



**SUBMITTAL TO THE BOARD OF DIRECTORS
RIVERSIDE COUNTY REGIONAL PARK
AND OPEN-SPACE DISTRICT
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM
13.2
(ID # 3525)

MEETING DATE:

Tuesday, February 7, 2017

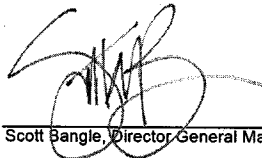
FROM : REGIONAL PARK & OPEN SPACE DISTRICT:

SUBJECT: REGIONAL PARK AND OPEN SPACE DISTRICT: Agreement with Pyramid Enterprises, Inc. to provide concession services at Rancho Jurupa Regional Park; District 2

RECOMMENDED MOTION: That the Board of Directors:

1. Approve the attached Lease and Concession Agreement with Pyramid Enterprises, Inc. dba Rocky Mountain Recreation Company to provide concession services at Rancho Jurupa Regional Park;
2. Authorize the Chairman to execute four (4) copies of the agreement; and
3. Authorize the General Manager to execute amendments to the agreement that do not fundamentally change the scope or intent of the original agreement.

ACTION: Policy



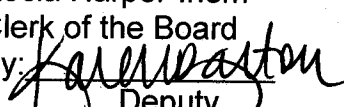
Scott Bangle, Director General Manager / Park Director

1/27/2017

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Washington and Ashley
 Nays: None
 Absent: Tavaglione
 Date: February 7, 2017
 xc: Parks

Kecia Harper-Ihem
 Clerk of the Board
 By: 
 Deputy

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AND OPEN-SPACE DISTRICT
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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$0	\$0	\$0	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS:			Budget Adjustment:	
			For Fiscal Year:	

BACKGROUND:

Summary

The Riverside County Regional Park and Open-Space District operates the Rancho Jurupa Regional Park (RJU) in Jurupa Valley, Ca with activities and amenities that include RV and tent camping, fishing, miniature golf, disc golf, playgrounds, walking trails, day use shelters, cabin rentals, and more. To accommodate visitors while at RJU, the District also operates a small camp store to provide convenient supplies for the aforementioned activities.

In an effort to more efficiently provide services to park guests, the District determined that obtaining an outside vendor to operate the camp store would be prudent. On October 18, 2016 the District issued a Request for Proposals (RFP) to provide concession services at RJU. On October 28, 2016 a pre-proposal meeting was held onsite at RJU. Two firms attended the meeting and District staff were present to clarify or provide additional information as requested. On November 22, 2016 two proposals were received and opened by the District. On January 5, 2017 the District evaluation team determined that the proposal submitted by Pyramid Enterprises, Inc (Pyramid) was to be selected. District staff and representatives from Pyramid met on January 10, 2017 to negotiate and determine some details needed for development of the Lease and Concession Agreement. Terms were agreed upon and an agreement was drafted for review.

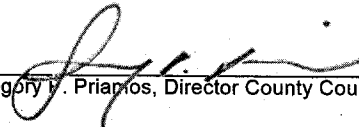
Pyramid will take over operational control of the "Gopher Hole" camp store at RJU and continue to provide amenities to park guests as the District has done in the past. Additionally, Pyramid will be providing the following services to park guests; bike rentals, miniature and disc golf supply rentals, beer and wine sales, and special event coordination/cooperation.

Pyramid has over 40 years of experience in the recreation industry and has been a valuable operational partner of the District at the Lake Skinner Recreation Area since 2007. District staff is confident that Pyramid will provide a professional business operation and bring value to RJU guests.

**SUBMITTAL TO THE BOARD OF DIRECTORS RIVERSIDE COUNTY REGIONAL PARK
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Attachments:

Lease and Concession Agreement



Gregory V. Priamos, Director County Counsel 1/27/2017



Alex Gann 1/30/2017

**LEASE
and
CONCESSION AGREEMENT
RANCHO JURUPA REGIONAL PARK -GOPHER HOLE**

THIS LEASE AND CONCESSION AGREEMENT ("Lease") made and entered into this 7th day of February, 2017, by and between the RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT, ("DISTRICT"), and Pyramid Enterprises, Inc. dba Rocky Mountain Recreation Co., a California Corporation, ("LESSEE"), for the property described below upon the following terms and conditions:

WITNESSETH

WHEREAS, DISTRICT is the owner of certain real property situated in the Jurupa Area of the County of Riverside, California, ("Property"), commonly known as the "Rancho Jurupa Regional Park", at 4800 Crestmore Road, Jurupa Valley, CA 92509; and

WHEREAS, DISTRICT desires to lease certain portions of said Rancho Jurupa Regional Park, together with all rights, privileges and interests appurtenant to the Property, which portions are more particularly described in Exhibit "A" hereof, attached hereto and incorporated herein by this reference, ("Premises"); and

WHEREAS, DISTRICT desires that LESSEE shall, in accordance with the terms and conditions as hereinafter set forth to equip, operate and maintain the Premises for the purpose of providing a concession complex at Rancho Jurupa Regional Park, and LESSEE desires to so lease said Premises and operate and maintain said concession complex; and

WHEREAS, DISTRICT desires this Lease and Concession Agreement be entered into with LESSEE to provide affordable and valuable services to and for the safety and convenience of the public's use and enjoyment of said Rancho Jurupa Regional Park; and

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby mutually covenant and agree as follows:

FEB 07 2017 13.2D

1. DESCRIPTION OF PREMISES. The DISTRICT hereby leases to LESSEE for the purposes herein, the Premises and the right, privilege and duty to equip, operate, and maintain a concession complex as described on Exhibit "A".

The possessory interest herein given to the LESSEE 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.

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

3. TERM. The term of this Lease shall be for three (3) years, commencing on the date of final approval of this Lease by Board of Directors of DISTRICT ("Commencement Date"), and shall be terminate three years from the Commencement Date, unless otherwise terminate or extended in accordance to the terms of this Lease.

A. LESSEE has two (2) options to extend the term for two (2) year periods by a written amendment to this Lease; provided. Should LESSEE hold over after the expiration of the term of this Lease 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 Lease.

B. At the expiration or termination of this Lease, as herein provided, the LESSEE shall within thirty (30) days thereafter, remove from the Premises, or otherwise dispose of in a manner satisfactory to the DISTRICT, all personal property belonging to LESSEE located

on said Premises. Should LESSEE 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 LESSEE'S expense. Also, at the expiration or termination of this Lease, the LESSEE shall quit and surrender the said Premises, including real property improvements, in a good state of repair, damage by matters over which LESSEE has no control excepted, provided that such exculpatory provision shall not extend to any risk which LESSEE is required to insure against as herein provided.

4. RENT. LESSEE shall pay monthly, without demand, the sum of the rent due for the Premises and the percentage of accumulated gross sales as described on Exhibit "C", attached hereto and incorporated herein by this reference. Beginning the 15th of the month following the commencement of operations, and on the 15th of each month thereafter, the LESSEE 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 LESSEE shall pay to the DISTRICT, the rental fee for the preceding calendar month and the percentage of accumulated gross sales. The failure of LESSEE to make such timely rental payment being considered a material breach of the terms and conditions hereof, and a late payment fee of five percent (5%) will be 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, Jurupa Valley, California 92509.

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. LESSEE 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. 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 LESSEE hereby agrees that all such records and instruments are available to the DISTRICT.

C. LESSEE 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 LESSEE. Said statement shall contain an appropriate certification by a Certified Public Accountant within LESSEE'S organization that all gross sales receipts during the yearly accounting period shall have been duly and properly reported to the DISTRICT. During the years three (3) through five (5), LESSEE 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 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 three (3) year period following the termination of this Lease.

E. LESSEE 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.

F. LESSEE may rent and occupy, for the purpose of an onsite manager or staff member, a single full hook-up camp site within Rancho Jurupa Regional Park. Site location to be determined by the DISTRICT. 30 day notice may be required to take occupancy of the site based on availability. Fee for monthly campsite rental shall be negotiated and mutually agreed to by Parties prior to occupancy.

6. USE OF PREMISES. The subject Premises shall be used by the LESSEE for the operation and maintenance of a concession complex, as described and shown on Exhibits "A", "A2" and "A3". LESSEE shall not use or permit the subject Premises to be used in whole or in part during the term of this Lease for any purpose other than as herein set forth, without the prior

written consent of the DISTRICT, in no event shall the Premises be used for any purpose or use which in any manner causes, creates or results in a public or private nuisance.

A. LESSEE shall at all times during the term of this Lease, 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 Lease in force relating to sanitation or public health, safety or welfare; and LESSEE 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 Lease is expressly subject to regulations and policies of the DISTRICT. LESSEE shall remedy without delay any defective, dangerous or unsanitary conditions.

B. LESSEE recognizes that its rights and responsibilities under this Lease may be affected by acts taken or orders given by DISTRICT. LESSEE 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.

C. DISTRICT covenants that upon payment by LESSEE of the Rent herein reserved and upon performance and observance by LESSEE of all of the agreements, covenants and conditions herein contained on the part of LESSEE to be performed and observed, LESSEE shall peaceably hold and quietly enjoy the Premises during the entire Term without hindrance or interruption by DISTRICT.

7. MAINTENANCE. LESSEE agrees to maintain any and all concession facilities on the Premises, including but not limited to equipment, weekly window cleaning, daily store up keep of cleanliness, and other items on the subject Premises in good order and repair, at levels

and in manners satisfactory to DISTRICT, at its own cost and expense, during the entire term of this Lease. LESSEE shall perform, at his own cost and expense, any required maintenance and repairs within the leased space as described and shown on Exhibits "A", "A2" and "A3"; and should LESSEE fail, neglect or refuse to do so, the DISTRICT shall have the right to perform such maintenance, or repairs for the LESSEE'S account and the LESSEE agrees to promptly reimburse the DISTRICT for the cost thereof, provided however, that the DISTRICT shall first give LESSEE ten (10) days written notice of its intention to perform such maintenance or repairs for the LESSEE'S account for the purpose of enabling LESSEE to proceed with such maintenance or repairs to or maintain any improvements on the subject Premises. LESSEE shall not have the right to make repairs at the expense of the DISTRICT, for any reason whatsoever. The DISTRICT shall maintain the exterior of the building and be responsible for structural repairs to the building. The DISTRICT shall maintain restrooms, IT room, and Mechanical rooms and equipment located within the same building as leased Premises as shown in EXHIBIT A.

8. UTILITIES AND SERVICES. Lease shall include all utilities provided at Premises. LESSEE shall implement Best Management Practices (MBPs) and coordinate with DISTRICT conservation and recycling efforts. Included utilities are water, trash, electrical, sewer, and gas as provided to the Premises.

9. EQUIPMENT. For needed equipment over and above items provided as detailed in Exhibit "B", attached hereto and incorporated herein by this reference, LESSEE, at its own expense, shall completely equip the concession areas described herein attached as Exhibit "A" and shall keep the same equipped in a manner fully satisfactory to DISTRICT throughout the term of this Lease. Equipment items as detailed in Exhibit "B", must be returned to the DISTRICT at the end of the agreement or replaced if lost or damaged. LESSEE shall be responsible for maintenance and repairs of all equipment included in this Lease. DISTRICT shall NOT be responsible for replacement of any equipment included in this Lease upon failure, end of useful life, damage, or otherwise. Any equipment included in this Lease is to be returned

to the DISTRICT, if requested, upon such time that the LESSEE no longer has use for it or the equipment no longer functions in a manner conducive with operating the business. Any agreements with product vendors to provide equipment used in the sale of products shall be transferred or assigned to the LESSEE. Any computer equipment included in this Lease shall not include software or software licenses.

10. SIGNS, ADVERTISING AND APPROVAL OF NAME: LESSEE 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:
LESSEE 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 Lease. LESSEE shall furnish goods and services of the best quality and shall maintain a high standard of service, to the satisfaction of DISTRICT without discrimination.

A. 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 LESSEE 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 as directed by the DISTRICT. LESSEE shall post rates and prices for all goods and services in such places as may be designated by the DISTRICT. LESSEE shall annually submit to DISTRICT a price list of goods and services available to the public.

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

D. LESSEE agrees to sell certain DISTRICT passes/permits to the public as a convenience. Actual sale price of such items will be fully reimbursed to the DISTRICT, minus any transaction fees paid for credit card processing, as part of monthly rent calculation. Passes/Permits included in this section are Fishing Permits and Special Event Admission Passes. Additional items may be included by mutual agreement of DISTRICT and LESSEE.

E. 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 LESSEE, DISTRICT reserves the right to approve such manager.

F. Camp Host Volunteers who wish to be employees of the LESSEE for the operation of the Gopher Hole Camp Store must meet with DISTRICT Volunteer Manager for approval prior to start of employment.

12. INVENTORY: LESSEE agrees to purchase store inventory at DISTRICT cost upon commencement of operation pursuant to the terms and conditions of this Lease. DISTRICT shall perform complete inventory on day prior to LESSEE's first day of operation and provide complete list with costs to LESSEE. LESSEE agrees to pay to DISTRICT the actual cost of all inventory present in Premises at time of takeover.

13. BOND: LESSEE, at its own cost and expense shall furnish the DISTRICT bonds as follows:

A. Continuing Performance Bond. On or before the Effective Date of this Lease, LESSEE, at its own cost and expense, shall obtain and deliver to DISTRICT, a valid surety bond, issued by a surety corporate licensed to transact business in the State of California and in a form satisfactory to DISTRICT in the sum of THREE HUNDRED THOUSAND DOLLARS (\$300,000), payable to the DISTRICT and conditioned upon full and satisfactory

performance of the obligations of LESSEE set forth in this Lease. Said bond, renewable annually, shall be kept by LESSEE in full force and effect during the entire term of this Lease (except as noted below) to insure faithful performance by LESSEE of all the covenants, terms and conditions of this Lease inclusive of, but not restricted to, the payment of all rentals, fees and charges. The surety corporate issuing said bond or bonds shall give DISTRICT notice in writing at least thirty (30) days prior to each anniversary date of its intention to renew or not to renew said bond or bonds of LESSEE.

B. Notwithstanding the terms in Section 13.A. regarding the LESSEE'S requirement to obtain a Performance Bond requirements, based on an existing relationship with LESSEE at another DISTRICT location, the Performance Bond will not be required upon execution of this Lease. However, DISTRICT reserves the right to require that the Performance Bond be obtained in the event DISTRICT's determines that LESSEE is 1) in default of this Lease or 2) as a result of poor contract performance by LESSEE; or in the case of assignment of the Lease.

14. INSURANCE. Without limiting or diminishing the LESSEE's obligation to indemnify or hold the DISTRICT harmless, LESSEE 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 LESSEE has employees as defined by the State of California, the LESSEE 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.

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 LESSEE'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 LESSEE 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 Riverside County's Risk Manager. If Riverside County's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one (1) policy term.

2) LESSEE'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 Riverside County'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 Riverside County's Risk Manager, LESSEE'S carriers shall either; a) reduce or eliminate such self-insured retention as respects this Agreement with the DISTRICT, or b) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

3) LESSEE shall cause LESSEE'S insurance carrier(s) to furnish the DISTRICT with either a) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and b) if requested to do so orally or in writing by Riverside County'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. LESSEE 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 LESSEE'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 Riverside County's Risk Manager's reasonable judgment, the amount or type of insurance carried by the LESSEE has become inadequate.

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

7) LESSEE agrees to 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.

15. INDEMNIFICATION. LESSEE shall indemnify and hold harmless the DISTRICT, its directors, officers, employees, appointed officials, agents or representatives from any liability whatsoever, based or asserted upon 1) any act, omissions or services of LESSEE, its officers, employees, agents or representatives; 2) or upon or arising out of or in any way relating to this Lease, 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 LESSEE, its officers, agents, employees, agents or representatives from this Lease. LESSEE 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 LESSEE, LESSEE 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 LESSEE'S indemnification to DISTRICT as set forth herein.

B. LESSEE'S obligation hereunder shall be satisfied when LESSEE 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 Lease shall in no way limit or circumscribe LESSEE'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 LESSEE from indemnifying the DISTRICT to the fullest extent allowed by law.

16. DAMAGE OR DESTRUCTION. No loss or damage by fire or other cause required to be insured against hereunder resulting in either partial or total destruction of anything, structure, or other improvement on the Premises, shall operate to terminate this Lease, or to relieve or discharge LESSEE from the payment of rents or amounts payable as rent as they become due and payable, or from the performance and observance of any of the agreements, covenants and conditions herein contained on the part of LESSEE to be performed and observed. LESSEE hereby waives the provisions of subsection 2 of section 1932 and subsection 4 of section 1933 of the California Civil Code, as amended from time to time.

17. TAXES. LESSEE 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 Lease or any possessory right which LESSEE 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.

18. INSPECTION OF PREMISES. The DISTRICT hereby reserves the right for itself, to enter upon the Premises occupied by LESSEE at any reasonable time to inspect the same.

19. PARK INSPECTION AND MAINTENANCE. The DISTRICT reserves the right for itself, 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 this DISTRICT unit in any areas within the confines of said unit. LESSEE 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.

20. DEFAULTS AND REMEDIES.

A. LESSEE'S Defaults and DISTRICT'S Remedies.

i. It shall be an event of default hereunder (each an "Event of Default") if default shall be made by LESSEE in the performance or observance of any of the terms, covenants or conditions of this Lease on the part of LESSEE to be performed and observed and such default shall continue for a period of thirty (30) days after written notice thereof to LESSEE, or, in the case of a default which cannot be cured within thirty (30) days, shall continue for an unreasonable period after such written notice; (iii) LESSEE shall abandon the Premises; (iv) LESSEE shall admit in writing its inability to pay its debts generally as they become due, file a petition in bankruptcy, insolvency, reorganization, readjustment of debt, dissolution or liquidation under any law or statute of the federal government or any state government or any subdivision of either now or hereafter in effect, make an assignment for the benefit of its creditors, consent to, or acquiesce in the appointment of a receiver of itself or of the whole or any substantial part of the Premises; (v) a court of competent jurisdiction shall enter an order, judgment or decree appointing a receiver of LESSEE or of the whole or any substantial part of the Premises, and such order, judgment or decree shall not be vacated, set aside or stayed within sixty (60) days from the date of entry of such order, judgment or decree, or a stay thereof be thereafter set aside; (vi) a court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against LESSEE under any bankruptcy, insolvency, reorganization, readjustment of debt, dissolution or liquidation law or statute of the Federal government or any state government or any subdivision of either now or hereafter in effect, and such order judgment or decree shall not be vacated, set aside or stayed within sixty (60) days from the date of entry of such order, judgment or decree, or a stay thereof be thereafter set aside; or (vii) under the provisions of any other law for the relief or aid of debtors, a court of competent

jurisdiction shall assume custody or control of LESSEE or of the whole or any substantial part of the Premises, and such custody or control shall not be terminated within sixty (60) days from the date of assumption of such custody or control.

ii. Upon the occurrence of any Event of Default by LESSEE hereunder, DISTRICT shall have the following rights and remedies, in addition to all other rights and remedies of DISTRICT provided hereunder or by law: The right to terminate this Lease, in which event LESSEE shall immediately surrender possession of the Premises, and pay to DISTRICT all rent and all other amounts payable by LESSEE hereunder to the date of such termination.

iii. Notwithstanding any of the above breach of Lease provisions, should LESSEE create or allow to be created a nuisance on the Premises described herein, the DISTRICT at its discretion may immediately declare this Lease and all rights therein terminated.

B. DISTRICT'S Default and LESSEE'S Remedies. LESSEE shall have the right to terminate this Lease in the event DISTRICT fails to perform, keep or observe any of its duties or obligations hereunder; provided, however, that LESSEE provided written notice and DISTRICT shall have thirty (30) days opportunity to cure. In the event that DISTRICT fails to cure the default, LESSEE shall have the right to serve a thirty (30) notice on DISTRICT of its election to terminate said Lease.

21. NOTICES. Other than the payment Rent as noted in Section 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:

To the LESSEE at:

Pyramid Enterprises Inc. dba Rocky Mountain Recreation Co.
c/o Chet Roberts
28368 Constellation Rd. #380
Valencia, CA 92355
Ph: 661-702-1420 Fax: 661-702-0314
chet@rockymountainrec.com

To the Riverside County Regional Park and Open-Space District at:
4600 Crestmore Road
Jurupa Valley, CA 92509
(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.

22. INTERPRETATION OF LEASE. This Lease 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.

23. WAIVER OF TERMS. No waiver by either party at any time of any of the terms, conditions or covenants of this Lease 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 LESSEE 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 Lease shall be deemed cumulative.

24. MODIFICATION. Notwithstanding any of the provisions of this Lease, 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 LESSEE for any purpose or for the performance of any obligation of LESSEE hereunder.

25. INDEPENDENT CAPACITY. LESSEE and its employees and agents shall act at all times in an independent capacity with regard to performance of services or work rendered pursuant to this Lease; and LESSEE and its employees and agents shall not act as, shall not be, and shall not in any manner be considered to be agents, officers or employees of the DISTRICT. There shall be no employer-employee relationship between DISTRICT and LESSEE; and LESSEE and its employees and agents shall not be entitled to any benefits payable to DISTRICT employees. LESSEE is responsible for payment and deduction of all employment-related taxes on LESSEE'S behalf and for LESSEE'S employees, including but not limited to all federal and state income taxes and withholdings. DISTRICT shall not be required to make any deductions from compensation payable to LESSEE for these purposes. LESSEE shall indemnify DISTRICT against any and all claims that may be made against DISTRICT based upon any contention by a third party that an employer-employee relationship exists by reason of this Lease; and LESSEE shall indemnify DISTRICT for any and all federal or state withholding or retirement payments which DISTRICT may be required to make pursuant to federal or state law.

26. ASSIGNMENTS AND LEASES. No transfer, assignment, or otherwise convey an interest of any sort granted by this Lease, by the LESSEE of this Lease or of any part thereof or interest therein, directly or indirectly, voluntarily or involuntarily, shall be made unless such transfer, assignment, or conveyance is first approved in writing by the DISTRICT , and any such attempted or purported transfer, assignment or conveyance done or made without such approval being first had and obtained shall be void and of no force and effect. The LESSEE'S interest hereunder shall not be assignable in bankruptcy, nor shall said interest be assignable by operation of law.

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.

B. No mortgage shall be executed and no bonds or other evidence of interest in, or indebtedness upon the assets or proposed assets of the LESSEE 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 LESSEE in LESSEE'S improvements. Under these circumstances, operating rights and privileges shall be as outlined in this Lease; however, the right of any person or persons to actually operate the said concession is subject to the approval of the DISTRICT.

C. 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 Lease and takes his interest subject to the terms and conditions set forth herein and recognizes that upon termination of the interest of the LESSEE granted hereby, his interest shall also be terminated. However, in the event of termination of this Lease, DISTRICT, at its sole option, may elect to treat any assignee, subtenant or holder of and interest conveyed by LESSEE 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 LESSEE.

D. LESSEE shall not encumber, create a lien, mortgage or otherwise encumber the Premises. LESSEE shall promptly discharge or remove by bond or otherwise prior to foreclosure thereof, any and all mechanics', materialmen's and other liens for work or labor done, services performed, materials, appliances, teams or power contributed, used or furnished to be used in or about the Premises for or in connection with any operations of LESSEE, any alterations, improvements, repairs or additions which LESSEE may make or permit or cause to be made, or any work or construction by, for or permitted by LESSEE on or about the Premises, and to save and hold DISTRICT and all of the Premises and all buildings and improvements thereon free and harmless of and from any and all such liens and claims of liens and suits or other proceedings pertaining thereto.

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

28. AGENT FOR SERVICE OF PROCESS. It is expressly agreed and understood that if the LESSEE 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 LESSEE 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 Lease and the delivery to such agent of a copy of any process in any such action shall constitute valid service upon such LESSEE; 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 LESSEE may be personally served with such process out of this DISTRICT and that such service shall constitute valid service upon such LESSEE; and it is further expressly agreed that LESSEE 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.

29. 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 LESSEE, the DISTRICT, in lieu of declaring a forfeiture, may enter upon the Premises. To such end, LESSEE 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 LESSEE. 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

LESSEE, LESSEE 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.

30. 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.

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

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

33. EMINENT DOMAIN. If, during the term hereof any property described herein or hereinafter added hereto is taken in eminent domain, the entire award shall be paid to the DISTRICT, provided however, that the LESSEE shall be paid the book value of the construction described herein and any future modifications or additions thereto, if made at the sole cost of LESSEE, as documented by notices of completion accepted by the DISTRICT Board of Directors. Book value shall be the construction cost(s) less depreciation based on a straight-line method of depreciation on a life as established for such facilities by the United States Bureau or Internal Revenue. Beginning values for the purposes of this paragraph will be the sum of all costs incurred in the improvements at the sole cost of LESSEE and as concurred by the DISTRICT.

A. If the whole of the Premises should be taken by any public or quasi-public authority under the power or threat of eminent domain during the Term, or if a substantial portion of the Premises should be taken so as to materially impair the use of the Premises contemplated by this Lease, and thereby frustrate LESSEE'S purpose in entering into this Lease,

then, in either of such events, this Lease shall terminate at the time of such taking.

B. If less than the whole of the Premises should be taken by any public or quasi-public authority under the power or threat of eminent domain during the Term and this Lease is not terminated as provided in subsection A. above, LESSEE shall promptly reconstruct and restore the Premises, with respect to the portion of the Premises not so taken, as an integral unit of the same quality and character as existed prior to such taking. The Rent payable by LESSEE following such taking shall be equitably reduced by agreement of DISTRICT and LESSEE.

34. CONFLICT OF INTEREST. LESSEE 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 Lease; (2) will be employed in the performance of this Lease 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, LESSEE 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 Lease without liability and, in its discretion, recover the full amount of any such compensation paid to such official, employee or business entity.

35. PHOTOGRAPHY. The DISTRICT may grant permits to person or corporations engaged in the production of still and motion pictures, videotaping 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 LESSEE and public use of the recreation area.

36. 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 LESSEE 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.

37. NONDISCRIMINATION. The LESSEE and his employees shall not discriminate because of race, religion, color, ancestry, sex or national origin, 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 LESSEE or his 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 LESSEE will not discriminate against any employee or applicant for employment, because of race, color, religion, ancestry, sex or national origin.

38. PARAGRAPH TITLES. The paragraph titles in this Lease 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 Lease.

39. AGREEMENT IN COUNTERPARTS. This Lease can be executed in counterparts, each of which shall be deemed an original.

40. OPERATION AS DISTRICT PARK. At all times during the term hereof, the facilities and Premises operated by LESSEE hereunder shall be identified and operate as a DISTRICT park, and LESSEE 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 LESSEE; and LESSEE shall forthwith comply with any and all reasonable instructions and directions given by DISTRICT concerning the matters set forth in this with in paragraph.

41. DISPOSAL OF INTERESTS. In the event LESSEE wishes to dispose of his interest in this Lease, 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 prior to the execution thereof.

42. ADDITIONAL LEASES AND AGREEMENTS. Notwithstanding any of the other terms and provisions of this Lease, 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 leases, concession, use or license agreements, or any agreements of whatsoever kind, nature, or sort, with LESSEE 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 Rancho Jurupa Regional Park. However, the DISTRICT will not enter into any additional leases which will cause direct competition in the areas of merchandise, prepackaged food and beverages. Merchandise shall be defined as items that may be sold in the store such as camping items, souvenirs, and novelties.

43. AGREEMENT IN WRITING. This Lease contains and embraces the entire agreement between the parties hereto and it, nor any part of it, may not be changed, altered, modified, limited or extended, orally or by any agreement between the parties unless such agreement be expressed in writing, signed and acknowledged by the DISTRICT and the LESSEE or their successors in interest.

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

LESSEE

Pyramid Enterprises Inc.
dba Rocky Mountain Recreation Co.
28368 Constellation Rd. #380
Valencia, CA 92355

DISTRICT

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

By: Chet Roberts
Chet Roberts
President

By: Kevin Jeffries
Chairman, Board of Directors
KEVIN JEFFRIES

Dated: 1/31/17

Dated: FEB 07 2017

ATTEST:

Kecia Harper-Ihem
Clerk of the Board

APPROVED AS TO FORM:

Gregory P. Priamos
County Counsel

By: Karen Bayton
Deputy

By: Synthia M. Gunzel
Synthia M. Gunzel
Deputy County Counsel

(Seal)

EXHIBIT A - PREMISES

LEASE and CONCESSION AGREEMENT RANCHO JURUPA REGIONAL PARK -GOPHER HOLE

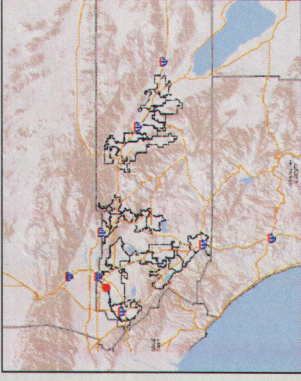
The concession building is located within the Rancho Jurupa Regional Park located at 4800 Crestmore Rd. Jurupa Valley, CA 92509 as shown on map included at EXHIBIT A2. Premises shall include the following areas within the concession building as shown on the "Store Floor Plan" graphic attached as EXHIBIT A3.

- Store
- Office
- Storage 107
- Storage 102

The remaining areas of the building will remain under the control and responsibility of the DISTRICT. DISTRICT will ensure that the restroom facilities are open during operating hours of the Gopher Hole Camp Store.

EXHIBIT A2

Gopher Hole Camp Store at RJU



Legend

- roads
- highways
- HWY
- INTERCHANGE
- INTERSTATE
- OFFRAMP
- ONRAMP
- USHWY
- counties
- cities
- hydrography
- lines
- waterbodies
- Lakes
- Rivers

Notes

IMPORTANT Maps and data are to be used for reference purposes only. Map features are approximate, and are not necessarily accurate to surveying or engineering standards. The County of Riverside makes no warranty or guarantee as to the content (the source is often third party), accuracy, timeliness, or completeness of any of the data provided, and assumes no legal responsibility for the information contained on this map. Any use of this product with respect to accuracy and precision shall be the sole responsibility of the user.

944 Feet

472

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REPORT PRINTED ON... 1/19/2017 1:14:23 PM

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EXHIBIT B

GOPHER HOLE- EQUIPMENT LIST

DISTRICT OWNED ITEMS

PRODUCT / BRAND	QTY
PANASONIC 6.0 PLUS TELEPHONE	1
HP L5006TM TOUCHSCREEN MONITOR	1
DELL CORE 2 DUO TOWER	3
HP CASH DRAWER	1
USB PORT CREDIT CARD READER	2
EPSON RECEIPT PRINTER	2
ROYAL SOVEREIGN CURRENCY DETECTOR	1
AM/FM, CD, IPOD-RADIO	1
MASTER BUILT 2 DOOR FREEZER	1
BEVERAGE AIR 3 DOOR COOLER	1
KURIG	1
AMANA COMMERCIAL MICROWAVE	1
REALSYNCE COMPUTER MONITOR	1
HP DESKJET 1055 PRINTER, SCANNER, COPIER	1
FRIGIDARE- TOP MOUNT, FROST PROOF, FRIGDE-FREEZER	1
SAMSUNG COMPUTER MONITOR	1
SAFESCAN- CURRENCY COUNTER WITH SCALE	1
BROTHER PROFESSIONAL SERIES PRINTER	1
DYMO- LABLE WRITER	1
KENMORE 5 FT FREEZER	1
KENMORE MINI FRIDGE	1
GE TOASTER	1
GE WIRELESS KEYBOARD AND MOUSE COMBO	1
HP RETAIL SCANNER	2
ADULT STRIDER BIKES	4
JUNIOR STRIDER BIKES	4

VENDOR OWNED OR LEASED ITEMS

	VENDOR	QTY
5 BASKET NOVELTY ICE CREAM FREEZER	BLUE BUNNY	2
4 BASKET NOVELTY ICE CREAM FREEZER	HOLLYWOOD POPS	2
2 DOOR ICE FREEZER	COLD STAR ICE	1
BREW MATIC CAPPUCCINO MACHINE	FARMER BROS.	1
BUNN COFFEE MAKER	FARMER BROS.	1
BUNN SLUSHY MACHINE	FARMER BROS.	1

EXHIBIT C
Rent Calculation

Base Rent: \$ 0

Percentage Rent: \$ _____
10% of Total Monthly Gross Revenue

Fee Collection for DISTRICT Admissions, Tickets, Permits etc. \$ _____
Actual Sale Price x Number of Units
Less Credit Card Transaction Fees

Monthly Management Campsite \$ _____
At request of LESSEE and pending availability at Rancho Jurupa Regional Park
Full Hook-Up Campsite – Rate TBD
Location to be determined by DISTRICT

Total Monthly Rent: **\$ _____**