

File No. 121134

Committee Item No. 16

Board Item No. 23

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date 12/05/2012

Board of Supervisors Meeting

Date December 11, 2012

Cmte Board

<input type="checkbox"/>	<input type="checkbox"/>	Motion
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Resolution
<input type="checkbox"/>	<input type="checkbox"/>	Ordinance
<input type="checkbox"/>	<input type="checkbox"/>	Legislative Digest
<input type="checkbox"/>	<input type="checkbox"/>	Budget and Legislative Analyst Report
<input type="checkbox"/>	<input type="checkbox"/>	Legislative Analyst Report
<input type="checkbox"/>	<input type="checkbox"/>	Youth Commission Report
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Introduction Form (for hearings)
<input type="checkbox"/>	<input type="checkbox"/>	Department/Agency Cover Letter and/or Report
<input type="checkbox"/>	<input type="checkbox"/>	MOU
<input type="checkbox"/>	<input type="checkbox"/>	Grant Information Form
<input type="checkbox"/>	<input type="checkbox"/>	Grant Budget
<input type="checkbox"/>	<input type="checkbox"/>	Subcontract Budget
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Contract/Agreement
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Form 126 – Ethics Commission
<input type="checkbox"/>	<input type="checkbox"/>	Award Letter
<input type="checkbox"/>	<input type="checkbox"/>	Application
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Public Correspondence

OTHER

(Use back side if additional space is needed)

<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	

Completed by: Victor Young

Date November 30, 2012

Completed by: Victor Young

Date 12-6-12

1 [Permit Amendment - Outside Lands Music Festival - Eight Additional Years]

2
3 **Resolution approving and authorizing an amendment to the Permit with Another Planet**
4 **Entertainment for the production of the annual Outside Lands Music Festival to grant**
5 **Another Planet Entertainment, LLC, eight additional years and increasing the capacity**
6 **of the event to 75,000, providing for Another Planet Entertainment to pay the City**
7 **increased Rent Payments, endow a gardener within the festival premises, and pay for**
8 **materials and supplies to maintain the Polo Fields; making environmental findings; and**
9 **ratifying prior actions.**

10
11 WHEREAS, The City and County of San Francisco (the "City") owns the parcel of land
12 commonly referred to as Golden Gate Park (the "Park"), which is under the administrative
13 jurisdiction of the City's Recreation and Park Commission; and,

14 WHEREAS, Another Planet Entertainment LLC, a Delaware limited liability company
15 ("Another Planet"), is a concert production company; and,

16 WHEREAS, The Recreation and Park Commission on December 4, 2008, authorized
17 the Recreation and Park Department ("RecPark") to issue a Request for Qualifications to
18 select a concert promoter to produce an annual multi-day festival in Golden Gate Park, the
19 proceeds of which are intended to benefit RecPark; and,

20 WHEREAS, RecPark received proposals from three (3) concert promoters, which were
21 evaluated by a six-member selection committee and ranked on how well they met the project
22 objectives and selection criteria described in the solicitation; and,

23 WHEREAS, The selection panel unanimously recommended Another Planet to the
24 Recreation and Park Commission to produce the three-day festival, due in part to the
25 following:

1 (a) Another Planet's knowledge and experience with producing large scale events in
2 Golden Gate Park, including 2008 Outside Lands and 2004 Dave Matthews concert;

3 (b) Another Planet's proposed event highlighting the park, as well as local music, art,
4 culture and food;

5 (c) Another Planet's detailed outreach/mitigation plan that builds on their prior year's
6 efforts and includes a community hotline, coordination with 311, coordination with relevant
7 City agencies, outreach to neighbors, and outreach to attendees using mass advertising and
8 targeted emails; and

9 (d) Another Planet's proposed financial terms, which allowed for a base rent and
10 participation rent formula that maximizes revenue to RecPark; and,

11 WHEREAS, The City and Another Planet are parties to a Permit dated April 1, 2009,
12 (the "Permit"), under which Another Planet Entertainment has produced the annual Outside
13 Lands Music Festival (the "Festival") in Golden Gate Park since 2009; and,

14 WHEREAS, Including the 2008 Festival, Another Planet has produced five annual
15 Festivals in Golden Gate Park which have been attended by over 600,000 people; and,

16 WHEREAS, In producing these events, Another Planet has worked closely with the
17 surrounding communities, and, in tandem with RecPark, has developed significant expertise
18 in mitigating the impacts of the Festival; and,

19 WHEREAS, These impact mitigations, many of which RecPark has since required
20 other large events in the Park to implement, have included an arborist's review of the site
21 plans, a sound technicians review of the acoustic plans and monitoring of the sound impacts
22 in the community, deploying Parking Control Officers and tow trucks near the Festival to
23 quickly respond to blocked driveways and other parking violations; a robust annual outreach
24 plan including a mailer to all homes and businesses within four blocks of the Park; deploying
25 crews to clean-up litter in the surrounding neighborhoods and a comprehensive transportation

1 plan that encourages Festival attendees to arrive by Muni, private shuttles, bicycle or by
2 walking; and,

3 WHEREAS, Since the Festival's inception, Another Planet in collaboration with the
4 community, RecPark, Police Department, Fire Department, Municipal Transportation Agency
5 and the Mayor's Office of Special Events has continually refined their operational plans for the
6 Festival; and,

7 WHEREAS, Located in the City's largest park, the Festival highlights not only the
8 beauty of the Park but in booking dozens of local bands, hiring local artists to decorate the site
9 and utilizing over 50 local restaurants to operate the food concessions, the Festival celebrates
10 and promotes San Francisco's culture; and,

11 WHEREAS, With up to 50,000 San Franciscans attending each year and an even
12 larger number of visitors attending, the Festival has become part of the cultural fabric of the
13 City and a highlight of the City's summer event calendar; and,

14 WHEREAS, Over the past five years, the Festival has developed into one of the
15 preeminent concerts in North America and has received international acclaim; and,

16 WHEREAS, Rolling Stone Magazine said in 2011 "This was the year that Outside
17 Lands finally became the festival it always promised to be, which is to say, one of the greats"
18 and ABC has referred to the Festival as "one of the most prestigious festivals in America";
19 and,

20 WHEREAS, Rolling Stone Magazine has additionally said, "More than a cookie-cutter
21 American rock festival, Outside Lands takes advantage of its setting in Golden Gate Park by
22 pointedly celebrating all that is the Bay Area. Its a strategy that really makes this event, now
23 in its fifth year, stand apart from any other festival in its class; and,

1 WHEREAS, Consistent with the increased recognition as one of the premiere festivals
2 in the nation, attendance substantially in recent with years with both the 2011 and 2012
3 Festivals selling out; and,

4 WHEREAS, This increase in prominence and attendance has resulted in a significant
5 increase in rent payments made by the Festival to RecPark with the 2012 rent payment made
6 by the Festival surpassing the rent payment made in 2009 by nearly \$700,000; and,

7 WHEREAS, A 2011 Economic Impact Report placed the economic impact of the
8 Festival to San Francisco at over \$60,000,000 with the lodging and restaurant industries
9 receiving the largest benefits; and,

10 WHEREAS, The Economic Impact Report estimated that the Festival was responsible
11 for an additional \$7,000,000 of economic activity in other Bay Area counties; and,

12 WHEREAS, Due to its location in the western end of the Park, the benefits of the
13 concert extend to numerous locally operated small businesses in the Sunset and Richmond
14 that are not impacted by other events closer to downtown or the City's waterfront; and,

15 WHEREAS, The Festival hires over 4,000 employees for the event and according to
16 the Economic Impact Report is responsible for creating the equivalent of 683 full-time
17 positions in San Francisco; and,

18 WHEREAS, Under the Permit approved by the Board of Supervisors, the term of the
19 Permit currently expires after the 2013 Festival; and,

20 WHEREAS, The City and Another Planet have negotiated a proposed amendment of
21 the Permit (the "Permit Amendment") in substantially the form on file with the Clerk of the
22 Board in File No. 121134, which includes, among other provisions, the following significant
23 terms:

24 (1) Amending the Permit Term to grant Another Planet the right to produce the Festival
25 for an additional eight years;

- (2) Increasing the daily attendance capacity of the Festival to 75,000 people;
- (3) Increasing the Percentage Rent to 11%;
- (4) Increasing the Additional Rent to \$1.25 per ticket sold;
- (5) Beginning in 2019, capping the Minimum Permit Fee at \$1,400,000;
- (6) Adjusting the Payment Schedule;
- (7) Requiring Another Planet to host an annual Recreation and Park Department Fundraiser;
- (8) Requiring Another Planet to contribute funds annually, in addition to the rent payments due under the lease, to endow a gardener to assist in maintaining the Festival premises throughout the year;
- (9) Requiring Another Planet to contribute \$15,000 annually, in addition to rent payments due under the lease, to provide for materials and supplies to assist with regenerating the Polo Fields after the Festival each year;
- (10) Requiring Another Planet to produce and place at its own expense a limited number of Recreation and Park Department promotional signs throughout the Festival site;
- (11) Requiring Another Planet to donate a customary and reasonable number of Festival tickets to the Parks Alliance or another non-profit benefiting park causes for the purpose of donor recognition;
- (12) Requiring Another Planet to employ sound monitoring professionals to measure sound levels in the neighborhoods surrounding Golden Gate Park throughout the Festival each year and to utilize one set of delay speakers in the Polo Fields when attendance exceeds 40,000 and two sets of delay speakers when attendance exceeds 55,000;
- (13) Requiring Another Planet to hold an annual job fair in the neighborhoods surrounding Golden Gate Park to attempt to hire qualified San Francisco residents to fill vacant positions for the Festival;

1 (14) Requiring Another Planet to fund a transportation analysis in 2013 to study the
2 traffic impacts of the Festival and how best to minimize those impacts on the surrounding
3 neighborhoods;

4 (15) Requiring Another Planet to expend \$10,000 annually to fund improvements in the
5 neighborhoods surrounding Golden Gate Park. The Permittee and Department shall work
6 with the members of the surrounding community and representatives of those communities
7 annually to develop funding priorities for those funds; and,

8 WHEREAS, As set forth in Administrative Code Section 2.6-1, it is the policy of the
9 Board of Supervisors to approve only such proposed agreements involving property or
10 facilities of the City and County of San Francisco that have been awarded to the highest
11 responsible bidder in accordance with the competitive bidding procedures, except where
12 impractical or impossible; and,

13 WHEREAS, The City's Planning Department has found that the Permit Amendment is
14 categorically exempt from environmental review under the California Environmental Quality
15 Act (a copy of these findings is on file with the Clerk of the Board of Supervisors in File No.
16 121134, and are incorporated herein by reference); now, therefore, be it

17 RESOLVED, That the Board of Supervisors finds that due to the significant experience
18 of Another Planet in operating the Festival in the sensitive park environs and its economic
19 contributions, including the increased rent paid by the Another Planet in recent years as the
20 Festival has grown, that it is in the best interests of the City to exempt the potential Permit
21 Amendment from the competitive bidding policy set forth in Administrative Code Section 2.6-1;
22 and be it

23 FURTHER RESOLVED, That the Board of Supervisors hereby approves and
24 authorizes the execution, delivery and performance by the City of the Permit Amendment,
25

1 subject to the approval of the Permit Amendment by the City's Recreation and Park
2 Commission, in its sole discretion; and, be it

3 FURTHER RESOLVED, That subject to the preceding paragraph, the Recreation and
4 Park General Manager is authorized to execute and deliver the Permit Amendment in
5 substantially the form filed with the Clerk of the Board in File No. 121134, and to take any and
6 all steps necessary or appropriate to effectuate the execution, delivery and performance of the
7 Permit Amendment. The Recreation and Park General Manager, at his or her discretion and
8 in consultation with the City Attorney and the City's Controller, is authorized to enter into any
9 additions, amendments, or other modifications to the Permit Amendment that the Recreation
10 and Park General Manager determines are in the best interests of the City and do not
11 materially increase the obligations or liabilities of the City or materially decrease the payments
12 or other benefits to the City, and are necessary or advisable to effectuate the purpose and
13 intent of this Resolution; and, be it

14 FURTHER RESOLVED, That any and all actions taken by City employees or officials
15 regarding the Permit Amendment are hereby ratified and approved.
16
17
18
19
20
21
22
23
24
25



Edwin M. Lee, Mayor
Philip A. Ginsburg, General Manager

FIRST AMENDMENT TO OUTSIDE LANDS MUSIC AND ARTS FESTIVAL USE PERMIT

THIS FIRST AMENDMENT To Outside Lands Music and Arts Festival Use Permit (the "Amendment"), dated for reference purposes only as of December 5, 2012, is by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("City" or "Landlord"), acting by and through its Recreation and Park Department (the "Department"), and ANOTHER PLANET ENTERTAINMENT, LLC, a Delaware limited liability company ("Permittee").

RECITALS

A. City and Permittee entered into that certain Use Permit, dated for reference purposes as of April 1, 2009 (the "Permit"), pursuant to which City granted to Permittee the right to hold an annual three-day music and arts festival in Golden Gate Park during 2010 and 2011, with an option to hold the festival in 2012 and 2013, all as more particularly described in the Use Permit.

B. Permittee exercised the options to hold the festival under the Permit in both 2012 and 2013. The annual festivals held pursuant to the Permit were extremely successful and provided revenue to benefit the park system, and the "Outside Lands Festival" has become an iconic event that is representative and resonant of both San Francisco and Golden Gate Park.

C. City and Permittee presently desire to amend the terms and conditions of the Permit to extend the term, modify provisions regarding the fees payable, and modify certain other provisions, all on the terms and conditions set forth below.

