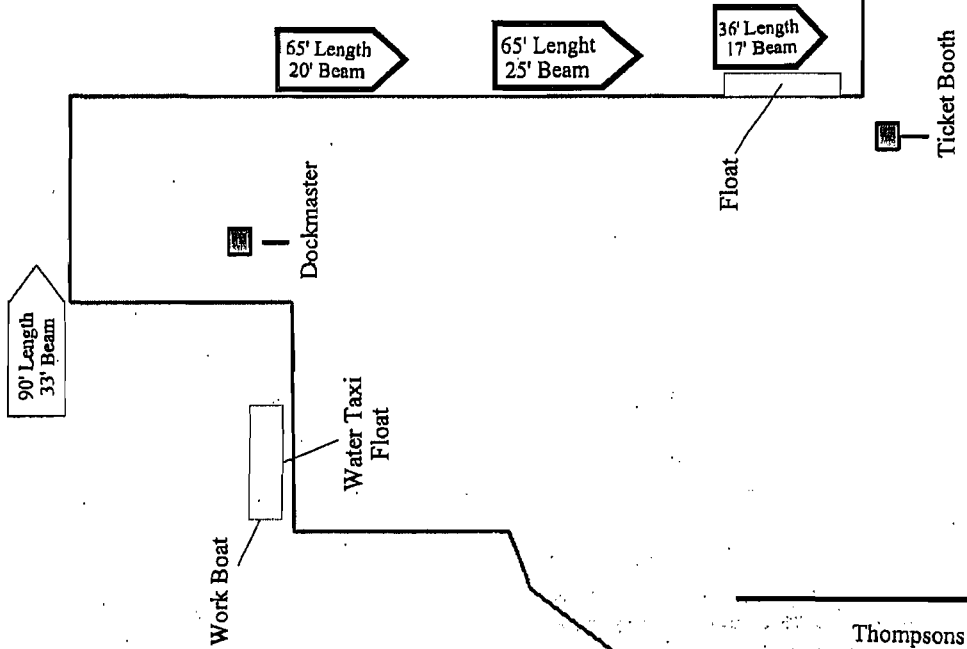
(A) Torpedo South Pier



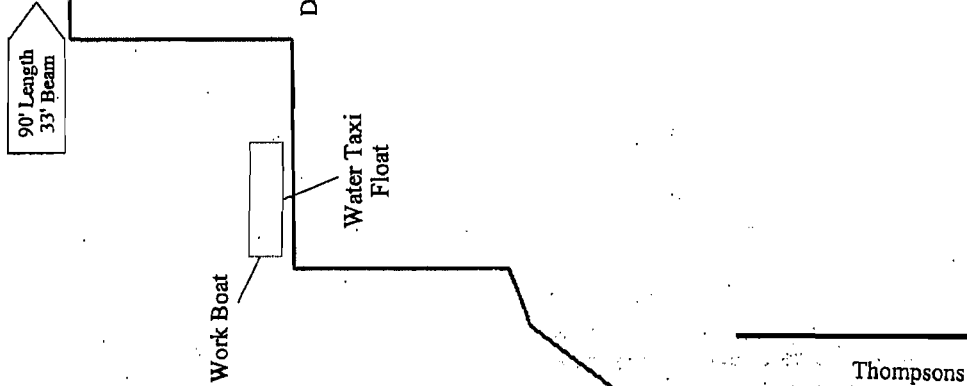
(B) Torpedo North Pier



(C) Torpedo North Pier

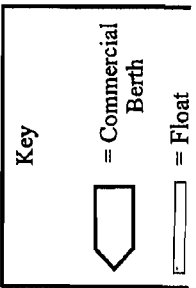


(D) Torpedo North Pier



Thompsons Ally

Founders Park



ATTACHMENT C
City Manager Consent



OFFICE OF THE CITY MANAGER

301 King Street, Suite 3500
Alexandria, Virginia 22314-3211

JAMES K. HARTMANN
City Manager

(703) 838-4300
Fax: (703) 838-6343

March 10, 2010

Ms. Charlotte Hall, Vice President
Potomac Riverboat Company
205 The Strand
Alexandria, Virginia 22314

