LICENSE AGREEMENT USE OF MARINSHIP PARK BY SAUSALITO ART FESTIVAL FOUNDATION FOR THE SAUSALITO ART FESTIVAL

THIS LICENSE AGREEMENT is made this day of , 2006 by and between the CITY OF SAUSALITO, a municipal corporation and the Sausalito Art Festival Foundation, a California non-profit corporation.

Since 1952, the citizens, artists and businesses of Sausalito have hosted an art festival in Sausalito over the three day Labor Day week-end (Saturday through Monday) with the support of a variety of local, civic organizations. Over the years, this festival has developed into the City's largest and most significant civic event, and involves the volunteer efforts of large numbers of Sausalito and area residents and businesses and the majority of Sausalito civic organizations. Civic organizations have historically maintained food and beverage booths at the festival, and any net proceeds from the event accruing either to the sponsor or to the volunteer organizations are used solely to further the civic functions of those organizations throughout the year. Beginning in 1988, the Festival has been held at the City's Marinship Park. The parties seek to maintain the event at the Marinship Park and adjacent tennis courts, subject to the terms and conditions of this License Agreement.

Throughout the remainder of this Agreement the following terms shall have the meaning set forth:

"Park" shall refer to the City of Sausalito's Marinship Park and adjacent tennis courts and parking areas.

"The Foundation" shall refer to the Sausalito Art Festival Foundation.

"Festival" shall refer to the Sausalito Art Festival held annually on Labor Day week-end (Friday through Monday).

"City" shall refer to the City of Sausalito.

- 1. LICENSE. Subject to the terms and conditions of this License, City hereby grants to the Foundation a license to enter onto and use the Park to host and conduct the Festival. During the term of this License, the License shall be in effect beginning 18 days prior to the Festival, and terminating one week following the final date of the Festival unless other dates for a given year's Festival are agreed to by the parties in advance of the Festival.
- 2. SERVICES TO CITY. The Foundation shall cooperate with the City to maximize income to the City and local organizations which benefit from the Festival.
 - a) Business Licenses: The Foundation shall collect from each participating artist a business license fee which shall be paid to the City as collected by August 1, August 25, and September 10 of each year. Sausalito artists who have a valid business license are exempted.
 - b) Sales Taxes: Within 60 days after the conclusion of the Festival, the Foundation shall provide a written report to the City of all taxable sales generated during the Festival. With regard to sales by participating artists, the report shall identify the name, address, sales tax permit number, and gross sales as reported by the artist to the Foundation. The

Foundation shall make its best efforts to regularly update this information as it is available.

- c) Parking: The Foundation shall coordinate planning with the Parking Operator (currently the Sausalito Rotary Club), subject to regulations of the City's "High Impact Special Event Protocol" and any agreements between the Parking Operator and the City.
- d) Annual Report: The Foundation shall issue an annual report detailing all revenues and expenses related to the event. This includes income to local participating organizations and grants and/or scholarships to the community.

3. PAYMENT TO THE CITY

- a) The Foundation shall make an annual donation of \$20,000 to the City toward a Community Arts Center and/or a mutually agreeable community project.
- b) The Foundation will reimburse the City for all police, fire and public safety expenses up to \$10,000 for the first year. Each successive year may increase up to 10% from the previous year.
- c) The Foundation shall maintain, repair, or replace any facilities damaged during the Festival (tennis court surface, restroom fixtures, sprinkler heads, etc.)
- 4. FOOD BOOTHS. City's Park and Recreation Department shall be entitled to maintain a food booth annually at the Festival subject to the Foundation's rules, regulations and upon payment of the fees applicable to all organizations who maintain food booths at the Festival so long as this Agreement is in effect.
- 5. APPLICATION. On or before July 1 of each year prior to the Festival, the Foundation shall submit a "Special Event Application" to the City, it will include plans for parking, traffic circulation and signage, utilities, hours of operation, security, noise control, crowd control, restrooms and other public conveniences and site safety.
- 6. WASTE MANAGEMENT. The Foundation shall make arrangements for the pick-up and disposal of all garbage and recyclables generated by the Festival. The Foundation shall make every reasonable effort to separate and recycle the greatest amount of solid waste generated by the Festival as is reasonably possible. Unless, such services are donated or cannot be provided by the City's franchisee, the Foundation shall arrange such services solely with the City's garbage and recycling franchisee.
- 7. RESTORATION. The Foundation shall be solely responsible for clean-up of the Park within seven days after the conclusion of each year's Festival, and within twenty-one days after the conclusion of each year's Festival shall make such repairs as are required to return the Park to the condition it was in prior to the use of the Park by the Foundation for that year's Festival.
- 8. INDEMNIFICATION. The Foundation shall indemnify, defend, and hold harmless the City of Sausalito, its officers, agents and employees for an from injury or damage to any person or property or to any employee, agent or guest of the Foundation, its agents or assigns resulting from the activities of the Foundation or its employees, agents or guests in the use of the Park pursuant to this Agreement and in the design, production and hosting of the Festival and in the course of the use of any City property or right-of-way pursuant to this Agreement.

- 9. INSURANCE. The Foundation shall maintain during the use of the site liability insurance with limits of at least \$1 million per occurrence or such greater amount if determined by City's insurance advisor to be reasonable and necessary. City shall be provided with evidence of such adequate amount of insurance and with original endorsements effected the coverage required herein and naming the City of Sausalito, its officers, agents and employees as additional insured thereon, on or before August 10th of each year preceding the use of the park by the Foundation. The insurance shall name the city as an additional insured.
- 10. TERM. Except in the event of termination as provided herein, this License shall be effective for a period of ten years commencing from the date first written above and shall continue through the Festival on Labor Day weekend in the year 2015.

In the event that the Foundation conducts the Art Festival, in a manner inconsistent with the provisions of this license, the City may terminate the License.

In the event of unforeseen circumstances which prevent the Licensee from conducting, sponsoring or producing the Festival, or in the event that site conditions prevent the use of the park for the Festival, the Foundation may terminate their rights and duties under this Agreement by giving 90 days written notice of termination to the City.

Upon 360 days written notice, the Agreement may be terminated in the event the City determines to construct improvements at and/or make alterations to the Park which prevent its use as the site for the Festival. After notice given to Foundation, this Agreement shall be terminated in the event that fiscal constraints prevent the city from performing routine and regular maintenance or watering of the park as necessary to allow for the safe use of the Park for the Festival unless the Foundation makes arrangements with the city to perform such maintenance and watering necessary to enable the continued use of the park by the Foundation.

- 11. USE. City grants this License to use the Park in an "As-is" condition, and makes no representation as to the fitness of the park as an adequate or appropriate site for the Art Festival. City shall maintain the Park consistent with its maintenance of all City parks. However, nothing in this Agreement shall require the City to make any improvement to, or extraordinary repairs to the Park, and City reserves the right to refrain from performing maintenance to the Park in the event the City Council of City adopts a resolution stating that fiscal constraints prevent it from performing such maintenance.
- 12. ASSIGNABILITY. This License is personal to the Foundation for the purposes stated herein, and is not assignable to any other party. The right to enter onto and use the Park under the provision of this License shall terminate in the event of any assignment of this License or any attempt to assign it or any part thereof to any person, corporations, association or entity.

Executed this day of , 2006 in Sausalito, California.

CITY OF SAUSALITO BY:	SAUSALITO ART FESTIVAL FOUNDATION BY:
RON ALBERT, MAYOR	MICHAEL STONE, PRESIDENT