



SUBMITTAL TO THE BOARD OF DIRECTORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



183

FROM: Regional Park & Open-Space District

SUBMITTAL DATE: 11/30/2010

SUBJECT: Sublease and Concession Agreement for Jurupa Valley Aquatic Center

RECOMMENDED MOTION: That the Board of Directors Approves and:

- 1. Authorizes the attached Sublease and Concession Agreement (Sublease Agreement) between the Regional Park and Open-Space District (District) and Lickin' Good, Inc. dba Backyard Grille (Concessionaire) for Concessionaire to the sublease and operate concession services at the Jurupa Valley Aquatic Center (Center); and
2. Authorizes the Chairman of the Board to execute four (4) copies of the Sublease Agreement; and
3. Authorizes the General Manager, or designee, to administer the Sublease Agreement and execute any other documents necessary complete this transaction; and
4. Directs the Clerk of the Board to return three (3) copies of the Sublease Agreement.

BACKGROUND: (Continued on page 2)

Handwritten signature of Tracy Novak

Tracy Novak, Assistant Parks Director for Scott Bangle, General Manager

2011-010D-JT

Table with 3 columns: FINANCIAL DATA, Current F.Y. Total Cost, Current F.Y. Net County Cost, Annual Net County Cost, In Current Year Budget, Budget Adjustment, For Fiscal Year.

Table with 2 columns: SOURCE OF FUNDS, Positions To Be Deleted Per A-30, Requires 4/5 Vote.

C.E.O. RECOMMENDATION: APPROVE BY: Alex Gann (Handwritten signature)

County Executive Office Signature

- Consent (checkbox), Policy (checkbox), Consent (checkbox), Policy (checkbox)

MINUTES OF THE REGIONAL PARK AND OPEN SPACE DISTRICT

On motion of Commissioner Buster, seconded by Commissioner Stone and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Stone, Benoit and Ashley
Nays: None
Absent: Tavaglione
Date: January 11, 2011
xc: Parks

Kecia Harper-Ihem
Clerk of the Board
By: (Handwritten signature)
Deputy

FORM APPROVED COUNTY COUNSEL BY: Cynthia M. Gunzel 12-1-10 DATE: 12/1/10

SUBJECT: Sublease and Concession Agreement for Jurupa Valley Aquatic Center

BACKGROUND: (continued)

On July 9, 1996, Items 3.15 & 3.16, the Board adopted Ordinance No.762 and 763 Authorizing the Redevelopment Agency for the County of Riverside (Agency) and the District to assist each other in the cost and construction of the Center which is anticipated to be completed in the 2010-2011 fiscal year. The Center is located at 4310 Camino Real, Rubidoux, Riverside County, California, known as Assessor's Parcel Number 183-030-026 and 183-030-043.

The District solicited bids from qualified food and beverage concessionaire for the Center. Only one (1) concessionaire responded with a proposal. The one (1) responsive proposal was evaluated in conformance with County Policy H-7 and interviews were held on June 28, 2010. Backyard Grille was awarded the bid. District and Concessionaire have been in negotiations since the bid was awarded. These negotiations have delayed finalization of the Sublease Agreement. Construction of the Center has also experienced delays and is currently anticipated to be completed in the 2010-2011 fiscal year. District and Concessionaire are choosing to enter into a Sublease Agreement which will allow the Concessionaire to equip, operate and maintain the concession complex. The term of the Sublease is for an initial Five (5) Year Period with Two Five-Year Extension options. The Sublease Agreement will be entered into for provision of safe and convenient concession services to the general public in the use and enjoyment of the Center.

On July 13, 2010, Items 4.4, 9.10 & 13.1, the Board approved the Lease Agreement between the Agency and District authorizing the District's maintenance and operation of the Center. Also, the Board adopted the finding that nothing further was required for the Lease Agreement because all potentially significant effects were adequately analyzed in Initial Study: RDA/CEQA 2010-01, prepared for the leasing, maintenance and operations of the Center which incorporated the previously adopted Mitigated Negative Declaration RDA/CEQA 2008-03. The Lease Agreement contemplated subleasing and concession services at the Center. For the Sublease Agreement, all potentially significant effects of the actions have been analyzed in the Initial Study: RDA/CEQA 2010-01 and have been avoided or mitigated pursuant to that earlier Mitigated Negative Declaration; no considerably different mitigation measures have been identified; and no mitigation measures found infeasible have become feasible. As a result, no further environmental documentation is required for California Environmental Quality Act purposes.

County Counsel has approved as to form.

**SUBLEASE and CONCESSION AGREEMENT
JURUPA AQUATIC CENTER**

THIS SUBLEASE AND CONCESSION AGREEMENT (“Sublease”) made and entered into this 14th day of January, 2011, by and between the RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT, a body politic, hereinafter called “DISTRICT”, and Lickin’ Good, Inc. dba Backyard Grille, a Nevada corporation, hereinafter called “SUBLESSEE”, for the property described below upon the following terms and conditions:

WITNESSETH

WHEREAS, DISTRICT is the Lessee of certain real property, and Redevelopment Agency for the County of Riverside, (“AGENCY”) is the Lessor thereof, known as the “Jurupa Valley Aquatic Center”, under that certain Lease Agreement, dated July 13, 2010, and amendments thereto, referred to herein as the “Master Lease”; and

WHEREAS, DISTRICT desires to sublease to Sublessee certain portions of said Jurupa Aquatic Center, which portions are more particularly described in Exhibit “A” hereof, which is attached hereto and incorporated herein by this reference, sometimes referred to herein as the “Premises”; and

WHEREAS, DISTRICT desires that SUBLESSEE hereunder shall, in accordance with the terms and conditions hereof, equip, operate and maintain a concession complex as hereinafter set forth, and SUBLESSEE desires to so sublease said Premises and operate said concession complex; and

WHEREAS, it is appropriate that this Sublease be entered into for the safety and convenience of the general public in the use and enjoyment of said Jurupa Aquatic Center; and

NOW, THEREFORE, for and in consideration of the Premises, and of the mutual terms, covenants and conditions hereinafter set forth, the parties hereto do hereby mutually covenant and agree as follows:

1. DESCRIPTION OF PREMISES: The DISTRICT hereby subleases to SUBLESSEE for the purposes herein, the said Premises and the right, privilege and duty to

equip, operate, and maintain a concession complex as described on Exhibit "A" attached hereto and by this reference made a part of this Sublease.

The possessory interest herein given to the SUBLESSEE does not exclude the general public from the Premises; however, the use by the general public is limited by the terms and conditions of the possessory interest given herein. This contract is not intended to confer third party beneficiary status to any member of the public who is benefited by its terms.

This grant is subject to all valid and existing contracts, licenses, leases, encumbrances, and claims of title which may affect said property, and the use of the word "grant" herein shall not be construed as a covenant against the existence of any thereof. Said grant shall be subject to all terms, conditions, exceptions, and reservations of said Master Lease, a copy of which, marked Exhibit "B", is attached hereto and hereby made a part of this contract. All agreements, licenses, permits and subleases shall be subject to said Master Lease.

2. CONDITION OF PREMISES: The taking of possession of the subject Premises by SUBLESSEE shall, in itself, constitute acknowledgment and acceptance of the Premises in their presently existing condition, "as is", and that the DISTRICT shall not be obligated to make any alterations, additions or betterments thereto.

3. TERM: This Sublease shall commence on the date of final approval of this Sublease by Board of Directors of DISTRICT and shall be for an initial term of five (5) years ending on June 30, 2015. SUBLESSEE, upon consent of the DISTRICT, and provided that SUBLESSEE is not in default of the terms of the Sublease, may extend the term for two (2) additional 5 year terms, not to exceed fifteen (15) years. The extension terms shall be entered into through an amendment to the original Sublease with the authorization of the DISTRICT and the SUBLESSEE. DISTRICT has no obligation to enter into any extensions or purchase any specified amount of services. Should SUBLESSEE hold over after the expiration of the term of this contract with the express or implied consent of the DISTRICT, such holding over shall be deemed to be a tenancy from month to month at the herein stated prescribed rent, subject otherwise to all the terms and conditions of this contract. At the expiration or termination of this

Sublease, as herein provided, the SUBLESSEE shall within thirty (30) days thereafter, remove from said Premises or otherwise dispose of in a manner satisfactory to the DISTRICT all personal property belonging to SUBLESSEE located on said Premises. Should SUBLESSEE fail to remove or dispose of his property as herein provided, the DISTRICT may, as its elective consider such property abandoned and may dispose of same at SUBLESSEE'S expense. Also, at the expiration or termination of this Sublease, the SUBLESSEE shall quit and surrender the said Premises, including real property improvements, in a good state of repair, damage by matters over which SUBLESSEE has no control excepted, provided that such exculpatory provision shall not extend to any risk which SUBLESSEE is required to insure against as herein provided.

4. RENTAL: SUBLESSEE shall pay rent "Base Rent", without demand, in the amount of four hundred dollars (\$400) per month from May through September, herein called "Operating Year". During October through April, Sublessee shall pay Base Rent for any month that Sublessee shall occupy and provide concession services for any contracted special events. In addition to the Base Rent, SUBLESSEE shall pay ten percent (10%) accumulated gross sales in year one, eleven percent (11%) accumulated gross sales in year two, and twelve percent (12%) accumulated gross sales in year three ("Additional Rent"), as described on Exhibit "C", attached hereto and by this reference incorporated herein. The accumulated gross sales percent will remain at twelve percent (12%) for the remainder of the five (5) year Sublease and any extension terms. Beginning the 15th of the month following the commencement of operations, and on the 15th of each month thereafter, the SUBLESSEE shall furnish to the DISTRICT a verified statement of its cumulative total gross sales receipts as defined herein through the close of the preceding month. Together with such monthly statement, the SUBLESSEE shall pay to the DISTRICT, the rental fee for the preceding calendar month and the percentage of accumulated gross sales. SUBLESSEE shall make such timely rental payments and failure to do so when due shall be deemed in default if not made within fifteen (15) days of the due date and a material breach of the terms and conditions hereof. SUBLESSEE shall be assessed a late payment fee of five percent (5%) upon default which is due and payable on any rental not paid within such time,

and an additional fee of five percent (5%) will be assessed every thirty (30) days thereafter until payments are received and rent is current. Payments to the DISTRICT shall be made to the order of the Riverside County Regional Park and Open-Space District, 4600 Crestmore Road, Riverside, California 92509.

5. ACCOUNTING PRACTICES.

A. For purposes of this paragraph a “current year” is defined as the twelve (12) month period beginning July 1 and ending June 30 and each twelve (12) month period thereafter until the end of the contract term.

B. SUBLESSEE shall keep true and accurate books and records showing all of its business transactions in separate records of account for its operations in a manner acceptable to the DISTRICT in accordance with Exhibit “D”, Accounting Manual for Subcontractors, attached hereto and by this reference incorporated herein and the DISTRICT shall have the right through its representative and at all reasonable times, to inspect such books and records including State of California sales tax return records and SUBLESSEE hereby agrees that all such records and instruments are available to the DISTRICT.

C. SUBLESSEE will submit to the DISTRICT, no later than forty-five (45) days after the close of each current year, a profit and loss statement prepared by SUBLESSEE. Said statement shall contain an appropriate certification by a Certified Public Accountant within SUBLESSEE’S organization that all gross sales receipts during the yearly accounting period shall have been duly and properly reported to the DISTRICT. During the optional renewal years, six (6) through fifteen (15), SUBLESSEE will submit to the DISTRICT, no later than forty-five (45) days after close of each current year, a sales audit prepared by a Certified Public Accountant licenses in the State of California. Said statement shall contain an appropriate certification that all net sales as defined in Exhibit “D” herein during the yearly accounting period shall have been duly and properly reported to the DISTRICT.

D. The DISTRICT further reserves the right to examine all such books and records at any time during the one (1) year period following the termination of this Sublease.

E. SUBLESSEE agrees that as part of its record-keeping activity it shall, at its own cost and expense, install and maintain such cash register equipment as may be deemed necessary by the DISTRICT. Such cash register equipment shall contain a continuous registering tape.

6. USE OF PREMISES: The subject Premises shall be used by the SUBLESSEE for the operation and maintenance of a concession facility as shown on Exhibit "A", attached hereto and hereby made a part hereof.