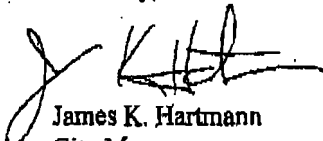
Dear Charlotte:

Potomac Riverboat Company's (PRC) request to the City to offer transportation from Alexandria to the Nationals Baseball Stadium from the City's Marina is hereby approved for the 2010 season. This approval is subject to the following conditions:

1. The services will be offered for the 2010 Nationals season.
2. Capacity will be limited to 125 passengers.
3. PRC may use any of the vessels licensed by the City of Alexandria for this service.
4. Customers will be encouraged to make reservations on-line, and PRC will track data on the planned method of arrival by Metrorail, trolley, bus, car, or walking.
5. If arriving by automobile, customers will be specifically encouraged by PRC to use the five garages and one parking lot within two blocks of the City Marina.
6. PRC will keep data on total trips, passengers and arrival method of transportation to be included within a summary report of the service by year end 2010.
7. To the extent that PRC requests additional City staff or security service hours in conjunction with this service, those costs will be directly billed to PRC. Reimbursement will be expected within 30 days of receipt of the invoice.


If PRC finds these terms acceptable, please sign where noted below and return the original to the City Manager's Office.

Sincerely,


James K. Hartmann
City Manager

cc: Mark Jinks, Deputy City Manager
Jim Spengler, Director RPCA

Agree to Above Terms:


Charlotte Hall, Vice President
Potomac Riverboat Company

3/14/2010
Date

**LICENSE AGREEMENT BETWEEN THE CITY OF
ALEXANDRIA AND THE POLAK STEAMBOAT, INC.**

FOR THE MOORING OF THE CHERRY BLOSSOM
AND MATTHEW HAYES
AT THE ALEXANDRIA MARINA

THIS AGREEMENT ("Agreement") is made this _____ day of _____
2010, by the City of Alexandria, a municipal corporation of Virginia ("Licensor"), and the Polak
Steamboat, Inc., a Delaware corporation ("Licensee").

WHEREAS, Licensee desires to operate a charter service using a sternwheel paddleboat,
the Cherry Blossom, from the Alexandria Marina in the City of Alexandria, Virginia; and

WHEREAS, Licensee also desires to operate a sightseeing tour boat service using the
Matthew Hayes, and desires to utilize the Alexandria Marina in the City of Alexandria, Virginia
(the charter service and sightseeing tour boat service shall collectively be referred to as the
"Services"); and

WHEREAS, Licensor owns the Alexandria Marina as depicted on Attachment B hereto,
which is suitable for docking boats, including the licensed Vessels (as herein below defined); and

WHEREAS, Licensor is willing to permit Licensee to use the Alexandria Marina for
docking purposes in accordance with the terms and conditions set forth below;

NOW, THEREFORE, it is mutually agreed as follows:

1. Representations. By executing this Agreement, the Licensee warrants that it is the
legal owner of the vessels described in paragraph 14(a) below (the "Vessels") and is authorized
to enter into this Agreement.

2. Applicability of City, State and Federal Law. This Agreement is subject to title 6,
chapter 3 of the Alexandria City Code and all applicable provisions of federal, state and local

law. In particular, this Agreement is subject to, and Licensee shall comply with, the criminal, fire, health and safety laws of the City of Alexandria and the Commonwealth of Virginia pertaining to the operation of the Vessels. Licensee shall permit officers and employees of the City of Alexandria charged with the enforcement of such laws to board and inspect the Vessels for the purpose of enforcing such laws.

3. Rules and Regulations. Licensee shall comply with Rules and Regulations of the Alexandria Marina, including any amendments which may be adopted during the term of this Agreement. The current Rules and Regulations are set forth in Attachment A to this Agreement and are incorporated by reference into this Agreement as if fully set forth herein.

4. Insurance. Licensee shall provide a certificate of insurance to Licensor that shows that Licensee and the Vessels are covered by:

(a) Property damage insurance in an amount sufficient to replace any of the Vessels in case of its total destruction;

(b) Liability insurance in an amount not less than \$1,000,000 per person per occurrence and \$3,000,000 in the aggregate per occurrence which insures the Licensee: (i) against claims of personal injury and property damage arising from the negligent operation of the Vessels by the Licensee or Licensee's agents and employees;

(c) Insurance in the amount of not less than \$1,000,000 per occurrence which insures Licensee, regardless of fault or negligence by Licensee or any agent or employee of Licensee, against claims of damage to property of the City of Alexandria caused by: (i) the operation of the Vessels by Licensee or any agent or employee of Licensee, and (ii) any casualty or event involving the Services, the Vessels, or any agent, employee, invitee or guest of Licensee; and

(d) Wreck removal insurance to cover the cost of removing any Vessel if it should sink or become awash, and Licensor shall be named as an additional beneficiary of such policy. Licensee agrees to maintain such insurance coverage throughout the term of this Agreement, and to furnish evidence to Licensor of such coverage prior to the effective date, and throughout the term, of this Agreement.

(e) In addition, Licensor shall be named on the liability insurance policy required by subparagraph 4(b) as an additional insured. In the event Licensee is unable to obtain the insurance required by subparagraph 4(b)(ii) that names Licensor as an additional insured, or the insurance required by subparagraph 4(c), or both, Licensee agrees to indemnify and hold Licensor harmless against all of the claims identified in said subparagraph 4(b)(ii) or against all losses incurred by Licensor that are identified in said subparagraph 4(c), or against both such claims and such losses, as the case may be, up to the above-stated coverage limitations regardless of Licensee's lack of insurance coverage.

5. Indemnification. Subject to the dollar limitations set out in paragraph 4(b), Licensee agrees to indemnify and hold harmless Licensor and all of its officers, employees and agents from and against all suits, actions, causes of action, damages, claims, liability and expenses (including court costs and reasonable attorneys' fees), and against any losses incurred by Licensor, resulting from or arising out of any act or omission of the Licensee or any of its employees, agents, invitees, licensees or guests in the course of operating, maintaining or using the Vessels while located within or approaching or departing the Alexandria Marina, except to the extent any such injury or damage arises from or relates to the negligence of Licensor, or its officers, agents, contractors or employees.

6. Waiver of Licensor's Liability. By executing this Agreement, Licensee expressly acknowledges and agrees that Licensor and its officers and employees shall not be liable to Licensee or to any of its employees, agents, invitees, licensees or guests for any bodily injury or property damage sustained by any of them while on the Vessels or while at or on the Alexandria Marina, or for any property damage to Licensee's Vessels sustained while the Vessels are in or approaching or departing the Alexandria Marina, except to the extent such injury or damage is caused by the negligence of the Licensor or its officers, agents, contractors or employees.

7. Grant and Term of License.

(a) This Agreement grants a non-exclusive right and license for Licensee to operate, on a regular basis, the Services from the berths, located at the Alexandria Marina's

North Pier and as more particularly set forth on Attachment B hereto (the "Berths") for the term of the Agreement. The parties expressly agree that, while Licensee's right to conduct the Services at the Alexandria Marina shall be non-exclusive, Licensee has the exclusive right to use the Berths except as otherwise expressly provided herein.

(b) Licensee shall have the right to employ the Berths for embarking and disembarking passengers of the Licensed Vessels. Licensee agrees to observe the maximum boat length and beam permitted for each Berth. Licensee may use the Berths to support the operational needs of its fleet, including docking, routine maintenance and the delivery of the Services, by moving vessels among the Berths for all vessels operated by Licensee and licensed with the City of Alexandria, provided that such vessels are (i) licensed by the City under this Agreement or such other license agreements between the City and Licensee; and (ii) Licensee agrees to observe the maximum boat length and beam permitted for each Berth.

Notwithstanding the foregoing, Licensee's affiliate, Potomac Riverboat Company, LLC ("PRC"), may utilize the Berths for its vessels; provided that such vessels are (i) licensed by the City under other license agreements between the City and PRC (the "PRC License"); and (ii) PRC observes the maximum boat length and beam for each Berth.

(c) In exchange for the Licensor's grant of permission to operate the Services and to dock the Vessels at the Alexandria Marina, Licensee agrees to operate a sightseeing tour boat service, using the Vessels, (i) six (6) days per week during the period from May 1 through Labor Day of each year; and (ii) on weekends only during April, September and October of each year. Notwithstanding the foregoing, Licensee may (x) take, on a reservation basis, groups of twenty-five (25) persons or more on sightseeing tour boat excursions on weekdays during the months of April, September and October, and (y) provide year-round charter services on a contract basis. The parties may negotiate in the future a commuter taxi service and/or other service between the Alexandria Marina and destinations in the District of Columbia, Maryland and Virginia, subject to approval by the City Manager.

(d) The term of this Agreement shall be from January 1, 2010, to and including December 31, 2014.

(e) Provided that Licensee is not in default at the expiration of the License on December 31, 2014, Licensee shall have, upon expiration of the Agreement, the first right to negotiate a new license agreement for a term of three (3) years, (i.e. January 1, 2015 terminating

on December 31, 2017), and the parties agree to enter into good faith negotiations for such renewal commencing on or about June 1, 2014.

(f) The parties agree that the City intends to place the right to use some or all of the Berths out for competitive bid in or about June 2016, with new licenses commencing on January 1, 2018.

8. Special Conditions of License.

(a) Commuting Restriction. No voyage commencing before 9:30 a.m. on Monday through Friday of any week shall discharge passengers at any place other than the North Pier of the Alexandria Marina. The parties expressly agree that this condition is intended to prevent use of the Services or the Vessels for commuting purposes except as provided in paragraph 7(c), above; provided however, that this prohibition shall not preclude Licensee from undertaking new services utilizing the Vessels and the Berths with the prior written consent of the City Manager.

(b) Trash Removal and Disposal. Licensee shall provide convenient on-board trash receptacles for use by clients of the Services and shall, at its own expense, regularly remove and dispose of all trash and debris from the operation of the Services. No trash or debris shall be deposited on any part of the Alexandria Marina by Licensee. If Licensee should fail to fulfill its obligations under this section, as determined by Licensor and in its sole discretion, Licensor may arrange and pay for such collection of litter, debris and refuse. Licensee shall, upon demand by Licensor, reimburse Licensor for expenses incurred for such collection of refuse within thirty (30) days of Licensee's receipt of a billing statement issued by Licensor itemizing such expenses.

(c) Navigation Hazard. Whenever Licensor shall reasonably determine that any Vessel presents a navigational hazard if berthed at a Berth; the Vessel shall be berthed at another location. In such event, unless Licensor further reasonably determines that such operation of the Services also presents a navigational hazard, Licensee shall be permitted to embark and disembark passengers at the Berths. In the event of a determination that a navigational hazard exists that impedes Licensee's ability to continue the Services, Licensor shall use its best efforts to make reasonable arrangements for the Services to continue from another location at the Alexandria Marina, including but not limited to utilizing the berths

licensed to PRC by the City pursuant to the PRC License, but subject to the limitations applicable to such use set forth in Section 7(b).

(d) Refueling. Refueling operations are prohibited from taking place at the Alexandria Marina.

(e) Signs. Licensee shall not erect or maintain any sign in conjunction with or calling attention to the Services unless the sign complies with applicable provisions of the Alexandria Zoning Ordinance, and approval for such sign has been obtained from Licensor and, if applicable, the Alexandria Board of Architectural Review. Notwithstanding the foregoing, Licensee may temporarily place on the exterior of the Cherry Blossom, or its approved replacement vessel, such banners or signs bearing the name, motto, logo or insignia of a group that has chartered such Vessel on the date of the charter.

(f) Cherry Blossom Supplemental Uses. Notwithstanding the general use provisions contained in this Agreement or descriptions of the charter services to be provided by Licensee pursuant hereto, the parties agree that the Cherry Blossom, or its approved replacement vessel, shall be used solely and exclusively for private receptions or tours on a pre-use charter basis and shall not be used as an eating or other establishment open to members of the general public on a pre-use, per person or a non-pre-use, per person basis; provided, that such Vessel may, on no more than eight (8) occasions per year with a frequency of no more than once in any calendar month, be made available to members of the general public on a pre-use, per person basis; and provided further, that such Vessel may, on no more than four (4) occasions per year, be made available to members of the general public on a pre-use, per-person or a non-pre-use, per person basis when Licensee has leased or otherwise made such Vessel available to a non-profit organization which has contracted to use the Vessel for a fundraising purpose and whose proposed use of such Vessel has been reviewed and approved in advance by the director of the city's Department of Recreation, Parks and Cultural Activities. For purposes of this Section, "pre-use, per person basis" shall mean that such Vessel has not been chartered by any one (1) entity or individual on behalf of or for the use of numerous individuals but that each individual using such Vessel has arranged for himself or has had his use arranged by another individual in his party, and has paid for his use or has had his use paid prior to the day of his boarding. For purposes of this Section, "non-pre-use, per person basis" shall mean that such Vessel has not been chartered by any one entity or individual on behalf or for the use of numerous individuals,

but that each individual using such Vessel has arranged for the use himself or has had his use arranged by another in his party, and has paid for his use or has had his use paid on the day of his boarding.

9. Annual Fee.

(a) Licensee shall pay to Licensor an annual fee for the license granted hereunder. The fee shall be as follows:

(i) For the Cherry Blossom, Licensee shall pay to Licensor a monthly fee payable at the rate of \$2,158 per month, for the period January 1, 2010 through December 31, 2010; the rate of \$2,222 per month, for the period January 1, 2011 through December 31, 2011; the rate of \$2,289 per month, for the period January 1, 2012 through December 31, 2012; the rate of \$2,358 per month for the period January 1, 2013 through December 31, 2013; and the rate of \$2,429 per month for the period January 1, 2014 through December 31, 2014.

(ii) For the Matthew Hayes, Licensee shall pay to Licensor a monthly fee payable at the rate of \$1,421 per month for the period January 1, 2010 through December 31, 2010; the rate of \$1,464 per month for the period January 1, 2011 through December 31, 2011; the rate of \$1,508 per month for the period January 1, 2012 through December 31, 2012; the rate of \$1,553 per month for the period January 1, 2013 through December 31, 2013; and the rate of \$1,600 per month for the period January 1, 2014 through December 31, 2014.

(b) For all the payments set forth above, they shall be made monthly and rendered in advance, on the first business day of the month for which such fees are due.

Notwithstanding anything herein to the contrary, license fees due for the period of January 1, 2010 through June 30, 2010 may be paid on or before July 1, 2010 without interest or penalty.

(c) If Licensee fails to pay any installment in full within ten (10) calendar days of the installment's due date, Licensee shall be liable for a penalty, equal to ten percent (10%) of said installment, plus interest, based upon the amount unpaid and a rate of ten percent

(10%) per annum (compounded annually), from the due date. Any such penalty and interest shall be due at the next installment due date.

(d) In the event that, during its operating season, a Vessel is, for mechanical reasons that are beyond the capacity of Licensee to repair, unable to operate for more than seven (7) consecutive days, Licensor agrees that Licensee may identify and utilize a substitute vessel on a temporary basis until such time that the inoperable Vessel is returned to service; provided that (i) the temporary vessel does not exceed the size limitations associated with the assigned Berth; and (ii) the Licensor provides its written consent, which consent shall not be unreasonably withheld conditioned or delayed.

(e) In the event that, during its operating season, Licensee is unable to obtain a replacement vessel under Section 9(d) above, for a Vessel that is licensed for use as a sight-seeing vessel under this Agreement, then, for each such consecutive-day period of eight (8) or more days, Licensee shall be entitled to a credit against future license fees payable for such Vessel in an amount equal to $(X/30) \times (Y)$, where "X" represents the total number of days during which the Vessel is out of service in the consecutive-day period and "Y" represents the monthly installment of the license fee for such Vessel.

10. Waterfront Events. Use of the Berths described in paragraph 7(b) shall be dependent upon the scheduling by Licensor of waterfront upkeep and maintenance activities, dredging activities, pier construction, repair and renovation activities, any other waterfront construction and harbor improvement activities, and any emergency repairs or events that restrict access of the Vessels to the Berth (collectively, "Waterfront Events"). If a Waterfront Event requires the moving of any Vessel from an assigned Berth, Licensor shall exercise its best efforts to locate another docking location for Licensee at the Alexandria Marina. In the event that Licensor is unable to secure an alternate berth for any licensed Vessel, Licensee shall be responsible for finding an alternate docking location, including any berths licensed under the PRC License, but subject to the limitations applicable to such use set forth in Section 7(b). For each day in excess of two (2) days per calendar month between May 1 and Labor Day that Licensee is unable to dock at the Berth because of a Waterfront Event, the license fee applicable to that Vessel shall be abated day-for-day for the entire period that the Berth assigned to such Vessel is unavailable. Moreover, if a Waterfront Event renders Licensee unable to use the

Berths for the purpose of embarking or disembarking passengers, Licensor shall use its best efforts to find alternate docking facility suitable for loading and discharging passengers at the Alexandria Marina for each such affected Vessel. Notwithstanding anything herein to the contrary, with the exception of Waterfront Events required as emergency measures to ensure public safety of persons using the Alexandria Marina or arising from an act of God, Licensor represents, warrants and covenants to Licensee that it shall not schedule or permit a Waterfront Event to occur during the period of April 30 and November 1 of any year during the term of the Agreement.

11. Assignment. This Agreement may not be assigned by Licensee without the consent of Licensor, which consent shall not be unreasonable withheld but which may require action by the Alexandria City Council.

12. Termination. In the event that Licensee violates any of the terms of this Agreement, Licensee shall be considered in default. If such default continues for thirty (30) days after Licensee has received written notice of the default, then this license may be terminated, effective immediately, by Licensor. Notwithstanding the above, Licensor shall have the right to terminate this license, effective immediately, in the event Licensee shall be adjudicated bankrupt, or if a receiver is appointed in a legal proceeding of any kind to take possession of the assets of Licensee, or if any creditor of Licensee shall seize, take possession of or foreclose upon the Vessels.

13. Removal. If this Agreement is terminated, the Vessels shall be immediately removed from and cease utilizing the Alexandria Marina and any alternate docking facility owned by Licensor. If it becomes necessary for Licensor to remove or cause the removal of any Vessel through any legal proceeding, or otherwise, then Licensor shall be entitled to recover all costs incurred in conjunction with such proceeding, including reasonable attorneys' fees, from Licensee.

14. Vessels.

(a) The Vessels subject to this Agreement are:

- i. Matthew Hayes or any replacement vessel licensed by the City of Alexandria, having an overall length not to exceed 65 feet and a width not to exceed 25 feet, permitted under subparagraph 14(c).
- ii. Cherry Blossom or any replacement vessel licensed by the City of Alexandria, having an overall length not to exceed 90 feet and a width not to exceed 33 feet, permitted under subparagraph 14(c).

(b) In the event Licensee wishes to replace any Vessel with another vessel during the term of this Agreement, it may do so, provided the following conditions are met: (i) the replacement vessel is able to safely dock within the Berths provided by this Agreement; (ii) Licensor consents in writing to the replacement vessel, which consent shall not be unreasonably withheld; (iii) the original Vessel that is being replaced shall no longer have the right to utilize the Berths at the Alexandria Marina; and (iv) Licensor and Licensee agree upon an annual fee that shall be comparable to the other fees charged under this Agreement.

15. Intentionally Omitted.

16. Parking. Licensee shall take all reasonable efforts to advise passengers of the Service to avoid on-street parking in the City, including, without limitation, providing passengers and their agents with maps and directions to off-street parking facilities in the City and making such maps and directions available at Licensee's office and on any vessels used under this Agreement. Licensee shall also consider in good faith Licensee's participation in programs that call for retailers in Old Town Alexandria to provide financial incentives to their customers to use off-street parking facilities.

17. Utility and Service Costs. Licensee shall pay the cost of bringing or otherwise making available any utility service to the Vessels, the cost of sub-metering any service providing utilities to the Vessels and the cost of all utilities, with the exception of water consumed or utilized by the Vessels. Licensor shall provide Licensee with invoices for monthly utility usage, and Licensee shall pay such invoices or reimburse Licensor for such invoices, as the case may be, within thirty (30) days of receipt.

18. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

CITY OF ALEXANDRIA, a municipal
corporation of Virginia

Date: _____

By: _____
James K. Hartmann, City Manager

Approved as to form:

Karen S. Snow
Assistant City Attorney

POLAK STEAMBOAT, INC.

Date: _____

By: _____
Willem Polak, President

ATTACHMENT A

Alexandria Marina 2010 Rules and Regulations

Welcome to Alexandria

We ask that you and your guests please observe the following rules and regulations while at the City Marina. This will ensure a more enjoyable stay in Alexandria for you and others.

All vessels must register and pay dockage fees with the Dockmaster or his/her representatives upon arrival. The following rules and regulations are applicable to ALL vessels docking at the Alexandria City Marina.

1. Vessels must have operational engine(s) and, except in the case of an emergency, must be under power, not sail, when entering or leaving the marina.
2. Vessels shall be subject to periodic inspection by the City to ensure the following: Conformity with United States Coast Guard rules and regulations; maintenance of proper safety conditions while at the Marina, including such safety concerns as the proper placement of dock lines and properly operating engine(s); and the overall cleanliness, appearance and maintenance of the vessel.
3. Vessels shall be registered, documented, marked and maintained as required by law and safe practice. Boats that are not marked or identified and licensed as required by law will not be permitted to use the municipal facilities.
4. One (1) 30amp electrical connection is available per boat slip. 50amp connection is available on T-Heads. 100 amp connection is available at North T-Head. One (1) water hose bib connection available per boat slip, in season.
5. If a vessel needs to be moved and the occupants cannot be reached after a reasonable attempt has been made, the City reserves the right to have a vessel moved to another location, at the owner's expense, but the City shall not be liable for any damages that result from such relocation.
6. Vessels that are abandoned or whose owners have not paid dockage fees after notice is provided by the City to the vessel, by the procedures set forth in section 6-3-7 of the Alexandria City Code, may be removed by the City.
7. The vessel owner shall be responsible for the conduct of his or her guests and for any damage caused by the vessel while located within, departing, or approaching the City Marina. Boisterous conduct and loud music are prohibited.
8. Maintenance, painting or repair of vessels while the vessel is tied up at the City Marina is prohibited without prior approval of the Dockmaster.
9. All walkways, pilings, and other marina facilities shall be kept clear of obstructing materials such as carpeting, bicycles, scooters, storage boxes, dinghies, and cushions. Hoses and power cords to shore must be neatly positioned so as not to impede traffic.
10. All refuse and trash must be placed in the receptacles provided on the pier. The off-loading of items such as waste oil and batteries are prohibited without the Dockmaster's prior approval.
11. Laundry shall not be hung from boat rigging, lifelines, pulpits, slips or docks.
12. All boats shall be equipped with a fully operating bilge pump.
13. Discharge of raw sewage or other waste into the river is prohibited.
14. No swimming, windsurfing, jet skiing, diving, or fishing is permitted at the City Marina.
15. Commercial advertising, including "For Sale" signs, is prohibited.
16. While at the City Marina, no vessel may engage in boat charters or boat rides, nor may merchandise or services be sold from it, nor may any other commercial activity be conducted from it without the prior approval of the Dockmaster.
17. City pier facilities are available for commercial docking. Commercial docking must be approved in advance by the Park Operations Recreation Supervisor. A commercial vessel is defined as any passenger carrying vessel maintained for hire by the public or any vessel used for the production of income.
18. Open fires, barbeques and grills on docks and/or boats are prohibited.
19. Pets must be leashed at all times while on City property (Code 5-7-35). Owners must cleanup after their pets (Code 5-7-42).
20. Rafting of vessels tied, docked, or moored to City property is prohibited.
21. Violation of any of these rules and regulations and/or other improper conduct by a vessel owner and/or his or her guest constitutes (at the

