

Meeting Date: 8/26/2014

Report Type: Consent

Report ID: 2014-00622

Title: Lease Agreement: Sierra Curtis Neighborhood Association for the Sierra 2 Center for the Arts and Community

Location: 2791 24th Street, District 5

Recommendation: Pass a Motion 1) finding that it is in the best interest of the City to continue to lease the Sierra 2 Center for the Arts and Community to the non-profit Sierra Curtis Neighborhood Association (SCNA) without competitive bidding, due to the long-term operation and maintenance provided by SCNA; and 2) authorizing the City Manager or the City Manager's designee to execute a ten-year lease agreement with SCNA.

Contact: Murray Levison, Administrative Officer, (916) 808-6195; Elizabeth Anderson, Operations Manager, (916) 808-6076, Department of Parks and Recreation

Presenter: None

Department: Parks & Recreation Department

Division: Recreation Administration

Dept ID: 19001411

Attachments:

1-Description/Analysis

2-Lease Agreement with SCNA

City Attorney Review

Approved as to Form

Sheryl Patterson

8/13/2014 8:35:52 AM

Approvals/Acknowledgements

Department Director or Designee: Jim Combs - 8/8/2014 12:20:12 PM

Description/Analysis

Issue Detail:

The Sierra Curtis Neighborhood Association (SCNA) has leased the Sierra 2 Center for the Arts and Community (Sierra 2) from the City of Sacramento since 1999, and has occupied the property since 1983 under agreements with the prior property owner. Parks and Recreation staff recommends that the City renew the lease with SCNA for a period of ten years.

The current lease expired on January 30, 2014. A change in the staff person responsible for managing this lease caused a delay in concluding negotiations on the successor lease while the new person became familiar with the facility and the terms of the lease.

The Sacramento City Unified School District began construction of what was to be known as Sierra School in 1922, the school opened in 1923 and closed in 1976. When it appeared that the school might be demolished, the Sierra Curtis Neighborhood Association was formed in 1979 to save the school. From that time forward SCNA was given permission from the school district to use and rehabilitate the school.

In 1997 the Sierra School site was given to the City by the Sacramento City Unified School District in exchange for the City-owned Keith B. Kenny Elementary School site and an adjoining residential lot on Martin Luther King Boulevard. SCNA was given its first City lease in 1999 and a second lease in 2009.

Over the years the City has funded several million dollars of improvements to the several buildings on the site to replace the heating, ventilating and air conditioning system, install new fire alarm and sprinkler systems, undertake accessibility improvements, and to upgrade the existing restrooms and add a new accessible restroom to one of the buildings. The lease requires SCNA to be responsible for all management, operations, utilities, maintenance and repairs of the buildings and grounds and includes a requirement that SCNA set aside funds for capital improvements. The City is only responsible for maintaining the fire alarm system, including stove exhaust upgrades and a kitchen fire suppression system.

Policy Considerations: Approving the lease agreement would continue the concept of City facilities being operated by outside entities. Approval also allows for no rent to be collected in exchange for the tenant undertaking nearly complete responsibility for the buildings and grounds.

Economic Impacts: None.

Environmental Considerations: This report concerns administrative activities that will not have a significant effect on the environment, and does not constitute a “project” as defined by Sections 15061(b)(3) and 15378(b)(2) of the CEQA Guidelines (Title 14 Cal. Code Reg. § 15000 et seq.).

Sustainability Considerations: Not applicable.

Commission/Committee Action: None

Rationale for Recommendation: The Sierra Curtis Neighborhood Association has been occupying Sierra 2 since the early 1980s. SCNA leases office, studio, gallery, and classroom space to different community groups, artists, businesses and recreational instructors which

offer services and programs available to the public. SCNA also rents rooms and the theater to residents and performing arts groups. Because no rent is charged, SCNA is able to offer these spaces at a low cost to benefit the community. SCNA's primary source of funding for utilities, management, operations, maintenance, and repair of the buildings is from the office space subleases and room rentals.

Under City Code Section 3.68.110E, the lease of City property to a nonprofit tax-exempt community civic organization with a membership comprised predominantly of persons residing in the city may be approved without competitive bidding for a term not to exceed 10 years. The Department of Parks and Recreation and SCNA desire to renew the lease of the Sierra 2 facility for a 10-year term.

The City may use the theater or other rooms on the site for community meetings or events sponsored or co-sponsored by the City up to four times a year at no cost, provided the space is not already reserved. In addition, in the event of a public emergency, the City may use all but the subleased rooms for emergency shelter or for public safety operations, with the City reimbursing for any lost revenues. The adjacent City park will continue to be maintained and scheduled by the City.

Financial Considerations: Utilities, management, operations, maintenance, and repair costs for the facility will be the sole responsibility of SCNA. The Parks and Recreation Department will receive no rental revenue and will have no recurring expense obligations.

Local Business Enterprise (LBE): There are no LBE considerations with this report.

LEASE AGREEMENT SIERRA 2 COMMUNITY CENTER

THIS LEASE AGREEMENT (“Lease”), is made as of _____, 2014 (“Execution Date”) by and between the CITY OF SACRAMENTO, a municipal corporation (“City” or “LESSOR”), and the SIERRA CURTIS NEIGHBORHOOD ASSOCIATION, a California nonprofit corporation (“SCNA” or “LESSEE”).

BACKGROUND

- A. The Sierra 2 Community Center building located at 2791 24th Street was built in the 1920’s as a school. In 1976, the Sacramento City Unified School District (District) closed the Sierra Elementary School because it did not meet the structural requirements for a K-12 school under the Field Act. In 1979, SCNA was established and raised funds to rehabilitate the building and prevent it from being demolished. The District issued permits to SCNA to use the building for artistic, cultural and recreational programs. In 1983, the District issued a license to SCNA to facilitate converting the building into the Sierra 2 Center for Arts and Community. In 1986, CITY issued an interest free loan to SCNA to undertake electrical improvements to the building.
- B. In 1997, ownership of the property was transferred by the District to CITY in exchange for other property. On March 30, 1999, CITY issued the first lease of the building to SCNA for a 10-year term. The original lease included the option to extend the term for two additional 10-year terms. However, on February 1, 2009, the second lease of the building was issued to SCNA with a five-year term ending on January 31, 2014.
- C. In partnership with SCNA, over the years CITY has funded several million dollars of improvements to the buildings to replace the HVAC system, install new fire alarm and sprinkler systems, undertake accessibility improvements for compliance with the Americans with Disabilities Act, and to upgrade the existing restrooms and add a new accessible restroom to the Curtis Hall building. The lease requires SCNA to assume responsibility for maintenance and repairs of the buildings and grounds and includes a requirement that SCNA set aside funds for capital improvements.
- D. SCNA manages the Sierra 2 Center for Arts and Community and rents office, studio, gallery, kitchen, and classroom space to different community groups, businesses, artists and recreational instructors which offer services and programs available to the public. SCNA also rents rooms and the theater to residents and performing arts groups. Because CITY charges no rent under the lease, SCNA is able to rent these spaces at a low cost to benefit the community. SCNA’s primary source of funding for management, operations, and maintenance and repair of the buildings and grounds is from the office space subleases and room and other rentals.

- E. Under City Code Section 3.68.110, the lease of CITY property to a nonprofit tax-exempt community civic organization with a membership comprised predominantly of persons residing in the city may be approved without competitive bidding for a term not to exceed 10 years. CITY and SCNA desire to renew the lease of the Sierra 2 Community Center facility for a 10-year term.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual commitments as hereinafter set forth, LESSEE and LESSOR enter into this Lease for the purpose of establishing each party's rights and obligations with regard to the occupancy, use and maintenance of the Premises as follows:

1. LEASE OF PREMISES

Subject to the terms and conditions hereinafter set forth, LESSOR hereby leases to LESSEE, and LESSEE hereby leases from LESSOR, the buildings, grounds and improvements commonly known as the Sierra 2 Center for Arts and Community located at 2791 24th Street and more particularly described in Exhibit "A" (the "Premises") and depicted in Exhibit "B". The Premises does not include the former school park behind the Center which is now a CITY park known as Sierra 2 Park located at 2471 4th Avenue, although LESSEE may apply for park use permits to hold special events at this park.

2. TERM

The "Term" of this Lease shall extend for ten (10) years commencing on February 1, 2014, and expiring on January 31, 2024, subject to prior termination by LESSOR in the event of breach of any the terms and conditions of this Lease pursuant to Section 17. If LESSEE shall for any reason holdover beyond the Term with LESSOR's consent, express or implied, such holding over shall not be a renewal of this Lease but shall be a month-to-month tenancy subject to the terms and conditions of this Lease or subject to such other terms as LESSOR may specify.

3. RENT

In lieu of rent, the consideration for LESSOR's entering into this Lease is LESSEE's obligation to continue to occupy, maintain, and operate the Premises as set forth herein.

4. PERMITTED USES

- a. LESSEE is permitted to rent and sublease portions of the Premises for uses which benefit the community and for the purpose of generating revenues needed to fund LESSEE's costs to operate and maintain the Premises.

LESSEE shall only charge reasonable fees for such rentals and subleases and shall provide public notification of the availability of the Premises for rent or sublease, subject to necessary rules and regulations invoked by LESSEE for the purpose of conducting its activities and protecting the Premises and the rights of all persons who desire to use the facilities in a safe, peaceful and lawful manner. Such rules may include differential rates for members of LESSEE's organization which are residents of the community served by the Sierra 2 Community Center and non-profit versus for-profit organizations.

- b. LESSEE shall, during the Term of this Lease, occupy, maintain and operate the Premises as a community center for purposes of artistic, cultural, educational, recreational, social and commercial activities and other activities of benefit to the community. The failure of LESSEE to so occupy, maintain and operate the Premises shall result in termination of this Lease.
- c. LESSEE shall neither permit nor carry on any activity nor allow any condition of the Premises which is a public or private nuisance.

5. NO WARRANTIES BY LESSOR

LESSOR makes no representation or warranty of any kind, express or implied, as to the suitability of the Premises for the specified use. LESSEE represents and warrants that it has independently made a full and thorough investigation and examination of the Premises and that it is entering this Lease relying only upon facts ascertained from said independent investigation.

6. LESSOR'S RIGHT OF ENTRY AND RESERVED USE

- a. LESSOR reserves the right to enter the Premises at reasonable times to carry out any building management or business purpose in or about the Premises. LESSOR, at its sole discretion, may make a detailed and formal inspection and evaluation annually to ensure compliance with this Lease by LESSEE. Each such inspection will be followed by a report in writing with a copy given to LESSEE. Deficiencies as defined by LESSOR shall be remediated by LESSEE within 30 days after receipt of written notification by LESSOR.
- b. LESSOR reserves the right to enter and use the Premises, and LESSOR shall not be liable to LESSEE for any loss of anticipated revenues or for LESSEE's loss of occupation and quiet enjoyment of the Premises due to entry by LESSOR, under the following conditions:
 - 1) Meetings and Events – LESSOR may use the theater or other large room at the Premises for community meetings or events sponsored or co-sponsored by LESSOR up to four times a year at no cost to LESSOR. However, LESSOR may not displace persons or groups which have prior rental reservations based on permits or other written confirmations issued

by LESSEE with dates or times which would conflict with the date and time of LESSOR's meeting or event. LESSOR shall provide LESSEE with ten (10) days' advance written notice of the date, time and room(s) requested and the nature of the LESSOR-sponsored meeting or event. If feasible based on the anticipated number of participants, LESSOR shall use the room(s) as designated by LESSEE rather than the room(s) requested to minimize interference with LESSEE's operations.

- 2) Emergency Shelter – LESSOR shall have the right to occupy all or a portion of the Premises, but excluding the rooms under a sublease, in the event of a public emergency which requires shelter be provided to the public due to severe inclement weather (including excessive heat or extremely cold temperatures) or natural disasters, or in the event of other calamities that create a need to use this City property for public shelter and/or for public safety operations to minimize the potential loss of life. LESSOR shall strive to provide at least 24 hours' advanced written or oral notice to LESSEE of the date and time and rooms it intends to occupy and the expected duration that the Premises as a shelter would need to remain open to the public, or as an emergency command or service center would remain occupied by LESSOR and other government agencies. LESSOR shall be responsible for any damage caused to the Premises by the public or by LESSOR and for utility and building service costs during such occupancy period, and LESSOR shall assume the additional janitorial and repair costs needed due to such occupancy to make the Premises suitable again for rentals and programs by LESSEE. LESSOR shall reimburse LESSEE for any lost revenues from rentals which had to be cancelled due to LESSOR's occupancy of the Premises. If LESSOR's occupancy extends for a prolonged period of time and the lost anticipated rental revenue caused by such occupancy could affect LESSEE's ability to meet its financial obligations under this Lease, the parties shall meet to determine how to address that shortfall to avoid a default by LESSEE.

7. LESSEE'S OPERATION OF THE CENTER

- a. The Sierra 2 Center shall be operated and maintained by LESSEE only as a non-profit activity in accordance with its 501(c)(3) non-profit status as designated by the Internal Revenue Service.
- b. LESSEE agrees that in its operation of the Premises, no discrimination, distinction, or restriction shall be made on account of the sex, color, race, religion, disability, ancestry, sexual orientation, medical condition, marital status, or national origin of a person or group contrary to the provisions of Section 51 of the Civil Code of the State of California, which is incorporated herein by reference as if set forth herein in full, or any other applicable federal, state, or local law prohibiting discrimination.

- c. LESSEE shall actively seek to publicize rental of the facilities and participation in activities at the Premises through the Internet, informational flyers, signage at the Premises and/or other media as determined by LESSEE. Hours of operation shall be publicly posted. LESSEE's regulations governing rentals and program fees may impose a rate differential between members of SCNA and non-members, but such rates shall not effectively exclude non-member rentals or participation.
- d. LESSEE shall not place any permanent or temporary signage, including, without limitation, commercial or advertising signs, on or visible from the exterior of the Premises, unless the sign is related to the name of the Center, SCNA, a program or event at the Premises, or a sublessee's business and the sign is in compliance with the City Sign Code. Any sign placed in violation of the City Sign Code shall be subject to immediate removal by LESSOR without compensation or liability to LESSEE, and LESSEE shall be responsible for all costs associated with such removal.
- e. If any employees, volunteers or subcontractors of LESSEE who are to perform services at the Premises are in a position to exercise supervisory or disciplinary authority over any minor child, then LESSEE shall first obtain a Department of Justice (DOJ) clearance for all such employees and volunteers, and require such clearance be provided by its subcontractors and their employees and volunteers, prior to any such persons exercising such supervisory or disciplinary authority over minors at the Premises. LESSEE shall submit proof or certification of such DOJ clearances to LESSOR upon request. Any person who has been convicted of an offense listed in Public Resources Code Section 5164 shall be prohibited from working or performing services at the Premises. Violations of this requirement by a subcontractor who fails to obtain DOJ clearances for its employees and volunteers shall not constitute a breach of this Lease by LESSEE.
- f. LESSEE shall pay all charges and assessments for: telephone and internet services; utilities including gas and electricity, water, garbage, storm drainage and sewer; security services; janitorial and cleaning services; and all other public service conveniences used on the Premises during the Term of this Lease.
- g. LESSEE shall maintain all furniture, fixtures, and equipment in good order, condition and repair, reasonable wear and tear excepted. All broken or damaged items shall be removed and replaced by LESSEE within 30 days.
- h. Lessee shall conduct its activities in a safe and professional manner and in accordance with all applicable laws, codes, orders, regulations and ordinances of all governmental authorities having jurisdiction over the Premises and the activities therein.

- i. LESSEE shall not deposit, spill, pour, discharge or otherwise release into, or through the soil or groundwater on the Premises any hazardous materials. The terms “hazardous materials” shall include any substance, waste, material, or pollutant which poses a hazard to the environment or causes the Premises to be in violation of any federal, state or local law relating to contamination of real property.
- j. LESSEE shall promptly comply with written reasonable orders that may be issued from time to time by the LESSOR as to matters concerning the operation of the Premises as it may affect the best interests of the public using the Center and the adjacent City park. However, LESSEE is not responsible for regulating use of the City park.
- k. LESSEE shall, at its cost, keep and maintain the Premises in a safe, clean, sanitary, orderly and attractive condition.

8. LESSEE’S MAINTENANCE RESPONSIBILITIES

- a. Except as provided in subsection (b), during the Term of this Lease, LESSEE shall, at its sole cost and expense, be responsible for all maintenance of the Premises, which includes, without limitation, the buildings and all of the building systems and the exterior areas around the buildings within the Premises.
- b. LESSOR shall be responsible to maintain the fire alarm system, including the stove exhaust upgrades and the kitchen fire suppression system.
- c. In lieu of rent, LESSEE shall set aside a portion of the revenues it receives from operation of the Premises to pay for routine maintenance and establish a capital reserve account to fund repairs, system replacements, and building improvements to maintain the Premises in good condition.
- d. The heating, ventilating and air conditioning (HVAC) system shall be inspected at least annually, and problems found during these inspections shall be corrected within a reasonable time by Lessee. The inspection and maintenance of the HVAC systems shall be documented in writing. LESSEE shall record the name of the individuals(s) inspecting and/or maintaining the system, the date of the inspection and/or maintenance, and the specific findings and actions taken. LESSEE shall ensure that such records are maintained for at least five (5) years.
- e. LESSEE shall notify LESSOR within ten (10) days in the event that any major damage occurs to, or is discovered on, the Premises and LESSEE’s plan to remedy the problem. “Major damage” is damage to the buildings or grounds which occurs as a result of any single incident, such as an accident or damage from a storm or vandalism, and will require an expenditure of more

than \$5,000 to remedy. LESSOR may require LESSEE to prepare a report regarding the cause of the major damage and such report shall be submitted by LESSEE within fifteen (15) days from the date of the request.

- f. Upon LESSEE's failure to properly maintain or repair the Premises or with the mutual agreement of the Parties, LESSEE shall allow LESSOR to perform such work, but such right shall not be construed as constituting a duty upon LESSOR to perform such work. Prior to LESSOR performing such work, LESSOR shall give written notice of its intention to perform the work and the estimated cost to LESSEE, if any. LESSEE shall reimburse LESSOR for costs of the work if reimbursement is required within thirty (30) days after receipt of the invoice from LESSOR which details the work performed and costs incurred.
- g. If the Premises is significantly damaged, there are building structural or system failures, or upgrades are required to comply with ADA laws, and the costs of the repairs exceeds the resources available to LESSEE to undertake the corrective work, then the Parties shall meet to determine if the Premises without such repairs is or will be unsafe or unsuitable for public use and the Lease must be terminated or if the Lease can be modified to restrict use of certain areas of the Premises until the corrective work can be undertaken. If the Parties are unable to mutually agree to the proper course of action, LESSOR shall have the right to terminate the Lease if it determines in its sole discretion that the Premises is unsafe or unsuitable for public use.

9. REPORTING AND NOTIFICATION REQUIREMENTS

- a. LESSEE shall maintain records regarding its subleases and rentals of the Premises and allow LESSOR to inspect such records during regular business hours.
- b. Unless the list of Sierra Curtis Neighborhood Association officers is posted on SCNA's website, at LESSOR's request LESSEE shall provide the Director of the City Department of Parks and Recreation ("Director") or the Director's designee with a list of Sierra Curtis Neighborhood Association officers which information may be provided by submitting a copy of the Statement of Information filed with the Secretary of State.
- c. LESSEE shall provide the Director or the Director's designee with an unaudited annual financial statement indicating revenues produced from the operation of the Premises and the manner in which said revenues were expended or retained. The annual statement shall be submitted on or before September 30 for the previous fiscal year.

10. SECURITY DEVICES

LESSEE may provide at its own expense any legal device, installations, or equipment designed for the purpose of protecting the Premises from theft, burglary, or vandalism, provided, however, that LESSEE complies with the building and fire codes and obtains all required permits.

11. TERMS AND CONDITIONS APPLICABLE TO CONSTRUCTION OF IMPROVEMENTS

- a. During the term of this Lease, LESSEE may elect to perform improvements of the Premises, provided that all construction work shall be done in accordance with specifications approved in writing in advance by LESSOR, except as provided in subsection (c) below. Any additions to or alterations of the Premises shall be at LESSEE's expense and shall become part of the Premises free from any liens arising out of any work performed, materials furnished or obligations incurred.
- b. LESSEE has occupied the Premises since 1983 and is fully informed of the condition of the Premises. LESSEE accepts the Premises in its existing condition and agrees that no demands for any alterations, additions, repairs or replacements are to be made upon LESSOR.
- c. LESSEE may undertake minor repairs or modifications to the electrical, plumbing, or mechanical systems of the Premises which do not require a building permit from City, without advanced notice to and approval by LESSOR. LESSEE shall notify the Director of such repairs or modifications as part of its annual report referenced in Section 9(c).
- d. 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, access for the disabled, CEQA and zoning. Such permits may include a Certificate of Appropriateness for all exterior and interior alterations to the Premises, which has been designated as a Landmark by City Ordinance 2005-064 (see Exhibit "C"). LESSEE shall assume all fees and charges levied in connection with issuance of building permits. LESSOR shall have no liability or responsibility for making repairs or upgrades to the Premises to meet the current Building Standards Code (Title 24 of the California Code of Regulations), and as it may be amended, and federal and state disability access laws in connection with the construction of any improvements by LESSEE.
- e. All work shall be performed in a good and workmanlike manner, shall substantially comply with plans and specifications submitted to Lessor as required by this Lease, and shall comply with all applicable governmental permits, laws, ordinances, and regulations.

- f. LESSEE shall not suffer or permit to be enforced against the Premises or any part of it any mechanic's, material man's, contractor's, or subcontractor's lien arising from any work of improvement, however it may arise. LESSEE shall defend and indemnify LESSOR against all liability and loss of any type arising out of work performed on the Premises by LESSEE, its agents or contractors, together with reasonable attorney's fees and all costs and expenses incurred by LESSOR in negotiating, settling, defending or otherwise protecting against such claims.
- g. Any improvements placed by LESSEE on the Premises shall become the property of LESSOR, without the requirement of reimbursement to LESSEE therefor.

12. TAXES AND ASSESSMENTS

LESSEE shall pay before delinquency all lawful taxes, assessments, fees, or charges which at any time may be levied by the State of California, County of Sacramento, City, or any tax or assessment levying body upon any interest in this Lease or any possessory right which LESSEE may have in or to the Premises covered hereby or improvements thereon by reason of the use or occupancy thereof or otherwise, as well as all taxes, assessments, fees, licenses, and charges on goods, merchandise, fixtures, appliances, and equipment owned or used by LESSEE in or about the Premises. LESSEE is also responsible for the payment of possessory interest tax. Pursuant to Section 107.6 of the California Revenue and Taxation Code, there may be a possessory interest tax levied by virtue of this Lease. LESSEE shall be billed and shall pay the possessory interest tax directly to the County Assessor's Office.

13. INDEMNITY AND HOLD HARMLESS.

LESSEE shall assume the defense of, and indemnify and save harmless, LESSOR, and its officers, employees, and agents, and each and every one of them, from and against all actions, damages, costs, liability, claims, losses, and expenses of every type and description to which any or all of them may be subjected by reason of, or resulting from, directly or indirectly, the performance of this Lease by LESSEE. The foregoing includes, but is not limited to, any attorney fees reasonably incurred by LESSOR, whether for outside counsel or the City Attorney.

14. INSURANCE REQUIREMENTS

During the term of this Lease, LESSEE shall maintain in full force and effect at its sole cost and expense, the insurance coverage specified in Exhibit "D", attached hereto and incorporated herein by reference.

15. DAMAGE OR DESTRUCTION

In the event of a partial destruction of the Premises during the Term of this Lease from any cause, the Parties shall meet to determine whether insurance proceeds or other revenues are available to cover the costs of the necessary repairs. LESSOR may order LESSEE to refrain from use of those portions of the Premises which are damaged and deemed unsafe or unsuitable for public use, or to take other measures to protect the public and the Premises until such repairs can be made. Partial destruction of the Premises for which LESSOR and LESSEE decline to repair shall not annul or void this Lease if LESSOR and LESSEE mutually agree that the remaining portion of the Premises is still safe and suitable for public use and the Parties execute an amendment to this Lease to redefine the Premises. A total destruction of the buildings in which the Premises is situated shall terminate this Lease.

16. ASSIGNMENT, SUBLET, HYPOTHECATION.

- a. Except as permitted in Section 4(a), LESSEE shall not directly or indirectly assign, sublet, or hypothecate any interest in the leasehold estate under this Lease. LESSEE is directly responsible for all events, activities, services, or merchandise conducted or provided on the Premises. The conducting of said events and activities and the offering or provision of goods and services must be under the auspices of authorized officers, employees, or volunteers of LESSEE and all revenue realized within the scope of this Lease must be reflected in LESSEE's financial records. Use of the Premises by some other person or organization shall not relieve LESSEE of its obligations under this Lease.
- b. LESSEE shall not directly or indirectly use, or permit to be used, the Premises or improvements for security for any debt. Excepting only a change in name, the term "assignment" shall include any change in the form of business entity of LESSEE, any merger or consolidation of LESSEE from that of a California nonprofit corporation, whether voluntarily or by operation of law, providing; however, that a change of status due only to a change in the California Corporation Code shall not be deemed to be an assignment.

17. DEFAULTS AND REMEDIES

The following rights and remedies shall be available to LESSOR in the event LESSEE commits any act of default during the Term of this Lease. Unless a different time period is set forth elsewhere in this Lease, LESSEE shall be deemed to be in default only after receipt of written notice from LESSOR specifying the nature of the violation and not having cured said violation within thirty (30) days after receipt of the notice; provided, however, that if the failure cannot reasonably be cured within thirty (30) days, then LESSEE shall not be in default under this Lease if LESSEE commences to cure the failure within the

thirty (30) day period and diligently and in good faith continues to cure the failure thereafter. These rights and remedies shall not be exclusive, but shall be cumulative and in addition to any and all rights and remedies now or hereafter allowed by law:

- a. Defaults by LESSEE - The occurrence of any of the following by LESSEE shall constitute an "Event of Default" under this Lease:
 - 1) Failure to pay any sum due under this Lease on the date the same first becomes due, if such failure shall continue for more than ten (10) days after written notice from the LESSOR to LESSEE;
 - 2) Failure to perform any other obligation under this Lease;
 - 3) Vacating or abandonment of the Premises;
 - 4) Knowingly providing material false financial statements, but inadvertent errors shall not be considered a default or material breach under any circumstances; or
 - 5) Either the appointment of a receiver to take possession of all or substantially all of the assets of LESSEE, a general assignment by LESSEE of its assets for the benefit of creditors, or any action taken or suffered by LESSEE under any insolvency or bankruptcy act.

- b. Remedies - If LESSEE commits an Event of Default, then LESSOR shall have all remedies available at law and/or equity in connection with such Event of Default, including, without limitation, the right to terminate this Lease upon written notice to LESSEE, and LESSEE shall immediately surrender possession of the Premises to LESSOR. LESSOR shall be entitled to recover from LESSEE all damages incurred by LESSOR by reason of LESSEE's default, including, without limitation, the costs of recovering possession of the Premises, expenses for reletting, including necessary renovation and alteration of the Premises, and reasonable attorneys' fees, whether for outside counsel or the City Attorney. Efforts by LESSOR to mitigate the damages caused by LESSEE's breach of this Lease shall not waive LESSOR's right to recover damages. Nothing in this Section 17 shall affect the right of LESSOR to indemnification against liability arising from or related to acts or events occurring prior to the termination of this Lease for personal injuries or property damage, or against mechanic's liens or other liens, claims or expenses.

- c. Default By LESSOR - LESSOR shall be in default of this Lease if it fails or refuses to perform any provision of this Lease that LESSOR is obligated to perform and the failure to perform is not cured within thirty (30) days after written notice of default has been given by LESSEE to LESSOR. If the default cannot reasonably be cured within thirty (30) days, then LESSOR shall not be in default of this Lease if LESSOR commences to cure the default within the thirty (30) day period and diligently and in good faith continues to cure the default thereafter.

18. WAIVER

The waiver by either Party 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 any other term, covenant or condition herein contained.

19. SURRENDER

At the end of the Term of this Lease, or at any time this Lease may be terminated, LESSEE shall peaceably vacate the Premises and any and all improvements located thereon and deliver up the same to LESSOR in a reasonably good condition, ordinary wear and tear excepted. Upon surrender of the Premises, LESSEE or LESSEE's representatives shall remove, at its sole cost and expense, its own furniture, furnishings, equipment, inventory and trade fixtures and the Premises shall be restored to its original condition, ordinary wear and tear excepted. Should LESSEE fail to remove said items upon surrender of the Premises, LESSEE shall lose all right, title and interest in and to said items, and LESSOR may elect to keep same upon the Premises or to sell, remove or demolish them without the requirement to reimburse LESSEE therefor.

20. NOTICES

- a. Except as otherwise stated in this Lease, all notices and demands herein required to be given by LESSOR to LESSEE or by LESSEE to LESSOR shall be in writing and delivered in person or by first-class mail.
- b. Notices and demands delivered to LESSOR by mail shall be addressed to it at the following address:

City of Sacramento
Parks and Recreation Department
New City Hall
915 I Street, 3rd Floor
Sacramento, CA 95814
Attn: Director

- c. Notices and demands delivered to LESSEE by mail shall be addressed to it at the following address:

Sierra 2 Center
2791 24th Street
Sacramento CA 95818
Attn: Executive Director

21. ATTORNEY FEES

In any action or proceeding brought by either party against the other under this Lease, the prevailing party shall be entitled to reasonable attorney fee and costs of suit, whether for outside counsel or the City Attorney.

22. AMENDMENT IN WRITING

Any amendment to this Lease shall be in writing and signed by both Parties.

23. NO JOINT VENTURE

The parties to this Lease do not constitute a joint venture, partnership or association other than that of landlord and tenant pursuant to this Lease.

24. TIME OF THE ESSENCE

Time is of the essence in the performance of LESSEE's obligations under this Lease.

25. EXCUSABLE DELAYS

If the performance of any act required by this Lease to be performed by either LESSOR or LESSEE is prevented or delayed by reason of an act of God, strike, lockout, labor troubles, inability to secure materials or permits, restrictive governmental laws or regulations, or any other cause except financial inability that is not the fault of the party required to perform the act, the time for performance of the act will be extended for a period equivalent to the period of delay. However, nothing contained in this Section 25 shall excuse the prompt payment owed by LESSEE as required by this Lease or the performance of any act rendered difficult solely because of the financial condition of LESSEE.

26. ENTIRE AGREEMENT

This Lease constitutes the entire agreement and supersedes any prior written or oral agreements between the parties with respect to the matters contained herein.

[signature page follows]

IN WITNESS WHEREOF, LESSOR and LESSEE have executed this Lease on the date hereinabove first written.

LESSOR: CITY OF SACRAMENTO,
a municipal corporation

By: _____
James L. Combs, Director
Department of Parks and Recreation
For: John F. Shirey, City Manager

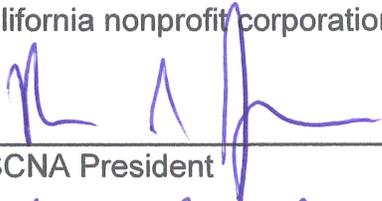
APPROVED AS TO FORM:

By:  _____
Senior Deputy City Attorney

ATTEST:

By: _____
City Clerk

LESSEE: SIERRA CURTIS NEIGHBORHOOD ASSOCIATION
a California nonprofit corporation

By:  _____
SCNA President

By:  _____
SCNA Executive Director

- Attachments:
Exhibit A: Legal Description
Exhibit B: Diagram of Premises
Exhibit C: City Ordinance 2005-064 Designating Landmark Status
Exhibit D: Insurance Requirements

EXHIBIT A: LEGAL DESCRIPTION

PARCEL 1

Beginning at a point where the center line of Second Avenue, now called 4th Avenue (as said 2nd Avenue is shown on the official "Map of West Curtis Oaks", recorded in the office of the County Recorder of Sacramento County, June 5, 1910 in Book 10 of Maps, page 48) produced Easterly intersects the East line of 24th Street; thence North 89 degrees 54 feet East 526.15 feet to a point on the center line of 25th Street, if said street was produced Northerly; thence North 00 degrees 07 feet East 512.2 feet along the said center line of 25th Street if produced Northerly to the North boundary line of the Heilbron Tract; thence North 89 degrees 53 feet West 527.1 feet along North boundary line of said tract to the Northwest corner of the Heilbron Tract at a point on the East line of 24th Street; thence South 00 degrees 01 feet West 514.18 feet along the East line of 24th Street to the place of beginning.

Parcel 2

Lot numbers one through seven, inclusive, in Block "G" as shown on the official map of "Highlands Park Addition to Sacramento", recorded in the office of the County Recorder of the County of Sacramento, State of California, on October 11, 1887, in Book 2 of Maps, Map No. 6.

EXHIBIT B: DIAGRAM OF PREMISES

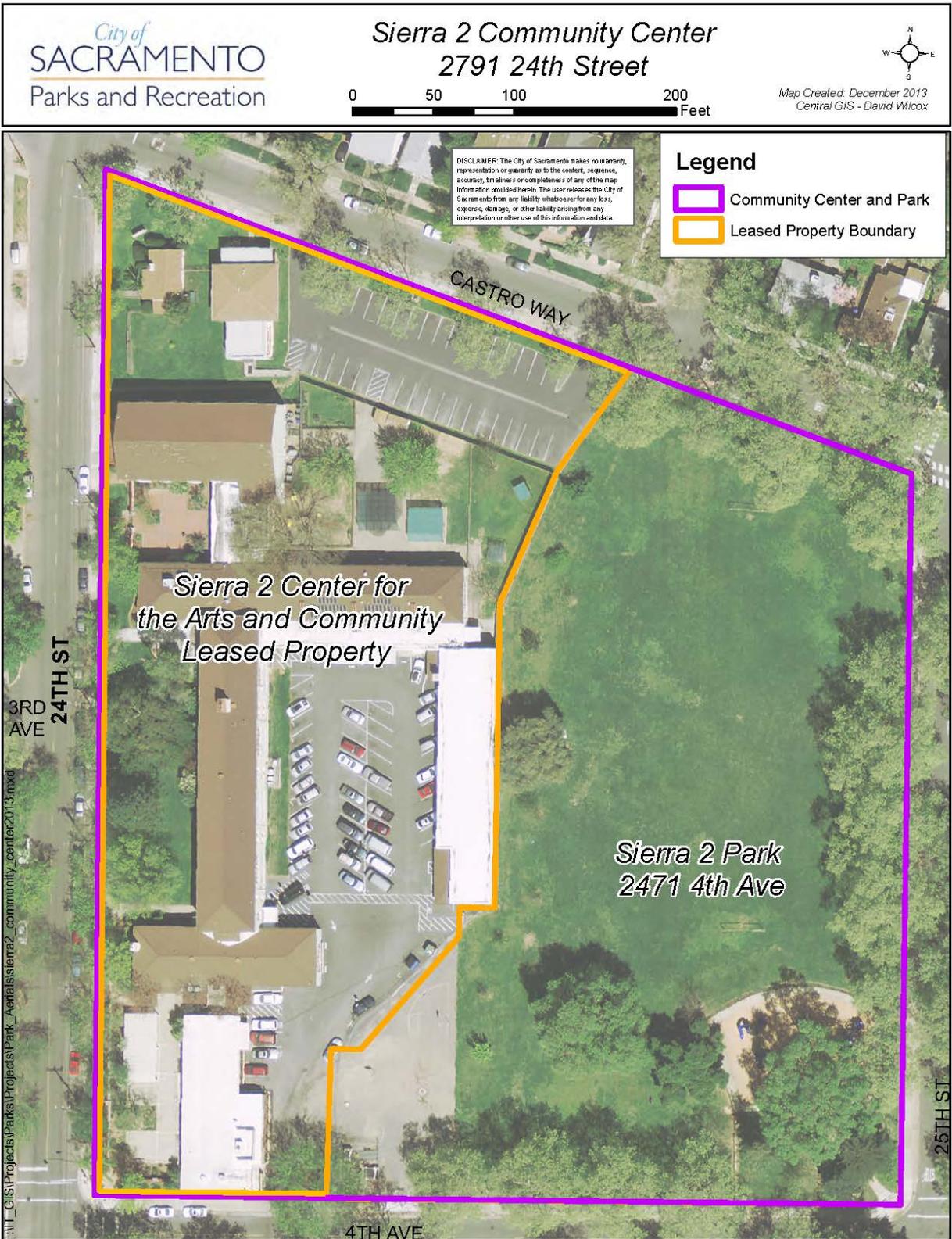


EXHIBIT C: CITY ORDINANCE 2005-064 DESIGNATING LANDMARK STATUS

Exhibit C

ORDINANCE NO. 2005-064

Adopted by the Sacramento City Council

August 16, 2005

AN ORDINANCE AMENDING THE SACRAMENTO REGISTER TO DESIGNATE AND ADD THERETO A NEW LANDMARK TO BE KNOWN AS THE SIERRA 2 COMMUNITY CENTER. (APN: 013-0041-001) (M03-228)

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1

Pursuant to Sections 15.124.170 and 15.124.230 of Chapter 15.124 of Title 15 of the City Code, the Sacramento Register is amended by adding thereto the Landmark property to be known as the Sierra 2 Community Center, located at 2791 – 24th Street, Sacramento, California; APN 013-0041-001.

SECTION 2

Pursuant to Sections 15.124.170 and 15.124.230 of Chapter 15.124 of Title 15 of the City Code, the City Council makes the following findings in support of its action set forth in Section 1 above to designate the "Sierra 2 Community Center" as a Landmark and add it to the Sacramento Register.

Based upon the material presented as part of the administrative record, of the duly noticed hearing conducted by this Council on June 28, 2005, to consider the nomination of the Sierra 2 Community Center as a Landmark and its addition to the Sacramento Register, including the recommendation from the Design Review & Preservation Board, the staff reports and nomination materials attached thereto, and the testimony presented at hearings on the nomination, the City Council makes the following findings in support of its action to designate the Sierra 2 Community Center as a Landmark and add it to the Sacramento Register:

1. The property meets two of the Criteria for Sacramento Register Landmark eligibility pursuant to City Code Title 15, Chapter 15.124, section 15.124.170-A(1)a:
 - (iii) it embodies the distinctive characteristics of a type, period, or method of construction;

Ordinance 2005-064

August 16, 2005

1

The main structure is an excellent example of its architectural style (Spanish, specifically Andalusian, Revival). The principal building is an excellent representative of neighborhood school facilities constructed during the 1920's in a number of Sacramento neighborhoods, in response to the growth and prosperity of the city at that time. The design and scale of the building are inviting. The interior, with its window-lit hallways, stairways and classrooms, creates a comfortable environment, both for students when it functioned as a grammar school and currently for visitors and users of the Center.

- (iv) it represents the work of an important creative individual or master.

The building is a good example of the architectural design team comprised of well-known and respected architects Dean and Dean, E.C. Hemmings, Jens Peterson and George C. Hudnutt. These architects were responsible for the design of many buildings in Sacramento during the early twentieth century, contributing substantially to the character of the city at that time and since.

2. Adoption of this Landmark promotes the maintenance and enhancement of the significant features and characteristics of the Landmark pursuant to the Secretary of the Interior's Standards for the Treatment of Historic Properties.
3. Adoption of the Landmark promotes the maintenance and enhancement of the historic materials and fabric, as well as the appearance, of the Landmark.
4. Adoption of the Landmark is consistent with the City's Preservation Element of the General Plan.
5. Adoption of the Landmark will afford the property the use of the California Historical Building Code.
6. Adoption of the Landmark helps to protect historic resources of the City of Sacramento. The property will be subject to Chapter 15.124 of the City Code, noting Section 15.124.380 pertaining to development project reviews involving properties in City ownership, as is the case with the Sierra 2 Community Center.
7. Adoption of the ordinance designating the Sierra 2 Community Center as a Landmark will add the property to the Sacramento Register.
8. This complex of buildings at this site has important historical and architectural worth, and its designation as a landmark is reasonable, appropriate and necessary to protect, promote and further the goals and purposes of Chapter 15.124 of the City Code.

SECTION 3

Pursuant to Section 15.124.230 of Chapter 15.124 of Title 15 of the City Code, the following are identified as the significant features and characteristics of the Sierra 2 Community Center designated as a Landmark on the Sacramento Register pursuant to Section 1 above:

Significant Features & Characteristics:

The principal building as it now stands is comprised of two structures, which were connected to form one structure. The 1929 additions to the building enhanced its Spanish/Mediterranean attributes, introducing a walled courtyard between the original school block and the auditorium.

All elements, materials, surfaces and finishes of the original design of the structures and landscape/site features, which include materials and forms consistent with the Spanish/Mediterranean Revival style of architecture, both exterior and interior, including simple but graceful massing, use of smooth stucco exterior walls, metal railed balconies, terra cotta embellishments at entrances, arched openings and arcades, multi-paned windows within inset openings, grille work and decorative chimney massing.

The original roof, now missing, of mission tile is recognized as a significant feature, to be replaced when possible.

Sierra School is restrained in its design and decorative treatment. The two primary entries, at opposite ends of the principal north-south wing, are set back and framed with austere pilasters and architraves, each with a metal railed balcony above. The balcony is accessed from recessed, glazed double doors that open from the hall. The balcony is repeated in the end wall of the single story projecting north wing. Small grill-covered windows flank both doors with a circular window on the wall opposite the main entrance.

At the rear of the building, a covered loggia supported by arched openings provides access between rear classrooms on the exterior of the building. Tall, stucco chimneys, one on the north with a hipped opening and one on the south end with a battered profile, add interest and reference the tall, elaborated chimneys common on Spanish Style buildings.

The auditorium, while simple in concept, is embellished with stucco buttresses along the sidewalls and a portico with a tiled roof supported on arched columns, and with its original gutter system. The interior of the portico is richly embellished with tile work, and the double entry doors are paneled and glazed and are trimmed with heavy studs. Mission tile grillwork is found on the sidewalls of the portico and at the apex of the gable end. Brick, geometric grillwork is also introduced on the auditorium side walls. The doors connecting into the main school structure at the auditorium's south wall are large, double wood-paneled doors.

Original interior elements throughout the building, except restrooms, are included as significant features, including high floor-to-ceiling heights and ample window openings; hallway/classroom clearstory windows and entry alcoves; wide and high, light-filled hallways with terra cotta walls and concrete floors; two, wide main double-backing stairways with large stairwell multi-paned windows, decorative plaster balusters and newel posts, and wooden handrails; multiple paneled doors with inset openings throughout; multi-paned windows, framing, muttons and trim dimensions, inset openings, and materials throughout; kindergarten room radiators, fireplace with wood mantel, brick hearth and plaster chimney, and lockers; auditorium space and stage elements, including trusses, iron railings at both sides of the stage/stairs to seating areas, floor and wall tiles and screens, and deep insets for windows and doors; and, green room entry circular stained glass window with exterior grill.

SECTION 4

The City Clerk of the City of Sacramento is hereby directed to add the Sierra 2 Community Center as a Landmark to the Sacramento Register.

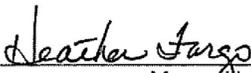
Adopted by the City of Sacramento City Council on August 16, 2005 by the following vote:

Ayes: Councilmembers Cohn, Fong, McCarty, Pannell, Sheedy, Tretheway, and Waters, Mayor Fargo.

Noes: None

Abstain: None

Absent: Hammond



Mayor Heather Fargo

Attest:



Shirley Concolino, City Clerk

Passed for Publication: June 21, 2005; Published: June 24, 2005

Effective: September 15, 2005

Ordinance 2005-064

August 16, 2005

4

EXHIBIT D: INSURANCE REQUIREMENTS

During the Term of this Lease, LESSEE shall maintain in full force and effect at its own cost and expense the following insurance coverages. By requiring the insurance herein, LESSOR does not represent that the coverage and limits will necessarily be adequate to protect LESSEE. It is understood and agreed by LESSEE that the required insurance coverage and limits shall not be deemed as a limitation on LESSEE's liability under the indemnities granted to LESSOR in this Lease.

Insurance requirements are subject to review and revision every five (5) years to assure that policy terms, conditions, and limits are maintained in accordance with current insurance industry standards for comparable premises and buildings.

A. Minimum Scope & Limits of Insurance Coverage

- (1) General Liability Insurance is required providing coverage at least as broad as ISO CGL Form 00 01 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). The policy shall include coverage for premises, operations, products and completed operations and contractual liability and liquor liability for the term of the policy. The policy shall include a fire legal liability limit of \$250,000 per occurrence.

Liquor liability insurance shall not be required if LESSEE completes the following certification:

"I certify that alcohol will not be served on the Premises under this Lease." _____ (LESSEE initials)

- (2) Auto Liability Insurance is required providing coverage at least as broad as ISO Form CA 00 01 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) combined single limit. The policy shall provide coverage for owned, non-owned and/or hired autos as appropriate to the operations of the LESSEE.

No automobile liability insurance shall be required if LESSEE completes the following certification:

"I certify that a motor vehicle will not be used in the performance of any work or services by LESSEE under this Lease." _____ (LESSEE initials)

- (3) Workers' Compensation Insurance is required with statutory limits, including a waiver of subrogation in favor of LESSOR and Employers' Liability Insurance with limits of not less than one million dollars (\$1,000,000).

No Workers' Compensation insurance shall be required if LESSEE completes the following certification:

"I certify that my business has no employees, and that I do not employ anyone. I am exempt from the legal requirements to provide Workers' Compensation insurance."

_____ (LESSEE initials)

- (4) All Risk Property Insurance including coverage for special perils is required for all LESSEE improvements, fixtures and equipment located on or about the Premises against loss of damage including fire, flood or other acts of nature and vandalism. Tenant improvements, fixtures and other equipment shall be insured for replacement value. The proceeds from any such policy shall be used by the LESSEE for replacement of personal property and restoration of LESSEE's improvements or alterations, and City shall be named as a loss payee to insure the insurance proceeds are used for such purposes.

B. Additional Insured Coverage

- (1) Commercial General Liability Insurance: 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, including products and completed operations of LESSEE and premises owned, leased or used by LESSEE.
- (2) Automobile Liability Insurance: The CITY, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects auto liability.

C. Other Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions:

- (1) LESSEE's insurance shall be primary as respects the City, its officials, employees and volunteers. Any insurance or self-insurance maintained by the 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) The City will be provided with thirty (30) days written notice of cancellation or material change in the policy language or terms.

D. 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 foregoing requirements must be declared to and approved by the City Risk Management Division.

E. Verification of Coverage

LESSEE shall furnish City with certificates and required endorsements evidencing the insurance required. The certificates and endorsements shall be forwarded to the City's representative. 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.

- (1) LESSEE shall provide initial insurance documents to City's representative upon request, prior to execution of the Lease. All future insurance renewal documents shall be sent to:

EBIX BPO
212 Kent Street
Portland, MI, 48875
Phone: (517) 647-1700
Fax: (517) 647-7900
Email: CertsOnly@periculum.com

- (2) LESSOR may withdraw its offer or cancel this Lease if the certificates of insurance and endorsements required have not been provided prior to execution of this Lease. Failure to provide insurance certificates and endorsements and keep such certificates and endorsements current will be considered a material breach by LESSEE of this Lease.

F. Contractors

LESSEE shall require and verify that all contractors and subcontractors maintain insurance coverage that meets the minimum scope and limits of insurance coverage specified in subsections A, C and D above.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
9/10/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER All-Cal Insurance Agency 505 Vernon Street Roseville CA 95678		CONTACT NAME: Linda Tanhola PHONE (A/C No. Ext): (916)784-9070 E-MAIL ADDRESS: linda@all-calinsurance.com FAX (A/C No.): (916)784-0158	
INSURED Sierra Curtis Neighborhood Association 2791 24th Street Sacramento CA 95818		INSURER(S) AFFORDING COVERAGE INSURER A: Nonprofits' Ins Alliance of CA NAIC INSURER B: North American Elite Insurance 29700A INSURER C: INSURER D: INSURER E: INSURER F:	

COVERAGES CERTIFICATE NUMBER: CL1382803524 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> IMPROPER SEXUAL CONDUCT \$250,000 / \$250,000 GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	X		2013-04511	9/1/2013	9/1/2014	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 20,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 LIQUOR LIABILITY \$ 1,000,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			2013-04511	9/1/2013	9/1/2014	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N N/A				WC STATU-TORY LIMITS OTHER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
B	EMPLOYEE DISHONESTY FORGERY/ALTERATION			CWB 000 1643-11	9/1/2013	9/1/2014	LIMITS 25,000 DEDUCTIBLES 500

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
THE CITY OF SACRAMENTO, ITS OFFICERS, AGENTS, OFFICIALS, EMPLOYEES, AND VOLUNTEERS ARE NAMED ADDITIONAL INSURED REGARDING INSURED'S LOCATION AT 2791 24TH ST, SACRAMENTO, CA 95818. FORM CG 20 11 APPLIES.

CERTIFICATE HOLDER (916) 808-5160 CITY OF SACRAMENTO RISK MANAGEMENT DIVISION 915 I ST, 4TH FL SACRAMENTO, CA 95814-2604	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
--	--

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - MANAGERS OR LESSORS OF PREMISES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

- 1. Designation of Premises (Part Leased to You): 2791 24TH ST, SACRAMENTO, CA 95818

- 2. Name of Person or Organization (Additional Insured): CITY OF SACRAMENTO, ITS OFFICERS, AGENTS,
OFFICIALS, EMPLOYEES, AND VOLUNTEERS

Any person or organization acting as a manager or lessor of a covered premises that you are required to name as an additional insured on this policy, under a written contract, lease or agreement currently in effect, or becoming effective during the term of the policy, and for which a certificate of insurance naming that person or organization as additional insured has been issued.

3. Additional Premium: INCLUDED

(If no entry appears above, the information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization show in the Schedule but only with respect to liability arising out of the ownership, maintenance or use of the part of the premises leased to you in the Schedule and subject to the following additional exclusions:

This insurance does not apply to:

- 1. Any "occurrence" which takes place after you cease to be a tenant in that premises.
- 2. Structural alterations, new construction or demolition operations performed by or on behalf of the person or organization show in the Schedule.



**NORTH AMERICAN
ELITE INSURANCE COMPANY**
650 Elm Street
Manchester, NH 03101-2524
(800) 542- 9200

BUSINESSOWNERS POLICY DECLARATIONS

PRODUCER:
04026-ZW
AMS Insurance Services, Inc
PO Box 8507
Santa Cruz, CA 95061-8507

POLICY NUMBER: CWB0001643-11 - 04511

NAME OF INSURED AND MAILING ADDRESS:
Sierra Curtis Neighborhood Association
2791 24th Street
Sacramento, CA 95818

POLICY PERIOD: FROM: 09/01/2013 TO: 09/01/2014
AT 12:01 A.M.* STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.
*Exceptions: 12:00 noon in Maine, Michigan, North Carolina and Virginia

BUSINESS DESCRIPTION: Neighborhood community center

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE COVERAGE AS STATED IN THIS POLICY.

(See SCHEDULE A for applicable coverage information & limits)

SECTION I - PROPERTY

POLICY DEDUCTIBLE: \$ 500

BUILDINGS

BUSINESS PERSONAL PROPERTY (BPP)

OPTIONAL COVERAGES:

- Optional Coverages/Deductible - \$500
- Employee Dishonesty Coverage
- Optional BOP Enhancement Endorsement (NAE-AMS-002)
- Terrorism Coverage (Certified Acts):
- Mandatory Fire Loss coverage following Certified Acts of Terrorism

SECTION II - LIABILITY

N/A (Not Available in this Policy)

TOTAL PREMIUM

FORM(S) AND ENDORSEMENT(S) MADE A PART OF THIS POLICY AT TIME OF ISSUE:

BP 01 55 09 12, BP0515 01 08, NAE-AMS-000 02 10, NAE-AMS-002 01 10, NAE-AMS-004 10 02, NAE-AMS-011 01 08,
NAE-AMS-021 04 08, NAE-AMS-DEC 07 13, SCHEDULE A 10 02, SP 38 81 03 07, SP 56 94 10 12,

AUTOMATIC INCREASE IN INSURANCE : 8%

Named Insured Representative
All-Cal Insurance Agency
505 Vernon St.
Roseville, CA 95678
(800) 841-1776

COUNTERSIGNATURE USE ONLY :

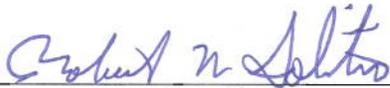
Countersigned at : _____ By: _____ Date : _____

**NORTH AMERICAN ELITE INSURANCE COMPANY
 BUSINESSOWNERS PROPERTY POLICY
 EXTENSION OF DECLARATIONS
 SCHEDULE A**

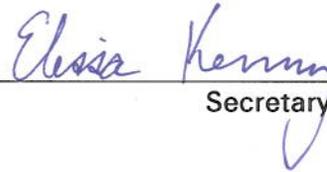
POLICY NUMBER: CWB0001643-11 - 04511
 AGENCY NAME: Sierra Curtis Neighborhood Association

Loc	Bldg	Coverage	Address	Class Code	Limit	Premium
		Blanket BPP	Applicable Locations	VRS.	\$350,000	
1	1	Business Personal Property	2791 24th Street Sacramento, CA 95814	61227	Incl.	
1	2	Business Personal Property	2791 24th Street Sacramento, CA 95814	61227	Incl.	
1	3	Business Personal Property	2791 24th Street Sacramento, CA 95814	61227	Incl.	
		Employee Dishonesty (1 Location(s))			\$25,000	
		Forgery & Alteration			\$25,000	

In Witness Whereof, the issuing Company has caused this policy to be signed officially below.



President



Secretary

North American Elite Insurance Company



NORTH AMERICAN ELITE INSURANCE COMPANY
INDEX OF FORMS ATTACHED TO THE POLICY
POLICY NUMBER: CWB0001643-11

NAME OF INSURED: Sierra Curtis Neighborhood Association

Page 1

PROPERTY FORMS AND ENDORSEMENTS

FORM NUMBER/EDITION DATE

California Changes	BP 01 55 09 12
Disclosure Pursuant to Terrorism Risk Insurance Act of 2002	BP0515 01 08
Businessowners Coverage Form	NAE-AMS-000 02 10
Businessowners Enhancement Endorsement	NAE-AMS-002 01 10
Include Volunteer Workers As Employees	NAE-AMS-004 10 02
Exclusion of Certified Acts of Terrorism	NAE-AMS-011 01 08
Exclusion of Other than Certified Acts of Terrorism	NAE-AMS-021 04 08
Businessowners Property Policy Declarations	NAE-AMS-DEC 07 13
Businessowners Property Policy Extension of Declarations Schedule A	SCHEDULE A 10 02
NAE Signature Form	SP 38 81 03 07
International Trade or Economic Sanctions	SP 56 94 10 12