

Exhibit A

[PROPOSED] RULES GOVERNING USE OF TENNIS FACILITIES AND SUPERVISION BY THE SAN MARINO TENNIS FOUNDATION

The City of San Marino, hereinafter referred to as “City” (as owner of the property operated under Concession Agreement by the San Marino Tennis Foundation, hereinafter referred to as “Foundation”), does hereby establish rules as set forth below for the operation and supervision of the tennis facilities. The City shall have at all times the right to amend these rules and establish additional rules from time to time as may be appropriate. The Foundation shall comply with each, every, and all of the same rules. Any violation of the rules shall constitute breach of the Concession Agreement.

1. The Foundation shall employ at its cost a full time tennis professional to supervise the use of the facilities.
2. During the hours that said tennis professional is not present, the Foundation shall provide a paid employee to supervise the use of the facilities so that there is a paid employee present at all times that the pro shop and courts 3 & 4 are in use.
3. For the period beginning the effective date of these Rules and for one (1) year thereafter, the tennis facilities shall be open during all daylight hours and in the evening until 8:45 pm. All tennis play shall end at 8:30 pm.
4. Lights shall be installed and used on the three (3) easterly tennis courts at the tennis facilities. Courts will only be lit only as necessary for tennis play and such use shall not begin prior to 7:00 a.m.
5. The professional shall conduct tennis clinics for juniors at a nominal charge to the youngsters participating.
6. No person, tennis professional or otherwise, shall be employed by the Foundation until approved by the City Manager.
7. No food or drink shall be sold on the premises excepting soft drinks, which shall be dispensed from a vending machine located outside the pro shop.
8. The Foundation shall at its expense clean and maintain the facilities in a manner approved by the City.
9. To defray the expenses of the Foundation in maintaining the facilities, conducting youth tennis programs and employing a tennis professional and other persons to supervise their use, the Foundation shall be permitted to collect fees for the use of the facilities. These fees shall be as follows:

a. Members of the Foundation and members of their immediate family residing in the same household shall pay a fee of \$180 per calendar year per family. New members shall pay \$15 per month through December, per family. (Amended January 20, 2006.)

b. All non-members, guests, and others shall pay a daily fee of \$5 on weekdays and \$7 on Saturdays, Sundays and holidays.

10. In the event, due to overcrowding of available facilities, it becomes necessary to establish priorities, the City Council may establish any and all necessary rules relating thereto. Facility usage shall be consistent with the rules established by the City Council and the Bylaws of the Foundation.

11. Club tournaments, and special rules applicable thereto shall not exceed six calendar days per calendar quarter. School, civic and charitable tournaments shall not exceed twelve calendar days per calendar year. Additional tournaments may be held only after approval by the City Manager. Of the 36 tournament days allowed, not more than 18 shall be held on Saturday or Sunday without the consent of the City Manager.

12. Persons making undue noise, abusing court privileges, or conducting themselves in any other inappropriate manner or who are not wearing appropriate clothing shall be denied the use of the facilities for at least 24 hours by the tennis professional or person in charge in his absence.

13. Dress and equipment regulations shall be established by the tennis professional, approved by the City Manager and prominently posted at the entrance to the courts.

14. Only merchandise and equipment owned or on concession and which is clearly related to participation in the game of tennis may be kept or sold in the pro shop.

15. The tennis professional shall submit an annual financial report relative to the operations of the professional at this facility, including all sales and income, to the Foundation.

16. The Foundation shall submit an annual financial report relating to the operation of the courts to the City Manager, including receipts from the operation of the courts, costs of repair and maintenance, all other expenses and surplus of income over expenditures.

17. The Foundation will submit with the required annual financial report a separate report relating to the operation of the tennis facility describing the evening utilization of the courts at the tennis facility, any issues related to nighttime operation, and efforts by the Foundation to address concerns of the community related to such operation. Such report shall provide the Foundation's recommendations to the City

regarding any operating changes necessary to promote the goals of the City regarding the peaceful enjoyment of the facility by the community.

18. The Foundation will maintain a website, paid for by the Foundation, that will provide direct contact information for the Foundation's representative to immediately resolve issues related to the evening use of the tennis facility and to provide notice to the community of upcoming events that may impact the tennis facility, safety, and parking near the tennis facility. The Foundation will maintain a log of all community contacts related to the evening operation of the facility for review by the City Manager. The Foundation shall only be required to maintain such records for a period of two (2) years or such other amount of time as the City Manager deems appropriate.

19. All funds received by the Foundation shall be deposited in either Fund A or Fund B accounts.

Fund "A": Subscription fees from new members will be accumulated into a sinking fund for capital improvements and repairs in an unlimited amount. These funds may be used to meet operating deficits for expenses not covered by Fund B. The City Manager shall be advised of any single disbursement from this fund in excess of 10% of the total fund.

Fund "B": All operating revenues, received by the Foundation in excess of those designated for Fund A. To the extent that operating revenues (all other income but excluding Foundation subscriptions) exceed operating expenses, the surplus shall be deposited.

- First: Into a sinking fund for capital improvements and repairs—to the extent first authorized by the City Council;
- Second: Is operating revenues exceed operating expenses for two years to reduce fees to non members of the Foundation; and
- Third: Upon motion of the Board of Directors into the General Fund of City to be used for recreational activities.

20. These rules have been promulgated pursuant to authorization included in the Concession Agreement. It is understood, however, that the City does not represent or warrant the legality or constitutionality of such rules or the enforcement thereof. In the event any rule is declared invalid by a court of competent jurisdiction, City shall have not only the authority to provide new or different rules, but also it is understood that no responsibility shall inure in favor of the Foundation for such invalidity in that the Foundation assumes such risk.

IN WITNESS WHEREOF, the foregoing rules are accepted this ____th day of _____, 2011 as a material part of the Concession Agreement.

CITY OF SAN MARINO
A Municipal Corporation

By: _____
Matthew Ballantyne, City Manager

Attest:

Carol Robb, City Clerk

SAN MARINO TENNIS FOUNDATION
A California Non-Profit Corporation

By: _____
President

By: _____
Secretary