

**SPONSORSHIP AGREEMENT BETWEEN  
CITY OF TEMECULA AND TEMECULA VALLEY BALLOON  
AND WINE FESTIVAL ASSOCIATION**

**THIS AGREEMENT** is made and effective as of this **28th** day of **May 2019**, by and between the **City of Temecula**, a municipal corporation (hereinafter referred to as "City"), and **Temecula Valley Balloon and Wine Festival Association**, a California nonprofit corporation (hereinafter referred to as the "Nonprofit"). In consideration of the mutual covenants, conditions and undertakings set forth herein, the parties agree as follows:

**1. RECITALS**

This Agreement is made with respect to the following facts and purposes which each of the parties acknowledge and agree are true and correct:

a. The Nonprofit shall operate the **Temecula Valley Balloon and Wine Festival** (hereinafter referred to as the "Event") on **May 31 through June 2, 2019**. The Event is a special event which is located in **the unincorporated area of Riverside County/Temecula Valley**.

b. The Event includes: **morning balloon launches, evening balloon glows, wine tastings from local wineries, beer tasting from local breweries, food vendors, concerts featuring a variety of genres, each day/night. The event will also include a kids faire and a commercial court with over 150 vendors.**

c. Alcohol **will** be served.

d. The City desires to be a **Premier Sponsor** of the Event.

**2. TERM**

This Agreement shall commence on **May 28, 2019** and shall remain and continue in effect until tasks described herein are completed, but in no event later than **June 30, 2019**, unless sooner terminated pursuant to the provisions of this Agreement.

**3. CONSIDERATION**

a. In exchange for providing the Nonprofit with in-kind city-support services valued at an amount not to exceed **Two Thousand Dollars and No Cents (\$2,000.00)**, use of the conference center for two training courses for volunteers, valued at an amount not to exceed, **Two Hundred Fifty Dollars and No Cents (\$250.00)** and in-kind promotional services valued at an amount not to exceed **Twenty Seven Thousand Dollars and No Cents (\$27,000.00)**, as listed in **Exhibit B**, the City of Temecula shall be designated as a **Premier Sponsor** of the Event. As a **Premier Sponsor** the City shall receive sponsor benefits as listed in **Exhibit A**. In the event that City support services exceeds **Twenty Seven Thousand Dollars and No Cents (\$27,000.00)**, the Nonprofit may seek City authorization for payment above that amount.

b. The Nonprofit is requested to partner with the Temecula Valley Convention & Visitors Bureau ("TVCVB") to help promote the Event. The City of Temecula contracts with the TVCVB to generate Visitor-Related Economic Impact for the City of Temecula. This will include but not be limited to over-night room bookings, dining and shopping within the City of Temecula.

Any media visits coordinated by the Nonprofit shall include an invitation to visit all Temecula entities (i.e. Old Town, wineries, golf). Secondly, the Nonprofit shall include in its basic press kit a press release provided by the TVCVB which focuses on the attractions of Temecula, including Old Town, golf, wineries, etc. This informational piece shall be provided to all media working with the Nonprofit or its representatives on festival-related stories.

c. The Nonprofit shall support economies of the City of Temecula by promoting and utilizing local businesses (e.g. local food vendors, restaurants, wineries, crafters, etc.) first when competitive and practicable.

d. Within 30 days of the effective date of this Agreement, Nonprofit shall submit a timeline showing the milestone dates that each Nonprofit marketing activity, including, but not limited to, public relations and media schedules, marketing measures and other promotional activities, will occur. The purpose of this provision is to ensure that the Nonprofit makes a good faith effort to maximize attendance at the **Temecula Valley Balloon and Wine Festival**.

#### **4. WRITTEN REPORT**

Within ninety (90) days after the conclusion of the Event, the Nonprofit shall prepare and submit to the **Assistant City Manager** a written report evaluating the Event, its attendance, media coverage, and description of the materials in which the City has listed as a **Premier Sponsor**. The report shall also include samples of media, press clippings, flyers, pamphlets, etc., in a presentation notebook format. In addition, complete financial statements including a balance sheet, income statement and budget to actual comparison report of the Event must be included in such a written report.

#### **5. FINANCIAL REVIEW**

The Nonprofit shall provide complete financial statements including a balance sheet, income statement and Yellow Book audit of the Event. This financial review of the Event should be completed and submitted to the City no later than **April 8, 2020**. The financial review shall provide a general summary report on how funds were expended and used to benefit Temecula Valley residents and shall include documentation, including but not limited to, copies of invoices, receipts and cancelled checks to support the Sponsorship Funding. The financial documentation is subject to an audit, as determined by City staff.

#### **6. FINANCIAL AUDIT**

The Nonprofit shall provide an audit that should be conducted in accordance with generally accepted government auditing standards also known as the Yellow Book audit. The Yellow Book audit will be audited by an independent certified public accountant and shall include the Event. These audited financial statements should be completed and submitted to the City no later than **April 8, 2020**, pending the Nonprofit Headquarters audit timeline.

#### **7. PERMITS**

The Nonprofit shall file applications for a Temporary Use Permit and Special Event Permit with the City no later than thirty (30) days prior to the first day of the Event. The City retains its governmental jurisdiction to determine whether to issue the permits and the nature and scope of Conditions of Approval. The Nonprofit shall comply with all conditions of approval for the

Temporary Use Permit, the Special Event Permit, or any other City-issued permits. Failure to comply with the Conditions of Approval of such permits shall constitute a default of this Agreement and is grounds for termination of this Agreement.

## **8. MEETING ATTENDANCE**

The Nonprofit shall attend all City pre-event planning meetings and event recap meetings if warranted.

## **9. INDEMNIFICATION**

The Nonprofit shall indemnify, protect, defend and hold harmless the City of Temecula, Temecula Community Services District, and/or the Successor Agency to the Temecula Redevelopment Agency, its elected officials, officers, employees, volunteers, and representatives from any and all suits, claims, demands, losses, defense costs or expenses, actions, liability or damages of whatsoever kind and nature which the City of Temecula, Temecula Community Services District, and/or the Successor Agency to the Temecula Redevelopment Agency, its officers, agents and employees may sustain or incur or which may be imposed upon them for injury to or death of persons, or damage to property arising out of the Nonprofit's negligent or wrongful acts or omissions arising out of or in any way related to the performance or non-performance of this Agreement.

## **10. INSURANCE**

The Nonprofit shall secure and maintain from a State of California admitted insurance company, pay for and maintain in full force and effect for the duration of this Agreement an insurance policy of comprehensive general liability against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the work hereunder by **May 30, 2019**, its agents, representatives, or employees.

a. Minimum Scope of Insurance. Coverage shall be at least as broad as:

1) Insurance Services Office Commercial General Liability form No. CG 00 01 11 85 or 88.

2) Insurance Services Office Business Auto Coverage form CA 00 01 06 92 covering Automobile Liability, code 1 (any auto). If the Recipient owns no automobiles, a non-owned auto endorsement to the General Liability policy described above is acceptable.

3) Worker's Compensation insurance as required by the State of California and Employer's Liability Insurance. If the Recipient has no employees while performing under this Agreement, worker's compensation insurance is not required, but Consultant shall execute a declaration that it has no employees.

4) Professional Liability Insurance shall be written on a policy form providing professional liability for the Recipient's profession.

b. Minimum Limits of Insurance. Consultant shall maintain limits no less than:

1) General Liability: Two million (\$2,000,000) 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 project/location or the general aggregate limit shall be twice the required occurrence limit.

2) Automobile Liability: One million (\$1,000,000) per accident for bodily injury and property damage.

3) Worker's Compensation as required by the State of California; Employer's Liability: One million dollars (\$1,000,000) per accident for bodily injury or disease.

4) Liquor Liability Coverage for bodily injury, personal injury and property damages.

c. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions shall not exceed Twenty Five Thousand Dollars and No Cents (\$25,000).

d. Other Insurance Provisions. The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1) The City of Temecula, the Temecula Community Services District, the Successor Agency to the Temecula Redevelopment Agency, their officers, officials, employees and volunteers are to be covered as insured's, as respects: liability arising out of activities performed by or on behalf of the NonProfit; products and completed operations of the Recipient; premises owned, occupied or used by the Nonprofit; or automobiles owned, leased, hired or borrowed by the Nonprofit. The coverage shall contain no special limitations on the scope of protection afforded to the City of Temecula, the Temecula Community Services District, the Successor Agency to the Temecula Redevelopment Agency, their officers, officials, employees or volunteers.

2) For any claims related to this project, the Nonprofit's insurance coverage shall be primary insurance as respects the City of Temecula, the Temecula Community Services District, the Successor Agency to the Temecula Redevelopment Agency, their officers, officials, employees and volunteers. Any insurance or self-insured maintained by the City of Temecula, Temecula Community Services District, and/or the Successor Agency to the Temecula Redevelopment Agency, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

3) Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City, the Temecula Community Services District, the Successor Agency to the Temecula Redevelopment Agency, their officers, officials, employees or volunteers.

4) The Nonprofit's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5) Each insurance policy required by this agreement shall be endorsed to state: should the policy be canceled before the expiration date the issuing insurer will endeavor to mail thirty (30) days prior written notice to the City.

6) If insurance coverage is canceled or, reduced in coverage or in limits the Nonprofit shall within two (2) business days of notice from insurer phone, fax, and/or notify the City via certified mail, return receipt requested of the changes to or cancellation of the policy.

e. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of A-:VII or better, unless otherwise acceptable to the City. Self insurance shall not be considered to comply with these insurance requirements.

f. Verification of Coverage. Nonprofit shall furnish the City with original endorsements effecting coverage required by this clause. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. The endorsements are to

be on forms provided by the City. All endorsements are to be received and approved by the City before work commences. As an alternative to the City's forms, the Nonprofit's insurer may provide complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications.

#### **11. GOVERNING LAW**

The City and the Nonprofit understand and agree that the laws of the State of California shall govern the rights, obligations, duties and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court with geographic jurisdiction over the City of Temecula. In the event such litigation is filed by one party against the other to enforce its rights under this Agreement, the prevailing party, as determined by the Court's judgment, shall be entitled to reasonable attorney fees and litigation expenses for the relief granted.

#### **12. LEGAL RESPONSIBILITIES**

The Nonprofit shall keep itself informed of all local, State and Federal ordinances, laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Nonprofit shall at all times observe and comply with all such ordinances, laws and regulations. The City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Nonprofit to comply with this section.

#### **13. ASSIGNMENT**

The Nonprofit shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the City.

#### **14. NOTICES**

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, that provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by Notice:

**Mailing Address:** City of Temecula  
Attn: City Manager  
41000 Main Street  
Temecula, CA 92590

**To Recipient:** Temecula Valley Balloon and Wine Festival  
Association  
Attn: Stacey Ellison  
41755 Rider Way, Unit 1  
Temecula, CA 92590

## **15. INDEPENDENT CONTRACTOR**

a. The Nonprofit shall at all times remain as to the City a wholly independent contractor. The personnel performing the services under this Agreement on behalf of the Nonprofit shall at all times be under the Nonprofit's exclusive direction and control. Neither City nor any of its officers, employees, agents, or volunteers shall have control over the conduct of Recipient or any of the Nonprofit's officers, employees, or agents except as set forth in this Agreement. The Nonprofit shall not at any time or in any manner represent that it or any of its officers, employees or agents are in any manner officers, employees or agents of the City. The Nonprofit shall not incur or have the power to incur any debt, obligation or liability whatever against City, or bind City in any manner.

No employee benefits shall be available to the Nonprofit in connection with the performance of this Agreement. Except for the fees paid to the Nonprofit as provided in the Agreement, City shall not pay salaries, wages, or other compensation to the Nonprofit for performing services hereunder for City. City shall not be liable for compensation or indemnification to the Nonprofit for injury or sickness arising out of performing services hereunder.

## **16. ENTIRE AGREEMENT**

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

## **17. AUTHORITY TO EXECUTE THIS AGREEMENT**

The person or persons executing this Agreement on behalf of the Nonprofit warrants and represents that he or she has the authority to execute this Agreement on behalf of the Nonprofit and has the authority to bind the Nonprofit to the performance of its obligations hereunder. The City Manager is authorized to enter into an amendment on behalf of the City to make the following non-substantive modifications to the agreement: (a) name changes; (b) extension of time; (c) non-monetary changes in scope of work; (d) agreement termination.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed the day and year first above written.

**CITY OF TEMECULA**

**Temecula Valley Balloon and Wine Festival Association**

By: \_\_\_\_\_  
**Michael S. Naggar, Mayor**

By: \_\_\_\_\_  
**Stacey Ellison, Executive Director**

**ATTEST:**

By: \_\_\_\_\_  
**Randi Johl, City Clerk**

By: \_\_\_\_\_  
**Brian Keefer, Chairman**

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
**Peter M. Thorson, City Attorney**

**NONPROFIT**

**Temecula Valley Balloon and Wine Festival Association**  
\_\_\_\_\_  
**Stacey Ellison**  
\_\_\_\_\_  
**41755 Rider Way, Unit 1**  
\_\_\_\_\_  
**951-676-6713**  
\_\_\_\_\_  
**stacey@tvbwf.com**

<b>PM Initials:</b> <b>Date:</b>
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## **EXHIBIT “A”**

### **CITY OF TEMECULA SPONSORSHIP BENEFITS**

#### **PREMIER SPONSOR**

**Temecula Valley Balloon and Wine Festival Association** shall provide the following benefits and services for the citizens of the City of Temecula:

- City of Temecula logo/name on advertisements
- City of Temecula name on all press releases
- City of Temecula logo/name on event poster
- City of Temecula logo/name on event flyers
- City of Temecula logo/name on event t-shirt
- 10 Temecula Valley Balloon and Wine Festival t-shirts

**\*\*Press Releases** will be distributed to all local media, however, publication cannot be guaranteed. Press Releases can also be provided to all sponsors for distribution to their clients, agents, employees, etc.



## **EXHIBIT "B"**

### **IN-KIND SERVICES**

#### **ESTIMATED VALUE OF CITY SUPPORT SERVICES AND COSTS**

Based on the input from City departments we received estimated cost projections for the **Temecula Valley Balloon and Wine Festival** event. The following expenses can be anticipated for the event:

**Public Works:** **\$2,000.00**

**Community Services:** **\$250.00**

**TOTAL:** **\$2,250.00**

#### **ESTIMATED VALUE OF PROMOTIONAL SERVICES PROVIDED BY THE CITY OF TEMECULA**

The estimated value for in-kind promotional assistance provided by The City of Temecula for the **Temecula Valley Balloon and Wine Festival** is as follows:

<b><u>Item</u></b>	<b><u>Value</u></b>
<b>Cash</b>	<b>\$ 27,000.00</b>

In the event the City replaces Temecula Valley Balloon and Wine Festival street pole banners, the cost to do so will be deducted from the cash funding.