SUBLESSEE shall not use or permit the subject Premises to be used in whole or in part during the term of this contract for any purpose other than as herein set forth, without the prior written consent of the DISTRICT. SUBLESSEE expressly agrees at all times during the term of this contract, at its own cost and expense, to maintain and operate the areas outlined in Exhibit "A", in a clean, safe, wholesome and sanitary condition, free of trash, garbage or obstructions of any kind and in compliance with any and all present and future laws, general rules or regulations of any governmental authority now or at any time during the term of this contract in force relating to sanitation or public health, safety or welfare; and SUBLESSEE shall at all times faithfully obey and comply with all laws, rules and regulations applicable thereto, adopted by Federal, State or other governmental bodies or departments or officers thereof. This contract is expressly subject to regulations and policies of the DISTRICT. SUBLESSEE shall remedy without delay any defective, dangerous or unsanitary conditions. SUBLESSEE recognizes that its rights and responsibilities under this Sublease may be affected by acts taken or orders given by DISTRICT. SUBLESSEE shall comply with any written order so given by DISTRICT or its representatives and agrees to make no claim against DISTRICT or its directors, officers, or agents for damages, howsoever arising by reason of alleged loss, expense or damages incurred as a result of any action taken or order given by DISTRICT or its representatives, and to hold DISTRICT, its directors, employees, and agents harmless from liability for any such alleged loss, expense, or damages.

7. MAINTENANCE: SUBLESSEE shall be responsible for maintaining the Premises, including but not limited to all repair, maintenance, (including fire extinguishers), and janitorial supplies and services of the Premises, scheduling routine maintenance and service of equipment installed in the Premises, day to day cleaning, minor repairs and replacements. SUBLESSEE shall make repairs up to five hundred dollars (\$500.00). The DISTRICT shall make repairs valued at five hundred one dollars (\$501.00) or greater pursuant to the terms and conditions of the Master Lease and provided Sublessee has not caused the need for such repairs. SUBLESSEE shall be responsible for cost of repair and/or maintenance of equipment in the event it is determined that the damage or need for any maintenance was caused by the acts or omissions on the part of SUBLESSEE, as determined in the sole discretion of the DISTRICT. Prior to scheduling repairs and/or maintenance, other than emergency situations, DISTRICT shall coordinate with SUBLESSEE to ensure work does not interfere with operations of the SUBLESSEE. Should SUBLESSEE fail, neglect or refuse to schedule repairs and/or maintenance valued up to five hundred dollars (\$500.00), the DISTRICT shall have the right, but not the obligation, to perform such maintenance and/or repairs for the SUBLESSEE'S account and the SUBLESSEE agrees to promptly reimburse the DISTRICT for the cost thereof, provided however, that the DISTRICT shall first give SUBLESSEE ten (10) days written notice of its intention to perform such maintenance and/or repairs for the SUBLESSEE'S account for the purpose of enabling SUBLESSEE to proceed with such maintenance and/or repairs to or maintain any improvements on the subject Premises. SUBLESSEE shall not have the right to make or schedule any repairs on behalf or at the expense of the DISTRICT .

8. UTILITIES AND SERVICES: The DISTRICT shall be responsible for providing basic utilities and service (gas, water, electric) to the Premises at no additional cost to SUBLESSEE. The Rental amount, set forth in Section 4 of the Sublease and Concession Agreement paid by the SUBLESSEE has been calculated to be inclusive of these costs.

9. EQUIPMENT: In order to best equip the Premises for the provision of concessionaire services, the DISTRICT shall work with AGENCY to negotiate the exchange and

purchase of kitchen equipment, not to exceed a total of twenty thousand dollars (\$20,000.00), as mutually agreed upon between the DISTRICT, AGENCY and SUBLESSEE. The final list of exchanged equipment shall be determined based on the space and utility supply within the existing kitchen layout and is subject to Riverside County Health Department guidelines. The final approved list shall be referenced as an amendment to this agreement with written authorization from the DISTRICT and the SUBLESSEE. Any necessary equipment, not included, in the items provided as detailed in Exhibit "A" shall be at the sole expense of SUBLESSEE. SUBLESSEE shall completely equip the concession areas described herein and shall keep the same equipped in a manner fully satisfactory to DISTRICT throughout the term of this contract. With authorization from DISTRICT equipment purchased by the SUBLESSEE shall remain the property of the SUBLESSEE and the DISTRICT shall not be held liable for the cost, damage maintenance and/or repairs of said equipment. The list of SUBLESSEE owned equipment shall be referenced as an amendment to this agreement.

10. SIGNS, ADVERTISING AND APPROVAL OF NAME: SUBLESSEE shall establish a sign program compatible with DISTRICT'S sign program as a part of his planning process which will be approved by the DISTRICT. Additional signs, names, placards or advertising matter shall not be inscribed, painted or affixed upon said Premises, circulated or published without prior written consent of DISTRICT.

11. QUALITY OF SERVICE AND CONTROL OF RATES AND CHARGES: SUBLESSEE shall operate and manage the services and facilities offered in a manner fully satisfactory to DISTRICT in the reasonable exercise of its discretion during the entire term of this Sublease. SUBLESSEE shall and will furnish goods and services of the best quality and shall and will maintain a high standard of service, to the satisfaction of DISTRICT without discrimination.

A. The DISTRICT shall have access to and the right to inspect the schedule of prices and rates for goods sold or services rendered or performed upon the subject Premises, and in the event that after SUBLESSEE has been advised and given reasonable opportunity to confer

with the DISTRICT and justify the prices or portions mentioned above, if the DISTRICT shall determine any price or prices to be unreasonable or inappropriate for the services rendered, the item sold, or any portion or portions to be inadequate, the same shall be modified and mutually agreed upon by DISTRICT and CONCESSIONAIRE. SUBLESSEE shall post rates and prices for all goods and services in such places as may be designated by the DISTRICT. SUBLESSEE shall annually submit to DISTRICT a price list of goods and services available to the public available at the Jurupa Aquatic Center.

B. The DISTRICT reserves the right to prohibit the sale or rental of any item which it deems objectionable or beyond the scope of merchandise deemed necessary for proper service to the public.

C. SUBLESSEE and the DISTRICT shall from time to time review items sold and containers or utensils used or dispensed by SUBLESSEE and wherever feasible, eliminate the use of non-returnable containers, plastics, etc. The DISTRICT reserves the right to prohibit the sale or use of non-recyclable containers or plastics.

D. A competent responsible person shall be on the Premises at all times while the concession is in operation. If the on-site manager is other than the SUBLESSEE, DISTRICT reserves the right to approve such manager.

E. SUBLESSEE shall have the first right of refusal for all food and beverage service (including vending) on the Premises, to include but not limited to, catering for after hour group and private rentals. SUBLESSEE shall have first right or refusal for competition swim events, during the Operating Year.

F. No outside user groups will be permitted to use the subleased space (kitchen).

G. DISTRICT shall include an additional one dollar (\$1) fee on the price of admission. This fee will go towards the issuance of a one dollar (\$1) concession voucher with each paid admission by the public. SUBLESSEE shall honor the concession voucher, as it is being issued to encourage the public to purchase food and/or beverage from SUBLESSEE.

H. No outside food or coolers will be permitted on the Premises.

I. SUBLESSEE will be included in marketing packages, including but not limited to the pricing structure for group and private rentals, birthday parties, and catering packages.

12. INSURANCE. Without limiting or diminishing the SUBLESSEE's obligation to indemnify or hold the DISTRICT harmless, SUBLESSEE shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage's during the term of this lease.

A. Workers' Compensation: If the SUBLESSEE has employees as defined by the State of California, the SUBLESSEE shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of the DISTRICT, and, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

B. Commercial General Liability: Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of SUBLESSEE'S performance of its obligations hereunder. Policy shall name the DISTRICT, its directors, officers, employees, appointed officials, agents or representatives as Additional Insured. Policy's limit of liability shall not be less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit.

C. Vehicle Liability: If vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then SUBLESSEE shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence

limit. Policy shall name the DISTRICT, its directors, officers, employees, appointed officials, agents or representatives as Additional Insured.

D. General Insurance Provisions - All lines:

1) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by DISTRICT'S Risk Manager. If DISTRICT'S Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

2) The SUBLESSEE'S insurance carrier(s) must declare its insurance self-insured retentions. If such self-insured retentions exceed \$500,000 per occurrence such retentions shall have the prior written consent of DISTRICT'S Risk Manager before the commencement of operations under this Agreement. Upon notification of self insured retention unacceptable to the DISTRICT, and at the election of DISTRICT'S Risk Manager, SUBLESSEE'S carriers shall either; 1) reduce or eliminate such self-insured retention as respects this Agreement with the DISTRICT, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

3) SUBLESSEE shall cause SUBLESSEE'S insurance carrier(s) to furnish the DISTRICT with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by DISTRICT'S Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the DISTRICT prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the DISTRICT receives, prior to such EFFECTIVE DATE, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and

attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. SUBLESSEE shall not commence operations until the DISTRICT has been furnished original Certificate (s) of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.

4) It is understood and agreed to by the parties hereto that the SUBLESSEE'S insurance shall be construed as primary insurance, and the DISTRICT'S insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.

5) If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of work which will add additional exposures (such as the use of aircraft, watercraft, cranes, etc.); or, the term of this Agreement, including any extensions thereof, exceeds five (5) years the DISTRICT reserves the right to adjust the types of insurance required under this Agreement and the monetary limits of liability for the insurance coverage's currently required herein, if; in the DISTRICT'S Risk Manager's reasonable judgment, the amount or type of insurance carried by the SUBLESSEE has become inadequate.

6) The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to DISTRICT'S Risk Manager.

7) SUBLESSEE shall immediately notify DISTRICT of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Agreement.

13. INDEMNIFICATION. SUBLESSEE shall indemnify and hold harmless the DISTRICT, its directors, officers, employees, appointed officials, agents or representatives from any liability whatsoever, based or asserted upon acts, omissions or any services of SUBLESSEE, its officers, employees, agents or representatives arising out of or in any way relating to this

Agreement, including but not limited to PROPERTY damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance of SUBLESSEE, its officers, agents, employees, agents or representatives from this Agreement. SUBLESSEE shall defend, at its sole expense, all costs and fees including, but not limited, to attorney fees, cost of investigation, defense and settlements or awards, the DISTRICT, its directors, officers, employees, appointed officials, agents or representatives in any claim or action based upon such alleged acts or omissions.

A. With respect to any action or claim subject to indemnification herein by SUBLESSEE, SUBLESSEE shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of DISTRICT; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes SUBLESSEE'S indemnification to DISTRICT as set forth herein.

B. SUBLESSEE'S obligation hereunder shall be satisfied when SUBLESSEE has provided to DISTRICT the appropriate form of dismissal relieving DISTRICT from any liability for the action or claim involved.

C. The specified insurance limits required in this Agreement shall in no way limit or circumscribe SUBLESSEE'S obligations to indemnify and hold harmless the DISTRICT herein from third party claims.

D. In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve the SUBLESSEE from indemnifying the DISTRICT to the fullest extent allowed by law.

14. ASSIGNMENTS AND SUBLEASES: SUBLESSEE shall not assign, transfer, or sublease this Sublease and Concession Agreement or of any part thereof or interest therein, to any person or persons, entity or entities whatsoever, directly or indirectly, voluntarily or involuntarily, without prior written consent and approval by DISTRICT, and any such attempted

or purported transfer or assignment done or made without such approval being first had and obtained shall be void and of no force and effect.

A. Before DISTRICT considers an assignment, evidence must be given to DISTRICT that the proposed assignee qualifies as a “best responsible bidder” at the sole discretion of the DISTRICT and has and will have available a responsible managing employee. Any document by which an interest is granted, subject to the approval of DISTRICT, shall indicate that the person acquiring that interest has been advised of the terms of this Sublease and takes his interest subject to the terms and conditions set forth herein and recognizes that upon termination of the interest of the SUBLESSEE granted hereby, his interest shall also be terminated.

B. The possessory interest in SUBLESSEE’S improvements, for the purposes of affording security only, may be assigned, transferred or encumbered when first approved in writing by the DISTRICT. No mortgage shall be executed and no bonds or other evidence of interest in, or indebtedness upon the assets or proposed assets of the SUBLESSEE shall be issued except for the purposes of installing, enlarging or improving plant and equipment and extending facilities for the accommodation of the public in the DISTRICT unit and then only except upon prior authorization in writing in each case obtained from the DISTRICT. In the event of default on such a mortgage or such other indebtedness or of other assignment, transfer or encumbrance, the creditor thereof shall succeed to the possessory interest of the SUBLESSEE in SUBLESSEE’S improvements. Under these circumstances, operating rights and privileges shall be as outlined in this Sublease; however, the right of any person or persons to actually operate the said concession is subject to the approval of the DISTRICT.

C. However, in the event of termination of this Sublease, DISTRICT, at its sole option, may elect to treat any assignee, subtenant or holder of and interest conveyed by SUBLESSEE as DISTRICT’S tenant, subject to the terms and conditions hereof and of any agreement entered into between the assignee, subtenant or holder of an interest conveyed by SUBLESSEE.

D. The SUBLESSEE'S interest hereunder shall not be assignable in bankruptcy, nor shall said interest be assignable by operation of law.

15. TAXES: SUBLESSEE agrees to pay all lawful taxes, assessments or charges which at any time may be levied by the State, County, City or any tax or assessment levying body upon any interest in this contract or any possessory right which SUBLESSEE may have in or to the Premises covered hereby or the improvements thereon by reason of its use of occupancy thereof or otherwise, as well as all taxes, assessments, and charges on goods, merchandise, fixtures, appliances, equipment and property owned by it in or about said Premises.

16. INSPECTION OF PREMISES: The DISTRICT hereby reserves the right for itself and for AGENCY, to enter upon the Premises occupied by SUBLESSEE at any reasonable time to inspect the same.

17. INSPECTION AND MAINTENANCE: The DISTRICT reserves the right for itself and for AGENCY, of ingress and egress to inspect, investigate and survey said Premises as deemed necessary by the DISTRICT, and the right to do any and all work of any nature necessary for preservation, maintenance and operation of the Jurupa Valley Aquatic Center as may be required under the Master Lease. SUBLESSEE shall be given reasonable notice when such work may become necessary and will adjust its operations in such a manner that the DISTRICT may proceed expeditiously.

18. NOTICES: Other than rental as noted in Paragraph 4 above, any notices herein provided to be given, or which may be given by either party to the other, shall be deemed to have been fully given when made in writing and deposited in the United States mail, postage prepaid and addressed as follows:

If to SUBLESSEE:
Lickin' Good, Inc. dba Backyard Grille
14026 Donart Road
Poway, CA 92064
(760) 583-0058

If to DISTRICT:
4600 Crestmore Road
Post Office Box 3507
Riverside, CA 92519
(951) 955-4310

The address to which notices shall or may be mailed as aforesaid by either party, shall or may be changed by written notice given by such party to the other as hereinbefore provided, but nothing herein contained shall preclude the giving of any such notice by personal service.

19. INTERPRETATION OF SUBLEASE: This Sublease is made under and is subject to the laws of the State of California in all respects as to interpretation, construction, operation, effect and performance.

20. WAIVER OF TERMS: No waiver by either party at any time of any of the terms, conditions or covenants of this contract shall be deemed as a waiver at any time thereafter of the same or of any other term, condition or covenant herein contained, nor of the strict and prompt performance thereof. No delay, failure of omission of the DISTRICT to re-enter the Premises or to exercise any right, power or privilege or option arising from default nor any subsequent acceptance of rent thereafter accrued shall impair any such right, power, privilege or option or be construed as a waiver of such default or a relinquishment of any right or acquiescence therein. No notice to the SUBLESSEE shall be required to restore or revive time as of the essence after the waiver by the DISTRICT of any default. No option, right, power, remedy or privilege of the DISTRICT shall be construed as being exhausted by the exercise thereof in one or more instances. The rights, powers, options and remedies given to the DISTRICT by this Sublease and Concession Agreement shall be deemed cumulative.

21. MODIFICATION: Notwithstanding any of the provisions of this contract, the parties may hereafter, by mutual consent, agree to modifications thereof or additions thereto, in writing which are not forbidden by law. The DISTRICT shall have the right to grant reasonable extensions of time to SUBLESSEE for any purpose or for the performance of any obligation of SUBLESSEE hereunder.

22. DEFAULT:

A. The SUBLESSEE shall be deemed in default of this LEASE for any of the following reasons: 1) if SUBLESSEE uses the Premises for any purpose other than that

authorized in the SUBLEASE, 2) fails to maintain the Premises or the improvements in the manner provided for in the SUBLEASE, 3) fails to pay any installment of rent or other sum when due as provided for in the SUBLEASE, 4) fails to comply with or perform any other covenant, condition, provision or restriction provided for in the SUBLEASE, 5) abandons the Premise, 6) allows the Premises to be attached, levied upon, or seized under legal process, or 7) if the SUBLESSEE files or commits an act of bankruptcy, has a receiver or liquidator appointed to take possession of the Premises, or 8) commits or permits waste or a nuisance on the Premises.

B. Except for SUBLESSEE'S failure to pay pursuant to Section 4., the DISTRICT shall provide SUBLESSEE with a thirty day (30) written notice to remedy any and all defaults. Upon the failure of SUBLESSEE to properly address default, DISTRICT shall have the right to terminate this SUBLEASE and retake possession of the Premises together with all additions, alterations, and improvements thereto by providing SUBLESSEE thirty days (30) notice of its intent to terminate. DISTRICT shall also retain all rights to seek any and all remedies at law or in equity available in the event of SUBLESSEE'S default.

C. Notwithstanding the provisions in 22. A. and B., this Sublease is made upon the condition that SUBLESSEE fully performs all of the terms, agreements, conditions or covenants herein contained on the part of the SUBLESSEE, or should SUBLESSEE become insolvent, or bankrupt, either voluntarily or involuntarily then, and in such event at the option of the DISTRICT, DISTRICT shall have the right to terminate this SUBLEASE, and the DISTRICT may enter upon the Premises.

23. WAIVER OF CLAIMS: The SUBLESSEE hereby waives any claim against the DISTRICT or AGENCY, their respective officers, agents or employees for damage or loss caused by any suit or proceeding directly or indirectly attacking the validity of this Sublease, or any part thereof or by any judgment or award in any suit or proceeding declaring this Sublease null, void or voidable or delaying the same or any part thereof from being carried out.

24. AGENT FOR SERVICE OF PROCESS: It is expressly agreed and understood that if the SUBLESSEE is not a resident of this State or is an association or partnership without a

member or partner resident of this State, or is a foreign corporation, then in any such event, the SUBLESSEE shall file with the DISTRICT, upon his execution hereof, a designation of natural person residing in the State of California, giving his name, residence and business address, as his or its agent for the purpose of service of process in any court action between him or it and the DISTRICT arising out of or based upon this Sublease and the delivery to such agent of a copy of any process in any such action shall constitute valid service upon such SUBLESSEE; and it is further expressly agreed, covenanted and stipulated that if for any reason service of such process upon such agent is not possible, then in such event SUBLESSEE may be personally served with such process out of this DISTRICT and that such service shall constitute valid service upon such SUBLESSEE; and it is further expressly agreed that SUBLESSEE is amenable to the process so served, submits to the jurisdiction of the court so acquired, and waives any and all objection and protest thereto.

25. RIGHT OF ENTRY AS AGENT: In any case in which provision is made herein for the termination hereof by the DISTRICT or, in the case of abandonment or vacation or the Premises by SUBLESSEE, the DISTRICT, in lieu of declaring a forfeiture, may enter upon the Premises. To such end, SUBLESSEE hereby irrevocably appoint the DISTRICT its agent to remove any and all persons or property on said Premises and place any such property in storage for the account of and at the expense of SUBLESSEE. In such case, the DISTRICT may re-let the Premises upon such terms as it may deem proper, and if a sufficient sum shall not realized thereby, after paying expenses of such re-letting, to satisfy the rent and other sums here agreed to be paid by SUBLESSEE, SUBLESSEE agrees to save the DISTRICT harmless from any loss or damage or claim arising out of the action of the DISTRICT in pursuance of this paragraph.

26. TERMS BINDING ON SUCCESSORS: All the terms, covenants and conditions hereof shall inure to the benefit of and be binding upon the successor and assigns of the parties hereto. The provisions of this paragraph shall not be deemed as a waiver of any of the conditions against assignment hereinbefore set forth.

27. DURATION OF PUBLIC FACILITIES: By entering into this Sublease, the DISTRICT makes no stipulation as to the type, size, location, or duration of public facilities to be maintained at this location. It is the intent of the DISTRICT to make all reasonable efforts to assure continuation of facilities and their operation.

28. TIME OF ESSENCE: Time shall be of the essence in the performance of this Sublease, and all of the terms, covenants and conditions hereof.

29. CONFLICT OF INTEREST: SUBLESSEE warrants and covenants that no official or employee of the DISTRICT nor any business entity in which an official or employee of the DISTRICT is interested; (1) has been employed or retained to solicit or aid in the procuring of this Sublease; (2) will be employed in the performance of this Sublease without the immediate divulgence of such fact to the DISTRICT. In the event the DISTRICT determines that the employment of any such official, employee or business entity is not compatible with such official's or employee's duties as an official or employee of the DISTRICT, SUBLESSEE upon request of the DISTRICT, shall terminate such employment immediately. For breaches or violation of this paragraph, the DISTRICT shall have the right both to annul this Sublease without liability and, in its discretion, recover the full amount of any such compensation paid to such official, employee or business entity.

30. PHOTOGRAPHY: The DISTRICT may grant permits to person or corporations engaged in the production of still and motion pictures, video taping or other types of recording, and related activities, for the use of said Premises for such purposes when such permission does not interfere with the primary business of SUBLESSEE and public use of the recreation area.

31. HAZARDOUS SUBSTANCES: No goods, merchandise or material shall be kept, stored or sold in or on said Premises which are in any way explosive or hazardous; and no offensive or dangerous trade, business or occupation shall be carried on therein or thereon, and nothing shall be done on said Premises, other than as is provided for herein, and no machinery or apparatus shall be used or operated on said Premises which will in any way injure said Premises or adjacent buildings, provided however, that nothing in this paragraph contained shall preclude

SUBLESSEE from bringing, keeping or using on or about said Premises such materials, supplies, equipment and machinery as are appropriate or customary in carrying on its said business or from carrying on its business in all respects as is generally usual.

32. NONDISCRIMINATION: The SUBLESSEE and its employees shall not discriminate because of race, religion, color, ancestry, sex, national origin, medical condition, disability or any other status covered by the California Fair Employment and Housing Act against any person by refusing to furnish such person any accommodation, facility, service or privilege offered to or enjoyed by the general public. Nor shall the SUBLESSEE or its employees publicize the accommodations, facilities, services or privileges in any manner that would directly or inferentially reflect upon or question the acceptability of the patronage of any person because of race, religion, color, ancestry, sex, or national origin.

In the performance hereof, the SUBLESSEE will not discriminate against any employee or applicant for employment, because of race, color, religion, ancestry, sex or national origin.

33. PARAGRAPH TITLES: The paragraph titles in this Sublease are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope or intent hereof or in any manner affects this Sublease.

34. AGREEMENT IN COUNTERPARTS: This Sublease can be executed in counterparts, each of which shall be deemed an original.

35. OPERATION AS DISTRICT PARK: At all times during the term hereof, the facilities and Premises operated by SUBLESSEE hereunder shall be identified and operate as a DISTRICT park, and SUBLESSEE shall prominently display the name and identifying logo of the DISTRICT at the entrance to the Premises and upon any and all significant signs posted within or upon said Premises, shall identify the Premises and facilities thereon as a DISTRICT in any and all advertising undertaken by SUBLESSEE; and SUBLESSEE shall forthwith comply with any and all reasonable instructions and directions given by DISTRICT concerning the matters set forth within this paragraph.

36. DISPOSAL OF INTERESTS: In the event SUBLESSEE wishes to dispose of its interest in this Sublease, and in the concession operation and activity as set forth herein:

The proposed sale and transfer, the buyer, all terms and conditions of the transaction must be approved in writing by the DISTRICT and AGENCY prior to the execution thereof.

37. ADDITIONAL SUBLEASES AND AGREEMENTS: Notwithstanding any of the other terms and provisions of this Sublease, nothing herein contained shall be deemed or interpreted as a limitation or prohibition, in any manner whatever, of the right and power of DISTRICT to enter into additional and subsequent subleases, concession, use or license agreements, or any agreements of whatsoever kind, nature, or sort, with SUBLESSEE or with any other party, for the same purposes as set forth herein, or for any other purpose, which may be deemed by DISTRICT, in the sole exercise of its discretion, to be advantageous in the development, operation and maintenance of the Jurupa Aquatic Center. However, the DISTRICT will not enter into any additional subleases which will cause direct competition in the areas of merchandise, food and beverage. Merchandise shall be defined as items that may be sold in the gift store such as souvenirs and novelties. DISTRICT reserves the right to provide restaurant services.

38. TERMINATION: This Sublease may be terminated if:

A. The SUBLESSEE fails to perform, keep or observe any of its other duties or obligations hereunder; provided however, that SUBLESSEE shall have thirty (30) business days in which to correct such breach or default after written notice has been served on it by DISTRICT.

B. The DISTRICT fails to perform, keep or observe any of its other duties or obligations hereunder; provided however, that DISTRICT shall have thirty (30) business days in which to correct such breach or default after written notice has been served on it by SUBLESSEE.

C. In the event this Sublease is terminated, the PARTIES shall retain all rights to seek any and all remedies available at law or in equity.

39. ENTIRE AGREEMENT: This Sublease is intended by the Parties hereto as a final expression of their understanding with respect to the subject matter hereof, and all prior or contemporaneous agreements of any kind or nature relating to the same shall be deemed to be merged herein.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Agreement.

