

SUBLEASE AGREEMENT

This **Sublease Agreement** ("SLA") is an agreement between the **American Contract Bridge League of Santa Cruz County, Unit 550** ("Unit 550") and _____, an independent business person who is the owner of an American Contract Bridge League sanctioned game ("**Club Owner**") specifically identified in Exhibit A.

Recitals

- A. Unit 550 is a California non-profit public benefit corporation with the mission to promote social and community welfare by supporting bridge classes and instruction and fostering amateur bridge competitions within Santa Cruz County.
- B. Unit 550 manages an investment portfolio established from the Abrams' bequest. These funds provide the financial capability of Unit 550 to provide a subsidy for rent and other items necessary to conduct bridge competitions and classes. Unit 550 manages the portfolio with the objective of having it support Unit 550 and bridge activities in Santa Cruz county in perpetuity.
- C. Unit 550 holds a lease for the space located at 2450 17th Avenue, Suite 200, Santa Cruz, CA 95062 ("West Marine Building") which is used as the **Santa Cruz Bridge Center** ("SCBC") to conduct American Contract Bridge League ("ACBL") sanctioned bridge competitions ("**Games**"), bridge instruction ("**Classes**"), other bridge-related activities and perform the business of Unit 550.
- D. Unit 550 has paid for improvements to the facility to make it suitable for holding Games and Classes. Unit 550 manages the SCBC. Unit 550 owns and maintains certain items required to conduct Games, provide optional food service to players and otherwise operate the SCBC, including the appliances, the dealing machine, electronic scoring machines, electronic equipment, a web site, www.santacruzbridge.org, a member database and other items.
- E. Club Owner desires to use the SCBC to conduct Games and Unit 550 wishes to allow such use of the SCBC during the specific time slot listed in an Exhibit B for each Club Owner Game.

Definitions

- A. The SCBC in the West Marine Building has five defined areas:
 - a. The main playing area room (“main room”);
 - b. The smaller room at the south end (“classroom”);
 - c. The kitchen and coffee area (“kitchen”);
 - d. The alcove for the game director (“director’s desk”);
 - e. Kitchen cabinet space and the separate storage room (“storage”).
- B. The term “Common Items” as used in this agreement are any items, either supplied and owned by Unit 550, a Club Owner or a member which are available for any party to use during a Game or Class. Such items include the appliances, the dealing machine, electronic scoring machines, the computer and printer, supplies, dishes and silverware, tables, chairs, white boards and any other item not specifically identified as being limited to use by a particular party. Common Items do not include food stored in the refrigerator or items stored in assigned storage.
- C. The term “SCBC” as used in this agreement includes the main room or the classroom or both, plus the kitchen area, director’s desk area, assigned storage and cabinet space, if any, and all Common Items.
- D. The term “Table Fee” is the base amount a player participating in a Game pays to the Club Owner. The Table Fee does not include extra charges that the ACBL or other bridge associations impose for special games, such as STaC games or International Fund Games.

Agreement

Now therefore, Unit 550 and Club Owner agree as follows:

1. GRANT

A. *Grant.* This Agreement sets forth the general terms and conditions under which Unit 550 and Club Owner will do business. Unit 550 grants Club Owner the right to use the SCBC to conduct a Game in a specific time slot as listed in Exhibit B and use assigned storage space shown in Exhibit A during the term of this Agreement .

B. *Exhibits.* Exhibits A, Exhibit B and Exhibit C are subject to all of the terms and conditions of this Agreement and are incorporated herein. There is a separate Exhibit B for each Game the Club Owner wishes to operate.

2. TERM AND TERMINATION

A. *Term of Agreement.* The Agreement commences on the date set forth below. The agreement for each Game commences on the date in Exhibit B for that Game. The Agreement and Exhibits renew annually on January 1 unless terminated according to the Termination clause below.

B. *Termination.* This Agreement may be terminated by either party upon written notice to the other, if (i) the other party breaches any material obligation provided hereunder and the breaching party fails to cure such breach within thirty (30) days of receipt of notice; or, (ii) without cause within ninety (90) days of receipt of notice after July 1, 2014. This Agreement may also be terminated if (iii) Club Owner fails to pay any fees or charges hereunder within thirty (30) days from the due date.

C. *Affect of Agreement Termination.* (i) The grant to Club Owner is revoked for: (a) SCBC facilities and assigned storage identified in Exhibit A; and, (b) Time slots identified in any Exhibit B. (ii) Club Owner must retrieve all materials remaining in assigned storage with two weeks of termination after which time Unit 550 may dispose of these materials in any manner it chooses. (iii) Except as provided below in Equitable Compensation, when termination occurs Unit 550 may either: (a) undertake a new Agreement with a different club owner for the time slot previously held by Club Owner; or, (b) otherwise use the time slot and the SCBC facilities previously granted to Club Owner in any manner which supports and extends the mission of Unit 550.

D. *Equitable Compensation.* In the event that Unit 550 terminates the Agreement with Club Owner, (i) Club Owner has ninety (90) days from the date of termination to sell their sanction. The following subparagraphs specify the final settlement and equitable compensation for the sanction, which then transfers to Unit 550 or its designate. All amounts paid to Club Owner are net of outstanding amounts due Unit 550. (ii) If the Game has had an average of five tables or more per session over the previous ten conducted sessions, Unit 550 will make reasonable efforts to operate the Game during this period and pay Club Owner the net proceeds from each Game, after deduction of Usage Fees, Director Fees (Table Fees from two and one-half tables), and player refreshment charges (Table Fees from one-half table). (a) If the sanction is sold during the period Unit 550 is operating the Game, Club Owner retains the net proceeds from the Games operated by Unit 550 and the amount received from the sale of the sanction as final settlement. (b) If the sanction has not been sold by the end of the 90 day period, the payments made to Club Owner are the final settlement. (iii) If the Game does not meet the criteria in (i), but has had an average of five or more tables per conducted session over the previous year, Unit 550 will pay Club Owner \$200 for a weekly game, \$100 for a bi-weekly game, or \$50 for a monthly game. (iv) If the Game does not meet the criteria in (ii) or (iii), Unit 550 will pay the Club Owner the ACBL sanction fee for the current year as a final settlement and equitable compensation for the sanction and the sanction transfers to Unit 550 or its designate.

E. *Termination of Games.* Each Exhibit B may be terminated separately. Termination of an Exhibit B does not terminate any other Exhibit B or this Agreement or any obligation hereunder, except those listed in the particular Exhibit B. An Exhibit B and the associated Game may be terminated upon thirty (30) days

written notice, at which date, the Usage Charges for the time slot identified in that Exhibit B no longer apply and Unit 550 may utilize the time slot in any manner that supports the Unit 550 mission.

3. EXPENSE CHARGES

A. *Usage Charges.* Club Owner agrees to pay Usage Charges to Unit 550 as detailed in Exhibit B.

B. *Usage Charge Adjustment.* Exhibit C specifies how Usage Charges may be adjusted.

C. *Payment Due Dates.* The total monthly charges for the previous month are due by the 6th of the following month and considered delinquent if not received by the 10th. A 5% late fee shall be assessed on delinquent payments.

D. *Table Fee.* Club Owner sets the Table Fee charged to players participating in Club Owner's Game(s). Unit 550 may receive a portion of the Table Fee as specified in Exhibit B.

E. *Cancellations.* Club Owner may on occasion cancel a scheduled Game. In these cases, Club Owner will pay the Minimum Usage Charge unless exempt as detailed in Exhibit B.

F. *Holidays.* Easter, Memorial Day, 4th of July, Labor Day, Thanksgiving, Day Before Christmas, Christmas, New Year's Eve, and New Year's Day are holidays and no Usage Charges are due, unless Club Owner holds a game on one of these holidays.

G. *Deposit.* Upon execution of the SLA, Club Owner will pay a deposit to Unit 550 as specified in Exhibit B. At termination, Unit 550 will return deposit to Club Owner less any monies owed to Unit 550 due to charges the Club Owner has accrued. No interest will be paid on the deposit.

4. RELATIONSHIP OF PARTIES

A. *Independent Contractor.* Unit 550 and Club Owner agree that Club Owner is an independent contractor. Nothing contained herein shall constitute this arrangement to be employment, a joint venture, or a partnership. Club Owner shall be solely responsible for and shall hold Unit 550 harmless from any and all claims for taxes, including but not limited to withholding tax, income tax, FICA, and workers' compensation, and other fees or costs, except as specified in this Agreement. Club Owner agrees to abide by all the current and future regulations of the American Contract Bridge League, especially as applied to bridge clubs and Directors, *Unit 550 Policies and Procedures*, and to use the SCBC facilities in a safe, reasonable and professional manner.

B. *No Agency.* Club Owner does not undertake by this Agreement to perform any obligation of Unit 550. Club Owner is not to be construed as the agent or to be acting as the agent of Unit 550 in any respect, any other provisions of this Agreement notwithstanding.

C. *Responsibility.* Club Owner agrees to hold Unit 550 and the Board of Directors harmless in performing any task, duty, obligation or action under this Agreement. Club Owner is solely responsible for his or her decisions relative to these duties, including fitness for such tasks, obligations or actions. Unit 550

will make reasonable allowances for limitations which Club Owner identifies during the Agreement period.

5. CLUB OWNER RESPONSIBILITIES

A. *ACBL Member.* Club Owner shall maintain ACBL membership.

B. *Sanction.* Club Owner shall maintain the ACBL sanction for Games and be responsible for all payments due to the ACBL as the sanction owner.

C. *Conduct Games.* Club Owner shall ensure Games are conducted in accordance with ACBL regulations and the policies and procedures of Unit 550, as documented in *Unit 550 Policies and Procedures*.

D. *Certified Director.* Club Owner will ensure a certified and current director will direct and oversee the Game.

E. *Preparing Deals, Scoring and Posting.* Club Owner shall supply boards and cards for Games. Except for Team Games, Club Owner will use the Dealer4 and the ACBLmerge procedure to prepare boards and hand records and will use ACBLscore and the electronic scoring system to score Games. At the conclusion of a game, Club Owner will post game results to the Unit 550 website using the ACBLmerge and Post Games procedures and insert a paper summary from ACBLscore into the Game Summary binder.

F. *Setup and Clean up.* Besides normal game setup, Club Owner is responsible for emptying the dishwasher from the previous game, assuring bathrooms have adequate supplies and starting coffee. Clean up includes returning chairs and tables to the standard set-up, placing dishes, silverware, glasses and cups into the dishwasher and starting the dishwasher, cleaning serving tables and counters, sweeping the floor, emptying trash cans which are more than 50% full, turning off the interior lights, adjusting the thermostat, if necessary, and locking up unless another Club Owner or Unit 550 Board member is remaining in the facility and agrees to locking up.

G. *Game Schedule.* Club Owner will update the online calendar ("Calendar") on the Unit 550 website as required for changes or cancellations in Club Owner's regularly scheduled games using the Add/Change Games procedure. An Added Game is considered scheduled when listed on the Calendar; an Added Game is subject to Usage Charges unless cancelled at least seven days in advance. The time slot for a cancelled game may be utilized by Unit 550 or another Club Owner.

6. UNIT 550 RESPONSIBILITIES

A. *Facility.* Unit 550 will provide the SCBC in a condition suitable for conducting Games.

B. *Lease Payments.* Unit 550 will make all payments, including rent and property taxes, required under the lease.

C. *Monthly Charge Calculation.* Unit 550 will calculate the Game Charge and Table Charge for the previous month and email them to Club Owner on the 1st of the month.

D. *Member Database.* Unit 550 will maintain a database of members which allows for mass emails to members or a selected group of members.

E. *Policy and Procedures.* Unit 550 will maintain and make available on the Unit 550 website, a current copy of the *Unit 550 Policy and Procedures* manual. Unit 550 Board of Directors is responsible for making and approving any change to the policies and procedures and notifying Club Owner of changes.

F. *Software Procedures.* Unit 550 will maintain the software procedures necessary to run the Dealer4, ACBLscore, Bridgemate II, ACBLmerge, Add/Change Games, and Post Games, the Calendar and the Unit 550 website.

G. *Storage.* Unit 550 will provide kitchen cabinet and general storage space for Club Owner to store materials, food and papers.

H. *Cleaning.* Unit 550 will arrange and pay for required janitorial and cleaning service.

I. *Insurance.* Unit 550 will acquire and maintain liability and property insurance for the SCBC, and name Club Owners as additional-insured.

J. *Utilities.* Unit 550 will provide local phone service and pay providers for all utilities used in the SCBC.

K. *Mediation.* Unit 550 will mediate disputes between parties who use the SCBC, including other Club Owners, but excluding Unit 550 itself, as impartially as practical, using neutral parties when appropriate. The decision of the Unit 550 Board of Directors is final.

7. SHARED RESPONSIBILITIES

A. *Game Supplies.* Ensuring that game supplies, coffee, tea, sodas, napkins, kitchen towels and other products used to conduct Games or serve players participating in Games at the SCBC are adequately stocked.

B. *Computer and Networking Equipment.* Supplying and maintaining phones, computer and networking equipment and printers used in running Games.

8. NON-EXCLUSIVITY

A. *Other Club Owners.* Nothing in this Agreement shall be interpreted as restricting Unit 550 from making Agreement s with other club owners or undertaking any activity which supports the Unit 550 mission for different time slots or the same time slot in a different room, provided having two simultaneous events does not materially interfere with Club Owner's Game and meets the criteria for running simultaneous games as specified by the ACBL.

B. *Locations.* Nothing in this Agreement shall be interpreted as restricting Club Owner from conducting a Game at a location not associated with the SCBC.

C. *Room Assignment.* Club Owner is granted initial use of either the Main Room or Classroom or both as specified in Exhibit B for a given time slot and sanction. If Club Owner Game is initially assigned to the

Main Room but does not require more tables than the Classroom provides and there is a Club Owner or Instructor who requires the larger space of the Main Room, Club Owner may be reassigned to the Classroom. Club Owner Game must have required more tables than the Classroom provides in at least two of the last ten sessions to maintain the Main Room assignment.

D. *Adjustable Charges*. Club Owner acknowledges that Unit 550 may enter into Agreements with other club owners which have lesser Game Charges for a period of time to incubate the growth of bridge within Santa Cruz County.

9. SUBSTITUTE

Club Owner may on occasion delegate its duties to a third party, subject to the Unit's right to approve or disapprove the third party, which consent will not be unreasonably withheld. Such a third party is subject to all the terms and conditions of this Agreement and must meet all the qualifications of a Club Owner specified herein and by the ACBL.

10. TRANSFER OF CLUB OWNERSHIP

If Club Owner transfers or sells a sanction specified in an Exhibit B which has not been terminated to another party, the new club owner must sign a new Agreement with Unit 550 in order to use the SCBC facilities to run a game. SCBC time slots and facility usage are not transferrable and may only be assigned under Agreement with Unit 550. The acquiring party must meet the criteria for a Club Owner as set forth elsewhere in this document and the new Club Owner must agree to the terms and conditions of the Agreement, including changes in Exhibits A and B, if any. Provided the acquiring party meets the requirements of a Club Owner, Unit 550 will not unreasonably withhold undertaking an Agreement with the new Club Owner.

11. FORCE MAJEURE

Neither party will be liable for, or will be considered to be in breach of or default under this Agreement on account of, any delay or failure to perform as required by this Agreement as a result of any causes or conditions that are beyond such party's reasonable control and that such party is unable to overcome through the exercise of commercially reasonable diligence. If any force majeure event occurs, the affected party will give prompt written notice to the other party and will use commercially reasonable efforts to minimize the impact of the event.

12. NOTICE AND PAYMENTS

A. *Notice*. Any notice required to be given under this Agreement shall be in writing ("Written Notice") and delivered to the other at the address listed in Exhibit A. Written Notice may be delivered personally, mailed by certified, registered or express mail, delivered by Federal Express or by use of the email addresses listed in Exhibit A.

B. *Payments*. Any payments required under this Agreement shall be delivered to the other at the address listed in Exhibit A or via direct bank transfer.

C. *Change of Address*. Either party may change its address to which notice or payment is to be sent by Written Notice to the other.

13. SEVERABILITY

If any term, clause or provision hereof is held invalid or unenforceable by an arbitrator or a court of competent jurisdiction, such invalidity shall not affect the validity or operation of any other term, clause or provision and such invalid term, clause or provision shall be deemed to be severed from the Agreement .

14. DISPUTE RESOLUTION

In the unlikely event of a dispute arising out of or relating to this Agreement, the parties agree to attempt either mediation or arbitration. If the latter, the parties will mutually select an arbitrator whose decision shall be final. Each party's dispute costs will be borne by that party, unless otherwise decided by the arbiter.

15. ENTIRE AGREEMENT

This Agreement constitutes the entire understanding of the parties, and revokes and supersedes all prior Agreement s between the parties. It shall not be modified or amended except in writing signed by the parties hereto and specifically referring to this Agreement . This Agreement shall take precedence over any other documents which may conflict with this Agreement .

17. READ AND UNDERSTOOD

Each party acknowledges that it has read and understands this Agreement and consents to be bound by all terms and conditions.

IN WITNESS WHEREOF, the parties have entered into this Agreement:

Club Owner:

Unit 550:

Signature

Signature

Printed Name

Printed Name

Club Number

Title

Date

Date

SUBLEASE AGREEMENT

Exhibit A

This Exhibit A is an integral part of the SUBLEASE AGREEMENT between Club Owner and Unit 550.

1. CLUB OWNER NAME: _____ ACBL NUMBER: _____
2. CLUB NAME & NUMBER: _____
3. ADDRESS: _____
4. EMAIL: _____
5. PHONE: _____ (Home) _____ (Mobile)
5. ASSIGNED STORAGE:
 - A. Kitchen Cabinet: _____
 - B. Storage Shelves: _____

ACCEPTED BY:

Club Owner:

Unit 550:

Signature

Signature

Printed Name

Printed Name

Email Address

info@santacruzbridge.org
Email Address

Date

Date

SUBLEASE AGREEMENT

Exhibit B

This Exhibit B is an integral part of the SUBLEASE AGREEMENT between Club Owner and Unit 550.

1. **CLUB NAME:** _____ **SANCTION:** _____
2. **INITIAL ROOM:** Main Room Classroom Both
3. **TIME SLOT:** _____ to _____ **FREQUENCY:** _____
4. **EFFECTIVE DATE:** _____ **TERMINATED:** _____
5. **AGREEMENT VALUES:**
 - A. *Base Table Fee:* _____ \$7.00 _____
 - B. *Unit Percentage:* _____ 50% _____ of Table Fee Increases over Base Table Fee
 - C. *Deposit:* _____ None _____
 - D. *Multi-Room:* One Game Two Games

6. **CHARGES**

A. *Usage Charges.* In order for Unit 550 to recover the costs of leasing, operating and maintaining the SCBC, Club Owner agrees to pay Usage Charges to Unit 550 as follows. (i) For each Club Owner Game scheduled or conducted in the previous month, Club Owner pays the Game Charge as defined below. (ii) For each table or portion thereof participating in Club Owner Games in the previous month, Club Owner pays the Table Charge as defined below. (iii) Unit 550 will provide an invoice on the first of each month showing the number of games and tables in the prior month for which payment is due.

B. *Charge Calculation.* (i) The Game Charge is calculated by dividing the previous month's Net Fixed Cost by the total number of Games at the SCBC in the previous month. (ii) The Table Charge is calculated by dividing the previous month's Net Variable Cost by the total number of Tables played in the month. (iii) The first Unit Game in a month does not count as a game; all other Unit Games in the month are counted as one-half. (iv) If the Club Owner plays in a Game, but is marked ineligible, one-half Table Fee is waived. (v) See paragraph F below for an exception to this charge calculation. (vi) See Exhibit C for the calculation of Net Fixed Cost and Net Variable Cost and how these may be adjusted.

C. *Cancellation Charges.* (i) If Club Owner cancels a scheduled game, Club Owner will pay the Minimum Usage Charge (a Game Charge and three Table Charges). The total number of Games for the month is increased by one. (ii) Club Owner agrees to cancel regularly scheduled Games which conflict with Unit 550 Sectionals and Unit 550 agrees to waive Usage Charges. (iii) Games which are cancelled when there is a local Regional tournament (Monterey and Santa Clara) or the Monterey Sectional will be

charged one-half a Game Charge and no Table Charges. The total number of Games for the month is increased by one-half.

D. *Charge Exceptions.* Unit 550 may charge Club Owner on a different basis than described above for a period of time to promote bridge in an unused time slot or for a certain segment of players, e.g. players with less than 50 masterpoints. Exhibit B-1, if present and signed by both parties, specifies the charges and duration.

E. *Multi-Room Charges.* (i) If "One Game" is checked above, the charge calculations are as given in paragraph B. (ii) If "Two Games" is checked above, each game is charged separately as given in paragraph B. (iii) Two sections of the same game is "One Game".

F. *First Year Expense Calculation.* For the calendar year 2013 under this agreement, the 2011 averages for Game Charges (\$51) and Table Charges (\$2.50) are used to calculate Usage Charges, rather than the formula described in paragraph B above.

7. Table Fee Increases

If Club Owner increases the Table Fee over the Base Table Fee, Table Charges are computed as follows: The amount of increase over the Base Table Fee is multiplied by four and the Unit Percentage applied. The result is added to each Table Charge. For example, if Club Owner raises the Base Table Fee to \$8 and the Unit Percentage is 50%, \$2 (4 x \$1 x 50%) will be added to each Table Charge.

ACCEPTED BY:

Club Owner:

Unit 550:

Signature

Signature

Printed Name & Club Number

Printed Name

Date

Date

SUBLEASE AGREEMENT

Exhibit C

This Exhibit C is an integral part of the SUBLEASE AGREEMENT between Club Owner and Unit 550.

1. **CLUB NAME:** _____

2. **UNIT SUBSIDY:**

Lease Year	Subsidy	Club Owner	Unit 550	Date
2013	\$1532			
2014				
2015				
2016				
2017				

3. **COSTS**

A. *Fixed Cost.* Fixed Cost includes: (i) Monthly Rent under the SCBC lease; (ii) Monthly Additional Rent under the SCBC lease; and, (iii) Property and Liability insurance (calculated on a monthly basis).

B. *Net Fixed Cost.* Net Fixed Cost is calculated by subtracting the current year's Unit Subsidy as listed above from Fixed Cost.

C. *Variable Cost.* Variable Cost includes: (i) PG&E; (ii) Supplies; (iii) AT&T (less ISP charges); (iii) Cleaning; and, (iv) \$200 per annum for maintenance and repairs.

D. *Net Variable Cost.* Net Variable Cost is calculated by subtracting class income received by Unit 550 during the month from Variable Cost.

4. **ANNUAL FIXED COST ADJUSTMENT**

A. *Fixed Cost Annual Adjustment.* For the current lease year, 50% of any increase in Fixed Cost over the previous year, is added to the previous year's Unit Subsidy listed above and becomes the current year's Unit Subsidy. Club Owner and Unit 550 will acknowledge by initialing the new Subsidy with the date agreed. The Annual Fixed Cost Adjustment is made on each anniversary of the West Marine lease.

B. *Additional Rent Adjustment.* Additional Rent costs are subject to adjustment to account for unbilled actual expenses each year. One half of these costs (or credits), if any, will be used to adjust the Fixed Cost in May. Club Owner may request a separate payment schedule for this adjustment.