

# RISK COMMUNIQUÉ

## ***Rental Agreements***

***Many Emergency Service Organizations (ESOs) have social halls, picnic pavilions, meeting rooms and other facilities that are available for use by the public. While these are typically good sources of revenue and are also a good public relations tool, they also present additional liability exposures to the ESO.***

For ESOs that rent facilities to others, VFIS recommends the use of a contract that details the terms and conditions of the rental and provides that the lessee/renting party will hold the emergency service organization harmless in the event of injury or other damages related to the use of the facility. When reviewing Rental Agreements, VFIS Risk Control has found that many contracts may not be appropriately worded with necessary protections or are incorrectly completed, often with provided spaces left blank.

This communiqué offers risk management guidelines to assist emergency service organizations in managing their liability exposures relating to rentals. It includes a sample rental contract with a hold harmless agreement that may be used in whole or as an example for an ESO. It is recommended that the agreement, whether sampled or developed, be reviewed by a local attorney.

Consider including the following points if developing a form:

- Make certain that that all parties who are actually responsible for the event are listed and obtain appropriate signatures.
- Define what is being leased including rooms, halls, picnic grounds, ball fields, additional structures, accessories, equipment and cooking facilities.
- Be aware of what type of events are going to take place and the events/activities are described in detail on the agreement in writing. It is important to know what kind of activities the renting party intends to have and specify any activities that the ESO does not want to have taking place on the premises.
- The laws of the state govern the leasing agreement. The parties shall agree that if any provision of the agreement is held to be invalid or unenforceable, all other provisions shall continue in full force and effect.
- Require a Certificate of Insurance and a copy of the renter's insurance policy showing the existence of liability insurance. Individuals will also be required to provide such insurance protection.
- Have a hold harmless and indemnification clause included in the contract to protect the organization's officers and members against any demands, causes of actions or any other claim of the renting party, its members, agents, employees, subcontractors, patrons, guests or invitees arising out of or relating to the leasing party's rental.
- Include a statement explaining that the ESO has the right to cancel the agreement if the renting party or other individual fails to comply with the terms and conditions of the rental agreement.
- Inform the leasing party, that the ESO reserves the right for its members, representatives and agents to have free access and the right to enter the premises.
- Specifically list the amount of any deposit required, when the deposit is required to be paid and what takes place for the deposit to be returned.
- Indicate the maximum capacity of the facility and strictly adhere to local building codes.

*This is a sample guideline furnished to you by VFIS. Your organization should review this guideline and make the necessary modifications to meet your organization's needs. The intent of this guideline is to assist you in reducing exposure to the risk of injury, harm, or damage to personnel, property, and the general public. For additional information on this topic, contact your VFIS Risk Control Representative at (800) 233-1957.*

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- If alcohol is served/consumed, a licensed bartender or certified and trained person is required in accordance to applicable state liquor laws. This includes, but is not limited to, obtaining the appropriate state license and appropriate insurance coverage for the event. Post written liquor rules and regulations within the event area.

Have forms/contracts reviewed by an attorney for compliance with local laws and suitability to the particular needs of the ESO involved. Once developed, the contract may be used for all events (this would include times when the facility is provided for use without a charge or being used by a member for a private party). Provide a copy of the contract to the lessee and keep the original on file.

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## **ABC Emergency Service Organization Sample Rental Agreement**

Date: \_\_\_\_\_  
Person(s) or Name of Organization: \_\_\_\_\_ (Lessee)  
Contact Person: \_\_\_\_\_ Address: \_\_\_\_\_  
Phone Number: \_\_\_\_\_ Cell Phone: \_\_\_\_\_  
Rental Date: \_\_\_\_\_ Set-up Date: \_\_\_\_\_ Rental Time In: \_\_\_\_\_ Rental Time Out: \_\_\_\_\_  
Type of event to be held \_\_\_\_\_

The Lessee(s) shall pay to the Organization the sum of \$\_\_\_\_\_.00 being hereinafter referred to as the "Deposit Amount." In the event that the reservation is cancelled by the Lessee without sixty (60) days prior written notice or in the event the tasks set forth below are not performed by the lessee, the Deposit Amount shall be retained by the Organization as liquidated damages.

In addition to the Deposit Amount, a valid certificate of insurance indicating in force liability insurance shall be provided to the Organization at least ten (10) days prior to the event. (Received  Date \_\_\_\_\_ Copy attached

The total sum for the aforementioned event will be \$\_\_\_\_\_ to be paid in full by \_\_\_\_\_ (Date).

All Rental Payment will be made in full and in advance of the event with keys not being assigned until that time. Applicable deposits will be returned only if the following conditions are satisfied:

- Floors swept
- Spills wiped up.
- Lights off.
- No property damage.
- Garbage bags placed in hopper.
- Table tops washed.
- Doors locked.
- Furniture repositioned.
- Heat/air conditioning thermostat set per instructions.
- Key returned to proper person.

Once the event is held and all duties of the lessee under this agreement have been, in the opinion of the Organization, properly executed, the Deposit Amount will be applied to any outstanding portion of the rental sum OR returned as overpayment within 15 days by the Organization. The following persons should be contacted if problems arise during the event: John Smith 555-0000 or Susan Deer 555-1111.

### Event Restrictions:

- No illegal activities or drugs.
- No firearms.
- No taping, nailing or thumb tacking of decorations or signs to any wall, door or ceiling.
- All alcoholic beverages brought in must be served by bartenders assigned or approved by the Organization. During the event the beverages are released to and to remain in the care, custody and control of the bartenders. The fee for the bartenders for the aforementioned event is \$ \_\_\_\_\_

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payable in addition to and in full with the rental fee. No alcoholic beverages may be removed from the building at any time.

- The premises leased and related services are described and limited as follows:

\_\_\_\_\_

- The premises shall be used for the type of event described above and for no other purposes.

The Lessee shall be responsible for all persons who attend the function and shall ensure that all persons act in an orderly, responsible and safe manner. The Organization retains the right to terminate the event or expel any person or persons who are deemed to be unruly, unsafe, illegally or acting with dangerous behavior or who are in violation of any other clause of the contract. The lessee shall also be responsible for any damage to the leased premises during the subject rental, regardless of cause and shall promptly reimburse the organization in full for such damages.

In consideration of the leasing of the premises of ABC Emergency Service Organization (otherwise referred to as The Organization) to the undersigned, the undersigned hereby releases The Organization, its officers, directors, members and employees (collectively the "The Organization Parties") from any and all suits, actions, compensation, consequential and punitive damages, any and all property damage, personal injuries, illnesses, death resulting from any occurrence or accident that may occur as a result of or arise out of leasing or use of the described premises by the Lessee.

This rental agreement shall be governed by the laws of the state in which the premises are located. The parties agree that jurisdiction and venue shall lie exclusively in the appropriate trial court of the county/parish/town/village in which the premises is located, or, if appropriate in the United States District Court for such county/parish/town/village.

The undersigned hereby agrees to indemnify, defend and hold harmless The Organization Parties from any claims brought by any person or entity arising out of or related to this agreement.

In the event that any court of competent jurisdiction enters a final order determining that any provision of this rental agreement is unenforceable, all other provisions of this agreement shall survive and continue in full force and effect.

Name of Lessee (print): \_\_\_\_\_ Name of Lessee (sign): \_\_\_\_\_

Name of Lessee (print): \_\_\_\_\_ Name of Lessee (sign): \_\_\_\_\_

For the Organization (print): \_\_\_\_\_ Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Addendums (Initial each):

\_\_\_\_\_  
\_\_\_\_\_

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