

RESOLUTION NO. 2011-349

Adopted by the Sacramento City Council

June 14, 2011

APPROVING FIRST AMENDMENT TO LEASE OF 8178 BELVEDERE AVENUE #A WITH ENGLISH FAMILY REVOCABLE 2002 TRUST

BACKGROUND

- A. The Department of Parks and Recreation, Sacramento START Program (START) has an ongoing need for warehouse storage with an onsite office to store recreational supplies.
- B. The original three (3) year lease agreement (City Agreement (2008-0291) was executed under the City Manager's signature authority because the total consideration was under \$100,000. A five (5) year lease extension has been negotiated with the English Family Revocable 2002 Trust, with the new lease expiration on March 31, 2016.
- C. Sacramento START Programs are funded by the State of California and various counties within California. Sufficient funds to service the lease obligations are available in START's operating budget through March 31, 2013. After March 31, 2013, should the state and counties fail to appropriate sufficient funding to the City for continued operations, the City has the right to terminate the lease with six (6) months' prior written notice.

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

- Section 1. The City Manager or the City Manager's designee is authorized to execute the First Amendment to Standard Industrial/Commercial Multi-Tenant Lease - Gross ("First Amendment") with the English Family Revocable 2002 Trust for the warehouse space located at 8178 Belvedere Avenue #A (City Agreement No. 2008-0291) to extend the term for five years, adjust the base rent schedule, and add an early termination clause.
- Section 2. The First Amendment described in Section 1 is attached as Exhibit A and made part of this Resolution.

Table of Contents:

- Exhibit A - First Amendment to Standard Industrial/Commercial Multi-Tenant Lease Gross

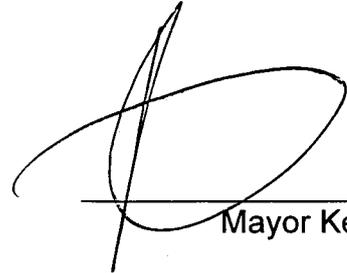
Adopted by the City of Sacramento City Council on June 14, 2011 by the following vote:

Ayes: Councilmembers Ashby, Cohn, D Fong, R Fong, McCarty, Pannell, Schenirer, Sheedy, and Mayor Johnson.

Noes: None.

Abstain: None.

Absent: None.



Mayor Kevin Johnson

Attest:



Shirley Concolino, City Clerk

First Amendment to Standard Industrial/Commercial Multi-Tenant Lease – Gross

8178 Belvedere Avenue, Suite #A, Sacramento, CA 95826

This First Amendment ("First Amendment") is made and entered into on _____, 2011, by and between English Family Revocable 2002 Trust ("Lessor") and the City Of Sacramento, a municipal corporation ("Lessee") for the premises located at 8178 Belvedere Avenue Suite # A Sacramento, CA 95826, for the following reasons, based upon the following facts:

- A. Lessor and Lessee previously entered into a Standard Industrial/Commercial Multi-Tenant Lease – Gross, dated April 9, 2008, and identified as City Agreement No. 2008-0291 ("Lease Agreement"); and
- B. Lessor and Lessee now wish to amend the Agreement to (i) extend the term; (ii) adjust the monthly rent; (iii); add a termination clause and (iiii) change Lessee's address for notices.

NOW THEREFORE, it is mutually agreed the parties as follows:

1. **Base Monthly Rent:** In reference to Paragraphs 1.5 ("Base Rent") and 50 ("Base Monthly Rent Schedule") of the Lease Agreement, the Base Monthly Rent for the extended term will be as follows:

April 1, 2011 – March 31, 2012 = \$1,975.00 per month
April 1, 2012 – March 31, 2013 = \$2,034.00 per month
April 1, 2013 – March 31, 2014 = \$2,095.00 per month
April 1, 2014 – March 31, 2015 = \$2,158.00 per month
April 1, 2015 – March 31, 2016 = \$2,223.00 per month

2. **Extension of Lease Term:** In reference to Paragraph 1.3 of the Lease Agreement ("Term"), the lease term will be extended for Five (5) years commencing on April 1, 2011 and expiring on March 31, 2016.
3. **Termination for Lack of Funding:** Lessee's business operations are funded by the State of California and various counties within California (the "Funding Sources"). At any time during the term of this Lease, after March 31, 2013, should the Funding Sources fail to appropriate and allocate to Lessee sufficient funds for Lessee's continued operations, Lessee shall have the right to terminate this Lease, upon providing Lessor with (i) no less than six (6) months' prior written notice of such termination, and (ii) evidence reasonably satisfactory to Lessor that Lessee lacks sufficient funds to continue operations. Notwithstanding anything to the contrary herein, in no event shall Lessee have the right to terminate this Lease under the provisions hereof if such termination is a subterfuge for Lessee to obtain more favorable lease terms (including, but not limited to, lower rent).

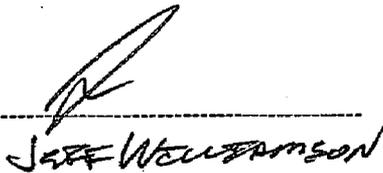
4. **Notices:** Lessee's mailing address under Paragraph 23.1 ("Notices") shall be:
Sacramento START
5735 47th Ave.
Sacramento, CA 95824
5. **Entire Agreement:** All other terms and conditions contained in the Lease Agreement will remain in full force and effect.
6. **Authority:** Lessor warrants and represents that the person or persons executing this First Amendment on behalf of Lessor has or have been duly authorized by Lessor to sign this First Amendment and bind Lessor to the terms hereof.

IN WITNESS WHEREOF, this First Amendment has been executed the Lessor and Lessee as of the day and year first stated above.

LESSOR: English Family Revocable 2002 Trust

LESSEE: City of Sacramento,
a municipal corporation

By: _____


Jeff Weinstrom

By: _____

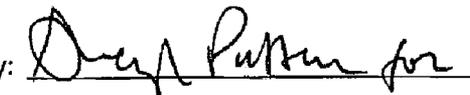
Cassandra H. B. Jennings, Assistant
City Manager

For: William H. Edgar, Interim City Manager

Approved as to form:

Attest:

By: _____


Gerald C. Hicks, Supervising Deputy City
Attorney

By: _____

City Clerk