CONCESSIONAIRE

Backyard Grille
14026 Donart Road
Poway, CA 92064

Signature: 

Print Name: Mike Holtzman

Title: President

Dated: 11/15/2010

RIVERSIDE COUNTY

Regional Park & Open-Space District
4600 Crestmore
Riverside, CA 92509

Signature: 

Print Name: Scott Bangle

Title: General Manager

Dated: 12/21/10

"CONSENT TO SUBLEASE"
REDEVELOPMENT AGENCY

Riverside, CA 92509

Signature: 

Print Name: Lisa Brandl

Title: Deputy Executive Director for
Robert Field, Executive Director

Dated: 12/22/10

RIVERSIDE COUNTY
DISTRICT, BOARD OF DIRECTORS

Signature: 

Print Name: JOHN J. BENOIT

Title: Chairman, Board of Directors

Dated: JAN 11 2011

Approve as to Form:


COUNTY COUNSEL

SYNTHIA M. GUNZEL
Deputy County Counsel

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

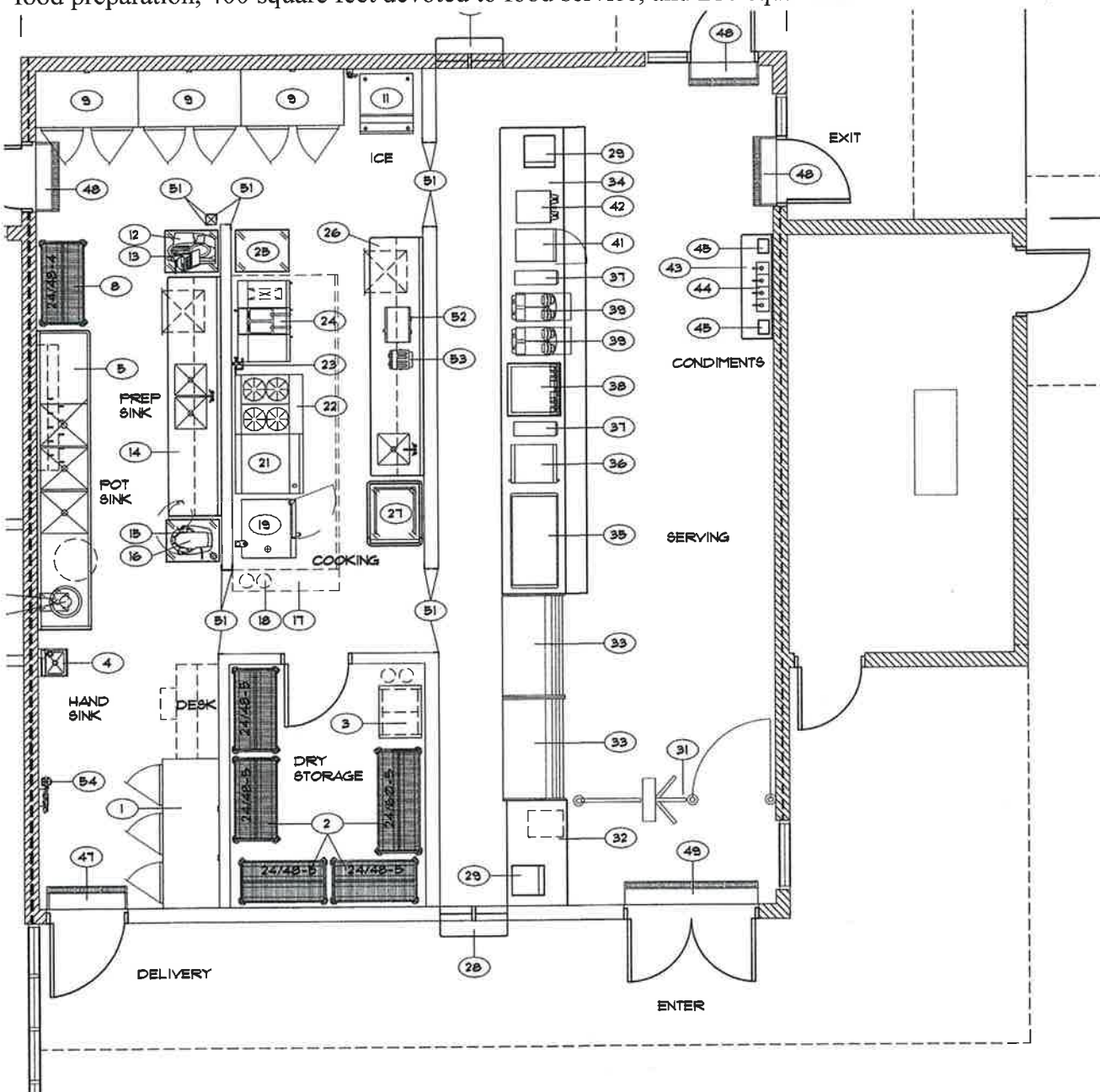
By 
Deputy

JAN 11 2011 13.1

Sublease Exhibit "A"

DESCRIPTION OF THE PREMISES

The Jurupa Valley Aquatic Center is a 7.7 acre facility. The food and beverage area and associated retail store are located in Building A, the facility's main building. The approximate number of square feet of these combined areas is 1,990 square feet, 1,380 square feet devoted to food preparation, 400 square feet devoted to food service, and 210 square feet devoted to retail.



EQUIPMENT LIST

EQUIPMENT SCHEDULE						CONTRACTOR FURNISHED	CONTRACTOR INSTALLED	OWNER FURNISHED	CONTRACTOR INSTALLED	OWNER FURNISHED	SMACN DETAIL NUMBER
ITEM NUMBER	AMOUNT REQUIRED	PURCHASED ITEM	FABRICATED ITEM	MILLWORK ITEM	ITEM DESCRIPTION						
1	1	•			FREEZER, REACH-IN, 3 SECTION	•				A-11/22	
2	5	•			SHELVING, DRY STORAGE, MOBILE (five units)	•					
3	1	•			SYRUP BOX RACK	•				A-11/22	
4	1	•			HAND SINK, SOAP, TOWEL, BY PLUMBER	•					
5	1	•			SINK UNIT, POT WASHING	•				A-2/22	
6	1	•			DISPOSER, FOOD WASTE	•				A-22	
7	1	•			HOSE REEL, WALL MOUNTED	•				A-16	
8	1	•			RACK, POT, PANS, MOBILE	•					
9	3	•			REFRIGERATOR, REACH-IN, 2 SECTION	•				A-11/22	
10	X				SPARE NUMBER						
11	1	•			MAKER, ICE, BIN, CUBER	•				A-11/22	
12	1	•			STAND, SLICER, MOBILE	•					
13	1	•			SLICER, AUTOMATIC	•					
14	1	•			SINK UNIT, PREPARATION	•				A-2/22	
15	1	•			STAND, MIXER, MOBILE	•					
16	1	•			MIXER, BENCH, 20 QUART	•					
17	1	•			VENTILATOR, TYPE I, TWO SECTIONS	•				A-13/14	
18	1	•			FIRE SUPPRESSION SYSTEM, WET CHEMICAL	•					
19	1	•			COMBI OVEN/STEAMER, MOBILE	•					
20	X				SPARE NUMBER						
21	1	•			RANGE, GRIDDLE, OVEN, MOBILE	•					
22	1	•			RANGE, BURNERS, OVEN, MOBILE	•					
23	1	•			FILLER, WATER, 60" 3/8 HOSE	•					
24	1	•			FRYER UNIT, COUNTER, DUMP, FILTER, MOBILE	•					
25	1	•			TABLE, MOBILE	•					
26	1	•			TABLE WITH SINK	•				A-2/22	
27	1	•			CABINET, HEATED, PROOFER, MOBILE	•					
28	1	•			WINDOW, PASS, SERVING	•					
29	2	•			REGISTAER, CASH, BY OWNER			•			
30	X				SPARE NUMBER						
31	1	•			RAILING, TURNSTYLE, BY GENERAL CONTRACTOR	•					
32	1	•			COUNTER TRAYS	•					
33	2	•			DISPLAY, REFRIGERATED, SELF SERVE	•					
34	1	•			COUNTER, SERVING	•				A-22	
35	1	•			DISPLAY, HEATED, SELF SERVE	•				A-21	
36	1	•			FREEZER, ICE CREAM, DISPLAY, SELF SERVE	•				A-18	
37	2	•			DISPENSER, CUPS, COUNTER TOP	•					
38	1	•			DISPENSER, SOFT DRINKS, BY VENDOR			•		A-18	
39	2	•			DISPENSER, SLUSH, COUNTER TOP	•				A-18	
40	X				SPARE NUMBER						
41	1	•			DISPENSER, HOT BEVERAGE	•				A-18	
42	1	•			MAKER, COFFEE, SATELLITE SERVER	•				A-18	
43	1	•			COUNTER, CONDIMENTS	•				A-21	
44	4	•			PUMPS, CONDIMENTS	•					
45	2	•			DISPENSER, NAPKINS, BY OWNER	•					
46	1	•			WINDOW, PASS, SERVING	•					
47	1	•			AIR SCREEN (42")	•				A-6	
48	3	•			AIR SCREEN (36")	•				A-6	
49	1	•			AIR SCREEN (12")	•				A-6	
50	X				SPARE NUMBER						
51	14	•			CORNER GUARD	•					
52	1	•			MICRO-WAVE OVEN	•					
53	1	•			TOASTER POP-UP	•					
54	1	•			WATER FILTER, COMBI	•					
55											

HEALTH DEPARTMENT NOTES

Disclaimer: This list does not represent the equipment exchange between DISTRICT and AGENCY.

Sublease Exhibit "B"
MASTER LEASE

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**LEASE
BY AND BETWEEN
THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
AND THE
RIVERSIDE COUNTY REGIONAL PARK & OPEN-SPACE DISTRICT**

THIS LEASE is made and entered into on this 15th day of July, 2010, by and between the Redevelopment Agency for the County of Riverside (the "AGENCY"), and the Riverside County Regional Park & Open-Space District (the "DISTRICT"), for the property described below upon the following terms and conditions:

WITNESETH

WHEREAS, the AGENCY is a redevelopment agency duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the provisions of the Community Redevelopment Law, which is Part 1 of Division 24 of the California Health and Safety Code (commencing with Section 33000 et seq); and

WHEREAS, pursuant to Health and Safety Code Section 33430, the AGENCY may, within the survey area or for purposes of redevelopment, sell, lease, for a period not to exceed 99 years, exchange, subdivide, transfer, assign, pledge, encumber by mortgage, deed of trust, or otherwise, dispose of any real or personal property or any interest in property; and

WHEREAS, on July 9, 1996, the Board of Supervisors for the County of Riverside adopted Ordinance No. 763 adopting the redevelopment plan (the "PLAN") for the Jurupa Valley Project Area (the "PROJECT AREA"); and

WHEREAS, the PLAN was adopted in order to eliminate blight and revitalize the substandard physical and economic conditions that exist within the PROJECT AREA; and

WHEREAS, the AGENCY is the owner of real property located within the PROJECT AREA at 4310 Camino Real, Riverside County, State of California (the "PROPERTY"); and

WHEREAS, the DISTRICT desires to lease the PROPERTY from the AGENCY and

1 AGENCY desires to lease the PROPERTY to DISTRICT to conduct programs which provide
2 swimming activities to the community in the unincorporated community of Jurupa; and

3 **WHEREAS**, DISTRICT and AGENCY acknowledge that AGENCY and the Jurupa
4 Unified School District (the "SCHOOL") entered into that certain Shared Use Agreement
5 dated December 16, 2008, (the "Shared Use Agreement"), which allows the SCHOOL to
6 use the joint use areas of the PROPERTY during specific times and requires the SCHOOL
7 to fund its proportionate share of maintenance costs for the joint use areas; and

8 **WHEREAS**, the use of the PROPERTY is consistent with and furthers the purpose of
9 the PROJECT AREA's PLAN.

10 **NOW, THEREFORE**, in consideration of the preceding promises and the mutual
11 covenants and agreements hereinafter contained, the parties hereto do hereby agree as
12 follows:

13 **SECTION 1. PROPERTY DESCRIPTION.** The PROPERTY, known as the Jurupa
14 Valley Aquatic Center, consists of approximately 8.96 acres located at 4310 Camino Real,
15 Rubidoux, Riverside County, California, known as Assessor's Parcel Number 183-030-026
16 and 183-030-043 as depicted on Exhibit "A", attached hereto and incorporated herein by
17 reference.

18 **SECTION 2. USE.**

19 **A.** The PROPERTY is leased to DISTRICT for the purpose of providing
20 swimming activities to the community.

21 **B.** With prior written approval from the AGENCY, DISTRICT may provide
22 additional services or modify the implementation of their programs to ensure that the needs
23 of the community are being met.

24 **C.** DISTRICT shall use the PROPERTY for the purpose designated by the PLAN.

25 **D.** AGENCY, or its assigns or successors-in-interest, consents to DISTRICT
26 collecting fees for public use of the facilities.

27 **SECTION 3. ACCEPTANCE OF PREMISES.** DISTRICT shall accept the
28 PROPERTY in its condition suitable for use as of August 1, 2010 (the "EFFECTIVE DATE"),

1 or upon completion of construction whichever is later, subject to all applicable restrictions of
2 record, zoning and other laws regulating the use of the PROPERTY. DISTRICT
3 acknowledges that the AGENCY has made no representation or warranty as to the
4 suitability of the PROPERTY for the conduct of DISTRICT's business, except as otherwise
5 expressly agreed to in writing, or the physical condition of the PROPERTY. DISTRICT'S
6 beginning performance of services under this LEASE on the EFFECTIVE DATE and failing
7 to object to any condition of the PROPERTY in writing on or before thirty (30) days after the
8 EFFECTIVE DATE shall be conclusive evidence that DISTRICT accepts the PROPERTY
9 and that it was in good condition as of the EFFECTIVE DATE.

10 **SECTION 4. TERM.**

11 **A.** The term of this LEASE shall be for a ten (10) year period commencing on the
12 Effective Date as set forth in Section 3.

13 **B.** Notwithstanding subsection "C" below, any holding over by DISTRICT at the
14 expiration of said term shall be deemed a month-to-month tenancy upon the same terms
15 and conditions of this LEASE.

16 **C.** The term of this LEASE may be extended by mutual agreement of the
17 AGENCY and the DISTRICT and shall be incorporated by an amendment executed by both
18 the AGENCY and the DISTRICT or their designee.

19 **SECTION 5. RENT.** DISTRICT shall pay \$1.00 per year to AGENCY for the term of
20 this LEASE which shall constitute "Rent" under this LEASE. Such rent shall be paid by
21 August first of each year for the term of the LEASE and sent to AGENCY's address set forth
22 in Section 12 herein.

23 **SECTION 6. DISTRICT OBLIGATIONS.**

24 **A. OPERATIONS.** The PROPERTY shall, at a minimum, be open to the public
25 during the month of May on weekends from 10 a.m. to 9 p.m., months of June thru August
26 from 10 a.m. to 9 p.m. seven days per week, and in September, on weekends from 10 a.m.
27 to 9 p.m. for recreational services to the public. The PROPERTY shall remain open year-
28 round for use of the competition pool by the local school district.

1 **B. UTILITIES.** DISTRICT shall pay all costs for all utility services used in
2 connection with the operation of the PROPERTY throughout the term of this LEASE.

3 **C. MAINTENANCE.** DISTRICT shall pay all costs to maintain the PROPERTY
4 including, but not limited to air-conditioning equipment, heating equipment, plumbing,
5 electrical wiring and fixtures, windows and structural parts in good working condition and
6 repair, and in compliance with federal, state, and local laws, ordinances, rules and
7 regulations relating to fire, health and safety, and DISTRICT shall pay all cost to fully
8 maintain the exterior and the interior of the PROPERTY using choice of custodial services.
9 DISTRICT shall pay all costs to maintain the security film on windows should they be
10 vandalized or damaged in any way. DISTRICT shall pay all cost to maintain the
11 PROPERTY's landscaping and irrigation in good clean healthy condition. Any dead or
12 dying plants, turf or trees shall be replaced in a timely fashion. The PROPERTY shall be
13 cleaned once per week.

14 **D. IMPROVEMENTS.** DISTRICT agrees to submit any construction and capital
15 improvement plans for the PROPERTY to AGENCY for review and approval prior to
16 installation or construction. DISTRICT understands and agrees that such improvements,
17 alterations and installation of fixtures are subject to County of Riverside Ordinances No. 348
18 and 457, applicable Fire Codes, the Americans with Disabilities Act, as well as other
19 applicable County of Riverside ordinances. All alterations and improvements to be made
20 and fixtures installed or caused to be made and installed, by DISTRICT shall become the
21 property of AGENCY with the exception of trade fixtures as such term is used in Section
22 1019 of the Civil Code.

23 At or prior to the expiration of this LEASE, DISTRICT may remove such trade
24 fixtures, provided, however, that such removal does not cause injury or damage to the
25 PROPERTY, or in the event it does, DISTRICT shall restore the PROPERTY to its original
26 shape and condition. In the event such trade fixtures are not removed, AGENCY may at its
27 own discretion either: 1) remove and store such fixtures and restore the PROPERTY for the
28 account of DISTRICT, and in such event, DISTRICT shall within thirty (30) days after billing

1 and accounting reimburse AGENCY for the costs so incurred, or 2) take and hold such
2 fixtures as its sole property.

3 **E. WATER QUALITY MANAGEMENT PLAN.** DISTRICT shall be responsible
4 for the operation and maintenance of all best management practices (BMPs) associated
5 with the PROPERTY's Water Quality Management Plan for the term of the LEASE.

6 DISTRICT shall be responsible for any fine, penalty, or any other civil, administrative or
7 criminal liability resulting from the DISTRICT's failure to maintain the BMPs.

8 **SECTION 7. AGENCY OBLIGATIONS.**

9 **A.** AGENCY or its assigns or successors-in-interest shall allocate all funds
10 received from SCHOOL pursuant to the Shared Use Agreement to the DISTRICT for the
11 benefit of the PROPERTY.

12 **B.** In the event that SCHOOL enters into a written agreement that re-directs any
13 funds the SCHOOL may receive pursuant to the California Community Redevelopment Law,
14 commencing with Health and Safety Code Section 33000 et seq., to the DISTRICT in an
15 amount up to the amount set forth in the Shared Use Agreement, all such funds shall be
16 credited against the amount allocated by AGENCY to DISTRICT in Section 7. A. above.

17 **C.** Within thirty (30) days of the above referenced written agreement being
18 approved and executed, AGENCY shall cause the SCHOOL to notify in writing both the
19 AGENCY and DISTRICT of such agreement. In the event that SCHOOL fails to provide
20 any funds pursuant to Section 7.A. or 7.B. or funds are otherwise unavailable, DISTRICT
21 shall not be responsible for the SCHOOL's proportionate share of costs as defined in the
22 Shared Use Agreement. DISTRICT shall not be responsible for maintaining and operating
23 the PROPERTY to the standards provided herein if the maintenance costs that would have
24 been funded by the SCHOOL are not paid to DISTRICT. DISTRICT shall be entitled to
25 reduce services and operation hours accordingly. In the event that funding from SCHOOL
26 ceases for greater than 180 days, AGENCY or its successors-in-interest and DISTRICT,
27 shall have the right to amend or terminate this LEASE with thirty (30) days written notice.

28 ///

1 **SECTION 8. OVERSIGHT BY AGENCY.** The AGENCY may visit the PROPERTY
2 for the purpose of reviewing the uses being conducted at the PROPERTY by DISTRICT.
3 The AGENCY shall provide at least 24 hour notice to DISTRICT prior to visit which shall be
4 done during normal business hours.

5 **SECTION 9. NONDISCRIMINATION.** DISTRICT herein covenants by and for
6 himself or herself, his or her heirs, executors, administrator, and assigns, and all persons
7 claiming under or through them, that there shall be no discrimination against or segregation
8 of any person or group of persons on account of race, color, creed, religion, disability, sex,
9 sexual orientation, marital status, familial status, source of income or disability in the sale,
10 ancestry or national origin in the LEASE, sublease, transfer, use, occupancy, tenure or
11 enjoyment of the PROPERTY herein lease, nor shall the DISTRICT, or any persons
12 claiming under or through him or her, establish or permit any such practice or practices of
13 discrimination or segregation with reference to the selection, location number, use or
14 occupancy of tenants, DISTRICTs, subtenants, subleases or vendees in the PROPERTY
15 herein conveyed. The foregoing covenants shall run with the land.

16 **SECTION 10. DEFAULT.**

17 **A.** The DISTRICT shall be deemed in default of this LEASE if DISTRICT uses the
18 PROPERTY for any purpose other than that authorized in the LEASE, fails to maintain the
19 PROPERTY or the improvements in the manner provided for in the LEASE, fails to pay any
20 installment of rent or other sum when due as provided for in the LEASE, fails to comply with
21 or perform any other covenant, condition, provision or restriction provided for in the LEASE,
22 abandons the PROPERTY, allows the PROPERTY to be attached, levied upon, or seized
23 under legal process, or if the DISTRICT files or commits an act of bankruptcy, has a
24 receiver or liquidator appointed to take possession of the PROPERTY, or commits or
25 permits waste on the PROPERTY.

26 **B.** The AGENCY shall provide DISTRICT with a thirty (30) day written notice to
27 remedy any and all defaults. Upon the failure of DISTRICT to properly address default,
28 AGENCY shall have the right to terminate this LEASE and retake possession of the

1 PROPERTY together with all additions, alterations, and improvements thereto by providing
2 DISTRICT thirty (30) days notice of its intent to terminate. AGENCY shall also retain all
3 rights to seek any and all remedies at law or in equity available in the event of DISTRICT's
4 default.

5 **SECTION 11. TERMINATION.**

6 **A.** DISTRICT and/or AGENCY shall have the option to terminate this LEASE if
7 the PROPERTY is destroyed or damaged to the extent that it cannot be repaired within sixty
8 (60) days, or if more than twenty-five percent (25%) of the PROPERTY is destroyed. This
9 LEASE can be terminated by either the DISTRICT and/or the AGENCY with a 30 day
10 written notice.

11 **B.** If DISTRICT desires to continue with this LEASE despite partial damage or
12 destruction of the PROPERTY, then DISTRICT shall provide advance written notice to
13 AGENCY to seek AGENCY approval. Upon approval by the AGENCY of the continuance of
14 the LEASE and the plans for the repairs. The DISTRICT, at its sole expense, shall make all
15 approved repairs needed to the PROPERTY as the result of said damage or destruction.
16 The DISTRICT reserves the right to determine what, if any, portions of the PROPERTY are
17 usable. The DISTRICT shall remain responsible for the operations of the PROPERTY as
18 they are provided herein.

19 **C.** The DISTRICT or AGENCY may terminate this LEASE for cause, by giving
20 thirty (30) days written notice to the other party and the Parties have been unable to come
21 to an agreement or resolution regarding the cause for termination.

22 **SECTION 12. NOTICES.** Any notices required or desired to be served by either
23 party upon the other shall be deemed delivered if sent by certified mail, return receipt
24 requested to the following, or to such other addresses as from time to time shall be
25 designated by the respective parties:

26 **AGENCY**

27 Dan Martinez
28 Deputy Executive Director

DISTRICT

Scott Bangle
Director

1	Redevelopment Agency for the County of Riverside	Regional Parks & Open Space
2	3403 10 th St	District
3	Riverside, CA 92501	4600 Crestmore Rd
4	(951) 955-8916	Riverside, CA 92509
5	(951) 955-6685 FAX	(951) 955-4346

6

7 **SECTION 13. ASSIGNMENT & SUBLEASES.** DISTRICT shall not assign this

8 LEASE, or sublease the PROPERTY without the written consent of AGENCY. Such

9 consent shall not be unreasonably withheld by the AGENCY.

10 **SECTION 14. INSURANCE.** Without limiting or diminishing the DISTRICT's

11 obligation to indemnify or hold the AGENCY harmless, DISTRICT shall procure and

12 maintain or cause to be maintained, at its sole cost and expense, the following insurance

13 coverage's during the term of this LEASE.

14 **A. Workers' Compensation:** If the DISTRICT has employees as defined by the

15 State of California, the DISTRICT shall maintain statutory Workers' Compensation

16 Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall

17 include Employers' Liability (Coverage B) including Occupational Disease with limits not less

18 than \$1,000,000 per person per accident. The policy shall be endorsed to waive subrogation

19 in favor of The AGENCY, and, if applicable, to provide a Borrowed Servant/Alternate

20 Employer Endorsement.

21 **B. Commercial General Liability:** Commercial General Liability insurance

22 coverage, including but not limited to, premises liability, contractual liability, products and

23 completed operations liability, personal and advertising injury, and cross liability coverage,

24 covering claims which may arise from or out of DISTRICT'S performance of its obligations

25 hereunder. Policy shall name the AGENCY, its directors, officers, employees, appointed

26 officials, agents or representatives as Additional Insured. Policy's limit of liability shall not

27 be less than \$1,000,000 per occurrence combined single limit. If such insurance contains a

28 general aggregate limit, it shall apply separately to this agreement or be no less than two (2)

1 times the occurrence limit.

2 **C. Vehicle Liability:** If vehicles or mobile equipment are used in the performance
3 of the obligations under this Agreement, then DISTRICT shall maintain liability insurance for
4 all owned, non-owned or hired vehicles so used in an amount not less than \$1,000,000 per
5 occurrence combined single limit. If such insurance contains a general aggregate limit, it
6 shall apply separately to this agreement or be no less than two (2) times the occurrence
7 limit. Policy shall name the AGENCY, its directors, officers, employees, appointed officials,
8 agents or representatives as Additional Insured.