D. The Department has made only limited sections of the bleachers in the Polo Fields available for Permittee's use during prior Festivals and does not plan or intend to increase access to the bleachers for Permittee's use for future Festivals under this Permit unless renovations to the bleachers are made. Permittee has stated it is willing to consider renovating the bleachers at no cost to City in order to make the bleachers available for Festival seating, and the Department is prepared to consider plans and specifications for such renovation. If Permittee offers to renovate the bleachers as a gift-in-kind to the City, then the City's acceptance of such gift offer will be subject to the prior approval of the Board of Supervisors in its sole discretion. Before the Department will consider accepting any such gift, Permittee will prepare detailed plans and specifications to describe the proposed work and any terms and conditions relating to the proposed gift.

AGREEMENT

NOW THEREFORE, City and Permittee hereby agree as follows:

1. Defined Terms.

a. Generally. Unless otherwise specified, capitalized terms contained herein shall have the same meaning as set forth in the Permit.

b. Festival. Effective as of the Effective Date, as used in the Permit, "Festival" shall mean a three-day music and arts festival open to the public upon purchase of tickets, similar to the Outside Lands Festival held on the Premises in calendar year 2012.

2. Extension of Term. Effective as of the Effective Date (as defined below), the term of the Permit is extended as follows. Permittee shall hold an additional Festival on the Premises during each year commencing with 2014 and continuing through 2021. Each annual Festival shall be held between June 1st and August 31st on such dates as shall be mutually agreed to by City and Permittee by the date which is 30 days after the end of the prior year's Festival. Permittee accepts the Premises in their "as is" condition for the extended term, and the terms and conditions of the Permit, as amended by this Amendment, shall apply throughout the extended term. The dates on which the Premises will be made available to Permittee for each annual Festival, including the load-in and load-out dates required for set-up and take-down of Festival fixtures and equipment, shall be confirmed by the parties in writing, either as a supplemental Exhibit B to the Permit or such other format as the parties shall agree. The Permit shall expire on the date on which the load-out is to be completed for the 2021 Festival.

3. Minimum Permit Fee. Effective as of the Effective Date, the Minimum Permit Fee for calendar years 2013-2018 shall be calculated as provided in the "Permit Fees and Financial Terms" section of Section 1 of the Permit. Notwithstanding the provisions of the Permit to the contrary, the Minimum Permit Fee payable for the 2019, 2020 and 2021 Festivals shall be \$1,400,000 per year.

4. Percentage Rent. Effective as of the Effective Date, Section 9(b) and the "Permit Fees and Financial Terms" section of Section 1 of the Permit shall be amended to provide for a Percentage Rent rate of 11% of Gross Revenue (as defined in Section 9(b) of the Permit) less the Minimum Permit Fee paid by Permittee for each Festival, commencing with the 2013 Festival. Accordingly, effective as the Effective Date, all references in Section 9(b)) and the "Permit Fees and Financial Terms" section of Section 1 of the Permit to "10%" shall be changed to "11%."

5. Additional Rent. Effective as of the Effective Date, Section 1 of the Permit shall be amended to provide that commencing with the 2013 Festival the Additional Rent shall be \$1.25 per each ticket sold by Permittee or its agents, in addition to the Minimum Permit Fee and Percentage Rent. For the purpose of calculating the Additional Rent, multiday-tickets shall be calculated as if a single ticket had been sold for each day for which such ticket is valid.

6. Payment Schedule. Effective as of the Effective Date, the first sentence and the final sentence of the "Payment schedule" section of Section 1 of the Permit shall be deleted, and the following shall be substituted for the first sentence of such section:

"\$800,000 of the Minimum Permit Fee for the 2013 Festival shall be due by June 15, 2013 and the balance of the Minimum Permit Fee shall be due on the date that is ten (10) days prior to the start of the load-in for such Festival.

\$1,100,000 of the Minimum Permit Fee for the 2014 Festival shall be due by June 15, 2014 and the balance of the Minimum Permit Fee for the 2014 Festival shall be due on the date that is ten (10) days prior to the start of the load-in for such Festival.

Commencing in 2015 and continuing throughout the term of this Permit, the entire Minimum Permit Fee for each annual Festival shall be due no later than June 15."

7. Permitted Use. Effective as of the Effective Date, the final sentence of the Permitted Uses section of Section 1 of the Permit shall be deleted and the following shall be substituted therefor: "Permittee shall not allow more than 75,000 paid attendance per day total in all venues."

8. Annual Recreation and Park Department Fundraiser. Effective as of the Effective Date, the following provision shall be added to the Permit as Section 42:

"42. Annual Recreation and Park Department Fundraiser. Commencing in 2013 and continuing each calendar year thereafter through 2021, Permittee shall hold, at its expense, an annual fundraiser concert or similar event for the Recreation and Park Department (the "Annual Fundraiser"). The Annual Fundraiser shall either be at the Premises or at another appropriate venue and all net proceeds shall be donated to the Recreation and Park Department. If the Annual Fundraiser is held on property which is under the jurisdiction of the Recreation and Park Department, an additional use permit shall be required to govern the terms and conditions of Permittee's use of such property (unless the Annual Fundraiser is held on the Premises during a period in which the Permit applies). City and Permittee shall consult with Recreation and Park Department staff regarding the proposed location, marketing plan and operating plan for each Annual Fundraiser, and the parties shall cooperate to develop a plan that is acceptable to the General Manager of the Recreation and Park Department.

9. Endowed Gardener. Effective as of the Effective Date, the following provision shall be added to the Permit as Section 43:

"43. Endowed Gardener. Commencing in 2013 and continuing throughout the term of the Permit, in addition to the other sums payable under the Permit, Permittee shall contribute to the Recreation and Park Department an additional \$89,250 per year to endow a gardener to assist with maintaining the Festival site throughout the year. Such gardener shall be in addition to the gardeners already employed to work at the site, subject to the budgetary and fiscal requirements of the Charter of the City and County of San Francisco. Such payment shall be made to the Recreation and Park Department no later than July 15 of each year."

10. Polo Field Regeneration Fee. Effective as of the Effective Date, the following provision shall be added to the Permit as Section 44:

“44. Polo Field Regeneration Fee. Commencing in 2013 and continuing throughout the term of the Permit, in addition to the other sums payable under the Permit, Permittee shall contribute to the Recreation and Park Department \$15,000 annually to provide for materials and supplies to ensure that the condition of the Polo Fields does not deteriorate due to the impact of the Festival. Such payment shall be made no later than 10 days after the Festival each year.”

11. Promotion of Recreation and Park Department. Effective as of the Effective Date, the following provision shall be added to the Permit as Section 45:

“45. Promotion of Recreation and Park Department. Permittee shall, at its own expense, print and display a mutually agreeable limited number of Recreation and Park Department promotional signs throughout the Festival site each year. The design, size, number and placement of such signs shall be subject to the approval of the Recreation and Park Department.”

12. Donor Recognition. Effective as of the Effective Date, the following provision shall be added to the Permit as Section 46:

“46. Donor Recognition. Commencing with the 2013 Festival and continuing throughout the term of the Permit, Permittee shall donate a customary and reasonable number of complimentary tickets to the Festival to the San Francisco Parks Alliance, or such other non-profit as the Recreation and Park Department may designate in the future, for the purposes of recognizing donors to Park causes.”

13. Amplified Sound Terms. Effective as of the Effective Date, (i) the reference in the Amplified sound terms section of Section 1 of the Permit shall be deleted, (ii) Paragraph 4 of Appendix B to the Permit shall be deleted, and (iii) the following provision shall be added to the Permit as Section 47:

“47. Amplified Sound Terms. There will be no amplified music permitted prior to opening of gates on any day of event, except for agreed upon limited sound checks one day prior to the concert and for line checks prior to opening of gates. Unless otherwise agreed upon in writing by the General Manager of the Recreation and Park Department, hours for sound checks will be limited to noon to 5 PM the day prior to the first Festival day; and line checks will not commence prior to 10 AM on the days of the Festival. Sound will commence at noon on each Festival day. Sound will end Friday and Saturday evening at 10:00 PM and at 9:40 PM on Sunday. Any alteration to the sound check schedule outlined above shall be subject to the approval of the General Manager.

Permittee shall use commercially reasonable best efforts to limit sound to the close environs of the concert grounds. Such efforts shall include reviewing the sound system plans in advance of the Festival each year to minimize any sound impact in the surrounding neighborhood and to ensure that the sound system can be modified to respond to sound complaints from the neighborhood. Additionally, when attendance exceeds 40,000 on any Festival day, Permittee shall build and use one set of delay

speakers on the main Polo Fields stage to limit sound in the surrounding neighborhood. When attendance exceeds 55,000 on any Festival day, Permittee shall build and use two sets of delay speakers on the main Polo Fields stage to limit sound in the surrounding neighborhood.

Permittee shall coordinate with the San Francisco Park Rangers to deploy monitors in the neighborhood who will measure sound pressure levels and record the data. Data will be promptly transmitted to the production staff at the Festival, who will use it to adjust sound pressure levels as required.”

14. Insurance Requirements. Effective as of the Effective Date, the following provision shall be added to the Permit as Section 17.11:

“17.11. Review of Insurance Requirements. Commencing in 2014, Permittee and City shall periodically review the limits and types of insurance carried pursuant to this Section. If the general commercial practice in the City and County of San Francisco is to carry liability insurance in an amount or coverage materially greater than the amount or coverage then being carried by Permittee with respect to risks comparable to those associated with holding the Festival at the Premises, then, at City's option, Permittee shall increase at its sole cost the amounts or coverages carried by Permittee to conform to such general commercial practice.”

15. Prevailing Wages for Theatrical Workers. Effective as of the Effective Date, references in Section 32 of the Permit to San Francisco Administrative Code “Section 21.25C” shall be deleted and a reference to San Francisco Administrative Code “Section 21C.4” shall be substituted for each such reference.

16. First Source Hiring. Effective as of the Effective Date, references in Section 41 of the Permit to “Contractor” shall be deleted a reference to “Permittee” shall be substituted for each such reference.

17. License Only. Notwithstanding the use of the terms “Percentage Rent,” “Additional Rent” and “Premises” in the Permit, the Permit gives Permittee a license only, and the Permit does not constitute a grant by City of any leasehold or other property interest or estate whatsoever in the Premises, or any portion thereof.

18. Effective Date. The effectiveness of this Amendment is subject to the following conditions precedent (such date on which all of the following conditions precedent are satisfied is referred to herein as the “Effective Date”): (i) the San Francisco Recreation and Parks Commission shall have adopted a resolution approving the terms and conditions hereof in its sole discretion; and (ii) the Board of Supervisors of the City and County of San Francisco shall have adopted a resolution approving the terms and conditions hereof in its sole discretion; and (iii) City and Permittee shall have executed and delivered this Amendment.

19. Attorneys Fees. In the event a dispute arises concerning this Amendment, the party not prevailing in such dispute shall pay any and all costs and expenses incurred by the

other party in enforcing or establishing its rights hereunder (whether or not such action is prosecuted to judgment), including, without limitation, court costs and reasonable attorneys' fees. For purposes of this Amendment, reasonable fees of attorneys of City's Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney.

20. Counterparts. This Amendment may be executed in counterparts, each of which shall constitute an original but all of which shall constitute one document.

21. Entire Agreement. This Amendment sets forth the entire understanding of the parties on the subject matter of this Amendment. There are no agreements between City and Permittee relating to the Permit other than those set forth in writing and signed by the parties. Neither party has relied upon any understanding, representation or warranty not set forth herein, either oral or written, as an inducement to enter into this Amendment.

22. Permit in Full Force and Effect; Amendment Prevails. Except as amended hereby, the Permit remains unmodified and in full force and effect. To the extent the provisions of this Amendment conflict with the provisions of the Permit, this Amendment shall prevail.

23. Local Hire. Permittee shall hold an annual job fair in the neighborhoods surrounding Golden Gate Park to attempt to hire qualified San Francisco residents to fill vacant positions for the Festival. The scope of the job fair shall be subject to the approval of the General Manager which shall not be unreasonably withheld or delayed.

24. Transportation Study. Permittee shall at its own expense fund a transportation study in 2013 to inform the development of the annual Transportation Management Plan required under Section 3 of Appendix B to the Permit, which study shall specifically include recommendations for minimizing the effect of Festival traffic on the surrounding neighborhoods. The scope of the transportation study shall be subject to the approval of the General Manager which shall not be unreasonably withheld or delayed.

25. Community Benefit Funds. In addition to the Minimum Permit Fee, Percentage Rent, Additional Rent and other sums payable under the Permit, Permittee shall expend \$10,000 annually to fund improvements or benefit programs benefitting the neighborhoods surrounding Golden Gate Park in accordance with the provisions of this Paragraph 25. Permittee and the Department shall work with the members and representatives of the surrounding communities annually to develop funding priorities for such funds, and following such process Permittee and Department staff shall develop a joint list of eligible improvements or programs, which list shall be subject to the approval of the General Manager, which shall not be unreasonably withheld or delayed. Permittee shall contribute \$10,000 annually toward the cost of one or more improvements or programs on the eligibility list. Inclusion of an improvement, program or project on the eligibility list shall not in any manner serve as regulatory approval of such improvement, program or project by City or any City department or agency, and the person or

entity performing the improvement or providing the program shall be required to procure all required permits and approvals.

[No further text this page.]

City and Permittee have executed this Amendment as of the date first written above.

