

Special Events Management Agreement

This Special Events Management Agreement (“Agreement”) is effective as of the date of execution (the “Effective Date”) and is entered into by and between Newman Hospitality Group, LLC, a California limited liability corporation (“Licensee”) and the City of Murrieta, a municipal corporation (“City”).

Recitals

- A. City is the owner of an amphitheater and related amenities located in the Town Square Park adjacent to City Hall (“Facility”).
- B. City desires to retain a professional management firm to promote and manage five to six Special Events (defined herein) per year, and operate the Facility during those Special Events.
- C. City has reviewed Licensee’s qualifications and has determined that Licensee’s management and operation of the Facility for Special Events meets both the community’s and the City’s needs.
- D. Licensee has the experience to provide such management and operation services.
- E. The rights granted to Licensee to use the Facility under this Agreement are non-exclusive. City retains the right to allow other parties to use the Facility during periods in which the Facility is not reserved for Licensee pursuant to this Agreement.

NOW, THEREFORE, the parties agree as follows:

- 1. Recitals: The foregoing Recitals are true and correct and are incorporated herein by reference as if set forth in full.
- 2. Definitions:
 - a. “Amphitheater” means the Murrieta Town Square Park Amphitheater.
 - b. “Amphitheater Operating Expenses” means all costs incurred by Licensee in connection with a Special Event, including, without limitation, set-up and clean-up costs, employee costs, permit and rental fees, and costs for providing any services (including, without limitation, concession services). Licensee is solely responsible for all Amphitheater Operating Expenses.
 - c. “Applicable Law” means any applicable statute, rule, regulation, ordinance, order, directive, code, interpretation, judgment, decree, injunction, writ, award, permit, license, authorization, or requirement of any court, board, agency, commission,

office, division, subdivision, department, body, authority of the United States, the State of California, City, including, without limitation, City's Municipal Code, and any other governmental unit with jurisdiction over the Facility or over the operation of the Facility.

- d. "Applicable Standard" means a standard of performance, operation (including bookings) and clean up after events equal to or exceeding those generally applicable to comparable first class facilities providing similar activities operated by Licensee in the United States.
- e. "Business Day" means a day on which the City is open for business.
- f. "City and City Personnel" means, collectively, City and its elected and appointed boards, members, officials, officers, agents, contractors, employees, volunteers, representatives, professional consultants, and attorneys.
- g. "City Maintenance Responsibilities" means City's maintenance of the structural elements of the Facility, including, without limitation, the roof and major building systems, such as HVAC, mechanical, plumbing, electrical, and lighting, and the parking areas, utilities and other infrastructure located within the Facility, but not including any equipment, electrical and/or lighting systems provided by Licensee for a Special Event.
- h. "Special Events" means all events (whether single or multi-day) held, conducted or presented at the Facility which are promoted, managed, and operated by Licensee, including but not limited to:
 - (1) Live and recorded music performances and festivals;
 - (2) Theatrical performances and national Broadway tours;
 - (3) Children's shows and entertainment; and
 - (4) Comedy Performers.
- i. "Facility" collectively means all of the following:
 - (1) The Amphitheater, the surrounding park, including the perimeter loop roadway, and Memorial Way;
 - (2) Approximately five hundred fifty (550) square feet of green room to support Facility operations;
 - (3) The onsite restroom facilities;
 - (4) Parking areas as shown on Exhibit B. The Parties acknowledge that the City may be upgrading or otherwise changing the parking during

the Term, which work may limit or otherwise impact the areas available to Licensee; and

- (5) The two on site storage facilities, upon authorization by the City.

Any perimeter enclosure and/or ticketed entry facilities must be provided by the Licensee, if desired by Licensee, and approved by the City.

- j. “Licensee” means Newman Hospitality Group. Acts of Licensee’s agents, officers, employees and other authorized representatives acting within the scope of their authority or employment shall be deemed to be acts of Licensee for purposes of binding Licensee to any obligation or duty hereunder.
- k. “Non-Permitted Use” means any use not described as a Permitted Use, unless approved in writing by City. Non-Permitted Uses shall also include any of the activities listed in Licensee’s Prohibited Activities described in this Agreement as well as any use contrary to Applicable Law.
- l. “Permitted Use” means the operation of an entertainment venue together with ancillary uses thereto, including, without limitation, operation of food and beverage service (including, without limitation, food storage, preparation, service and consumption and bar service and the sale and consumption of alcoholic beverages), the VIP Area, product exhibitions, meetings, fund raising events, charity events, broadcasting, recording, sale of concessions, and sale of merchandise related to the operations or events at the Facility, events for viewing on a screen, the display and sale of works of art, videotapes, promotional items, music, CDs, DVDs, and other items sold generally from time to time at live entertainment venues.

3. Management and Operating Provisions

- a. **Special Event Policy.** Licensee shall manage and operate the Facility for Special Event in accordance with City’s Town Square Park and Amphitheater Usage and Operations Framework Policy (“Policy”), originally adopted on April 4, 2023 and amended on October 17, 2023, including the Operations Plan attached to the Policy. The Policy and Operations Plan are attached hereto as Exhibit “A”.
- b. **General Operating Obligations.** Subject to the provisions of this Agreement, Licensee shall have the authority and responsibility to take all actions necessary or appropriate for the operation, management, and promotion of the Special Events at the Facility during Special Events, including but not limited to the following:
 - i. Employ or contract for such workers, mechanics, laborers, clerks, legal counsel, consultants, accountants and other employees and contractors as are reasonably necessary or appropriate in the management, maintenance and operation of the Facility for the Special Event;
 - ii. Procure and pay for such materials, services, public utility services, supplies and equipment as are reasonably necessary or appropriate in the

- management, maintenance and operation of the Facility for the Special Event, consistent with the terms of this Agreement;
- iii. Procure and maintain in force and effect the policies of insurance required of Licensee by this Agreement;
 - iv. Use or permit the use of all or any part of the Facility for Special Events consistent with the terms of this Agreement;
 - v. Operate or grant concession privileges for Special Events for the vending and sale of food and beverages, including alcoholic beverages, programs, souvenirs, novelties, retail merchandise and similar articles, and other articles, or for the renting of any such articles, consistent with the terms of this Agreement;
 - vi. Provide for all necessary on-site security at the Facility.
 - vii. Abide by the Additional Provisions as identified in Exhibit C of this Agreement.
- c. **General Performance Requirements.** Except as otherwise expressly provided in this Agreement, Licensee shall perform and furnish, during the Term of this Agreement, all management services, labor and material appropriate to carry out its duties hereunder. Licensee shall take all actions necessary to ensure the orderly and efficient administration, management and operation of the Facility for Special Events, including the negotiation, execution and enforcement of, licenses, ticketing agreements or contracts, use agreements and bookings for the Facility. All licenses, use agreements, bookings and any other agreements pertaining to the use, operation, and maintenance of the Facility for Special Events will be executed by Licensee as Special Events manager of the Facility. Licensee shall use its best efforts to secure and promote first class, top demand Special Events.
 - d. **Minimum Event Requirements.** In each calendar year during the Term, Licensee shall hold not less than four (4) nor more than six (6) Special Events, unless additional Special Events are approved by the City Manager.
 - e. **Facility Scheduling Procedures.** Not later than June 30 of each calendar year during the Term, Licensee shall provide City with a proposed schedule for Special Events for the next calendar year (“Schedule”). Licensee must also timely submit a Special Event Application to the City for each event. The Parties acknowledge and agree, however, that last minute bookings and schedule changes are common in the live entertainment industry. Changes to the Schedule are permitted provided that Licensee notifies City, in writing, of any change (i) within fifteen (15) days before Licensee makes the change, and (ii) not less than sixty (60) days before the Special Event in question, if the Facility is available and City has sufficient staff available to accommodate the change.

- f. Times of Operation for Special Events, VIP Area, and Alcohol Service. All Special Events shall be managed and operated in accordance with the Policy, the Operations Plan, and the Additional Provisions identified in Exhibit C, as well as the conditions imposed on each specific event pursuant to its approved Special Event Permit.
4. Licensee's Paid Ticketing Records; City Right to Audit. Licensee shall maintain during the Term of this Agreement, such ticketing reports, including backup data, of the number of all paid, dropped, and gross tickets for each Special Event (collectively, "Records") relating to this Agreement as are customary for business operations comparable to Licensee's in order to ascertain the number of paid tickets to Special Events. Such Records shall be available upon reasonable request for City's inspection. City shall have the right to conduct an audit of the Records for any year within the immediately prior three (3) year period.
- a. Customer Satisfaction. Licensee shall use its best efforts to achieve a level of customer satisfaction meeting the Applicable Standard and to promptly and satisfactorily resolve all customer complaints. Licensee agrees to employ, as its General Manager in charge of management of the Facility during Licensee's use of the Facility, a person experienced in management of comparable first-class facilities meeting the Applicable Standard. Licensee shall not employ, nor continue to employ, any person as General Manager to whom City reasonably and in good faith objects. The General Manager shall be responsible for the overall operation of the Facility and will be the primary liaison with City's designated representative. The General Manager shall be an excellent operator and able to work closely with top performers and artists, community representatives, and City officials, employees and agents. Licensee's General Manager shall meet with City's representative to discuss and attempt in good faith to resolve any customer complaints received by City, promptly following City's receipt of any such customer complaint.
- b. Operation in Accordance with Applicable Standard. Licensee shall operate, and shall cause Licensee's subcontractors, concessionaires, vendors, licensees, users, broadcasters and others using the Facility, to operate and use the Facility in conformance with the Applicable Standard. Licensee shall require by contract that all contractors operating in the Facility under Licensee operate to the Applicable Standard, and shall enforce such requirement against all contractors.
- c. Prohibited Activities. Licensee shall not do, or permit or authorize others to do, any of the following:
- i. Operate the Facility in any manner or for any purpose other than a Permitted Use;
- ii. Knowingly or intentionally engage in any act which would, to an ordinarily prudent person in the position of Licensee, be reasonably foreseeable to cause substantial or irreparable damage to the Facility;

- iii. Knowingly use or occupy, or knowingly permit the Facility or any part thereof to be used or occupied, for any unlawful, disreputable or ultra-hazardous use (including the prohibited or unauthorized use, storage or disposal of substance regulated as hazardous under California or federal law), or operate or conduct the business of the Facility in any manner known to constitute or give rise to a nuisance of any kind; provided that City recognizes and agrees that the holding of events in the Facility meeting the Applicable Standard shall not, in and of itself, constitute a nuisance for purposes of this Agreement;
 - iv. Make, authorize or permit any material modifications or alterations to the Facility except with the written approval of City, which approval City may withhold in its sole and absolute discretion;
 - v. Enter into any agreement that purports to grant to any third party any use or other rights in excess of the rights granted to Licensee pursuant to this Agreement.
- d. Inventory and Supplies. Subject to the terms of this Agreement, all necessary and appropriate supplies and equipment for Special Events shall be rented, leased or purchased by Licensee.
- e. Personnel Policy. Licensee covenants for itself and all persons claiming under or through it, that there shall be no discrimination against any person on the basis of race, color, political or religious opinion or affiliation, creed, age, physical or mental handicap, sex, marital status, ancestry, national origin or sexual preference/orientation. Licensee shall comply with Applicable Law regarding discrimination in employment and unlawful employment practices. Licensee shall be an equal opportunity employer.
- f. Operating Costs. Licensee shall be solely responsible for all expenses that Licensee incurs in connection with operating and maintaining the Facility for Special Events and carrying out its duties under this Agreement, including, without limitation, all of the following:
- i. Wages and salaries (including management fees) of all of Licensee's employees engaged in the operation, maintenance and security of the Facility, including taxes, insurance and benefits paid to such employees;
 - ii. All supplies and material used in the operation, maintenance, repair and security of the Facility;
 - iii. Insurance expenses;
 - iv. User fees, security deposits, permit fees, and similar costs;
 - v. Permit fees, including but not limited to those payable to the County Health Department and the California Department of Alcoholic Beverage Control;

- vi. Fees for City review of each event, subject to determination based on City review of the proposed scope for each event, including but not limited to Fire inspection, Building Department inspections and review for structural approval, Planning Department, Traffic Control review if necessary, and business licensing for vendors. A fee estimate for each event will be provided prior to the event after the submittal and review of the special event permit application; and
 - vii. Service or maintenance contracts with independent contractors for the operation, maintenance, repair, replacement or security of the Facility.
5. City Facility Maintenance, Repair and Upgrade: The City shall be responsible for the general maintenance and repair of the Facility. Damage beyond typical wear and tear caused in connection with a Special Event will be paid for from the Security Deposit or directly by the Licensee or person or people who caused the damage.
 6. Marketing and Advertisement. Licensee shall provide City with an annual marketing strategy for Special Events for City review on or before February 1 of each year. City shall be responsible for any additional marketing and advertisement of the Facility and will coordinate with the Licensee. City reserves the right to require that Licensee's marketing material be co-branded, including printed and radio advertisements, with City and Licensee logos.
 7. Term. The term of this Agreement shall be two (2) years, beginning on the Effective Date. The term may be extended subject to City Council approval on the same terms and conditions as memorialized by the execution of an amendment to the Agreement signed by the representatives of each party. The Agreement may be terminated without cause upon one hundred and eighty (180) days prior written notice from one party to the other.
 8. Authorized Representatives/Notice:
 - a. Authorized Representative: Each party designates the following as its Authorized Representative hereunder:

City:	Kim Summers, City Manager City of Murrieta 1 Town Square Murrieta, CA 92562
Licensee:	Ken Newman Newman Hospitality Group, LLC 43471 Ridge Park Drive, Suite C Temecula, CA 92590
 - b. Notice. Notice shall be deemed given when in writing and personally delivered or delivered by mail in a manner which provides a receipt therefor, address to each party's Authorized Representative at the addresses for each party.

9. Termination for Breach. In the event of an alleged breach of a material term of this Agreement, the aggrieved party shall provide 30 business days prior written notice to the breaching party of the alleged breach and an opportunity to cure or commence to cure. In the event the alleged breach is not cured or a cure commenced within that time, the aggrieved party may terminate this Agreement without further notice. In the event of such termination by City, City has the right to enter into any other agreement necessary for operation of the Facility. In the event of termination by Licensee, Licensee shall remove any and all personal property.

10. Insurance.

- a. Commercial General Liability Insurance: Prior to commencing any services under this Agreement, Licensee shall provide to City proof of commercial general liability insurance coverage for the protection of City for risks customarily covered by such insurance (including, but not limited to, coverage for premises/operation, products and completed operations, independent contractors, broad form property damage, liquor legal liability, and personal injury, including coverage for false arrest, false imprisonment, malicious prosecution, libel, slander, defamation and advertising) to the extent caused by Licensee or its employees, agents, contractors or invitees in an amount not less than Two Million Dollars (\$2,000,000) per occurrence and Four Million Dollars (\$4,000,000) aggregate.
- b. Liquor Liability: If Licensee will be supplying alcoholic beverages, the general liability insurance shall include host liquor liability coverage. If Licensee is using a caterer or other vendor to supply alcohol, that vendor must have liquor liability coverage. If Licensee intends to sell alcohol, either the Licensee or vendor providing the alcohol for sale must have a valid liquor sales license and liquor liability insurance covering the sale of alcohol.
- c. Workers' Compensation Insurance: Licensee shall procure and maintain, throughout the Term, workers' compensation insurance as required by the State of California, with Statutory Limits and Employer's Liability Insurance with a limit of no less than \$1,000,000 per accident for bodily injury or disease.
- d. Automobile Liability Insurance. Licensee shall procure and maintain, throughout the Term, automobile liability coverage with limits not less than Two Million Dollars (\$1,000,000) per accident for bodily injury and property damage.
- e. Acceptability of Insurers: Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.
- f. Each policy shall provide that it may not be cancelled, terminated, reduced or materially changed unless at least thirty (30) days prior notice thereof has been provided to City, except in case of cancellation or termination due to lapse for nonpayment, in which case only ten (10) days' notice shall be required. Each policy shall contain mutual waivers of all rights of subrogation for property damage. Each

policy covering third-party liability shall contain a “cross-liability” endorsement or a “severability of interest” endorsement providing that coverage, to the maximum amount of the policy, will be available despite any suit between the insured and any additional insured under such policy.

- g. Self-Insured Retentions/Deductibles: The self-insured retentions/deductibles must be declared to and approved by the City. The City may require the Licensee to purchase coverage with a lower retention/deductible or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.
- h. Certificates and Endorsements. Prior to conducting any operations under this Agreement, and at all times during the Term, Licensee shall provide to City an original certificate(s) of insurance and original endorsements evidencing all insurance required hereunder. Each certificate or policy of insurance shall indicate that coverage is primary and not contributing with any other insurance maintained by City, includes a Severability-of-Interest or Cross-Liability clause such as “The policy to which this endorsement is attached shall apply separately to each insured against whom a claim is brought, except with respect to the limits of the company’s liability.” Each policy, certificate, and endorsement required hereunder shall be subject to the reasonable approval of the City. Within ten (10) days following insurance renewal, Licensee shall file with City a signed complete certificate of insurance, with all endorsements provided herein, showing that such insurance coverage has been renewed or extended.
- i. Additional Insured Status: The City, its officers, officials, employees, and volunteers are to be covered as additional insureds on the Commercial General Liability policy with respect to liability arising out of the work or operations performed by or on behalf of the Licensee including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Licensee’s insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used).
- j. Special Risks or Circumstances: The City reserves the right to modify these requirements based on the nature of the risk, prior events, insurance coverage, or other special circumstances.

11. Representations and Warranties.

- a. Licensee represents and warrants that there is no court action, arbitration, administrative proceeding, or to the best of Licensee’s knowledge, threatened court action, arbitration, administrative proceeding, on the date of this Agreement which would materially affect (1) the financial condition of Licensee, or (2) the ability of Licensee to perform its obligations under this Agreement.

- b. City represents and warrants that City has no notice or knowledge that any government agency considers operation or use of the Facility out of compliance with any Applicable Law or that any investigation has been commenced or is contemplated respecting any such possible failure of compliance.
 - c. Each of the Parties hereto represents and warrants that it has full power and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement, that it has obtained any and all approvals that may be required before it can execute and perform this Agreement, including approvals required by any loan documents, bond authorization, corporate articles and bylaws, city charter or state statute, regulation or court order, and that the persons executing this Agreement on its behalf have been duly authorized and are empowered to bind it to this Agreement, that the execution of this Agreement, and the performance by it of the actions anticipated by this Agreement neither breaches any contract with any third party, or constitutes any event, which, with the passage of time, or the giving of notice, or both, will breach any contract with any third party, and that this Agreement executed by it are or when fully delivered will be duly authorized, executed and delivered by it and will be valid, binding and enforceable obligations of it.
12. Indemnification. In addition to any other specific indemnification or defense obligations of Licensee set forth in this Agreement, Licensee agrees to indemnify, defend (upon written request by City and with counsel reasonably acceptable to City) and hold harmless City, its officers, officials, employees and volunteers from any and all losses, liabilities, charges, damages, claims, liens, causes of action, awards, judgments, costs and expenses, including, but not limited to reasonable attorneys' fees of counsel retained by City, expert fees, and investigation costs, of whatever kind or nature (any of the foregoing, a "Claim" and collectively, the "Claims"), that are in any manner directly or indirectly caused, occasioned or contributed to in whole or in part, through any act, omission, fault or negligence, whether active or passive, of Licensee or Licensee's officers, agents, employees, independent contractors, subcontractors of any tier, guests, invitees, or authorized representatives, relating in any manner to this Agreement, Licensee's entry into or use of the Facility, Licensee's operation and management of Special Events at the Facility, or any authority or obligation exercised or undertaken by Licensee under this Agreement, except to the extent any such Claims arise from the gross negligence or willful misconduct of City and City Personnel.
- Without limiting the generality of the foregoing, Licensee's obligation to indemnify City shall include (i) injury or death to any person or persons, (ii) damage to any property, regardless of where located, including the property of City, (iii) any workers' compensation or prevailing wage determination, (iv) any Claim or suit or any other matter arising from or connected with any goods or materials provided or services or labor performed, or (v) regarding the Licensee's improvements or its use of the Facility on behalf of Licensee by any person or entity.
13. Force Majeure. Neither party shall be in default or otherwise liable for any delay in or failure of its performance under this Agreement if such delay or failure arises by any reason

beyond its reasonable control, including any act of God, any acts of the common enemy, earthquakes, floods, fires, epidemics, riots, labor disputes, failures or delay in transportation or communications, or any act or failure to act by the other party or such other party's employees, agents or contractors.

14. Non Discrimination. Licensee herein covenants that there shall be no discrimination against, or segregation of, any person, or groups of persons, on account of race, color, creed, religion, sex, marital status, gender, national origin or ancestry in the use or enjoyment of the Facility.
15. Assignment. This Agreement may not be assigned by either party.
16. Attorneys' Fees. If either party brings an action to enforce the terms of this Agreement, the prevailing party in such litigation shall be entitled to recover its costs and attorneys' fees.
17. Amendment and Waiver. This Agreement may be amended only in writing signed by both parties. No waiver of any term or condition of this Agreement shall be a continuing waiver thereof. Licensee agrees to modify this Agreement, upon the City's request, as needed to address concerns arising during the pilot program.
18. Entire Agreement. This Agreement contains the entire agreement of the parties and supersedes all prior and contemporaneous agreements and understandings, oral or otherwise, amount the parties with respect to the matters contained herein.

Signatures on next page

IN WITNESS WHEREOF, the parties authorized to do so have executed this Agreement as of the date set out above.

“CITY”:

CITY OF MURRIETA

Date: _____

By: _____

Kim Summers, City Manager

Attest:

Cristal M. McDonald, City Clerk

Approved as to Form:

Tiffany Israel, City Attorney

“LICENSEE”:

Newman Hospitality Group, LLC, a
California limited liability corporation

Date: _____

By: _____

Ken Newman, Chief Executive Officer

By: _____

Brandie Newman, Vice President

EXHIBIT A

Policy and Operations Plan

[To be Inserted After Council Approval on 10-17-23]

EXHIBIT B

Map of the Facility Including Parking Areas

2024 Town Square Park Parking Lot & Monument Construction Project Potential Impact On Dirt Lot Parking



Projected Construction Dates: March – June 2024

Post construction will result in eliminating flooding risk on parcel north of proposed parking lot.

Key:

- Construction Zone
- Laydown Yard
- Rain Event Significant Flooding Risk

City owned facilities marked with ★ have a total of 440 paved spaces.

EXHIBIT C

Additional Provisions

In addition to the provisions within the Agreement between the City and Licensee, the following responsibilities have been mutually agreed to by each party:

Additional Licensee Responsibilities:

- Security:
 - Licensee is responsible for security, subject to review and approval by the Murrieta Police Department Police Chief or his/her designee.
 - The security plan for each event shall be prepared by the Licensee and reviewed as part of the pre-event review/Special Event Committee review process considering the scope of each individual event.
 - General parameters for security committed to by the Licensee are set forth below. These parameters may be modified subject to the review and approval of the Police Chief for each event:
 - At the sole cost of the Licensee, a total of one (1) security guard per estimated three hundred (300) attendees shall be provided. Attendees shall be defined as all ticketed guests (both paid and complimentary) and unpaid VIP guests.
 - Security guards shall be properly trained as such and shall possess a guard card issued by the California Bureau of Security and Investigative Services.
 - Security Ingress. As part of the Licensee's responsibility, security ingress points shall be staffed by trained and qualified security guards.
 - At the sole cost of the Licensee, metal detectors or other agreed-upon security measures subject to the approval of the Police Chief shall be installed and operational to ensure attendees do not enter the premises with prohibited weapons, outside alcohol, drugs (including marijuana), or other items not suitable for possession at a large event. Security guards must have the authority and responsibility to check all handbags, backpacks, or other apparatuses to carry additional personal items.
 - Licensee, at its sole costs, shall affix signs at each entry point listing prohibited items for entrance. Signs shall be clearly visible to all attendees.
- Alcohol:
 - Licensee shall be responsible for complying with all requirements of the California Alcohol Beverage Control related to the service of alcohol.
 - Within the General Admission area of the event, the only type of alcohol that may be served is beer, wine, and "Ready to Drink" ("RTD") beverages in an aluminum can or equivalent with a Maximum Alcohol By Volume (ABV) content not to exceed thirteen percent (13%).
 - All Event personnel, contractors, vendors, employees, etc. are prohibited from drinking alcohol at the Facility. Licensee shall be responsible for ensuring this is adhered to.

- VIP Section:
 - Licensee may operate a VIP section and charge accordingly. It is the responsibility of the Licensee to operate and administer the VIP section. MPD shall not be utilized as security within the VIP section, although MPD shall have unfettered access to the VIP section for overall security.
 - Licensee may operate full-bar alcohol service within the VIP section. As part of the Special Event Permit Application, Licensee shall propose appropriate protocols to ensure General Admission ticketed guests do not have access to the VIP section, as well as a method to prevent VIP guests from transferring drinks from the full-bar to General Admission guests.
 - Such service may include beverages with an ABV greater than the General Admission section. However, such alcohol is limited to regularly served portions, and shall prohibit “shots” of alcohol or “double” portions.

Amphitheater Revenue Sharing:

- City and Licensee have agreed to a revenue sharing agreement of five (5%) percent of net revenue from each event. Revenue sharing will be calculated based on overall revenues minus direct operating expenses per event. Examples of expenses to not be factored into the calculation include Licensee’s administrative costs, such as general overhead expenses for Licensee’s business or operations, including but not limited to, office space, executive salaries and benefits, and insurance.
- No later than sixty (60) days following each event, Licensee shall provide an overall revenue and cost report to the City’s Community Services Director or his/her designee in a mutually agreed upon format that lists all applicable revenues and costs specific to the event, along with an acceptable form of payment to the City for the payment to the City. Licensee shall provide a detailed description of the event’s overall revenues and expenses. Should the City request receipts, Licensee shall make them available to the City within five (5) business.
- The City is not responsible for net losses at any event.
- For purposes of the revenue sharing calculation, examples of revenues and operating expenses, include but are not limited to:

REVENUES:

- All ticket sales, including but not limited to, General Admission, VIP ticket sales, all parking proceeds (if applicable as allowed under the License Agreement), and any other additional revenues collected for an individual to enter the event.
- Sponsorship revenue – monetary revenues, not in-kind goods or services.
- Vendor sales through collected receipts.
- Merchandising through collected receipts.
- Food and Beverage Sales through collected receipts.

DIRECT EXPENSES:

- All artist fees associated with performers and performances.
- Ticket sales fees.
- Advertising and marketing.
- Audio/Visual rental.
- Tent rental.

- Portable restrooms.
 - Cost of goods sold.
 - Labor – all hourly laborers, contracted laborers and employees, and Licensee employees specific to the event's operations.
 - Trash disposal.
 - Equipment rentals.
 - Fencing and signage.
 - All applicable EMS/EMT, Murrieta Fire and Rescue, and Murrieta Police Department expenses.
 - Preparation of Traffic Control Plan by a registered Professional Engineer and set-up/removal of the required traffic control devices.
 - Off-site parking and/or shuttles as applicable.
 - Professional fees.
 - Permit fees, including but not limited to the County Health Department and the California Department of Alcoholic Beverage Control.
 - Costs for City review subject to determination based on City review of the proposed scope for each event, including but not limited to Fire inspection, Building Department inspections and review for structural approval, Planning Department, Traffic Control review if necessary, and business licensing for vendors. A fee estimate for each event will be provided prior to the event after the submittal and review of the special event permit application.
 - Costs for repairs for damage to facility, furnishings, turf, landscaping, irrigation, etc.
- Examples of expenses to not be included in calculating the revenue sharing calculation, include administrative or executive salaries and company overhead costs, such as office space.
 - The following fees will not be charged by the City: special event permit application, Town Square Park reservation fees, and use of Amphitheater facilities.