discretion of the City) cause for immediate cancellation of the owner's contract.

22. The City reserves the right to not refund fees for the rental of any slip at the City Marina when the City terminates a slip rental contract pursuant to a violation of these rules and regulations:
23. The City reserves the right to refuse docking.
24. The City shall not be held liable for any loss, damage or injury suffered by persons and vessels while at City-operated marina facilities.
25. The City reserves the right to reassign transient dock space if a transient boat leaves than returns to the marina. The City restricts transient docking to a maximum stay of 5 nights or 5 days (which ever is reached first) at which time the vessel must leave the marina for a minimum of 24 hours.
26. The public consumption of alcoholic beverages on the City Piers, board walk, and/or park property is prohibited.
27. The sale of merchandise and/or services at the City Marina piers, boardwalk, or walkways is prohibited.
28. Fees do not include charges for work of any kind, including emergency work. The City Marina shall be paid by the owner for all services performed, or goods or materials used in any work done to safeguard the boat, whether or not the work was successful. Failure to pay such charges when due may, at the City's option, be treated in the same manner as failure to pay slip rent when due.
29. The City shall have the authority to interpret and enforce these rules and regulations in its best interests.
30. Alterations or changes to City property including but not limited to piers, pilings and decking is prohibited.

City Marina Administrative Office
1108 Jefferson Street, Alexandria Virginia 22314
email: City.Marina@alexandriava.gov



Department of Recreation, Parks and Cultural Activities

Alexandria City Marina

0 Cameron Street
Alexandria, Virginia 22314



VHF Channel 16; Working Channel 68
(703) 838-4265

Operating Hours

Transient docking not permitted during non-operating hours

June through August

Monday through Thursday: 10am to 9pm
Friday 10am - 10pm
Saturday 9am - 10pm
Sunday 9am - 9pm

April -May & September-December

Friday 10am - 10pm
Saturday 9am - 10pm
Sunday & Holiday 9am - 9pm
Monday through Thursday 11am-9:00pm

January-February

Daily 10am to 5pm (Closed for some City Holidays)

ATTACHMENT B

Alexandria Marina Map and Berth Identification

City of Alexandria Marina

- (A) Torpedo South Pier
- (B) Torpedo North Pier
- (C) Founders South Pier
- (D) Founders North Pier
- (E) Work Boat
- (F) Water Taxi Float
- (G) Dockmaster
- (H) Ticket Booth
- (I) Float
- (J) 36' Length 17' Beam
- (K) 65' Length 25' Beam
- (L) 65' Length 20' Beam
- (M) 90' Length 33' Beam

