

CITY OF REDLANDS
RENTAL AGREEMENT

Preamble

This Agreement is made and entered into this 1st day of April, 1997, by and between the City of Redlands, a municipal corporation, ("Landlord"), and Los Gauchos Soccer Club ("Tenant"). Landlord, for and in consideration of the obligations to be performed by Tenant under this Agreement, hereby rents to Tenant, and Tenant agrees to rent from Landlord, the following: Crafton Park, Redlands, California (the "Premises").

Term

Section 1. The term of this Agreement shall be from April 1, 1997 through March 31, 2002, unless terminated earlier by Landlord or Tenant by providing ninety (90) days written notice of such termination to the other party.

Rent

Section 2. Tenant shall perform field maintenance services in lieu of the payment of rent for the Premises. Improvements and maintenance expenses shall total a minimum of Five Thousand Dollars (\$5000) per year. Copies of receipts and other documents validating the maintenance effort shall be submitted to Landlord quarterly each year during the term of this Agreement at the office of Landlord at 111 W. Lugonia Avenue, Redlands, California.

Permitted Use

Section 3. During the term of this Agreement the Premises shall be used by Tenant for the exclusive purpose of conducting youth club soccer programs.

Operation of Business

Section 4. During the term of this Agreement, Tenant shall, unless prevented by conditions beyond Tenant's control, conduct business of the type and nature specified in Section 3 of this Agreement on the Premises in a diligent and business-like manner. The Premises shall be used at the discretion of Tenant for practices and games, provided the dates requested for use have been approved and calendared by Landlord.

Soccer programs may be scheduled at any time after 5:00 p.m. week days. The field may

be used all day Saturdays and shall remain open to the general public on Sundays. The Premises shall be available to the public when not in active use by Tenant. Requests for additional field use shall be submitted, in writing, to the Administrative Services Director thirty (30) days prior to the intended date of use. These requests may be subject to approval by the Recreation Commission and/or City Council.

Maintenance and Preparation

Section 5. Landlord shall provide routine maintenance and preparation to the Premises, defined for the purpose of this Agreement as: watering, repair and maintenance of existing park sprinkler systems, mowing and general maintenance of the grounds surrounding the soccer field. Maintenance services shall be performed in accordance with the City's current field maintenance schedule.

Tenant shall provide specialized maintenance of the field, defined for the purpose of this Agreement as: fertilization, annual sodding and/or seeding to replenish worn areas, specialized field sprinkler maintenance to ensure proper water distribution, leveling/smoothing of low spots or worn areas and repair and maintenance of lights and lighting equipment. Temporary fencing may be installed to protect the soccer field during rejuvenation. Field closures shall not exceed ninety (90) days in any one year.

Additional maintenance and preparation work may be performed on site upon mutual approval of the parties to this Agreement

Insurance Hazards

Section 6. Tenant shall not commit or permit the commission of any acts on the Premises nor use or permit the use of the Premises in any manner that will increase the existing rates for or cause the cancellation of any fire, liability, or other insurance policy insuring the Premises or the improvements on the Premises. Tenant shall, at its own cost and expense, comply with any and all requirements of Landlord's insurance carriers necessary for the continued maintenance at reasonable rates of fire and liability insurance policies on the Premises and the improvements on the Premises.

Waste or Nuisance

Section 7. Tenant shall not commit, or permit the commission by others of, any waste

on the Premises. Tenant shall not maintain, commit or permit the maintenance or commission of any nuisance on the Premises as defined in Civil Code Section 3479, and Tenant shall not use or permit the use of the Premises for any unlawful purpose.

Compliance with Laws

Section 8. Tenant shall, at Tenant's own cost and expense, comply with all statutes, ordinances, regulations, and requirements of all governmental entities, including federal, state, county and municipal relating to Tenant's use and occupancy of the Premises whether those statutes, ordinances, regulations, and requirements are now in force or are subsequently enacted. The judgement of any court of competent jurisdiction, or the admission by Tenant in a proceeding brought against Tenant by any governmental entity, that Tenant has violated any such statute, ordinance, regulation, or requirement shall be conclusive as between Landlord and Tenant and shall constitute grounds for termination of this Agreement by Landlord.

Utilities

Section 9. Tenant shall pay, and hold Landlord free and harmless from, all charges for the furnishing of electricity for storage areas, snack facilities and field lighting to the Premises during the term of this Agreement. Tenant shall pay electrical charges directly to provider.

Indemnity and Insurance

Section 10. Tenant shall defend, indemnify, and save Landlord and its elected officials, officers, employees and agents harmless from and against any all liability to Tenant and third parties resulting from Tenant's, and its agents', employees' and invitees' occupation and use of the Premises, specifically including without limitation, any claim, liability, loss, or damage arising by reason of:

(a) The death or injury of any person or persons, including Tenant or any person who is an employee or agent of Tenant, or by reason of the damage to or destruction of any property, including property owned by Tenant or any person who is an employee or agent of Tenant, and caused or allegedly caused by either the condition of the Premises, or some act or omission of Tenant or of some agent, contractor, employee, servant, subtenant, invitee or concessionaire of Tenant on the Premises;

(b) Any work performed on the Premises or materials furnished to the Premises at the

insistence or request of Tenant or any agent or employee of Tenant; and

(c) Tenant's failure to perform any provision of this Agreement or to comply with any requirement of law or any requirement imposed on Landlord or the Premises by any duly authorized governmental agency.

Public Liability and Property Damage Insurance

Section 11. Tenant shall, at its own cost and expense, procure and maintain during the term of this Agreement public liability insurance and property damage insurance issued by an insurance company acceptable to Landlord and insuring Landlord against loss or liability caused by or connected with Tenant's occupation and use of the Premises under this Agreement in amounts not less than:

(a) One Million Dollars (\$1,000,000) for injury to or death of one person and, subject to that limitation for the injury or death of one person, of not less than Two Million Dollars (\$2,000,000) for injury to or death of two or more persons as a result of any one accident or incident; and

(b) Five Hundred Thousand Dollars (\$500,000) for damage to or destruction of any property of Tenant or others.

The insurance required under this section shall be issued by a responsible insurance company or companies authorized to do business in California and shall be in a form reasonably satisfactory to Landlord. Tenant shall, by February 15th of each year of this Agreement, deposit with Landlord a certificate showing that insurance to be in full force and effect.

(C) The insurance required by this section shall name Landlord as an additional insured and such insurance shall be primary and non-contributing to any other insurance or self-insurance maintained by Landlord.

Tenant's Personal Property

Section 12. Tenant shall, during the full term of this Agreement maintain at Tenant's own cost and expense an insurance policy issued by a reputable company authorized to conduct insurance business in California insuring for their full insurable value all fixtures and equipment at any time during the term of this Agreement, in or on the Premises against damage or destruction by fire, theft or the elements.

Cancellation Requirements

Section 13. Each of the insurance policies shall be in a form reasonably satisfactory to Landlord and shall carry an endorsement that, before changing or canceling any policy, the issuing insurance company shall give Landlord at least 30 days' prior written notice. Duplicate originals or certificates of all such insurance policies shall be delivered to Landlord.

Restriction Against Subletting or Assignment

Section 14. Tenant shall not encumber, assign, or otherwise transfer this Agreement, any right or interest in this Agreement, or any right or interest in the Premises or any of the improvements that may now or hereafter be constructed or installed on the Premises without first obtaining the express written consent of Landlord. Tenant shall not sublet the Premises or any part of the Premises or allow any other person, other than Tenant's agents, servants, employees, and invitees to occupy the Premises or any part of the Premises without the prior written consent of Landlord. The consent by Landlord to one assignment, one subletting, or one occupation of the Premises by another person shall not be deemed to be a consent to any subsequent assignment, subletting or occupation of the Premises by another person. Any encumbrance, assignment, transfer or subletting without the prior written consent of Landlord, whether voluntary or involuntary, by operation of law or otherwise, is void and shall at the option of Landlord, result in the termination of this Agreement. The consent of Landlord to any assignment of Tenant's interest in this Agreement or the subletting by Tenant of the Premises or parts of the Premises shall not be unreasonably withheld.

Attorneys' Fees

Section 15. In the event any action is commenced to enforce or interpret the terms or conditions of this Agreement, the prevailing party shall, in addition to any costs and other relief, be entitled to recovery of its reasonable attorneys' fees.

Notices

Section 16. Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this Agreement or by law to be served on or given to either party to this Agreement by the other party to this Agreement shall be in writing and shall be deemed duly served and given when personally delivered to the party to whom they are

directed, or in lieu of personal service, when deposited in the United States mail, first-class postage pre-paid, addressed to Tenant at P.O. Box 1, Redlands, California, 92373 or to Landlord at 111 W. Lugonia Avenue, Redlands, California, 92374. Either party, tenant or Landlord, may change its address for the purpose of this section by giving written notice of that change to the other party in the manner provided in this section.

Entire Agreement

Section 17. This instrument constitutes the entire agreement between Landlord and Tenant respecting the Premises, the leasing of the Premises to Tenant, or the term created under this Agreement, and correctly sets forth the obligations of Landlord and Tenant to each other as of its date. Any agreements or representations respecting the Premises or their renting by Landlord to Tenant not expressly set forth in this instrument are null and void.

Time of Essence

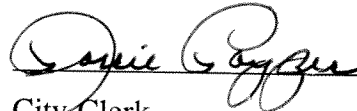
Section 18. Time is expressly declared to be of the essence in this Agreement.

Executed on April 10, 1997 at Redlands, California.

CITY OF REDLANDS (LANDLORD)

ATTEST:


Swen Larson, Mayor


City Clerk

LOS GAUCHOS SOCCER CLUB
(TENANT)

ATTEST: