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COMMUNITY/CONVENTION CENTER
City of Sacramento
ADMINISTRATION OFFICES

June 10, 1988

Budget and Finance Committee
Sacramento, California

Committee Members:

SUBJECT: Lease of Property at 2200 Front Street

SUMMARY

This report recommends that the Budget and Finance Committee review and approve for City Council action the lease of City property commonly known as the Towe Ford Museum (2200 Front Street) by the California Vehicle Foundation.

BACKGROUND INFORMATION

In February 1988, the City of Sacramento purchased 2.159 acres of property from Cecil and Ray Finegold. This property had been leased by the California Vehicle Foundation. At the time of purchase, staff reported that a lease of the property by the California Vehicle Foundation would be required in order to continue operations of the Towe Ford Museum.

This lease is now prepared and has been reviewed by the City Manager's Office, City Attorney's Office and the Sacramento Convention Center office.

Significant terms of the Agreement include:

1. Term of lease is 20 years plus first right of refusal for a new lease.
2. Rent in the amount of \$200 per month.
3. Commitment of a graduated 5% to 10% of revenue to capital projects.

4. Operational/reporting requirements include:
 - Submittal of an annual budget
 - Capital improvement plan and schematics must be submitted and require approval
 - 4% of all concessions must be committed to capital projects
 - Preparation of a marketing plan
 - Responsible for all utilities, repairs and maintenance
 - Must supply financial records
5. Applicable insurance is required.

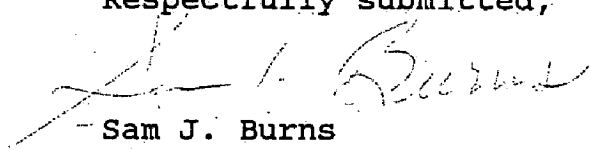
FINANCIAL DATA

This lease is anticipated to generate \$2,400 annually and will be deposited in the Community Center Fund.

RECOMMENDATION

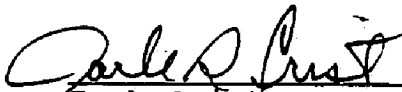
It is recommended that the Budget and Finance Committee review and approve for Council action the lease of the real property located at 2200 Front Street to the California Vehicle Foundation.

Respectfully submitted,



- Sam J. Burns
Director, Community
Convention Center

Recommendation Approved:



Jack Crist
Deputy City Manager

June 28, 1988
All Districts

Attachments

RESOLUTION NO.

Adopted by The Sacramento City Council on date of

RESOLUTION
AUTHORIZING THE CITY MANAGER
TO EXECUTE A LEASE WITH THE
CALIFORNIA VEHICLE FOUNDATION
FOR THE PROPERTY LOCATED AT
2200 FRONT STREET

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

That the City Manager is hereby authorized
and directed to execute a lease between the
City of Sacramento and the California Vehicle
Foundation for the real property located at
2200 Front Street.

MAYOR

ATTEST:

CITY CLERK

Budget Office
File Copy

LEASE

THIS LEASE, hereinafter sometimes referred to as a "lease", is made effective as of _____, by and between the CITY OF SACRAMENTO, a municipal corporation ("Lessor"), and the California Vehicle Foundation, a California nonprofit public benefit corporation ("Lessee"), who agree as follows:

RECITALS

A. Before February 3, 1988, Cecil and Ray Finegold were owners of a parcel of real property located in the City of County of Sacramento, State of California, described in Exhibit "A" attached ("the Subject Property"). On or about February 3, 1988, the City of Sacramento purchased the Subject Property.

B. The California Vehicle Foundation has leased the Subject Property since June 26, 1986 for the purpose of preserving and displaying the automobile history of California. The City of Sacramento has, upon the terms and conditions specified in this lease, agreed to lease the Subject Property to the California Vehicle Foundation.

C. The California Vehicle Foundation has entered into an agreement with the Towe Antique Ford Foundation for the purpose of housing and displaying its automobile collection.

D. The California Vehicle Foundation Museum will display and house historical and special interest automobiles that have helped shape California history.

AGREEMENTS

Lessor and Lessee agree as follows:

1. Lease

Subject to the terms and conditions hereinafter set forth, Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Subject Property, hereinafter sometimes referred to as "the premises".

2. Term

The term of this lease shall be for twenty years commencing on February 3, 1988 and ending at 11:59 p.m. February 2, 2008, subject to prior termination by Lessor in the event of a breach of any of the terms or conditions of this lease.

In the event that Lessor determines in its sole and exclusive discretion, to lease the premises at the termination of this Lease, then Lessee shall be given the right of the first refusal as to a new lease on the Subject Property. This right of first refusal is subject to the following conditions:

a. Any new lease shall be subject to such terms and conditions as may be selected by Lessor, in its sole and exclusive discretion, without limitation.

b. Lessor shall, if Lessee fails or refuses to accept the terms and conditions proposed by Lessor, have the right to lease the Subject Property to any third person or entity, on any terms and conditions selected by Lessor, which terms and conditions need not be the same as those offered to Lessee.

3. Rent

In addition to all other consideration provided for under the terms of this lease, Lessee shall pay rent in the sum of TWO HUNDRED DOLLARS (\$200.00) per month, payable in advance monthly beginning on March 1988. The payment for the first month shall be made within ten (10) days of execution of this lease by Lessor. Each rental payment shall be made to

the Revenue Division of the City of Sacramento, City Hall, Room 104, 915 I Street, Sacramento, California 95814, on or before the tenth (10th) day of each month. A late charge of five percent (5%) of the amount due shall be added to any amount which is not received by the City Revenue Division on or before the date due.

4. Permitted Use

a. Because the Subject Property is publicly-owned land owned by Lessor, Lessee agrees that the Subject Property and any or all of the facilities developed thereon shall be available to all persons desiring to use the same, subject to all reasonably necessary rules and regulations invoked by the Lessee (California Vehicle Foundation).

b. Lessee shall, during the term of this lease, occupy, maintain, and operate the Subject Property solely as a museum facility for the purpose of preserving, housing and displaying collectible vehicles. The failure of the Lessee to occupy, maintain, and operate the Subject Property in accordance with the terms of this Lease shall result in termination of the Lease.

c. Lessee shall neither permit nor carry on any activity nor allow any condition on the Subject Property which is a public or private nuisance.

5. Lessee Operational Requirements

a. Agreements for Use of Leased Premises

Lessee shall seek written approval from the City for all agreements which may affect the Subject Property prior to execution by Lessee. City shall have right to approve standard form agreements for use of Subject Property.

b. Annual Budget

Lessee shall provide an adopted annual budget by January 1st of each year. The budget shall be for the calendar year commencing on that January 1. The program budget shall provide for expenditures by line items and shall identify anticipated revenue sources. Lessee shall annually commit 5% of the operating budget for City approved major maintenance and capital improvements for the next three years of this Lease; and 10% for all remaining years of this Lease including any extensions or renewals thereof.

c. Capital Improvement Plan

Exhibit "B" provides a Lessor approved list of capital improvements in priority of order of completion. Lessee shall submit a schematic outlay for approval by Lessor upon commencement of this Lease. Lessor shall respond to Lessee within 60 days of receipt of such plan. Lessor reserves the right to modify priorities established in Exhibit "B" for completing capital projects. Lessee shall first receive written approval from Lessor for any capital improvements prior to commencement of said improvements.

Lessee may elect, at its sole cost and expense, to perform additional improvements above and beyond those described in Exhibit B providing that advance written notice of intended improvements is provided to Lessor, and provided that Lessor shall first have given written approval of any such improvements.

d. Concessions

Lessee shall be responsible for the operation of any gift shop, food or beverage services. Lessee shall annually commit 4% the gross receipts from gift shop operations to capital improvement projects approved in writing by Lessor. Lessee shall have the right to sub-

lease or contract for such services provided, however, Lessee shall first receive written approval of Lessor on any sublease or contract.

e. Marketing Plan

Lessee shall be required, within one (1) year of commencement of this Lease, to develop and present to Lessor, a marketing plan for the Museum. Such plan shall be presented to the Community Convention Center Director.

6. Operation and Maintenance of Premises

a. NonProfit Operations

Lessee agrees that the Subject Property shall be operated on a nonprofit basis.

b. NonDiscrimination

Lessee agrees that no discrimination, distinction, or restriction shall be made on account of age, sex, marital status, color, race, ancestry, national original, physical handicap or sexual orientation contrary to the provisions of Section 51 of the Civil Code of the State of California, or any other federal, state, or local law or regulation prohibiting employment or other discrimination. Upon a final determination by a court of competent jurisdiction that the Lessee has violated any such law or regulation, this lease may, at Lessor's option, be terminated.

c. Health & Safety Regulations

Lessee agrees to comply promptly with written reasonable orders that may be issued from time to time by Lessor as to matters concerning the operation of the facility as it may affect health or safety of the public using the Subject Property.

d. Regulations & Ordinances

Lessee shall conduct its activities 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.

e. Minors

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.

f. Utilities

Lessee shall pay all charges and assessments for heat, gas, electricity, water, sewer, and telephone services; the disposal of garbage, refuse, and rubbish; and all other public service conveniences used on the Subject Property during the term hereof.

g. Repairs & Maintenance

Lessee shall maintain and repair the following, at its expense: the grounds, buildings, appurtenances, HVAC and any other improvements, and all other incidentals necessary for the operation of the Subject Property.

h. Cleanliness; Landscaping

Lessee shall keep the Subject Property 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. Lessee shall assure that all cleaning of the area and facilities will be accomplished in such a manner that no trash or debris is allowed to be scattered, blown, carried, or otherwise deposited upon other private or public property or facilities not covered by this Lease. Lessee shall assure that the exterior developed areas be kept in a clean, weed-free, and well-mowed condition.

1. Amplified Sound

Lessee shall not operate any amplified sound music system in a manner which interferes with the reasonable enjoyment of surrounding and adjacent properties. Lessee shall immediately comply with any written request of Lessor concerning the use of sound systems, including, but not limited to, a request to: (1) cease the use of said equipment; (2) restrict the hours of use of such system; or (3) reduce the level of sound output of such system.

7. Maintenance and Inspection of Records

a. Lessee shall, at all times during the term of this agreement, and for the period of three years thereafter, keep true, accurate, and complete financial records and accounts of its operations of the Museum and its operations, including gift shop, food or beverage services, and such other financial or business records as may be required by the Director of the Community Convention Center or authorized City representatives. The Director or authorized City representatives shall have the right at all times to examine and audit said records and accounts.

b. Lessee further agrees to furnish to the Director of the Community Convention Center, within twenty (20) days of the end of each monthly period, a report detailing all gross receipts derived from each and every revenue source including the special programs, gift shop, and food or beverage operations for that period.

c. Lessee shall furnish to the Director of the Community Convention Center a copy of each and every sales tax return submitted to the State Board of Equalization on behalf of Lessee or any operation on the premises thirty (30) days after filing dates established by the State. Lessee shall also furnish a copy of each and ever

correspondence between Lessee and the State Board of Equalization during the term of this agreement within (30) days after the mailing.

d. Lessee shall obtain and install cash registers or other accounting equipment acceptable to the Community/Convention Center Director through which Lessee shall record all gross sales from its operations, including special programs, gift shops, and food and beverage services (and no others). Such machines shall be non-resettable and shall supply an accurate recording of all sales on tape and a receipt for each transaction. Such equipment shall have a customer display which is visible to the public. Lessee shall make such cash register tapes available to the Community/Convention Center Director on request. In addition, Lessee shall provide the City, upon request, with any other records bearing in any way upon the operation of the facility including and gift shop or food and beverage operations, to assist the City in determining the amount gross receipts.

8. Licenses and Permits

Lessee agrees to secure and provide all necessary licenses and permits and 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 on any interest in this Lease, or any possessory right which Lessee may have in or to the Subject Property or improvements thereon by reason of its use or occupancy thereof or otherwise. Lessee agrees to secure and pay all taxes, assessments, fees, licenses, and charges on goods, merchandise, fixtures, appliances, and equipment owned or used by it in or about the Subject Property. Lessee, at its cost, shall have the right, at any time, seek a reduction in the assessed valuation of the Subject Property or to contest any real property taxes that are to be paid by Lessee. Lessor

shall not be required to join in any proceeding or contest brought by Lessee unless provisions of any law require that the proceeding or contest be brought by or in the name of Lessor or the owner. Lessee, on final determination of the proceeding or contest, shall immediately pay or discharge any decision and penalties incidental to the decision or judgment.

9. Indemnity and Hold Harmless

Lessee shall assume the defense of, and indemnify and save harmless, Lessor, 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, or arising out of or connected any way with the use and operation of the Subject Property by Lessee, its agents, officers, and employees, or any person or firm on or occupying the Subject Property with Lessee's permission, whether within or without the scope of this Lease whether or not it is caused in part by a party indemnified hereunder. The foregoing includes, but is not limited to, any attorney fees reasonably incurred by Lessor.

10. Insurance

During the term of this lease, Lessee shall maintain in full force and effect at its own cost and expense, the following insurance coverage. Insurance is to be placed with insurers with Bests' rating of no less than A:VI.

a. Workers Compensation

Workers compensation insurance in compliance with California statutes, and Employer's Liability coverage of at least \$1 million per occurrence.

b. General Liability Insurance

The Lessee must provide sufficient broad coverage to include:

Broad Form Property Damage Liability
Comprehensive Auto and General Liability Insurance
Contractual Liability
Liquor Liability
Personal Injury Liability

The amount of the policy shall be no less than One Million Dollars Single Limit per occurrence, issued by an admitted insurer or insurers as defined by the California Insurance Code. The policy shall stipulate that this insurance will operate as Primary Insurance and that no other insurance effected by Lessor or other Named Insured will be called on to contribute to a loss covered thereunder.

c. Casualty and Use and Occupancy Insurance

Lessee, at its cost, shall maintain throughout the term of the lease a policy or policies of casualty insurance and use and occupancy insurance providing not less than \$1,775,000. The insurance policy shall be issued in the name of Lessor and Lessee as their interest may appear. The insurance policy shall provide that any proceeds shall be payable to Lessor for the repair or reconstruction of the Subject Property. If, during the term, the Subject Property is totally or partially destroyed from a risk covered by the insurance, rendering the Subject Property totally or partially inaccessible or unusable, Lessor shall restore the Subject Property to the extent that there is sufficient funds from the insurance or proceeds to do so. Such destruction shall not terminate this lease unless Lessor, due to insufficient insurance funds, determines not to restore the Subject Property.

d. Waiver of Subrogation

Each party shall cause each insurance policy ob-

tained by it to provide that the insurance company waives all rights of recovery by way of subrogation against either party in connection with any damage covered by any such policy.

e. Certificate of Insurance

Lessee will have the Lessor's standard Certificate of Insurance completed and filed with City's Risk Management and Insurance Division, within fifteen days of the execution of this lease and prior to engaging in any operation or activity set forth in this Lease. Said policies shall provide that no cancellation or change in coverage without thirty (30) days advance notice of Lessee.

Should Lessee fail to maintain the required insurance coverage in full force and effect throughout the entire term of the Lease or fail to provide the Lessor with the required "Certificate of Insurance" within ten (10) days of written notice requesting same at any time during the term of the Lease, Lessor shall have the right to terminate this Lease.

11. Terms and Conditions Applicable to Construction

All construction or improvements made by Lessee shall be done in accordance with specifications approved in writing in advance by Lessor. 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 Subject Property for any purpose for which a mechanic's or materialman's contractor's or subcontractor's lien may attach to the Subject Property so as to enable Lessor to post a notice of non-responsibility.

Once the work is begun, Lessee shall, with reasonable diligence, prosecute to completion all construction of improvements, additions, or alterations. Each such capital improvement project shall be completed within twelve (12) months after commencement of this construc-

tion, and all capital improvements shall be completed and ready for use during the term of this Lease. Failure, regardless of cause, to complete such improvements construction in accordance with the aforementioned schedule, or to complete the improvements specified in Exhibit B within the required period shall, at Lessor's election exercised by notice, terminate this lease. 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.

Lessee shall pay, or cause to be paid, the total cost and expense of all works of improvement, as that phrase is defined in the Mechanics' Lien Law in effect when the work begins. Lessee shall not suffer or permit to be enforced against the Subject Property or any part thereof any mechanic's materialman's, contractor's, or subcontractor's lien arising from any work of improvement, however it may arise. However, 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 or acceptable security 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.)

Lessee shall defend and indemnify Lessor against all liability and loss of any type arising out of or relating to claims regarding work performed on the Subject Property including the work performed pursuant to Section 5c of this Lease, together with reasonable attorney's fees and all costs and expenses incurred by Lessor in negotiating, settling, defending, or otherwise protecting against such claims.

On completion of any work of improvement, Lessee shall give Lessor written 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.

Upon termination or expiration of this Lease, any new fixed improvements placed by the Lessee shall become the property of the Lessor without the requirement of reimbursement to the Lessee therefor.

Lessee may provide, at its own expense, any legal security devices, installations, or equipment designed for the purpose of protecting the demised Subject Property from theft, burglary, or vandalism, provided, however, that written approval for any such installation be first obtained from Lessor.

12. No Warranties by Lessor

Lessor makes no representation or warranty concerning the suitability of the Subject Property or of the state of the law concerning the Subject Property or of the state of the law concerning the premises for any use which Lessee may contemplate. Lessee represents and warrants that it has independently made a full and thorough investigation and examination of the Subject Property and that it is entering this lease relying only upon facts ascertained from said independent investigation.

13. Lessor's Right of Entry

Lessor and its agents shall have the right, upon reasonable prior notice to Lessee, to enter upon said Subject Property at all reasonable times for the purpose of inspecting, maintaining, and repairing any part of the Subject Property.

14. Assignment, Subletting, Hypothecation

Lessee shall not directly or indirectly assign or sublet, any interest in the Subject Property without the prior written consent of Lessor as to both the proposed subleasee or assignee and the terms and conditions of the proposed sublease or assignment agreement. Excepting only a change in name, the term "assignment" shall include any merger or consolidation, or any change in the form of business entity of the Lessee from that of a California nonprofit corporation whether voluntarily or by operation of law; provided, however, that a change of status due only to a change in the California Corporation Code shall not be deemed to be an assignment.

Rent from the lawful subleasing of the Subject Property by Lessee shall be paid to and shall be the property of Lessee.

Lessee is directly responsible for all events, activities, services, or merchandise sold, conducted or provided on the Subject Property. The conducting of said events and activities and the offering or provision of goods must be under the auspices of authorized officers, employees, or volunteers of the California Vehicle Foundation.

Lessee shall not directly or indirectly use, or permit to be used, the Subject Property or improvements as security for any debt.

15. Violations of Lease Provisions

Lessor may terminate this Lease in the event that Lessee defaults in the performance of any provision hereof.

The occurrence of any of the following shall constitute a default by Lessee:

- a. Failure to pay rent when due, if the failure continues for thirty days after notice has been given to Lessee.
- b. Abandonment and vacation of the premises.

c. Failure to perform any other provision of this Lease if the failure to perform is not cured within sixty days after notice has been given to Lessee. If the default cannot reasonably be cured within sixty days, Lessee shall not be in default of this Lease if Tenant commences to cure the default within the sixty-day period and diligently and in good faith continues to cure the default.

Notices given under this paragraph shall specify the alleged default and the applicable Lease provisions, and shall demand that Lessee perform the provisions of this Lease or pay the rent that is in arrears, as the case may be, within the applicable period of time, or quit the premises. No such notices shall be deemed a forfeiture or a termination of this lease unless Lessor so elects in the notice.

In the event Lessee fails, refuses, 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 services, but this right shall not be construed to be a duty on the part of the Lessor to provide said services. Lessee shall reimburse Lessor for costs of such services on the first day of the month following the month in which the service was performed.

The waiver by Lessor 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 on any subsequent breach of the same or any other term, covenant, or condition herein contained. The subsequent acceptance of any sum due hereunder by Lessor shall not be deemed to be a waiver of any prior occurring breach by Lessee of any term, covenant, or condition of this Lease other than the failure of Lessee to pay the particular sum so accepted regardless of Lessor's knowledge of such prior existing breach at the time of acceptance of such sum.

16. Tenant's Fixtures

Upon the termination or expiration of this Lease, Lessee shall have the right to remove any display removeable fixtures that were added to the Subject Property during the term of the Lease and paid for by Lessee from its own funds. In addition, if Lessor has elected upon termination or expiration of this Lease to use the premises for purposes other than a museum, Lessee shall have the right to purchase any and all other fixtures in the Subject Property at the fair market value of those fixtures, as reasonably determined by Lessor, provided that Lessor wishes to sell such other fixtures.

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, content, or intent of this lease or any part or parts of this Lease.

18. Entire Agreement

This Lease contains the entire agreement between the parties. No promise, representation, warranty, or covenant not included in this Lease has been or is relied on by either party. Each party has relied on its own examination of this lease, the counsel of its own advisors, and the warranties, representations, and covenants in the Lease itself. The failure or refusal of either party to inspect the Subject Property or improvements, to read the Lease or other documents, or to obtain legal or other advice relevant to this transaction constitutes a waiver of any objection, contention, or claim that might have been based on such reading, inspection, or advice.

19. Surrender

At the end of the term of this Lease or at any time this Lease may be terminated, Lessee shall surrender to Lessor the Subject Property in as good order and condition as reasonable use and wear thereof shall permit, damage by the elements excepted. After such surrender, Lessee shall have no right, title, or interest in the premises, and Lessee shall have no right to any compensation thereof. In the event that Lessee shall hold over at the end of the term of this Lease with the consent of Lessor, such holding over shall be from month-to-month only subject to the terms and conditions of this lease but shall not be a renewal hereof; and the rental to be paid shall be at the rate prevailing under the terms of this Lease.

20. Notices

Any notices and orders that may be given under this Lease may be served by first-class mail or in person to Lessor at the office of the Director, Department of Community Center, 1030 - 15th Street, Suite #250, Sacramento, California 95814, and to Lessee at 2200 Front Street, Sacramento, California 95818, or to such other address as either may provide to the other in writing. Service shall be deemed complete upon deposit in the mail or upon personal delivery.

21. Attorney's Fees

In the event either party hereto shall commence any legal action or proceeding including an action for declaratory relief against the other by reason of the alleged failure of the other to perform or keep any term, covenant, or condition of this Lease by it to be performed or kept, the party prevailing in said action or proceeding shall be entitled to recover, in addition to other relief as may be granted in such litigation

and its court costs, a reasonable attorney's fee to be fixed by the court, and such recovery shall include court costs and attorney's fees on appeal.

22. Amendment in Writing

This Lease may be amended only by a writing 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 Lessor and Lessee pursuant to this Lease.

24. Time of Essence

Time is expressly declared to be in the essence of this Lease.

CITY:

CITY OF SACRAMENTO, a
municipal corporation

By _____
City Manager "LESSOR"

CALIFORNIA VEHICLE FOUNDATION
a California nonprofit
public benefit corporation

By _____
President "LESSEE"

ATTEST:

CITY CLERK

PROVED AS TO FORM;

EXHIBIT A

That real property situated in the City of Sacramento, County of Sacramento, State of California, described as follows:

All that portion, as shown on the "Plat of Brannan's Addition to the City of Sacramento", from which point of beginning the intersection of the center line of Front Street and the center line of "V" Street of the City of Sacramento bears North 18 46' 30" East 40.0, feet; said point of beginning located at the Easterly terminus of a line of Steel fencing marking the Southerly boundary line of the hereinafter describe parcel of lane; thence, from said point of beginning, along the West line of said Front street North 18 46' 30" East 350.00 feet; thence, North 71 13' 30" West 268.50 feet; thence, South 18 46' 30" West 350.49 feet to a point in the aforesaid line of steel fencing; thence, along said line of fencing South 71 19' 40" East 268.50 feet to the point of beginning.

EXHIBIT B

1. Smoke detection system
2. Restrooms
3. Entry & handicapped facilities
4. Gas service and internal piping
5. Installation of 6 unit heaters
6. Completion of heating, ventilation and air conditioning
7. Exhibiting dioramas
8. Weatherproofing the building
9. Weatherproof ramp door
10. Grading & outside drainage
11. Museum quality lighting
12. Roof, new
13. Office & gift shop improvements
14. Auditorium

EXHIBIT B

BUILDING IMPROVEMENT PRIORITIES

To Be Completed by:

- | | | |
|-----|---|--------------------------|
| 1. | Smoke detection system | July 1988 |
| 2. | Entry and Handicapped facilities | Sept 1988 |
| 3. | Grading and outside drainage | Sept 1988 |
| 4. | Restrooms | March 1989 |
| 5. | Gas Service and internal piping | March 1989 |
| 6. | Installation of 6 unit heaters | March 1989 |
| 7. | Weatherproofing the building | March 1989 |
| 8. | Weatherproof ramp door | March 1990 |
| 9. | Heating, ventilating and air conditioning | March 1990 |
| 10. | Museum lighting | In stages to: March 1991 |
| 11. | Exhibitions | In stages to: March 1992 |
| 12. | Roof | March 1993 |
| 13. | Office and gift shop improvements | In stages to: March 1994 |
| 14. | Auditorium (Remodel north enclosure) | March 1995 |