

PROFESSIONAL SERVICES CONTRACT BETWEEN  
THE CITY OF HUNTINGTON BEACH AND  
PSQ PRODUCTIONS.  
FOR  
PRODUCTION AND MANAGEMENT SERVICE  
OF THE ANNUAL INDEPENDENCE DAY CELEBRATION

THIS AGREEMENT (“Agreement”) is made and entered into by and between the City of Huntington Beach, a municipal corporation of the State of California, hereinafter referred to as “CITY”, and PSQ Productions, LLC., a corporation, hereinafter referred to as “CONTRACTOR”.

WHEREAS, CITY desires to engage the services of a CONTRACTOR in producing the 2024, 2025, 2026, 2027, and 2028 Independence Day Celebration; and

Pursuant to documentation on file in the office of the City Clerk, the provisions of the Huntington Beach Municipal Code, Chapter 3.03, relating to procurement of professional service contracts have been complied with; and

CONTRACTOR has been selected to perform these services,

NOW, THEREFORE, it is agreed by CITY and CONTRACTOR as follows:

1. SCOPE OF SERVICES

CONTRACTOR shall provide all services as described in **Exhibit “A”**, which is attached hereto and incorporated into this Agreement by this reference. These services shall sometimes hereinafter be referred to as the “PROJECT.”

CONTRACTOR hereby designates **Mark Entner**, who shall represent it and be its sole contact and agent in all communications with CITY and CONTRACTOR during the performance of this Agreement.

2. CITY STAFF ASSISTANCE

CITY shall assign a staff coordinator to work directly with CONTRACTOR in the performance of this Agreement.

3. TERM; TIME OF PERFORMANCE

Time is of the essence of this Agreement. The services of CONTRACTOR are to commence on \_\_\_\_\_ (the "Commencement Date"). This Agreement shall automatically terminate five (5) years after commencement on September 1, 2028, unless extended or sooner terminated as provided herein. Upon mutual agreement by both Parties, the Agreement may be extended up to five (5) 1-year terms. All tasks specified in **Exhibit "A"** shall be completed on or before July 4 of each year in 2024, 2025, 2026, 2027, and 2028. The time for performance of the tasks identified in **Exhibit "A"** are generally to be shown in **Exhibit "A"**. This schedule may be amended to benefit the PROJECT if mutually agreed to in writing by CITY and CONTRACTOR.

In the event the Commencement Date precedes the Effective Date, CONTRACTOR shall be bound by all terms and conditions as provided herein.

4. COMPENSATION

In consideration of the performance of the services described herein, CITY agrees to pay CONTRACTOR a fixed Fee in quarterly installments as specified in **Exhibits "B"**, which is attached hereto and incorporated by reference into this Agreement. The Fee, including all costs and expenses, not to exceed ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000) in 2024; ONE HUNDRED SIXTY THOUSAND, FIVE HUNDRED DOLLARS (\$160,500) in 2025; ONE HUNDRED SEVENTY-ONE

THOUSAND, SEVEN HUNDRED THIRTY-FIVE DOLLARS (\$171,735) in 2026; ONE HUNDRED EIGHTY THREE THOUSAND, SEVEN HUNDRED FIFTY SIX DOLLARS (\$183,756) in 2027; and ONE HUNDRED NINETY SIX THOUSAND, SIX HUNDRED NINETEEN DOLLARS (\$196,619) in 2028. Compensation for CONTRACTOR and CITY shall also include additional revenue opportunities as specified in Exhibit "B".

5. EXTRA WORK

In the event CITY requires additional services not included in **Exhibit "A"** or changes in the Scope of Services described in **Exhibit "A"**, CONTRACTOR will undertake such work only after receiving written authorization from CITY. Additional compensation for such extra work shall be allowed only if the prior written approval of CITY is obtained.

6. METHOD OF PAYMENTS

CONSULTANT shall be paid pursuant to the terms of **Exhibit "B"**.