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____

PHILIP GINSBURG, General Manager
Recreation and Park Department

PERMITTEE:

ANOTHER PLANET ENTERTAINMENT, LLC,
a Delaware Limited Liability Company

By: _____

Name: Greg W. Perilla
Title: CEO

**APPROVED BY
RECREATION AND PARK COMMISSION
PURSUANT TO RESOLUTION NO. _____**

DATED: _____

Margaret McArthur, Commission Liaison

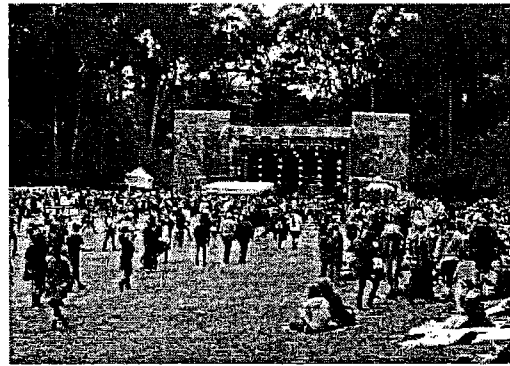
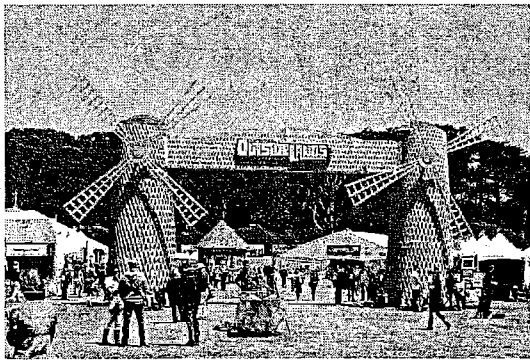
APPROVED AS TO FORM:

DENNIS HERRERA,
City Attorney

By: _____

Anita L. Wood
Deputy City Attorney

**Economic Impact of the 2011
Outside Lands Music and Arts Festival
on the City of San Francisco and the Bay Area**



Prepared For: Allen Scott
Another Planet Entertainment

Prepared By: Patrick Tierney Ph.D.
Department of Recreation, Parks, and Tourism
San Francisco State University
ptierney@sfsu.edu

November 10, 2011

Executive Summary

The purpose of this study was to determine the economic impact on the City of San Francisco and the surrounding Bay Area from attendee spending related to the Outside Lands Music and Arts Festival (OSL) held in Golden Gate Park, San Francisco, August 12-14, 2011. An online survey was used to gather data on attendee characteristics, trip behavior and spending in both the City of San Francisco and the surrounding six-county Bay Area. Results showed that over 72% of respondents resided outside of San Francisco (32% from CA but outside the Bay Area), 83% of non-residents stated OSL was the most important reason for their coming to SF, 97% were aware of OSL prior to leaving home, and 80% stayed overnight outside of their home an average of 3.8 nights on the trip. Over 89% of those staying overnight spent at least one night in San Francisco and the average number of nights in the city was 2.9. Just over 60% of respondents spent at least one night with friends/relatives and 46% stayed at commercial lodging.

Festival attendee average total trip spending in San Francisco by non-residents and those aware of OSL prior to visiting was \$1,597. Food/beverages and lodging were the two largest expenditure categories, after transportation. Respondents spent an average of \$259 on the trip in the Bay Area outside San Francisco.

A very conservative approach was utilized to determine economic impact of OSL on San Francisco and the Bay Area. First, resident spending was excluded, as was spending by those not aware of OSL prior to arrival in the Bay Area and those who did not purchase a ticket. Spending was adjusted for the importance of OSL on the respondent decision to visit the study area. A total of 93,521 "unique persons" purchased tickets to OSL (Scott 2011) and they were the basis for analysis. Survey findings were used to estimate the number of "impacting attendees" at 66,815. Average per person, non-resident, total trip spending in San Francisco was over \$407, with per person per day expenditures averaging \$108. Average per person total non-resident spending in the Bay Area outside of SF was \$65 and per person per day expenditures were \$17. Utilizing these data the total direct expenditures from the OSL Festival in San Francisco were estimated to be \$27,072,270. Spending in the Bay Area outside of SF was \$2,961,340. This resulted in total direct expenditures in the entire Bay Area of \$30,033,610.

Direct expenditures from OSL were utilized to estimate the economic impact on San Francisco and the entire Bay Area in terms of increased regional sales, personal income and full time equivalent (FTE) jobs. The table below summarizes economic impact. Sales impact on the City of San Francisco was \$60,641,880, while for the entire Bay Area it was \$67,275,280.

**Table 1. Economic Impact on Sales, Personal Income and Jobs
From 2011 Outside Lands Festival Attendees on San Francisco and Bay Area;
by Non-Residents, Not Time Switcher; Adjusted for Importance of OSL**

Location Of Spending Impact	Sales	Personal Income	Jobs (FTE)
In San Francisco	\$ 60,641,880	\$ 20,574,930	683
In Bay Area Outside San Francisco	\$ 6,633,400	\$ 2,250,620	73
Total Bay Area	\$ 67,275,280	\$ 22,825,550	756

Table of Contents

	<u>Page</u>
I. Executive Summary	i
II Introduction	1
III Methods	1
IV. Results	2
Respondent Characteristics	2
Respondent Trip Behavior	3
Spending by Non-Resident Festival Attendees	6
Economic Impact of Outside Lands Festival	8

Appendix**A. Online Survey Instrument**

List of Tables

<u>Table</u>	<u>Page</u>
1 Economic Impact on Sales, Personal Income and Jobs	i
2 Respondent Gender.....	2
3 Respondent Home Residence	2
4 Importance of OSL in Decision to Visit SF	3
5 Aware of OSL Prior to Visiting SF	3
6 Stayed Overnight Outside of Home	4
7 Distribution of Number of Nights	4
8 Distribution of Nights in San Francisco	4
9 Distribution of Nights in Bay Area	5
10 Distribution of Nights in California Outside Bay Area	5
11 Percent and Average Nights by Type of Lodging	5
12 Festival Attendee Average Unadjusted Total Trip Spending In San Francisco by Type	7
13 Attendee Average Unadjusted Total Trip Spending in Bay Area Outside San Francisco	8
14 Estimated Attendee's Spending by Residence, Based on Survey Responses	9
15 Average Total Trip Spending Per Person and Per Day Spending By Location	9
16 Total Expenditures of 2011 Outside Land Festival Attendees in San Francisco and Bay Area	10
17 Economic Impact on Sales, Personal Income and Jobs	10

Introduction

The Outside Lands Music and Arts Festival (OSL) took place on August 12-14, 2011 at Golden Gate Park in San Francisco. The festival producers, Another Planet Entertainment and Superfly Presents (APE) contracted with Dr. Patrick Tierney at San Francisco State University (SFSU) to conduct an analysis of the spending and economic impact of OSL attendees. The first phase of this analysis consisted of an on-site survey of attendees to collect data on consumer characteristics and to allow for a subsequent non-response bias check with the results of the online survey. Results for the on-site survey are presented elsewhere. The purposes of second phase were to:

- 1) Gather information after the festival ended from a new online survey of attendees to determine their spending in the City of San Francisco and also in San Francisco Bay Area;
- 2) Calculate the economic impact of the festival attendee spending on these two study areas.

Methods

The online survey was modeled after other successfully conducted economic impact analysis surveys of outdoor recreation events, concerts and festivals. It asked if the respondent attended the festival; their home residence; number of persons in their immediate travel group; the importance of OSL on the decision to visit San Francisco (SF) on their trip; if they were aware of OSL prior to arriving in SF; if they stayed overnight; the location of their lodging; the type of lodging; and spending in SF and in the Bay Area outside of SF. Accurate expenditure information was critical so wording in the survey stated: "We are interested in the approximate amount of money you spent just in San Francisco for your immediate group, including yourself and close friends/family, during your trip to attend the 2011 OSL. Purchases made on the OSL website are considered purchases made in San Francisco." Another set of questions asked about spending in the Bay Area region, defined as the six counties surrounding San Francisco. Respondents were asked to provide spending estimates for each of the following categories: Transportation; lodging; food and beverages; OSL and OSL night show tickets; purchases at attractions in Golden Gate Park outside the festival; other attractions, recreation or entertainment; gifts, souvenirs, music, art and donations; and other goods and services. See how each expenditure category was described by reviewing the online survey provided in Appendix A. It took about 10 minutes to complete the survey.

Sample for the survey was a set of email addresses from all the purchasers of OSL tickets. A completion incentive was offered in the invitation emailed to the sample. The incentive was described as "complete the survey and you will be entered into a drawing to win one of three \$200 music downloads or a pair of 3-Day VIP Passes to the 2012 Outside Lands Festival." The survey was created and hosted on Zoomerang. APE sent an invitation containing a link to the survey on Zoomerang to a total of 16,451 persons who purchased an OSL ticket. Ten days after the initial invitation was sent, a follow-up invitation was emailed to those who had not completed the survey. The raw data from Zoomerang was downloaded and analyzed using the SPSS statistical software.

Results

This report provides the results of the online survey. A total of 16,451 purchasers of tickets to the 2011 Outside Lands Festival were sent an email message with a link to the online survey. A total of 3,551 persons completed the online survey, for a response rate of 21.6%. All of the online survey respondents actually attended OSL. Respondents to the online survey were quite similar (81.1%) in comparison to the respondents from the earlier on-site survey (81.0%) in terms of the importance of OSL in their decision to come to San Francisco. The gender of respondents to both surveys was also very similar, with 52.8% in the on-site survey and 49.5% in the online survey being male and 47.2% and 50.5%, respectively, being female (see Table 2). In addition, residents of San Francisco made up 25% of the festival sponsor's ticket holders, compared to 27.3% of respondents. These data suggest the online survey respondents were a representative sample of all paying festival attendees.

A. Respondent Characteristics

Table 2. Respondent Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	1758	49.5	49.5	49.5
Female	1793	50.5	50.5	100.0
Total	3551	100.0	100.0	

A key type of data is respondent home residence because it is used later in the calculation of economic impact. About 72.7% of respondents to the online survey lived outside of the City of San Francisco. Only 27.3% were San Francisco residents. Nearly equal numbers of respondents lived in the San Francisco Bay Area (50.1%), when including San Francisco, and residents from outside the seven county Bay Area (49.9%). Residents from California outside of the Bay Area made up the single largest contingent of respondents (31.8%).

Table 3. Respondent Home Residence

	Frequency	Percent	Valid Percent	Cumulative Percent
San Francisco	968	27.3	27.3	27.3
Bay Area Outside San Francisco	808	22.8	22.8	50.1
California Outside Bay Area	1130	31.8	31.8	81.8
USA Outside of California	578	16.3	16.3	98.1
Other Country	67	1.9	1.9	100.0
Total	3551	100.0	100.0	

B. Respondent Trip Behavior

Respondents who did not live in San Francisco were asked how important the OSL was to their decision to visit San Francisco on the trip when they attended the festival. Over 66% of respondents indicated OSL was the primary reason for visiting the city and nearly 83% said OSL was more than half of their reason for visiting. This information is also important for use in the economic impact assessment.

Table 4. Importance of OSL in Decision to Visit SF

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Only Reason	1363	38.4	52.8	52.8
	2	357	10.1	13.8	66.6
	3	255	7.2	9.9	76.5
	4	120	3.4	4.6	81.1
	5	49	1.4	1.9	83.0
	Half My Reason	239	6.7	9.3	92.3
	7	11	.3	.4	92.7
	8	23	.6	.9	93.6
	9	21	.6	.8	94.4
	10	15	.4	.6	95.0
	No Influence	130	3.7	5.0	100.0
	Total	2583	72.7	100.0	
Missing	System	968	27.3		
Total		3551	100.0		

* 968 respondents were residents of San Francisco and were not asked this question

Non-resident respondents were asked if they were aware of OSL before going to San Francisco on their trip. A total of 96.6% were aware. The remaining 89 respondents (3.4%) are considered casual "time shifters" because they were already in SF and decided to go to the festival at the last minute. This is an important consideration in the later economic impact assessment.

Table 5. Aware of OSL Prior to Visiting SF

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	2494	70.2	96.6	96.6
	No	89	2.5	3.4	100.0
	Total	2583	72.7	100.0	
Missing	System	968*	27.3		
Total		3551	100.0		

* 968 respondents were residents of San Francisco and were not asked this question

Table 6. Stayed Overnight Outside of Home

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	2074	58.4	80.3	80.3
No	509	14.3	19.7	100.0
Total	2583	72.7	100.0	
Missing System	968	27.3		
Total	3551	100.0		

* 968 respondents were residents of San Francisco and were not asked this question

Table 7. Distribution of Number of Nights

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	60	1.7	2.9	2.9
2	329	9.3	15.9	18.9
3-4	1287	36.2	62.4	81.2
5-7	317	8.9	15.4	96.6
8 or more	70	2.0	3.4	100.0
Total	2063	58.1	100.0	
Missing System	1488	41.9		
Total	3551	100.0		
Mean Number of Nights				3.8

* 1488 respondents were residents of San Francisco or did not stay overnight

Table 8. Distribution of Nights in San Francisco

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	77	2.2	4.2	4.2
2	318	9.0	17.2	21.3
3-4	1162	32.7	62.8	84.1
5-7	261	7.4	14.1	98.2
8 or more	33	.9	1.8	100.0
Total	1851	52.1	100.0	
Missing System	1700	47.9		
Total	3551	100.0		
Mean Number of Nights				2.9

* 1700 respondents were residents of San Francisco or did not stay overnight in SF

Table 9. Distribution of Nights in Bay Area

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	145	4.1	23.9	23.9
2	120	3.4	19.8	43.7
3-4	280	7.9	46.2	89.9
5-7	45	1.3	7.4	97.4
8 or more	16	.5	2.6	100.0
Total	606	17.1	100.0	
Missing System	2945	82.9		
Total	3551	100.0		
Mean Number of Nights				2.5

* 2945 respondents were residents of San Francisco or Bay Area or did not stay overnight in Bay Area

Table 10. Distribution of Nights in California Outside Bay Area

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	71	2.0	33.5	33.5
2	37	1.0	17.5	50.9
3-4	56	1.6	26.4	77.4
5-7	30	.8	14.2	91.5
8 or more	18	.5	8.5	100.0
Total	212	6.0	100.0	
Missing System	3339	94.0		
Total	3551	100.0		
Mean Number of Nights				2.4

* 3339 respondents were residents of California or did not stay overnight in the state

Table 11. Percent and Average Nights by Type of Lodging

	N	Percent	Mean
Nights in Commercial Lodging	964	46.5	1.60
Nights Staying With Friends/Relatives	1258	60.7	2.10
Nights in Other Lodging	129	6.2	.21
Valid N (listwise)	2072		

* Adds up to more than 100% because respondents could stay in more than one type of lodging on their trip.

