

FORM APPROVED COUNTY COUNSEL  
 BY: GREGORY P. PRIAMOS DATE: 10/7/15

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
 COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

418



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
 October 7, 2015

**SUBJECT:** Vail Ranch Restoration Association Sub-Lease, Economic Development Agency, 5 Year Sub-Lease, District 3, CEQA Exempt, [\$0]

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301, Existing Facilities, and Section 15061(b)(3), the common sense exemption;
2. Approve the Sub-Lease between the County of Riverside and Vail Ranch Restoration Association and authorize the Chairman of the Board to execute the same on behalf of the County; and
3. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk upon approval of the project.

**BACKGROUND:**

Summary  
 Commences on Page 2

Robert Field  
 Assistant County Executive Officer/EDA

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

**SOURCE OF FUNDS:** N/A  
**Budget Adjustment:** No  
**For Fiscal Year:** 2015/16-20/21

**C.E.O. RECOMMENDATION:**

APPROVE

BY: Rohini Dasika  
 Rohini Dasika

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Jeffries, seconded by Supervisor Tavaglione and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Washington and Benoit  
 Nays: None  
 Absent: Ashley  
 Date: October 20, 2015  
 xc: EDA, Recorder

Kecia Harper-Ihem  
 Clerk of the Board  
 By: [Signature]  
 Deputy

- A-30
- Positions Added
- 4/5 Vote
- Change Order

3-10

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

Economic Development Agency

**FORM 11:** Vail Ranch Restoration Association Sub-Lease, Economic Development Agency, 5 Year Sub-Lease, District 3, CEQA Exempt, [\$0]

**DATE:** October 7, 2015

**PAGE:** 2 of 3

**BACKGROUND:**

**Summary**

On January 23, 2007, the Board of Supervisors approved and executed a lease agreement between the County of Riverside (County) and Redhawk Towne Center II, LLC for lease of 1,136 square feet of the Implement Barn on the commercial property adjacent to Vail Ranch Historic Site. The lease allows the County to sub-lease the property for historic purposes.

On May 15, 2007, the Board of Supervisors approved and executed a sub-lease agreement between the County and Vail Ranch Restoration Association (VaRRA). VaRRA was formed to heighten awareness of the rich heritage of the properties known as the Vail Ranch Historic Site. VaRRA seeks to promote research, preservation, and restoration of the historic site. At the site, VaRRA displays artifacts and replicas of tools, machinery, and transportation used during the height of the Vail Ranch period. VaRRA has developed a hands-on curriculum for school-ages children to teach the historic value of the site. The County desires to re-enter into a new Sub-Lease with VaRRA for five years, with four automatic five year renewals.

Pursuant to the California Environmental Quality Act (CEQA), the Sub-Lease was reviewed and determined to be categorically exempt from CEQA pursuant to State CEQA Guidelines Section 15301, Class 1-Existing Facilities and Section 15061 (b) (3), the common sense exemption. The proposed project, the Sub-Lease, is the subletting of property involving existing facilities with no tenant improvement alterations and no expansion of an existing use will occur.

The Sub Lease is summarized as follows:

**Location:** 32075 S. Highway 79, Temecula, California 92592

**Lessee:** Vail Ranch Restoration Association (VaRRA)

**Size:** 1,136 Square Feet

**Term:** Five years, commencing October 27, 2015

**Options:** Four automatic five year renewals.

**Rent:** \$1.00 annual revenue

**Custodial:** Lessee

**Maintenance:** Lessee

**Utilities:** Lessee shall pay for electricity, gas, water, sewer, and trash removal.

**Impact on Citizens and Businesses**

By VaRRA continuing to sub-lease this facility, they will continue to preserve the historical aspect of the Vail Ranch historic site. The occupancy of VaRRA in this region will benefit the community by providing a positive impact to local residents through the historical education provided.

(Continued)

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

Economic Development Agency

**FORM 11:** Vail Ranch Restoration Association Sub-Lease, Economic Development Agency, 5 Year Sub-Lease, District 3, CEQA Exempt, [\$0]

**DATE:** October 7, 2015

**PAGE:** 3 of 3

**Contract History and Price Reasonableness**

This contract has been in place since May 15, 2007.

Attachments:

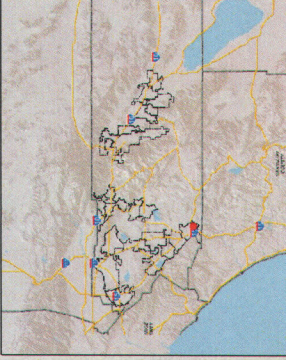
Sub-Lease Agreement

Notice of Exemption

Aerial Image

# 32075 S. Highway 79, Temecula

## Vail Ranch Implement Barn



### Legend

- RCLIS Parcels
- roadsanno
- highways
- HWY
- INTERCHANGE
- INTERSTATE
- OFFRAMP
- ONRAMP
- USHWY
- counties
- cities
- hydrographylines
- waterbodies
- Lakes
- Rivers



0 364 727 Feet



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### Notes

First Amendment to Sub Lease  
District 3



Original Negative Declaration/Notice of Determination was routed to County Clerks for posting on. 10/21/15 KB  
Date Initial

### NOTICE OF EXEMPTION

September 29, 2015

**Project Name:** Vail Ranch Restoration Association Sub-Lease, Temecula

**Project Number:** FM047670004300

**Project Location:** 32075 South Highway 79, Temecula, California 92592; Assessor Parcel Number: 960-010-043 (See attached exhibits)

**Description of Project:** On January 23, 2007, the County of Riverside (County) Board of Supervisors (Board) approved and executed a lease agreement between the County and Redhawk Towne Center II, LLC for lease of 1,136 square feet of the Implement Barn on the commercial property adjacent to Vail Ranch Historic Site. The lease allows the County to sub-lease the property for historic purposes. On May 15, 2007, the Board approved and executed a sub-lease agreement between the County and Vail Ranch Restoration Association (VaARRA). The County would like to re-enter into a new Sub-Lease with VaARRA for five years, with four automatic five year renewals. VaARRA was formed to heighten awareness of the rich heritage of the properties known as the Vail Ranch Historic Site. VaARRA seeks to promote research, preservation, and restoration of the historic site. At the site, VaARRA displays artifacts and replicas of tools, machinery, and transportation used during the height of the Vail Ranch period. VaARRA has developed a hands-on curriculum for school-ages children to teach the historic value of the site. The proposed project is the letting of property involving existing facilities; no expansion of an existing use will occur.

**Name of Public Agency Approving Project:** County of Riverside, Economic Development Agency

**Name of Person or Agency Carrying Out Project:** County of Riverside, Economic Development Agency; Vail Ranch Restoration Association

**Exempt Status:** State California Environmental Quality Act (CEQA) Guidelines, Section 15301, Class 1, Existing Facilities Exemption; Section 15061(b)(3), General Rule or "Common Sense" Exemption.

**Reasons Why Project is Exempt:** The Project is exempt from the provisions of CEQA specifically by the State CEQA Guidelines as identified below. The Project will not result in any specific or general exceptions to the use of the categorical exemption as detailed under State CEQA Guidelines Section 15300.2. The Project will not cause any impacts to scenic resources, historic resources, or unique sensitive biological environments. Further, no unusual circumstances or potential cumulative impacts would occur that may reasonably create an environmental impact. The new Sub-Lease is not anticipated to result in any significant physical environmental impacts.

- Section 15301 – Class 1 Existing Facilities Exemption. This exemption includes the operation, repair, maintenance, leasing, or minor alteration of existing public or private structures or facilities, provided the

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[www.rivcoeda.org](http://www.rivcoeda.org)

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Economic Development  
Edward-Dean Museum  
Environmental Planning  
Fair & National Date Festival  
Foreign Trade  
Graffiti Abatement

Parking  
Project Management  
Purchasing Group  
Real Property  
Redevelopment Agency  
Workforce Development

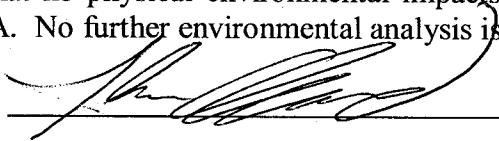
exemption only involves negligible or no expansion of the previous site's use. The Project as proposed is the entering of a new sub-lease. The lease will not increase or expand the use of the site, and merely allows for the continued use of the site in a similar capacity; therefore, the Project meets the scope and intent of the Class 1 Exemption.

- Section 15061 (b)(3) – “Common Sense” Exemption. In accordance with CEQA, the use of the Common Sense Exemption is based on the “general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment.” State CEQA Guidelines, Section 15061(b)(3). The use of this exemption is appropriate if “it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.” *Ibid*. This determination is an issue of fact and if sufficient evidence exists in the record that the activity cannot have a significant effect on the environment, then the exemption applies and no further evaluation under CEQA is required. See *Muzzy Ranch Co. v Solano County Airport Land Use Comm'n* (2007) 41 Cal.4th 372.

With certainty, there is no possibility that the Project may have a significant effect on the environment. The proposed sub-lease will not have an effect on the environment. The use and operation of the facility will be substantially similar to the existing uses and will not create any new environmental impacts to the surrounding area. Therefore, in no way would the Project as proposed have the potential to cause a significant environmental impact and the Project is exempt from further CEQA analysis.

Based upon the identified exemptions above, the County of Riverside, Economic Development Agency hereby concludes that no physical environmental impacts are anticipated to occur and the Project as proposed is exempt under CEQA. No further environmental analysis is warranted.

Signed: \_\_\_\_\_



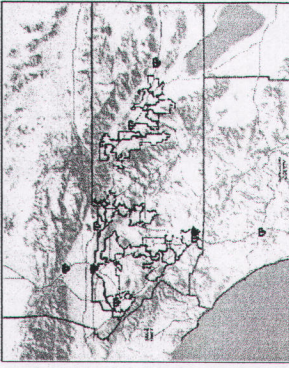
Date: \_\_\_\_\_

9/29/15

John Alfred, Acting Senior Environmental Planner  
County of Riverside, Economic Development Agency

# 32075 S. Highway 79, Temecula

## Vail Ranch Implement Barn



### Legend

- RCLIS Parcels
- roads
- highways
- HWY
- INTERCHANGE
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0 364 727 Feet

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### Notes

First Amendment to Sub Lease District 3

**RIVERSIDE COUNTY CLERK & RECORDER**

**AUTHORIZATION  
TO BILL  
BY JOURNAL VOUCHER**

Project Name: **Vail Ranch Restoration Association Sub-Lease, Temecula**

Accounting String: **Fund: 524830-47220-7200400000- FM047670004300**

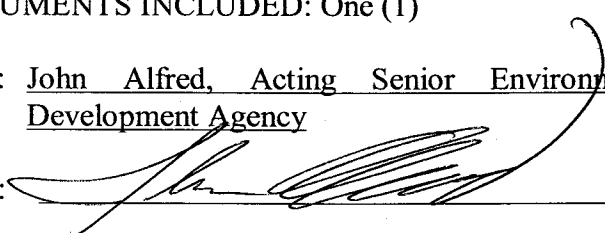
DATE: September 29, 2015

AGENCY: Riverside County Economic Development Agency

THIS AUTHORIZES THE COUNTY CLERK & RECORDER TO BILL FOR FILING AND HANDLING FEES FOR THE ACCOMPANYING DOCUMENT(S).

NUMBER OF DOCUMENTS INCLUDED: One (1)

AUTHORIZED BY: John Alfred, Acting Senior Environmental Planner, Economic Development Agency

Signature:  \_\_\_\_\_

PRESENTED BY: Candice Etter, Real Property Agent I, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: \_\_\_\_\_

DATE: \_\_\_\_\_

RECEIPT # (S) \_\_\_\_\_





Date: September 29, 2015

To: Mary Ann Meyer, Office of the County Clerk

From: John Alfred, Acting Senior Environmental Planner, Project Management Office

Subject: **County of Riverside Economic Development Agency Project # FM047670004300**  
Vail Ranch Restoration Association Sub-Lease, Temecula

The Riverside County's Economic Development Agency's Project Management Office is requesting that you post the attached Notice of Exemption. Attached you will find an authorization to bill by journal voucher for your posting fee.

**After posting, please return the document to Mail Stop #1330 Attention: John Alfred, Acting Senior Environmental Planner, Economic Development Agency, 3403 10<sup>th</sup> Street, Suite 400. Riverside, CA 92501. If you have any questions, please contact John Alfred at 955-4844.**

Attachment

cc: file

1 Sub-Lease Agreement  
2 Vail Ranch Implement Barn  
3 32075 Wolf Store Road, Temecula  
4

5 THIS SUB-LEASE AGREEMENT (the "Sub-Lease") is made and entered into on  
6 this 20<sup>th</sup> day of October, 2015 ("Effective Date") by and between the  
7 County of Riverside, a political subdivision of the State of California ("County"), and Vail  
8 Ranch Restoration Association, a tax-exempt non-profit organization ("VaRRA").

9 RECITALS

10 A. County, as Lessee, and Redhawk Town Centre II, LLC, a Delaware  
11 limited liability company, as Lessor, have entered into that certain Lease Agreement  
12 dated January 23, 2007, ("Redhawk Lease"), whereby County has leased 1,136 square  
13 feet in a building ("Premises") referenced as the "Implement Barn" therein the Redhawk  
14 Lease, situated on real property located in a commercial center in the City of  
15 Temecula, County of Riverside, State of California ("Property"), the Premises and the  
16 Property both are more particularly described in Exhibits "A" and "B" therein the  
17 Redhawk Lease.

18 B. County, as Sub-Lessor, and VaRRA, as Sub-Lessee, have entered into  
19 that certain Sub-lease dated May 15, 2007 whereby VaRRA sub-leases the Premises  
20 for historic preservation purposes.

21 C. VaRRA was formed to heighten awareness of the rich heritage of the  
22 properties known as the Vail Ranch Historic Site. VaRRA seeks to promote research,  
23 preservation, and restoration of the historic site. The space will be used for displays  
24 depicting ranch life during the height of the Vail Ranch Site.

25 D. The Sub-Lease has expired due to neither party exercising the option to  
26 extend the term in a timely manner; therefore, the County and VaRRA now wish to re-  
27 enter into the same Sub-Lease, with revisions to the option to extend period, for the  
28 Premises as depicted and describe in Exhibit "A," attached hereto and incorporated

1 herein by this reference.

2 NOW, THEREFORE, the parties hereby agree as follows:

3 1. SUB-LEASE OF PREMISES

4 a. Subject to the provisions of the recital paragraphs outlined  
5 above, such paragraphs being incorporated herein by this reference, and subject  
6 to the other terms and provisions contained herein, County hereby Sub-Leases  
7 to VaARRA, and VaARRA hereby Sub- Leases from County, the Premises. VaARRA  
8 shall accept the Premises in their current "as-is" condition, except as otherwise  
9 provided herein.

10 b. Possession of the Premises shall be delivered to VaARRa upon the  
11 Effective Date of the Sub- Lease (the "Effective Date"), which shall be the date  
12 upon which the Sub-Lease has been fully executed by all parties.

13 2. TERM. The term of this Sub-Lease shall commence on the Effective  
14 Date and continue in effect for a period of five (5) years thereafter ("Initial Term").  
15 Upon expiration of the extended term, the Sub-Lease shall renew automatically for four  
16 (4) consecutive five (5) year terms, unless either party gives written notice of their  
17 intent to terminate the Sub-Lease to the other party at least ninety (90) days prior to the  
18 expiration of the then current term. Upon the termination or expiration of this Sub-  
19 Lease in accordance with its terms, VaARRA agrees to surrender to County the  
20 Premises in as good repair and condition as exists on the date possession of the  
21 same is delivered to VaARRA, ordinary wear and tear excepted. Notwithstanding the  
22 foregoing, in the event that the Redhawk Lease is terminated pursuant to provisions  
23 provided therein, County may terminate this Sub-Lease by giving VaARRA thirty (30)  
24 days prior written notice.

25 3. RENT.

26 a. VaARRA shall pay to County an annual payment of One Dollar  
27 (\$1.00) ("Base Rental").

28 b. Upon full execution hereof, the VaARRA will tender to County its

1 first check for the annual rent payment in the amount of One Dollar (\$1.00), and  
2 thereafter, rent shall be payable annually.

3 c. All payments of Base Rental and other sums payable to County  
4 hereunder shall be paid to County at the following address:

5 County of Riverside  
6 Economic Development Agency  
7 3403 Tenth Street, Suite 400  
8 Riverside, California 92501  
9 Attention: Deputy Director, Real Estate Division

10 4. COMMON AREAS AND PARKING. Common Areas shall be all of  
11 those areas of the Property not Sub-Leased to VaRRA hereunder that are available  
12 for the common use of the occupants of the commercial site. At all times during the  
13 term of this Sub-Lease, with the exception of reasonable repair or replacement,  
14 VaRRA shall be entitled to reasonable, non-exclusive use of said Common Areas for  
15 ingress, egress and parking purposes to the extent reasonably needed for VaRRA  
16 to use the Premises in the manner provided herein, provided however, that VaRRA's  
17 use of the Common Areas shall not unreasonably interfere with the use of the  
18 Common Areas by Owner and others entitled to use the Common Areas. The  
19 parties hereto acknowledge and agree that VaRRA's usage of the Common Areas  
20 for ingress, egress, and parking shall be non-exclusive during the term of this Sub-  
21 Lease. All of the parking and use of the Common Area provided to VaRRA under  
22 this paragraph shall be without charge. VaRRA shall comply with reasonable rules  
23 and regulations concerning the use of the Common Areas established from time to  
24 time by County and/or Owner. Owner shall have the sole and exclusive control over  
25 the Common Area and the right to make changes thereto as Owner determines  
26 appropriate from time to time, provided such changes do not materially impair the  
27 ingress, egress and parking rights granted hereby.

28 5. ALTERATIONS. VaRRA shall not make any structural or exterior

1 alterations or changes to the Premises without the prior written consent of County  
2 and Owner, which consent shall not be unreasonably withheld, conditioned or  
3 delayed. VaARRA shall give County and Owner a ten(10) day written notice prior to  
4 the commencement of any improvements on the Premises, so as to afford County  
5 and Owner the opportunity to post a notice of non-responsibility to protect against  
6 any mechanic's liens which might be recorded against the Premises and/or the  
7 Property. VaARRA hereby agrees to indemnify, defend and hold the Owner and  
8 County and their members, partners, affiliates, agents, servants and employees  
9 harmless from and against any mechanic's liens and from any and all costs,  
10 expenses, claims, causes of action, attorneys' fees and title costs in respect to  
11 damage to property or injury to persons which might arise by virtue of any work on  
12 the Premises and/or the Property authorized or required to be performed by or at  
13 the expense of the VaARRA.

14           6.     **USE, MAINTENANCE AND REPAIR OF THE PREMISES**

15           a.     The Premises are to be used by VaARRA for the operation and  
16 conduct of historic preservation offices and meeting rooms, historic displays and  
17 related gift shop. VaARRA agrees to restrict its use of the Premises to such  
18 purposes and not to use or permit the use of the Premises for any other purpose  
19 whatsoever without the prior written consent of the County and Owner, which  
20 consent may be withheld in County's and Owners sole and absolute discretion.

21           b.     During the term of this Sub-Lease and any extensions  
22 thereof, VaARRA shall keep the interior of the Premises, and mechanical systems  
23 contained therein or otherwise exclusively serving the Premises, including,  
24 plumbing, electrical, heating and air conditioning systems, in as good repair as  
25 exists on the date hereof (ordinary wear and tear excepted) at VaARRA's own  
26 expense, and shall not permit the interior of the Premises or such systems to  
27 deteriorate or depreciate in value by any act or omission of VaARRA or its employees  
28 or agents, normal wear and tear excepted. All repairs and maintenance required of

1 VaRRA shall be done in a good workmanlike manner. Notwithstanding the foregoing,  
2 VaRRA shall not be responsible for repair of any preexisting conditions. In  
3 accordance with the Redhawk Lease, Owner is responsible for all exterior or structural  
4 repairs and/or maintenance of the Premises and the Property, and Owner has agreed  
5 to keep said Property in as good repair as exists on the date hereof (ordinary wear  
6 and tear excepted) at Owner's own expense; however, if any such repairs or  
7 maintenance are required due to the acts or omissions of VaRRA or its employees,  
8 agents or invitees, VaRRA shall reimburse County and/or Owner for the costs of  
9 such repairs or maintenance within fifteen (15) days following VaRRA's receipt of an  
10 invoice therefore showing in reasonable detail such costs.

11 c. VaRRA shall not permit the Premises to be occupied for any  
12 business or purpose deemed hazardous on account of fire or any other account, nor  
13 commit any act which will invalidate any policy of insurance on said Premises.  
14 VaRRA shall use no equipment unapproved by insurance underwriters and shall  
15 not use the Premises in any way which will cause an increase in the usual  
16 insurance rates.

17 d. In their respective use, occupation, maintenance, repair and  
18 alteration of the Premises and VaRRA, respectively, shall comply with all applicable  
19 rules and regulations of any public body having jurisdiction over the Premises; however  
20 VaRRA shall be responsible for making all alterations, including structural and exterior  
21 alterations, to the Premises that are required by law for the VaRRA's use or occupancy  
22 of the Premises.

23 e. VaRRA shall, at VaRRA's sole cost and expense, keep the  
24 interior of the Premises in as clean, sanitary and presentable condition as exists  
25 on the date hereof, and not allow refuse or debris to accumulate therein. VaRRA  
26 shall, at VaRRA's sole cost and expense, keep the exterior of the Premises and the  
27 Property in as clean, sanitary and presentable condition as exists on the date  
28 hereof, and not allow refuse or debris to accumulate thereon.

1           7.     **GRAPHICS AND EXTERIOR DISPLAYS.** VaARRA shall have the right  
2 to install an exterior sign and/or exterior historic displays adjacent to the Premises  
3 provided such signs and/or displays, and the location thereof, shall be approved by  
4 County and Owner in the exercise of its reasonable discretion. All VaARRA's signage  
5 and/or displays shall be paid for by VaARRA, and neither County, nor Owner shall be  
6 responsible for loss or damage of signs or historic displays placed on the exterior of  
7 the Premises. County and/or Owner may require historic displays located adjacent  
8 to the Premises to be secured by fencing if County and/or Owner believes that  
9 such displays may constitute an attractive nuisance. All such displays shall be  
10 deemed to constitute a portion of the Premises for purposes of VaARRA's indemnity  
11 obligations under Section 11 (c).

12           8.     **UTILITIES.** VaARRA agrees that it shall pay all utility costs for its use of  
13 the Premises, including but not limited to electricity, gas, water, sewer, and trash  
14 removal. In the event that utilities to the Premises are not separately metered,  
15 VaARRA shall pay its pro rata share of said utilities based upon Sub-Leasable  
16 square footage contained within the Premises as compared to the entire Sub-  
17 Leasable square footage covered by the relevant billing. Any prorated payments for  
18 utilities shall be paid by VaARRA to Owner within fifteen (15) days of the VaARRA's  
19 receipt of billing for same, which billing shows the allocation of said utility costs.  
20 VaARRA shall be solely responsible for its own telephone service.

21           9.     **ASSIGNMENT AND SUBLETTING.** VaARRA may not assign or sublet  
22 the Premises without County's and Owner's consent, which may be withheld in their  
23 sole and absolute discretion.

24           10.    **MECHANIC'S LIENS**

25           a.     VaARRA will not cause any mechanic's liens or materialmen's  
26 liens to be placed on the Premises and will cause any lien placed thereon by  
27 VaARRA or any party claiming by, through or under VaARRA, to be promptly removed.  
28 If VaARRA fails to remove any such lien within thirty (30) days following written

1 demand therefor, Owner may remove the same and VaARRA will reimburse Owner for  
2 the costs incurred in connection with such removal within fifteen (15) days of the  
3 VaARRA's receipt of an invoice therefore showing in reasonable detail such costs  
4 incurred.

5           b. Notwithstanding anything to the contrary set forth above, if  
6 VaARRA shall have commenced activity on the Property pursuant to this Sub-Lease,  
7 and, in connection therewith any lien, claim or demand is filed against the Property,  
8 and VaARRA, in good faith, contests the validity of any such lien, claim or demand,  
9 then VaARRA may, at its expense, defend itself and County and Owner against the  
10 same and shall pay and satisfy any adverse judgment that may be rendered  
11 hereon before any enforcement thereof against the Property, Owner or County.  
12 County's right to contest such liens, claims or demands pursuant to the terms  
13 of this Section is expressly conditioned upon VaARRA causing such lien to be  
14 released of record, within the time period required in Section 10 (a), by bonding  
15 over such lien in the manner provided by applicable law and indemnifying VaARRA  
16 against liability for the same, and holding the Property free from the effect of any  
17 such lien, claim or demand.

18           11.    INSURANCE

19           a.    VaARRA shall carry and maintain, at VaARRA's expense, at all  
20 times during the term of this Sub-Lease, not less than the following coverage and  
21 limits of insurance.

22                   i.       Commercial General Liability for Bodily Injury and Property  
23 Damage including coverage for contractual liability, personal injury, independent  
24 contractors, broad form property damage, products and completed operations:  
25 \$1,000,000 per occurrence.

26                   ii.       Automobile Liability for Bodily Injury and Property  
27 Damage including coverage for owned, non-owned, leased and hired cars:  
28 \$1,000,000 per occurrence.



1                   iii.       Worker's Compensation and Employer's Liability, if  
2 applicable:

3                               1.       State Worker's Compensation- Coverage as required  
4 by law.

5                               2.       Employer's Liability with limits of at least \$1,000,000  
6 per occurrence.

7           The commercial general liability policy must meet or exceed the  
8 requirements of ISO-CGL Form CG00011185. The automobile liability policy must  
9 be written on ISO Business Auto Coverage Form NO. CA00010692, including  
10 symbol 1 (Any Auto) and Endorsement CA0025, or equivalent forms. The  
11 commercial general liability and automobile liability policies must be on an  
12 "occurrence" basis, not a claim-made basis. The foregoing policies may contain  
13 an aggregate limit not less than the occurrence limit. The required limits may be  
14 satisfied by a combination of a primary policy and an excess or umbrella policy.

15                   iv.       All insurance required pursuant to the express provisions of  
16 this Sub-Lease shall:

17                               1.       Provide that coverage shall not be cancelled until at  
18 least thirty (30) days' written notice of such cancellation shall have been given to  
19 County and Owner. In the event any policies of insurance are cancelled, VaRRA  
20 shall, prior to the cancellation date, submit evidence of new insurance to the  
21 County and Owner complying with this Section.

22                               2.       Be issued by insurance companies which are  
23 qualified to do business in the State of California and which have a current rating of  
24 A-VII in Best's Insurance Report.

25                               3.       The commercial general and automobile liability  
26 insurance to be maintained by VaRRA pursuant to this Section shall name County  
27 and Owner, their officers, employees, agents and volunteers as additional insureds  
28 with respect to liabilities arising hereunder.

1                   4. All policies above-required are to be primary and  
2 non- contributory with any insurance or self-insurance programs carried by or  
3 administered by the County, with respect to claims arising from the conduct of  
4 VaRRA.

5                   5. VaRRA shall require the carriers of the above  
6 required coverages to waive all rights of subrogation and contribution against  
7 County and Owner and its officers, employees, agents, volunteers, contractors,  
8 subcontractors and their respective insurers.

9                   v. The insurance listed in Section 11(a) shall be subject to  
10 adjustment every five (5) years commencing five (5) years after the Effective Date  
11 to such amounts as the parties may reasonably agree.

12                  b. VaRRA shall be solely responsible for insuring any and all of  
13 VaRRA's personal property located on the Property or within the Premises  
14 and any improvements or alterations to the Premises made by VaRRA, and  
15 neither County nor Owner shall have liability therefor under any circumstances  
16 except for the negligence or intentional acts of County or Owner its officers,  
17 directors, agents, employees, contractors, VaRRA's, representatives, licensees,  
18 invitees or their successors and assigns.

19                  c. VaRRA shall indemnify, defend, protect and hold County  
20 and Owner harmless from and against any and all claims, damages, losses,  
21 liabilities and expenses, including reasonable attorney's fees, arising from any  
22 occurrence on or about the Premises or VaRRA's use, occupancy, alteration or  
23 operation of the Premises, except to the extent caused by the negligence or willful  
24 misconduct of County. This indemnity shall include a breach of VaRRA's  
25 obligations under Section 12 concerning hazardous materials. The provisions of this  
26 Section 11 (c) shall survive the expiration or earlier termination of this Sub-Lease.

27                  d. Anything in this Sub - Lease to the contrary  
28 notwithstanding, VaRRA hereby waives any and all rights of recovery, claim,

1 action or cause of action, against County and Owner, its agents, servants,  
2 partners, shareholders, officers or employees, for any loss or damage that may  
3 occur to the Premises, the Building or the Property or any improvements thereto  
4 or thereon, or any personal property of VaARRA therein or thereon, by reason of  
5 fire, the elements, or any other cause to the extent that such loss is covered by  
6 an insurance policy maintained, or required to be maintained pursuant to the terms  
7 hereof, by VaARRA, **REGARDLESS OF CAUSE OR ORIGIN, INCLUDING**  
8 **NEGLIGENCE OF THE COUNTY OR OWNER**, its agents, officers, partners,  
9 shareholders, servants or employees, and covenants that no insurer shall hold any  
10 right of subrogation against County or Owner. This waiver applies to loss or  
11 damage to property described in Section 11.03 notwithstanding that the County  
12 may have elected not to insure such property. VaARRA shall cause the issuer of its  
13 property damage insurance to waive such issuer's right of subrogation against the  
14 County and Owner.

15 12. HAZARDOUS MATERIALS. VaARRA shall not cause or permit its  
16 agents, contractors or employees to cause the Premises to be in violation of any  
17 federal, state or local laws, ordinances or regulations relating to industrial hygiene  
18 or to environmental conditions on, under or about the Premises including, but not  
19 limited to, soil and ground water conditions. VaARRA shall not use, generate,  
20 manufacture, store or dispose of on, under or about the Premises and/or the  
21 Property or transport to or from the Premises and/or the Property any flammable  
22 explosives, radioactive materials, hazardous wastes, toxic substances or related  
23 materials, including, without limitation, any substances defined as or included in the  
24 definition of "hazardous substances," "hazardous wastes," "hazardous materials,"  
25 or "toxic substances" under any applicable federal or state laws or regulations  
26 (collectively referred to hereinafter as "Hazardous Materials") including without  
27 limitation, California Health & Safety Code Section 25316, as well as any amended  
28 or successor statute as may exist from time to time during the term of this Sub-

1 Lease and any renewals thereto, as well as any petroleum or petroleum-derived  
2 product, natural gas, liquefied natural gas, synthetic fuel gas, radioactive materials  
3 or waste and/or "medical waste" as defined in California Health & Safety Code  
4 Section 25023.2, as well as any amended or successor statute as may exist from  
5 time to time during the term of this Sub-Lease and any renewals thereto.

6 13. DEFAULT AND REMEDIES

7 a. This Sub-Lease shall be deemed in default and breached by  
8 VaARRA if, during the term of this Sub-Lease:

9 i. VaARRA defaults in the payment of any money agreed to be  
10 paid by VaARRA for rent, or for any other purpose under this Sub-Lease, and if such  
11 default continues for thirty (30) days after the written notice to VaARRA by County;

12 ii. VaARRA defaults in the performance of any of its non-  
13 monetary agreements, conditions or covenants under this Sub-Lease and such default  
14 continues for thirty (30) days, plus such reasonable period of delay as VaARRA may  
15 encounter in the performance of its agreements, conditions, and/or covenants by  
16 reason of matters beyond the control of VaARRA.

17 b. In the event of VaARRA's default hereunder, County may, at its  
18 option and without limiting County in the exercise of any other right or remedy it may  
19 have on account of a default or breach by VaARRA, exercise any and all rights and  
20 remedies available at law or in equity. In addition, if VaARRA is in default hereunder,  
21 VaARRA may, but shall not be obligated to, take any action necessary to cure  
22 VaARRA's default without waiving any other right County may have as a result of  
23 such default, in which event VaARRA shall reimburse County for the costs incurred by  
24 County in connection with curing such default within fifteen (15) days following  
25 receipt of an invoice therefore showing in reasonable detail such costs incurred.

26 c. This Sub-Lease shall be deemed in default and breached by  
27 County if, during the term of this Sub-Lease County defaults in the performance of  
28 any of its obligations hereunder and such default continues for thirty (30) days

1 after written notice to County by VaRRA, plus such reasonable period of delay as  
2 County may encounter in the performance of its agreements, conditions, and/or  
3 covenants by reason of matters beyond the control of County.

4 14. SUBORDINATION TO MORTGAGE. VaRRA accepts this Sub-Lease  
5 subject and subordinate to any mortgage, deed of trust or lien presently on the  
6 Premises or hereafter placed thereon by Owner, and VaRRA hereby irrevocably  
7 vests Owner with full power and authority to subordinate this Sub-Lease to any  
8 mortgage, deed of trust or lien now existing or hereafter placed upon the Premises  
9 and VaRRA further agrees to execute any and all documents for such subordination  
10 and any and all documents necessary for transfer of title to either the Premises  
11 itself or any mortgage, deed of trust or lien, provided that no mortgage, deed of  
12 trust or lien shall effect any right of VaRRA hereunder.

13 15. GENERAL PROVISIONS.

14 a. All of the provisions of this Sub-Lease shall be deemed as  
15 running with the land, and construed to be "conditions" as well as the "covenants"  
16 as though the words specifically expressing or imparting covenants and conditions  
17 were used in each separate provision.

18 b. Whenever County's approval is required under any provision of  
19 this Sub-Lease, it shall be defined that County's approval shall not be unreasonably  
20 withheld, unless specifically stated otherwise herein.

21 c. No delay or failure by either County or VaRRA to insist upon the  
22 strict performance by the other of any covenant, agreement, term, or condition of this  
23 Sub-Lease or to exercise any right or remedy consequent upon a breach thereof  
24 shall constitute a waiver of any such covenant, agreement, term or condition. To be  
25 effective, any waiver must be in writing and signed by the waiving party. No waiver  
26 of any breach shall affect or alter this Sub-Lease, but each and every covenant,  
27 condition, agreement, and term of this Sub-Lease shall continue in full force and  
28 effect with respect to any other then existing or subsequent breach. The

1 subsequent acceptance of rent hereunder by County shall not be deemed to be a  
2 waiver of any preceding breach by VaARRA of any term, covenant or condition of  
3 this Sub-Lease, other than the failure of VaARRA to pay the particular rental so  
4 accepted, regardless of County's knowledge of such pre-existing breach at the  
5 time of acceptance of such rent.

6 d. Time is of the essence of this Sub-Lease, and of each provision.

7 e. The time in which any act provided by this Sub-Lease is to  
8 be done is computed by excluding the first day and including the last, unless  
9 the last day is a Saturday, Sunday, or holiday, and then it is also excluded.  
10 The term "holiday" shall mean all holidays specified in Sections 6700 and 6701 of  
11 the Government Code.

12 f. Each and all of the covenants, conditions, and restrictions in  
13 this Sub-Lease shall inure to the benefit of and shall be binding upon the  
14 successors in interest of County, and subject to the restrictions against assignment  
15 contained herein, the authorized encumbrancers, assignees, transferees,  
16 subtenants, licensees, and other successors in interest of VaARRA.

17 g. This Sub-Lease contains the entire agreement of the parties  
18 with respect to the matters covered, and no other agreement, statement, or  
19 promise made by any party, or to any employee, officer or agent of any party,  
20 which is not contained in this Sub-Lease shall be binding or valid.

21 h. If any term, covenant, condition, or provision of this Sub-Lease is  
22 held by a court of competent jurisdiction to be invalid, void, or unenforceable, the  
23 remainder of the provisions shall remain in full force and effect and shall in no way be  
24 affected, impaired or invalidated.

25 i. Nothing contained in this Sub-Lease shall be deemed or  
26 construed by the parties or by any third person to create the relationship of  
27 principal and agent or of partnership or of joint venture or of association between  
28 County and VaARRA, and neither the method of computation of rent nor any other

1 provisions contained in this Sub-Lease nor any acts of the parties shall be deemed  
2 to create any relationship between County and VaARRA, other than the  
3 relationship of County and VaARRA.

4 j. The language in all parts of this Sub-Lease shall in all cases be  
5 simply construed according to its fair meaning and not strictly for or against  
6 County or VaARRA. Unless otherwise provided in this Sub-Lease, or unless the  
7 context otherwise requires, the following definitions and rules of construction shall  
8 apply.

9 i. In this Sub-Lease the neuter gender includes the feminine  
10 and masculine, and the singular number includes the plural, and the word  
11 "person" includes corporation, partnership, limited liability company, firm, or  
12 association wherever the context so requires.

13 ii. "Shall," "will," and "agrees" are mandatory, "may" is  
14 permissive.

15 iii. Captions of the articles, sections, and paragraphs of this  
16 Sub-Lease are for convenience and reference only, and the word contained therein  
17 shall in no way be held to explain, modify, amplify, or aid in the interpretation,  
18 construction, or meaning to the provisions of the Sub-Lease.

19 iv. All references to the term of this Sub-Lease or the Sub-  
20 Lease term shall include any extensions of such term.

21 k. Should either party commence any legal action or proceeding  
22 against the other based on this Sub-Lease, the prevailing party shall be entitled to an  
23 award of attorney's fees.

24 l. This Sub-Lease is not subject to modifications except in writing,  
25 signed by all parties hereto.

26 m. All notices, demands, or requests from one party to another may  
27 be personally delivered or sent by mail, certified, registered, postage, prepaid, to the  
28 addresses stated in the paragraph 15 (n) and shall be deemed to have given at the

1 time of personal delivery or at the time of mailing.

2 n. All notices, demands, or requests from VaRRA to County shall be  
3 given to County at:

4 County of Riverside  
5 Economic Development Agency  
6 3403 Tenth Street, Suite 400  
7 Riverside, California 92501  
8 Attention: Deputy Director, Real Estate Division  
9

10 All notices, demands, request from County to VaRRA shall be given to VaRRA at:

11  
12 Vail Ranch Restoration Association  
13 41403 Bitter Creek Court  
14 Temecula, California 92591  
15 Attention: Darell Farnbach  
16

17 Each Party shall have the right, from time to time, to designate a different address  
18 by notice given in conformity with this section.

19 o. VaRRA shall, within fifteen (15) days following request therefor,  
20 execute and deliver to County (or any prospective lender or purchaser) an estoppel  
21 certificate containing such information and certifications as County (or such lender  
22 or purchaser) may reasonably request in writing. County shall provide a sample  
23 form of such certificate at the time such request is made.

24 p. County reserves the right at all reasonable times and upon  
25 reasonable notice to VaRRA to enter the Premises to inspect the Premises, post  
26 notices of nonresponsibility and to otherwise exercise its rights hereunder (however,  
27 no notice shall be required in an emergency).  
28





1 IN WITNESS WHEREOF, the parties have executed this Sub-Lease as of  
2 the date first written above.

3  
4 LESSOR:  
5 COUNTY OF RIVERSIDE, a political  
6 Subdivision of the State of California

7  
8 LESSEE:  
9 VaARRA  
10 Vail Ranch Restoration Association, a  
11 tax-exempt non-profit organization

12  
13 By: Marion Ashley  
14 Marion Ashley, Chairman  
15 Board of Supervisors

16  
17 By: Carol Ann [Signature]

18  
19 ATTEST:  
20 Kecia Harper-Ihem  
21 Clerk of the Board

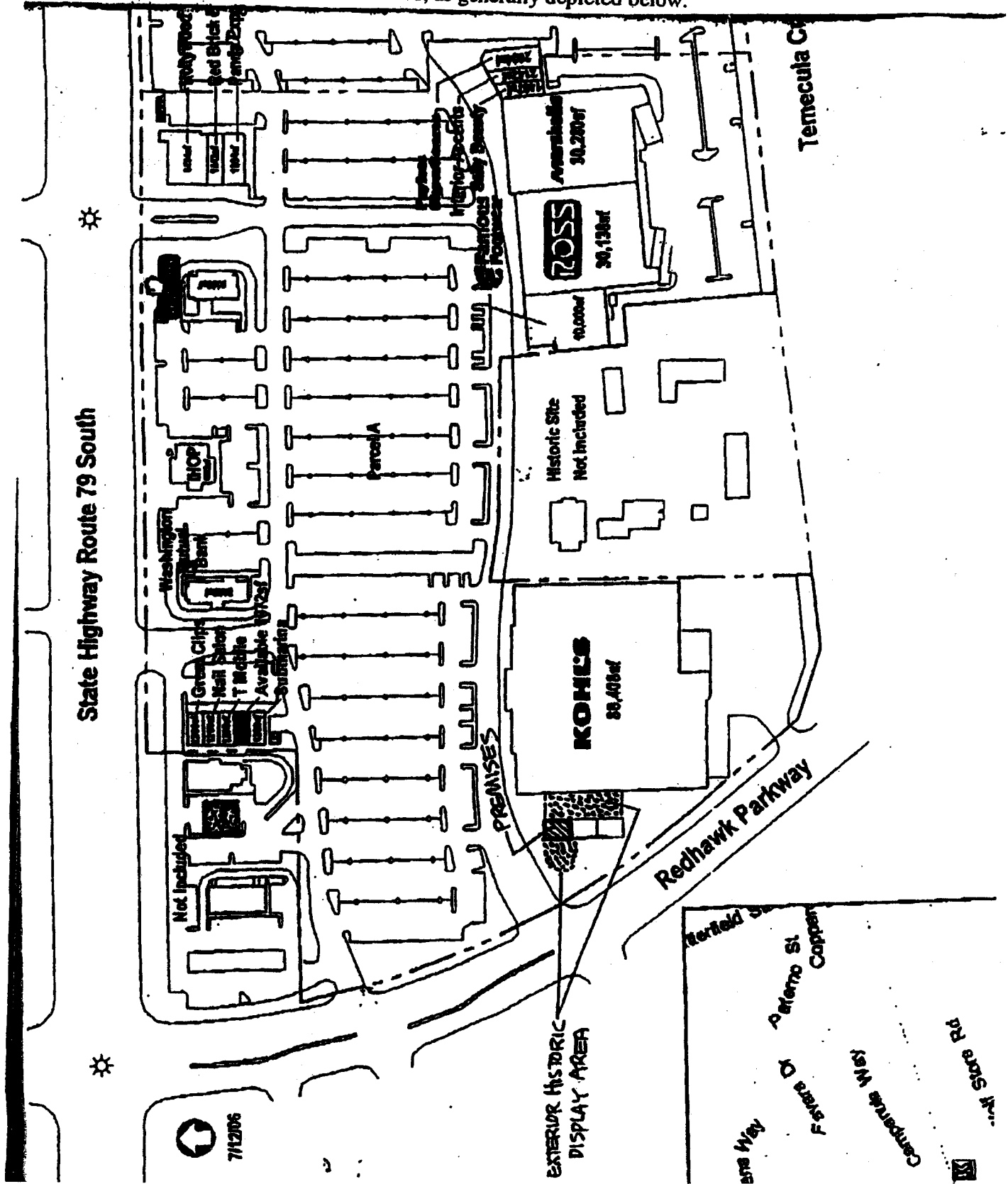
22  
23 By: Kecia Harper-Ihem  
24 Deputy

25  
26 APPROVED AS TO FORM:  
27 Gregory P. Priamos  
28 County Counsel

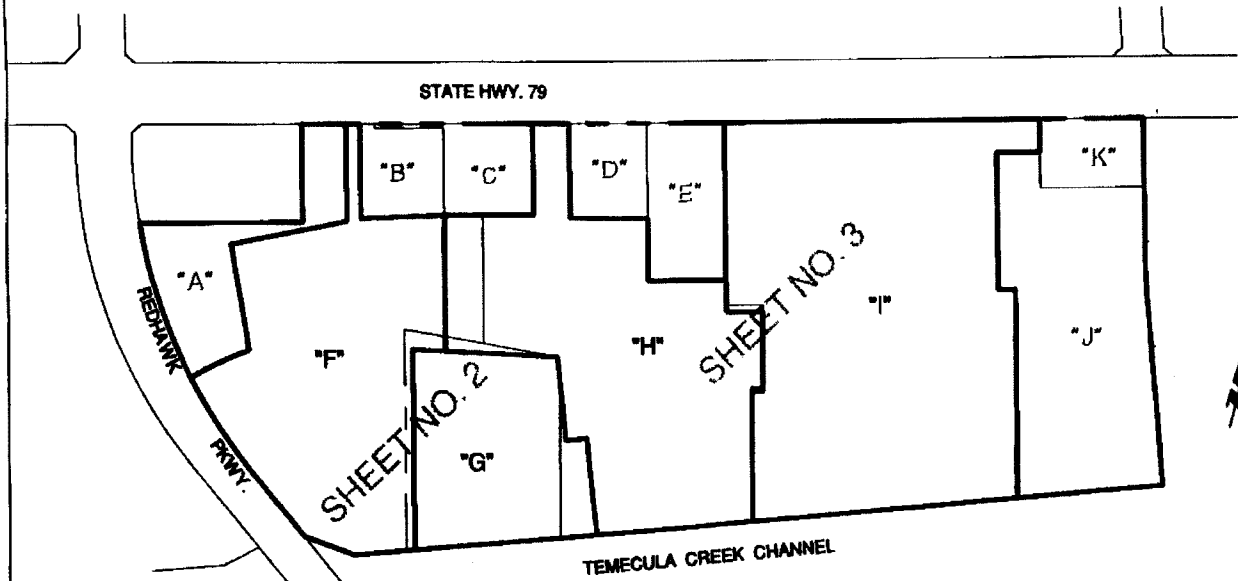
By: Synthia M. Gunzel  
**SYNTHIA M. GUNZEL**  
Deputy County Counsel

SUB-LEASE  
 EXHIBIT "A"  
 Premises

The Premises consist of 1,136 square feet of space within the Implement Barn located on Parcel F of Lot Line Adjustment No. 4512, recorded September, 16, 2002, as Instrument no. 2002-513211 of the Official Records, as generally depicted below.



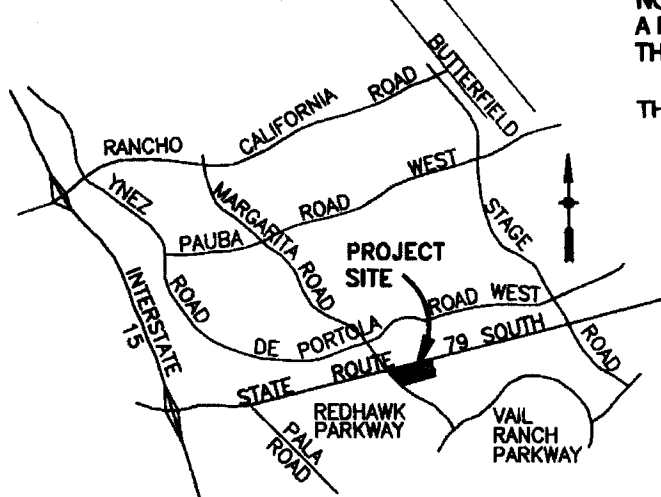
# EXHIBIT "B"



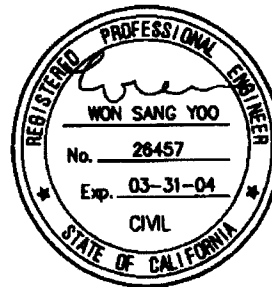
NOTE: THE PROPOSED LOT LINE WILL NOT LATERALLY INTERSECT A GRADED MANUFACTURED SLOPE

NO DRAINAGE FROM THE TRIBUTARY AREA ABOVE A MANUFACTURED SLOPE WILL SHEET FLOW OVER THE SLOPE FACE.

THESE LOTS ARE CURRENTLY VACANT



**VICINITY MAP**  
NOT TO SCALE



2002-513211  
09/16/2002 08:08A  
16 of 12



**Trans-Pacific Consultants**  
27431 Enterprise Circle West, Temecula, CA., 92590

CIVIL ENGINEERS  
LAND SURVEYORS, PLANNERS

THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. IT IS NOT PART OF THE WRITTEN DESCRIPTION THEREIN.

SHEET 1 OF 3

W.O. #

SCALE: 1" = 400'

DRAWN BY \_\_\_\_\_ DATE 8-2002

**LOT LINE ADJUSTMENT 4512**