

LEASE AGREEMENT

This lease agreement is hereby entered between the YMCA of Redlands, hereinafter "Lessor," and the City of Redlands, hereinafter "Lessee." Lessee hereby offers to lease from Lessor a portion of the premises situated in the City of Redlands, County of San Bernardino, described as the Y Alliance, 16 E. Olive Avenue, upon the following terms and conditions:

1. Term and Rent. Lessor demises a portion of the above premises for a term of one year, commencing on February 6, 2001 and terminating on February 6, 2002, or sooner as provided herein at the annual rental of Twenty-Four Thousand Three Hundred Dollars (\$24,300), payable in one lump sum upon execution of this agreement.

2. Use. Lessee shall allow the premises to be used for the purpose of providing strategies and services as established by the Value Based Initiative project. The premises shall be used for no other purpose. Lessor represents that the premises may lawfully be used for such purpose.

3. Tenant Improvements. Lessee shall provide the following tenant improvements:

- Install heating and air conditioning in the administrative office space;
- Upgrade the electrical source and lighting for the community technology center, cyber café and administrative office space;
- Install new flooring in the community technology center, cyber café and administrative office space;
- Paint walls and ceilings of the community technology center, cyber café and administrative office space;
- Remodel space for the community training center and cyber café as needed to accommodate their purpose;
- Renovate the exterior yard to create the patio and courtyard;
- Expand existing telephone system to accommodate computer training center, cyber café and administrative offices;
- Expand the existing security system to protect the community training center, cyber café and administrative offices;
- Provide new doors to create safer and more appropriate entrances to the community training center, cyber café and administrative offices;

Lessee shall remunerate Lessor for said tenant improvements the sum of Fourteen Thousand Seventy-Eight Dollars (\$14,078), payable in one lump sum upon execution of this agreement.

4. Care and Maintenance of Premises. Lessee shall at all times maintain the premises in good and safe condition and shall surrender the same, at termination hereof, in as good condition as received, normal wear and tear excepted.

5. Alterations. Lessee shall not, without first obtaining the written consent of Lessor, make any alterations, additions, or improvements, in, to or about the premises.

6. Ordinances and Statutes. Lessee shall comply with all statutes, ordinances and requirements of all municipal, state and federal authorities now in force, or which may hereafter be in force, pertaining to the premises, occasioned by or affecting the use thereof by Lessee.

7. Assignment and Subletting. Lessee may assign this lease or sublet any portion of the premises to the United Way of the East Valley for the purposes of providing strategies and services as established by the Value Based Initiative project. Any other assignment or subletting any portion of the premises must require written consent of the Lessor.

8. Indemnification of Lessor. Lessor shall not be liable for any damage or injury to Lessee, or any other person, or to any property, occurring on the demised premises or any part thereof, and Lessee agrees to hold Lessor harmless for any claims for damages, no matter how caused.

9. Request to Renew. Lessee may request to renew this lease for an additional term of twelve (12) months commencing at the expiration of the initial lease term. All of the terms and conditions of the lease shall apply during the renewal term. The request shall be exercised by written notice given to Lessor not less than forty-five (45) days prior to the expiration of the initial lease term. Lessor shall respond to the request to renew this lease in the form of a written notice not less than thirty (30) days prior to the expiration of the initial lease term.

10. Entire Agreement. The foregoing constitutes the entire agreement between the parties and may be modified only in writing and signed by both parties.

Signed this 6th day of February, 2001.

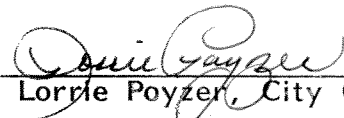


Pat Gilbreath, Mayor
City of Redlands



Kenneth W. Stein, General Director
YMCA of Redlands

ATTEST:


Lorrie Poyzer, City Clerk

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE YMCA OF REDLANDS AND
THE CITY OF REDLANDS**

The purpose of this memorandum of understanding between the YMCA of Redlands and the City of Redlands is to specify the ways these entities will work together to deliver strategies and services as established by the Value Based Initiative project. Both entities agree to promote a healthier community that builds resiliency in youth and hope for their future. This agreement will be in place from February 6, 2001 to February 6, 2002. It can be modified through mutual agreement, however, at any time.

Specifically, the YMCA of Redlands will:

1. Provide approximately 2,300 square feet of space at the Y Alliance facility located at 16 E. Olive Avenue in Redlands to be used as a community technology center, cyber café and administrative office space for the creation and operation of the Value Based Initiative Project;
2. Provide approximately 4,800 square feet of exterior space at the Y Alliance facility to be used as an outdoor patio and courtyard to enhance the community technology center and cyber café;
3. Provide the necessary tenant improvements to accommodate the community training center, cyber café and administrative offices such as, but not limited to, the following:
 - Install heating and air conditioning in the administrative office space;
 - Upgrade the electrical source and lighting for the community technology center, cyber café and administrative office space;
 - Install new flooring in the community technology center, cyber café and administrative office space;
 - Paint walls and ceilings of the community technology center, cyber café and administrative office space;
 - Remodel space for the community training center and cyber café as needed to accommodate their purpose;
 - Renovate the exterior yard to create the patio and courtyard;
 - Expand existing telephone system to accommodate computer training center, cyber café and administrative offices;

- Expand the existing security system to protect the community training center, cyber café and administrative offices;
- Provide new doors to create safer and more appropriate entrances to the community training center, cyber café and administrative offices;
- Offer administrative support in the form of office supplies and access to photocopy and fax machines.

The City of Redlands will:

1. Remunerate the YMCA of Redlands the sum of \$45,758 up front upon execution of this memorandum of understanding to be used as follows:

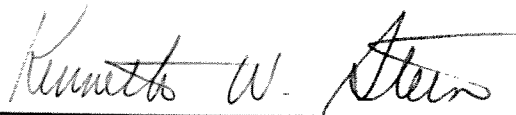
Miscellaneous office supplies and printing expenses:	\$ 1,440
Utilities at \$495 per month for 12 months:	\$ 5,940
Tenant improvements:	\$14,078
Rental at \$2,025 per month for 12 months:	\$24,300

2. Provide the Y Alliance facility with access to the City's T-1 line to accommodate the needs of the community technology center;
3. Create a governing board for the Value Based Initiative project during the term of this memorandum of understanding and will allow at least two seats on this board to be filled by representatives of the YMCA of Redlands so as to ensure that the project proceeds according to the terms and conditions contained herein and in accordance with the terms and conditions of the cooperative agreement between the City of Redlands and the Office of Community Oriented Services.

Date: February 6, 2001



Pat Gilbreath, Mayor
City of Redlands



Kenneth W. Stein, General Director
YMCA of Redlands

ATTEST:



Lorrie Poyzer, City Clerk