7. DISPOSITION OF PLANS, ESTIMATES AND OTHER DOCUMENTS

CONTRACTOR agrees that title to all materials prepared hereunder, including, without limitation, all original drawings, designs, reports, site plans, vendor lists, sponsor contracts and agreements, parade entry contact information, timelines, runner and volunteer databases, service provider invoices and contact information, parade scripts, web domains, login and passwords for websites and social media accounts, maps/routes, memoranda, letters, spreadsheets, and other documents, shall belong to CITY, and CONTRACTOR shall turn these materials over to CITY immediately upon request, or

upon expiration or termination of this Agreement, or upon completion of PROJECT, whichever shall occur first. These materials may be used by CITY as it sees fit.

8. CONTINGENCY ALLOWANCE

CITY shall provide a Contingency Allowance of no more than TEN-THOUSAND DOLLARS (\$10,000) to cover variations that may occur in the expected values of elements of cost or schedule, however, do not apply to scope or quality. City must preapprove at its sole discretion any Contingency Allowance.

9. HOLD HARMLESS

CONTRACTOR hereby agrees to protect, defend, indemnify and hold harmless CITY, its officers, elected or appointed officials, employees, agents and volunteers from and against any and all claims, damages, losses, expenses, judgements, demands and defense costs (including, without limitation, costs and fees of litigation of every nature or liability of any kind or nature) arising out of or in connection with CONTRACTOR's (or CONTRACTOR's sub-contractors, if any) negligent (or alleged negligent) performance of this Agreement or its failure to comply with any of its obligations contained in this Agreement by CONTRACTOR, its officers, agents or employees except such loss or damage which was caused by the sole negligence or willful misconduct of CITY. CONTRACTOR will conduct all defense at its sole cost and expense and CITY shall approve selection of CONTRACTOR's counsel. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as limitation upon the amount of indemnification to be provided by CONTRACTOR.

10. PROFESSIONAL LIABILITY INSURANCE

CONTRACTOR shall obtain and furnish to CITY a professional liability insurance policy covering the work performed by it hereunder. This policy shall provide coverage for CONTRACTOR's professional liability in an amount not less than One Million Dollars (\$1,000,000.00) per occurrence and in the aggregate. The above-mentioned insurance shall not contain a self-insured retention, "deductible" or any other similar form of limitation on the required coverage except with the express written consent of CITY. A claims-made policy shall be acceptable if the policy further provides that:

- A. The policy retroactive date coincides with or precedes the initiation of the scope of work (including subsequent policies purchased as renewals or replacements).
- B. CONTRACTOR shall notify CITY of circumstances or incidents that might give rise to future claims.

CONTRACTOR will make every effort to maintain similar insurance during the required extended period of coverage following PROJECT completion. If insurance is terminated for any reason, CONTRACTOR agrees to purchase an extended reporting provision of at least two (2) years to report claims arising from work performed in connection with this Agreement.

If CONTRACTOR fails or refuses to produce or maintain the insurance required by this section or fails or refuses to furnish the CITY with proof that insurance has been procured and is in force and paid for, the CITY shall have the right, at the CITY's election, to forthwith terminate this Agreement. Such termination shall not affect

CONTRACTOR's right to be paid for its time and materials expended prior to notification of termination. CONTRACTOR waives the right to receive compensation and agrees to indemnify the CITY for any work performed prior to approval of insurance by the CITY.

11. CERTIFICATE OF INSURANCE

Prior to commencing performance of the work hereunder, CONTRACTOR shall furnish to CITY a certificate of insurance subject to approval of the City Attorney evidencing the foregoing insurance coverage as required by this Agreement; the certificate shall:

- A. provide the name and policy number of each carrier and policy;
- B. state that the policy is currently in force; and
- C. promise that such policy shall not be suspended, voided or canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice; however, ten (10) days' prior written notice if the event of cancellation for nonpayment of premium.

CONTRACTOR shall maintain the foregoing insurance coverage in force until the work under this Agreement is fully completed and accepted by City.

The requirement for carrying the foregoing insurance coverage shall not derogate from CONTRACTOR's defense, hold harmless and indemnification obligations as set forth in this Agreement. CITY or its representative shall at all times have the right to demand the original or a copy of the policy of insurance. CONTRACTOR shall pay, in a prompt and timely manner, the premiums on the insurance hereinabove required.

12. INDEPENDENT CONTRACTOR

CONTRACTOR is, and shall be, acting at all times in the performance of this Agreement as an independent contractor herein and not as an employee of CITY. CONTRACTOR shall secure at its own cost and expense, and be responsible for any and all payment of all taxes, social security, state disability insurance compensation, unemployment compensation and other payroll deductions for CONTRACTOR and its officers, agents and employees and all business licenses, if any, in connection with the PROJECT and/or the services to be performed hereunder.

13. TERMINATION OF CONTRACT

A. CITY may terminate this Agreement without cause, effective after 30 days' prior written notice to CONTRACTOR ("Notice Period").

In the case of termination without cause:

(i) CITY shall release CONTRACTOR from all obligations under this contract, and shall assume full liability for all existing vendor, subcontractor, supplier, sponsor, talent and venue contracts that have been entered into as part of the Event and previously approved by CITY.

(ii) CONTRACTOR shall be entitled to payment for the current PROJECT year up until the date of termination and shall be paid the outstanding balance of the fee within seven (7) days of receiving a final invoice detailing work completed. CONTRACTOR shall also be entitled to retain all commissions

earned through the sales of CITY-approved sponsorships prior to the date of termination, and, in the case of multi-year sponsorship agreements, CONTRACTOR may retain said commissions, however, the City shall not be responsible for the payment thereof.

(iii) CONTRACTOR shall deliver an audit report to CITY detailing the status of the PROJECT budget and all accounts payable/receivable and transfer the balance of all funds held on behalf of CITY, less applicable sponsor commissions due to the CONTRACTOR, to CITY's designated fiduciary or account no later than the conclusion of the Notice Period.

(iv) CONTRACTOR shall work amicably with CITY to effectively transfer all PROJECT communications, contacts, materials and operations to CITY-designated agents and assignees.

#### 14. ASSIGNMENT AND DELEGATION

This Agreement is a personal service contract and the work hereunder shall not be assigned, delegated or subcontracted by CONTRACTOR to any other person or entity without the prior express written consent of CITY. If an assignment, delegation or subcontract is approved, all approved assignees, delegates and sub-contractors must satisfy the insurance requirements as set forth in Section 9 and 10 hereinabove.

15. COPYRIGHTS/PATENTS

CITY shall own all rights to any patent or copyright on any work, item or material produced as a result of this agreement.

16. CITY EMPLOYEES AND OFFICIALS

CONTRACTOR shall employ no CITY official nor any regular CITY EMPLOYEE IN THE WORK PERFORMED PURSUANT TO THIS Agreement. No officer or employee of CITY shall have any financial interest in this Agreement in violation of the applicable provisions of the *California Government Code*.

17. NOTICES

Any notices, certificates, or other communications hereunder shall be given either by personal delivery to CONTRACTOR's agent (as designed in Section 1 hereinabove) or to CITY as the situation shall warrant, or by enclosing the same in a sealed envelope, postage prepaid, and depositing the same in the United States Postal Service, to the addresses specified below. CITY and CONTRACTOR may designate different addresses to which subsequent notices, certificates, electronic correspondence, or other communications will be sent by notifying the other party via personal delivery, or reputable overnight carrier or U.S. certified mail-return receipt requested, or electronic mail system:

TO CITY:

City of Huntington Beach  
ATTN: City Manager  
2000 Main Street  
Huntington Beach, CA 92648

TO CONTRACTOR:

PSQ Productions, LLC.  
ATTN: Mark Entner  
48 Waterworks Way  
Irvine, CA 92618

18. CONSENT

When CITY's consent/approval is required under this Agreement, its consent/approval for one transaction or event shall not be deemed to be consent/approval to any subsequent occurrence of the same or any other transaction or event.

19. MODIFICATION

No waiver or modification of any language in this Agreement shall be valid unless in writing and duly executed by both parties.

20. SECTION HEADINGS

The titles, captions, section, paragraph and subject headings, and descriptive phrases at the beginning of the various sections in this Agreement are merely descriptive and are included solely for convenience of reference only and are not representative of matters included or excluded from such provisions, and do not interpret, define, limit or describe, or construe the intent of the parties or affect the construction or interpretation of any provision of this Agreement.

21. INTERPRETATION OF THIS AGREEMENT

The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any of the parties. If any provision of this Agreement is held by an arbitrator or court of competent jurisdiction to be unenforceable, void, illegal or invalid, such holding shall not invalidate or affect the remaining covenants and provisions of this Agreement. No covenant or provision shall be deemed dependent upon any other unless so expressly provided here. As used in this Agreement, the masculine or neuter gender and singular or plural number shall be deemed

to include the other whenever the context so indicates or requires. Nothing contained herein shall be construed so as to require the commission of any act contrary to law, and wherever there is any conflict between any provision contained herein and any present or future statute, law, or ordinance or regulation contrary to which the parties have no right to contract, then the latter shall prevail, and the provision of this agreement which is hereby affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law.

22. DUPLICATE ORIGINAL

The original of this Agreement and one or more copies hereto have been prepared and signed in counterparts as duplicate originals, each of which so executed shall, irrespective of the date of its execution and delivery, be deemed an original. Each duplicate original shall be deemed an original instrument as against any party who has signed it.

23. IMMIGRATION

CONTRACTOR shall be responsible for full compliance with the immigration and naturalization laws of the United States and shall, in particular, comply with the provisions of the *United States Code* regarding employment verification.

24. LEGAL SERVICES SUB-CONTRACTING PROHIBITED

CONTRACTOR and CITY agree that CITY is not liable for payment of any subcontractor work involving legal services, and that such legal services are expressly outside the scope of services contemplated hereunder. CONTRACTOR understands that pursuant to *Huntington Beach City Charter* Section 309, the City Attorney is the exclusive legal counsel for CITY; and CITY shall not be liable for payment of any legal services

expenses incurred by CONTRACTOR.

25. ATTORNEY'S FEES

In the event suit is brought by either party to construe, interpret and/or enforce the terms and/or provisions of this Agreement or to secure the performance hereof, each party shall bear its own attorney's fees, such that the prevailing party shall not be entitled to recover its attorney's fees from the non-prevailing party.

26. SURVIVAL

Terms and conditions of this Agreement, which by their sense and context survive the expiration or termination of the Agreement, shall so survive.

27. GOVERNING LAW

This Agreement shall be governed and construed in accordance with the laws of the State of California.

28. SIGNATORIES

Each undersigned represents and warrants that its signature herein below has the power, authority and right to bind their respective parties to each of the terms of this Agreement, and shall indemnify CITY fully for any injuries or damages to CITY in the event that such authority or power is not, in fact, held by the signatory or is withdrawn.

29. ENTIRETY

The parties acknowledge and agree that they are entering into this Agreement freely and voluntarily following extensive arm's length negotiations, and that each has had the opportunity to consult with legal counsel prior to executing this Agreement. The parties also acknowledge and agree that no representations, inducements,

promises, agreements or warranties, oral or otherwise, have been made by that party or anyone acting on the party's behalf, which are not embodied in this Agreement, and that party has not executed this Agreement in reliance on any representation, inducement, promise, agreement, warranty, fact or circumstance not expressly set forth in this Agreement. This Agreement, and the attached exhibits, contain the entire agreement between the parties respecting the subject matter of this Agreement, and supersede all prior understandings and agreements whether oral or in writing between the parties respecting the subject matter hereof.

30. EFFECTIVE DATE

This agreement shall be effective on the date of its approval by the City Attorney. This Agreement shall expire when terminated as provided herein.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their authorized officers.

CONSULTANT,  
PSQ PRODUCTIONS, LLC

By: *Mark Entwener*  
MARK ENTWENER  
print name

ITS: (circle one) Chairman/President/Vice  
President

AND

By: *Mary Stoddinger*  
Mary Stoddinger  
print name

ITS: (circle one) Secretary/Chief Financial  
Officer/Asst. Secretary - Treasurer

CITY OF HUNTINGTON BEACH, a  
municipal corporation of the State of  
California

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

INITIATED AND APPROVED:

\_\_\_\_\_  
Director of Library & Community Services

REVIEWED AND APPROVED:

\_\_\_\_\_  
City Manager

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney *CG*

CONSULTANT,  
PSQ PRODUCTIONS, LLC

CITY OF HUNTINGTON BEACH, a  
municipal corporation of the State of  
California

By: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Mayor

print name  
**ITS: (circle one) Chairman/President/Vice  
President**

\_\_\_\_\_  
City Clerk

**AND**

INITIATED AND APPROVED:

By: \_\_\_\_\_  
\_\_\_\_\_

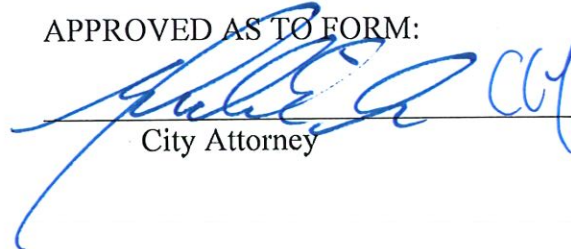
  
\_\_\_\_\_  
Director of Library & Community Services

print name  
**ITS: (circle one) Secretary/Chief Financial  
Officer/Asst. Secretary - Treasurer**

REVIEWED AND APPROVED:

\_\_\_\_\_  
City Manager

APPROVED AS TO FORM:

  
\_\_\_\_\_  
City Attorney

**EXHIBIT "A"**  
**CONTRACTOR SCOPE OF SERVICES**  
**PSQ PRODUCTIONS, LLC**

A. STATEMENT OF WORK:

The CONTRACTOR is required to attend planning meetings with the BOARD and CITY staff as needed. CONTRACTOR shall assume responsibility, with oversight from the CITY and in collaboration with the BOARD when deemed necessary by CITY, for all planning; sponsorship procurement; music and entertainment procurement; sub-contractor management; volunteer development; pre-, day-of, and post-event public / media relations; pre-, day-of, and post-event production and management; and all other facets of event production and management. Of note, deliverables must communicate the CITY's message of "family-friendly" events and activities.

B. CONTRACTOR'S DUTIES AND RESPONSIBILITIES:

In general, CONTRACTOR will provide or sub-contract the following services. These services are general in nature and are not all-inclusive of the duties and responsibilities of the CONTRACTOR.

- Research & Monthly Planning
  - Legacy review of prior Event years to ascertain and evaluate best practices, budget history and preferred vendor relationships.
  - Conduct surveys of previous Event partners to solicit feedback and identify key success elements.
  - Attend and contribute to monthly Independence Day Board meetings.
- Marketing & Sponsorship

- Develop and manage omni-channel online/social, OOH and print marketing campaign concepts and fulfillment.
- Review overall Event sponsorship program and recommend strategies and activations to maximize revenue potential.
- Solicit, negotiate, and implement/manage all sponsorship contracts.
- Coordinate a sponsor recognition package and/or event as well as VIP amenities for CITY dignitaries, as agreed upon in writing by CITY and CONTRACTOR no less than 30 days prior to EVENT.
- Financial Planning
  - Develop a comprehensive Event budget for approval by the CITY.
  - Manage all Budget and Scope changes as required to deliver the Event within the approved budget.
  - Manage, collect, and securely hold all sponsorship, booth sales, donations, food, beverage, merchandise cash receipts collected during the Event, and other forms of revenue.
  - Settlement of all vendors and invoices within the Scope of Services.
  - Reconciliation of budgets and weekly/monthly financial reporting to the CITY as requested.
  - Produce a final audit and settlement of all revenues and expenses within 30 days after the completion of the Event.
- Parade Planning
  - Develop/distribute parade qualifications and application.
  - Once CONTRACTOR has selected final Parade entries, present to BOARD for their knowledge.

- Develop parade site map, including route, staging areas, VIP areas, announcer and media coverage areas, and grandstand seating areas, if applicable.
  - Conduct appropriate outreach to ensure the parade contains at least 200 entries and to meet budget expectations and timing for television coverage of the Event.
  - Develop parade regulations and procedures for participants and distribute to all attendees.
  - Coordinate logistics, security, route closures & equipment needs with City Staff and departments, or other authorized agencies.
  - Oversee media credentialing and coverage opportunities with media affiliates and approved media outlets in coordination with the City's Office of Communications.
  - Develop parade scripts for all announcers along the parade route, in addition to media coverage announcers, for consistency.
  - Oversee parade line-up, staging, and disbanding.
  - Secure and setup adequate VIP area staging and seating and required AV production elements for parade coverage/announcers.
- Fireworks Planning
    - Oversee RFP process to award fireworks display contract.
    - Oversee and manage winning bidder for execution of all deliverables.
    - Coordinate security and logistical planning with CITY Staff and departments.

- Obtain required permits from appropriate CITY and County authorities, if applicable.
- Develop/approve musical programming and secure all required licensing/clearances.
- Coordinate Pier seating for Fireworks show, including sale of ticket packages, Pier seating layout, rental equipment, and any applicable VIP amenities.
- Run Event Planning
  - Oversee subcontractors and/or provide primary run program management.
  - Manage t-shirt, runner medals and branded merchandise program.
  - Coordinate event marketing and oversee/develop runner registration, ensuring participation of over 3,500 runners to meet budget expectations.
  - Provide professional timing services and runner results.
  - Coordinate logistics, route planning, safety and street closures with City Staff and departments or other authorized agencies.
  - Coordinate runner's expo event if so authorized as part of final Event budget/scope.
- Collaborate with other contractors, consultants, and vendors CITY may hire in the course of presenting the event.
- Specific Event Permit – CONTRACTOR shall apply for and obtain a City of Huntington Beach Specific Event Permit in accordance with Municipal Code 13.54. Specific Event Permit fees to be waived by CITY.

C. ADDITIONAL ACTIVATIONS

CITY and CONTRACTOR agree that in 2024, the Event shall include the Parade, Run, and Fireworks Events. Should the CONTRACTOR wish to expand the

activations of the Event in future contract years to include additional festivals, block parties, community parades, or other elements, CONTRACTOR may propose the new elements in writing for approval by CITY. Any new Event activations shall be funded by CONTRACTOR through the Event budget and/or sponsorships and shall not be the financial responsibility of CITY.

D. CITY'S DUTIES AND RESPONSIBILITIES:

1. CITY will designate a staff liaison through the Director of Community & Library Services and any change in that person will be noticed in writing.
2. CITY shall provide meeting rooms for meetings, when available, at no cost to CONTRACTOR.
3. CITY will assist with promotion and marketing of the event through social media, SANDS Recreation Guide, placing information on the CITY's website, and allowing promotional materials to be placed in City Hall and community facilities, such as community centers and libraries, with the approval of the City's Office of Communication.
4. The CITY's staff liaison will work with CONTRACTOR on providing a VIP and dignitary list.

D. WORK PROGRAM/PROJECT SCHEDULE:

1. Work shall commence upon execution of the Agreement by both parties and approval by the City Council of the City of Huntington Beach.
2. All tasks specified in **Exhibit "A"** shall be completed on or before July 4 of each year in 2024, 2025, 2026, 2027, and 2028.
3. This schedule may be amended to benefit the Project if mutually agreed to in writing by CITY and CONTRACTOR.
4. In the event the Commencement Date precedes the Effective Date, CONTRACTOR shall be bound by all terms and conditions as provided herein.

5. CITY shall apply for and obtain Caltrans street closure permits related to the 4<sup>th</sup> of July Parade.

## EXHIBIT "B"

### Payment Schedule

(2024 - \$150,000; 2025 - \$160,500; 2026 - \$171,735; 2027 - \$183,756; 2028 - \$196,619

1. CONTRACTOR shall be entitled to three (3) installment payments toward the fixed Fee set forth herein in accordance with the following progress and payment schedules. Upon submission of any invoice, if CITY is satisfied that CONTRACTOR is making satisfactory progress toward completion of tasks in accordance with this Agreement, CITY shall approve and process the appropriate installment payments, within thirty (30) days of receipt of said invoice by CITY. Such approval shall not be unreasonably withheld. If CITY does not approve an invoice, CITY shall notify CONTRACTOR in writing of the reasons for non-approval and the schedule of performance set forth in **Exhibit "A"** may at the option of CITY be suspended until the parties agree that past performance by CONTRACTOR is in, or has been brought into compliance, or until this Agreement has expired or is terminated as provided herein. Such invoices shall:

- A) Reference this Agreement;
- B) Describe the services performed;
- C) Show the total amount of the payment due;
- D) Include a certification by a principal member of CONTRACTOR's firm that the work has been performed in accordance with the provisions of this Agreement; and
- E) For all payments include an estimate of the percentage of work completed.

2. CONTRACTOR shall use the Fee Schedule as included in the City Council approved Master Fee and Charges Schedule, Community Services-Charges, Resolution #2019-87, and any subsequently updated Fee Resolution during the Term of the Agreement:

3. Any billings for extra work or additional services authorized in advance and in writing by CITY shall be invoiced separately to CITY. Such invoice shall contain all of the information required above, and in addition shall list the hours expended and hourly rate charged for such time. Such invoices shall be approved by CITY if the work performed is in accordance with the extra work or additional services requested, and if CITY is satisfied that the statement of hours worked and costs incurred is accurate. Such approval shall not be unreasonably withheld. Any dispute between the parties concerning payment of such an invoice shall be treated as separate and apart from the ongoing performance of the remainder of this Agreement.

#### **1. BUDGET, FEES & TERMS OF PAYMENT**

- a. CONTRACTOR shall provide the Services described herein for a Fee of ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000) during the first year of the Agreement. For each subsequent year during the Term related to the 2025, 2026, 2027, and 2028 Events, the Fee shall be increased in accordance with the schedule provided by CONTRACTOR to CITY during negotiations.
- b. The Fee shall be paid to CONTRACTOR in installments during the first year of the Agreement as follows:
  - (i) 50% due upon execution of Agreement;
  - (ii) 25% due no later than April 30, 2024;
  - (iii) 25% due no later than July 31, 2024;
- c. The Fee for each subsequent year in the Term, related to the 2025 and 2026, 2027, and 2028 Events and any option years exercised, shall be due with a 50% first installment due by December 31<sup>st</sup> of the preceding year and two (2), 25% installments on April 30<sup>th</sup> and July 31<sup>st</sup> of the event year.
- d. All revenues from the Event shall be accounted for in the following order:
  - (i) Revenues, including but not limited to ticket sales, sponsorships, parade entries, and donations shall offset

expenses incurred by CONTRACTOR in the production of the Event in accordance with the Event budget.

- (ii) If revenues exceed the expenditures and there is a net positive in the Event account, CONTRACTOR will be eligible to earn additional compensation on sponsorship and donations as follows:
    - (a) 25% of total revenue generated during the event from new vendors; 10% of revenues from returning 2023 vendors with 25% of new revenues over 2023 revenues.
    - (b) Ticket sales and parade entries will not be eligible for the revenue split and shall be deposited directly into the account to fund the Event.
  - (iii) If Event expenses exceed total revenue, the CITY would be responsible for reimbursement of CONTRACTOR direct Event expenses, pending a review of the mutually approved event budget and the reconciliation of expenditures with invoices or receipts from vendors as agreed upon by both parties no more than 30 days following July 4 each year.
  - (iv) CONTRACTOR may provide subcontractor services required for the Event that are within CONTRACTOR's direct capabilities, provided that CONTRACTOR charge competitive market rates for such services and provide advance disclosure to the CITY of the areas in which it intends to provide the services.
- e. In consultation with the CITY, CONTRACTOR will develop an initial Budget Estimate for the entire Event to be submitted for adoption by CITY no later than 14 days after completion of the Legacy Review.
  - f. During the Term, CONTRACTOR shall notify the CITY of any anticipated or known material increase to the EVENT Budget, defined as any change

due to an individual line item or group of related items which change in price for any reason, increase the EVENT Budget by more than \$5,000.00 and represent an unfunded budget expense against known revenues. The CITY shall have 72 hours from receipt of notice to approve, modify or cancel the relevant Scope of Work related to the material increase. Failure of the CITY to modify or cancel the relevant scope of work within the notice period shall constitute approval of the material increase and financial obligations associated therewith.

- g. From time to time, the CITY may request changes to the Scope of Work or Services, which must be submitted to CONTRACTOR in writing, at which time CONTRACTOR shall provide the CITY with a written analysis and financial estimate as soon as is reasonably possible, detailing the costs and feasibility of the CITY request. The CITY request shall not become binding upon CONTRACTOR nor be included in the Services, unless and until the CITY approves the financial estimate and revenue allocation recommended by CONTRACTOR, and CONTRACTOR certifies the request as feasible within the Scope of the Services.
- h. CONTRACTOR shall operate and maintain a special purpose dedicated checking account for the EVENT, and make all deposits and payments related to the EVENT using the dedicated account. The CITY shall be granted access to the account for reporting/audit purposes and furnished with copies of each monthly statement from the account.
- i. CONTRACTOR shall maintain copies of all purchase orders, invoices, contracts, receipts, deposits and expenses paid on behalf of the EVENT and provide CITY with copies of same.
- j. All payments due to CONTRACTOR are to be made by wire transfer or direct deposit.



POLICY NUMBER: CPV0036154

COMMERCIAL GENERAL LIABILITY  
CG 20 26 07 04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ADDITIONAL INSURED - DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)
City of Huntington Beach, its officers, elected or appointed officials, employees, agents and volunteers
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Section II. Who Is An Insured is amended to include as an additional insured the person(s) or organization (s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

A. In the performance of your ongoing operations; or

B. In connection with your premises owned by or rented to you.

Policy Number: CPV0036154

COMMERCIAL GENERAL LIABILITY  
CG 20 01 04 13

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PRIMARY AND  
NONCONTRIBUTORY –  
OTHER INSURANCE  
CONDITION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE  
PART

City of Huntington Beach, its officers, elected or appointed officials, employees, agents and volunteers

The following is added to the Other Insurance Condition and supersedes any provision to the contrary:

**Primary And Noncontributory Insurance**

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

The additional insured is a Named Insured under such other insurance; and

You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ADDITIONAL INSURED - DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)
City of Huntington Beach, its officers, elected or appointed officials, employees, agents and volunteers
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Section II. Who Is An Insured is amended to include as an additional insured the person(s) or organization (s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- A. In the performance of your ongoing operations; or
- B. In connection with your premises owned by or rented to you.