C. Spending by Non-Resident Festival Attendees

The expenditures of non-resident respondents during the trip in which they attended the OSL festival are provided in the following section. This section sets the stage and is followed by a discussion of economic impact of the festival. Respondents were asked their expenditures made in the City of San Francisco and also in the San Francisco Bay Area, outside of San Francisco. The spending shown below is only for non-residents. This is in keeping with standard economic impact assessment procedures, because this "new money" is of concern, rather than the redistribution of residents spending in the study area. Another standard practice is to exclude spending by persons who were unaware of OSL prior to departing on their trip and later decided to attend the event, referred to in this report as "time shifters." Since they did not come to the study area to attend the event, they would probably have spent their money elsewhere in the study area if the event would not have occurred, and therefore, spending by this type is excluded.

The introduction to the spending questions in the online survey stated: "We are interested in finding out the approximate amount of money you spent just in San Francisco (or just in the Bay Area outside of SF) for your immediate group, including yourself and close friends/family, during your trip to attend the 2011 Outside Lands Festival." So the data collected was what they spent in the study area for themselves and their close friends or family for the entire trip. It included spending at the festival and outside of it. Spending in San Francisco was collected for the following expenditure categories (see survey in Appendix A for exact question wording): Transportation; lodging; food and beverages; tickets to OSL and OSL night shows; attractions in Golden Gate Park other than OSL; recreation and entertainment outside Golden Gate Park; gifts, music, arts, and donations; and other goods and services. This was done to demonstrate what sectors of the study area economy benefit most from the festival. Data on how the festival producers and providers spent the money they collected was not gathered. When all these different types of attendee expenditures were summated they provided a total expenditure estimate in the study area. Table 12 presents average total trip spending in San Francisco by type, for non-residents and those who were aware of OSL prior to leaving on their trip.

Table 12. Festival Attendee Average Unadjusted Total Trip Group Spending in San Francisco by Type, for Non-Residents and Those Aware of OSL Prior

Expense Type	Mean
Spending on Transportation In SF	\$342.77
Spending on Lodging in SF	\$225.26
Spending on Food and Beverages in SF	\$307.60
Spending on OSL Tickets	\$555.37
Spending on Attractions in Golden Gate Park	\$13.03
Spending Recreation/Entertainment in SF	\$43.40
Spending on Gifts, Souvenirs, Music, Art	\$64.40
Spending on Other Goods and Services	\$45.51
Total Spending In San Francisco	\$1,597.34

* Is not adjusted for importance of OSL in their decision to visit San Francisco on this trip.

Table 13 presents average total trip spending in the Bay Area, outside of San Francisco, by type for non-residents and those who were aware of OSL prior to leaving on their trip. These were calculated from online survey respondent questionnaires.

Table 13. Festival Attendee Average Unadjusted Total Trip Group Spending in Bay Area Outside San Francisco, by Type, for Non-Residents and Those Aware of OSL Prior

Spending Category	Mean
Spending on Transportation in Bay Area Outside SF	\$88.28
Spending on Lodging in Bay Area Outside SF	\$49.09
Spending on Food/Beverages in Bay Area	\$72.62
Spending on Recreation/Entertainment in BA	\$14.14
Spending on Gifts, Souvenirs, Music, Art in BA	\$15.33
Spending on Other Goods/Services in BA	\$9.33
Total Spending in Bay Area Outside SF	\$248.58

* Is not adjusted for importance of OSL in their decision to visit Bay Aea on this trip.

D. Economic Impact of Outside Lands Festival

The determination of economic impact on the two study areas, the City of San Francisco and the Bay Area, was undertaken using standard economic impact assessment procedures and assumptions. A very conservative approach was utilized that excluded spending by residents and those not aware of OSL prior to arrival in the Bay Area. The spending estimates described in the previous section were utilized and then also adjusted for how important the OSL was in the respondent's decision to visit San Francisco on this trip. The logic for adjusting based on importance is if a non-resident festival attendee came to San Francisco exclusively to attend OSL, then all spending they make on their trip can rightfully be allocated as a festival generated expenditure. However, if a non-resident attendee indicated OSL had no influence on their coming to San Francisco, then their spending is clearly not a festival generated expenditure. Question 4 in the survey asked respondents to indicate how important OSL was on their decision to visit San Francisco on this trip. It used a scale of 0 (no influence) to 10 (OSL was only reason for coming to SF). Expenditures shown in the following section are adjusted based on these importance values.

The following economic impact estimates are based on the number of persons attending the 2011 OSL. The festival producers defined individuals who had a ticket for at least one day (they could have purchased two or even three one day passes or one 3-day pass) as "unique persons." The number of unique persons, as provided by Allen Scott at Another Planet Entertainment, was 93,521. This figure was used in subsequent analysis.

Table 14. Estimated Attendees by Residence, Based on Survey Responses

Residence	Total Attendees		Time Shifters		Impacting Attendees
	%	Number	%	Number	Number
Residents of San Francisco	(27.3)	(25,532)	na	na	na
Residents of Bay Area Outside SF	22.8	21,316	0.5	130	21,186
Residents Outside Bay Area	49.9	46,683	2.6	1,354	45,329
Total Paid Attendees	100.0	93,531	1.6	1,484	66,515

na = Not applicable. Residents were excluded from the economic impact determination.

Table 15. Average Total Trip Spending, Per Person and Per Day Spending By Location; Non-Residents, Not Time Shifter; Adjusted For Importance of OSL (From Survey)

Location Of Spending	Per Person Spending	Per Person Per Day Spending
In San Francisco	\$407.01	\$108.53
In Bay Area Outside San Francisco	\$65.33	\$17.42

Total direct expenditures from festival attendees whose spending is included in the analysis were calculated for San Francisco, for the Bay Area outside of San Francisco, and for the entire Bay Area including San Francisco. This was determined by multiplying average per person spending for each location by the number of impacting attendees. Table 16 shows the total direct expenditures on the City of San Francisco were \$27,072,270, while for the total Bay Area it was \$30,033,610.

Table 16. Total Expenditures of 2011 Outside Lands Festival Attendees on San Francisco and Bay Area; Non-Residents, Not Time Switcher; Adjusted For Importance of OSL

Location Of Spending Impact	Per Person Spending	Number Impacting Attendees	Total Direct Expenditures
In San Francisco	\$407.01	66,515	27,072,270
In Bay Area Outside San Francisco	\$65.33	45,329	2,961,340
Total Bay Area			\$ 30,033,610

The total economic impacts of direct expenditures from a festival can be measured in terms of increased regional sales, personal income and jobs. Sales impact is sum of direct expenditures, plus indirect and induced spending in the region. Sales are calculated by applying a multiplier to direct expenditures. The level of multiplier is dependent on the robustness and capture rates of the regional economy. Large well integrated economies, like those in the Bay Area, have a much higher multiplier than rural communities. The study used a sales multiplier of 1.24. In other

words, an additional \$1.24 was generated for every dollar of direct spending by non-residents. Total sales multiplier was 2.24. This is a very conservative amount for a metropolitan area multiplier. Impact on personal income in the region was determined through the application of a 0.76 multiplier to sales, reflecting savings and leakage. Finally, an estimate of new jobs, in this case mostly short term jobs, was determined by applying a multiplier of 25.2 jobs per million dollars in sales. This level of multiplier is consistent with those used in other studies of multiday events throughout the country. The OSL impact on regional sales, personal income and jobs is shown in Table 17.

**Table 17. Economic Impact on Sales, Personal Income and Jobs
From 2011 Outside Lands Festival Attendees on San Francisco and Bay Area;
by Non-Residents, Not Time Switcher; Adjusted for Importance of OSL**

Location Of Spending Impact	Sales	Personal Income	FTE Jobs*
In San Francisco	\$ 60,641,880	\$ 20,574,930	683
In Bay Area Outside San Francisco	\$ 6,633,400	\$ 2,250,620	73
Total Bay Area	\$ 67,275,280	\$ 22,825,550	756

* Full time equivalent jobs. In the case of a 3 day event there are more short term and part time jobs created.

USE PERMIT

THIS USE PERMIT (this "Permit") dated for reference only as of April 1, 2009, is made by and between the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Recreation and Park Department ("Department") and Another Planet Entertainment LLC ("Permittee").

1. **Basic Permit Information.** The following is a summary of basic permit information (the "Basic Permit Information"). Each item below shall be deemed to incorporate all of the terms set forth in this Permit pertaining to such item. In the event of any conflict between the information in this Article and any more specific provision of this Permit, the more specific provision shall control.

City:	CITY AND COUNTY OF SAN FRANCISCO, acting by and through the San Francisco Recreation and Park Department
Permittee:	Another Planet Entertainment, LLC., a Delaware limited liability corporation (also referred to as "Another Planet")
Premises (Section 2):	The certain portion of the premises called Polo Fields, Speedway Meadow, Lindley Meadow, Marx Meadow, Little Speedway Meadow and the areas in Golden Gate Park that connect those areas, as shown in Exhibit A attached hereto (GG Park Map)
Permitted Use (Section 5):	<p>Production of a three-day music and arts festival open to the public upon purchase of tickets.</p> <p>In 2009, the Festival will be held on August 28-30. The Festival will also be held in the summer of 2010 and 2011, on dates mutually agreed to by City and Permittee no later than 30 days after the prior year's Festival, but during the period between June 1st and August 31st of each such year.</p> <p>Permittee is permitted to sell alcohol and to modify the sound policy to allow amplified sound at the Polo Fields, Speedway Meadow and Lindley Meadow as set forth in Exhibit B. Permittee shall not allow more than 60,000 paid attendance per day total in all venues.</p>
Permit Fees and Financial Terms (Section 9):	<p>Minimum Permit Fee 2009 Minimum Permit Fee is \$950,000</p> <p>Minimum Permit Fee shall be increased thereafter by \$50,000 each year.</p> <p>Percentage Rent 10% of the sum equal to gross ticket revenue received from the Festival minus applicable ticket taxes and Additional Rent paid by Permittee and excluding any complimentary tickets and any reasonable and customary third party service charges or convenience fees (the "Gross Revenue"); less the Minimum Permit Fee paid by Permittee for such Festival [i.e., Permittee shall pay the greater of 10% of Gross Revenue or the Minimum Permit Fee for each</p>

	<p>Festival, whichever is higher].</p> <p>Additional Rent \$1.00 per each ticket sold by Permittee or its agents, in addition to the Minimum Permit Fee and Percentage Rent</p>
Operating and Outreach Requirements	Permittee shall comply with all Operating and Outreach Requirements as described in Exhibit B .
Term (Section 10):	<p>2009 Festival commencement date and times are included in the Operating and Outreach Requirements in Exhibit B.</p> <p>Permittee shall hold 2 additional Festivals, one in 2010 and one in 2011. Commencement dates and times for these additional Festivals will be included in an supplemental exhibit for each of these future years (i.e., Exhibit B-1 for 2010 Festival and Exhibit B-2 for 2011 Festival).</p> <p>Permittee shall have the option to extend the term to include Festivals in 2012 and 2013 by exercising such option by written notice delivered to City no later than January 1, 2012; provided Permittee has not defaulted, following notice and any applicable cure period, on its material obligations under this Permit, and City has not terminated this Permit. Any such extension shall be on the same terms and conditions, including Percentage Rent, as set forth in this Permit.</p>
Amplified sound terms:	Permittee shall comply with the amplified sound terms set forth in the Operating and Outreach Requirements attached as Exhibit B .
Utilities	City shall make available to Permittee existing utility connections, without any representation or warranty.
Insurance Limits (Section 19):	<p>Worker's Compensation Insurance - statutory amounts</p> <p>Employers' Liability Coverage with limits of not less than \$1,000,000 for each accident or occurrence.</p> <p>Comprehensive or Commercial General Liability Insurance with limits not less than \$3,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage.</p> <p>Comprehensive or Business Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage.</p> <p>\$1,000,000 Food Products Liability Insurance to be obtained through concessionaire.</p>
Address for Notices (Section 24):	<p>Recreation and Park Department:</p> <p>Rich Hillis</p>