9 **D. General Insurance Provisions - All lines:**

10 1) Any insurance carrier providing insurance coverage hereunder shall be
11 admitted to the State of California and have an A M BEST rating of not less than A: VIII
12 (A:8) unless such requirements are waived, in writing, by the AGENCY Risk Manager. If the
13 AGENCY's Risk Manager waives a requirement for a particular insurer such waiver is only
14 valid for that specific insurer and only for one policy term.

15 2) The DISTRICT'S insurance carrier(s) must declare its insurance self-
16 insured retentions. If such self-insured retentions exceed \$500,000 per occurrence such
17 retentions shall have the prior written consent of the County Risk Manager before the
18 commencement of operations under this Agreement. Upon notification of self insured
19 retention unacceptable to the AGENCY, and at the election of the AGENCY's Risk
20 Manager, LESSEE'S carriers shall either; 1) reduce or eliminate such self-insured retention
21 as respects this Agreement with the AGENCY, or 2) procure a bond which guarantees
22 payment of losses and related investigations, claims administration, and defense costs and
23 expenses.

24 3) DISTRICT shall cause DISTRICT'S insurance carrier(s) to furnish the
25 County of Riverside with either 1) a properly executed original Certificate(s) of Insurance
26 and certified original copies of Endorsements effecting coverage as required herein, and 2)
27 if requested to do so orally or in writing by the AGENCY Risk Manager, provide original
28 Certified copies of policies including all Endorsements and all attachments thereto, showing

1 such insurance is in full force and effect. Further, said Certificate(s) and policies of
2 insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written
3 notice shall be given to the AGENCY prior to any material modification, cancellation,
4 expiration or reduction in coverage of such insurance. In the event of a material
5 modification, cancellation, expiration, or reduction in coverage, this Agreement shall
6 terminate forthwith, unless the AGENCY receives, prior to such EFFECTIVE DATE, another
7 properly executed original Certificate of Insurance and original copies of endorsements or
8 certified original policies, including all endorsements and attachments thereto evidencing
9 coverage's set forth herein and the insurance required herein is in full force and effect.
10 LESSEE shall not commence operations until the AGENCY has been furnished original
11 Certificate (s) of Insurance and certified original copies of endorsements and if requested,
12 certified original policies of insurance including all endorsements and any and all other
13 attachments as required in this Section. An individual authorized by the insurance carrier to
14 do so shall sign the original endorsements for each policy and the Certificate of Insurance
15 on its behalf.

16 4) It is understood and agreed to by the parties hereto that the
17 DISTRICT'S insurance shall be construed as primary insurance, and the AGENCY'S
18 insurance and/or deductibles and/or self-insured retention's or self-insured programs shall
19 not be construed as contributory.

20 5) If, during the term of this Agreement or any extension thereof, there is a
21 material change in the scope of services; or, there is a material change in the equipment to
22 be used in the performance of the scope of work which will add additional exposures (such
23 as the use of aircraft, watercraft, cranes, etc.); or, the term of this Agreement, including any
24 extensions thereof, exceeds five (5) years the AGENCY reserves the right to adjust the
25 types of insurance required under this Agreement and the monetary limits of liability for the
26 insurance coverage's currently required herein, if, in the AGENCY Risk Manager's
27 reasonable judgment, the amount or type of insurance carried by the DISTRICT has
28 become inadequate.

1 6) DISTRICT shall pass down the insurance obligations contained herein
2 to all tiers of sublessees working under this Agreement.

3 7) The insurance requirements contained in this Agreement may be met
4 with a program(s) of self-insurance acceptable to the AGENCY.

5 8) DISTRICT agrees to notify AGENCY of any claim by a third party or any
6 incident or event that may give rise to a claim arising from the performance of this
7 Agreement.

8 **SECTION 15. INDEMNIFICATION.** DISTRICT shall indemnify and hold harmless
9 the AGENCY, its directors, officers, employees, appointed officials, agents or
10 representatives from any liability whatsoever, based or asserted upon any services of
11 DISTRICT, its officers, employees, agents or representatives arising out of or in any way
12 relating to this Agreement, including but not limited to PROPERTY damage, bodily injury, or
13 death or any other element of any kind or nature whatsoever arising from the performance
14 of DISTRICT, its officers, agents, employees, agents or representatives from this
15 Agreement. DISTRICT shall defend, at its sole expense, all costs and fees including, but
16 not limited, to attorney fees, cost of investigation, defense and settlements or awards, the
17 AGENCY, its directors, officers, employees, appointed officials, agents or representatives in
18 any claim or action based upon such alleged acts or omissions.

19 With respect to any action or claim subject to indemnification herein by DISTRICT,
20 DISTRICT shall, at their sole cost, have the right to use counsel of their own choice and
21 shall have the right to adjust, settle, or compromise any such action or claim without the
22 prior consent of AGENCY; provided, however, that any such adjustment, settlement or
23 compromise in no manner whatsoever limits or circumscribes DISTRICT'S indemnification
24 to AGENCY as set forth herein.

25 DISTRICT'S obligation hereunder shall be satisfied when DISTRICT has provided to
26 AGENCY the appropriate form of dismissal relieving AGENCY from any liability for the
27 action or claim involved.

28 The specified insurance limits required in this Agreement shall in no way limit or

1 circumscribe DISTRICT'S obligations to indemnify and hold harmless the AGENCY herein
2 from third party claims.

3 In the event there is conflict between this clause and California Civil Code Section
4 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation
5 shall not relieve the DISTRICT from indemnifying the AGENCY to the fullest extent allowed
6 by law.

7 **SECTION 16. HAZARDOUS WASTE.** DISTRICT shall not cause or permit
8 its agents, contractors or employees to cause the PROPERTY to be in violation of any
9 federal, state or local laws, ordinances or regulations relating to industrial hygiene or to
10 environmental conditions on, under or about the PROPERTY including, but not limited to,
11 soil and ground water conditions. DISTRICT shall not use, generate, manufacture, store or
12 dispose of on, under or about the PROPERTY or transport to or from the PROPERTY any
13 flammable explosives, radioactive materials, hazardous wastes, toxic substances or related
14 materials, including, without limitation, any substances defined as or included in the
15 definition of "hazardous substances", hazards wastes", "hazardous materials" or "toxic
16 substances" under any applicable federal or state laws or regulations including without
17 limitation, California Health and Safety Code Section 25316, as well as any amended or
18 successor statue as may exist from time to time during the term of this Agreement, as well
19 as any petroleum or petroleum derived product, natural gas, liquefied natural gas, synthetic
20 fuel gas, radioactive materials or waste and/or medical waste as defined in California Health
21 and Safety Code Section 117690 as well as any amended or successor statues as may
22 exist t from time to time during the terms of this Agreement.

23 **SECTION 17. BINDING ON SUCCESSORS.** The terms and conditions herein
24 contained shall apply to and bind the heirs, successors in interest, executors,
25 administrators, representatives, and assigns of all the parties hereto.

26 **SECTION 18. COMPLIANCE WITH LAWS AND REGULATIONS.** By executing this
27 LEASE, the DISTRICT hereby certifies that it will adhere to and comply with all federal,
28 state, and local laws, regulations and ordinances.

1 **SECTION 19. PERSONNEL.** DISTRICT represents that it has all the personnel
2 required to perform the maintenance services under this LEASE or will subcontract for
3 necessary services. DISTRICT personnel shall not be employed by, nor have any direct
4 contractual relationship with the AGENCY. The DISTRICT, its employees or personnel
5 under direct contract with the DISTRICT shall perform all services required hereunder.
6 DISTRICT and its agents, servants, employees and shall act at all times in an independent
7 capacity during the term of this LEASE and shall not act as, and shall not be, nor shall they
8 in any manner be construed to be agents, officers or employees of the AGENCY.

9 **SECTION 20. AMENDMENTS.** This LEASE shall not be amended unless such
10 changes are mutually agreed upon by the AGENCY and the DISTRICT and shall be
11 incorporated in written executed amendments to this LEASE.

12 **SECTION 21. MINISTERIAL ACTS.** The Executive Director or designee of the
13 AGENCY shall be authorized to execute amendments to extend term annually. The
14 Executive Director of the AGENCY or appropriate to implement the terms and provisions of
15 this LEASE as it may be amended from time to time by the AGENCY.

16 **SECTION 22. CONFLICT OF INTEREST.** No member, official or employee of the
17 AGENCY or DISTRICT shall have any personal interest, direct or indirect, in this LEASE nor
18 shall any member, official or employee participate in any decision relating to this LEASE
19 which affects his or her personal interests or the interests of any corporation, partnership or
20 association in which he or she is directly or indirectly interested.

21 **SECTION 23. GOVERNING LAW; JURISDICTION.** This Agreement shall be
22 governed by and construed in accordance with the laws of the State of California. The
23 AGENCY and DISTRICT agree that this Agreement has been entered into at Riverside
24 County, California, and that any legal action related to the interpretation or performance of
25 the Agreement shall be filed in the Superior Court for the State of California, in Riverside,
26 California.

27 ///

28 ///

1 **SECTION 24. NO THIRD PARTY BENEFICIARIES.** This LEASE in made and
2 entered into for the sole protection and benefit of the parties hereto. No other person or
3 entity shall have any right of action based upon the provisions of this LEASE.

4 **SECTION 25. SEVERABILITY.** Each section and provision of this LEASE is
5 severable from each other provision, and if any provision or part thereof is declared invalid,
6 the remaining provisions shall remain in full force and effect.

7 **SECTION 26. WAIVER.** Failure by a party to insist upon the strict performance of
8 any of the provisions of this LEASE by the other party, or failure by a party to exercise its
9 rights upon the default of the other party, shall not constitute a waiver of such party's right to
10 insist and demand strict compliance by the other party with the terms of this LEASE
11 thereafter.

12 **SECTION 27. AUTHORITY TO EXECUTE.** The persons executing this LEASE
13 on behalf of the parties to this LEASE hereby warrant and represent that they have the
14 authority to execute this LEASE and warrant and represent that they have the authority to
15 bind the respective parties to this LEASE and to the performance of its obligations
16 hereunder.

17 **SECTION 28. ATTORNEY'S FEES.** In the event of any litigation or arbitration
18 between AGENCY and DISTRICT to enforce any of the provisions of this LEASE or any
19 right of either party hereto, the unsuccessful party to such litigation or arbitration agrees to
20 pay to the prevailing party all costs and expenses, including reasonable attorney's fees,
21 incurred therein by the prevailing party, all of which shall be included in and as a part of the
22 judgment rendered in such litigation or arbitration.

23 **SECTION 29. COUNTERPARTS.** This LEASE may be signed by the different
24 parties hereto in counterparts, each of which shall be an original but all of which together
25 shall constitute one and the same LEASE.


26 **SECTION 30. ENTIRE LEASE.** This LEASE is intended by the Parties hereto as a
27 final expression of their understanding with respect to the subject matter hereof and as a
28 complete and exclusive statement of the terms and conditions thereof and supersedes any

1 and all prior and contemporaneous leases, agreements and understandings, oral or written,
2 in connection therewith. This LEASE may be changed or modified only upon the written
3 consent of the Parties hereto.

4 **IN WITNESS WHEREOF**, the AGENCY and DISTRICT have execute this LEASE as
5 of the date first above written.

6
7 **REDEVELOPMENT AGENCY**
8 **FOR THE AGENCY OF RIVERSIDE**

7 **RIVERSIDE COUNTY REGIONAL PARK &**
8 **OPEN-SPACE DISTRICT**


9 
10 Chairman, Board of Directors

9 
10 Chairman, Board of Directors

11
12
13
14 **APPROVED AS TO FORM:**
15 Pamela J. Walls
16 AGENCY Counsel

14 **APPROVED AS TO FORM:**
15 Pamela J. Walls
16 DISTRICT Counsel

17 By 
18 Deputy Michelle Ciack

17 By 
18 Deputy
19 **SYNTHIA M. GUNZEL**

19 **ATTEST:**
20 Kecia Harper-Ihem
21 Clerk of the Board

22 By 
23 Deputy

24
25 1H:jg
26 /29/10
27 3.490

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSOR'S LABEL MAY NOT COMPLY WITH LOCAL LOT-SPLIT OR BUILDING SITE ORDINANCES.

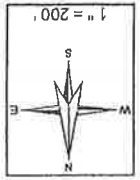
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POR. SEC. 7, T. 2S., R. 5W.

TRA 099-014
099-100

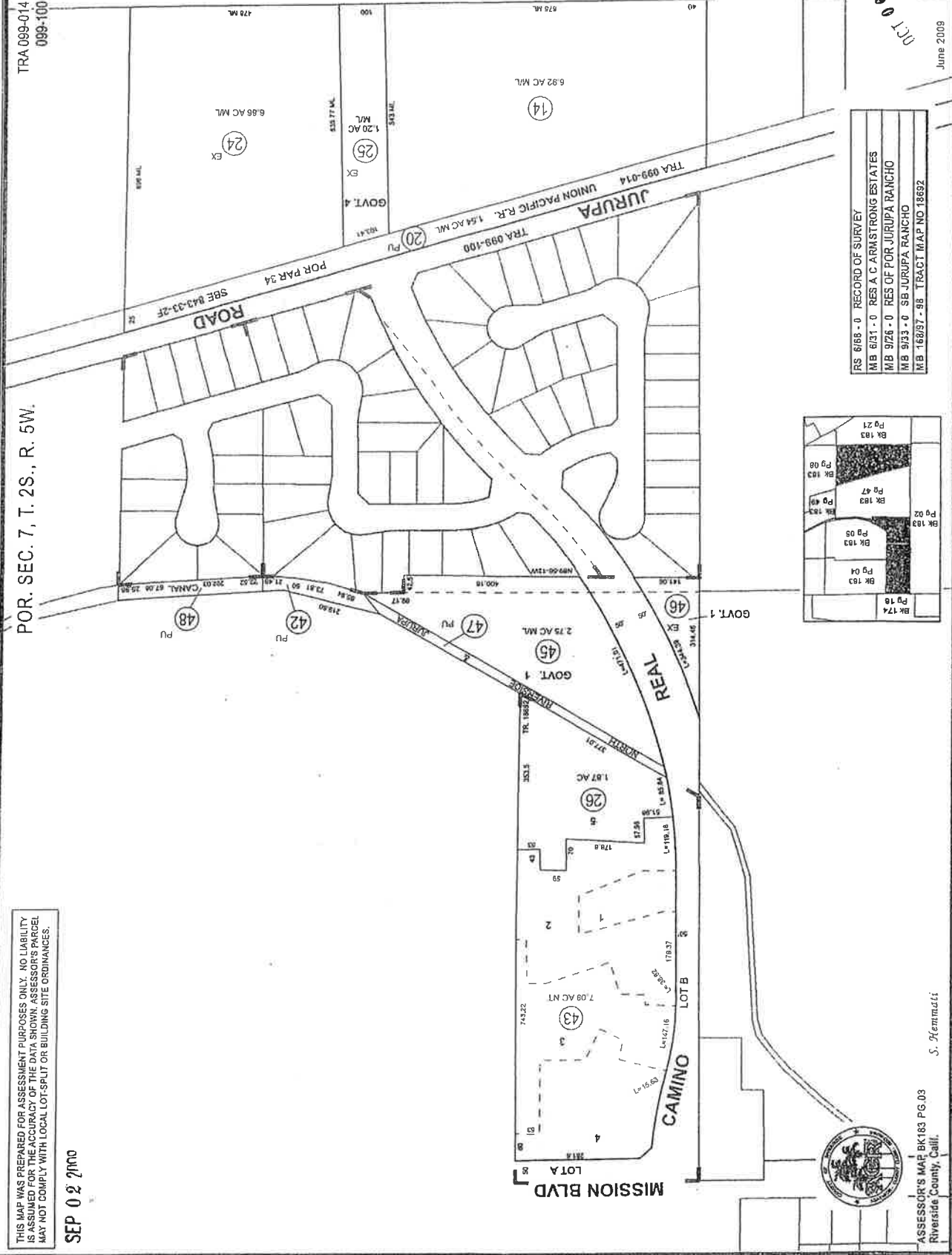
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7-13-1
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Legend

- Lot Lines
- Right-Of-Way
- - - Old Lot Lines
- - - Reference R.O.W
- - - Other Easements
- - - Laser Area
- - - Subdivision Tie Mark



BK 174	Pg 16
BK 183	Pg 04
BK 183	Pg 05
BK 183	Pg 02
BK 183	Pg 47
BK 183	Pg 08
BK 183	Pg 00
BK 183	Pg 21

RS 6168 - 0 RECORD OF SURVEY
MB 6131 - 0 RES A C ARMSTRONG ESTATES
MB 9226 - 0 RES OF FOR JURUPA RANCHO
MB 9333 - 0 SB JURUPA RANCHO
MB 16097 - 98 TRACT MAP NO 18692

DATE	QUANTITY	REMARKS
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11/99	99	AD D ASHURT
11/100	100	AD D ASHURT

S. Hemmati

ASSESSOR'S MAP BK183 PG.03
Riverside County, Calif.



EXHIBIT 'A'

Sublease Exhibit "C"

COST DETAIL

I.	Operating Year Monthly Lease Payment:	<u>\$ 400.00</u>
II.	Percentage of accumulated gross sales:	<u>\$ Year One at 10%</u>
	a. Operating Year One at ten percent (10%)	
	b. Operating Year Two at eleven percent (11%)	
	c. Operating Year Three at twelve percent (12%)	
	d. Operating Year Four at twelve percent (12%)	
	e. Operating Year Five at twelve percent (12%)	
III.	Total Monthly Payment in Operating Year One:	<u>\$ 400.00 + 10%</u>

Sublease Exhibit “D”
ACCOUNTING MANUAL FOR SUBCONTRACTORS

Sublease Exhibit "D"

ACCOUNTING MANUAL
FOR
SUB-CONTRACTORS

(For use by organizations who
contract with the County of Riverside)

Prepared by the
Office of Auditor-Controller
County of Riverside

February, 1976

LIST OF CONTENTS

	<u>Page</u>
Preface	i
I. Accounting Policy and Procedure	1
II. Accounting System	2-4
III. Internal Controls	5-11
Closing Comments	12
Standard Forms #1-7	13-19

PREFACE

The purpose of this manual is to establish accounting and internal control standards for organizations (Sub-contractors) who enter into contracts or agreements with the County of Riverside.

The accounting and internal control principles presented are fundamental and are not intended to replace acceptable existing procedures and financial controls or preclude the use of more sophisticated financial accountability methods. Instead, the fundamental requirements represent minimum procedures and controls that must be embodied within each sub-contractor's accounting and internal control system.

This manual was prepared by the County of Riverside's Office of Auditor-Controller. We wish to thank Los Angeles and Orange Counties whose accounting manuals and handbooks were helpful in the preparation of this manual.

I.

ACCOUNTING POLICY AND PROCEDURE

II.

ACCOUNTING SYSTEM

Organizations (Sub-contractors) who have contracts or agreements with the County of Riverside should follow the procedures listed below as closely as possible. Any variation should be discussed with the Office of Auditor-Controller, County of Riverside.

1. Establish a separate set of accounts for recording transactions related to the contract or agreement.
2. The Sub-contractor must maintain its fiscal accounts in a manner sufficient to:
 - a. Permit any reports required by the County to be prepared therefrom.
 - b. Provide, on reasonable notice, access to and the right to examine such books, records, documents and papers reasonably required by a representative of the County Auditor-Controller for the purpose of reviewing compliance with the contract or agreement with the County.
3. Each Sub-contractor must submit timely reports to the County as required.
4. Sub-contractors may elect to use either the cash basis or accrual basis method of accounting for recording financial transactions. Periodic invoices must be prepared on the same basis that is used for recording financial transactions.

The following accounting records, accounts, and procedures are recommended. They should be adopted to meet the needs of each Sub-contractor. Printed forms may be obtained from a stationery store which are acceptable for this purpose.

1. Each Sub-contractor shall maintain (unless otherwise approved) a double entry accounting system (utilizing debits and credits) with a General Journal, a Cash Receipts Journal, a General Ledger, and a Cash Disbursements Journal. The County recommends that a Payroll Ledger also be maintained.

- a) General Journal (See Standard Form #1) - A General Journal shall be maintained for recording adjusting entries, reversing entries, closing entries, and other financial transactions not normally recorded in the Cash Receipts Journal or Cash Disbursements Journal. Entries in the General Journal must be adequately documented, and entered in chronological order with sufficient explanatory notations.

Example:	DR.	CR.
Rent Expense	100	
Rent Payable		100

To record accrued rent to March 31, 1975

- b) Cash Receipts Journal (See Standard Form #2) - A Cash Receipts Journal shall be maintained for recording all cash receipts (e.g. County warrants, contributions, interest income, etc.).
 - c) Cash Disbursements Journal (See Standard Form #3) - A Cash Disbursements Journal shall be maintained for recording all cash disbursements (e.g. rent, utilities, maintenance, etc.).
 - d) General Ledger (See Standard Form #4) - A General Ledger shall be maintained with accounts for all assets, liabilities, fund balances, expenditures, and revenue.
 - e) Payroll Ledger (See Standard Form #5)
2. Chart of Accounts - A chart of accounts shall be established and used consistently. Each account title must clearly identify the nature of the transaction(s) posted to the account.
 3. Petty Cash

A Petty Cash Fund (not to exceed \$200.00) may be maintained for payment of small (less than \$25.00), incidental expenses incurred by the agent (e.g. postage due, small purchases of office supply items, etc.). Petty Cash disbursements must be supported by store receipts, petty cash vouchers, or other authenticating documentation that indicate the item purchased and the employee making the purchase.

3. Petty Cash (cont'd)

Unsupported petty cash disbursements may be disallowed on audit.

The petty cash fund shall be maintained on the imprest system, i.e. a check should be drawn to the petty cash custodian to set up the fund and to make periodic reimbursements. Receipts, vouchers, etc., supporting each fund replenishment must be bound together and filed chronologically.

4. Retention of Accounting Records and Filing of Supporting Documentation

a) Record Retention

All accounting records (journals, ledgers, etc.) and supporting documentation (invoices, receipts, checks, vouchers, etc.) must be retained for a minimum period of five (5) years.

Adequate care shall be exercised to safeguard the accounting records and supporting documentation. Any destruction or theft of the agent's accounting records or supporting documentation shall be immediately reported to the County. Unsupported expenses may be disallowed upon audit resulting in overpayment assessments.

b) Filing and Storage

All relevant supporting documentation for reported program expenditures and revenues shall be filed in a systematic and consistent manner.

It is recommended that supporting documents be filed as follows:

checks	- numerically
invoices (sales)	- date/vendor name
vouchers	- numerically
receipts	- numerically
timecards	- date/alphabetically

c) Referencing

Accounting transactions posted to the Sub-contractor's books shall be appropriately cross-referenced to supporting documentation.

For example, expenditure transactions on the Sub-contractor's books must be cross-referenced to the supporting documentation as follows:

invoices	- vendor name and date
checks	- number
vouchers	- number

Revenue transactions must be cross-referenced to receipt numbers.

4. Retention of Accounting Records and Filing of Supporting Documentation
(cont'd)

d) Supporting Documentation

Each Sub-contractor shall maintain supporting documentation for all disbursements: Unsupported disbursements may be disallowed on audit.

Supporting documentation is required for each expenditure category as follows:

Personnel Services - payroll records, time and attendance records signed by the employee and approved by the supervisor, time distribution records by program (accounting for total work time on a daily basis) for all employees.

Employee Payroll Documentation - payroll records showing actual expenditures for OASDI, FICA, etc.

Consultant Services - time and attendance records, travel vouchers detailing purpose, time and location of travel, purchase orders and invoices for supplies.

Travel - travel policies of the organization (written); travel expense vouchers showing location, dates, and time of travel, purpose of trip, and rates claimed; vehicle mileage logs showing dates, destination and headquarters, purpose of trip and mileage.

Operating Expense - purchase documents such as purchase orders, invoices, requisitions, stock received reports, bill of lading, etc.; lease and/or lease agreements, contracts.

5. Chief Financial Officer and/or responsible person (or persons) who sign checks should be bonded.
6. If additional accounting policy and procedures are needed, contact the Office of Auditor-Controller, County of Riverside.

III.

INTERNAL CONTROLS

Internal controls safeguard the Sub-contractor's assets from misappropriation or misstatement. Each Sub-contractor shall prepare necessary written procedures establishing internal controls for its personnel. The Sub-contractor shall instruct all of its personnel in said procedures and continuously monitor operations to ensure compliance therewith. The following internal controls are mandatory:

1. Cash Receipts

- a) All cash receipts (cash, checks, etc.) should be recorded, giving sufficient details, in the Cash Receipts Journal. Recording of cash receipts should not be deferred until they are transmitted to the bank.
- b) Each receipt should be entered individually in the Cash Receipts Journal and not combined with other receipts for entry as a total amount.
- c) Preprinted, prenumbered receipt forms are to be prepared for all monies received.
- d) All cash receipts are to be deposited in the bank immediately upon receipt and intact.
- e) Duplicate deposit slips shall be retained and filed chronologically, and shall contain sufficient reference information for comparison to the individual pre-numbered receipts and the Cash Receipts Journal.
- f) An employee who does not handle cash shall record cash receipts (unless a "write-it-once" Cash Receipts Journal is used).

III. INTERNAL CONTROLS (cont'd)

1. Cash Receipts

- g) The bank reconciliations shall be reviewed by supervisory personnel for appropriateness and accuracy.
- h) All checks shall be restrictively endorsed immediately upon receipt.
- i) The cash receipts and disbursements journals should be balanced as of the end of each month and posted to the General Ledger.
- j) One operating bank account may be used for all operating transaction purposes, and a separate payroll bank account may be maintained on an imprest basis.
- k) If possible, the bank statements should be received directly from the bank, unopened, by some employee whose responsibilities do not include receiving or depositing cash receipts or authorizing, preparing or signing checks. This employee should prepare the bank reconciliation immediately after receiving the bank statement.

2. Cash Disbursements

- a) All disbursement (other than those paid through imprest petty cash funds) are to be made by preprinted and prenumbered checks.
- b) All disbursements are to be recorded in the "Cash Disbursement Journal."
- c) All disbursements are to be properly supported.
- d) Checks shall not be made payable to "cash" or signed in advance.
- e) Voided or unused checks should be mutilated and filed in the regular sequence of the paid checks.
- f) Unclaimed or undelivered checks shall be cancelled periodically.
- g) Supporting documents shall be examined by the persons signing or controlling the signing of checks at the time the checks are signed.
- h) Supporting documents shall be marked "paid".
- i) Supporting documents shall be referenced to check numbers.
- j) Payroll checks shall be distributed by persons not involved in timekeeping, preparing of payroll, or reconciling of bank accounts.
- k) Employee hiring and terminating, or pay rate changing, shall be approved by persons independent of payroll functions.
- l) All disbursements excluding petty cash purchases shall be approved by persons independent of check preparing and bookkeeping.

III. INTERNAL CONTROLS (cont'd)

2. Cash Disbursements

- m) Fixed asset purchases (if allowed by contract), shall be approved by the Sub-contractor's Board of Directors or their authorized representative.

3. Property and Equipment

To provide proper accountability and to safeguard property and equipment, each Sub-contractor should adopt accounting policies and control procedures appropriate for its property and should establish an adequate and reliable system of records and related procedures to provide a proper accounting for the property.

- a) Capital expenditure (expenditures for property and equipment) means "Direct expenditures for the purchase or construction, by contract or force account, of buildings and other improvements and for purchase of land and equipment." Its expected cost is not less than \$100.
- b) Property Control
 - 1) All acquisitions of property and equipment should be recorded in the Property Book (Standard Form #6) as of the date the Sub-contractor takes custody.
 - 2) The disposal or retirement of property should be recorded when it leaves the custody of the Sub-contractor and documentation retained.
 - 3) Within 48 hours after property is received, a property tag with preprinted serial numbers should be affixed to the asset.
 - 4) A current listing of fixed assets shall be maintained.
 - 5) Periodic physical inventory taking (at least once a year) is recommended.
 - 6) Security over fixed assets must be adequately maintained.

4. Inventories/Supplies

Each Sub-contractor should maintain perpetual inventory control records and take physical inventory at least twice a year.

5. Expenditures

- a) It is recommended that all expenditures be carefully reviewed and approved. If the expenditure is for items that have been purchased, payment should be made only after the material has been received, inspected, quantities verified and the transaction has been reviewed as outlined in paragraph b., which follows.

III. INTERNAL CONTROLS (cont'd)

5. Expenditures

- b) To determine the propriety of each proposed expenditure prior to approval for payment or recording, the procedure of "pre-audit" should be followed:
 - 1) Obtain procurement approval, preferably a purchase order, etc.
 - 2) Obtain a record of the receipt of the goods or services, such as a receiving report, etc.
 - 3) Ascertain validity of vendor's invoice. Payments are to be made on original copy of invoice only.
 - 4) Verify accuracy of quantities per invoice by comparison with receiving report. (The person receiving goods should have no knowledge of how many items were ordered.)
 - 5) Verify accuracy of prices by comparison with purchase order or price catalog, etc.
 - 6) Verify accuracy of extensions and footings on invoice.
 - 7) Ascertain that the transaction has been properly coded.
 - 8) The person responsible for the above functions should initial the invoice or voucher slip indicating pre-audit completion. If possible, this function may be divided among more than one employee.
- c) To purchase, improve, or construct any item of property and equipment, approval from the County is required even though your budget has been approved. (Additional requirement may be needed to comply with the law and/or regulations).
- d) Normally, final approval for payment is made by the employee or official next highest to the person who will actually sign the check.
- e) The person who signs the checks should confirm that the vouchers have been approved for payment properly and should mark "Paid on (Date)" on each voucher and on the attached supporting documents when he signs the checks. After signing, all the checks should be mailed to vendors. No checks should be set aside for hand delivery or other means of delivery by the employees.
- f) It is recommended that all the paid vouchers be filed in check number sequence or in alphabetic sequence of vendors.

6. Payrolls

- a) Time and attendance reports should be maintained individually for each employee or collectively for groups of employees who work at the same location.

The time and attendance report form should furnish the following information:

III. INTERNAL CONTROLS (cont'd)

6. Payrolls

- a)
 - 1) Pay period covered
 - 2) Employee name (and/or employee number)
 - 3) Number of hours worked each day
 - 4) Number of hours worked during period
 - 5) Number of hours of annual leave taken
 - 6) Number of hours of sick leave taken
 - 7) Number of hours of other leave with pay (military, jury duty, etc.)
 - 8) Number of hours on leave of absence without pay
 - 9) Number of hours of compensatory time taken
 - 10) Number of hours compensatory time earned
 - 11) Number of hours of overtime worked for pay
 - 12) Employee signature or initials
 - 13) Supervisor's signature approving and verifying the information reported
- b) Pay for each employee is computed on the basis of time worked per the time and attendance reports and is recorded on the Payroll Journal.
- c)
 - 1) The Payroll Journal summarizes total regular time and overtime hours from which total gross pay is computed and entered.
 - 2) Payroll deductions are computed and recorded in appropriate columns, and the net pay is determined and recorded.
 - 3) Checks are prepared from the data in the Payroll Journal, and each check number is recorded.
 - 4) The total of net pay is entered in the Cash Disbursement Journal if a check is drawn to separate payroll account.
 - 5) To insure accuracy, all computations of total hours worked, pay, and deductions should be verified by a second employee prior to preparation of checks. If possible, the employee preparing the payroll should have no part in preparing time records, approval thereof, employment authorization, paycheck preparation and signing and distribution of checks.
- d) Only after the payroll is approved by the Chief Financial Officer, should the checks be prepared.

III. INTERNAL CONTROLS (cont'd)

6. Payrolls

- e) Under no circumstances should checks be distributed by the employee's immediate supervisor or by the accounting personnel.
- f) For Federal income tax and FICA tax purposes, a withholding exemption certificate (Form W-4 of the U.S. Treasury Department, Internal Revenue Service) must be prepared and signed by each employee. This form is used for California income tax withholding purposes also.
- g) Payroll taxes and tax returns
 - 1) Federal payroll taxes applicable to Sub-contractors are the Federal income tax and the Federal social security tax (FICA tax). The Sub-contractor that has obtained exempt status under Section 501 of the Internal Revenue Code may not be required to withhold FICA tax unless an election has been made by the employees. Comprehensive instructions for withholding, remitting and filing appropriate returns are provided in the "Employer's Tax Guide" (Treasury Department, Internal Revenue Service, Publication No. 15), which is revised annually.
 - 2) California payroll taxes applicable to Sub-contractors are the California income tax, disability insurance and unemployment tax. Comprehensive instructions for withholding, remitting and filing appropriate returns are provided in the "Employer's Tax Guide (Department of Benefit Payment, Publication DE44)," which is revised and issued annually like Federal income tax regulation.
- h) Unemployment compensation taxes
 - 1) The Federal Unemployment Compensation Tax Act, hereafter referred to as FUTA, normally does not apply to a Sub-contractor that is a non-profit education and charitable organization and local and State governments. Sub-contractors not falling into one of these classes should request financial counsel to determine its responsibilities for FUTA taxes. All Sub-contractors should obtain information as to whether they are liable for FUTA taxes since the compliance with the act should be determined by each Sub-contractor. Sub-contractors desiring unemployment coverage for employees may request such coverage, in some instances, even though exempt therefrom.
 - 2) Filing for California unemployment tax is made with Form DE 3, which is also used to file California income tax and disability insurance withheld.
- i) Workmen's compensation insurance for Sub-contractor is mandatory in California. Sub-contractor should consult both legal and financial counsel for advice and recommendations.

III. INTERNAL CONTROLS (cont'd)

6. Payrolls

j) Personnel policy

- 1) Each Sub-contractor should have a written personnel policy to establish rules concerning rate of pay for a position, rate of vacation and sick leave accrual, limitations and scheduling of annual leave and sick leave. Policies may also be established concerning other types of leaves, such as maternity leave without pay, military leave, or leave for jury or other civil duties.
- 2) Annual leave accumulated during one entitlement period may be carried over to the next entitlement period within the limits set by personnel policies. The cost should be accrued during the entitlement period for which it is earned.
- 3) All the changes of personnel status, such as new position or classification, change in pay rate termination, etc. should be documented by a personnel action form. ~~Standard Form #7~~

7. Travel

All reports of travel expenditures by employees should be comprehensive, complete and supported by proper documentation. The documentation should contain such information as details of points visited and expenditures made and purpose of travel. (Standard Form #7)

Each Sub-contractor should establish a written policy concerning travel costs.

8. Payments to Affiliated Organizations/Persons

Sub-contractors shall not make payments to affiliated organizations/ persons for program expenses (services, rent, equipment, food, etc.) that exceed the reasonable cost for such expenses. The County shall be solely responsible for the determination of reasonable program costs. A reasonable cost shall be that price which would be paid by one party to another when the parties are dealing at arms length.

a) Affiliated Organizations/Persons

Organizations/persons related to the Sub-contractor by blood, marriage, or through legal organization (incorporation, partnership, association, etc.) will be considered affiliated for purposes of this contract. The County shall be solely responsible for the determination of affiliation.

b) Unallowable Expenses

Expenses by the Sub-contractor to affiliated organizations/persons which exceed reasonable costs for such expenses may be disallowed on audit.

CLOSING COMMENTS

The preceding accounting requirements and control procedures are prescribed for all organizations. The County of Riverside recognizes the wide range of organization size in terms of available resources. In order to match some or all of the above requirements to your organization's size, we encourage your accounting or bookkeeping personnel to meet with the County department through whom you're contracting or the Auditor-Controller's Office and agree on some points which may be omitted or additional steps which may be taken.

GENERAL JOURNAL

FOR THE MONTH OF _____, 19____

JOURNAL ENTRY NUMBER	ACCOUNT NAME OR CODE	DESCRIPTION, IF NEEDED	DEBIT	CREDIT

CASH RECEIPTS

_____ , 197__

DEBIT/(CREDIT)

STATE EACH ITEM ONE BY ONE

Date Rec'd	Received from	If check, Check # and Date	Amount	ACCOUNTS TO BE CHARGED	
				Amount	Explain

CHECK REGISTER/DISBURSEMENT

STANDARD FORM #3

List each item one by one except Payroll Check

_____, 197__

CHECK Number	PAYEE	AMOUNT	ACCOUNTS TO BE CHARGED DR/(CR)								Others	
			Payroll	Payroll Tax							Amount	Explain

GENERAL LEDGER SHEET

Account: _____

Dr/(Cr.)

DATE	DESCRIPTION	(General) JOURNAL ENTRY NO.	DEBIT	CREDIT	BALANCE

PAYROLL JOURNAL

STANDARD FORM #5

Pay Period Ending _____, 197__

Payroll Check Date _____, 197__

Employee Number (any)	Employee Name	Pay Rate	Working Hours		Gross Income	Deductions			Others		Net Pay	Check No.	
			Regular	Overtime		Federal W/H	FICA	State W/H	Disab. Ins.	Amt			Explain

PROPERTY BOOK

List each item one by one

DATE ENTERED	PURCHASED OR CONTRIBUTED	<u>DESCRIPTION OF PROPERTY</u> PROPERTY NAME, MANUFACTURER, MODEL, SERIAL NO., ETC.	COST OR ESTIMATED VALUE	LOCATION	PROPERTY TAG NUMBER	<u>DISPOSAL</u> SOLD, LOST, JUNKED, ETC./DATE

TRAVEL EXPENSE REPORT

DATE	LOCATION OF TRAVEL	PURPOSE	MILEAGE	EXPENSE*
TOTAL MILEAGE				
EXPENSE FOR MILEAGE (Miles X \$ =)				\$
TOTAL TRAVEL EXPENSES				\$

Detailed supports such as receipt, cash register slip, bill, etc. should be attached.

Prepared by:

Date:

Approved by:

Date: