

RESOLUTION NO. 2007-194

Adopted by the Sacramento City Council

April 3, 2007

APPROVING AGREEMENTS/SUPPLEMENTAL AGREEMENTS: OPUS FIELDS AT THE NATOMAS BASEBALL COMPLEX, CIP LB97

BACKGROUND:

- A. The OPUS Fields at the Natomas Baseball Complex is a 20.03-acre baseball complex adjacent to a 3.8 acre neighborhood park located in South Natomas. The master plan for the baseball complex was created through the public participation process and was supported by the Parks and Recreation Commission.
- B. On March 14, 2006, pursuant to the California Environmental Quality Act (Public Resources Code §21000 *et seq.* ("CEQA"), the CEQA Guidelines (14 California Code of Regulations §15000 *et seq.*), and the City of Sacramento environmental guidelines, the City Council certified an environmental impact report (EIR) and, having reviewed and considered the information contained in the EIR, adopted findings of fact and findings of overriding consideration, adopted a mitigation monitoring program, and approved ParkeBridge Residential Subdivision P04-212 (Project).
- C. Natomas Youth Baseball will be responsible for the development and management of the baseball complex.
- D. The OPUS Fields at Natomas Baseball Complex (Project Modification) proposes to modify the previously approved ParkeBridge Residential Subdivision project by providing for the construction and operation of a 20.03-acre baseball complex and 3.8-acre neighborhood park.
- E. The City of Sacramento's Environmental Planning Services conducted or caused to be conducted an initial study on the Project Modification and determined that the proposed changes to the original project did not require the preparation of a subsequent EIR. An addendum to the previously certified EIR was then prepared to address the modification to the project.
- F. Pursuant to Guidelines section 15091(e), the documents and other materials that constitute the record of proceedings upon which the City Council has based its decision are located in and may be obtained from, the Office of the City Clerk at 915 I Street, Sacramento, California. The City Clerk is the custodian of records for all matters before the City Council.
- G. Long-term designs of public facilities are reviewed and approved by City Council.

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

Section 1. The facility name "OPUS Fields at the Natomas Baseball Complex" is approved.

Section 2. Having reviewed and considered the information contained in the previously certified Environmental Impact Report (EIR) for the OPUS Fields at the Natomas Baseball Complex project, the previously adopted findings of fact and findings of overriding consideration, the addendum, and all oral and documentary evidence received during the hearing on the Project Modification, the City Council finds that the previously certified EIR and the addendum constitute an adequate, accurate, objective, and complete review of the proposed Project Modification and finds that no additional environmental review is required based on the reasons set forth below:

- A. No substantial changes are proposed by the Project Modification that will require major revisions of the previously certified EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
- B. No substantial changes have occurred with respect to the circumstances under which the Project Modification will be undertaken which will require major revisions to the previously certified EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
- C. No new information of substantial importance has been found that shows any of the following:
 - 1. The Project Modification will have one or more significant effects not discussed in the previously certified EIR;
 - 2. Significant effects previously examined will be substantially more severe than shown in the previously certified EIR;
 - 3. Mitigation measures previously found to be infeasible would in fact be feasible and would substantially reduce one or more significant effects of the Project Modification; or
 - 4. Mitigation measures which are considerably different from those analyzed in the previously certified EIR would substantially reduce one or more significant effects on the environment.

Section 3. Based on its review of the previously certified EIR for the Project, the previously adopted findings of fact and findings of overriding

consideration, and the addendum, the City Council finds that the EIR and addendum reflect the City Council's independent judgment and analysis, certifies the EIR and the addendum for the Project Modification, and readopts the findings of fact and findings of overriding consideration.

- Section 4. Pursuant to California Environmental Quality Act (CEQA) section 21081.6 and CEQA Guidelines section 15091, a revised mitigation monitoring program is adopted for the Project Modification to require all reasonably feasible mitigation measures be implemented, as set forth in the mitigation monitoring program, by means of Project Modification conditions, agreement, or other measures.
- Section 5. Upon approval of the Project Modification, the City's Environmental Planning Services shall file or cause to be filed a Notice of Determination with the Sacramento County Clerk and, if the project requires a discretionary approval from any state agency, with the State Office of Planning and Research, pursuant to section 21152(a) of the Public Resources Code and the State EIR Guidelines adopted pursuant thereto.
- Section 6. The OPUS Fields at the Natomas Baseball Complex Master Plan is approved.
- Section 7. The City Manager is authorized to execute Amendment No. 01 to City Agreement 2006-0201 with OPUS West, Inc., for either construction or funding for the construction of a regional baseball facility in Natomas in an amount not to exceed \$1,000,000.
- Section 8. The City Manager is authorized to execute the Memorandum of Understanding (MOU) between the City of Sacramento and Natomas Youth Baseball for the construction, maintenance, and operation of the Natomas Baseball Complex.
- Section 9. The City Manager is authorized to execute the lease agreement between the City of Sacramento and Natomas Youth Baseball for the Natomas Baseball Complex.

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Exhibit B – Memorandum of Understanding between the City of Sacramento and Natomas Youth Baseball
Exhibit C – Lease Agreement between the City of Sacramento and Natomas Youth Baseball

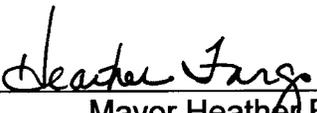
Adopted by the City of Sacramento City Council on April 3, 2007 by the following vote:

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

Noes: None.

Abstain: None.

Absent: None.



Mayor Heather Fargo

Attest:


Shirley Concolino, City Clerk

Exhibit A

WHEREAS, the City and Developer agree that the public purpose of constructing a youth baseball facility in South Natomas will best be served by amending paragraph 4.e. of City Agreement No. 2006-0201 to allow Developer to directly fund construction of the facility by a third party approved by the City.

THEREFORE, the City and Developer, as parties to City Agreement No. 2006-0201, ("Agreement"), hereby amend paragraph 4.e. of the Agreement to read as follows:

"Upon written request by the City, DEVELOPER shall pay the City or a third party designated by the City an amount equal to the estimated cost to construct a regional youth baseball facility in South Natomas pursuant to plans and specifications approved by the City; provided, however, Developer shall not be required to pay more than \$1,000,000. Developer shall make full payment within 90 days of the City's written request for payment."

Except as specifically revised herein, all terms and conditions of the Agreement shall remain in full force and effect, and Developer shall perform all of the duties, obligations, and conditions required under the Agreement, as supplemented and modified by this amendment.

Executed as of _____.

City of Sacramento

Ray Kerridge, City Manager

OPUS West, Inc.



3-23-07

Name
Title

DON D. LITTLE
SENIOR VICE PRESIDENT
NORTHERN CALIFORNIA

Approved as to Form:

City Attorney

City Clerk

4.e. of City Agreement No. 2006-0201 is to construct a youth baseball facility in South Natomas to serve the recreational needs of the residents of the City; and

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF SACRAMENTO AND
NATOMAS YOUTH BASEBALL**

This memorandum of understanding (MOU) is made in Sacramento, California, as of APRIL 3, 2007, by the City of Sacramento ("City") a charter municipal corporation and Natomas Youth Baseball ("NYB"), a California not-for-profit corporation. The City and NYB may be referred to collectively as "Parties" or in the singular as "Party", as the context requires.

RECITALS

The City and NYB have entered into this MOU with reference to the following facts and circumstances:

WHEREAS, the City and NYB desire to cooperate in the construction, maintenance, and operation of a state of the art baseball complex to serve the recreation needs of the residents of the City;

WHEREAS, the City owns the property shown and identified as "City Property" in Exhibit "A" attached hereto and incorporated herein by this reference ("City's Property").

WHEREAS, NYB desires to arrange for the design and construction of a baseball complex on the City's Property at no cost to the City.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Parties hereby agree as follows:

1. TERM OF MOU; TERMINATION

This MOU shall be effective when it is signed by both Parties and shall remain in effect until September 15, 2008, or final completion and acceptance by the City of the improvements to be constructed pursuant to this MOU, whichever occurs first.

2. RESPONSIBILITIES OF THE PARTIES.

The Parties will work cooperatively to ensure that the site design for the baseball complex provides access for emergency, service, and delivery vehicles, and vehicle parking for NYB staff and disabled persons, in compliance with all applicable local, state, and federal laws and regulations, including the ADA or Title 24 of the California Code of Regulation, whichever provides greater access.

NYB will do the following:

A. Design and construct on the City's Property, at no cost to the City, a baseball complex, the design of which is subject to the approval of the City. Upon final completion and acceptance by the City, all works of improvement placed on the City's

Property shall become the property of the City without the requirement of reimbursement to NYB.

B. Include the following elements, at a minimum, in the design and construction of the baseball complex improvements:

(1) The entire site graded for proper drainage.

(2) A six foot chain link fence along site perimeter.

(3) Five "Pinto Fields" with skinned-infields and pitcher's mounds and turf installed in the outfields.

(4) Three "Bronco Fields," one field with skinned-infields and pitcher's mounds and turf installed in the outfields, and two fields with all grass infields and outfields and lights.

(5) Two "Pony Fields" with all grass infields and outfields and lights.

(6) A pedestrian bridge over Reclamation District 1000's East Drainage Canal.

(7) Two snack bars with restrooms; one ancillary/baseball complex headquarters building with a snack bar and restroom; and, one maintenance building.

(8) Four enclosed batting cages.

(9) Bleacher seating at each baseball field for spectators behind the home plate area, with "berm-seating" along the sides of the playing fields.

(10) Entry Plaza with enhanced paving, including seating, entry sign, security lighting and landscaping.

(11) Concrete pathways through out the City's Property.

(12) Irrigation for the entire site.

(13) Landscaping and dense tree planting in non-active recreation areas.

(14) Fencing in accordance with the California Department of Transportation's recommendations along the Truxel Road onramp to Interstate 80.

(15) A six (6) foot chain link fence installed along the entire length of the East Drainage Canal on both the north and south sides of the canal. The

chain link fence and any other improvements within ten feet of the levee toe must be reviewed and approved in advance by Reclamation District 1000 ("RD 1000").

To the extent required by law, the baseball complex improvements shall be designed and constructed to fully-comply with the Americans with Disabilities Act ("ADA") Accessibility Guidelines or Title 24 of the California Code of Regulation, whichever provides greater access.

C. Arrange for the design and construction of the baseball complex at no cost to the City (as no City funds are to be utilized for this project, neither the NYB nor any of its agents, contractors, subcontractors, or volunteers are subject to the Prevailing Wage provisions) subject to the terms and conditions set forth below:

(1) NYB shall complete a new site survey.

(2) NYB shall submit the design and construction drawings to, and obtain the approval of, the Landscape Architecture Services Section of the Department of Parks and Recreation and various units of the Departments of Development Services and Utilities. All improvements shall be made to the City's Standard Specifications for Public Works Construction and/or Park and Recreation Facility Design and Development Standards and approved in writing in advance by the City. The City shall work closely with NYB in the design of the improvements; however, the City retains the right of final approval. All plans and specifications for such improvements, cost estimates, and the schedule for construction, shall be submitted to City for its prior review and approval. At the same time, NYB shall submit to City for its review and approval evidence of adequate financing or other arrangements to the improvements and will pay the necessary fees for the submissions.

(3) NYB shall obtain environmental approval from the City's Development Services Department, Environmental Services Division. NYB shall retain a qualified biologist to conduct a pre-construction burrowing owl survey. NYB shall also retain a qualified (i.e., permitted) biologist to monitor the City's Property to prevent the accidental loss of any giant garter snakes during construction.

(4) Prior to grading, NYB shall file a Notice of Intent with the State Water Resources Board, file the appropriate plan, and pay the related fees.

(5) NYB shall be responsible for satisfying the Habitat Conservation Plan requirements necessary to develop the entire 20.619-acres that comprise the City's Property.

(6) NYB shall obtain all necessary approvals from RD 1000 for the

pedestrian bridge that will cross RD 1000's drainage canal. The City shall be responsible for obtaining the necessary approvals from RD 1000 for the chain link fence described in Section 2.B(16), above.

(7) NYB shall obtain all necessary building permits and pay appropriate fees.

(8) NYB shall have the project inspected by the City and pay the associated fee to the City.

(9) NYB shall pay appropriate fees for each of the City-related processes, reviews and approvals as determined after the project has been designed.

(10) NYB, its agents, contractors, subcontractors, and volunteers, in the performance of this MOU, shall act in an independent capacity and not as officers or employees or agents of the City.

(11) NYB, its agents, contractors, subcontractors, and volunteers shall assume all responsibility for their activities and operations and shall bear all losses and damages directly or indirectly resulting from their activities and operations whether the result of unforeseen difficulties, accidents, negligence or other causes not predicated on the active negligence of the City.

(12) NYB shall indemnify and save harmless, the City, its officers and employees, and each and every one of them, from and against all actions, damages, costs, liability, claims, demands, losses, judgments, penalties, costs and expenses of every type and description, including, but not limited to, any fees and/or costs reasonably incurred by the City's staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (hereafter collectively referred to as "Liabilities"), to the extent such Liabilities are caused by or arise from any negligent act or omission, recklessness or willful misconduct of the NYB, its contractors,

subcontractors, agents, or volunteers, and their respective officers and employees, in connection with the performance or nonperformance of this MOU, whether or not (i) such Liabilities also are caused in part by the passive negligence of the City, its officers or employees, (ii) the City, its officers or employees reviewed, accepted or approved any service or work product performed or provided by the NYB, or (iii) such Liabilities are litigated, settled or reduced to judgment.

(13) NYB shall, upon the City's request, defend at the NYB's sole cost any action, claim, suit, cause of action or portion thereof that asserts or alleges Liabilities caused by or arising from any negligent act or omission, recklessness or willful misconduct of the NYB, its contractors, subcontractors, agents, or volunteers, and their respective officers and employees, in connection with the performance or nonperformance of this MOU, whether such action, claim, suit, cause of action or portion thereof is well founded or not.

(14) NYB shall be responsible for all regulatory compliance including but not limited to compliance with environmental and OSHA requirements.

(15) NYB shall be solely and completely responsible for furnishing, installing, and maintaining all warning signs and devices necessary to safeguard the general public and the work, and to provide for the proper and safe routing of vehicular and pedestrian traffic during the performance of the work. This requirement shall continuously and not be limited to normal working hours. The use of flagman, barricades, and construction signing shall comply with the current edition of Work Area and Traffic Control Handbook.

(16) NYB shall all times during and after construction of the improvements, pay when due all sums of money that may become due for any labor, services, materials, supplies or equipment furnished or to be furnished to or for, in or upon the improvements, and shall at its sole cost and expense promptly satisfy any mechanic's or materialmen's liens relating thereto, and obtain the release and discharge thereof.

(17) NYB shall, upon completion of the construction of the improvements, submit to City as-built plans and specifications for approval by City's Department of Department of Parks and Recreation, Park Planning Design and Development Division. Upon approval of such plans and conditions, and upon satisfaction of any other applicable requirements, including but not limited to matters related to warranties and liens which must be removed by NYB, City will accept the improvements.

NYB shall, prior to City's acceptance, transfer all warranties to City, and shall execute a one-year warranty agreement with respect to the improvements.

(18) NYB shall ensure that any materials stored on the City's Property shall be placed so as to minimize any hazard to the public and so that no damage to public property will result. NYB, its contractors, subcontractors, agents, or volunteers shall constantly preserve public safety. Any property damage caused by NYB, its contractors, subcontractors, agents, or volunteers shall be repaired to the satisfaction of the City.

(19) NYB shall coordinate with Natomas High School and Discovery High School on construction work hour restrictions to minimize conflicts between construction traffic and school traffic.

(20) Until the completion and final acceptance by City of all improvements under this MOU, the improvements and the site shall be under NYB's responsible care and charge. NYB shall take reasonable measures to protect the improvements and the site from damages of any kind. NYB shall rebuild, repair, restore and make good all injuries, damages, re-erectations, and repairs occasioned or rendered necessary by causes of any nature, to all or any portions of the improvements or the site.

D. Insurance Requirements. During the entire term of this MOU and until final completion and acceptance by the City of the improvements provided for in this MOU, NYB shall, at its sole cost, maintain in full force and affect the insurance coverage described in this section.

It is understood and agreed by NYB that its liability to the City shall not in any way be limited to or affected by the amount of insurance coverage required of or carried by the Contractor.

(1) Minimum Scope and Limits of Insurance Coverage

a. Commercial General Liability Insurance, 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) per occurrence. The policy shall provide contractual liability and products and completed operations coverage for the term of the policy.

b. Automobile Liability Insurance 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) per occurrence. The policy shall provide coverage for owned, non-owned and/or hired autos as appropriate to the operations of the Contractor.

c. Workers' Compensation Insurance with statutory limits, and Employers' Liability Insurance with limits of not less than one million dollars (\$1,000,000). The Worker's Compensation policy shall include a waiver of subrogation.

(2) Additional Insured Coverage

a. 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 NYB, products and completed operations of NYB, and premises owned, leased or used by NYB. The general liability additional insured endorsement must be signed by an authorized representative of the insurance carrier.

If the policy includes a blanket additional insured endorsement or contractual additional insured coverage, the above signature requirement may be fulfilled by submitting that document with a signed declaration page referencing the blanket endorsement or policy form.

b. 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.

(3) Other Insurance Provisions

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

a. NYB'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 Contractor's insurance and shall not contribute with it.

b. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its officials, employees or volunteers.

c. Coverage shall state that NYB'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.

d. City will be provided with thirty (30) days written notice of cancellation or material change in the policy language or terms.

(4) 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 4 must be declared to and approved by the City Risk Management Division in writing prior to execution of this Agreement.

(5) Verification of Coverage

a. NYB shall furnish City with certificates and required endorsements evidencing the insurance required. The certificates and endorsements shall be forwarded to the City's Risk Management Division. 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.

b. The City may terminate the MOU if the certificates of insurance and endorsements required have not been provided prior to execution of this MOU or if the insurance is canceled or NYB otherwise ceases to be insured as required herein.

(6) Contractors

NYB shall require and verify that all contractors it retains to perform work under this MOU maintain insurance coverage that meets the minimum scope and limits of insurance coverage specified in subsection (D)(1), above.

E. All construction must be complete, and final certificates of occupancy or other final approvals issued, by September 15, 2008.

The City will do the following:

A. Allow NYB to access the City's Property free of charge to construct the baseball complex.

B. Upon final completion of the improvements and acceptance by the City, the City shall assume responsibility for the maintenance and operation of the baseball complex. NYB shall have no right or responsibility to maintain or operate the baseball complex after final completion of the improvements and acceptance by the City; provided, however, the parties may enter into a separate written agreement by which NYB assumes responsibility for maintaining and operating the baseball complex.

3. NOTICE

Any communication required during the term of this MOU, including, without limitation, notice of termination, shall be deemed given when placed in the United States Mail, postage prepaid, and addressed as follows:

Notice to City: City Manager (or designee)
City of Sacramento
915 I Street, 5th Floor, Sacramento 95814
(916) 808-5704

Notice to NYB: President
Natomas Youth Baseball
1500 West El Camino Avenue #341
Sacramento, CA 95833
(916) 612-3242

Any Party who desires to change its address for notice may do so by giving notice as described above.

4. NO JOINT VENTURE

This MOU shall not create between the Parties a joint venture, partnership, or any other relationship of association.

5. NO GRANT OF AGENCY

Except as the Parties may specify in writing, neither Party shall have authority, express or implied, to act on behalf of the other Party in any capacity whatsoever as an agent. Neither Party shall have any authority, express or implied, pursuant to this MOU, to bind the other Party to any obligation whatsoever.

6. NON-WAIVER

Waiver of any breach of, or default under, this MOU shall not constitute a continuing waiver or a waiver of any subsequent breach either of the same or of another provision of this MOU.

7. ENTIRE AGREEMENT; MODIFICATION

This MOU contains all of the terms and conditions as agreed upon by the Parties, and supercedes any and all oral or written communications by and between the Parties.

No waiver, alteration, modification, or termination of this MOU shall be valid unless made in writing and signed by the Parties. In the event of a conflict between this MOU and any other agreement or understanding executed by the Parties subsequent to the commencement of this MOU, the terms of this MOU shall prevail and be controlling unless such other agreement expressly provides to the contrary.

8. ASSIGNMENT PROHIBITED

NYB may not assign any right or obligation pursuant to this MOU without the prior written approval of the City, which approval the City may grant in its sole and exclusive discretion. Any attempt or purported assignment of any right or obligation pursuant to this MOU without the City's prior written approval shall be void and of no effect.

9. SEVERABILITY

If any term, covenant, or condition of this MOU is held to by a court of competent jurisdiction to be invalid, the remainder of this MOU shall remain in full force and effect.

10. GOVERNING LAW

The interpretation and enforcement of this MOU shall be governed by the laws of the State of California, the state in which the Agreement is signed. .

11. COUNTERPARTS

This MOU may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

12. CAPTIONS

The headings or captions contained in this MOU are for identification purposes only and shall have no effect upon the construction or interpretation of this MOU.

13. AMBIGUITIES

The Parties have each carefully reviewed this MOU and have agreed to each term of this MOU. No ambiguity shall be presumed to be construed against either Party.

14. AUTHORITY

this MOU. No ambiguity shall be presumed to be construed against either Party.

14. AUTHORITY

The people executing this MOU have the capacity and are authorized to execute this MOU as the representatives of their respective Party, and to bind their respective Party to the terms of this MOU.

CITY OF SACRAMENTO,
a Municipal Corporation

By: _____
Ray Kerridge, City Manager

Attest:

CITY CLERK

Approved As To Form:

City Attorney

LEASE AGREEMENT
LESSOR: CITY OF SACRAMENTO
LESSEE: NATOMAS YOUTH BASEBALL
3501 Fong Ranch Road, Sacramento, CA. 95834

THIS LEASE is made as of _____ by and between the CITY OF SACRAMENTO, a municipal corporation ("Lessor" or "City"), and NATOMAS YOUTH BASEBALL, a California nonprofit corporation ("Lessee"), who agree as follows:

1. DESCRIPTION OF PREMISES.

- a. For and in consideration of the payment of rents and performance of the covenants herein contained Lessor leases to Lessee and Lessee leases from Lessor the property shown and identified as "City Property" in Exhibit "A" attached hereto and incorporated herein by this reference ("Premises").
- b. Parkebridge LLC owns the property shown and identified as "Parkebridge Property" in Exhibit "A". The Parkebridge Property is part of 113.3+/- acre parcel that Parkebridge LLC intends to subdivide. As a condition of approval of the tentative map to subdivide the 113.3 +/- acre parcel, Parkebridge LLC must dedicate to Lessor in fee title the Parkebridge Property after satisfying certain conditions. Lessor and Lessee agree that if Parkebridge LLC dedicates to Lessor in fee title the Parkebridge Property, and if the dedication is accepted by the Lessor, then the Parkebridge Property shall be subject to this Lease and the City Property and the Parkebridge Property together shall constitute the Premises. The annual rent Lessee is required to pay pursuant to Section 3 of this Lease shall not be increased in the event the Parkebridge Property becomes part of the Premises.

2. TERM.

- a. The term of this Lease shall be for twenty (20) years commencing upon final completion and acceptance by the City of the works of improvement to be constructed by NYB on the Premises pursuant to the memorandum of understanding between the City of Sacramento and NYB relating to improvement at the Natomas Baseball Complex ("Initial Lease Term") subject to prior termination by Lessor in the event of a breach of any of the terms or conditions of the Lease. Lessor and Lessee shall execute a certification setting forth the commencement date and the expiration date of the Initial Lease Term of this Lease, which shall be in the form attached as Exhibit "B". In the event the works of improvement are not completed and accepted by Lessor by September 15, 2008, then this Lease shall be voidable in the sole discretion of Lessor. 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.

b. Lessee is given the option to one twenty year(20) extended term (“Extended Term”) following expiration of the Initial Lease Term, unless this Lease is sooner terminated, by giving notice of exercise of the option (“Option Notice”) to Lessor no less than six (6) months before the expiration of the Initial Lease Term. Notwithstanding the foregoing, if Lessee is in default of the terms and conditions of this Lease when it delivers the Option Notice, Lessee shall have no right to the Extend Term and the Lease shall terminate at the end of the Initial Lease Term, or if Lessee is in default on the date the Extended Term is to commence, the Extended Term shall not commence.

3. RENT.

a. Lessee agrees to and shall pay to Lessor at the Revenue Division of the City of Sacramento, 915 “I” Street, 1st Floor , Sacramento, California 95814, as rent for the Premises during the Initial Lease Term, the sum of **One Hundred Dollars (\$100) per year**. Lessee shall make payment on or before the fifteenth (15) day of September of each year.

b. A late charge (“Late Charge”) of six percent (6%) of the amount due shall be added to any amount, which is not received by the Lessor’s Revenue Division on or before the date due. The rent amount due and Late Charge shall compound at a rate of one and five tenths percent (1.5%) monthly until the outstanding balance is paid in full. Imposition and/or collection of a Late Charge shall in no way be construed as a waiver of any right or remedy available to Lessor in the event of a default by Lessee.

c. Annual rent for the Extended Term shall be mutually agreed to by the parties within ninety (90) days of Lessee’s delivery of the option notice. In no event shall the annual rent be less than \$100 per year. In the event the parties cannot reach agreement on monthly rent, this Lease will terminate at the end of the Initial Lease Term.

4. PERMITTED USE.

a. Lessee shall, during the term of this Lease, occupy, maintain, and operate the Premises for the purposes of furnishing recreational activities, including but not limited to baseball. Lessee’s failure to so occupy, maintain, and operate the Premises shall be grounds for termination of the Lease. Lessor shall have the right to prohibit, or order discontinuance of, any use or activity on the Premises that Lessor determines, in its sole discretion, is not a permitted use.

b. Lessee shall actively participate in planning and coordinating programs at the Premises with the 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.

d. Lessee shall not operate any amplified sound, music system, or lighting system in a manner which interferes with the reasonable enjoyment by the public of adjacent

areas or of private citizens within adjacent private property. Lessee shall immediately comply with any written request of Lessor concerning the use of such sound system including, but not limited to, a request to: (1) cease the use of said equipment; and (2) reduce the level of sound output of such system.

e. Pursuant to a joint use agreement between Lessor and the Natomas Unified School District ("District") for use of the District's parking lots, Lessee and its invitees shall be permitted to use the parking lots shown and identified as Natomas Unified School District Parking Lots in Exhibit "C" at no charge for the purpose of accessing the Premises. Lessee's and its invitees' use of the parking lots shall at all times be subject to the terms and conditions of the joint use agreement, the terms and condition of which are incorporated into this Lease by reference.

f. NYB shall not install, cause to be installed, or allow to be installed on the Premises any telecommunications facilities, i.e., facilities designed for the provision of cellular telephone facilities and other personal wireless services, including but not limited to transmitters, towers and other equipment without first fully complying with the provisions of Sacramento City Code section 3.76.050.

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.

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, without any abatement of rent. 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.

7. TERMS AND CONDITIONS APPLICABLE TO CONSTRUCTION OF ADDITIONAL IMPROVEMENTS

a. Pursuant to the memorandum of understanding between the City and NYB relating to improvement at the Natomas Baseball Complex ("MOU"), Lessee is responsible for the design, permitting, development, and construction baseball fields, structures, support facilities and grounds on the Premises. During the term of this Lease, Lessee, at its sole cost and expense, may elect to also perform improvements other than those described in the MOU ("Additional Improvements"); provided, however, all Additional Improvements will be made to City of Sacramento's specifications and approved in writing in advance by the City Manager or designee. Lessor shall work closely with Lessee to accomplish the mutually described objectives of the Additional Improvements; however, Lessor retains the right of final approval.

b. Once the work is begun, Lessee shall, with reasonable diligence, pursue to completion all construction of Additional Improvements, additions, or alterations. Additional Improvement projects shall be completed within six (6) months after commencement of construction, and all Additional Improvements shall be completed and ready for use by the end of the term of this Lease. Except for good cause as approved by the Director, failure to complete construction in accordance with the aforementioned schedule shall, at Lessor's election exercised by notice, terminate this Lease.

c. 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 including, but not limited to, building codes, fire codes, zoning, the Americans with Disabilities Act ("ADA"), Access for the Disabled, and the California Environmental Quality Act ("CEQA"). Lessee shall assume all fees and charges levied in connection with the issuance of permits and/or conformance to the ADA.

d. Lessee shall notify Lessor at agreed upon stages of construction in order to permit Lessor to inspect the progress of construction, the quality of Additional Improvements and the installation of mechanical equipment. Prior to final acceptance, Lessor may make a final inspection and provide a written report to Lessee of deficiencies, if any. Lessee agrees to correct all deficiencies as a condition precedent to receiving Lessor's approval for improvements.

e. On completion of any Additional Improvement, Lessee shall give Lessor notice of all changes in plans or specifications made during the course of the work. Lessor acknowledges that it is common practice in the construction industry to make minor changes during the course of construction. Changes that do not substantially alter plans and specifications previously approved by Lessor do not constitute a breach of Lessee's obligations.

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 Additional Improvement, however it may arise. Lessee shall give written notice to Lessor at least fourteen (14) days before any materials or services of any type are delivered to, or on the Premises for any purpose for which a mechanic's, material man's, contractor's, or subcontractor's lien may attach to the Premises, so as to enable Lessor to post a notice of non-responsibility on the Premises. Lessee may in good faith, and at Lessee's own expense, contest the validity of any such asserted lien, claim, or demand, provided Lessee has furnished the bond required in California Civil Code Section 3143 (or any comparable statute hereafter enacted for providing a bond freeing the Premises from the effect of such a lien claim).

g. Lessee shall defend and indemnify Lessor against all liability and loss of any type arising out of work performed on the Premises by Lessee, together with reasonable attorneys' fees, whether for outside counsel or the City Attorney, and all costs and

expenses incurred by Lessor in negotiating, settling, defending, or otherwise protecting against such claims.

h. Upon termination or expiration of this Lease, any improvements and Additional Improvements placed by Lessee shall become the property of Lessor without the requirement of reimbursement to Lessee therefore. Lessee may provide, at its sole cost and expense, any legal security devices, installations or equipment designed for the purpose of protecting the Premises from theft, burglary or vandalism providing that written approval for any such installation be first obtained from the City Manager or designee.

8. NAMING RIGHTS AND ADVERTISING SIGNAGE

a. To raise revenue to fulfill its obligations under this Lease, Lessee may pursue sponsorship of the Premises, the individual baseball fields, and any other amenities within the Premises, including offering naming rights for a period of up to 5 years; provided, however, all proposed names must be consistent with the City Council's naming policy for City facilities pursuant to City Council Resolution 2001-779 which is incorporated by reference.

b. During the term of this Lease, Lessee shall have the right to place suitable advertising on the Premises and to retain the revenues generated to be used for the operation and maintenance of the Premises.

All signage must comply with the City of Sacramento's sign regulations. Because the Premises is a publicly-owned resource that may not be used in political campaigns, political advertising shall not be permitted. Furthermore, the advertising of alcohol or tobacco-related products is prohibited.

9. OPERATION AND MAINTENANCE OF PREMISES.

a. Lessee agrees that the Premises shall be operated by a nonprofit corporation and on a nonprofit basis.

b. Lessee agrees that no discrimination, distinction, or restriction shall be made on account of sex, color, race, religion, handicap, ancestry, sexual orientation, or national origin 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. Upon a final determination by a court of competent jurisdiction that Lessee has violated this subparagraph 9, Lessor may, at its option, terminate this Lease.

c. Lessee shall conduct its activities in a safe and professional manner and in accordance with all applicable regulations and ordinances of the City and County of Sacramento and the laws of the State of California and the United States.

d. Lessee shall pay all charges and assessments for: heat, gas, electricity, water,

telephone, janitorial and cleaning services; the disposal of garbage, refuse, waste and rubbish; and all other public service conveniences used on the Premises during the term hereof.

e. At Lessee's sole cost and expense, Lessee shall maintain and repair the Premises including, but not limited to: the irrigation system for turfed areas, baseball backstops, protective fencing, parking area, trees and landscaped areas, bleachers, grounds, structures, appurtenances, and all other incidentals necessary for the safe operation of baseball and recreational activities.

f. Any bleachers or other seating facilities shall be constructed strictly in accordance with federal, state and local safety standards applicable to such improvements. This requirement shall include, but not be limited to, the duty to immediately correct any conditions which constitute a hazard to persons using said bleachers.

g. Lessee shall maintain in good condition the railings along the sides and back of all bleachers. Such railings shall be maintained in a manner which complies with federal, state, and local safety laws.

h. Lessee shall assure that all garbage and trash is packed up and hauled from the Premises on a regular basis.

i. Upon Lessee's failure to properly maintain the Premises, Lessor shall have the right to perform such maintenance work at Lessee's expense, but such right shall not be construed as constituting a legal obligation upon Lessor to perform such duties.

j. Lessee shall keep the Premises used, and the areas immediately adjacent thereto, in a high degree of cleanliness and repair at all times and shall conduct its operation in such a way as to prevent the escape of debris from these activities.

k. Lessee shall abide by all regulations and requirements governing the employment of minors as set forth by the Federal Department of Labor, the State of California Employment Development Department, and local school district jurisdictions.

10. REPORTING AND NOTIFICATION REQUIREMENTS

a. Lessee agrees to secure and provide all necessary licenses and permits and provide the City Manager or designee with current copies of said licenses and permits and with copies as they are renewed. Lessee shall pay before delinquency all lawful taxes, assessments, fees, or charge which at any time may be levied by the State of California, County of Sacramento, City of Sacramento, or any tax or assessment levying body on any interest held by Lessee in this Lease or possessory right which Lessee may have in or to the Premises or any of the improvements thereon by reason of its use and occupancy or otherwise, as well as taxes, assessments, fees, licenses, and charges on goods, merchandise, fixtures, appliances, and equipment owned or used by it in or about Premises. This Lease creates a possessory interest subject to taxation by the County of Sacramento. The possessory interest tax shall be paid by Lessee unless Lessee obtains an exemption from the County of Sacramento.

b. Lessee shall annually provide the City Manager or designee with a list of

Natomas Youth Baseball officers including their names, addresses, and telephone numbers, and shall notify Lessor of any changes in said officers. This list shall be provided on or before the fifteenth (15) day of September of each year.

c. Upon execution of this Lease, and from time to time thereafter, the Lessee's Board of Directors shall select a board member in good standing to act as Lease Liaison Officer for Lessee and notify the City Manager or designee of Lessee's selection. It shall be the Lease Liaison Officer's responsibility to ensure that Lessee complies with the terms and conditions of this Lease and that Lessor is provided with proof of compliance with all provisions of the Lease as required herein.

d. Lessee shall provide the City Manager or designee with an annual financial statement indicating revenues produced from the operation of the facility and the manner in which said revenues were expended or retained. The annual statement shall be provided on or before the fifteenth (15) day of February of each year.

11. INDEMNITY AND HOLD HARMLESS.

Lessee shall assume the defense of, and indemnify and save harmless, City of Sacramento, 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 City of Sacramento, whether for outside counsel or the City Attorney.

12. 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 on Exhibit "D", attached hereto and incorporated herein by reference.

13. COMPLIANCE WITH LAW.

Lessee and its agents or employees shall at all times comply with and abide by all pertinent or applicable regulations and ordinances of the City of Sacramento, the County of Sacramento, and the laws of the State of California and the United States insofar as the same or any of them are applicable, including the ADA, and to obtain and keep in effect all necessary permits and licenses required for any and all operations permitted herein.

14. ASSIGNMENT, SUBLET, HYPOTHECATION.

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.

15. VIOLATION(S) OF LEASE PROVISIONS.

a. The City Manager or designee may terminate this Lease in the event that Lessee violates any provision hereof. Lessee may appeal any termination of this Lease to the City Council within thirty (30) days after the date of mailing the notice of termination by the City Manager or designee. Lessee's written notice of appeal shall specify the grounds for appeal. The decision of the City Council shall be final and conclusive.

b. In the event Lessee fails or neglects to perform any of the duties required to be performed by it by virtue of the provisions of this Lease, Lessor may enter upon the Premises and perform such duties in accordance with subparagraph 9(i) herein.

16. 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. Within sixty (60) days of termination, 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 within the sixty-day period, 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 therefore.

17. CAPTIONS.

The captions of the various articles and paragraphs of this Lease are for convenience and ease of reference only and do not define, limit, augment, or describe the scope or intent of this Lease or any part or parts of this Lease.

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. CONDEMNATION.

In the event any entity with the power of eminent domain shall take the Premises, or any part thereof, actually using the power of eminent domain or negotiating under the threat of the use of the power of eminent domain, then;

a. In the event of taking of the entire Premises, this Lease shall be terminated when title passes to the condemner or when possession is obtained by the condemner, whichever shall first occur; or

b. In the event of taking of less than the entire Premises, Lessee shall have the right to terminate this Lease by giving sixty (60) days advance written notice to Lessor.

20. EXCUSABLE DELAYS.

Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefore, enemy or hostile government action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of any party obligated to perform, shall excuse performance by such party for a period equal to such prevention, delay or stoppage.

21. NOTICES.

Any notices and orders that may be given under this Lease may be served by first-class mail or in person as follows, or to such other address as either may provide to the other

in writing:

To Lessor:
City of Sacramento
City Manager (or designee)
915 I Street, 5th Floor
Sacramento, CA 95814
RE: Natomas Youth Baseball

To Lessee:
Natomas Youth Baseball
1500 West El Camino Avenue #341
Sacramento, CA 95833
Attn: President

with a copy to:

City of Sacramento
Parks and Recreation Department
915 I Street, 5th Floor
Sacramento, CA 95814
Attn: Tim Hopper, Administrative Officer

Service shall be deemed complete upon deposit in the mail or upon personal delivery. Notice to Lessee of termination of this Lease shall be made by Lessor by certified mail to Lessee's Lease Liaison Officer.

22. 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.

23. AMENDMENT IN WRITING.

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

24. SEVERABILITY.

The invalidity of any portion of this Lease shall not affect the remainder, and any invalid portion shall be deemed rewritten to make it valid so as to carry out as near as possible the expressed intention of the parties.

25. 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.

26. TIME OF THE ESSENCE.

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

27. GOVERNING LAW.

This Lease shall be construed and enforced in accordance with the laws of the State of California.

28. TERMINATION.

Notwithstanding Section 2 herein, Lessor may terminate this Lease if by majority vote the City Council determines it is in the best interest of the City to do so, and upon giving 180 days written notice. Lessee may terminate this Lease by giving 180 days written notice to Lessor.

29. AUTHORIZATION.

Each individual executing this Lease on behalf of any entity represents and warrants that he or she has been authorized to do so by the entity on whose behalf he or she executes this Lease and that said entity will thereby be obligated to perform the terms of this Lease.

30. ENTIRE AGREEMENT.

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

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

RECOMMENDED FOR APPROVAL:

LESSOR: CITY OF SACRAMENTO,
a municipal corporation

By: _____
Assistant City Manager
for Ray Kerridge, City Manager

Dated _____

LESSEE: NATOMAS YOUTH
BASEBALL, a California nonprofit corporation

APPROVED AS TO FORM:

By: _____
Print Name: _____
Title: President

By: _____
Michael Sparks,
Senior Deputy City Attorney

Dated: _____

By: _____
Print Name: _____
Title: Treasurer

Dated: _____

ATTEST:

By: _____
City Clerk

EXHIBIT "A"

MAP OF LEASED PREMISES

EXHIBIT A
OPUS FIELDS AT THE NATOMAS BASEBALL COMPLEX

PARCEL LAYOUT PLAN

DATE: MARCH 13, 2007

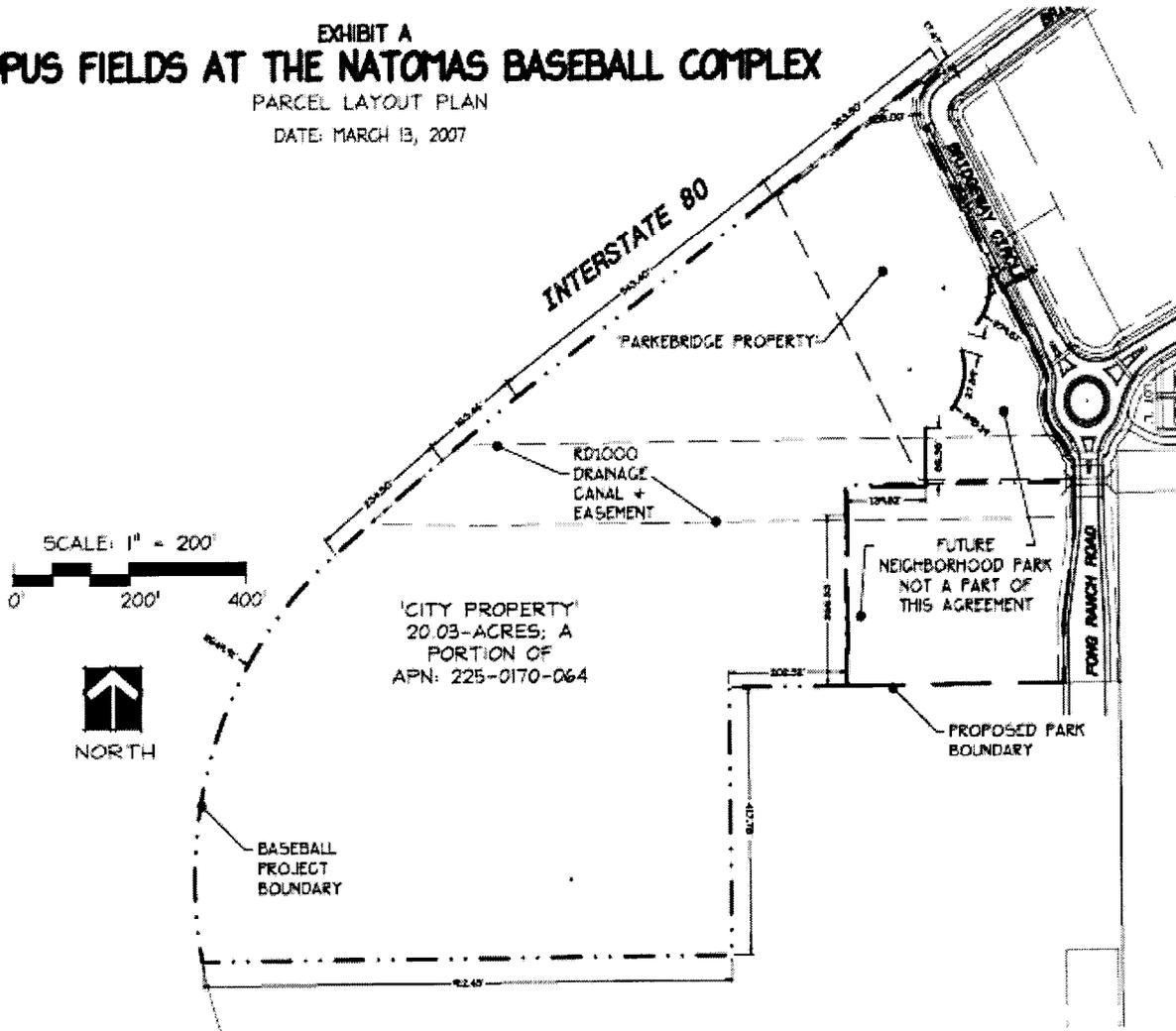


EXHIBIT "B"

CERTIFICATION OF COMMENCEMENT DATE

This is to confirm that the commencement date of attached Lease dated _____, 2007, between the City of Sacramento, a municipal corporation, and Natomas Youth Baseball, California not-for-profit corporation, is, for all purposes, agreed to be _____, 20__, and the expiration date of the Lease is agreed to be _____, 20__.

CITY OF SACRAMENTO, a municipal corporation

NATOMAS YOUTH BASEBALL, a California not-for-profit corporation

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

EXHIBIT C

NATOMAS UNIFIED SCHOOL DISTRICT PARKING LOTS

EXHIBIT C:
Natomas Unified School District Parking Lots

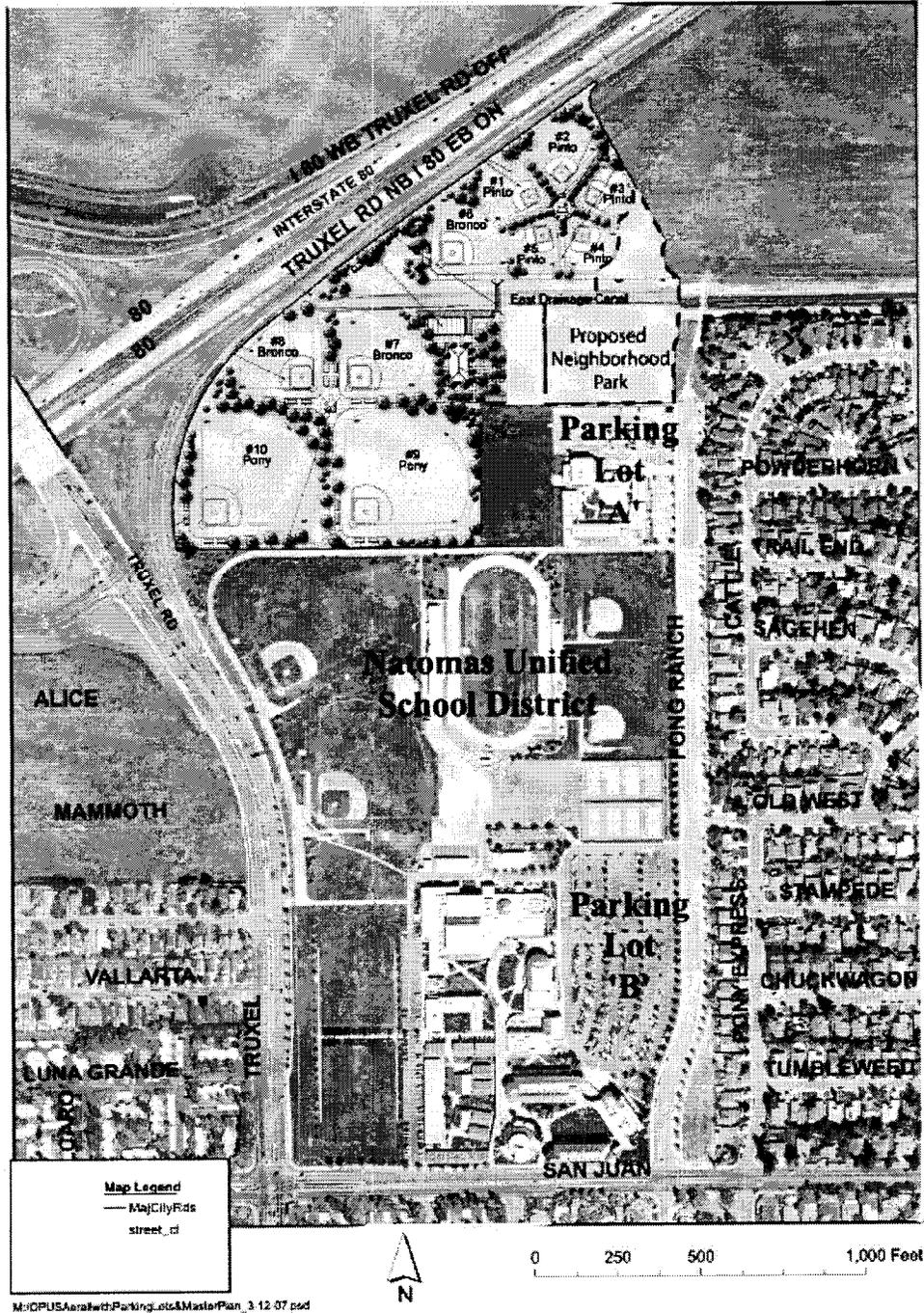


EXHIBIT "D"

INSURANCE REQUIREMENTS

During the term of this Lease, and until final completion and acceptance of any work required by this Lease, Lessee shall maintain in full force and effect at its own cost and expense the following insurance coverage. By requiring the insurance herein, the CITY does not represent that the coverage and limits will necessarily be adequate to protect the LESSEE. It is understood and agreed by the LESSEE that the required insurance coverage and limits shall not be deemed as a limitation on LESSEE'S liability under the indemnities granted to the CITY in this Lease Agreement.

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 GL 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 for the term of the policy. The policy shall include a fire legal liability limit of \$50,000 per occurrence.

- (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 of one or more persons, property damage and personal injury with limits no less than \$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.

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

- (4) All Risk Property Insurance is required for all tenant improvements, fixtures and equipment located on or about the premises against loss or damage including fire, flood or other acts of nature and vandalism. Tenant improvements, fixtures, and 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 tenant improvements or alterations.

B. Additional Insured Coverage

- (1) Commercial General Liability Insurance The City, its officers, employees and volunteers shall be covered by policy terms or endorsement as additional insured as respects general liability arising out of activities performed by or on behalf of the Lessee including products and completed operations of Lessee and premises owned, leased or used by Lessee.
- (2) Auto Liability Insurance The City, its officers, employees and volunteers shall be covered by policy terms or endorsement as additional insured 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 to The City, its officers, 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 the CITY, its officers, employees and 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 terms or language.

D. Acceptability of Insurers

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 Section 12 must be declared to City's representative and approved by the City Risk Management Division.

E. 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'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.

(2) The CITY may withdraw its offer or cancel this Lease Agreement if the certificates of insurance and endorsements required have not been provided prior to execution of this Agreement. 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 Agreement.

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 with the exception of subsection A(4).