

**AGREEMENT CHECK LIST**

**Contractor/Consultant Name:** Milestone Events Group, LLC

**Description of Services:** Events Management Agreement- Villa Chanticleer

Department: Community Services Project Manager Mark Themig Phone: 431-3116

Initial Contract Amount: \_\_\_\_\_ (if over \$50,000 must also complete Section 1 below)

Initial Contract  Begin Date July 1, 2022 End date June 30, 2027

If contract has multiple years, then encumbrance should be applied in the following manner:

Year 1 \_\_\_\_\_ Year 2 \_\_\_\_\_ Year 3 \_\_\_\_\_ Year 4 \_\_\_\_\_ Year 5 \_\_\_\_\_

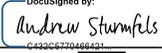
CPI increase per year: Yes  No

- List all Amended amounts:**
- Amendment #1- Amount \$ \_\_\_\_\_ End Date \_\_\_\_\_
  - Amendment #2- Amount \$ \_\_\_\_\_ End Date \_\_\_\_\_
  - Amendment #3- Amount \$ \_\_\_\_\_ End Date \_\_\_\_\_
  - Amendment #4- Amount \$ \_\_\_\_\_ End Date \_\_\_\_\_
  - Other Amount \$ \_\_\_\_\_ End Date \_\_\_\_\_

**Total Contract Amount:** \_\_\_\_\_

Funding Source: N/A Budgeted: Yes  No   
*(Include Acct# and Project #) (If no, explain on attached sheet)*

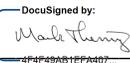
Is applicant reimbursing the City for cost? Yes  No  If yes, attach Reimbursement Agreement.

**Andrew Sturfels, Administrative Services Director/Risk Manager:** 

**Check all that apply:** Certificate(s) of Insurance attached: GL  Auto  Excess  W/C\*

Prof (E&O)  \*Workers' Comp Declaration  Other Liquor Liability

Business License No.: \_\_\_\_\_ Expiration Date: \_\_\_\_\_  W-9 (if new vendor)

  
\_\_\_\_\_  
DocuSigned by: Mark Themig 43449A81EFAA07...

**Department Head Signature**

**Section 1 - Only applicable for agreements in excess of \$50,000**

City Council approval date June 21, 2022 Resolution No. 94-2022

**Section 2 -**

DocuSign will deliver a fully executed copy of the agreement to the Consultant, City Clerk, Central Services, Project Manager, and Finance Department.

Central Services will place PDF agreement in Tommy Library, index agreement information, place insurance in electronic folder, and enter insurance information into Fastrack.

## EVENTS MANAGEMENT AGREEMENT

THIS EVENTS MANAGEMENT AGREEMENT (the “**Agreement**”) is entered into as of July 1, 2022 (the “**Effective Date**”) by and between Milestone Events Group LLC, a California limited liability company (“**Milestone**”) and CITY OF HEALDSBURG, a California municipal corporation (“**City**”) (each a “**Party**” and collectively the “**Parties**”).

### RECITALS

- A. City is the owner and operator of real estate and improvements thereon, located at 860-900 Chanticleer Way, Healdsburg, CA 95448 and depicted on Exhibit 1 attached hereto (the “**Property**”). The Property is improved with an event center known as Villa Chanticleer (the “**Villa**”), a garden with a gazebo, a storage shed, a gravel picnic area with picnic tables and a barbeque (“**Picnic Area**”), a City-owned building called the “**Villa Annex**”, a building known as the “**Caretaker’s Cottage**,” two other stand-alone buildings (“**Outbuildings**”), landscaping, trees, walkways, parking areas, drive aisles, fences, and gates. The Villa Chanticleer, Caretaker’s Cottage, the Outbuildings, Picnic Area, garden, gazebo, and storage shed are hereinafter referred to as the “**Premises**.” The Villa, Villa Annex, Caretaker’s Cottage, Outbuildings, and storage shed are each referred to as a “**Building**.” The parking areas, other drive aisles, walkways, fences, gates, trees, landscaping, fire hydrants, storm drains, irrigation lines and utility lines located outside of a Building are hereinafter referred to as “**Common Areas**.”
- B. Milestone is in the business of marketing, booking, organizing, hosting and managing events including, without limitation, banquets, weddings, fundraisers, parties, corporate gatherings, and community meetings (each an “**Event**” and collectively “**Events**”).
- C. On the terms, conditions set forth herein, City wishes to engage Milestone to manage Events on the Premises and, on some occasions, the Villa Annex, and allow Milestone to use the Premises, Villa Annex, and Common Areas in connection therewith.

### AGREEMENT

In consideration of the foregoing and other consideration, the adequacy of which is hereby agreed, the Parties agree as follows:

1. Engagement and Use Rights. City grants Milestone the rights pertaining to Event Planning Services described in Section 7 and, in connection therewith, the following use rights on the terms and conditions set forth in this Agreement:

- 1.1 The exclusive right to use the Premises;

1.2 The exclusive right to use those certain parking spaces in the area outlined in red as shown on Exhibit 1;

1.3 The non-exclusive right to use other Common Areas;

1.4 The right to use the Villa Annex subject to the Legion Lease (as defined in Section 8).

2. Consideration. In consideration for the rights granted herein, Milestone will waive certain Event rental fees and offer discounts for certain other Event rental fees as set forth in Section 7.4.

3. Use. The Property will be used solely for Events and for no other use or purpose whatsoever, except as provided in Section 4 or with City's prior written consent.

4. Caretaker's Cottage. The Caretaker's Cottage shall be used as a private dwelling for the person designated as caretaker for the Villa Chanticleer by Milestone and approved in writing by the City ("**Caretaker**"). No one other than the Caretaker and his or her immediate family (spouse, domestic partner, and/or children) may inhabit the Caretaker's Cottage without the prior written consent of the City. Milestone shall enter into an agreement, subject to City's approval, with Caretaker on the following terms:

4.1 Caretaker shall have the right to use the Caretaker Cottage so long as Caretaker is an employee of Milestone and shall comply with all laws, statutes, ordinances and requirements of city county, state and federal authorities now or later in force pertaining to the use of Caretaker Cottage.

4.2 Caretaker shall be responsible for monitoring the Property and calling 911 and notifying the City of any emergencies.

4.3 Caretaker shall not have pets at the Property other than one (1) domestic pet, such as a dog, cat, or bird without the prior written consent of the City.

4.4 The Caretaker's Cottage and surrounding area must be kept free of outdoor storage, litter, etc. and must be maintained in a clean and orderly manner at all times.

4.5 The Caretaker may keep a maximum of two vehicles at the Property on an ongoing basis. Any additional vehicles kept at the Property on an ongoing basis must be approved in writing by the City. Caretaker may not repair any automobiles or any other motor vehicles, heavy machinery, or equipment on the Property without prior written consent of the City.

4.6 Caretaker shall not renovate, paint, paper or otherwise redecorate or make alterations to the Cottage without the prior written consent of the City.

4.7 Caretaker shall not commit or allow any person to commit any act resulting in the destruction, defacement, damage, impairment, or removal of any part of the Cottage, including wall, ceiling, and floor coverings, and the furniture, fixtures, and furnishings.

4.8 Caretaker shall be responsible for damages caused by Caretaker's negligence and that of the Caretaker's family, invitees and guests.

5. Term.

5.1 Initial Term. Unless sooner terminated pursuant to Sections 24 or 27, the initial term of this Agreement shall commence on the Effective Date and expire five (5) years thereafter ("**Initial Term**"). The term "**Year**" as used in this Agreement shall mean the time period commencing on July 1 in a given year and ending on June 30 of the following calendar year. The first Year shall start on July 1, 2022 and end on June 30, 2023 ("**First Year**").

5.2 Extension Options. Provided (i) Milestone is not in default under the terms of this Agreement at the time each renewal option is exercised or at the commencement of the applicable Extension Term (as hereinafter defined) and (ii) Milestone has not been in default more than twice in any twelve (12) month period, Milestone shall have the option to extend the Term for one (1) successive period of five (5) year(s) (the "**Extension Term**"). The Extension Term shall be on all the terms and conditions of this Agreement. There shall be no additional extension terms beyond the Extension Term set forth herein. Milestone must exercise its option to extend this Agreement as to the Extension Term by giving City twelve (12) months written notice prior to the end of the Term of Milestone's election to exercise its extension option. Any notice not given in a timely manner shall be void at City's election, and Milestone shall be deemed to have waived its extension rights. The extension option set forth herein is personal to Milestone and shall not be included in any assignment of this Agreement. The Initial Term and any Extension Term shall hereinafter be referred to as the "**Term**."

6. Utilities. Milestone, at its sole cost and expense, shall be responsible and directly contract and pay for any and all utilities and services required or desired by Milestone in connection with its use or occupancy of the Property, including: (ii) water; (iii) gas, if applicable; (iv) electricity; (vi) telephone, computer, internet, communications; and (viii) any other utilities (individually and collectively "**Utility Services**").

7. Events. Milestone shall have the exclusive right to market, book, organize, host and manage, pursuant to this Agreement, Events at the Property, including Events for third parties,

HUSD Events, and City Events (“**Event Planning Services**”). Milestone will conduct its use and operation of the Property in a professional manner consistent with the event management practices utilized at other Milestone venues.

7.1 City Obligations in Relation to Events. City shall transfer all payments made to the City or prior operator for Events occurring after July 1, 2022 to Milestone by August 1, 2022. City shall direct to Milestone any inquiries that City receives about Events at the Property for Milestone’s consideration and, upon request, shall reasonably assist Milestone in marketing and implementation of Events at the Property.

7.2 Milestone Obligations with Respect to Previously Scheduled Events. City or City’s prior operator has scheduled the Events, City Events, HUSD Events, and Legion Events set forth on Exhibit 2 on the dates set forth therein. Milestone has received copies of the agreements for and agrees to manage those Events set forth on Exhibit 2, assume any obligations under the agreements pertaining to those Events, and shall not schedule any new Events that would conflict with those Events.

7.3 Milestone Obligations with Respect to City Events and HUSD Events. In scheduling Events, Milestone shall give priority to HUSD Events and City Events so long as Milestone has not previously scheduled an Event for the desired date. Notwithstanding the foregoing, Milestone shall never book an Event on the first Sunday in December to allow City to hold its Senior Appreciation Day on that date.

7.4 Free and Discounted Events

(a) Milestone will waive the rental fee for five (5) Events hosted by the City each calendar year. Rentals shall be subject to any additional applicable charges including bar packages, event planning, specialized staffing needs, cleaning fees and damage deposits, provided that the City at its option may supply its own food, alcohol, and staff.

(b) Milestone will waive the rental fee for five (5) Events hosted by Healdsburg Unified School District (HUSD) each calendar year. Rentals shall be subject to any additional applicable charges including bar packages, event planning, specialized staffing needs, cleaning fees and damage deposits, provided that the HUSD at its option may supply its own food and staff.

(c) Milestone will waive the rental fee for three (3) Events hosted by Sotoyome Post No. 111 of the American Legion (“**Legion**”) in the Villa each calendar year. Rentals shall be subject to any additional applicable charges including bar packages, event

planning, specialized staffing needs, cleaning fees and damage deposits provided that Legion at its option may supply its own food, alcohol, and staff.

(d) Events with no rental fee will not occur on a Saturday during the months of April through October.

(e) Individuals residing within Healdsburg City Limits as of the date they reserve an Event shall be eligible to receive a 20% discount off the regular rental fee for Events in effect on the date the Event is reserved. Rentals shall be subject to any additional applicable charges including bar packages, event planning, specialized staffing needs, cleaning fees and damage deposits.

(f) Nonprofit organizations that are registered with the California Secretary of State with a business address within the Healdsburg City Limits as of the date they reserve an Event shall be eligible to receive a discount of 50% to 70% off the regular facility rental fee for Events in effect on the date the Event is reserved. Rentals shall be subject to any additional applicable charges including bar packages, event planning, specialized staffing needs, cleaning fees and damage deposits.

7.5 Milestone Obligations with Respect to all Events. In connection with Milestone's rights pursuant to this Section 7, Milestone shall, for all Events, at its sole cost and expense:

a) Market the Property for Events, including deploying Milestone's website for purposes of marketing, designing, managing and implementing the Events. It is agreed that Milestone retains the exclusive right to modify its website from time to time. Milestone retains the right to use its website for Events at other locations;

b) Set fees and prices for all Events and use of the Property;

c) Hire, schedule, and supervise staff necessary for Events at the Property;

d) Order, maintain, and provide sufficient amounts of supplies for Events, including without limitation food, alcohol, hand soap, cleaning supplies and paper products;

e) Update and manage the existing Villa Chanticleer website, <https://www.villachanticleer.com> owned by City ("**Villa Website**");

f) Prepare in consultation with City a list of approved vendors ("**Approved Vendors List**") and periodically evaluate such vendors consistent with procedures manual;

g) Develop, in consultation with City, a procedures manual (“**Procedures Manual**”) for use of the Property as well as conduct of Events and modify said manual from time to time as appropriate;

h) Respond to inquiries from customers proposing to host Events at the Property (individually, an “**Event Customer**” and collectively, “**Event Customers**”);

i) Negotiate, prepare and enter into contracts with Event Customers;

j) Prepare and enter into contracts with vendors or contractors to supply services for the Events;

k) Prepare, in consultation with City, rules and regulations (“**Rules and Regulations**”) to govern behavior of guests and vendors at Events;

l) Secure any necessary security and clean-up of the Property following an Event;

m) Prepare an annual report detailing Milestone’s revenue and expenses at the Property and provide said report to City no later than March 31 each year for the previous calendar year. The report will be an internal statement, prepared by Milestone in accordance with its regular accounting practices;

n) Obtain and maintain in full force and effect all permits and licenses required for the use and operation of the Premises or the Property for Events including, without limitation, a business license and a Type 47 general ABC license to serve beer, wine, and distilled spirits (“**Liquor License**”).

8. Use of the Villa Annex. The Parties acknowledge and agree that the Villa Annex is subject to a Lease Agreement between City and Legion, which shall hereinafter be referred to as the “**Legion Lease.**” The Legion Lease is attached hereto as Exhibit 3. City assigns Milestone the City’s rights under the Legion Lease to use the Villa Annex with Legion’s permission. Pursuant to the Legion Lease, Legion provides an American Legion Event Schedule during the last quarter of each calendar year for Legion’s Events on the Property in the following calendar year. City shall cause Legion to provide the American Legion Event Schedule to Milestone, or City shall provide the American Legion Event Schedule to Milestone within two (2) business days of receipt. Milestone shall not have the right to use the Villa Annex on any date listed on the American Legion Event Schedule.

9. As-Is Condition. Except as identified in Section 10 and as may be provided in any mutually agreeable Long-Term Capital Expenditure Plan developed in accordance with Section

11 below, Milestone accepts the Premises and the Property in their current, existing, "AS-IS" condition. Milestone acknowledges that City has made no representation or warranty regarding the condition thereof. City agrees to work as quickly as possible, taking into account the City's budgeting process, to make any repairs that are an obligation of the City in Exhibit 4.

10. City's Work.

10.1 By September 30, 2022, or as soon as reasonably practicable thereafter, City shall:

- (a) Remove and replace all dead landscaping in the garden area;
- (b) Inspect and repair the irrigation to ensure it is in good working order and condition;
- (c) Remove the picnic tables in the Picnic Area;
- (d) Repaint the curb surrounding the Picnic Area;
- (e) Repaint the barbeque in the Picnic Area;
- (f) Add gravel to Picnic Area;
- (g) Repair the crack in the coating of the kitchen floor in the Villa;
- (h) Replace the faucets and dishwasher in the bar area of the Villa;
- (i) Replace the leaking pot filler in the Villa, and replace the mop sink faucet in the Villa;
- (j) Replace the storage shed; and
- (k) Repair the stairs to the Garden.

11. Development of Long-Term Capital Expenditure Plan and Analysis of Milestone's Finances and Operations.

11.1 The City has completed an assessment of the condition of the Property ("**Facilities Assessment**") that identifies recommended repairs and replacements. As soon as reasonably practicable after July 1, 2023, the Parties shall meet and confer to develop a reasonable, mutually agreeable plan for repairs and improvements identified in the Facilities Assessment during the Initial Term and a reasonable allocation of the costs of the repairs and

replacements between the Parties, provided that the costs of repairs and replacements allocated to the City shall be subject to approval during the City's standard budget process ("**Long-Term Capital Expenditure Plan**"). If the Parties reach an agreement on the Long-Term Capital Expenditure Plan, it shall be memorialized in a written amendment to this Agreement that will set forth the Parties' respective responsibilities with regard to the cost and completion of the repairs and replacements identified in the Long-Term Capital Expenditure Plan and the amendment shall be submitted to City Council for approval.

11.2 In addition to meeting and conferring regarding the development of the Long-Term Capital Expenditure Plan, the Parties shall meet and confer as soon as reasonably practicable after July 1, 2023 regarding the reports that Milestone must provide under Section 7, Milestone's compliance with its obligations under this Agreement, and City's obligations under Section 7 with respect to scheduling City Events and HUSD Events.

12. City Maintenance.

12.1 City Obligations. City's obligations are as set forth on Exhibit 4 and, subject to Sections 10, 11 and 12.2, City shall exercise good faith, diligent efforts to make necessary repairs or replacements in a reasonable period of time to bring the item into good working order and repair.

12.2 Limits on City's Maintenance Obligations. Requests by Milestone for maintenance of the Property shall be subject to the City's standard budget process. Requests in excess of Twenty Five Thousand Dollars (\$25,000) annually may be subject to City Council approval. The City will determine maintenance funding as part of its standard budget process. So long as the City maintains the items listed on Exhibit 4 in good working order, City shall not be obligated to make repairs or replacements that make the Premises or the Property more marketable or updated.

13. Milestone's Maintenance Obligations. Milestone's obligations are set forth on Exhibit 4. If an item is listed as City's responsibility on Exhibit 4, Milestone shall promptly notify City of any problem with, malfunction of, or damage to the items for which City is responsible for maintaining pursuant to Section 12 of the Agreement and Exhibit 4. In an emergency (defined as an immediate threat of a) physical harm to persons that Milestone cannot reasonably mitigate; b) structural, roof, or foundational damage to any Building; or c) material damage to Milestone's property), Milestone may hire a qualified and licensed contractor to undertake repairs with prior approval from a City staff member (who shall be designated in a written notice from City, and whose approval shall not be unreasonably withheld) and City shall reimburse Milestone as soon as reasonably practicable after receipt of an invoice for the reasonable cost of the approved

repairs or replacements, taking into account the City's standard budget process. Milestone waives the provisions of Sections 1941 and 1942 of the California Civil Code.

14. Inspection. City reserves the right to enter the Property or the Premises upon reasonable notice to Milestone (except that advance notice shall not be required in case of an emergency) for the following purposes) (i) to inspect the condition of the Property or the Premises; (ii) to ascertain the performance by Milestone of the terms and conditions hereof; (iii) to respond to an emergency at the Property or the Premises; (iv) to maintain, inspect and repair the Property or the Premises to the extent required or permitted under this Agreement; (v) to post notices of non-responsibility for alterations, additions or repairs undertaken by Milestone; (vi) to show the Premises or the Property to prospective tenants in the last ninety (90) days of the Term; (vii) to post a leasing sign in or about the Premises or the Property; and (viii) to perform any other right or duty of City under this Agreement.

15. Trade Fixtures and Alterations.

15.1 Milestone may install necessary trade fixtures, equipment and furniture in the Premises or the Property, provided that such items are installed and are removable without structural or material damage to the Premises or the Property. For purposes of this Agreement, "**trade fixtures**" means specialty fixtures or equipment used in Milestone's trade or business as identified by Milestone and agreed to by City in writing. Milestone shall not construct, or allow to be constructed, any other alterations, physical additions, or improvements in, about, or to the Premises or the Property ("**Alterations**") without the prior written consent of City, and City's review and approval of plans and specifications, or conceptual drawings, photographs or samples if plans and specifications are not ordinarily prepared for the type of Alterations proposed, which consent and approval may be granted or denied in City's sole discretion. If City approves proposed Alterations, City's consent may be conditioned upon Milestone's establishing compliance with Laws (as defined in Section 17) and with City's reasonable requirements regarding selection of contractors and construction of Alterations. Should Milestone make any Alterations without the prior written consent of City, City may, at any time during the Term, require Milestone to remove any or all of the same and restore the Premises or the Property to their prior condition, at Milestone's sole cost and expense.

15.2 Alterations shall, at the expiration of the Term or termination of the Agreement, become the property of City and shall be surrendered by Milestone with the Premises and the Property. Until the expiration of the Term or termination of the Agreement, any Alterations paid for by Milestone and consented to by City shall be considered leasehold improvements and depreciated according to the IRS depreciation method which is 15-year straight line. In the event the Agreement expires or is terminated at any point in time by City, City will reimburse

Milestone for the undepreciated basis Milestone has in the leasehold improvements, provided that in no event shall City's reimbursement obligation under this Section 15.2 exceed \$50,000. Provided that Milestone submits to City and receives City's approval of architectural plans and specifications, which approval shall not be unreasonably withheld or delayed, Milestone shall have the right to perform the following work at its sole cost: upgrade the lighting fixtures in the Villa and replace the flooring in the vestibule and bar areas in the Villa.

15.3 All work to be performed by or on behalf of Milestone shall be performed diligently and in a first-class, workmanlike manner, using licensed contractors, and in compliance with all applicable Laws and all insurance carrier requirements. City shall have the right, but not the obligation, to periodically inspect such work and may suggest changes in the method or quality thereof. In no event shall such work materially obstruct access to the Property or any portion thereof.

15.4 Milestone shall also perform any closure work, investigation and environmental remedial work required by the presence or suspected presence of any Hazardous Materials caused by Milestone or Milestone Parties (as defined in Section 19) under Hazardous Materials Laws (as hereinafter defined) or by any other applicable Laws.

15.5 Milestone shall promptly pay and discharge all claims for labor performed, supplies furnished and services rendered at the request of Milestone and shall keep the Premises and Property and all portions thereof free of all mechanics' and materialmen's liens in connection therewith. Milestone shall provide at least ten (10) business days' prior written notice to City before any labor is performed, supplies furnished or services rendered on or at the Premises or the Property and City shall have the right to post on the Premises or the Property notices of non-responsibility. If any lien is filed, Milestone shall cause such lien to be released and removed within ten (10) days after the date of filing, and if Milestone fails to do so, City may take such action as may be necessary to remove such lien.

16. Insurance.

16.1 Prior to the Effective Date, Milestone shall deliver certificates of insurance for the insurance policies Milestone is required to obtain under Section 16.1(a) through (c) below.

(a) Commercial General Liability Insurance. A Commercial General Liability policy of insurance (including bodily injury, personal injury and property damage) with limits of at least \$2,000,000 per occurrence. The Commercial General Liability policy of insurance shall contain, or shall be endorsed to contain, Liquor Liability Coverage with limits of at least \$1,000,000 per occurrence.

(b) Automobile Insurance. An automobile insurance policy for all owned, hired, or non-owned vehicles with limits of at least \$1,000,000 per accident for bodily injury and property damage.

(c) Workers' Compensation and Employer's Liability. Proof of Workers Compensation and Employers Liability insurance as required by any applicable law, regulation or statute, including the provisions of Division IV of the Labor Code of the State of California, and any act or acts amending it. Worker's compensation insurance must be for Statutory Limits and must cover the full liability of the Consultant. The Consultant's Employer's Liability Insurance must be in an amount no less than \$1,000,000.00 per occurrence. The workers' compensation policy must be endorsed with a waiver of subrogation. The insurance company, in its endorsement, must agree to waive all rights of subrogation against the City, its officers, officials, employees, agents and volunteers for losses paid under the terms of such policy.

16.2 All required insurance must be provided in the form of "occurrence"-type policies underwritten by admitted insurers in the State of California with a rating of A or better from the current year Best's Insurance Guide. All policies must be issued at the expense of Milestone and must be maintained at Milestone's expense. Milestone shall maintain insurance as required by this contract to the fullest amount allowed by law. Upon City's request, Milestone shall also provide a declaration page or copy of each policy.

16.3 Both the Commercial General Liability policy and Automobile policy endorsements must add the City, its officials, officers, employees, agents and volunteers as an additional insured ("**Additional Insured**"). The Additional Insured coverage shall be "primary and non-contributory" and Milestone's coverage will not seek contribution from the City's insurance or self-insurance and shall be at least as broad as CG 20 01 04 13.

16.4 It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits shall be available to the Additional Insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the name insured; whichever is greater.

16.5 The limits of insurance required under this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City (if agreed to in a written contract or agreement) before the City's own insurance or self-insurance shall be called upon to protect it as

a named insured. If an Umbrella or Excess Policy is used to satisfy the requirements, an endorsement must be provided from the insurance carrier/broker and that Umbrella/Excess Policy 'follows form' or is 'continuous' to the General liability and/ Auto liability policy in addition to the required endorsement.

16.6 Milestone shall provide the City with a 30-day written notice of any reduction or cancellation of such insurance required to be furnished by Milestone and include a severability of interest clause acceptable to the City and if requested by the City.

17. Compliance with Laws. At its sole cost and expense and throughout the Term, Milestone shall comply, and require its contractors to comply, with all federal, state and local statutes, ordinances, codes, rules, regulations, conditions of approval and all legislative, administrative, judicial or health orders, emergency declarations, decrees, requirements, permits, rulings or judgments, including without limitation the California Labor Code ("Laws"), which now or in the future may govern or affect the respecting the use or manner of use of the Premises or the Property or the construction, maintenance and operation thereof. Without limiting the foregoing, Milestone shall obtain and keep in full force and effect all permits and licenses required for the use and operation of the Premises or the Property for Events including, without limitation, the Liquor License.

18. Hazardous Materials. Milestone, at its sole cost and expense, will comply with all Environmental Laws (as defined in Section 18.1) including their provisions relating to the generation, handling, presence, storage, transportation, use, and disposal of all Hazardous Materials (as defined in Section 18.2). Neither Milestone nor Milestone Parties shall use, handle, store, transport, treat, generate, release or dispose of any Hazardous Materials anywhere in, on, under or about the Premises or the Property (except that Milestone or Milestone Parties may use plastic products in compliance with applicable Laws and petroleum products so long as the use is in compliance with applicable Laws and so long as petroleum is not stored in an underground storage tank). Milestone shall cause any and all Hazardous Materials brought onto, used, generated, handled, treated, stored, released or discharged on or under the Premises or the Property to be removed from the Premises and Property and transported for disposal in accordance with applicable Hazardous Materials Laws. City shall have the right to enter the Premises and the Property from time to time to conduct tests, inspections and surveys concerning Hazardous Materials and to monitor Milestone's compliance with its obligations concerning Hazardous Materials and Hazard Materials Laws. Milestone shall immediately notify City in writing of: (i) any release or discharge of any Hazardous Material; (ii) any voluntary clean-up or removal action instituted or proposed by Milestone, (iii) any enforcement, clean-up, removal or other governmental or regulatory action instituted or threatened, or (iv) any claim made or threatened by any person against City, Milestone, the Premises, or the Property or any portion

thereof relating to Hazardous Materials or Hazardous Materials Laws. Milestone shall also supply to City as promptly as possible, and in any event within five (5) business days after Milestone receives or sends same, copies of all claims, reports, complaints, notices, warnings or asserted violations relating in any way to the Premises, the Property, or Milestone's use thereof and concerning Hazardous Materials or Hazardous Materials Laws. In the event Milestone institutes a cleanup or removal action, Milestone shall provide copies of all workplans and subsequent reports submitted to the governmental agency with jurisdiction to City in a timely manner.

18.1 As used in this Agreement, "**Environmental Laws**" shall mean all Laws relating to protection of human health or the environment (including air, surface water, groundwater, land surface or subsurface), whether currently in force, previously enforced, or subsequently enacted, including the following laws: 15 United States Code §§2601–2697 (the Toxic Substances Control Act of 1976, as amended by the Frank R. Lautenberg Chemical Safety for the 21st Century Act (TSCA)); 33 United States Code §§1251–1388 (the Clean Water Act); 42 United States Code §§6901–6992k (the Resource Conservation and Recovery Act of 1976 (RCRA)); 42 United States Code §§7401–7671q (the Clean Air Act); 42 United States Code §§9601–9675 (the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA)); 49 United States Code §§5101–5128 (the Hazardous Materials Transportation Act); 33 United States Code §§2701–2762 (the Oil Pollution Act of 1990); California Health and Safety Code §§25100–25259 (the Hazardous Waste Control Law); California Health and Safety Code §§25270–25270.13 (the Aboveground Petroleum Storage Act); California Health and Safety Code §§25300–25395.45 (the Carpenter-Presley-Tanner Hazardous Substance Account Act); California Health and Safety Code §§25404–25404.9 (Unified Hazardous Waste and Hazardous Materials Management Regulatory Program); California Health and Safety Code §§25500–25547.8 (Hazardous Materials Release Response Plans and Inventory); California Health and Safety Code §§25249.5–25249.14 (the California Safe Drinking Water and Toxic Enforcement Act of 1986, or Proposition 65); California Health and Safety Code §§25280–25299.8 (Underground Storage of Hazardous Substances); California Health and Safety Code §§18901–18949.31 (California Building Standards Law); California Water Code §§13000–16104 (which includes the Porter-Cologne Water Quality Control Act); and California Fish and Game Code §§5650–5656; (b) all regulations that have been adopted or promulgated under such statutes or that are adopted under such statutes after the Effective Date; and (c) all enforceable demands, directives, and orders of any court, administrative body, or government entity relating to Hazardous Materials, whether currently in force, previously enforced, or enacted after the Effective Date ("**Environmental Laws**").

18.2 "**Hazardous Materials**" means (a) substances that now or in the future are defined or regulated by Environmental Laws as "contamination," "contaminants," "hazardous,"

"hazardous substances," "hazardous materials," "hazardous wastes," "pollutants," "pollution," "toxic," "toxic substances," "toxins," or "ultra-hazardous" or are otherwise listed or regulated under any Environmental Laws; (b) petroleum products, crude oil (or any fraction thereof), and their derivatives; (c) asbestos, explosives, lead-based paint, polychlorinated biphenyls, radioactive materials, and urea formaldehyde; and (d) noxious fumes, soot, or vapors.

19. Indemnity.

19.1 Milestone Indemnity. Except to the extent claims are caused by City's sole or active negligence or willful misconduct, Milestone shall indemnify, protect, defend, and hold harmless City and its elected officials, officers, employees, volunteers, lenders, agents, representatives, contractors and each of their successors and assigns from and against any and all claims, judgments, causes of action, damages, penalties, costs, liabilities, and expenses, including all costs, attorneys' fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon, arising at any time during or after the Term as a result (directly or indirectly) of or in connection with (i) any default in the performance of any obligation on Milestone's part to be performed under the terms of this Agreement; (ii) the use of the Premises or the Property by Milestone, its agents, representatives, contractors, employees, and Event Customers ("**Milestone Parties**"), the conduct of Milestone's business or any activity, work or thing done, permitted or suffered by Milestone or Milestone Parties in or about the Premises or the Property; (iii) any act, error or omission of Milestone or Milestone Parties in or about the Premises or the Property; (iv) any failure of Milestone or Milestone Parties to comply with Laws in connection with Milestone's obligations under this Agreement or the use of the Premises or the Property; (v) the presence of Hazardous Materials in, on, under, about, or emanating from the Premises or the Property, including, without limitation, any bodily injury, death, property damage, natural resource damage, decrease in value of the Premises or the Property, caused or alleged to have been caused by Milestone or Milestone Parties' use, storage, handling, treatment, generation, presence, discharge or release of Hazardous Materials in violation of Milestone's obligations under this Agreement. Milestone agrees to include in all sub-contracts the same requirements and provisions of this Agreement, including the indemnity and insurance requirements, to the extent they apply to the scope of the subcontractor's work. Milestone shall require all sub-contractors to provide a valid certificate of insurance and the required endorsements prior to commencement of any work and Milestone will provide proof of compliance, upon request, to the City.

19.2 City Indemnity. City shall indemnify Milestone from any and all claims, judgments, causes of action, damages, penalties, costs, liabilities, and expenses, including all costs, attorneys' fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon for personal injury or property damage arising from City's

actions in performing its obligations under this Agreement. City shall indemnify, defend, reimburse and hold Milestone, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which result from Hazardous Substances which existed on the Premises or the Property prior to the Effective Date or which are caused by the gross negligence or willful misconduct of City, its agents or employees.

20. Event Customer Insurance and Indemnity. In any contract with an Event Customer, Milestone shall require Event Customer to obtain a policy of event insurance naming Milestone and City as additional insureds, and to indemnify City and Milestone from (ii) the use of the Premises or the Property by Event Customer, its agents, employees, guests, and invitees; or (ii) any act, error or omission of Event Customer, its agents, employees, guests, and invitees in or about the Premises or the Property. This requirement may be waived in writing by the City Manager.

21. City Insurance. At all times during the Term, City will maintain insurance covering the Premises and the Property in an amount not less than the full replacement cost of the Property providing protection against any peril generally included in an "all-risk" standard insurance policy, with earthquake coverage insurance if required by any federal, state, county, city, or local authority. City may elect to self-insure, jointly-insure, or maintain insurance policies or an insurance equivalent (including, but not limited to, that offered to a municipality through and by a joint powers authority, a self-insurance pool of liability coverage authorized pursuant to California Government Code Section 6500, or similar collective) to fulfill its obligations under this Section 21.

22. Casualty.

22.1 Conditions of City's Obligations to Repair. If all or any portion of the Premises or the Property is destroyed or damaged by a fire, storm, earthquake, act of terrorism or other active physical peril that causes physical damage to the Premises or the Property (each, a "**Casualty**"), City shall repair and reconstruct the same unless Section 22.3 applies or one of the following circumstances exist:

(a) It is impossible from a physical, engineering standpoint to repair and reconstruct the destroyed or damaged portion of the Premises or the Property and restore the Premises or the Property;

(b) The necessary repairs or restorations are not permitted by Laws; or

(c) The estimated cost to repair the destroyed or damaged portion of the Premises or the Property and restore the Premises or the Property exceeds the proceeds payable to City from City's insurance outlined in Section 21 above.

22.2 City's Election to Repair or Terminate. If City is not required to repair and reconstruct the damaged or destroyed portion of the Property pursuant to Section 22.1 above, then within sixty (60) days of City's receipt of a reasonably detailed estimate of the costs of design and construction work necessary to repair and reconstruct the destroyed or damaged portion of the Property but no later than six (6) months from the date of the Casualty ("**Determination Date**"), City shall elect, by written notice to Milestone to either a) repair and reconstruct the damaged or destroyed portion of the Property with any shortfall in insurance proceeds to be paid by City from its funds or b) to terminate the Agreement.

22.3 Casualty at the End of the Term. If the Premises or the Property are partially or totally destroyed during the last year of the Initial Term or any Extension Term, City and Milestone will each have the right to terminate this Agreement by giving written notice to the other party no later than ninety (90) days from the date of the Casualty.

22.4 City's Repair Following Casualty. If City is required to repair and reconstruct any portion of the Property pursuant to Section 22.1 above, City shall commence such work as soon as reasonably practicable following the date of the Casualty and shall diligently pursue such work to completion.

22.5 Waiver. Milestone and City waive the provisions of California Civil Code §§1932(2) and 1933(4) and any amendments thereto and of any law that may hereafter be passed during the Term authorizing termination on the complete or partial destruction of the demised premises.

23. Non-Discrimination. During the performance of this Agreement, Milestone shall not discriminate against any employee of Milestone or applicant for employment because of race, religion, creed, color, national origin, age, physical, or mental handicap or disability, medical condition, marital status, sex, or sexual orientation. Milestone shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, creed, color, national origin, age, physical, or mental handicap or disability, medical condition, marital status, sex, or sexual orientation.

24. Taxes. Milestone shall pay, before delinquency, all taxes, assessments, license fees, and public charges levied, assessed, or imposed on its trade fixtures, inventory, merchandise, and other personal property in or on the Premises or the Property. This Agreement may create a possessory property interest in Milestone. Milestone's property interest may be subject to

property taxation (collectively, “**Possessory Interest Taxes.**”) . In the event that Possessory Interest Taxes are assessed, the Parties shall promptly meet and confer regarding a fair allocation of the Possessory Interest Taxes between the Parties. In the event that the Parties cannot agree on the allocation of responsibility for Possessory Interest Taxes, either Party shall have the right to terminate by providing sixty (60) days’ advance written notice to the other.

25. Assignment. Milestone shall not assign, sublet or otherwise transfer, whether voluntarily or involuntarily or by operation of Law, this Agreement, the Premises, the Property, or any part thereof, without City's prior written approval, which City may withhold in its sole absolute discretion, without any obligation to consider any proposed assignment, sublet or transfer in good faith or otherwise. Milestone's attempted assignment/subletting without first obtaining City's written consent shall be void at City's election. City's consent to one assignment or subletting shall not be deemed a consent to subsequent assignments and/or sublettings. The merger of Milestone with any other entity or the transfer of any controlling or managing ownership or beneficial interest in Milestone, or the assignment of a substantial portion of the assets of Milestone, whether or not located on the Property shall constitute an assignment hereunder. Any contract with an Event Customer shall not be considered an assignment for purposes of this Section 25.

26. Relocation Waiver. Milestone fully releases and discharges City (in its capacity as property owner and otherwise as a municipal corporation) from all and any manner of rights, demands, liabilities, obligations, claims, or cause of actions, in law or equity, of any kind or nature, known or unknown, now existing or hereinafter arising, which arise from or relate in any manner to the relocation of Milestone’s business operations, or the relocation of any person(s), business(es), or other occupant(s) located on within, on, or about, the Premises or the Property following the full or partial termination or expiration of the Term (collectively, "**Relocation Claims**"), including waiver and release of any relocation rights under Government Code sections 7260 et seq. or any federal Laws ("**Relocation Assistance Law**"). Milestone acknowledges and agrees that the release and waiver set forth in this Section 26 is material consideration for City to enter into this Agreement, and that, but for this release and waiver, City would not have entered into this Agreement. By releasing and forever discharging the Relocation Claims, Milestone expressly waives any rights under California Civil Code section 1542, which provides:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

27. Default.

27.1 “**Default**” refers to any breach of Milestone’s obligations or City’s obligations under this Agreement. Where Milestone's Default continues for the period specified below, it shall, at City's option, constitute an Event of Default giving rise to the remedies set forth in Section 27.2. The occurrence of any of the following events shall, at City’s option, constitute an “**Event of Default.**”

(a) Abandonment of or vacating the Premises or the Property for a period of thirty (30) consecutive days.

(b) The making of a general assignment by Milestone for the benefit of creditors; the filing of a voluntary petition by Milestone or the filing of an involuntary petition by any of Milestone's creditors seeking the rehabilitation, liquidation or reorganization of Milestone under any Laws relating to bankruptcy, insolvency or other relief of debtors and, in the case of an involuntary action, the failure to remove or discharge the same within sixty (60) days of such filing; the appointment of a receiver or other custodian to take possession of substantially all of Milestone's assets; Milestone's insolvency or inability to pay Milestone's debts or failure generally to pay Milestone's debts when due; any court entering a decree or order directing the winding up or liquidation of Milestone or of substantially all of Milestone's assets; Milestone taking any action toward the dissolution or winding up of Milestone's affairs; or the attachment, execution or other judicial seizure of substantially all of Milestone's assets.

(c) Default in the performance of any obligation pursuant to this Agreement following thirty (30) days’ prior written notice to cure with no cure achieved.

27.2 In the event of the occurrence of any Event of Default, in addition to the rights set forth in Section 29.7, City shall have the right to give a written termination notice to Milestone and, on the date specified in such notice (which date shall be at least three (3) business days following the date of delivery of such notice), this Agreement shall terminate unless on or before such date all Events of Default at the time existing shall have been fully remedied to the satisfaction of City. Following termination, without prejudice to other remedies City may have, City may (i) peaceably re-enter the Premises and the Property upon voluntary surrender by Milestone or remove Milestone therefrom and any other persons occupying the Premises and the Property, using such legal proceedings as may be available; (ii) repossess the Premises and the Property or relet the Premises, the Property, or any part thereof for such term (which may be for a term extending beyond the Term), at such rental and upon such other terms and conditions as City in City's sole discretion shall determine, with the right to make reasonable alterations and repairs to the Premises and the Property; and (iii) remove all Milestone’s personal property from

the Premises and the Property. In the event of default, any Events booked by Milestone remain the obligation of City and Milestone unless the booked Events are transferred to a potential new operator of the Property.

27.3 Where City's Default continues for thirty (30) days after Milestone's written notice of City's Default with no cure achieved, or if City has not commenced such cure within such thirty (30) day period if the nature of the default is such that more than thirty (30) days are reasonably required for its cure, it shall be, at Milestone's option, an Event of Default. Milestone shall have the right to send a written termination notice to City and, on the date specified in such notice (which date shall be at least three (3) business days following the date of delivery of such notice), this Agreement shall terminate unless on or before such date all Events of Default at the time existing shall have been remedied. Milestone shall also have the rights set forth in Section 29.7, except that Section 29.15 shall govern with respect to the forum to resolve the disputes set forth therein.

28. CASp. The Premises and the Property have not undergone an inspection by a Certified Access Specialist (CASp). The following language is provided in compliance with California Civil Code Section 1938: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction related accessibility standards within the premises."

Subject to Sections 11 and 12 above, City shall make any repairs, modifications, and/or additions at City's expense to address conditions of the Premises or the Property existing as of the Effective Date as required to comply with the Americans with Disabilities Act and other state and local accessibility Laws. In the event that Milestone's construction of Alterations causes the Premises or Property to require repairs, modifications and/or additions to the Premises or the Property in order to be in compliance with the Americans with Disabilities Act and other state and local accessibility Laws, Milestone agrees to make any such necessary repairs, modifications and/or additions at Milestone's expense.

29. Miscellaneous.

29.1 Recitals and Exhibits. The Recitals and Exhibits are incorporated into this Agreement by this reference.

29.2 Counterparts. This Agreement may be executed in any number of counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original, but all of which counterparts, taken together, shall constitute one and the same instrument.

29.3 Relationship of the Parties. The relationship created hereby is not a partnership, joint venture, or consolidated business. It is rather an arm's length contractual relationship on the terms and conditions hereof.

29.4 Surrender. Upon the expiration or other termination of this Agreement or Milestone's right to possession of the Premises and the Property, Milestone will surrender the Premises and the Property, together with all keys, broom-swept clean and in good condition and repair, reasonable wear and tear excepted.

29.5 Liquor License and Website. Following the expiration of the Term or sooner termination of this Agreement, Milestone shall promptly transfer the Liquor License and the Villa Website to a new operator approved by City.

29.6 Notice. Any notice required under this Agreement must be in writing and addressed to the Parties at the following addresses:

To Milestone:

Milestone Events Group LLC  
Attn: Marshall Bauer  
3663 Laughlin Road, Suite 200  
Santa Rosa, CA 95403  
Email: [mbauer@milestoneeventsgroup.com](mailto:mbauer@milestoneeventsgroup.com)

To City:

City Manager  
Healdsburg City Hall  
401 Grove Street  
Healdsburg, CA 95448  
Email: [jkay@healdsburg.gov](mailto:jkay@healdsburg.gov)

With a copy to:

Burke, Williams & Sorensen, LLP  
Attn: Samantha Zutler  
1 California Street, Suite 3050  
San Francisco, CA 94111-5432  
Email: [szutler@bwsllaw.com](mailto:szutler@bwsllaw.com)

Notices may be given by personal delivery, by certified or registered mail with return receipt requested, by recognized overnight commercial courier, or by email during regular business hours. Notices shall be deemed delivered upon receipt or refusal to accept delivery at the address specified above, unless received after business hours, in which case it will be deemed received on the next business day. Each Party may change its address by giving written notice in accordance with this paragraph.

29.7 Limitation of Liability. The Parties have determined that (i) monetary damages are generally inappropriate, and (ii) equitable remedies and remedies at law, not including damages but including specific performance and termination, are particularly appropriate remedies for enforcement of this Agreement. Consequently, Milestone agrees that the City shall not be liable to Milestone for damages under this Agreement, and the City agrees that Milestone shall not be liable to the City for damages under this Agreement, and each covenant not to sue the other for, or claim any right to, monetary damages under this Agreement and each Party expressly waives its right to recover monetary damages under this Agreement, except as follows: (1) either Party shall have the right to recover actual damages only (and not lost profits, damage to business, consequential, punitive, indirect, or special damages, each of which is hereby expressly waived) for a Party's Default if specific performance is not an available remedy.

29.8 Force Majeure. If City or Milestone shall be delayed or prevented from the performance of any act required by this Agreement due to strikes, riots, acts of God, shortages of labor or materials, terrorist activities, acts of war, governmental actions or inactions, laws, or regulations, including, without limitation restrictions, directives or orders, epidemics, pandemics, inability to secure contractors, subcontractors, or labor through ordinary sources by reason of industry-wide delay, regulation or order of any government or regulatory body or due to any other causes of any kind whatsoever that are beyond such party's reasonable control ("**Force Majeure**"), the period of time for the performance of such action shall be extended by the number of days that the performance is actually delayed. City and Milestone will use diligent and good faith efforts to minimize the effect of any Force Majeure delays and interruptions, and to give the other party five (5) days' advance notice of any planned interruptions of which it is aware, provided that the occurrence or existence of one or more events due to Force Majeure will not be deemed to extend the time periods set forth in this Agreement for the occurrence,

completion or performance of any matter following which Lessee has been granted certain rights of termination, deemed consent, self-help, offset or abatement rights.

29.9 Entire Agreement. This Agreement sets forth all the agreements, and there are no other oral or written agreements, between the Parties concerning the Property, the Premises, or the Event Services.

29.10 Time is of the Essence. Time is of the essence of this Agreement.

29.11 Binding on Successors. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors, assigns, personal representatives, heirs, executors and legatees.

29.12 Neighbor Relations. City will partner with Milestone to communicate the permissible extent and limitations of Milestone's activities to the neighboring residents and property owners with the intent of clearly reinforcing Milestone's rights to reasonable use of the property as outlined in the agreement. City also agrees to enforce all applicable laws and regulations in the event that activities by neighbors interfere with Milestone's permitted operations.

29.13 Modification. This Agreement may be modified only by a written instrument signed by each of the Parties hereto.

29.14 Governing Law. This Agreement shall be construed and enforced in accordance with the Laws of California, without reference to its choice of law provisions.

29.15 Severability. If any provision of this Agreement or the application of any such provision shall be held by a court of competent jurisdiction to be invalid, void or unenforceable to any extent, the remaining provisions of this Agreement and the application thereof shall remain in full force and effect and shall not be affected, impaired or invalidated.

29.16 Venue. If suit is brought by either Party to this Agreement, the Parties agree that venue shall be exclusively vested in the state courts of the County of Sonoma or, where otherwise appropriate, in the United States District Court, Northern District of California.

29.17 No Waiver. No waiver of any default or breach hereunder shall be implied from any omission to take action on account thereof, notwithstanding any custom and practice or course of dealing. No waiver by either party of any provision under this Agreement shall be effective unless in writing and signed by such party. No waiver shall affect any default other than the default specified in the waiver and then such waiver shall be operative only for the time and to the extent therein stated. Waivers of any covenant shall not be construed as a waiver of any subsequent breach of the same.

29.18 Attorneys' Fees. If a lawsuit, arbitration, or other proceedings are instituted by any Party to enforce any of the terms or conditions of this Agreement against any other Party hereto, the prevailing Party in such litigation, arbitration, or proceedings shall be entitled, as an additional item of damages, to such reasonable attorneys' and other professional fees (including but not limited to expert witness fees), court costs, arbitrators' fees, arbitration administrative fees, travel expenses, and other out-of-pocket expenses or costs of such other proceedings as may be fixed by any court of competent jurisdiction, arbitrator, or other judicial or quasi-judicial body having jurisdiction thereof, whether or not such litigation or proceedings proceed to a final judgment or award. For the purposes of this Section, any Party receiving an arbitration award or a judgment for damages or other amounts shall be deemed to be the prevailing Party, regardless of amount of the damage awarded or whether the award or judgment was based upon all or some of such Party's claims or causes of action. In all other situations, Milestone shall pay all of City's costs and expenses which may be incurred in enforcing or protecting City's rights or interests.

(SIGNATURES CONTAINED ON FOLLOWING PAGE)

The Parties agree to the terms hereof as of the Effective Date written above.

MILESTONE:

Milestone Event Group LLC,  
a California limited liability company

By:   
\_\_\_\_\_  
Marshall Bauer, Manager

CITY:

CITY OF HEALDSBURG,  
a California municipal corporation

By:   
\_\_\_\_\_  
Jeff Kay, City Manager

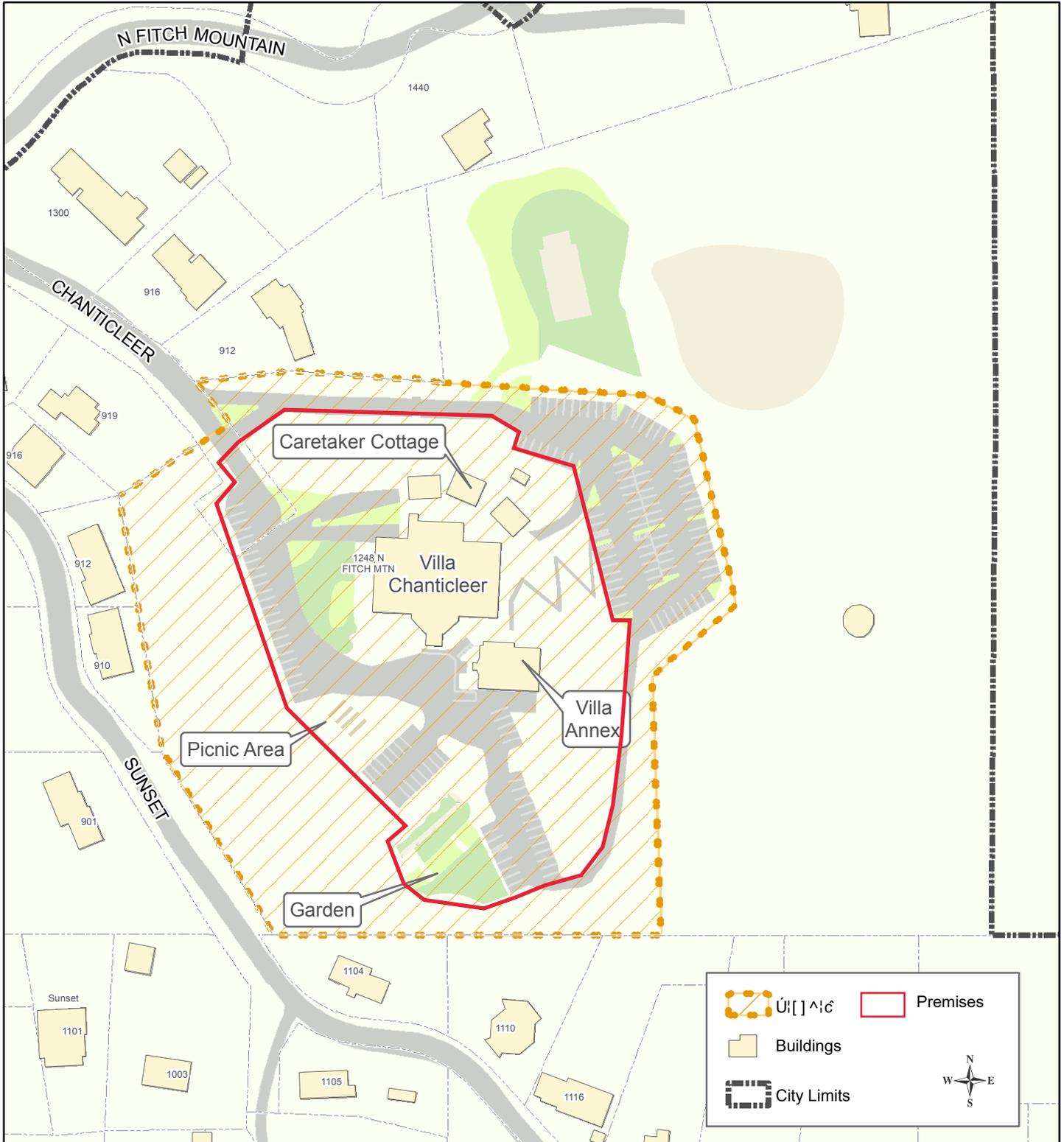
Approved as to Form:

By:   
\_\_\_\_\_  
Samantha W. Zutler, City Attorney

**City**  
Time Period: 2022

**EXHIBIT 1**  
**PROPERTY MAP**

# Exhibit 1 Villa Chanticleer Property Map



**City**  
Time Period: 2022

**EXHIBIT 2**

**PREVIOUSLY SCHEDULED EVENTS**

EXHIBIT 3

## Exhibit 2

### Previously Scheduled Events

Name	Status	Start Date	End Date	Location
#21-015--Kristin & Desmond Wedding	DEFINITE	7/2/2022	7/2/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	7/2/2022	7/2/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	7/3/2022	7/3/2022	Villa Chanticleer
#21-082--Nicole & Griffin Wedding	DEFINITE	7/3/2022	7/3/2022	Villa Chanticleer
#22-08--Boy Scouts Pancake Breakfast	DEFINITE	7/4/2022	7/4/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	7/5/2022	7/5/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	7/9/2022	7/9/2022	Villa Chanticleer
#21-064--Grace & Aaron Wedding	DEFINITE	7/9/2022	7/9/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	7/10/2022	7/10/2022	Villa Chanticleer
#19--062--Fitch Mountain Association BBQ	DEFINITE	7/10/2022	7/10/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	7/12/2022	7/12/2022	Villa Chanticleer
#22-01--Luxe Places Sponsored by 101 Home Loans	DEFINITE	7/13/2022	7/13/2022	Villa Chanticleer
#21-071--Sydney & Thomas Wedding	DEFINITE	7/15/2022	7/15/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	7/16/2022	7/16/2022	Villa Chanticleer
#22-16--Healdsburg Wrestling Club Poker Tournament	DEFINITE	7/16/2022	7/16/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	7/17/2022	7/17/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	7/19/2022	7/19/2022	Villa Chanticleer
#21-081--Bailey & Christopher Wedding	DEFINITE	7/22/2022	7/22/2022	Villa Chanticleer
#21-085--HHS Class of 2000 Reunion	DEFINITE	7/23/2022	7/23/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	7/23/2022	7/23/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	7/24/2022	7/24/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	7/26/2022	7/26/2022	Villa Chanticleer
#22-35--Life Line Screening	DEFINITE	7/27/2022	7/27/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	7/30/2022	7/30/2022	Villa Chanticleer
#21-054--Class Reunion 90, 91, & 92	DEFINITE	7/30/2022	7/30/2022	Villa Chanticleer
#22-10--Sunday AA June 2021	DEFINITE	7/31/2022	7/31/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	8/2/2022	8/2/2022	Villa Chanticleer
#21-006--Brianna & Damien Wedding	DEFINITE	8/6/2022	8/6/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	8/6/2022	8/6/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	8/7/2022	8/7/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	8/9/2022	8/9/2022	Villa Chanticleer
#22-01--Luxe Places Sponsored by 101 Home Loans	DEFINITE	8/10/2022	8/10/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	8/13/2022	8/13/2022	Villa Chanticleer

#22-10--Sunday AA	DEFINITE	8/14/2022	8/14/2022	Villa Chanticleer
#22-46--Kitchen Rental College Confectionista 8/16-8/18	DEFINITE	8/16/2022	8/16/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	8/16/2022	8/16/2022	Villa Chanticleer
#22-46--Kitchen Rental College Confectionista 8/16-8/18	DEFINITE	8/17/2022	8/17/2022	Villa Chanticleer
#22-46--Kitchen Rental College Confectionista 8/16-8/18	DEFINITE	8/18/2022	8/18/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	8/20/2022	8/20/2022	Villa Chanticleer
#22-55--Leonard Celebration of Life	TENTATIVE	8/21/2022	8/21/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	8/21/2022	8/21/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	8/23/2022	8/23/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	8/27/2022	8/27/2022	Villa Chanticleer
#21-078--American Legion Riders BBQ	DEFINITE	8/27/2022	8/27/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	8/28/2022	8/28/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	8/30/2022	8/30/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	9/3/2022	9/3/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	9/4/2022	9/4/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	9/6/2022	9/6/2022	Villa Chanticleer
#22-09--Briana & Dane Wedding	DEFINITE	9/9/2022	9/9/2022	Villa Chanticleer
#21-088--Sara & Jordan Wedding	DEFINITE	9/10/2022	9/10/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	9/10/2022	9/10/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	9/11/2022	9/11/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	9/13/2022	9/13/2022	Villa Chanticleer
#22-01--Luxe Places Sponsored by 101 Home Loans	DEFINITE	9/14/2022	9/14/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	9/17/2022	9/17/2022	Villa Chanticleer
#21-048--Courtney & David Wedding	DEFINITE	9/17/2022	9/17/2022	Villa Chanticleer
#21-079--American Legion District Meeting	DEFINITE	9/18/2022	9/18/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	9/18/2022	9/18/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	9/20/2022	9/20/2022	Villa Chanticleer
Pack 21 Meeting Annex	DEFINITE	9/21/2022	9/21/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	9/24/2022	9/24/2022	Villa Chanticleer
#21-031--Cheyenne & Jordan Wedding	DEFINITE	9/24/2022	9/24/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	9/25/2022	9/25/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	9/27/2022	9/27/2022	Villa Chanticleer
#21-090--Kyanna & Johnathan Wedding	DEFINITE	10/1/2022	10/1/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	10/1/2022	10/1/2022	Villa Chanticleer

#22-10--Sunday AA	DEFINITE	10/2/2022	10/2/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	10/4/2022	10/4/2022	Villa Chanticleer
#22-58--Michelle & Nick Wedding	DEFINITE	10/6/2022	10/6/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	10/8/2022	10/8/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	10/9/2022	10/9/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	10/11/2022	10/11/2022	Villa Chanticleer
#22-13--Rikki & Pranshul Wedding	DEFINITE	10/15/2022	10/15/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	10/15/2022	10/15/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	10/16/2022	10/16/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	10/18/2022	10/18/2022	Villa Chanticleer
Pack 21 Meeting Annex	DEFINITE	10/19/2022	10/19/2022	Villa Chanticleer
#22-23--Kayla & Nick Wedding	DEFINITE	10/22/2022	10/22/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	10/22/2022	10/22/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	10/23/2022	10/23/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	10/25/2022	10/25/2022	Villa Chanticleer
#21-072--Madeline & Jake Wedding	DEFINITE	10/29/2022	10/29/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	10/29/2022	10/29/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	10/30/2022	10/30/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	11/1/2022	11/1/2022	Villa Chanticleer
#20-062--Sarah & Benjamin Wedding	DEFINITE	11/5/2022	11/5/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	11/5/2022	11/5/2022	Villa Chanticleer
#22-49--Healdsburg Food Pantry Fundraiser	DEFINITE	11/6/2022	11/6/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	11/6/2022	11/6/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	11/8/2022	11/8/2022	Villa Chanticleer
#22-22--Erin & Mike Wedding	DEFINITE	11/11/2022	11/11/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	11/12/2022	11/12/2022	Villa Chanticleer
#22-14--Karina & David Wedding	DEFINITE	11/12/2022	11/12/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	11/13/2022	11/13/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	11/15/2022	11/15/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	11/19/2022	11/19/2022	Villa Chanticleer
#22-47--Wine Country Affordable Housing Fundraiser	DEFINITE	11/19/2022	11/19/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	11/20/2022	11/20/2022	Villa Chanticleer
#22-46--Kitchen Rental College Confectionista 11/21-11/24	DEFINITE	11/21/2022	11/21/2022	Villa Chanticleer
#22-46--Kitchen Rental College Confectionista 11/21-11/24	DEFINITE	11/22/2022	11/22/2022	Villa Chanticleer

#22-28--Kiwanis Meeting 2022	DEFINITE	11/22/2022	11/22/2022	Villa Chanticleer
#22-46--Kitchen Rental College Confectionista 11/21-11/24	DEFINITE	11/23/2022	11/23/2022	Villa Chanticleer
#22-46--Kitchen Rental College Confectionista 11/21-11/24	DEFINITE	11/24/2022	11/24/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	11/26/2022	11/26/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	11/27/2022	11/27/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	11/29/2022	11/29/2022	Villa Chanticleer
Pack 21 Meeting Annex	DEFINITE	11/30/2022	11/30/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	12/3/2022	12/3/2022	Villa Chanticleer
#22-44--Healdsburg Senior Center Dinner	DEFINITE	12/4/2022	12/4/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	12/4/2022	12/4/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	12/6/2022	12/6/2022	Villa Chanticleer
#22-41--Rotary Crab Feast	TENTATIVE	12/10/2022	12/10/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	12/10/2022	12/10/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	12/11/2022	12/11/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	12/13/2022	12/13/2022	Villa Chanticleer
#22-12--Abby & Andrew Wedding	DEFINITE	12/17/2022	12/17/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	12/17/2022	12/17/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	12/18/2022	12/18/2022	Villa Chanticleer
#22-46--Kitchen Rental College Confectionista 12/20-12/23	DEFINITE	12/20/2022	12/20/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	12/20/2022	12/20/2022	Villa Chanticleer
#22-46--Kitchen Rental College Confectionista 12/20-12/23	DEFINITE	12/21/2022	12/21/2022	Villa Chanticleer
#22-46--Kitchen Rental College Confectionista 12/20-12/23	DEFINITE	12/22/2022	12/22/2022	Villa Chanticleer
#22-46--Kitchen Rental College Confectionista 12/20-12/23	DEFINITE	12/23/2022	12/23/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	12/24/2022	12/24/2022	Villa Chanticleer
#22-10--Sunday AA	DEFINITE	12/25/2022	12/25/2022	Villa Chanticleer
#22-28--Kiwanis Meeting 2022	DEFINITE	12/27/2022	12/27/2022	Villa Chanticleer
#22-03--Saturday AA Jan1-Dec31	DEFINITE	12/31/2022	12/31/2022	Villa Chanticleer
#22-53--Autumn & Alex Wedding	DEFINITE	1/21/2023	1/21/2023	Villa Chanticleer
#22-50--American Legion Crab Feed	DEFINITE	2/4/2023	2/4/2023	Villa Chanticleer
#22-56--Becca & James Wedding	TENTATIVE	2/11/2023	2/11/2023	Villa Chanticleer
#18-063--DCVA Meeting	DEFINITE	3/26/2023	3/26/2023	Villa Chanticleer
#21-023--4C's 50 Year Anniversary Gala	DEFINITE	4/1/2023	4/1/2023	Villa Chanticleer
#22-40--Kiwanis Pancake Breakfast 2021	TENTATIVE	4/2/2023	4/2/2023	Villa Chanticleer
#22-54--Clarissa & Ricardo Wedding	TENTATIVE	4/8/2023	4/8/2023	Villa Chanticleer

#22-39--Boys & Girls Club Fundraiser	TENTATIVE	4/15/2023	4/15/2023	Villa Chanticleer
#22-42--Ernest's 92nd Birthday	DEFINITE	4/22/2023	4/22/2023	Villa Chanticleer
#22-43--Samantha & Alfredo Wedding	DEFINITE	4/23/2023	4/23/2023	Villa Chanticleer
Seth's 40th BDay	DEFINITE	4/29/2023	4/29/2023	Villa Chanticleer
#22-15--Jane & Christopher Wedding	DEFINITE	5/6/2023	5/6/2023	Villa Chanticleer
#22-52--Sangeet Akshjot Puri	DEFINITE	5/11/2023	5/11/2023	Villa Chanticleer
#22-19--Marley & Chad Wedding	DEFINITE	5/12/2023	5/12/2023	Villa Chanticleer
#22-24--Sabrina & Andrew Wedding	DEFINITE	5/13/2023	5/13/2023	Villa Chanticleer
#21-074--Ashley & Isaac Wedding	DEFINITE	5/20/2023	5/20/2023	Villa Chanticleer
#22-31--Steph & Gio Wedding	DEFINITE	5/28/2023	5/28/2023	Villa Chanticleer
#22-57--Katie & Steven Sangeet	TENTATIVE	6/16/2023	6/16/2023	Villa Chanticleer
#22-45--Jackie & Tyrone Wedding	DEFINITE	6/17/2023	6/17/2023	Villa Chanticleer
#22-48--Stephanie & Neil Wedding	DEFINITE	6/23/2023	6/23/2023	Villa Chanticleer
#22-32--Stacy & Forrest Wedding	DEFINITE	6/24/2023	6/24/2023	Villa Chanticleer
#22-37--Jaycie & Adin Wedding	DEFINITE	9/16/2023	9/16/2023	Villa Chanticleer
#22-51--Alison & Ruben Wedding	DEFINITE	10/7/2023	10/7/2023	Villa Chanticleer
Grand Total				

City  
Time Period: 2022

**EXHIBIT 3**

**LEGION LEASE**

**LEASE AGREEMENT BETWEEN  
THE CITY OF HEALDSBURG AND  
SOTOYOME POST NO. 111 OF THE AMERICAN LEGION**

**RECITALS**

**WHEREAS**, the City of Healdsburg ("City") is desirous of recognizing the continuing contributions of the Veteran's organizations of the City, to provide orderly management of meeting places for all such organizations; and

**WHEREAS**, City owns that certain real property commonly referred to as the Villa Chanticleer ("the Villa"), including all structures and improvements located thereon; and

**WHEREAS**, City desires to obtain the continued refurbishing and improvement of that certain "Annex" building at the Villa; and

**WHEREAS**, the Sotoyome Post No. 111 of the American Legion (variously, "American Legion" or "Lessee") has agreed to represent the interests of the various veterans' organizations, for use of the "Annex" for the benefit of the general public as well as the said veteran's organizations, at no cost to the City;

**NOW, THEREFORE**, the City agrees to lease to the American Legion, that building commonly referred to as "the Annex" located at Villa under the following terms and conditions:

1. **TERM OF LEASE**

This lease shall be for a period of twenty (20) Years, beginning on the date of signing hereof.

2. **RENTAL FEE**

Lessee shall pay, as rent, One Dollar (\$1.00) per year, (July 1<sup>st</sup> each year) payable in advance and no later than the beginning of each lease year.

3. **USE OF BUILDING**

Lessee shall make the Annex available for use by all nationally chartered and locally recognized veteran's organizations for their regularly scheduled meetings, in accordance with Exhibit "A" labeled "American Legion Event Schedule" and attached hereto. The American Legion Event Schedule shall be submitted to the City at least one year in advance for usage of the Annex. In addition to the dates listed in Exhibit "A", Lessee shall have the ability to schedule other dates in the Annex as needed, provided there are no previously scheduled rentals, or activities listed on the City's facility schedule for the Annex. Lessee and City are each responsible for the set up, break down and clean up of their own events. Lessee or City may use the Annex when it is set up for the other party, with their permission, but must return the Annex to the same set up and condition Annex was found in immediately after agreed upon usage.

4. **MAINTENANCE AND REPAIRS**

Lessee shall maintain the Annex in good repair and in a clean and orderly manner. Failure to so maintain the building shall be grounds for termination to this lease in the manner provided below.

5. **ALTERATIONS AND IMPROVEMENTS**

No alterations, additions or improvements may be made without the written consent of the City, which consent may not be unreasonably withheld. All such alterations, additions, or improvements shall become part of the building and shall become property of the City upon termination of this lease regardless of the cause of termination.

6. **INSURANCE**

Lessee shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Lessee's operation and use of the subject premises. The costs of such insurance shall be borne by the Lessee.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage ("occurrence" from CG 0001).
2. Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance

Minimum Limits of Insurance

1. Commercial General Liability ("CGL"): \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this lease or the general aggregate limit shall be twice the required occurrence limit.
2. An endorsement to the CGL policy must be included naming the City, its officers, officials, caretakers, employees and volunteers as additional insured by endorsement concerning use of facilities for any functions, meetings and fundraising events, and shall specify that such policy is to provide primary coverage to the City.
3. Employee's Liability: \$1,000,000 per accident for bodily injury or disease. Any policy of Worker's Compensation Insurance shall include a waiver of all rights of subrogation against the City.

7. **INDEMNIFICATION.**

Lessee hereby agrees to indemnify, defend, and hold harmless City, its officers, agents, and employees from and against any and all claims, demands, liabilities, liens, costs, expenses, penalties, damages, and losses, including without limitation, reasonable attorneys' fees and court costs, whether sustained by indemnitee or third parties, that are suffered as a result of Lessee's use of the Annex under this Lease regardless of whether

such liability, cost, or expense arises during the time this Lease is in effect or thereafter, except to the extent such liability, cost or expense is proximately caused by the active negligence or willful misconduct (other than, as distinguished from, acts of omission, failure to act, or other nonfeasance) of City, its officers, agents, or employees.

8. **STORAGE IN VILLA CHANTICLEER**

Lessee shall have use of and access to a room in the basement of the Villa of approximately ten feet by twelve feet for storage purposes. Such room shall be determined by the City and may be changed from the time to time upon thirty days notice to Lessee. Lessee shall also have space (see Exhibit A) in the basement of the Annex.

9. **ASSIGNMENTS OR SUBLEASE**

This Lease shall not be assigned to any other party without written consent of the City. Any attempted assignment shall be null and void and of no effect. Lessee may enter into agreements with other nationally and/or locally recognized veteran's organizations for long-term use of the Annex, subject to the prior written consent of the City; provided however that such term may not exceed the term of this lease, and shall be subject to the same terms and conditions as this lease.

10. **COMPLIANCE WITH REGULATIONS**

LESSEE shall comply with all laws and regulations of the City of Healdsburg, including regulations governing the use of the Villa Chanticleer property. The Annex shall not be used or permitted to be used in whole or in part during the said term of this lease for any purpose or use in violation of any of the laws or ordinances applicable thereto; and Lessee agrees at all times during the term of this lease to construct, repair, maintain and do all things necessary to maintain the Annex in a clean and sanitary manner and in compliance with any and all Federal, State or Municipal regulations or ordinance now or hereafter enacted concerning Lessee's use of the Annex.

11. **UTILITIES**

City shall supply all water, electricity, gas, sewer services at no charge to Lessee.

12. **DAMAGES TO BUILDING**

Damage to building resulting from use by LESSEE or LESSEE'S sub-tenants, including normal wear and tear shall be repaired by LESSEE. Such damages resulting from use by City's tenants shall be repaired by City. If the building is damaged by fire or any other cause to such extent that the cost of restoration as reasonably estimated by City, will equal or exceed 50% of the replacement value of the building just prior to the occurrence of the damage, City may elect to terminate this lease.

13. **TERMINATION**

This lease may be terminated with out liability by:

- A. Mutual written consent of the parties at any time.
- B. Thirty-day notice by the LESSEE of intent to terminate, provide such notice shall be in writing and for good cause.
- C. Thirty-day written notice by the City upon failure of the LESSEE to cure any breach of the conditions of this lease thirty days after written notice of said breach.
- D. Expiration of the term of the lease (twenty years).
- E. Destruction of Annex or damage to Annex as described in Paragraph 12, above.

14. **ENTRY AND INSPECTIONS**

City shall retain the right to enter into, take possession of and use the Annex with the written consent of Lessee or upon prior reasonable written notice to Lessee (24 hours shall be deemed reasonable advance notice) for the purposes of: reasonable inspection; making repairs, alterations or additions.; or for any other valid and reasonable purpose. In the event of an emergency (such as fire or plumbing leak, etc.) City, or its authorized agent, may enter the Annex without consent or prior notice. The City may show the Assembly and Kitchen area(s) of the Annex without consent or prior notice provided there are no previously scheduled Legion activities taking place in the Annex.

15. **EMERGENCY**

In the event of a national or local disaster or temporary emergency, the City shall have the right to enter into, take possession of and use the leased premises for so long as is deemed necessary, without let or hindrance by LESSEES. The term of this leases shall be extended by the length of time of the City's possession.

16. **CITY'S REMEDIES ON DEFAULT**

If Lessee defaults on any of the conditions herein, fails to cooperate with City in the rental of the building to persons, groups or organizations as set forth herein, City may terminate this Lease as provided herein, and may at thereafter resume possession of the Annex by any lawful means and remove Lessee or other occupants and their effects.

17. **NO WAIVER OF COVENANTS OR CONDITIONS**

The failure of either party to insist on strict performance of any covenant or condition hereof, or to exercise any right herein contained, shall not be construed as a waiver of such covenant, condition or right in any other instance. Notwithstanding the foregoing, the American Legion expressly waives all claims against the City for damage or injury to person or property from any cause whatsoever occurring on, or in relation to the American Legion's use of, the Annex.

18. **SEVERABILITY.**

If any provision of this Lease, or its application, is held invalid, it will not affect other provisions or application herein which can be given effect without the invalid provision or application. To this end, all provisions of this Lease are severable.

19. **OPTION TO RENEW**

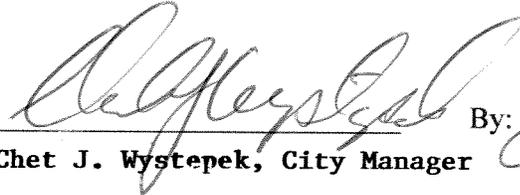
LESSEE shall have the option to renew this lease for an additional twenty years at the same terms. Said option shall be exercised by written notice from LESSEE to City no less than six months prior to expiration.

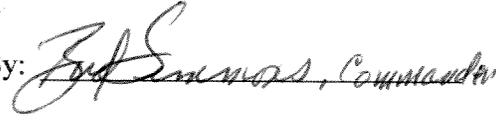
THIS LEASE CANNOT BE CHANGED OR TERMINATED ORALLY.

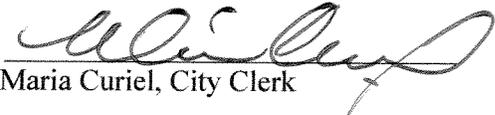
Executed at Healdsburg, California, on September 18, 2007

CITY OF HEALDSBURG

AMERICAN LEGION  
SOTOYOME POST NO. 111

By:   
Chet J. Wystepek, City Manager

By: , Commander

Attest:   
Maria Curiel, City Clerk

APPROVED AS TO FORM:

By:   
Michael Gogna, City Attorney

**EXHIBIT 4**  
**MAINTENANCE**

Capitalized terms that are undefined herein shall have the meanings assigned to them in the Events Management Agreement dated July 1, 2022 by and between Milestone and City (“**Agreement**”) to which this Exhibit 4 is attached.

City Building Maintenance Obligations

Subject to the limitations set forth in Section 12.2 of the Agreement, City shall keep all of the following in good working order and repair:

1. Structural components of the Buildings on the Property, including without limitation the foundations, footings, floor slabs, exterior walls, interior load bearing walls, roof, and roof membrane (“**Structural Components**”);
2. The refrigerators, freezers, ovens, stoves, ice makers and dishwashers in the Buildings (“**Major Kitchen Equipment**”);
3. The fire sprinkler system, the plumbing lines and fixtures, hot water heaters, HVAC equipment, electrical systems and fixtures, and fire alarm and/or smoke detection systems on the Property (“**Major Systems**”); and
4. The Buildings’ gutters, fascia, soffits, ceilings, windows, window frames, doors, door frames, floors, interior surfaces, and interior walls of the Buildings (“**Other Building Components.**”)

City Premises Maintenance Obligations

Subject to the Milestone Premises Maintenance Obligations below and the limitations set forth in Section 12.2 of the Agreement, City shall maintain the Premises in good working order and repair, including without limitation the following:

1. Main irrigation lines in the garden up to the valve boxes;
2. Trees on the Property provided that regular trimming and maintenance of trees once per year shall satisfy City’s obligations unless a tree is identified as a hazard or a tree is dead;
3. Gazebo;

4. Storm drains in the garden, provided that cleaning the storm drains once per year shall satisfy City's obligations;
5. Outdoor lighting fixtures in parking lots; and
6. Utility lines (including gas, electric, and water) on the Property.
7. In the event of watering restrictions and Milestone is not allowed to water the grass and shrubs, City will provide Milestone access to non-potable water. Milestone will be responsible for all water hauling costs.

City Common Area Maintenance Obligations

Subject to the Milestone Common Area Maintenance Obligations below and the limitations set forth in Section 12.2 of the Agreement, City shall maintain the Common Areas in good working order and repair, including without limitation the following:

1. The pavement of the drive aisles, sidewalks, walkways, and parking areas;
2. Main irrigation lines up to the valve boxes;
3. Utility lines (including gas, electric, and water) located within the Common Area;
4. Trees, provided that regular trimming and maintenance of trees once per year shall satisfy City's obligations unless a tree is identified as a hazard or a tree is dead;
5. Storm drains, provided that cleaning the storm drains once per year shall satisfy City's obligations;
6. Fences;
7. Gates; and
8. Lighting fixtures.
9. In the event of watering restrictions and Milestone is not allowed to water the grass and shrubs, City will provide Milestone access to non-potable water. Milestone will be responsible for all water hauling costs.
- 10.

Milestone Premises Maintenance Obligations

1. Milestone shall properly use the Major Kitchen Equipment and all other fixtures and appliances located on the Premises;

2. Milestone shall maintain the Premises in a neat, clean, sanitary, and orderly condition, including without limitation washing windows; disposing of trash, food waste, and debris from the Premises; mowing and properly watering the grass; and removing any leaves that accumulate in the garden area of the Premises;
3. Milestone shall replace light bulbs interior to or attached to a building and make reasonable efforts to clear clogs in drains and toilets;
4. Except as provided in Section 10 of the Agreement, Milestone shall maintain any irrigation controllers, valve boxes, sprinklers, and any irrigation lines between the valve box and the sprinklers in the garden area of the Premises;
5. Except as provided in Section 10 of the Agreement, Milestone shall maintain any landscaping within the garden area of the Premises;
6. Milestone shall maintain the Barbeque in the Picnic Area;
7. Milestone shall be responsible for the cost of any damages to the Premises caused by Milestone or Milestone Parties, excluding ordinary wear and tear.

Milestone Common Area Maintenance Obligations

1. Except as provided in Section 10 of the Agreement, Milestone shall maintain any irrigation controllers, valve boxes, sprinklers, and any irrigation lines between the valve box and the sprinklers in the Common Areas;
2. Except as provided in Section 10 of the Agreement, Milestone shall maintain any landscaping within the Common Areas;
3. Milestone shall maintain the Common Areas in a neat, clean and orderly condition, including without limitation disposing of trash and debris; mowing and properly watering the grass; removing any leaves that accumulate in the Common Areas; and sweeping, cleaning, and power washing the Common Areas;
4. Milestone shall be responsible for the cost of any damages to the Common Areas caused by Milestone or Milestone Parties, excluding ordinary wear and tear.



**INSURANCE CHECK LIST**

**Contractor/Consultant Name:** Milestone Events Group, LLC

**Description of Services:** Events Management Agreement- Villa Chanticleer

**Project Name:** \_\_\_\_\_ **Start date:** 07/01/2022

**Department:** Community Services **Project Manager:** Mark Themig **Phone:** 431-3116

**Insurance Check List (Check all that apply)**

- 30 day cancellation policy or  10 day cancellation policy
- General Liability – (\$2 million per occurrence and \$2 million per aggregate) **NOTE:** Liquor Liability \$1M  
(Make sure occurrence & per project is checked)
- Endorsement naming the City as additionally insured
- Endorsement showing Insurance is primary and non-contributory **\*\*We will accept a waiver of subrogation with the policy – we still need proof of primary coverage.\*\***

*Make sure to review all exclusions and declarations. Exclusion language not accepted, which invalidates warranty, including but not limited to:*

- *Work completed – make sure the endorsement is for on-going operations not just completed operations*
- *Injury or damage arising from work that has been put to its intended use*

Comments: \_\_\_\_\_

- Auto – (\$2 million combined single limit) **NOTE:**  
 Any auto  All owned auto's  Hired auto  Scheduled auto's  Non-owned autos
- Endorsement naming the City additionally insured

Comments: \_\_\_\_\_

- Workers Compensation – (statutory coverage should be checked on the certificate)
- Waiver of subrogation endorsement

**Do not require that City be named additionally insured – The City is only a certificate holder**

Make sure that if the consultant/contractor is using State Fund we do not except form #1015.

Comments: \_\_\_\_\_

- Professional Liability (E&O) (\$1 million PSA's only)

**Do not require that City be named additionally insured – we only want to see a certificate with the City as a certificate holder**

Comments: \_\_\_\_\_

- Excess/Umbrella Liability- OR
- Pollution Liability

**If it is an EXCESS POLICY – get a statement in writing that states coverage under this policy is continuous or follows form and is applicable to GL and/or auto.**

Comments: \_\_\_\_\_

Forms Approved by:

DocuSigned by:  
*Andrew Sturfels*

Andrew J. Sturfels, Administrative Services Director/  
Risk Manager





POLICY NUMBER: BKS 57954982

**COMMERCIAL GENERAL LIABILITY  
CG 88 10 04 13****THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****COMMERCIAL GENERAL LIABILITY EXTENSION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**INDEX**

<b><u>SUBJECT</u></b>	<b><u>PAGE</u></b>
<b>NON-OWNED AIRCRAFT</b>	<b>2</b>
<b>NON-OWNED WATERCRAFT</b>	<b>2</b>
<b>PROPERTY DAMAGE LIABILITY - ELEVATORS</b>	<b>2</b>
<b>EXTENDED DAMAGE TO PROPERTY RENTED TO YOU (Tenant's Property Damage)</b>	<b>2</b>
<b>MEDICAL PAYMENTS EXTENSION</b>	<b>3</b>
<b>EXTENSION OF SUPPLEMENTARY PAYMENTS - COVERAGES A AND B</b>	<b>3</b>
<b>ADDITIONAL INSURED - BY CONTRACT, AGREEMENT OR PERMIT</b>	<b>3</b>
<b>PRIMARY AND NON-CONTRIBUTORY- ADDITIONAL INSURED EXTENSION</b>	<b>5</b>
<b>ADDITIONAL INSURED - EXTENDED PROTECTION OF YOUR "LIMITS OF INSURANCE"</b>	<b>6</b>
<b>WHO IS AN INSURED - INCIDENTAL MEDICAL ERRORS/MALPRACTICE AND WHO IS AN INSURED - FELLOW EMPLOYEE EXTENSION - MANAGEMENT EMPLOYEES</b>	<b>6</b>
<b>NEWLY FORMED OR ADDITIONALLY ACQUIRED ENTITIES</b>	<b>7</b>
<b>FAILURE TO DISCLOSE HAZARDS AND PRIOR OCCURRENCES</b>	<b>7</b>
<b>KNOWLEDGE OF OCCURRENCE, OFFENSE, CLAIM OR SUIT</b>	<b>7</b>
<b>LIBERALIZATION CLAUSE</b>	<b>7</b>
<b>BODILY INJURY REDEFINED</b>	<b>7</b>
<b>EXTENDED PROPERTY DAMAGE</b>	<b>8</b>
<b>WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US - WHEN REQUIRED IN A CONTRACT OR AGREEMENT WITH YOU</b>	<b>8</b>

With respect to coverage afforded by this endorsement, the provisions of the policy apply unless modified by the endorsement.

**A. NON-OWNED AIRCRAFT**

Under Paragraph 2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability, exclusion g. Aircraft, Auto Or Watercraft does not apply to an aircraft provided:

1. It is not owned by any insured;
2. It is hired, chartered or loaned with a trained paid crew;
3. The pilot in command holds a currently effective certificate, issued by the duly constituted authority of the United States of America or Canada, designating her or him a commercial or airline pilot; and
4. It is not being used to carry persons or property for a charge.

However, the insurance afforded by this provision does not apply if there is available to the insured other valid and collectible insurance, whether primary, excess (other than insurance written to apply specifically in excess of this policy), contingent or on any other basis, that would also apply to the loss covered under this provision.

**B. NON-OWNED WATERCRAFT**

Under Paragraph 2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability, Subparagraph (2) of exclusion g. Aircraft, Auto Or Watercraft is replaced by the following:

This exclusion does not apply to:

- (2) A watercraft you do not own that is:
  - (a) Less than 52 feet long; and
  - (b) Not being used to carry persons or property for a charge.

**C. PROPERTY DAMAGE LIABILITY - ELEVATORS**

1. Under Paragraph 2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability, Subparagraphs (3), (4) and (6) of exclusion j. Damage To Property do not apply if such "property damage" results from the use of elevators. For the purpose of this provision, elevators do not include vehicle lifts. Vehicle lifts are lifts or hoists used in automobile service or repair operations.

2. The following is added to Section IV - Commercial General Liability Conditions, Condition 4. Other Insurance, Paragraph b. Excess Insurance:

The insurance afforded by this provision of this endorsement is excess over any property insurance, whether primary, excess, contingent or on any other basis.

**D. EXTENDED DAMAGE TO PROPERTY RENTED TO YOU (Tenant's Property Damage)**

If Damage To Premises Rented To You is not otherwise excluded from this Coverage Part:

1. Under Paragraph 2. Exclusions of Section I - Coverage A - Bodily Injury and Property Damage Liability:

a. The fourth from the last paragraph of exclusion j. Damage To Property is replaced by the following:

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire, lightning, explosion, smoke, or leakage from an automatic fire protection system) to:

- (i) Premises rented to you for a period of 7 or fewer consecutive days; or
- (ii) Contents that you rent or lease as part of a premises rental or lease agreement for a period of more than 7 days.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" to contents of premises rented to you for a period of 7 or fewer consecutive days.

A separate limit of insurance applies to this coverage as described in Section III - Limits of Insurance.



57954982

003264

290

of 188

61

- b. The last paragraph of subsection **2. Exclusions** is replaced by the following:

Exclusions **c.** through **n.** do not apply to damage by fire, lightning, explosion, smoke or leakage from automatic fire protection systems to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to Damage To Premises Rented To You as described in **Section III - Limits Of Insurance.**

2. Paragraph **6.** under **Section III - Limits Of Insurance** is replaced by the following:

6. Subject to Paragraph **5.** above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to:

- a. Any one premise:

(1) While rented to you; or

(2) While rented to you or temporarily occupied by you with permission of the owner for damage by fire, lightning, explosion, smoke or leakage from automatic protection systems; or

- b. Contents that you rent or lease as part of a premises rental or lease agreement.

3. As regards coverage provided by this provision **D. EXTENDED DAMAGE TO PROPERTY RENTED TO YOU (Tenant's Property Damage)** - Paragraph **9.a.** of **Definitions** is replaced with the following:

**9.a.** A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning, explosion, smoke, or leakage from automatic fire protection systems to premises while rented to you or temporarily occupied by you with the permission of the owner, or for damage to contents of such premises that are included in your premises rental or lease agreement, is not an "insured contract".

#### **E. MEDICAL PAYMENTS EXTENSION**

If **Coverage C Medical Payments** is not otherwise excluded, the Medical Payments provided by this policy are amended as follows:

Under Paragraph **1. Insuring Agreement** of **Section I - Coverage C - Medical Payments**, Subparagraph **(b)** of Paragraph **a.** is replaced by the following:

**(b)** The expenses are incurred and reported within three years of the date of the accident; and

#### **F. EXTENSION OF SUPPLEMENTARY PAYMENTS - COVERAGES A AND B**

1. Under **Supplementary Payments - Coverages A and B**, Paragraph **1.b.** is replaced by the following:

b. Up to **\$3,000** for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

2. Paragraph **1.d.** is replaced by the following:

d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to **\$500** a day because of time off from work.

#### **G. ADDITIONAL INSUREDS - BY CONTRACT, AGREEMENT OR PERMIT**

1. Paragraph **2.** under **Section II - Who Is An Insured** is amended to include as an insured any person or organization whom you have agreed to add as an additional insured in a written contract, written agreement or permit. Such person or organization is an additional insured but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused in whole or in part by:

a. Your acts or omissions, or the acts or omissions of those acting on your behalf, in the performance of your on going operations for the additional insured that are the subject of the written contract or written agreement provided that the "bodily injury" or "property damage" occurs, or the "personal and advertising injury" is committed, subsequent to the signing of such written contract or written agreement; or

- b. Premises or facilities rented by you or used by you; or
- c. The maintenance, operation or use by you of equipment rented or leased to you by such person or organization; or
- d. Operations performed by you or on your behalf for which the state or political subdivision has issued a permit subject to the following additional provisions:
  - (1) This insurance does not apply to "bodily injury", "property damage", or "personal and advertising injury" arising out of the operations performed for the state or political subdivision;
  - (2) This insurance does not apply to "bodily injury" or "property damage" included within the "completed operations hazard".
  - (3) Insurance applies to premises you own, rent, or control but only with respect to the following hazards:
    - (a) The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoist away openings, sidewalk vaults, street banners, or decorations and similar exposures; or
    - (b) The construction, erection, or removal of elevators; or
    - (c) The ownership, maintenance, or use of any elevators covered by this insurance.

However:

- 1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
- 2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

With respect to Paragraph 1.a. above, a person's or organization's status as an additional insured under this endorsement ends when:

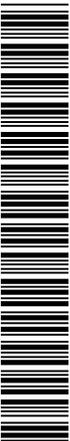
- (1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
- (2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

With respect to Paragraph 1.b. above, a person's or organization's status as an additional insured under this endorsement ends when their written contract or written agreement with you for such premises or facilities ends.

With respects to Paragraph 1.c. above, this insurance does not apply to any "occurrence" which takes place after the equipment rental or lease agreement has expired or you have returned such equipment to the lessor.

The insurance provided by this endorsement applies only if the written contract or written agreement is signed prior to the "bodily injury" or "property damage".

We have no duty to defend an additional insured under this endorsement until we receive written notice of a "suit" by the additional insured as required in Paragraph b. of Condition 2. **Duties In the Event Of Occurrence, Offense, Claim Or Suit** under **Section IV - Commercial General Liability Conditions**.



57954982

003264

290

of 188

63

2. With respect to the insurance provided by this endorsement, the following are added to Paragraph 2. **Exclusions under Section I - Coverage A - Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

- a. "Bodily injury" or "property damage" arising from the sole negligence of the additional insured.
- b. "Bodily injury" or "property damage" that occurs prior to you commencing operations at the location where such "bodily injury" or "property damage" occurs.
- c. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
  - (1) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (2) Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of, or the failure to render, any professional architectural, engineering or surveying services.

- d. "Bodily injury" or "property damage" occurring after:
  - (1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
  - (2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.
- e. Any person or organization specifically designated as an additional insured for ongoing operations by a separate **ADDITIONAL INSURED -OWNERS, LESSEES OR CONTRACTORS** endorsement issued by us and made a part of this policy.

3. With respect to the insurance afforded to these additional insureds, the following is added to **Section III - Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

- a. Required by the contract or agreement; or
- b. Available under the applicable Limits of Insurance shown in the Declarations; whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**H. PRIMARY AND NON-CONTRIBUTORY ADDITIONAL INSURED EXTENSION**

This provision applies to any person or organization who qualifies as an additional insured under any form or endorsement under this policy.

Condition 4. **Other Insurance of SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS** is amended as follows:

a. The following is added to Paragraph a. **Primary Insurance:**

If an additional insured's policy has an Other Insurance provision making its policy excess, and you have agreed in a written contract or written agreement to provide the additional insured coverage on a primary and noncontributory basis, this policy shall be primary and we will not seek contribution from the additional insured's policy for damages we cover.

of 188

64

**b. The following is added to Paragraph b. Excess Insurance:**

When a written contract or written agreement, other than a premises lease, facilities rental contract or agreement, an equipment rental or lease contract or agreement, or permit issued by a state or political subdivision between you and an additional insured does not require this insurance to be primary or primary and non-contributory, this insurance is excess over any other insurance for which the additional insured is designated as a Named Insured.

Regardless of the written agreement between you and an additional insured, this insurance is excess over any other insurance whether primary, excess, contingent or on any other basis for which the additional insured has been added as an additional insured on other policies.

**I. ADDITIONAL INSUREDS - EXTENDED PROTECTION OF YOUR "LIMITS OF INSURANCE"**

This provision applies to any person or organization who qualifies as an additional insured under any form or endorsement under this policy.

**1. The following is added to Condition 2. Duties In The Event Of Occurrence, Offense, Claim or Suit:**

An additional insured under this endorsement will as soon as practicable:

- a.** Give written notice of an "occurrence" or an offense that may result in a claim or "suit" under this insurance to us;
- b.** Tender the defense and indemnity of any claim or "suit" to all insurers whom also have insurance available to the additional insured; and
- c.** Agree to make available any other insurance which the additional insured has for a loss we cover under this Coverage Part.
- d.** We have no duty to defend or indemnify an additional insured under this endorsement until we receive written notice of a "suit" by the additional insured.

**2. The limits of insurance applicable to the additional insured are those specified in a written contract or written agreement or the limits of insurance as stated in the Declarations of this policy and defined in Section III - Limits of Insurance of this policy, whichever are less. These limits are inclusive of and not in addition to the limits of insurance available under this policy.**

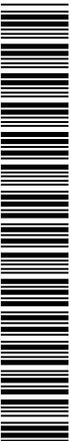
**J. WHO IS AN INSURED - INCIDENTAL MEDICAL ERRORS / MALPRACTICE  
WHO IS AN INSURED - FELLOW EMPLOYEE EXTENSION - MANAGEMENT EMPLOYEES**

Paragraph 2.a.(1) of Section II - Who Is An Insured is replaced with the following:

**(1) "Bodily injury" or "personal and advertising injury":**

- (a)** To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b)** To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1) (a)** above;
- (c)** For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(1) (a)** or **(b)** above; or
- (d)** Arising out of his or her providing or failing to provide professional health care services. However, if you are not in the business of providing professional health care services or providing professional health care personnel to others, or if coverage for providing professional health care services is not otherwise excluded by separate endorsement, this provision (Paragraph **(d)**) does not apply.

Paragraphs **(a)** and **(b)** above do not apply to "bodily injury" or "personal and advertising injury" caused by an "employee" who is acting in a supervisory capacity for you. Supervisory capacity as used herein means the "employee's" job responsibilities assigned by you, includes the direct supervision of other "employees" of yours. However, none of these "employees" are insureds for "bodily injury" or "personal and



57954982

003264

290

of 188

65

advertising injury" arising out of their willful conduct, which is defined as the purposeful or willful intent to cause "bodily injury" or "personal and advertising injury", or caused in whole or in part by their intoxication by liquor or controlled substances.

The coverage provided by provision J. is excess over any other valid and collectable insurance available to your "employee".

**K. NEWLY FORMED OR ADDITIONALLY ACQUIRED ENTITIES**

Paragraph 3. of Section II - Who Is An Insured is replaced by the following:

- 3. Any organization you newly acquire or form and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
  - a. Coverage under this provision is afforded only until the expiration of the policy period in which the entity was acquired or formed by you;
  - b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
  - c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.
  - d. Records and descriptions of operations must be maintained by the first Named Insured.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations or qualifies as an insured under this provision.

**L. FAILURE TO DISCLOSE HAZARDS AND PRIOR OCCURRENCES**

Under Section IV - Commercial General Liability Conditions, the following is added to Condition 6. Representations:

Your failure to disclose all hazards or prior "occurrences" existing as of the inception date of the policy shall not prejudice the coverage afforded by this policy provided such failure to disclose all hazards or prior "occurrences" is not intentional.

**M. KNOWLEDGE OF OCCURRENCE, OFFENSE, CLAIM OR SUIT**

Under Section IV - Commercial General Liability Conditions, the following is added to Condition 2. Duties In The Event of Occurrence, Offense, Claim Or Suit:

Knowledge of an "occurrence", offense, claim or "suit" by an agent, servant or "employee" of any insured shall not in itself constitute knowledge of the insured unless an insured listed under Paragraph 1. of Section II - Who Is An Insured or a person who has been designated by them to receive reports of "occurrences", offenses, claims or "suits" shall have received such notice from the agent, servant or "employee".

**N. LIBERALIZATION CLAUSE**

If we revise this Commercial General Liability Extension Endorsement to provide more coverage without additional premium charge, your policy will automatically provide the coverage as of the day the revision is effective in your state.

**O. BODILY INJURY REDEFINED**

Under Section V - Definitions, Definition 3. is replaced by the following:

- 3. "Bodily Injury" means physical injury, sickness or disease sustained by a person. This includes mental anguish, mental injury, shock, fright or death that results from such physical injury, sickness or disease.

of 188  
66

**P. EXTENDED PROPERTY DAMAGE**

**Exclusion a. of COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** is replaced by the following:

**a. Expected Or Intended Injury**

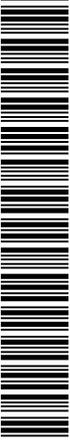
"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

**Q. WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US - WHEN REQUIRED IN A CONTRACT OR AGREEMENT WITH YOU**

Under **Section IV - Commercial General Liability Conditions**, the following is added to Condition **8. Transfer Of Rights Of Recovery Against Others To Us**:

We waive any right of recovery we may have against a person or organization because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard" provided:

1. You and that person or organization have agreed in writing in a contract or agreement that you waive such rights against that person or organization; and
2. The injury or damage occurs subsequent to the execution of the written contract or written agreement.



57954982

003264

290

of 188

67