

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



ITEM
3.24
(ID # 4105)

MEETING DATE:

Tuesday, May 23, 2017

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): License and Operating Agreement for the Lakeland Village Community Center, between the County of Riverside and Studio 395 Foundation, District 1, CEQA Exempt, [\$318,400] 63.9% Property Tax Revenue (33200), 27.2% General Funds (47220), 8.9% General Fund Sub-Fund (11183) (Clerk to file Notice of Exemption)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find the License and Operating Agreement to be exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, Class 1, Existing Facilities Exemption; and Section 15061(b)(3), General Rule or "Common Sense" Exemption;
2. Approve the License and Operating Agreement and authorize the Chairman of the Board of Supervisors to execute the same on behalf of the County;

ACTION: Policy

Robert Field, Assistant County Executive Officer/EDA 5/8/2017

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Nays: None
Absent: None
Date: May 23, 2017
xc: EDA, Recorder

Kecia Harper-Ihem
Clerk of the Board

By Deputy

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

RECOMMENDED MOTION: That the Board of Supervisors:

3. Authorize the allocation of funds to Studio 395 Foundation in accordance with the Schedule of Operator's Reimbursement Fund as described in Exhibit A, attached hereto;
4. Authorize the Assistant County Executive Officer of the Economic Development Agency, or his designee, to execute any and all other documents and administer any and all actions necessary to complete or memorialize this transaction;
5. Ratify and authorize a reimbursement to EDA/Real Estate Division in an amount not to exceed \$38,400 from General Fund Sub-Fund 11183; and
6. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk upon approval of this Agreement.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 78,400	\$ 80,000	\$ 318,400	\$ 0
NET COUNTY COST	\$ 28,302	\$ 28,880	\$ 114,942	\$ 0
SOURCE OF FUNDS: 63.9% Property Tax Revenue (33200), 27.2% General Funds (47220), 8.9% General Fund Sub-Fund (11183)			Budget Adjustment: No	
			For Fiscal Year: 2016/17-2019/20	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On December 13, 2016 the Board of Supervisors approved Minute Order 3-19, approving the transfer of interest and for the transfer of responsibility, operations and programing of community centers from Riverside County Regional Park and Open-Space District (District) back to Riverside County Economic Development Agency (EDA) oversight as of January 1, 2017 (Transfer). As a result, the Real Estate Division/EDA completed a Request for Proposal (RFP) process for the purpose of identifying and selecting qualified and experienced operators capable of providing expanded and efficient community center services.

Lakeland Village Community Center is located at 16274 Grand Avenue, Lake Elsinore, CA 92530 (Center). On November 7, 2016 EDA advertised the Center through an RFP and invited all capable operators to submit proposals for review prior to December 1, 2016. Among those that submitted was Studio 395 Foundation Inc., a non-profit 501(c)(3) corporation (Studio 395).

After all interviews were conducted, Studio 395 was selected as the Operator of the Center. Following the selection, EDA and Studio 395 entered into a Temporary License and Operating

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

Agreement as an interim and transitional contract and to allow for the negotiations of an extended License and Operating Agreement.

The attached License and Operating Agreement (Agreement) shall be for a term of approximately three years commencing on the effective date that both parties have signed the Agreement and expiring June 30, 2020. During the term of this Agreement, Studio 395 will be obligated to provide staffing and community programming at the Center and as outlined and further described within the Agreement.

During the term of the Agreement, the County shall make available an allocation of funds to Studio 395 which will offset operational costs for providing these community services on behalf of the County. The allocation of funds will be in accordance with Exhibit A, attached hereto and as per the Agreement. Reimbursement will be provided in accordance with the terms of the Agreement and Studio 395 is expected to augment services and provide for efficient delivery of services to the community within their own budget and through fees, grants, donations and volunteers.

Pursuant to the California Environmental Quality Act (CEQA), the License and Operating Agreement was reviewed and determined to be categorically exempt from CEQA, under State CEQA 15301, Class 1, Existing Facilities Exemption; and Section 15061 (b)(3), common sense, general rule exemption, as it will not result in direct impacts to the physical environment or reasonably foreseeable indirect effects.

Impact on Citizens and Businesses

The transfer of the operational responsibilities of the Lakeland Community Center to Studio 395 will improve efficiency, delivery of service and expand programs for the residents and surrounding areas of Lakeland Village. Those efficiencies will benefit citizens and the community as a whole.

SUPPLEMENTAL

Additional Fiscal Information:

The primary source of funding for the offset of maintaining and operating the Lakeland Village Community Center derives from the Ortega Trail Recreation and Park District (OTRPD) special assessments fund 33200.

On November 23, 1999, the County Board of Supervisors approved item 3.5 regarding the dissolution of OTRPD into the County, adopting Resolution No. 99-433 which established the exchange of property tax revenue and assets from OTRPD to the County as the successor in interest. Assets were distributed to County agencies, and property tax revenue was placed into Fund 33200 in support of managing former OTRPD sites.

On August 18, 2015 the Board of Supervisors authorized the transfer of Fund 33200 and its assets to the District for the purpose of development, future maintenance, and operation of

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

Perret Park, and the development, future maintenance and operation of Lakeland Village Community Center.

On December 13, 2016 the Board of Supervisors approved Minute Order 3.19, approving the transfer of interest and operational control of Perret Park, operational control of the Lakeland Village Community Center, and the property tax allocation Fund 33200 which supports these facilities from the District back to EDA.

Additional funding for the maintenance and operation of the Center, will be provided from a General Fund Contribution. The contribution will be placed into Real Estate Division fund 47220.

The Real Estate Division of the Economic Development Agency will seek to be reimbursed for any and all due diligence costs associated with this transaction, as forecasted and itemized below and through the General Fund Sub-Fund 11183.

Advertising Costs	\$ 1,300
Real Estate Labor Costs	\$ 28,500
County Counsel Costs	\$ 7,800
CEQA Environmental Costs	\$ 800
Total Estimated Real Estate Net Costs	\$ 38,400

Attachments:

Exhibit A

Aerial

Operating Agreement (4)

CEQA Notice of Exemption

RF:JWW:VC:VY:CAO:ra 313FM 18.840 13543
MinuteTrak # 4105


Rohini Lakshmi, Principal Management Analyst 5/15/2017


Gregory F. Priamos, Director County Counsel 5/10/2017



Original Negative Declaration/Notice of Determination was routed to County Clerks for posting on.

5/24/17 kb
Date Initial

NOTICE OF EXEMPTION

March 28, 2017

Project Name: County of Riverside, Lakeland Village Community Center Operating Agreement, Lake Elsinore, Riverside County

Project Number: FM0417200313

Project Location: 16275 Grand Avenue, northwest of Santa Rosa Drive, Lake Elsinore, California, Assessor's Parcel Number (APN): 381-300-004; (See attached exhibit)

Description of Project: On December 13, 2016 the County of Riverside (County) Board of Supervisors approved Minute Order 3-19, approving the transfer of interest and for the transfer of responsibility, operations, and programing of community centers from the Riverside County Regional Park and Open-Space District (District) back to the Riverside County Economic Development Agency (EDA) oversight (Transfer) as of January 1, 2017. As a result, the Real Estate Division/EDA completed a Request for Proposal (RFP) process, for the purpose of identifying and selecting qualified and experienced operators capable of providing expanded and efficient community center services. Lakeland Village Community Center (Center) is located at 16274 Grand Avenue, Lake Elsinore, CA 92530.

On November 7, 2016 EDA advertised the Center through an RFP and invited all capable operators to submit proposals for review prior to December 1, 2016. Among those that submitted was Studio 395 Foundation Inc., a non-profit 501(c)(3) corporation (Studio 395). After all interviews were conducted, Studio 395 was selected as the Operator of the Center. Unlike many of the other candidates, Studio 395 had a vested interest in the Lakeland Village area through delivery of long standing programs which include art and community activities. The attached Operating Agreement (Agreement) shall be for a term of approximately three and one half years commencing on the effective date that both parties have signed the Agreement and expiring June 30, 2020. During the term of this Agreement, Studio 395 will be obligated to provide staffing and community programming at the Center and as outlined and further described within the Agreement. During the term of this Agreement, the county shall make available an allocation of funds to Studio 395 which will offset operational costs for providing these community services on behalf of the County. The execution of the Operating Agreement with Studio 395 is identified as the proposed Project under the California Environmental Quality Act (CEQA). The proposed Project would involve the creation of an agreement to operate the Center. The Operating Agreement would not result in physical changes or an expansion of capacity. No additional direct or indirect physical environmental impacts are anticipated.

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; Studio 395 Foundation Inc., a non-profit 501(c)(3) corporation

MAY 28 2017 3:24

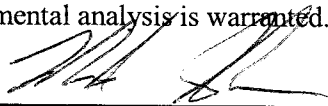
Exempt Status: State CEQA Guidelines, Section 15301, Class 1, Existing Facilities Exemption; Section 15061(b) (3), General Rule or “Common Sense” Exemption, Codified under Title 14, Articles 5 and 19, Sections 15061 and 15300 to 15301.

Reasons Why Project is Exempt: The proposed Project is categorically 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 an impact to an environmental resource of hazardous or critical concern nor does the Project include unusual circumstances which could have the possibility of a significant effect on the environment. The Project would not result in impacts to scenic highways, hazardous waste sites, historic resources, or other sensitive natural environments, or have a cumulative effect to the environment. No significant environmental impacts are anticipated to occur with the transfer of the operation and maintenance of the Center.

- **Section 15301 – Class 1 Existing Facilities Exemption:** This categorical exemption includes the operation, repair, maintenance, leasing, or minor alteration of existing public or private structures or facilities, provided the exemption only involves negligible or no expansion of the previous site’s use. The Project, as proposed, is limited to the execution of an Operating Agreement to operate and maintain the Center. The change in management of the operation and maintenance of the Center would not result in a change in use, an increase in intensity of use or exceed the planned capacity of the site. The continued operation and maintenance would not result in any expansion of public services and facilities. Therefore, the Project is exempt as the Project meets the scope and intent of the Class 1 Exemption identified in Section 15301, Article 19, Categorical Exemptions of the CEQA Guidelines.
- **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 *No Oil, Inc. v. City of Los Angeles* (1974) 13 Cal. 3d 68. The ruling in this case stated that if a project falls within a category exempt by administrative regulation or ‘it can be seen with certainty that the activity in question will not have a significant effect on the environment’, no further agency evaluation is required. With certainty, there is no possibility that the Project may have a significant effect on the environment. The proposed Operating Agreement with Studio 395 will not result in any direct or indirect physical environmental impacts. The transfer of operation and maintenance will result in no changes to the existing use and will not create any new environmental impacts to the surrounding area. No alterations and no impacts to the existing use of the site would occur. 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 exemption 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: _____

3/28/17

Mike Sullivan, Senior Environmental Planner
County of Riverside, Economic Development Agency

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: Lakeland Village Community Center License and Operating Agreement, Lake Elsinore, Riverside County, California

Accounting String: 524830-47220-7200400000- FM0417200313

DATE: March 28, 2017

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: Mike Sullivan, Senior Environmental Planner, Economic Development Agency

Signature:  _____

PRESENTED BY: Craig Olsen, Supervising Real Property Agent, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -



Date: March 28, 2017

To: Mary Ann Meyer, Office of the County Clerk

From: Mike Sullivan, Senior Environmental Planner, Project Management Office

Subject: **County of Riverside Economic Development Agency Project # FM0417200311**
Lakeland Village Community Center Licensing and Operating Agreement, Lake Elsinore, Riverside County

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: Mike Sullivan, Senior Environmental Planner,

Economic Development Agency,

3403 10th Street, Suite 400, Riverside, CA 92501

If you have any questions, please contact Mike Sullivan at 955-8009.

Attachment

cc: file

1 **LAKELAND VILLAGE COMMUNITY CENTER**

2 **LICENSE AND OPERATING AGREEMENT**

3
4 This License and Operating Agreement ("Agreement") is made and entered into on
5 MAY 23, 2017, by and between the County of Riverside, a political subdivision of the
6 State of California ("County"), and Studio 395 Foundation Inc., a non-profit 501 (c)(3)
7 corporation ("Operator"), sometimes collectively hereinafter referred to as the "Parties".
8

9 **RECITALS**

10
11 WHEREAS, the County of Riverside operates a Community Center known as Lakeland
12 Village Community Center located on a portion of an 18 acre County owned property in the
13 Lake Elsinore area of Riverside County, California ("Property"), as shown in Exhibit "A",
14 attached and incorporated herein by reference; and

15 WHEREAS, the County has the capability and authority to operate and provide
16 programs in the Lakeland Village Community Center ("Center") as shown in Exhibit "B",
17 attached and incorporated herein by reference whether directly or through a contract with a
18 qualified Operator and where such programs and services are in the vital and best interest of
19 the residents of Riverside County and the areas and community surrounding this Center; and

20 WHEREAS, Operator provides a wide variety of public programs and services to the
21 residents of Lakeland Village and Operator desires to operate a facility to provide such
22 programs at the Center and on the Property; and

23 WHEREAS, the Parties desire to enter into a License and Operating Agreement and for
24 the purpose of providing community and recreational programs and other services as provided
25 by Operator, in accordance with the terms and conditions of this Agreement.

26 NOW THEREFORE, for good and valuable consideration, the Parties do hereby
27 mutually agree as follows:

- 28 1. **LICENSE:** County hereby grants to Operator and its agents, employees and

1 contractors the right to enter onto and use the Center for the purpose of the provision of public
2 programs and services by Operator, more particularly described in Exhibit "C" Scope of
3 Operations – Schedule of Community Programs and Services, attached hereto and by this
4 reference incorporated herein and for no other purpose except as amended and approved by
5 the County. It is expressly understood that this License does not in any way whatsoever grant
6 or convey any permanent easement, lease, fee or other real property interest in the Property to
7 the Operator.

8 2. EFFECTIVE DATE: The Effective Date of this Agreement is the date first
9 provided above. In the event that such date is omitted, then the Effective Date shall be the last
10 date the Agreement is signed by the County.

11 a. The Parties agree that upon the Effective Date of this Agreement the
12 Interim License and Operating Agreement dated January 13, 2017 shall terminate.

13 3. DESCRIPTION OF CENTER: The Center consists of an approximate 9,779
14 square foot multi-purpose building, adjacent landscaping and shared common parking lot, all
15 located on a portion of Assessor's Parcel Number 381-300-004, as depicted on Exhibit "B."
16 Center Site Map and Center Floor Plan, attached hereto and by this reference incorporated
17 herein. Operator shall have a non-exclusive right to cross and use any outdoor grounds on
18 Assessor's Parcel Number 381-300-004 in common with any existing or future tenants.

19 4. TERM: The term of this Agreement shall be for three (3) years commencing on
20 the Effective Date and expiring on June 30, 2020. The Agreement shall terminate at the
21 expiration of the term period unless terminated earlier pursuant to Section 22. The County has
22 no obligation to enter into any extension of this Agreement unless mutually agreed by the
23 Parties hereto.

24 5. CONSIDERATION: Operator shall pay one dollar (\$1) to the County as
25 consideration for use of the Center, payable once and for the entire three (3) year term upon
26 full execution of this Agreement. County acknowledges that the Operator, through this
27 Agreement will be obligated to pay for a portion of the provision of services and operations of
28 the Center on behalf of the County. County recognizes this form of consideration provided by

1 the Operator and grants the Operator the right to collect fees for services rendered and for the
2 coordination of use and rental of portions of the Center.

3 6. USE: Operator shall provide for the operation and management of the Center
4 which includes community center programming and activities for the benefit of the residents of
5 Riverside County. Operator represents and maintains that it is skilled to perform all services,
6 duties and obligations required by this Agreement. Operator further represents and warrants
7 that it, or its contractors, has all licenses, permits, qualifications and approvals of whatever
8 nature legally required to provide its professional service at the Center.

9 7. OPERATOR OBLIGATIONS:

10 (a) Operations. Operator shall be obligated to provide programs and
11 services to the community and the citizens of Riverside County including but not limited to all
12 programs and services set forth in this Agreement.

13 General hours of operation are as follows:

14 Monday through Friday 10:00 a.m. to 6:00 p.m.

15 Evening and weekend hours as needed for community events and meetings.

16 The above hours are general only and subject to change. Hours may be adjusted to reflect the
17 needs of the community and hours of operations and will be subject to approval and written
18 consent of the County.

19 (b) Protection and Restoration of the Property. Subject to County's Capital
20 Maintenance and Improvement obligations hereunder, Operator shall keep and maintain
21 portions of the Property and Center used by the Operator in good and clean condition.
22 Reasonable wear and tear is acceptable and Operator shall not cause waste or damage to the
23 improvements and natural resources thereon by its employees, contractors or agents.
24 Operator shall strictly adhere to the following restrictions:

25 1) Operator may not place or dump garbage, trash or refuse
26 anywhere upon or within the Property, except for self-contained trash receptacles that are
27 maintained to County's satisfaction by Operator; and

28 2) Operator may not commit or create, or knowingly suffer to be

1 committed or created, any waste, hazardous condition and/or nuisance to occur upon the
2 Property; and

3 3) Operator must exercise reasonable due diligence in the
4 protection of the Property against damage or destruction by fire, vandalism or other cause.

5 4) Upon the expiration or termination of this Agreement, but prior to
6 its relinquishment to County, Operator shall, at its own cost and expense, remove any debris
7 generated by its use and the Property shall be returned in a neat condition. Operator agrees
8 not to damage Property in the process of performing the permitted use and activities.

9 8. OPERATOR REIMBURSEMENT FUND:

10 (a) County shall allocate and establish an Operator Reimbursement Fund
11 (“Fund”) in the amount of eighty thousand dollars (\$80,000) per full fiscal year to offset and
12 reimburse the Operator for the actual and proven costs of providing community services and
13 for the costs and obligations of operating the Center as required within this Agreement. The
14 Fund will be made available to reimburse actual operational costs incurred by the Operator
15 commencing and retroactive to January 13, 2017. A schedule of the allocated funds for each
16 partial and full fiscal years is attached hereto and incorporated herein as Exhibit “D” Schedule
17 of Operator’s Reimbursement Fund.

18 (b) Operator shall utilize the Fund upon approval and commencement of this
19 Agreement by providing invoices and statements proving itemized actual expenses incurred
20 and requesting appropriate reimbursement of operational costs only. Such reimbursement by
21 Operator shall be retroactive to expenses incurred commencing January 13, 2017 and during
22 the Interim License and Operating Agreement dated January 13, 2017 by and between the
23 County and the Operator for a transitional period to execution of this Agreement.

24 (c) Upon Fund depletion of the allocated amount in each fiscal year no
25 further reimbursement will be paid to the Operator by the County.

26 9. ALLOCATION OF FUNDS BY COUNTY: The County reserves the right to
27 modify the level of funding allocated to the Operator and Center within this Agreement due to
28 loss of funding by the County. Any modification to the funding allocations is subject to approval

1 by and through the Board of Supervisors.

2 10. CONTRACTING WITH THIRD PARTIES: Operator may enter into agreements
3 with qualified third parties for the purpose of providing any of the services or programs in
4 connection with the uses permitted to be performed in the Center as described in Section 6 or
5 for the purpose of operation. All such agreements shall contain provisions necessary to protect
6 the County, its officers, employees, successors, and assigns from any liability arising out of the
7 provision of services or programs, operation, maintenance or replacement of any
8 improvements and facilities in the Center as a result of such third parties, including the
9 obligation to indemnify the County, County of Riverside, its officers, employees, successors,
10 and assigns and carry the necessary insurance. The term of any permit, contact, or other
11 agreement entered into by Operator affecting or related to the Property shall not exceed the
12 term of this Agreement.

13 11. UTILITIES:

14 a) During the term of this Agreement, County agrees to pay, or cause to be
15 paid for any and all utilities used at the Center including but not limited to electric, water, gas,
16 sewer, phone, refuse collection, security and/or fire alarm monitoring or related fees and all
17 other services supplied to the Center.

18 b) During the term of this Agreement, Operator agrees to pay, or cause to
19 be paid for any and all computer and internet services.

20 12. FURNITURE, FIXTURES AND EQUIPMENT: The County and Operator agree
21 and acknowledge that the County owns and installed furniture, fixtures and equipment for the
22 operation of the Center as set forth in Exhibit "E" Existing Furniture, Fixtures and Equipment
23 ("FF&E") Owned by County, attached hereto and by this reference incorporated herein.
24 Operator may use the FF&E and shall keep the FF&E in reasonable condition with reasonable
25 wear and tear.

26 13. MAINTENANCE RIGHTS AND RESPONSIBILITIES:

27 (a) County shall, at its sole cost and expense, maintain, or cause to be
28 maintained, the building and building systems, the parking lot and landscaping in good, clean

1 condition as outlined above and in accordance with all applicable laws, including but not limited
2 to health, fire and safety ordinances and laws, environmental regulations and such rules and
3 regulations hereunder as may be binding upon County with reasonable wear and tear
4 excepted. County will be responsible for all recurring and normal maintenance of the premises,
5 and for any Capital Renewal and Capital Improvement project costs.

6 (b) Improvements by Operator. Any alterations, improvements, or
7 installation of fixtures to be undertaken by Operator shall have the prior written approval of the
8 County after Operator has submitted plan/work plan for any such proposed alterations,
9 improvements, or fixtures to County in writing.

10 (c) Custodial Services: Operator shall keep the Property in a clean and neat
11 condition. County shall at its sole cost and expense, be responsible for all custodial service and
12 supplies necessary for both the Center and the associated grounds as depicted in Exhibit A
13 and B hereto.

14 (d) Inspection. County and its representatives, employees, agents or
15 independent contractors may enter and inspect the Property or any portion thereof or any
16 improvements thereon at any time and from time to time at reasonable times to verify
17 Operator's compliance with the terms and conditions of this Agreement.

18 14. TAXES AND ASSESSMENTS: During the term of this Agreement Operator
19 shall pay, or cause to be paid, any and all applicable real and personal property taxes, general
20 and special assessments and other charges of every description as may be levied on or
21 assessed against the Center, improvements to the Center, or personal property owned by
22 Operator located on or in the Center by reason of Operator's operation of the Property.
23 Operator acknowledges that it may be subject to a possessory interest tax in accordance with
24 the California Revenue and Taxation Code.

25 15. COMPLIANCE WITH LAWS AND RESTRICTIONS. Operator shall, at its sole
26 cost and expense, obtain any and all necessary permits and shall fully comply with all
27 applicable ordinances, state and federal laws associated with the provision of the public
28 programs and services. Operator further agrees to use the Property in material compliance

1 with all laws now in force or which may hereafter be in force relative to its use as outlined in
2 Section 6 above, including without limitation compliance with all federal, state, and local
3 statutes and regulations, as well as all covenants, conditions, and restrictions contained in this
4 Agreement.

5 16. ASSIGNMENT: Operator shall not assign the rights and obligations of this
6 Agreement without the written consent of the County. Such consent shall be in the sole and
7 absolute discretion of the County.

8 17. INSURANCE: Without limiting or diminishing Operator's obligation to the
9 indemnify or hold the County and County harmless, Operator shall procure and maintain or
10 cause to be maintained, at its sole cost and expense, the following insurance coverage's during
11 the term of this Agreement. As respects to the insurance section only, the COUNTY herein
12 refers to the County of Riverside, its Agencies, Districts, Special Districts, and Departments,
13 their respective directors, officers, Board of Supervisors, employees, elected or appointed
14 officials, agents or representatives as Additional Insureds.

15 (a) Workers' Compensation. If the Operator has employees as defined by
16 the State of California, the Operator shall maintain statutory Workers' Compensation Insurance
17 (Coverage A) as prescribed by the laws of the State of California. Policy shall include
18 Employers' Liability (Coverage B) including Occupational Disease with limits not less than
19 \$1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor
20 of the County and County, and, if applicable, to provide a Borrowed Servant/Alternate
21 Employer Endorsement.

22 (b) Commercial General Liability. Commercial General Liability insurance
23 coverage, including but not limited to, premises liability, contractual liability, products and
24 completed operations liability, personal and advertising injury, and cross liability coverage,
25 covering claims which may arise from or out of Operator's performance of its obligations
26 hereunder. Policy shall name, the County, County, its directors, officers, employees,
27 appointed officials, agents or representatives as Additional Insured. Policy's limit of liability
28 shall not be less than \$1,000,000 per occurrence combined single limit. If such insurance

1 contains a general aggregate limit, it shall apply separately to this Agreement or be no less
2 than (2) times the occurrence limit.

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

10 (d) General Insurance Provisions - All lines:

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

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

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

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

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

19 5) If, during the term of this Agreement or any extension thereof,
20 there is a material change in the permitted use, the County reserves the right to adjust the
21 types of insurance required under this Agreement and the monetary limits of liability for the
22 insurance coverage's currently required herein, if; in the County's Risk Manager's reasonable
23 judgment, the amount or type of insurance carried by the Operator has become inadequate.

24 6) Operator shall pass down the insurance obligations contained
25 herein to all tiers of Operator's vendors working under this Agreement.

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

28 8) Operator shall notify County of any claim by a third party or any

1 incident or event that may give rise to a claim arising from the performance of this Agreement
2 within ten (10) days of receipt of notice thereof.

3 18. INDEMNIFICATION: Operator shall indemnify and hold harmless the County,
4 its directors, officers, employees, appointed or elected officials, agent or representatives from
5 any liability whatsoever, to the extent based or asserted upon acts, omissions or any services
6 of Operator, its officers, employees, agents or representatives arising out of or in any way
7 relating to this Agreement, including but not limited to Property damage, bodily injury, or death
8 or any other element of any kind or nature whatsoever arising from the performance of
9 Operator, its officers, agents, employees, agents or representatives from this Agreement.
10 Operator shall defend, at its sole expense, all costs and fees including, but not limited, to
11 attorney fees, cost of investigation, defense and settlements or awards, the County, its
12 directors, officers, employees, appointed officials, agents or representatives in any claim or
13 action to the extent based upon such alleged acts or omissions.

14 (a) With respect to any action or claim subject to indemnification herein by
15 Operator. Operator shall, at their sole cost, have the right to use counsel of their own choice
16 and shall have the right to adjust, settle, or compromise any such action or claim without
17 compromise in no manner whatsoever limits or circumscribes Operator indemnification to
18 County as set forth herein.

19 (b) Operator's obligation hereunder shall be satisfied when Operator has
20 provided to County the appropriate form of dismissal relieving County from any liability for the
21 action or claim involved.

22 (c) The specified insurance limits required in this Agreement shall in no way
23 limit or circumscribe Operator's obligation to indemnify and hold harmless the County herein
24 from third party claims.

25 (d) In the event there is conflict between this clause and California Civil
26 Code Section 2782, this clause shall be interpreted to comply with Civil code 2782. Such
27 interpretation shall not relieve Operator from indemnifying the County to the fullest extent
28 allowed by law.

1 19. ENVIRONMENTAL PROTECTION. Operator shall not discharge, dispose of,
2 or permit to escape, any drainage water, non-point source runoff, raw sewage, fuel, or waste of
3 any kind, within or outside the Center that could result in destruction of habitat or the
4 contamination or pollution of said Center. Operator shall at all times comply with all applicable
5 federal, state, and local laws, orders, and regulations, as may be amended with respect to the
6 proper discharge of refuse, garbage, sewage effluent, wastes, storm water runoff, and any and
7 all other pollutants, including soil sediments, and shall cause its employees, agents and other
8 persons or entities under its control to comply fully with such laws, orders, and regulations.

9 20. HAZARDOUS MATERIALS. Operator shall not use or allow anyone else to
10 use the Center to generate, manufacture, refine, transport, treat, store, handle, recycle,
11 release, or dispose of any hazardous material, other than as reasonably necessary for the
12 operation of its operations and activities as contemplated under this Agreement. The term
13 "hazardous material" means any hazardous substance, material, or waste including, but not
14 limited to, those listed in 49 CFR 172.101 (U.S. Department of Transportation), the Cal/EPA
15 Chemical Lists, or petroleum products and their derivatives. However, this shall not apply to
16 the use of petroleum products and related substances incidental to operation of motorized
17 equipment and vehicles whose operation on the premises is contemplated by this Agreement.
18 Operator shall immediately notify County in writing in the event of any release of hazardous
19 material, violation of any environmental law, or actions brought by third parties against
20 Operator alleging environmental damage. Operator shall indemnify and hold County harmless
21 from any and all damages of any nature (including payment of attorney fees) related to or
22 arising out of the discharge or release of hazardous materials caused by Operator or any
23 person or entity under its control. County represents and warrants to Operator that, to the best
24 of County's knowledge, no hazardous material has been generated, manufactured, refined,
25 transported, treated, stored, handled, recycled, released, or disposed of on, under, or about the
26 Center or Property prior to the effective date of this Agreement. In the event that Operator
27 discovers that any hazardous material has been generated, manufactured, refined,
28 transported, treated, stored, handled, recycled, released, or disposed of on, under, or about the

1 Center or Property prior to the effective date of this Agreement, then Operator shall have the
2 right to immediately terminate this Agreement and shall have no remediation responsibility, and
3 County shall indemnify, defend and hold harmless Operator from any and all liability of any
4 type related thereto, including attorney's fees

5 21. DEFAULT:

6 (a) Operator shall be deemed in default of this Agreement if Operator uses
7 the Property for any purpose other than that authorized in the Agreement, fails to maintain the
8 Property or the improvements in the manner provided for in the Agreement, fails to comply with
9 or perform any other covenant, condition, provision or restriction provided for in the Agreement,
10 abandons the Property, allows the Property to be attached, levied upon, or seized under legal
11 process, or if Operator files or commits an act of bankruptcy, has a receiver or liquidator
12 appointed to take possession of the Property, or commits or permits waste on the Property.

13 (b) Operator shall cure any defaults within thirty (30) days of receipt of a
14 written notice by the County to remedy any and all defaults. In the event that any default is of
15 such a nature that the same cannot reasonably be cured within the thirty (30) day period
16 described above, then the cure period shall be extended by such further reasonable period (not
17 to exceed an additional 90 days) so long as Operator commences the cure within the thirty (30)
18 day period described above and thereafter diligently prosecutes the cure to completion. In the
19 event that Operator's fails to cure the noticed default, County shall have the right to terminate
20 this Agreement and retake possession of the Property together with all additions, alterations,
21 and improvements thereto by providing Operator thirty (30) days' notice of its intent to
22 terminate. County shall also retain all rights to seek any and all remedies at law or in equity
23 available in the event Operator is in default. Upon the giving of notice of termination, all
24 Operator's rights in the Property and improvements shall terminate. Promptly after notice of
25 termination, Operator shall surrender and vacate the Property and all improvements in good
26 and clean condition.

27 22. TERMINATION:

28 (a) County's Right to Terminate.

1 1) If during the term of this Agreement, the Center is damaged,
2 whether or not from a risk covered by insurance, and subject to the other provisions of this
3 Agreement regarding termination, County shall have the option, but shall not be obligated to
4 make the repairs necessary to restore the Center and all the improvements thereon, to a
5 condition for occupancy or use comparable to the condition thereof before such damage
6 occurred. However, County may determine in its sole discretion, that if it is not feasible to
7 make the necessary repairs or restoration, County shall have the right to terminate this
8 Agreement.

9 2) County may terminate this Agreement for any reason by giving
10 one hundred eighty (180) days written notice to Operator.

11 3) Upon such termination, Operator must surrender the Property
12 and all equipment and improvements constructed in the Center (other than trade fixtures or
13 other removable fixtures owned by Operator) to be left in good and clean condition and shall
14 become the property of County or the County at no cost or expense to the County.

15 (b) Operator's Right to Terminate.

16 1) Operator may terminate this Agreement at any time and for any
17 reason by giving written notice to County at least one hundred eighty (180) days prior to the
18 effective date of such termination. Upon such termination, Operator must surrender the
19 Property and all improvements and Equipment in good and clean condition.

20 23. NOTICES: All notices, requests, demands, waivers, consents and other
21 communications herein provided to be given, or which may be given by either party to the
22 other, shall be deemed to have been fully given when made in writing and transmitted by
23 electronic email, hand-delivered, sent by certified mail, or deposited in the United States mail,
24 postage prepaid and addressed as follows:

25 If to County:

26 Attn: Deputy Director of Real Estate
27 Economic Development Agency
28 County of Riverside
 Real Estate Division
 3403 10th Street, Suite 400
 Riverside, CA 92501

1 951-955-4820

2 If to Operator:

3 Attn: Rebecca Esquibel
4 Studio 395 Foundation Inc.
5 PO Box 395
6 Lake Elsinore, CA 92530
7 951-506-3606

8 24. SEVERABILITY: Each section and provision of this Agreement is severable
9 from each other provision. In the event that any one or more of the provisions contained in this
10 Agreement shall be invalid, illegal or unenforceable in any respect, the validity, legality, and
11 enforceability of the remaining provisions contained in this Agreement shall not in any way be
12 affected or impaired thereby. To the extent permitted by applicable law, each party to this
13 Agreement waives any provision of law that renders any provision of this Agreement invalid,
14 illegal, or unenforceable in any respect. In the event any provision of this Agreement shall be
15 held invalid, illegal, or unenforceable, the parties shall use all reasonable efforts to substitute a
16 valid, legal, and enforceable provision that implements the purposes and intents of this
17 Agreement.

18 25. WAIVER: Failure by a Party to insist upon the strict performance of any of the
19 provisions of this Agreement by the other Party, or the failure by a Party to exercise its rights
20 upon the default of the other party, shall not constitute a waiver of such Party's rights to insist
21 and demand strict compliance by the other Party with the terms of this Agreement thereafter.

22 26. GOVERNING LAW; JURISDICTION: This Agreement shall be governed and
23 construed in accordance with the laws of the State of California. The County and Operator
24 agree that the Agreement has been entered into in Riverside County, California, and that if any
25 action or proceeding is commenced to enforce or interpret this Agreement, venue shall be filed
26 in the Superior Court for the State of California, in Riverside, California.

27 27. INTERPRETATION: The Parties hereto have negotiated this Agreement at
28 arms-length and have been advised by their respective attorneys, or if not represented by an
attorney, represent that they had an opportunity to be so represented and no provision
contained herein shall be construed against County solely because it prepared this Agreement

1 in its executed form.

2 28. AMENDMENT: This Agreement shall not be modified or amended without the
3 written consent of both Operator and the County incorporated in a written amendment to the
4 Agreement.

5 29. BINDING ON SUCCESSORS: The terms and conditions herein contained shall
6 apply to and bind the heirs, successors in interest, executors, administrators, representatives,
7 and assigns of all the parties hereto.

8 30. AUTHORITY TO EXECUTE: The persons executing this Agreement or
9 exhibits attached hereto on behalf of the Parties to this Agreement hereby warrant and
10 represent that they have the authority to bind the respective Parties to this Agreement to the
11 performance of its obligations herein.

12 31. ENTIRE AGREEMENT: This Agreement and those documents incorporated
13 herein by reference or attached: (i) constitutes the entire Agreement, supersedes all other prior
14 Agreements and understandings, both written and oral, among the Parties, or any of them, with
15 respect to the subject matter of this Agreement; (ii) is not intended to confer upon any person
16 other than the Parties to this Agreement any rights or remedies under this Agreement.

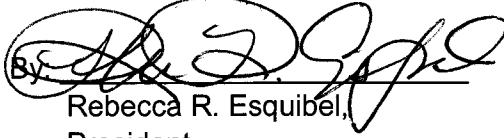
17
18 Signature Provisions on Following Page
19
20
21
22
23
24
25
26
27
28

1 IN WITNESS WHEREOF, the Parties hereto have executed this Agreement to be as of
2 the date written.

3
4 **COUNTY:**
5 COUNTY OF RIVERSIDE, a political
6 subdivision of the State of California

LICENSEE & OPERATOR:
Studio 395 Foundation Inc.
a non-profit 501 (c)(3) corporation

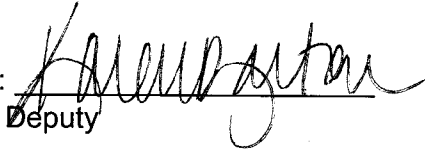
7 BY: 
8 Chairman
9 Board of Supervisors
10 **JOHN TAVAGLIONE**

BY: 
Rebecca R. Esquibel,
President


11 DATED: MAY 23 2017

DATED: May 8, 2017

12 **ATTEST:**
13 Kecia Harper-Ihem
14 Clerk of the Board

15 By: 
16 Deputy

17
18 **APPROVED AS TO FORM:**
19 Gregory P. Priamos
20 County Counsel

21 BY: 
22 **ELENA M. BOEVA**
23 Deputy County Counsel

24
25 CAO:tg/050417/313FM/18.716
26
27
28

EXHIBIT "A"
PROPERTY SITE MAP



EXHIBIT "B"
CENTER SITE MAP



EXHIBIT "B"

CENTER FLOOR PLAN

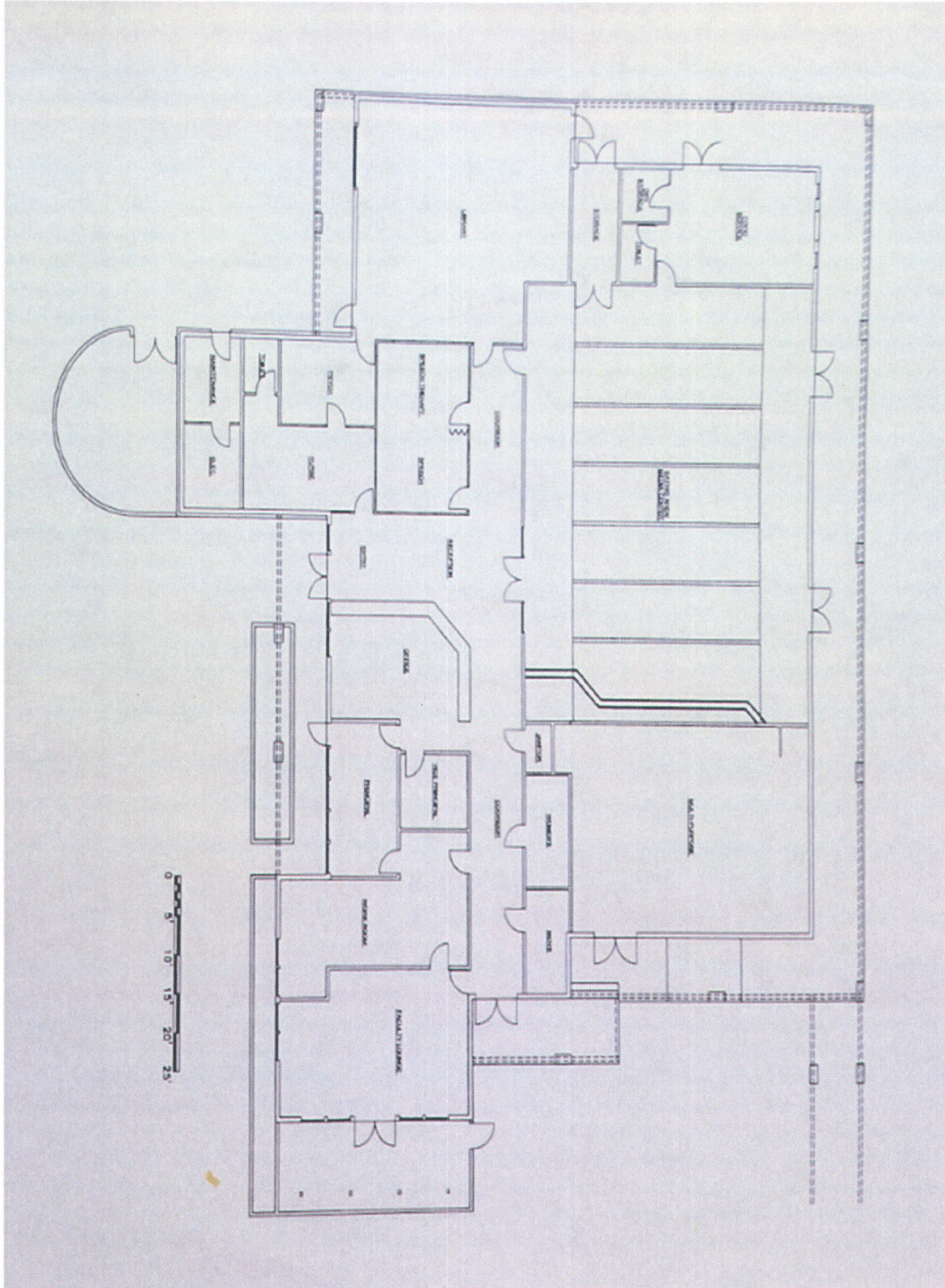


EXHIBIT "C"

SCOPE OF OPERATIONS – COMMUNITY PROGRAMS AND SERVICES FOR LAKELAND COMMUNITY CENTER

1. Art education and creation programming, including music, theater, visual arts, computer arts, writing, ceramics, wood working, metal working, sewing, and others, as requested.
2. Hosting or providing space for community events, meetings, programs as needed and as they benefit the community in coordination with community groups, non-profits, public officials, government departments or organizations working with local agencies. Renting of space or facilities for public or private events or programs.
3. Youth Services Programs, including Afterschool Programs, Summer Youth Programs-Camps, Youth Sports and Recreation, Tutoring/homework help, and Youth Leadership Programming
4. Recreation Services including Physical Fitness Programs, sports, exercise, dancing etc.

EXHIBIT "D"
SCHEDULE OF OPERATOR'S REIMBURSEMENT FUND
FOR LAKELAND VILLAGE CENTER

Fiscal Year	Dates	Funds Allocated
2016/2017 (Partial Year)	January 13, 2017 – June 30, 2017	\$40,000
2017/2018	July 1, 2017 – June 30, 2018	\$80,000
2018/2019	July 1, 2018 – June 30, 2019	\$80,000
2019/2020	July 1, 2019 – June 30, 2020	\$80,000

EXHIBIT "E"

EXISTING FURNITURE, FIXTURES AND EQUIPMENT

OWNED BY COUNTY

18	Tot-size chairs	Tot's Room
15	Kid-size chairs	Tot's Room
1	table and chairs	Tot's Room
3	tot tables 2x4 ft	Tot's Room
1	table	Tot's Room
2	storage cabinet	Tot's Room
100+	misc. children's books	Tot's Room
20+	misc. board games and puzzles	Tot's Room
9	storage containers (misc colors)	Tot's Room
1	podium	Tot's Room
8	chairs	Tot's Room
2	9 compartment black organizers	Art Room
1	6x1.5 ft table (plastic)	Art Room
1	USA flag with stand	MP Room
1	CA flag with stand	MP Room
1	podium with sound system	MP Room
1	amplifier unit	MP Room
2	speakers	MP Room
19	foldable plastic tables	MP Room
75	chairs	MP Room
1	vaccum	MP Room
1	out of date school projector	Office/Stage
1	industrial oven	Office/Stage
10	Theatre drapes	Office/Stage
1	rolling cart	Building B
1	storage cabinet	Building B
1	office table	Building B
24	metal shelves (freestanding)	Building B
46	wood shelves (freestanding)	Building B
3	school chairs	Building B
2	projecter screens	Building B
1	Round table with 5 matching chairs	Library
1	long skinny 1.5 x 6 ft table	Library
	Books	Library
25	blue chairs	Lobby Area
9	large pictures with frames	Lobby Area
2	desk phones	Lobby Area

1	blue sofa	Lobby Area
2	computer chairs	Lobby Area
1	first aid kit (fully stocked)	Lobby Area
1	desk	Coordinators Office
1	phone (cisco)	Coordinators Office
4	Conference Chairs	Coordinators Office
1	oval conference table	Coordinators Office
1	computer chair	Coordinators Office
1	files drawer (2 drawers)	Coordinators Office
1	wireless microphone	Coordinators Office
2	filing cabinets	Coordinators Office
1	blue couch	Coordinators Office
1	computer monitor and mouse (security system)	Coordinators Office
1	large elephant portrate	Coordinators Office
1	large white board	Coordinators Office
1	desk	Tim's office
1	computer chair	Tim's office
1	computer (dell)	Tim's office
1	printer (brother)	Tim's office
1	office phone (cisco)	Tim's office
1	hard drive for security cameras	computer monitor and mouse (security system)
2	old computer moiters	Office/Stage
1	hard drive for security cameras	computer monitor and mouse (security system)
1	computer chair	Tim's office
1	computer (dell)	Tim's office
1	computer monitor and mouse (security system)	Coordinators Office
1	phone (cisco)	Coordinators Office