	<p>Director of Partnerships and Resource Development Recreation and Park Department 501 Stanyan Street San Francisco, CA 94117 Phone: 415.831.6850</p> <p>with a copy to: Dennis Kern, Director of Operations Recreation and Park Department 501 Stanyan Street San Francisco, CA 94117</p> <p>Permittee: Another Planet Entertainment, LLC 1815 Fourth Street, Suite C Berkeley, CA 94710 Attention: Allen Scott Phone: 510.548.3010</p>
Payment schedule:	<p>Minimum Rent: \$200,000 due thirty (30) days prior to the start of each Festival (the "Initial Minimum Rent Payment"), remainder due no later than ten (10) days before the start of each Festival Percentage Rent: ten (10) days after each Festival Additional Rent: ten (10) days after each Festival</p> <p>Permittee will be able to access the Premises to prepare and set up for each Festival only if the Initial Minimum Rent Payment has been received no later than ten (10) days before the start of the Festival. Percentage Rent, if any, and any Additional Rent will be due and payable within ten (10) days from the conclusion of each Festival.</p> <p>For Festivals after the 2009 Festival, City may elect to increase the Initial Minimum Rent Payment up to a maximum of \$500,000 and require such payment be made no later than June 1 of that year; provided, any such increase shall take effect no earlier than 60 days following City's notification to Permittee of such increase.</p>
Security Deposit (Section 33):	<p>\$30,000 (the "Security Deposit") due upon permit execution and, if not applied by City as permitted hereunder, shall be credited to the Additional Rent payable after the Festival. No later than 90 days before the start of the 2010 Festival and each Festival thereafter, Permittee shall pay a new Security Deposit for that Festival which again will be credited to the Additional Rent payable after the Festival if not applied by City as set forth above.</p>
Termination Rights	<p>Without limiting City's other rights and remedies hereunder, City shall have the right to terminate this Permit at any time if Permittee has failed to cure a material breach of this Permit following written notice from City</p>

	and the expiration of any applicable cure period. City shall have the right to terminate this Permit as set forth in Section 18.
--	--

2. License of Premises.

(a) City grants to Permittee a personal, non-exclusive and non-possessory license to enter upon and use the Premises described in the Basic Permit Information for the limited purpose and subject to the terms, conditions and restrictions set forth in this Permit. This Permit does not constitute a grant to Permittee of any ownership, leasehold, easement or other property interest or estate in the Premises. City is acting only in its proprietary capacity in granting the license given to Permittee under this Permit. Permittee acknowledges that (i) such grant is effective only insofar as Recreation and Park Department's rights in the Premises; and (ii) Permittee must separately obtain all regulatory approvals of City, including Recreation and Park Department, and any other applicable governmental entity necessary for the permitted uses. Permittee shall bear all costs or expenses of any kind in connection with its use of the Premises or any other property, and shall keep the Premises free and clear of any liens or claims of lien arising out of or in any way connected with its use of the Premises. In connection with its use hereunder, Permittee shall at all times, at its sole cost, maintain the Premises in a good, clean, safe, secure, sanitary and sightly condition, so far as the Premises may be affected by Permittee's activities.

(b) The Premises are granted to Permittee for a term commencing on the date specified in the Basic Permit Information or such earlier date upon which City delivers and Permittee accepts possession of the Premises, and shall end on the expiration date specified in the Basic Lease Information, unless sooner terminated pursuant to the provisions of this Permit. City grants to Permittee a one-time option to extend the Term of this Permit (the "Extension Option") for an additional two years as set forth in the Basic Permit Information. Any such notice by Permittee shall be irrevocable by Permittee. If any event of material default by Permittee is outstanding hereunder either at the time of Permittee's exercise of the Extension Option or at any time prior to the first day of the Extension Term (or if any event shall have occurred which with the giving of notice or the passage of time or both would constitute such a default), then City may elect by notice to Permittee to reject Permittee's exercise of the Extension Option, whereupon the Extension Option shall be null and void; provided, Permittee's exercise shall revive if Permittee cures the material default within the applicable cure period, and provided further Permittee shall have no rights hereunder and City shall have no obligations during such cure period unless and until such cure has been completed.

(c) During the term of this Permit and in any year that the Festival is held, and provided Permittee is not in default, City shall not authorize any other person to hold in the Polo Field, Speedway Meadow and Lindley Meadow, a multi-day, multi-stage music festival which is the substantially similar in scope and size to the Festival as determined by the Department following consultation with Permittee (a "Competing Festival"). Notwithstanding anything to the contrary herein, the following shall not be considered a Competing Festival (but only as generally previously permitted) Hardly Strictly Bluegrass, Power to the Peaceful and any other annual music event that the Department has permitted and has been executed in the past three years.

3. Inspection of Premises. Permittee independently or through its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns, and each of them ("Permittee's Agents") will conduct a thorough and diligent inspection of the Premises and the suitability of the Premises for Permittee's intended use. Permittee is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Premises are suitable for its operations and intended uses. After each Festival, Permittee and

Recreation and Park Department will inspect the Premises to confirm any damage caused to the Premises during Permittee's use; provided, Recreation and Park Department's failure to do so shall not affect or limit Permittee's obligations hereunder.

4. **As Is; Disclaimer of Representations.**

(a) **As Is; No Representations.** Permittee acknowledges and agrees that the Premises are being licensed and accepted in their "AS IS, WITH ALL FAULTS" condition, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the parties, governing the use, occupancy, management, operation and possession of the Premises. Without limiting the foregoing, this Permit is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Premises, or any portion thereof, whether or not of record. Permittee acknowledges and agrees that neither City nor any of its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns have made, and City hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises, (ii) the physical, geological, seismological or environmental condition of the Premises, (iii) the quality, nature or adequacy of any utilities serving the Premises, (iv) the feasibility, cost or legality of constructing any alterations on the Premises if required for Permittee's use and permitted under this Permit, (v) the safety of the Premises, whether for the use of Permittee or any other person, including Permittee's Agents or Permittee's clients, customers, vendors, invitees, guests, members, licensees, assignees or permittees ("Permittee's Invitees"), or (vi) any other matter whatsoever relating to the Premises or their use, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose.

(b) **Release.** Permittee acknowledges that this Permit is terminable by City as provided herein and in view of such fact, Permittee expressly assumes the risk of making any expenditures in connection with this Permit, even if such expenditures are substantial. Without limiting any indemnification obligations of Permittee or other waivers contained in this Permit and as a material part of the consideration for this Permit, Permittee fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action against, and covenants not to sue, City, its departments, commissions, officers, directors and employees, and all persons acting by, through or under each of them, under any present or future laws, statutes, or regulations, including, but not limited to, any claim for inverse condemnation or the payment of just compensation under the law of eminent domain, or otherwise at equity, in the event that City exercises its right to revoke or terminate this Permit in accordance with the terms of this Permit. In connection with the foregoing Releases, Permittee acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

A general Release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the Release, which if known by him or her must have materially affected his or her settlement with the debtor.

Permittee acknowledges that the Releases contained herein includes all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Permittee realizes and acknowledges that it has agreed upon this Permit in light of this realization and, being fully aware of this situation, it

nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The Releases contained herein shall survive any termination of this Permit.

5. **Use of Premises.** Permittee may enter and use the Premises only for the purpose described in the Basic Permit Information. Permittee shall not use, and Permittee shall prohibit Permittee's Agents and Permittee's Invitees from using, the Premises for any activities other than the permitted uses. Permittee agrees that, by way of example only and without limitation, the following uses of the Premises by Permittee, or any of Permittee's Agents or Permittee's Invitees, or any other person claiming by or through Permittee, are inconsistent with the limited purpose of this Permit and are strictly prohibited as provided below:

(a) **Hazardous Material.** Permittee shall not cause, nor shall Permittee allow any of Permittee's Agents or Permittee's Invitees to cause, any Hazardous Material (as defined below) to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises, or transported to or from the Premises without the prior written consent of City. Permittee shall immediately notify City when Permittee learns of, or has reason to believe that, a Release of Hazardous Material has occurred in, on or about the Premises. Permittee shall further comply with all laws requiring notice of such Releases or threatened Releases to governmental agencies, and shall take all action necessary to mitigate the Release or minimize the spread of contamination. In the event that Permittee or Permittee's Agents or Permittee's Invitees cause a Release of Hazardous Material, Permittee shall, without cost to City and in accordance with all laws and regulations, return the Premises to the condition immediately prior to the Release. In connection therewith, Permittee shall afford City a full opportunity to participate in any discussion with governmental agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree or other compromise proceeding involving Hazardous Material. For purposes hereof, "Hazardous Material" means material that, because of its quantity, concentration or physical or chemical characteristics, is at any time now or hereafter deemed by any federal, state or local governmental authority to pose a present or potential hazard to public health, welfare or the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance, pollutant or contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601 et seq., or pursuant to Section 25316 of the California Health & Safety Code; a "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the Premises or are naturally occurring substances in the Premises, and any petroleum, including, without limitation, crude oil or any fraction thereof, natural gas or natural gas liquids. The term "Release" or "threatened Release" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing in, on, under or about the Premises.

(b) **Damage.** Permittee shall not do anything about the Premises that could cause damage to the Premises or any City property.

(c) **Pesticides Ban.** Permittee shall not use, or permit the use of, any pesticides on the Premises, and Permittee shall otherwise comply with the provisions of Section 308 of Chapter 3 of the San Francisco Environment Code (the "Pesticide Ordinance").

6. **Parking.** Permittee shall be allowed to park up to the number of vehicles set forth in the detailed Site Plan in the area designated for parking if presented to City no later than ninety (90) days prior to the event, as required in the Operating and Outreach Requirements. To the extent practicable,

Permittee shall use its best efforts to encourage use of public transportation, ride-sharing, the use of shuttle busses or other pooled-means of transportation to and from the Premises.

7. **Resource Conservation and Sustainability.** Recreation and Park Department is committed to managing the Premises in as sustainable a manner as possible. In addition to Permittee's compliance with the requirements of Section 30 [Food Service Waste Reduction] below, Permittee shall use its best efforts to conduct its operations in accordance with sustainable practices and all applicable provisions of the San Francisco Environment Code.

8. **Subject to Recreation and Park Department and City Uses.** Notwithstanding anything to the contrary in this Permit, Permittee's right to use the Premises hereunder shall be subject and subordinate to Recreation and Park Department and City's uses of the Premises for municipal purposes. In addition, Permittee acknowledges that the Golden Gate Park contains a variety of different event venues and outdoor public spaces and it is common for numerous events to be held at various venues in the park on the same day. Permittee shall donate to City, at no charge to City, a reasonable and customary number of general admission passes for each day of the Festival.

9. **Permit Fee.**

(a) **Minimum Permit Fee.** Permittee shall pay to Recreation and Park Department permit fees in the amount set forth in the Basic Permit Information for its use of the Premises as provided hereunder. Permittee will be able to set up only if the full Minimum Permit Fee has been paid to City as and when required hereunder. However, such permit fee shall be immediately returned by City to Permittee upon termination of this Permit for an event as specified under section 21 [Impossibility of Performance]. If such event as specified under Section 21 occurs during the Festival, then the Minimum Permit Fee amount to be returned will be prorated to reflect the percentage of the Festival not completed. If the event occurred after the first day but during the second day, City will return two thirds of the Minimum Permit Fee. Permittee shall pay all applicable City departments for the costs incurred by those departments in providing City employees, equipment, property and facilities in connection with this Permit.

(b) **Percentage Rent and Additional Rent.** In addition to Minimum Permit Fee, Permittee shall pay Percentage Rent and Additional Rent as set forth in the Basic Permit Information. Percentage Rent shall be the amount equal to ten percent (10%) of gross ticket revenue received from the Festival minus applicable ticket taxes and Additional Rent and excluding any complimentary tickets and any reasonable and customary third party service charges or convenience fees (the "Gross Revenue"); less the Minimum Permit Fee paid by Permittee for such Festival [i.e., Permittee shall pay the greater of 10% of Gross Revenue or the Minimum Permit Fee for each Festival, whichever is higher]. Accordingly, if the Minimum Permit Fee is greater than the ten percent (10%) of the Gross Revenue, then there shall be no Percentage Rent for that Festival. Additional Rent shall be \$1.00 for each ticket sold by Permittee or its agents, and shall be paid to City in addition to the Minimum Permit Fee and Percentage Rent. Additional Rent and Percentage Rent shall be payable on the date that is ten (10) days after each Festival. The calculations for rent payments due hereunder shall be made separately for each Festival.

(c) **Revenue Reports.** On or before the day that is ten (10) days following each Festival, Permittee shall submit to City a report (the "Revenue Report") showing all gross ticket revenues received by Permittee and the total number of tickets sold by Permittee for such Festival as of such date, together with any such additional information as may be reasonably requested by City for purposes of

determining Percentage Rent and Additional Rent. Such report shall be certified as being true and correct by Permittee and shall otherwise be in form and substance satisfactory to the General Manager of the Department. With the delivery of each Revenue Report, Permittee shall pay the Percentage Rent and Additional Rent.

(d) **Books and Records.** Permittee shall keep accurate books and records for all ticket sales and gross ticket revenues in accordance with generally accepted accounting principles. Recreation and Park will have access to such records of ticket sales and gross ticket revenues. Permittee shall not co-mingle personal funds with business funds.

(e) **Audit.** Within 30 days, Permittee agrees to make its books and records relating to ticket sales and revenues available to City, or to any City auditor, or to any auditor or representative designated by City (hereinafter collectively referred to as "City representative"). If an audit reveals that Permittee has understated ticket sales or revenues, Permittee shall pay City, promptly upon demand, the difference between the amount Permittee has paid and the amount it should have paid to City, together with interest at the rate of seven percent per annum. If Permittee understates its total tickets sold or revenues received by three percent or more the cost of the audit shall be borne by Permittee. If Permittee materially and intentionally understates its tickets sold or Gross Revenue received relating to the Festival, then such understatement shall be a default without notice or cure rights and entitle City to all remedies under this Permit. For purposes of this Section, any understatement equal to or greater than ten percent (10%) shall be deemed material unless such amount is less than Twenty-Five Thousand Dollars (\$25,000).

(f) **Late Fee.** Permittee hereby acknowledges that late payment by Permittee to City of the rent or other sums due hereunder will cause City to incur costs not contemplated by this Permit, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges. Accordingly, if the rent or any other sum due from Permittee, shall not be received by City within five (5) days after such amount shall be due, Permittee shall pay to City a late charge of Four Hundred Dollars (\$400). The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs City will incur by reason of late payment by Permittee. Acceptance of such late charge by City neither constitutes a waiver of Permittee's default with respect to such overdue amount, nor prevents City from exercising any of the other rights and remedies available to City, including but not limited to the right to charge interest on such overdue amounts at the highest rate permitted by law.

10. **Compliance with Laws.** Permittee shall, at its expense, conduct and cause to be conducted all activities on the Premises allowed hereunder in a safe and reasonable manner and in compliance with all laws, regulations, ordinances and orders of any governmental or other regulatory entity (including, without limitation, the Americans with Disabilities Act) whether presently in effect or subsequently adopted and whether or not in the contemplation of the parties. Such laws shall include, but are not limited to, local, state and federal laws prohibiting discrimination in employment and public accommodations. Permittee shall, at its sole expense, procure and maintain in force at all times during its use of the Premises any and all business and other licenses or approvals necessary to conduct the activities allowed hereunder. Permittee understands and agrees that City, acting through Recreation and Park Department, is entering into this Permit in its capacity as a property owner with a proprietary interest in the Premises and not as a regulatory agency with police powers. Permittee further understands and agrees that no approval by Recreation and Park Department for purposes of this Permit shall be deemed to constitute approval of any federal, state, or other local regulatory Agency, and nothing herein shall limit Permittee's obligation to obtain all such regulatory approvals at Permittee's

sole cost or limit in any way City's exercise of its police powers. Without limiting the foregoing, before beginning any work in the Premises and/or using the Premises, Permittee at its sole cost and expense shall obtain any and all permits, licenses and approvals (collectively, "approvals") of all regulatory agencies and other third parties that are required to commence and complete the permitted work and use the Premises including, but not limited to, approvals required by the San Francisco Fire Department (e.g., General Assembly, Tent, Open Flame, Propane, etc.), the San Francisco Police Department (e.g., alcohol consumption and/or sales), San Francisco Department of Building Inspection (e.g., electrical), the San Francisco Department of Health, and the California Department of Alcoholic Beverage Control (e.g., alcohol consumption and/or sales). Permittee shall provide copies of all such approvals to Recreation and Park Department prior to Permittee's use of the Premises.

11. **Security.** In addition to the Permit Fees described in Section 9 above, Permittee shall provide and/or pay for the security, police and medical support services described on **Exhibit B** at its sole cost and expense.

12. **Rules and Regulations.** In connection with the Permittee's use hereunder, Permittee shall comply with the Rules and Regulations attached hereto as **Exhibit C**. City reserves the right, in its sole discretion, to change such Rules and Regulations as necessary to promote or protect the public safety, health or convenience. City shall give Permittee reasonable prior notice of such changes; provided, however, that no such prior notice shall be required in emergency situations.

13. **Surrender.** Upon the expiration of this Permit, and at the end of each Festival, Permittee shall surrender the Premises in the same condition as received, free from hazards and clear of all debris. At such time, Permittee shall remove all of its property from the Premises and shall repair, at its cost, any damage to the Premises caused by such removal. Permittee's obligations under this Section shall survive any termination of this Permit. Without limiting any of City's other rights hereunder, in the event of an emergency City may, at its sole option and without notice, alter, remove or protect at Permittee's sole expense, any and all facilities, improvements, or other property installed or placed in, on, under or about the Premises by Permittee.

14. **Repair of Damage.** Prior to the day of the initial set up for each Festival, representatives of Recreation and Park and Permittee shall conduct a walk-through of the Premises to determine the condition of the Premises. The same representatives shall conduct a second walk-through immediately following the event load-out to determine the condition of the Premises after the Festival to determine if there has been damage caused by the Festival. Permittee shall promptly, at its sole cost and expense, repair any and all damage to the Premises and any personal property located thereon caused by Permittee or Permittee's Agents or Invitees. Permittee shall obtain Recreation and Park Department's prior written approval of any party to be used by Permittee to conduct such repair work. Alternatively, Recreation and Park Department may make such repairs on behalf of Permittee at Permittee's sole cost and expense. If Permittee damages the Premises or any personal or real property of City, the final repair costs owed by Permittee shall be determined by City in its sole and absolute discretion, and shall be paid by Permittee within five (5) days after Permittee's demand therefor. Permittee's obligations under this Section shall survive the cancellation, expiration or termination of this Permit. For the purposes of this provision, damage shall include any litter including solid and liquid waste remaining on the premises after the event load-out.

15. **Public Safety.** Permittee agrees to conduct the Festival and all activities hereunder at all times in a safe and prudent manner with full regard to the public safety and to observe all applicable regulations and requests of Recreation and Park Department and other government agencies responsible

for public safety. Permittee shall take such soil and resource conservation and protection measures with the Premises as City may request.

16. **Indemnification.** Permittee shall indemnify, defend, reimburse and hold City and its officers, agents, employees and contractors, and each of them, harmless from and against any and all demands, claims, legal or administrative proceedings, losses, costs, penalties, fines, liens, judgments, damages and liabilities of any kind (collectively, "Losses"), arising in any manner out of (a) any injury to or death of any person or damage to or destruction of any property occurring in, on or about the Premises, or any part thereof, whether the person or property of Permittee or its Agents or Invitees, or third persons, relating in any manner to any use or activity under this Permit, (b) any failure by Permittee to faithfully observe or perform any of the terms, covenants or conditions of this Permit, (c) the use of the Premises or any activities conducted thereon by Permittee, its Agents or Invitees, or (d) any Release or discharge, or threatened Release or discharge, of any Hazardous Material caused or allowed by Permittee, its Agents or Invitees, on, in, under or about the Premises, any improvements permitted thereon; except solely to the extent of Losses resulting directly from the negligence or willful misconduct of City or City's authorized representatives. The foregoing indemnity shall include, without limitation, reasonable attorneys' and consultants' fees, investigation and remediation costs and all other reasonable costs and expenses incurred by the indemnified parties. Permittee specifically acknowledges and agrees that it has an immediate and independent obligation to defend City from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Permittee by City and continues at all times thereafter. Permittee shall give to the City prompt and timely written notice of any claim made or suit instituted coming to its knowledge which may in any way directly or indirectly, contingently or otherwise affect either, and both shall have the right to participate in the defense of same to the extent of its own interest. Approval of insurance policies by the City shall in no way affect or change the terms and conditions of this indemnity agreement. Permittee's obligations under this Section shall survive the expiration or other termination of this Permit.

17. **INSURANCE**

17.1 **Permittee's Insurance.** Permittee shall procure and maintain throughout the Term of this Permit and pay the cost thereof the following insurance:

- (a) If Permittee has employees, Worker's Compensation Insurance in statutory amounts, with Employers' Liability Coverage; and
- (b) Comprehensive or Commercial General Liability Insurance with limits not less than the amount set forth in the Basic Permit Information, including coverage for Contractual Liability, Host Liquor Liability, Personal Injury, Advertising Liability, Independent Contractors, Broad Form Property Damage, Products Liability, and Completed Operations; and
- (c) Comprehensive or Business Automobile Liability Insurance with limits not less than the amount set forth in the Basic Permit Information, including coverage for owned, non-owned and hired automobiles, if applicable, which insurance shall be required if any automobiles or any other motor vehicles are operated in connection with Permittee's activity on, in and around the Premises; and
- (d) Such other insurance as required by law or as the City's Risk Manager may require.

17.2 **Claims Made Policy.** Should any of the required insurance be provided under a claims-made form, Permittee shall maintain such coverage continuously throughout the term of this Use Permit For Outside Lands Music and Arts Festival

Permit, and, without lapse, for two (2) years beyond the expiration of this Permit, to the effect that, should occurrences during the Term give rise to claims made after expiration of this Permit, such claims shall be covered by such claims-made policies.

17.3 Annual Aggregate Limit. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs are included in such annual aggregate limit, such annual aggregate limit shall be not less than double the occurrence limits specified above in basic permit information.

17.4 Additional Insureds. Liability policies shall be endorsed to name as additional insureds the "City and County of San Francisco, acting by and through the Recreation and Park Department, and their directors, employees and agents" (Insurance Certificate with Endorsement for such additional insureds).

17.5 Payment of Premiums. Permittee shall pay all the premiums for maintaining all required insurance.

17.6 Waiver of Subrogation Rights. Notwithstanding anything to the contrary contained herein, City and Permittee (each a "Waiving Party") each hereby waives any right of recovery against the other party for any loss or damage sustained by such other party with respect to the Premises or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other party, to the extent such loss or damage is covered by insurance which is required to be purchased by the Waiving Party under this Permit or is actually covered by insurance obtained by the Waiving Party. Each Waiving Party agrees to cause its insurers to issue appropriate waiver of subrogation rights endorsements to all policies relating to the Premises; provided, the failure to obtain any such endorsement shall not affect the above waiver.

17.7 General Insurance Matters.

(a) All insurance policies shall be endorsed to provide thirty (30) days prior written notice of cancellation, non-renewal or reduction in coverage or limits to City at the address for Notices specified in the Basic Permit Information.

(b) All insurance policies shall be endorsed to provide that such insurance is primary to any other insurance available to the additional insureds with respect to claims covered under the policy and that insurance applies separately to each insured against whom claim is made or suit is brought, but the inclusion of more than one insured shall not operate to increase the insurer's limit of liability.

(c) Before commencement of activities under this Permit, certificates of insurance and brokers' endorsements, in form and with insurers acceptable to City, shall be furnished to City.

(d) All insurance policies required to be maintained by Permittee hereunder shall be issued by an insurance company or companies reasonably acceptable to City with an AM Best rating of not less than A-VIII and authorized to do business in the State of California.

17.8 No Limitation on Indemnities. Permittee's compliance with the provisions of this Section shall in no way relieve or decrease Permittee's indemnification obligations herein or any of Permittee's other obligations or liabilities under this Permit.

17.9 Lapse of Insurance. Notwithstanding anything to the contrary in this Permit, Recreation and Park Department may elect in Recreation and Park Department's sole and absolute discretion to terminate this Permit upon the lapse of any required insurance coverage by written notice to Permittee.

17.10 Permittee's Personal Property. Permittee shall be responsible, at its expense, for separately insuring Permittee's Personal Property.

18. City Termination. In the event of a breach by Permittee, including but not limited to Permittee's failure to comply with the Operating and Outreach Requirements set forth in Exhibit B City shall have all rights and remedies available at law and in equity, provided however, the right to terminate this Permit shall only be available for an uncured material breach, provided further that, (i) for monetary breaches, Permittee shall have a period of five (5) business days following receipt of written notice from City to cure such monetary breach, (ii) for nonmonetary breaches that are capable of being cured by Permittee (other than breaches relating to insurance and bonding), Permittee shall have a period of thirty (30) days following receipt of written notice from City to cure such nonmonetary breach, (iii) for any breach involving the failure to obtain or maintain insurance, bonds, or the Security Deposit, Permittee shall have a period of three (3) business days to cure such breach and shall not be permitted to use or enter the Premises during any such period unless and until the breach is cured, and (iv) notwithstanding anything to the contrary above, Permittee shall not have the right to cure any breach involving fraud or any breach regarding intentional and understatement of tickets sold or Gross Revenues as set forth in Section 9(e) above. If Permittee shall have commenced cure of a non-monetary breach requiring thirty (30) days to cure and is diligently proceeding with efforts to cure, then in the event such cure requires more than the thirty (30) day period specified, Permittee shall have such additional time as is reasonable under the circumstances to effect a cure, but in no event more than ninety (90) days.

19. City Right to Cure. If Permittee fails to perform any of its obligations under this Permit, to restore the Premises or repair damage, or if Permittee defaults in the performance of any of its other obligations under this Permit, then City may, at its sole option, remedy such failure for Permittee's account and at Permittee's expense by providing Permittee with three (3) days' prior written or oral notice of City's intention to cure such default (except that no such prior notice shall be required in the event of an emergency as determined by City). Such action by City shall not be construed as a waiver of any rights or remedies of City under this Permit, and nothing herein shall imply any duty of City to do any act that Permittee is obligated to perform. Permittee shall pay to City upon demand, all costs, damages, expenses or liabilities incurred by City, including, without limitation, reasonable attorneys' fees, in remedying or attempting to remedy such default. Permittee's obligations under this Section shall survive the termination of this Permit.

20. No Assignment. This Permit is personal to Permittee and shall not be assigned, conveyed or otherwise transferred by Permittee under any circumstances. Any attempted assignment, conveyance or transfer shall be a default.

21. No Joint Venture or Partnership; Independent Contractor. This Permit does not create a partnership or joint venture between City and Permittee. Permittee shall be solely responsible for all matters relating to the payment of its employees, including, without limitation, compliance with any federal, state or local law and all other regulations governing such matters.

22. **Impossibility of Performance.** If, for any reason, an unforeseen event occurs which is beyond the control of City or Permittee, including, but not limited to, fire, casualty or labor strike, which event renders impossible the fulfillment of any Festival (or day of any Festival) (such event a "Force Majeure Event"), Permittee and City shall have no right to nor claim for damages against the other for such failure to fulfill. In addition, any Minimum Rent, Percentage Rent or Additional Rent payable by Permittee shall be appropriately readjusted for amounts refunded by Permittee to ticket purchasers as a result of the cancellation of any Festival (or day of the Festival) due to a Force Majeure Event as if the ticket sales for such refunds never occurred. A Force Majeure Event shall not terminate this Permit as to future Festivals which shall remain in full force and effect.

23. **Possessory Interest Taxes; Payment of Taxes.** Permittee recognizes and understands that this Permit may create a possessory interest subject to property taxation and that Permittee may be subject to the payment of property taxes levied on such interest under applicable law. Permittee agrees to pay taxes of any kind, including possessory interest taxes, if any, that may be lawfully assessed on Permittee's interest under this Permit or use of the Premises pursuant hereto and to pay any other taxes, excises, licenses, permit charges, possessory interest taxes, or assessments based on Permittee's usage of the Premises that may be imposed upon Permittee by applicable law.

24. **Notices.** Except as otherwise provided herein, any notices given under this Permit shall be addressed to the City and Permittee at the addresses set forth in the Basic Permit Information. Notice shall be deemed given (a) two (2) business days after the date when it is deposited with the U.S. Mail, if sent by first class or certified mail, (b) one (1) business day after the date when it is deposited with an overnight carrier, if next business day delivery is required, (c) upon the date personal delivery is made, or (d) upon the date when it is sent by facsimile, if the sender receives a facsimile report confirming such delivery has been successful and the sender mails a copy of such notice to the other party by U.S. first class mail on such date.

25. **MacBride Principles - Northern Ireland.** The City and County of San Francisco urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Permittee acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

26. **Non-Discrimination.**

26.1 **Covenant Not to Discriminate.** In the performance of this Permit, Permittee covenants and agrees not to discriminate on the basis of any fact or perception of a person's race, color, creed, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, height, weight or acquired immune deficiency (AIDS) or HIV syndrome against any employee of, any City or Recreation and Park Department employee working with, or applicant for employment with, Permittee, in any of Permittee's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Permittee.

26.2 **Non-Discrimination in Benefits.** Permittee does not as of the date of this Permit and will not during the term of this Permit, in any of its operations in San Francisco or where the work is being performed for the City or elsewhere within the United States, discriminate in the provision of

bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

26.3 Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the use of City property are incorporated in this Section by reference and made a part of this Permit as though fully set forth herein. Permittee shall comply fully with and be bound by all of the provisions that apply to this Permit under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Permittee understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty Dollars (\$50) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Permit may be assessed against Permittee and/or deducted from any payments due Permittee.

27. Tropical Hardwoods and Virgin Redwood. The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product, except as expressly permitted by the application of Sections 8o2(b) and 8o3(b) of the San Francisco Environment Code. Permittee agrees that, except as permitted by the application of Sections 8o2(b) and 8o3(b), Permittee shall not use or incorporate any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product in the performance of this Permit.

28. Tobacco Sales and Advertising Prohibition. Permittee acknowledges and agrees that no sales or advertising of cigarettes or tobacco products is allowed on the Premises. This advertising prohibition includes the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This advertising prohibition does not apply to any advertisement sponsored by a state, local, nonprofit or other entity designed to (i) communicate the health hazards of cigarettes and tobacco products, or (ii) encourage people not to smoke or to stop smoking.

29. No Smoking in City Parks. Smoking is prohibited on any unenclosed area of property in the City and County of San Francisco that is open to the public and under the jurisdiction of the Recreation and Park Commission or any other City department if the property is a park, square, garden, sport or playing field, pier, or other property used for recreational purposes. SF Health Code Section 1009.81.

Permittee must make announcements prior and during event to participants to abide by the above code. Any violation may be punishable by a fine. Permittee may satisfy its obligation to make announcements by periodically displaying text messages on the video screens of the stages in between performances of artists.

30. Conflicts of Interest. Through its execution of this Permit, Permittee acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Sections 87100 et seq. and Sections 1090 et

seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provision, and agrees that if Permittee becomes aware of any such fact during the term of this Permit, Permittee shall immediately notify City.

31. Food Service Waste Reduction. Permittee agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Permit as though fully set forth. This provision is a material term of this Permit. By entering into this Permit, Permittee agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Permittee agrees that the sum of One Hundred Dollars (\$100.00) liquidated damages for the first breach, Two Hundred Dollars (\$200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars (\$500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Permit was made. Such amounts shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Permittee's failure to comply with this provision.

In addition, if 2,000 or more of Permittee's Agents and/or Permittee's Licensee's will be at the Premises, Permittee shall submit a recycling and waste reduction plan to the Recreation and Park Department's Events Coordinator and comply with State Assembly Bill 2176 (Montanez, Chapter 879, Statutes of 2004).

31. Security Deposit.

(a) **Security Deposit.** Upon execution of this Permit (and, with respect to subsequent Festivals, on or before the date that is ninety (90) days before the start of the Festival), Permittee shall deposit with City the sum listed in the Basic Permit Information (the "Security Deposit") to secure Permittee's faithful performance of all terms and conditions of this Permit, including, without limitation, its obligation to surrender the Premises in the condition required by this Permit. Permittee agrees that City may (but shall not be required to) apply the security deposit in whole or in part to remedy any damage to the Premises caused by Permittee, Permittee's Agents or Permittee's Invitees, or any failure of Permittee to perform any other terms, covenants or conditions contained in this Permit, without waiving any of City's other rights and remedies hereunder or at law or in equity. City's obligations with respect to the security deposit are solely that of debtor and not trustee. City shall not be required to keep the security deposit separate from its general funds, and Permittee shall not be entitled to any interest on such deposit. The amount of the security deposit shall not be deemed to limit Permittee's liability for the performance of any of its obligations under this Permit. To the extent that City is not entitled to retain or apply the security deposit pursuant to this Section 33, City shall return such security deposit to Permittee within forty-five (45) days of the termination of this Permit, or such longer period as is reasonably necessary for City to confirm Permittee's compliance with the requirements of this Permit.

(b) **Performance Bond.** In connection with any construction work, Permittee shall deliver to City a valid performance and payment bond before the start of any construction in the sum equal to full construction cost, issued by a surety company acceptable to City in such form as approved by the City Attorney. Permittee shall keep such bonds, at its expense, in full force and effect until all construction has been finally completed and paid for and all liens relating thereto have been released.

32. Prevailing Wages for Theatrical Workers.

Pursuant to San Francisco Administrative Code Section 21.25-3, unless excepted, Contracts, Permits, Franchises, Permits, and Agreements awarded, let, issued or granted by the City and County of San Francisco for the use of property owned by the City and County of San Francisco shall require any Employee engaged in theatrical or technical services related to the presentation of a Show to be paid not less than the Prevailing Rate of Wages. Employees engaged in theatrical and technical services include, without limitation, those engaged in rigging, sound, projection, theatrical lighting, videos, computers, draping, carpentry, special effects, and motion picture services. Capitalized terms in this section that are not defined in this agreement shall have the meanings provided in Section 21.25-3.

Permittee agrees to comply with and be fully bound by, and to require its Agents and Subcontractors to comply with and be fully bound by, the provisions of Section 21.25-3, including, without limitation, the payment of any penalties for noncompliance and other remedies available to the City. The provisions of Section 21.25-3 are hereby incorporated by reference and made a part of this agreement. Permittee shall cooperate fully with the Labor Standards Enforcement Officer and any other City official or employee, or any of their respective agents, in the administration and enforcement of the requirements of Section 21.25-3, including, without limitation, any investigation of noncompliance by Permittee or its Subcontractors. Permittee agrees that the City may inspect and/or audit any workplace or job site involved in or related to the performance of this agreement, including, without limitation, interviewing Permittee's and any Subcontractor's employees and having immediate access to employee time sheets, payroll records, and paychecks for inspection.

Permittee may obtain a copy of the current Prevailing Rate of Wages from City by contacting its Office of Labor Standards Enforcement. Contractor acknowledges that the City's Board of Supervisors may amend such Prevailing Rate of Wages and agrees that Contractor and any Subcontractors shall be bound by and shall fully comply with any such amendments by the Board of Supervisors.

33. Intellectual Property; Music Broadcasting Rights. Permittee shall be solely responsible for obtaining any necessary clearances or permissions for the use of intellectual property, including, but not limited to musical or other performance rights.

34. Prevailing Wages. With respect to the installation of any facilities or improvements under this Permit, any employee performing services for Permittee shall be paid not less than the highest prevailing rate of wages and that Permittee shall include, in any contract for construction of such improvement work or any alterations on the Premises, a requirement that all persons performing labor under such contract shall be paid not less than the highest prevailing rate of wages for the labor so performed. Permittee further agrees that, as to the construction of such improvement work or any alterations on the Premises under this Permit, Permittee shall comply with all the applicable provisions of Section 6.22(E) of the San Francisco Administrative Code (as the same may be amended, supplemented or replaced) that relate to payment of prevailing wages. Permittee shall require any contractor to provide, and shall deliver to City upon request, certified payroll reports with respect to all persons performing labor in the construction of the improvement work or any alterations on the Premises.

35. Notification of Limitations on Contributions. Through its execution of this Permit, Permittee acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the selling or leasing of any land or building to or from the City whenever such transaction would require approval by a City elective officer or the board on which that City elective officer serves, from making any campaign

contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Permittee acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Permittee further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Permittee's board of directors, chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Permittee; any subcontractor listed in the contract; and any committee that is sponsored or controlled by Permittee. Additionally, Permittee acknowledges that Permittee must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126.

36. **No Relocation Assistance; Waiver of Claims.** Permittee acknowledges that it will not be a displaced person at the time this Lease is terminated or expires by its own terms, and Permittee fully RELEASES, WAIVES AND DISCHARGES forever any and all Claims against, and covenants not to sue, City, its departments, commissions, officers, directors and employees, and all persons acting by, through or under each of them, under any laws, including, without limitation, any and all claims for relocation benefits or assistance from City under federal and state relocation assistance laws (including, but not limited to, California Government Code Section 7260 et seq.), except as otherwise specifically provided in this Lease with respect to a Taking.

37. **Amendments.** Neither this Permit nor any terms or provisions hereof may be changed, waived, discharged or terminated, except by a written instrument signed by the party against which the enforcement of the change, waiver, discharge or termination is sought. No waiver of any breach shall affect or alter this Permit, but each and every term, covenant and condition of this Permit shall continue in full force and effect with respect to any other then-existing or subsequent breach thereof. Whenever this Permit requires or permits the giving by City of its consent or approval, the General Manager of the Department shall be authorized to provide such approval, except as otherwise provided by applicable law, including the Charter. Any amendments or modifications to this Permit, including, without limitation, amendments to or modifications to the exhibits to this Permit, shall be subject to the mutual written agreement of City and Permittee, and City's agreement may be made upon the sole approval of the General Manager of the Department; provided, however, material amendments or modifications to this Permit (i) materially increasing the size of the Premises, (ii) increasing the Term, (iii) decreasing the Rent or charges payable by Permittee, (iv) changing the general use of the Premises, or (v) any other amendment or modification which materially increases the City's liabilities or financial obligations under this Permit shall additionally require the approval of the City's Board of Supervisors.

38. **Sunshine.** In accordance with Section 67.24(e) of the San Francisco Administrative Code, contracts, contractors' bids, leases, agreements, responses to Requests for Proposals, and all other records of communications between City and persons or firms seeking contracts will be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract, lease, agreement or other benefit until and unless that person or organization is awarded the contract, lease, agreement or benefit. Information provided which is covered by this Section will be made available to the public upon request.

39. **General Provisions.** (a) This Permit may be amended or modified only by a writing signed by City and Permittee. (b) No waiver by any party of any of the provisions of this Permit shall be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in such written waiver. (c) This instrument (including the exhibit(s) hereto) contains the entire agreement between the parties and all prior written or oral negotiations, discussions, understandings and agreements are merged herein. (d) The section and other headings of this Permit are for convenience of reference only and shall be disregarded in the interpretation of this Permit. (e) Time is of the essence. (f) This Permit shall be governed by California law. (g) If either party commences an action against the other or a dispute arises under this Permit, the prevailing party shall be entitled to recover from the other reasonable attorneys' fees and costs. For purposes hereof, reasonable attorneys' fees of City shall be based on the fees regularly charged by private attorneys in San Francisco with comparable experience. (h) If Permittee consists of more than one person then the obligations of each person shall be joint and several. (i) Permittee may not record this Permit or any memorandum hereof. (j) Subject to the prohibition against assignments or other transfers by Permittee hereunder, this Permit shall be binding upon and inure to the benefit of the parties and their respective heirs, representatives, successors and assigns. (k) Any sale or conveyance of the property burdened by this Permit by City shall automatically revoke this Permit. (l) This Permit may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

40. **Emergency Medical Services Plan.** Permittee is required to download and fill out an Emergency Medical Service Plan (EMS Plan) located on the San Francisco Emergency Medical Services Agency website, www.sanfranciscoems.org, then mail the form to: John F. Brown, MD MPA FACEP, Medical Director, San Francisco EMS Agency, 68 12th Street, Suite 200, San Francisco, CA 94103. The Recreation and Parks Department must receive an approved and stamped copy of the EMS Plan prior to each event.

41. **First Source Hiring Program**

a. **First Source Hiring**

Contractor agrees that it shall work with the San Francisco Workforce Development System in interviewing, recruitment and hiring for available entry level positions so as to provide qualified economically disadvantaged individuals the first opportunity for consideration for employment for entry level positions on the site of the festival. Contractor shall consider all applications of qualified economically disadvantaged individuals referred by the System for employment; provided however, if Contractor utilizes nondiscriminatory screening criteria, Contractor shall have the sole discretion to interview and/or hire individuals referred or certified by the San Francisco Workforce Development System as being qualified economically disadvantaged individuals.

Contractor further agrees to provide appropriate notification of available entry level positions to the San Francisco Workforce Development System so that the System may train and refer an adequate pool of qualified economically disadvantaged individuals to Contractor. These notification requirements will take into consideration any need to protect the employer's proprietary information.

