



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604

www.CityofSacramento.org

Consent

December 7, 2010

**Honorable Mayor and
Members of the City Council**

Title: Lease Agreement: 2200 Front Street – California Automobile Museum

Location/Council District: 2200 Front Street / District 4

Recommendation: Adopt a **Resolution**; 1) finding and determining that special circumstances make the use of bid procedures for the lease of real property located at 2200 Front Street (the "Property") inappropriate; 2) suspending competitive bidding for the lease of the Property as in the best interests of the City, and 3) authorizing the Interim City Manager or his designee to execute an agreement with the California Vehicle Foundation, Inc. ("CVF") for the lease of the Property for the operation of an automotive museum.

Contact: Barbara E. Bonebrake, Director, (916) 808-8225

Presenters: None

Department: Convention, Culture and Leisure

Division: Administration

Organization No: 17001011

Description/Analysis

Issue: The California Vehicle Foundation, Inc., ("CVF"), which operates the California Auto Museum (formerly the Towe Auto Museum), previously held a 20-year lease with the City which expired in 2008. Since then, the non-profit organization has been on a month-to-month tenancy due to potential museum displacement by projects related to the Docks Area Specific Plan. The Specific Plan that was adopted shows a high rise office on the site during Phase IV of the Plan. The resulting inability to secure a long term commitment to remain in their current location has had an adverse impact on their fundraising efforts. The CVF seeks to obtain a lease agreement of sufficient length to encourage fundraising support of the museum.

Staff recommends City Council find and determine that special circumstances make the use of the bid procedure inappropriate and suspend competitive bidding for the lease of this property, pursuant to City Code section 3.68.110, subdivision (F). Special circumstances include the previous long term leasehold interest in the property by the CVF, their current month-to-month tenancy of the site, and

continued responsible operation of the California Auto Museum on the site.

Specific language has been included in the proposed lease agreement to protect the City's redevelopment interests while providing a short term remedy to the museum's concern. Staff recommends the City enter into the proposed lease agreement. See Exhibit A to Attachment 1.

Policy Considerations: This report is consistent with the City's Strategic Plan Goal to preserve and expand the arts and culture.

Environmental Considerations:

California Environmental Quality Act (CEQA): Under the CEQA guidelines, California Code of Regulations, title 14, section 15301, the proposed activities are categorically exempt from CEQA review.

Sustainability Considerations: Not applicable.

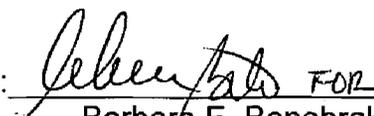
Other: Not applicable.

Commission/Committee Action: Not applicable.

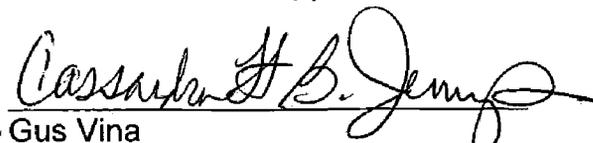
Rationale for Recommendation: Approving this lease agreement significantly helps the CVF by providing it with a leasehold interest of sufficient length to encourage fundraising support of the museum while allowing the City to terminate the lease without compensation to CVF. The proposed agreement is for five years, requires all building maintenance to be performed by CVF, and provides for early termination should the City require the use of the property.

Financial Considerations: CVF is currently being charged minimal lease payments of \$200/month in exchange for assuming the costs of maintaining the building, with the revenue being deposited in the Community Center Fund (Fund 6010). This would not change under the proposed lease agreement.

Emerging Small Business Development (ESBD): Not applicable.

Respectfully Submitted by:  FOR
Barbara E. Bonebrake, Director
Convention, Culture and Leisure Department

Recommendation Approved:


for Gus Vina
Interim City Manager

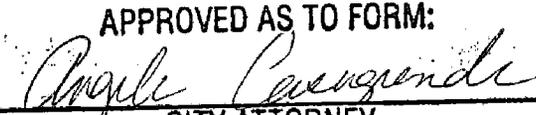
APPROVED AS TO FORM:

CITY ATTORNEY

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RESOLUTION NO. 2010-

Adopted by the Sacramento City Council

December 7, 2010

LEASE AGREEMENT FOR 2200 FRONT STREET WITH THE CALIFORNIA VEHICLE FOUNDATION, INC. (CVF)

BACKGROUND

- A. The California Vehicle Foundation, Inc., (“CVF”), which operates the California Auto Museum (formerly the Towe Auto Museum), located at 2200 Front Street, previously held a 20-year lease with the City which expired in 2008.
- B. Since 2008, the non-profit organization has been on a month-to-month tenancy due to potential displacement by projects related to the Docks Area Specific Plan. The resulting inability to secure a long term leasehold to remain in their current location has had an adverse impact on their fundraising efforts. The CVF seeks to obtain a new lease agreement.
- C. The Museum is a valuable community resource long recognized by the City Council, and its continued operation is a benefit to the region.
- D. Special circumstances make the use of the bid procedure inappropriate, pursuant to City Code Section 3.68.110, subdivision (F). Special circumstances include the previous long term leasehold interest in the property by the CVF, their current month-to-month tenancy of the site, and continued responsible operation of the California Auto Museum on the site.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The Council finds and determines that special circumstances make the use of bid procedures for the lease of real property located at 2200 Front Street (the “Property”) inappropriate.
- Section 2. Competitive bidding for the lease of the Property is suspended as in the best interests of the City.
- Section 3. The agreement with the California Vehicle Foundation, Inc. for the lease of the Property is approved and the Interim City Manager, or his designee, is authorized to execute the agreement.
- Section 4. Exhibit A (Lease Agreement) is part of this Resolution.



**GROUND LEASE BY AND BETWEEN
CITY OF SACRAMENTO AND THE CALIFORNIA VEHICLE FOUNDATION, INC.
RELATED TO LEASE OF 2200 FRONT STREET, SACRAMENTO**

This Lease Agreement ("Lease") dated, for reference purposes only, as of _____, 2010, is made by and between the City of Sacramento, a municipal corporation, ("City") whose address is:

City of Sacramento
Convention, Culture and Leisure Department
1030 15th Street, Suite 250
Sacramento, CA 95814

and the California Vehicle Foundation, Inc., a California non-profit corporation ("Lessee") whose address is:

California Vehicle Foundation, Inc.
2200 Front Street
Sacramento, CA 95818

RECITALS

- A. City is the owner of real property which includes approximately seventy thousand (70,000) square feet of warehouse and office space at 2200 Front Street, and a semi-improved parking lot at 2100 Front Street, Sacramento, California, described in Exhibits "1A" and "1B" hereto (collectively, the "Premises").
- B. Lessee currently operates the California Automobile Museum ("Museum") on the Premises and has been leasing the Premises on a month to month basis from the City since March 2008.
- C. Lessee would like to enter into this Lease with City to continue to operate the Museum for the display of historical and special interest vehicles and to conduct related commercial and administrative activities.
- D. City would like to lease the Premises to Lessee under the terms and conditions set forth herein.

NOW, THEREFORE, City and Lessee agree as follows:

- 1. **LEASE AND TERM.** Commencing on January 1, 2011 and ending on December 31, 2015 ("Term"), the City agrees to lease to Lessee, and Lessee agrees to lease from the City, the Premises, upon the terms and conditions set forth herein.
- 2. **RENT.** Rent in the amount of two-hundred dollars (\$200.00) per month shall be payable in advance on the first day of every month ("Due Date") at the following address or at another address that the City may designate by written notice to Lessee: City of Sacramento, Revenue Division, 915 I Street, Sacramento, California, 95814.
- 3. **CHARGE FOR LATE PAYMENT.** A late charge of six percent (6%) of the amount due may be added by City to any amount which is not received by the City on or before the Due Date. Acceptance of such late charges (and/or any portion of the overdue payment) by City shall in no event constitute a waiver of Lessee's default with respect to such overdue payment and shall not prevent City from exercising any of the rights and remedies granted hereunder.
- 4. **UTILITIES.** During the Term, Lessee shall pay, before delinquency, all charges or assessments for telephone,

water, sewer, gas, heat, electricity, garbage disposal, trash disposal, communication services, and all other utilities and services of any kind that may be used on the Premises.

5. PERMITTED USES.

- a. Lessee agrees that the public areas of Premises shall be available to all persons desiring to use the same, subject to all reasonably necessary rules and regulations invoked by the Lessee.
- b. Lessee shall occupy, maintain, and operate the Premises solely as a museum facility for the purpose of preserving, housing and displaying collectable vehicles. The failure of the Lessee to occupy, maintain, and operate the Premises in accordance with the terms of this Lease shall result in termination of the Lease at the option of City.
- c. Lessee shall neither permit nor carry on any activity nor allow any condition on the Premises which is a public or private nuisance.

6. LESSEE OPERATIONAL REQUIREMENTS.

- a. Lessee shall at all times maintain a written schedule delineating the operating hours for the Museum. The schedule shall be posted at a conspicuous place on the Premises. Upon request, Lessee shall furnish City a copy of the schedule.
- b. Lessee agrees to operate and manage the Museum in a competent and efficient manner comparable to other well-managed operations of similar type.
- c. Lessee shall at all times retain active, qualified, competent, and experienced personnel to supervise Lessee's operations and to represent and act for Lessee. Lessee shall require its employees and volunteers at the Premises, if any, to be properly dressed, clean, courteous to the public, efficient, and neat in appearance at all times. Lessee shall not utilize the services of any person at the Premises who uses offensive language or otherwise acts in an improper or discourteous manner. Lessee shall closely supervise personnel to insure the maintenance of a high standard of service to the public.
- d. All prices charged for goods, and/or services supplied to the public at or from the Premises shall be fair and reasonable.
- e. Lessee shall not operate any amplified sound or music system in a manner which interferes with the reasonable enjoyment of surrounding and adjacent properties. Lessee shall immediately comply with any written request of Lessor concerning the use of sound systems.
- f. Lessee shall provide to the City an adopted annual budget by January 1st of each year during the Term. The budget shall be for the calendar year commencing on January 1 and ending December 31. The budget shall provide for expenditures by line items and shall identify anticipated revenue sources.
- g. The Premises shall not be used for any other purpose other those stated herein without obtaining the prior written consent of City.
- h. Lessee shall be responsible for ensuring the Premises are in compliance with the Americans with Disabilities Act of 1990, as amended, 42 U.S.C. §§ 12101 et seq.

7. TERMS AND CONDITIONS APPLICABLE TO IMPROVEMENTS

- a. Lessee acknowledges that it has fully inspected the Premises and accepts the same and the improvements thereon in their existing condition and agrees that no demands for any alterations, additions, repairs, or replacements are to be made upon the City except in accordance with this Lease.
- b. Any additional improvements shall be installed at Lessee's sole cost and expense subject to advance written approval of the City.
- c. Lessee shall submit the design of proposed capital improvements, remodels and renovations to the City for approval in advance of any work. All submissions shall be sufficient in detail to enable City to make an informed judgment concerning the quality of the contemplated improvements and renovations.
- d. City's approval of plans pursuant to the foregoing shall not constitute approval of such plans in any manner except as required by this Lease. Lessee shall obtain building permits for all improvements, if required, and shall comply with all laws and regulations applicable to such improvements including, but not limited to, building codes, fire codes, all provisions of the Americans With Disabilities Act (42 U.S.C.A. §§ 12101 et seq.), the California Environmental Quality Act (Public Resources Code §§ 21000 et seq.), and zoning regulations. Lessee shall assume all fees and charges levied in connection with the issuance of permits.
- e. All work shall be performed in a good and workmanlike manner, shall substantially comply with any plans and specifications approved by City, and shall comply with all applicable governmental permits, laws, ordinances, and regulations.
- g. Lessee shall notify the City at agreed upon stages of construction in order to permit City to inspect the

progress and quality of improvements and the installation of mechanical equipment. Prior to final acceptance by the City, the City shall make a final inspection and provide a written report to Lessee of any deficiencies. Lessee shall correct all deficiencies as a condition of receiving City acceptance of improvements.

- h. Any new improvements placed by Lessee on Premises shall become the property of the City, without the requirement of reimbursement to Lessee.

8. ALL MAINTENANCE, REPAIR AND REPLACEMENTS ON PREMISES AND IMPROVEMENTS BY LESSEE.

- a. Throughout the Term, Lessee shall, at Lessee's sole cost and expense, maintain the Premises (including, but not limited to, the roof, foundation and exterior walls), and any improvements, equipment, and other personal property thereon, in good sanitary order, condition and repair, ordinary wear and tear excepted, and in accordance with all applicable laws, rules, ordinances, orders, and regulations of (1) federal, state, county, municipal, and other governmental agencies and bodies having or claiming jurisdiction and all their respective departments, bureaus, and officials; (2) the insurance underwriting board or insurance inspection bureau having or claiming jurisdiction; and (3) all insurance companies insuring all or any part of the Premises, or improvements, equipment, and other personal property at the Premises. All repairs shall be the sole duty of the Lessee and at Lessee's sole expense.
- b. No offensive matter, refuse, or any substance constituting an unnecessary, unreasonable or unlawful fire or environmental hazard shall ever be permitted to accumulate or remain at the Premises. All hazardous materials shall be disposed of according to applicable laws and regulations. The Premises shall be kept at all times in an orderly manner to the complete satisfaction of City.
- c. Landscaping of Premises shall be maintained in good condition including weed control, mowing grass, and at least weekly removal of litter.

9. CITY MAINTENANCE. City shall have no responsibility whatsoever to make any improvements or repairs to the Premises or perform any maintenance on improvements installed on the Premises unless the improvements are removed or damaged by City, its employees, contractors or volunteers.

10. DAMAGE OR DESTRUCTION – EMINENT DOMAIN.

- a. If, during the Term, the Premises are damaged from any cause, (in whole or in part), this Lease shall terminate at the option of the City. If the Premises are destroyed (in whole or in part) or are damaged by fire or other casualty, the parties hereto agree that the Net Proceeds of any insurance claim shall constitute the property of the City.
- b. If the Premises shall be taken (in whole or in part) under the power of eminent domain or sold to a governmental authority threatening to exercise the power of eminent domain, the parties hereto agree that the Net Proceeds shall constitute the property of the City.
- c. "Net Proceeds" for purposes of this Section 10 means any insurance proceeds, sales proceeds, or condemnation award, paid with respect to the Premises, to the extent remaining after payment therefrom of all expenses incurred in the collection thereof.

11. TERMINATION FOR BREACH OR DEFAULT. City shall have the right to terminate this Lease in its entirety immediately upon the happening of any of the following events:

- a. Filing a petition, voluntarily or involuntarily, for the adjudication of Lessee as a bankrupt;
- b. The making by Lessee of any general assignment for the benefit of creditors;
- c. The abandonment and discontinuance of operations by Lessee;
- d. The failure by Lessee to perform, keep and observe any or all of the terms, covenants and conditions on the part of the Lessee to be performed, kept or observed after the expiration of:
 - 1. Ten (10) days from the date a notice has been given to Lessee by City to correct such default or breach for non-payment of all or any portion of rent due to City, and,
 - 2. Twenty (20) days for any and all other failures by Lessee to perform, keep and observe any or all of the terms, covenants and conditions on the part of the Lessee to be performed, kept or observed;
- e. The assignment or other transfer by Lessee of rights under this Lease, or any part thereof, or entering into other agreements or arrangements contrary to the terms of this Lease, without prior approval of City.

12. TERMINATION. Upon the expiration of the term of this Lease, or upon any sooner termination, Lessee shall immediately quit and surrender possession of the Premises to City, and except where this Lease has been terminated by City pursuant to Section 10(a) of this Lease, return the Premises to City in at least as good and

usable a condition as the same were in at the time of the first occupation thereof by Lessee, ordinary wear and tear excepted.

13. RELOCATION, EARLY TERMINATION OF LEASE.

- a. Lessee understands and acknowledges that the City intends to remove the improvements on the Premises and to redevelop the property as soon as conditions allow for the implementation of the Docks Area Specific Plan. This Lease and the use contemplated by this Lease are, therefore, temporary in nature. Lessee shall not by this Lease, or otherwise, be entitled to relocation benefits including, without limitation, costs to rent another facility, improving a new facility for Lessee's intended use, or moving vehicles and equipment to the new facility; nor shall Lessee be entitled to payment for the value of any improvements Lessee makes to the Premises during the Term of this Lease or prior to the making of this Lease, even though said costs and expenses may result from the expiration or early termination of this Lease.
- b. If, at the expiration or early termination of this Lease, City or the Redevelopment Agency of the City of Sacramento thereafter take any action to redevelop the Premises, Lessee expressly waives any and all compensation which it may be entitled for the relocation of its operations to accommodate the public or private redevelopment project.
- c. Notwithstanding any other provision of this Lease, either party may terminate this Lease prior to the expiration of the Term upon six (6) months prior written notice to other party in order to implement the Docks Area Specific Plan or any other redevelopment or development plan approved by the Redevelopment Agency or the City.

14. LOCAL BUILDING, FIRE AND HEALTH LAWS. Lessee shall at all times, comply and adhere to all pertinent or applicable regulations and ordinances of the City of Sacramento and the County of Sacramento, all requirements of the local officials governing building, fire and health laws, and the laws of the State of California and the United States insofar as the same of any of them are applicable to Lessee's operation, Lessee shall obtain and keep in effect all necessary permits and licenses required for any and all operations permitted herein, and shall adhere to all requirements of County, State and Federal laws covering requirements for the storage and dispensing of volatile fuels and other hazardous materials.

15. RIGHT OF ENTRY AND INSPECTION. Lessee shall permit City to enter upon the Premises at reasonable times and upon reasonable notice, for the purpose of inspecting the same.

16. INSURANCE REQUIREMENTS. During the entire term of this Lease, Lessee shall maintain the insurance coverage described in this Section 16. It is understood and agreed by the Lessee that its liability to the City shall not in any way be limited to or affected by the amount of insurance coverage required or carried by the Lessee in connection with this Lease.

- a. **Minimum Scope & Limits of Insurance Coverage.** Lessee shall maintain commercial general liability insurance, providing coverage at least as broad as ISO CGL Form 0001 on an occurrence basis for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less than one million dollars (\$1,000,000) per occurrence. The policy shall provide contractual liability and products and completed operations coverage for the term of the policy.
- b. **Workers' Compensation.** Full Workers' Compensation Insurance and Employer's Liability policy, or provide evidence of ability to undertake self-insurance. Workers' Compensation in compliance with California Statutes and Employer's Liability coverage of at least \$1,000,000 per occurrence. In the event Lessee is self-insured, it shall furnish a Certificate of Permission to Self-Insure by the Department of Industrial Relations Administration of Self-Insurance, Sacramento, and evidence of at least \$1,000,000 per occurrence excess Workers' Compensation limit combined with the Self-Insurance. The policy shall contain a waiver of subrogation endorsement in favor of the City.
- c. **Property Insurance.** Lessee shall provide property insurance coverage for all assets of which it retains ownership including collections and exhibits.
- d. **City as Additional Insured.** The City, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects general liability arising out of activities performed by or on behalf of Lessee, products and completed operations of Lessee, and premises owned, leased or used by Lessee.
- e. **Acceptability of Insurance.** Insurance shall be placed with insurers with a Bests' rating of not less than A:V. Self-insured retentions, policy terms or other variations that do not comply with the requirements of this Section 16 must be declared to and approved by the City's Risk Management Division in writing prior

to execution of this Agreement.

- f. Other Insurance Provisions. The policy is to contain, or be endorsed to contain, the following provisions:
1. Lessee's insurance coverage shall be primary insurance as respects City, its officials, employees and volunteers. Any insurance or self-insurance maintained by City, its officials, employees or volunteers shall be in excess of Lessee's insurance and shall not contribute with it.
 2. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its officials, employees or volunteers.
 3. Coverage shall state that Lessee's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 4. City will be provided with thirty (30) days written notice of cancellation or material change in the policy language or terms.
- g. Verification of Coverage.
1. Lessee shall furnish City with certificates and required endorsements evidencing the insurance required. The certificates and endorsements shall be forwarded to the City representative at the address set forth on page 1 (Introduction) of this Lease. Copies of policies shall be delivered to the City on demand. Certificates of insurance shall be signed by an authorized representative of the insurance carrier.
 2. The City may withdraw its offer of contract or cancel this Lease if the certificates of insurance and endorsements required have not been provided prior to execution of this Lease. The City may terminate the Lease if the insurance is canceled or Lessee otherwise ceases to be insured as required herein.

16. INDEMNITY. Lessee shall fully indemnify and save harmless City, its officers and employees, and each and every one of them, from and against all actions, damages, costs, liability, claims, losses, judgments, penalties and expenses of every type and description, including but not limited to, any fees, attorney fees and/or costs incurred by City's staff attorneys or outside attorneys and any fees and provision (hereafter collectively referred to as "Liabilities"), to which any or all of them may be subjected, to the extent such Liabilities are caused by or result from any negligent act or omission or willful misconduct of Lessee, its subcontractors or agents, or their respective officers and employees, in connection with the Premises, whether or not (1) such Liabilities also are caused in part by the active or passive negligence of the City, its officers or employees, (2) the City, its officers or employees reviewed, accepted or approved any service or work performed or provided on the Premises, or (3) such Liabilities are litigated, settled or reduced to judgment. The provisions of this Section 16 shall survive any expiration or termination of this Lease.

17. ASSIGNING, SUBLETTING AND ENCUMBERING. Lessee shall not mortgage, pledge, hypothecate, encumber, transfer, or assign the Lessee's rights and or responsibilities under this Lease, or any part or portion hereof, without the prior, written approval of City.

18. LICENSES, FEES AND TAXES. Lessee shall secure all necessary permits and licenses and shall comply with all local, State and Federal laws and regulations applicable to the use of the Premises for the purposes contemplated herein. Lessee shall be liable for, and shall pay throughout the term of this Lease, all license fees and taxes covering the business conducted at the Premises, and any taxes on property of Lessee at the Premises. This Lease creates a possessory interest and the Lessee shall pay any and all possessory interest tax levied by the County.

19. GENERAL PROVISIONS.

- a. Notices. Any notice, demand, request, consent, approval, waiver, or communication that either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail. Any notice, demand, request, consent, approval, waiver, or communication that either party desires or is required to give to the other party shall be addressed to the other party at the address set forth on page 1 (Introduction) of this Lease. Either party may change its address by notifying the other party of the change of address. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this Section 19.
- b. Compliance with Law. Lessee shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Lessee shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and with the requirements of any board of

fire insurance underwriters or other similar bodies now or hereafter constituted, related to, or affecting the condition, use or occupancy of the Premises. The judgment of any court of competent jurisdiction or the admission of Lessee in any action against Lessee, whether City be a party thereto or not, that Lessee has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between City and Lessee.

- d. Rules and Regulations. Lessee shall faithfully observe and comply with the reasonable rules and regulations that City shall from time to time promulgate. City reserves the right to make reasonable modifications to said rules. The additions and modifications to those rules shall be binding upon Lessee upon delivery of a copy of them to Lessee. City shall not be responsible to Lessee for the nonperformance of any said rules by any other Lessees or occupants, or the public.
- e. Holding Over. If Lessee remains in possession of the Premises or any part thereof after the expiration of the term hereof and City accepts rent from Lessee, such occupancy shall be a tenancy from month-to-month at a rental at the same rate as the rental in effect on the date of expiration, plus all other charges payable hereunder, and upon all the provisions hereof.
- e. Corporate Authority. If either party hereto is a corporation, each party executing this Lease on behalf of the corporation represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of said corporation, in accordance with a duly adopted resolution of the board of directors of the corporation or in accordance with the by-laws of the corporation, and that this Lease is binding upon the corporation in accordance with its terms.
- f. Waiver:
 1. The waiver by City of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition or any subsequent breach of the same or of any other any term, covenant, or condition herein contained. The subsequent acceptance of any sum due hereunder by City shall not be deemed to be a waiver of any prior occurring breach by Lessee of any term, covenant, or condition of this Lease other than the failure of Lessee to pay the particular sum so accepted regardless of City's knowledge of such prior existing breach at the time of acceptance of such sum.
 2. The receipt and acceptance by City of delinquent rent or late charges shall not constitute a waiver of any other default and breach; it shall constitute only a waiver of timely payment for the particular rent payment involved.
- g. Time. Time is of the essence of this Lease and each and all of its provisions in which performance is a factor.
- h. Successors and Assigns. The terms, covenants and conditions herein contained, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto.
- i. Prior Agreements. This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreements or understanding pertaining to any such matters shall be in effect for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. This Lease shall not be in effect or be binding on any party until fully executed by both parties hereto.
- j. Inability to Perform. Neither party shall be in breach of this Lease if the party is unable to fulfill any of its obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of strike, labor troubles, acts of God, or any other cause beyond the reasonable control of the party.
- k. No Joint Venture. City shall not become or be deemed a partner or a joint venture with Lessee by reasons of the provisions of this Lease.
- l. Severability. Any provision of this Lease which shall prove to be invalid, void, illegal or unenforceable shall in no way affect, impair or invalidate any other provision hereof and such other provision shall remain in full force and effect.
- m. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.
- n. Choice of Law, Venue. This Lease shall be construed, interpreted and governed in accordance with the laws of the State of California. Any action or proceeding to enforce or interpret any provision of this Lease shall be brought, commenced and prosecuted in Sacramento County, California.
- o. Captions, Table of Contents. The captions and the Table of Contents of this Lease shall have no effect on the interpretation of this Lease.
- p. Singular and Plural. When required by the context of this Lease, the singular shall include the plural.

IN WITNESS WHEREOF, the Parties hereto have executed this Lease as of the date first above written.

CITY OF SACRAMENTO
A Municipal Corporation

CALIFORNIA VEHICLE FOUNDATION,
A Non-profit Corporation

Cassandra H.B. Jennings,
Assistant City Manager
For: Gus Vina, Interim City Manager

Karen McClafin
Executive Director

Joe Hensler
President, Board of Directors

APPROVED AS TO FORM:

By: _____
Angela Casagrande,
Sr. Deputy City Attorney

Attest:

By: _____
City Clerk

EXHIBIT 1A – Premises

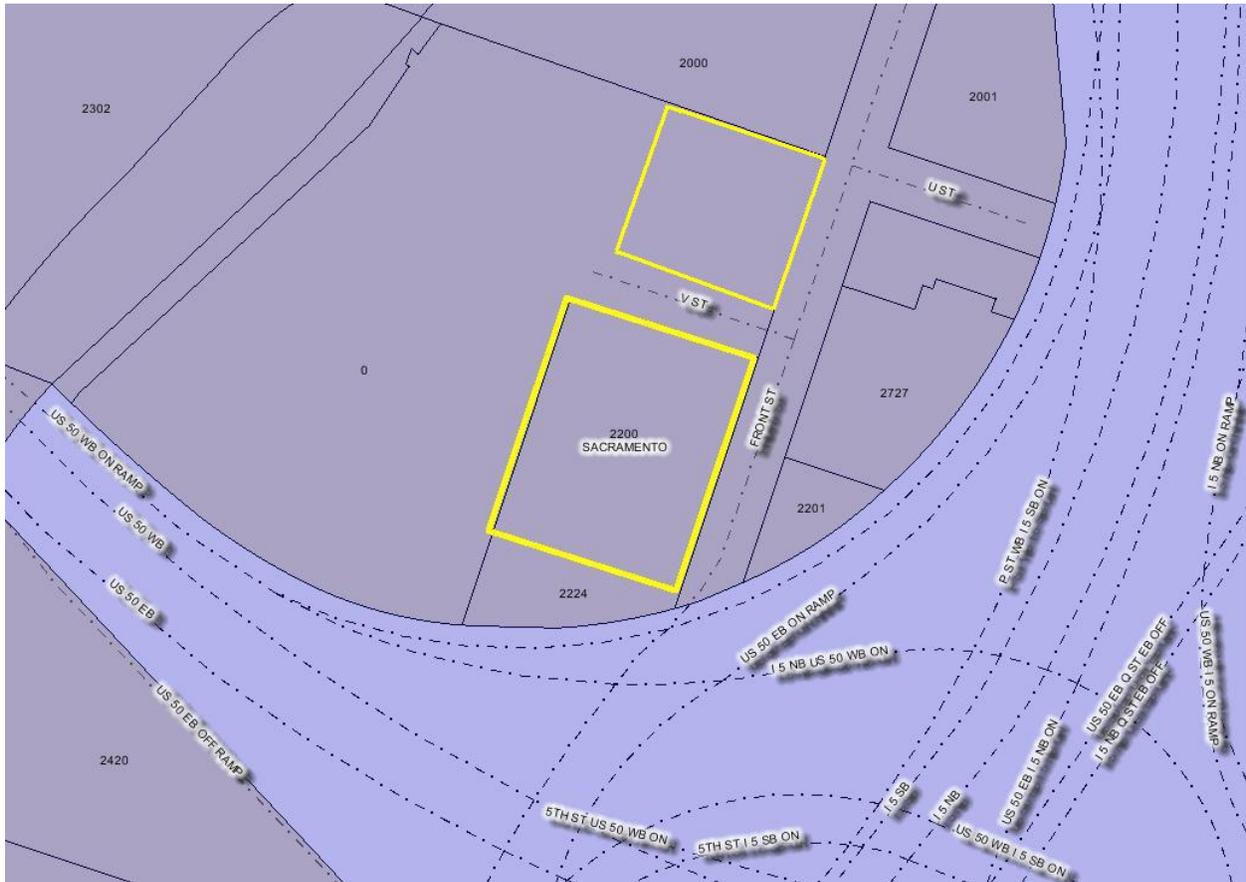


EXHIBIT 1B – Premises