Contractor shall keep appropriate records to confirm contractor's compliance with the first source hiring requirements set forth in this Section.

b. **Hiring Decisions**

Use Permit For Outside Lands Music and Arts Festival

Contractor shall make the final determination of whether an Economically Disadvantaged Individual referred by the System is "qualified" for the position.

c. Exceptions

Upon application by Contractor, the First Source Hiring Administration may grant an exception to any or all of the requirements of this Section in any situation where it concludes that compliance would cause economic hardship.

d. Subcontracts

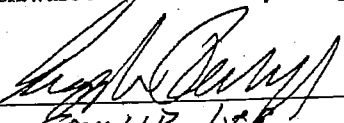
Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of this Section. For the Purposes of this Section, subcontracts shall not include artist performance agreements. Contractor shall keep records of the issuance of sub-contracts requiring compliance with this Section. Contractor will satisfy its obligations under this Section, as to sub-contractors, by issuance of such contracts and maintaining a record of such contracts.

Permittee represents and warrants to City that it has read and understands the contents of this Permit and agrees to comply with and be bound by all of its provisions.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS PERMIT, PERMITTEE ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY TO THIS PERMIT UNLESS AND UNTIL CITY'S BOARD OF SUPERVISORS SHALL HAVE DULY ADOPTED A RESOLUTION APPROVING THIS PERMIT AND AUTHORIZING THE TRANSACTIONS CONTEMPLATED HEREBY. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF CITY HEREUNDER ARE CONTINGENT UPON ADOPTION OF SUCH A RESOLUTION, AND THIS PERMIT SHALL BE NULL AND VOID IF CITY'S MAYOR AND THE BOARD OF SUPERVISORS DO NOT APPROVE THIS PERMIT, IN THEIR RESPECTIVE SOLE DISCRETION. APPROVAL OF THIS PERMIT BY ANY DEPARTMENT, COMMISSION OR AGENCY OF CITY SHALL NOT BE DEEMED TO IMPLY THAT SUCH RESOLUTION WILL BE ENACTED, NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON CITY.

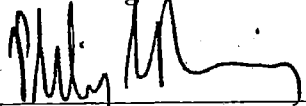
PERMITTEE:

Another Planet Entertainment, LLC
a Delaware Limited Liability Company

By: 
Name: Greg W. Perloff
Title: CEO

By: _____
Name: _____
Title: _____

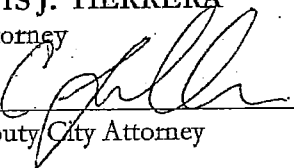
CITY AND COUNTY OF SAN FRANCISCO, acting
by and through its Recreation and Park Department:

By: 
Philip A. Ginsburg
General Manager

APPROVED AS TO FORM:

DENNIS J. HERRERA

City Attorney

By: 
Deputy City Attorney

Commission Resolution No.: _____

Board Resolution No.: _____

Appendix B
Operating and Outreach Requirements

1. Dates and Hours

2009 festival hours and dates to be as follows:

Friday, August 28

Show begins at 1:00 PM and ends no later than 10:00 PM.

Saturday August 29

Show begins at 12:00 noon and ends no later than 10:00 PM

Sunday, August 30

Show begins at 12:00 noon and ends no later than 9:20 PM

Gates open each day up to 2 hours prior to show start time as listed above.

In addition to Festival hours and dates as noted above:

Set Up begins: August 21st at 8:00am

Strike complete: September 2nd at 8:00pm

Festival dates for future years to be mutually determined by presenter and City no later than 30 days after the prior year's Festival. Festival dates to be between June 1 and August 31st of each year.

2. GGP Site Plan and Operations

Presenter and RPD will each designate a Project Manager who will serve as each party's principal authority for all site issues and decisions during set-up and breakdown, Presenter will consult with RPD Project Manager throughout site plan design and development.

Presenter to submit to the City a detailed layout of set-up plans no later than 90 days prior to the event for the City's approval. The plan will specifically address and/or include the following:

- Location of all stages, food and beverage booths, portable toilets, dumpsters, and all other structures.
- Set-up and breakdown times and dates. Set-up and breakdown dates shall be staggered to minimize the amount of time that the premises are closed to the public.
- A plan for the protection of the natural site, including all trees. Presenter shall consult with a licensed, certified arborist for advice on tree root protection, vegetation protection, vehicle paths, vehicular tire requirements and all other aspects of tree and other protection. Presenter and RPD to pre-determine scope of work for the arborist.
- Location and types of barrier fencing and the length of time each area of the park will be closed to regular park users. Fencing shall be configured to allow wildlife to pass through at ground level at various intervals. All fencing materials to be completely removed after event by end of

load out. In the event that fencing is put in place before the premises are closed to the public, the presenter shall document public access points.

- Location of trash receptacles and schedule for pick-up, especially at key entry/exit points to the park.
- A plan for the clean-up of the entire site. Such plan shall include details about operations during the course of each festival day, between festival days and at the end of the festival. Such plan shall be sufficient to ensure that all litter is removed from the premises before the completion of event load-out.
- Designated travel routes through turf areas. All event vehicles will be required to operate only on designated travel routes. Landscape tires (e.g. slicks with low pressure) to be required for all equipment and vehicles operating on turf areas.
- Posting of adequate signage and event staff to direct the public to the correct points of entry to and exit from the event site, so as to prevent the public cutting their own paths through the park landscape, especially along Lincoln and Fulton Streets.

Parking off of roadways and on lawn areas is prohibited, unless otherwise approved by RPD. Presenter shall arrange for immediate towing of said vehicles.

Only screw-in stake systems will be permitted. Limited staking of structures permitted and must be reviewed by RPD Project Manager and Park Section Supervisor. In-ground posts are prohibited in any locations. Anchor bolts are not to be drilled into the concrete, asphalt or lawn areas

All stages must meet ADA specifications and a plan addressing compliance with Disabilities Act requirements.

Tent anchors (sandbags or water barrels) are to be marked and highly visible to the public and designed for easy maneuvering by the sight impaired and wheelchair users. The name of the tenting company must be submitted 30 days prior to event.

Structures, decorations, equipment may not be attached to Department property or vegetation without RPD approval.

One day prior to the first day of set-up for the event, Presenter and RPD Project Manager shall conduct a walk-through of the site and determine the condition of the site. The same representatives shall conduct a second walk-through immediately following the event load-out to determine if there has been damage caused by the event. If requested by RPD, Presenter shall promptly, at its sole cost and expense, repair any and all damage to the site.

Presenter to be liable for any damage caused by event, including restoration costs, to plants, trees, lawns, landscaping, sprinkler heads, irrigation lines and other park structures and infrastructure.

Portable toilet requirements: no less than 100, of which 14 must meet ADA specifications

Maximum paid attendance per day for the total, festival at all event sites combined cannot exceed 60,000, unless otherwise approved by RPD.

RPD staff to have access to fenced areas for normal business during set up and break down.

All RPD labor costs specifically related to the event to be borne by Presenter. RPD and Presenter to determine appropriate levels of service to be provided by the department and the cost for these services not less than 30 days prior to the event. RPD will attempt to negotiate costs for these services for the term of Presenter's agreement with RPD.

3. Transportation and Parking

Presenter to submit to the City a detailed Transportation Management Plan addressing traffic flow for arrival and exit, including confirmation of specific MUNI, DPT and SFPD resources necessary to support the plan, no later than 60 days prior to the event for the City's approval. The plan will specifically address and/or include the following:

- A parking enforcement plan, including the strict enforcement of parking regulations in the neighborhoods with temporary posted signs and availability of tow trucks.
- If feasible, coordination with local parking lots; and shuttle transportation from those lots to the concert site. Directional signage to parking lots away from the adjacent neighborhoods.
- A detailed plan for transportation including public buses/streetcars and private shuttles that can handle the anticipated number of concert goers, including coordinating extra coaches with Muni along existing routes and/or dedicated special service. Muni service will depend on availability of coaches and Muni personnel.
- If feasible, designated taxi stands and outreach/coordination with taxi companies.
- Promotion of transit, including web-links for Bay Area transportation networks. Provide email updates to attendees for transportation information.
- Provision and promotion of bike use and bike valet parking.

4. Sound and Sound Mitigation

Sound will end Friday and Saturday evening at 10:00 PM and at 9:20 PM on Sunday.

There will be no amplified music permitted prior to opening of gates on any day of event, except for agreed upon limited sound checks one day prior to the concert and for line checks prior to opening of gates. Hours for sound checks will be limited to noon to 5pm the day prior to the concert; and line checks will not commence prior to 10am on the days of the concert.

Presenter will make commercially reasonable best efforts to limit sound to the close environs of the concert grounds.

Sound levels must be monitored by RPD and records kept, both within the Park and in the neighborhood at locations agreed to by RPD and Presenter, in consultation with the neighborhood. Sound levels will be monitored/measured by an independent sound consultant who is selected by RPD, in consultation with Presenter. The sound consultant will report to RPD. The scope of work for the sound consultant will be jointly determined by RPD and Presenter. The sound consultant will be paid for by Presenter. Sound level measurements from the 2009 concert will be used to set goals for future year's festivals.

5. Security

The Presenter will submit a detailed Security Plan, including any request for Park Patrol presence, no later than 60 days prior to the concert.

Reasonable and customary SF Police Officers and Park Patrol officers needed for the event will be at the full cost of Presenter.

Presenter will meet with Richmond Station police and Park Patrol personnel to determine necessary number of SFPD and Park Patrol officers to staff event.

Overnight security must be provided from first day of load-in to last day of load-out. Dates to be determined each year.

6. Outreach

Presenter and the City to jointly develop an Outreach Plan no later than 90 days prior to the event. The plan shall include:

- Dates and times for all public meetings (general public meetings and meetings with major neighborhood groups) to be held in the Richmond District and the Sunset District. These meetings should take place between 60 and 90 days prior to the event. Presenter and the City will jointly promote the event outreach through notification of interested community groups, working with the appropriate Board of Supervisor's office, and general mailings.
- Appropriate notice of park and road closures to surrounding neighborhoods in advance of event.
- Establishment of 311 and/or a Presenter sponsored telephone hotline to be the primary response system.
- Newspaper ads, direct mailings and e-mailings, and community meetings before the event, including a time schedule for each.
- Pre-event, direct mail notification of pertinent information to all residences bordering the park from Stanyan Street to the Great Highway, and from Lawton Street to Geary Boulevard, including a time schedule for mailing.
- Detailed description of the marketing/communication plan informing ticket holders of transit-first options and any park road closures.

Case N° 2009.0425E



Edwin M. Lee, Mayor
Philip A. Ginsburg, General Manager

John Rahaim
Director of Planning
Planning Department
1660 Mission Street, 5th Floor
San Francisco, CA 94103

Dear Mr. Rahaim,

On November 20, 2012 Supervisor Mar introduced the following proposed legislation:

File No. 121134 Resolution, pursuant to Charter Section 9.118, approving and authorizing an amendment to the Permit with Another Planet Entertainment for the production of the annual Outside Lands Music Festival to extend the term eight additional years, increase the authorized capacity of the event to 75,000, modify components of the permit fee and rent payments, and provide for funds to pay for materials and supplies to maintain the Polo Fields and to endow a gardener for work within the festival premises; affirming a categorical exemption under the California Environmental Quality Act for the amendment; and ratifying prior actions.

This office is being submitted to your office for environmental review, pursuant to planning section 306.7(c)

Sincerely,

Nicholas A. Kinsey

SAN FRANCISCO DEPARTMENT OF CITY PLANNING
CATEGORICALLY EXEMPT FROM ENVIRONMENTAL REVIEW

CLASS 4 - Minor Alterations
to Land. Minor temporary use of land having negligible or no permanent effects on the environment.

[Signature] 11/29/12
Approved Planning Dept. Monica Cristina Pereira,
Environmental Planner

McLaren Lodge in Golden Gate Park | 501 Stanyan Street | San Francisco, CA 94117 | PHONE: (415) 831-2700 | WEB: sfrecpark.org

***SPEAK* SUNSET PARKSIDE EDUCATION AND ACTION COMMITTEE**

1329 7th Avenue, San Francisco, CA 94122-2507 speaksanfrancisco@yahoo.com

December 5, 2012

San Francisco Board of Supervisors
Budget and Finance Committee

Item 16
Outside Lands Festival contract extension

Dear Supervisor,

Please add language to the contract language which would regulate temporary fencing in Golden Gate Park for the Outside Lands festivals which will remain in effect for the next eight years.

I've laid out the problem in a letter sent to you Monday, which I attached to my e-mail today.

Here is an example of the language which could be added to the contract:

Temporary fencing. The installation of fencing shall begin no earlier than the Monday before the festival weekend and may remain in place for a total of ten days unless special circumstances require an extension to twelve days. Gateways in the fencing should be as numerous and convenient as possible to the area's pathways and driveways, and must remain open except on festival days. The goal is to permit maximum park access, convenience and security to the public during the long set-up period.

Thank you very much for your consideration.

Mary Anne Miller

FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors

Contractor Information <i>(Please print clearly.)</i>
Name of contractor: Another Planet Entertainment, LLC
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i> 1 and 2. Board of Directors: Gregg W. Perloff – CEO; Robert Piccinini; Steven Kay; Sherry wasserman; Stephen Welkom – COO; Glenn Alen Scott, Jr. 3. Gregg W. Perloff; Robert Piccinini 4 and 5. None
Contractor address: 1815 Forth St., Suite C, Berkeley, CA 97710
Date that contract was approved: <i>(By the SF Board of Supervisors)</i>
Amount of contracts: \$11,850,000
Describe the nature of the contract that was approved: Permit Extension for the Outside lands Music Festival.
Comments:

This contract was approved by (check applicable):

☐ the City elective officer(s) identified on this form

☒ a board on which the City elective officer(s) serves: San Francisco Board of Supervisors
Print Name of Board

☐ the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed