



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Adopt a resolution authorizing the lease agreement between the City of Lodi and the State of California, acting by and through its Director of General Services, with the consent of the Military Department for the use of the National Guard Armory building

MEETING DATE: March 20, 2002

PREPARED BY: Parks and Recreation Director

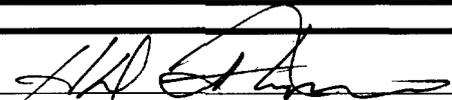
RECOMMENDED ACTION: That the City Council adopt a resolution authorizing the lease agreement between the City of Lodi and the State of California, acting by and through its Director of General Services, with the consent of the Military Department for the use of the National Guard Armory building.

BACKGROUND INFORMATION: For well over one year the City and the State of California have been discussing entering into a lease agreement for joint use of the Armory facility located at 333 North Washington Street. A lease agreement has now been negotiated and is attached for Council review and possible approval. The City does not currently own or operate its own indoor gymnasium facility on a year round basis. We rely upon leases and joint use agreements to secure the facilities of other agencies in order to provide programs requiring a gymnasium. The Armory building has a gymnasium with one full size basketball court or two small courts running side by side. The building is also in need of repairs/improvements to the inside ceiling, bathrooms (to comply with code), gym floor, and parking lot. Under the lease the City will receive full credit for the value of any repairs completed. The value of these repairs is just over \$91,000 based upon a recent bid process and other work by Parks and Recreation. The Boosters of Boys and Girls Sports (BOBS) has agreed to assist with funding for this project with a donation of \$8,000. The Council has also approved a \$50,000 CDBG allocation for the needed restroom improvements.

Elements of the lease include a five year term; City use of 10,200 square feet of common area (gymnasium area, two offices, meeting room, kitchen, restrooms, and a storage room); and a monthly lease payment of \$425 per month. The monthly lease amount is based upon a State rate of \$.25 per square foot per month reduced due to credit given for the improvements by the City totalling just over \$91,000, credit given for maintenance and termination allowances, and credit for the joint use of the facility by both entities. Details are attached on Exhibit B of the attached lease agreement.

The State administrative fee of \$2,000 required for lease preparation has been waived and the lease may be terminated by the City at any time with 90 days written notice. The lease also contains a requirement that the City will cease activities in the event of a declared national or State emergency and/or military mobilization. Each party will pay their portion of utilities. National Guard personnel have provided a listing of home Reserve Duty dates to the City and we will coordinate uses of the facility accordingly.

APPROVED: _____


H. Dixon Flynn -- City Manager

03/11/02



CITY OF LODI

COUNCIL COMMUNICATION

Should this lease be approved, Parks and Recreation will jointly use the facility under this lease for programming a variety of recreational activities for youth and adults on a year round basis. These would include basketball, volleyball, open gym hours, and possibly table tennis, wrestling, etc.. Our intentions would also include use of the facility for community needs and events such as dances as well. Programming will be developed to utilize the facility as fully as possible.

FUNDING: \$425 per month (\$5,100 annually) Lease Payments
Parks and Recreation anticipates that these payments can be made through the current Departmental budget allocation.
Improvements as listed on separate Council agenda item.

Funding Available:

Victor M. ...
Finance Director

Roger Baltz
Roger Baltz
Parks and Recreation Director

RB:tl

cc: City Attorney

APPROVED: _____
H. Dixon Flynn -- City Manager

03/12/02

BUILDING SPACE LEASE

<p><u>LEASE COVERING PREMISES LOCATED AT</u> 333 N. WASHINGTON STREET LODI, CALIFORNIA</p>
<p><u>AGENCY</u> MILITARY DEPARTMENT</p>

LEASE NO. L-2015

This Lease, dated for reference purposes only this 21st day of February, 2002, by and between the State of California, acting by and through its Director of General Services, with the consent of the Military Department, hereinafter called STATE, and the City of Lodi, Department of Parks and Recreation, hereinafter called LESSEE.

WITNESSETH:

DESCRIPTION

1. STATE does hereby lease to the LESSEE, and LESSEE hereby hires from STATE, upon the terms, agreements, and conditions hereinafter set forth, those certain Premises as outlined on the attached plot and floor plans designated as Exhibit "A", consisting of two (2) pages attached hereto and made a part therein by this and more particularly described as follows:

A portion of the building located at 333 N. Washington Street , Lodi, California, also known as the Lodi Armory, consisting of approximately 10,199 square feet of the total building area of 18,507 square feet together with its adjacent parking lots and grounds located in the City of Lodi, County of San Joaquin, California. These areas include offices in rooms 1 and 16 and area 20, the assembly area. These areas are hereinafter called "Premises". LESSEE will have exclusive use of offices in rooms 1 and 16 and either room 14 or 15 for storage. Area 20, the assembly area, the lounge, kitchen, restrooms and showers will be used by both the STATE and LESSEE. The LESSEE is not allowed to use the stove in the kitchen. The Premises do not include the area designated as the armament safe which by law must be exclusively used by the State of California or the United State Government.

TERM

2. The term of this Lease shall be for five (5) years, commencing July 1, 2002 and ending June 30, 2007, with such rights of termination as are hereinafter expressly set forth.

USE

3. The Premises shall be used by LESSEE during the term hereof for the purpose of operating adult and youth community sponsored basketball and other community oriented, recreation programs and related office functions, and for no other purpose whatsoever without prior written consent from the STATE.

UTILITIES

4. LESSEE shall, at its sole cost and expense, reimburse the State for utilities fees that exceed State's average monthly utility expenses of \$303 per month, based on utility bills for calendar year 2001. LESSEE will be billed and will pay State monthly for their portion of prior months utilities bills. Utilities include electric, gas, water, sewer and trash disposal.

RENT

5. LESSEE shall make rental payments for the Premises, monthly in advance, in the sum of:

TWO THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$2,500.00)

IN LIEU BENEFITS

6. STATE acknowledges LESSEE is making significant improvements to the Premises. Additionally, LESSEE is providing maintenance to the facility by providing mowing and other landscape maintenance. Finally, LESSEE is using the Premises for community basketball and other community oriented recreation programs and is given rental credit for operating these programs. As long as LESSEE completes the proposed improvements to the Premises, provides landscaping maintenance and operates basketball and other recreation programs for the community, the rental payment will be reduced to \$425.00 per month. The basis for and calculation of these in lieu benefits are listed in exhibit "B", attached and made part consisting of one (1) page attached hereto and made a part therein. If the property improvements, maintenance or uses of the Premises are changed by the LESSEE, the STATE will notify LESSEE in writing of the forfeiture of the in lieu rent benefit and monthly rental rate will be increased to account for the loss of in lieu benefits for each specific item.

Payments to be made to: Military Department
Facilities Section
9800 Goethe Road
Sacramento, CA 95826-9101

(b) LESSEE shall make rental payments for the leased Premises monthly in advance on the first day of each month as follows:

FOUR HUNDRED TWENTY FIVE AND 00/100 DOLLARS (\$425.00)

Lessee's method of payment shall be paid directly to the above address, shall display the State's lease number as shown on page 1 of this document, and shall not require receipt of an invoice prior to issuance of payment.

(c) The collection of rent pursuant to Paragraph 5(b) is in addition to any other rights and remedies STATE may have pursuant to this Lease.

ADMINISTRATIVE FEE

7. A one-time charge of Two Thousand and 00/100 Dollars (\$2,000.00) to cover State's costs associated with the preparation of this Lease has been waived by the Military Department. The Lessee is not required to pay Two Thousand and 00/100 Dollars (\$2,000.00) at the time of execution of this Lease.

REGULATION BY STATE

8. LESSEE shall not commit, suffer or permit any waste on said Premises or any acts to be done thereon in violation of any laws or ordinances, and will permit the STATE or its agents to enter said Premises at any reasonable time to inspect the same.

TERMINATION

9. STATE may terminate this Lease at any time by giving LESSEE notice in writing at least ninety (90) days prior to the date when such termination shall become effective. However, STATE may terminate this Lease at any time during the term hereof for breach of any of the terms and conditions hereof, by giving LESSEE notice in writing at least sixty (60) days prior to the date when such termination shall become effective. If State terminates the lease before the end of the term of the lease; LESSEE shall be compensated for the amount of repairs on exhibit "B" that has not been used for rental credits. if STATE terminates the lease during the term hereof for breach of any of the terms and conditions hereof, LESSEE will forfeit any unused rental credits.

DECLARED EMERGENCY

10. LESSEE further agrees that in the event of a declared National or State emergency and/or military mobilization, that STATE may immediately require the cessation of all LESSEE's activities, use and occupancy. STATE agrees to consult and cooperate with LESSEE to mitigate any adverse effects suffered by LESSEE and arrange to re-delivery of premises to LESSEE upon conclusion of the emergency. LESSEE will not be assessed rent during STATE's emergency occupancy and rent shall be prorated accordingly.

CANCELLATION

11. LESSEE can cancel this lease at any time during its term with ninety (90) day written notice to STATE. Cancellation will cause LESSEE to forfeit any unused rent credits based on repairs or improvements made to PREMISES.

HOLDING OVER

12. Should Lessee hold over after the expiration of the term of this lease with the consent of State, expressed or implied, said tenancy shall be deemed to be a tenancy only from month-to-month subject to a rent increase to \$2,500 per month less allowances for landscape maintenance of \$100 per month, the emergency displacement allowance of \$25 per month and one half of the gross rent of \$2,500 per month for a net monthly rental rate of \$1,175.00 payable in advance, subject otherwise to all the terms and conditions of this lease insofar as applicable.

STATE offers and LESSEE accepts no assurance that the Premises or any other comparable space or facilities at the site described herein will be made available to LESSEE beyond the term stated in Paragraph 2 or as said term is reduced as provided therein.

NO SUBLET

13. LESSEE shall not transfer nor assign this Lease, and shall not sublet, license, permit or suffer any use of the leased Premises or any part thereof, or lease space in any building constructed on said land or cause or permit any change of any equipment installed in such Premises without prior written approval of STATE.

NOTICES

14. All notices or other communications required hereunder shall be in writing, and shall be personally delivered (including by means of professional messenger service) or sent by overnight courier, or sent by registered or certified mail, postage prepaid, return receipt requested to the addresses set forth below, or sent by electronic facsimile to the telefacsimile numbers set forth below. All such notices or other communications shall be deemed received upon the earlier of (i) if personally delivered or sent by overnight courier, the date of delivery to the address of the person to receive such notice, (ii) if mailed as provided above, on the date of receipt or rejection, or (iii) if given by electronic facsimile, when received by the other party if received Monday through Friday between 6:00 a.m. and 5:00 p.m. Pacific Standard Time, so long as such day is not a state or federal holiday and otherwise on the next day provided that if the next day is Saturday, Sunday, or a state or federal holiday, such notice shall be effective on the following business day:

To the LESSEE: City of Lodi
Parks & Recreation
125 N. Stockton Street
Lodi, CA 95240

To the STATE: Department of General Services
Real Estate Services Division
State Owned Leasing and Development
Post Office Box 989052
West Sacramento, CA 95798-9052

To the STATE: Military Department
Facilities Engineering
P. O. Box 269101
Sacramento, CA 95826-9101

Notice of change of address or telefacsimile number shall be given by written notice in the manner described in this section. LESSEE is obligated to notice all state offices listed above and the failure to provide notice to all state offices will be deemed to constitute a lack of notice.

NOTICES
(CON'T)

The address to which notices may be mailed as aforesaid to either party, may be changed by written notice given by subject party to the other, as hereinbefore provided; but nothing herein contained shall preclude the giving of any such notice by personal service

REPAIR AND
MAINTENANCE

15. LESSEE shall not call on STATE to make any improvement or repairs on said Premises, but LESSEE agrees to keep the same in good order and condition at its own expense. LESSEE does hereby waive all rights to make repairs at the expense of STATE as provided in Section 1942 of the Civil Code, and all rights provided for by Section 1941 of said Civil Code. LESSEE must obtain prior written approval from the STATE prior to commencing any improvement or repair to the leased Premises.

All work done by LESSEE on the Premises shall be done in a lawful manner and conformity with all applicable laws, ordinances, and regulations. Premises shall be kept free from any and all liens and charges on account of labor or materials used in or contribution to any work thereon.

Nothing in this paragraph or Lease shall be construed to permit LESSEE to undertake any alterations, additions or improvements, including any additional communication or utility services, to the Premises or any part thereof without first obtaining STATE's prior written consent, including submitting plans and specifications if requested.

HOLD HARMLESS/
CROSS INDEMNITY

16. This Lease is made upon the express condition that the State of California is to be free from all liability and claims for damages by reason of any injury to any person or persons, including LESSEE, or property of any kind whatsoever and to whomsoever belonging, including LESSEE, from any cause or causes whatsoever while in, upon or in any way connected with the Premises during the term of this Lease or any occupancy hereunder, except those arising out of the sole negligence of the STATE. LESSEE further agrees to provide necessary Worker's Compensation Insurance for all employees of LESSEE upon said Premises at the LESSEE's cost and expense.

(a) Each party agrees to indemnify and defend the other in the event of any claim, demand, cause of action, judgements, obligations or liabilities, and all reasonable litigation and attorneys' expenses which said party may suffer as a direct and proximate result of the violation of any law, breach of any terms of this lease, negligence or other wrongful act by a party to this lease or such party's employees, representatives, contractors, or any other person or persons acting within the direct control or authority of such party or its employees.

INSURANCE

17. LESSEE shall furnish a certificate of insurance with the STATE's Lease Number indicated on the face of said certificate, issued to STATE with amounts of Commercial General Liability of at least \$5,000,000 per occurrence and Fire Legal Liability of at least \$500,000 naming the State of California, its officers, agents and employees as additional insureds. Said certificate of insurance shall be issued by an insurance company with a minimum Best Insurance Guide rating of "A-" or better.

a) It is agreed that STATE shall not be liable for the payment of any premiums or assessments on the insurance coverage required by this paragraph. The certificate of insurance shall provide that the insurer will not cancel the insured's coverage without thirty (30) days prior written notice to STATE. LESSEE agrees that the insurance herein provided for shall be in effect at all times during the term of the Lease. In the event said insurance coverage expires at any time or times during the term of this Lease, LESSEE agrees to provide STATE, at least thirty (30) days prior to said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than one (1) year. In the event LESSEE fails to keep in effect at all times insurance coverage as herein provided, STATE may, in addition to

INSURANCE
(CON'T)

any other remedies it may have, terminate this Lease upon the occurrence of such event.

- b) If Lessee is self-insured, Lessee shall provide State with written acknowledgment of this fact at the time of the execution of this Lease. Lessee shall annually thereafter, on the anniversary of the date of execution of this Lease, provide State with a written acknowledgment of the continuation of its self-insured status. If, at any time after the execution of this Lease, Lessee abandons its self-insured status, Lessee shall be required to provide insurance coverage and certificates as outlined above.

FORCE MAJEURE

18. If either LESSEE or STATE shall be delayed or prevented from the performance of any act required hereunder by reason of acts of God, governmental restrictions, regulations or controls (except those reasonably foreseeable in connection with the uses contemplated by this Lease), or other cause without fault and beyond the control of the party obligated (except financial inability), performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. Nothing in this clause shall excuse LESSEE from prompt payment of any taxes, insurance or any other charge required of LESSEE, except as may be expressly provided in this Lease.

COMPLIANCE
WITH LAWS

19. LESSEE, shall, at its sole cost and expense, comply with all the laws and requirements of all Municipal, State, and Federal Authorities now in force, or which may hereafter be in force pertaining to the Premises and use of the Premises as provided by this lease.

TAXES AND
ASSESSMENTS

20. LESSEE agrees to pay all lawful taxes, assessments, or charges that at any time may be levied by any public entity upon any interest in this Lease or any possessory right which LESSEE may have in or to the Premises or the improvements thereon by reason of LESSEE's use or occupancy thereof, or otherwise, as well as all taxes, assessments, and charges on goods, merchandise, fixtures, appliances, equipment and property owned by LESSEE in or about said Premises. It is understood that this Lease may create a possessory interest subject to property taxation and LESSEE may be subject to the payment of property taxes levied on such interest.

NON-
DISCRIMINATION

21. In the performance of this Lease, the LESSEE shall not discriminate, harass, or allow harassment against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability (including HIV and AIDS), mental disability, medical condition, age (over40), marital status, sex, sexual orientation, or use of family care leave. LESSEE shall insure that the evaluation and treatment of its employees and applicants for employment are free from such discrimination and harassment.

Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation/ and selection for training, including apprenticeship.

LESSEE shall comply with the provisions of the Fair Employment and housing act (Government Code Section 12990 (a-f) et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. LESSEE shall give written notice of its obligations under this clause to any labor organizations with which they have a collective bargaining or other Agreement. Further, LESSEE shall post in conspicuous places available to employees and applicants for employment, notices to be provided by the STATE setting forth the provisions of this Fair Employment Practices Section. (Government

NON-
DISCRIMINATION
(CON'T)

Code, Section 12920-12994).

REMEDIES FOR WILLFUL VIOLATIONS:

A. The STATE may determine a willful violation of the Fair Employment Practices provision to have occurred upon the receipt of a final judgment having that effect from a court in an action to which LESSEE was a party, or upon receipt of a written notice from the fair Employment Practices Commission that it has investigated and determined that the LESSEE has violated the Fair Employment Practices Act and has issued an order pursuant to the appropriate provisions of the Government Code.

B. The STATE shall have the right to terminate this lease agreement and any loss or damage sustained by the STATE by reason thereof shall be borne and paid for by the LESSEE.

LOSSES

22. STATE will not be responsible for losses or damage to personal property, equipment or materials of LESSEE.

BREACH

23. In the event of a breach of this Lease by LESSEE, the STATE, in addition to any other rights or remedies it may have, shall have the immediate right of re-entry and may take possession of the Premises and every part thereof and to remove and store at LESSEE's expense all property therefrom and to repossess and occupy the Premises. In the event STATE terminates this Lease pursuant to this paragraph STATE shall not be required to pay LESSEE any sum or sums whatsoever.

VACATING THE
PREMISES

24. LESSEE shall, on the last day of said term or sooner termination of this Lease, peaceably and quietly leave, surrender, and yield to STATE the Premises in good order, well-maintained condition, and repair, reasonable use and wear thereof excepted. Upon termination, a qualified STATE representative shall inspect the Premises to determine that the Premises were left in accordance to the terms specified. In the event damage has occurred, LESSEE shall assume liability for the cost to restore the Premises to the condition achieved upon completion of improvements pursuant to Paragraph 12.

RECOVERY OF
LEGAL FEES

25. If an action is brought by either party to this lease for any breach hereof, or to restrain the breach of any agreement contained herein, or for the recovery of possession of the Premises, or to protect any rights conferred under this lease, the prevailing party can recover from the other party all costs and expenses, including attorney's fees in said action, as the court determines to be reasonable, which shall be fixed by the court as part of the costs of said action.

DEBT LIABILITY
DISCLAIMER

26. The STATE will not be liable for any debts or claims that arise from operation of this Lease.

PARTNERSHIP
DISCLAIMER

27. LESSEE and any and all agents of LESSEE shall act in an independent capacity and not as officers or employees of the STATE. Nothing herein contained shall be construed as constituting the parties herein as partners.

DISPOSITION OF
IMPROVEMENTS

28. Upon termination of this Lease for any cause, LESSEE shall remove any and all personal equipment and LESSEE shall restore any damage caused by said removal. Except, however, the STATE may approve, in writing, any deviation from this requirement.

ENCUMBRANCES

29. LESSEE and STATE hereby acknowledge and agree that LESSEE does not intend to encumber by deed of trust LESSEE's interest in Premises, for the purpose of constructing improvements thereon. Any such encumbrance is void without prior written approval from STATE.

**FIRE & CASUALTY
DAMAGES**

30. STATE will not keep improvements that are constructed or installed by LESSEE under the provisions of this Lease insured against fire or casualty, and LESSEE will make no claim of any nature against STATE by reason of any damage to the business or property of LESSEE in the event of damage or destruction by fire or other cause, arising other than from, or out of, the sole negligence or willful misconduct of agents or employees of the State of California in the course of their employment.

**HAZARDOUS
SUBSTANCES**

31. LESSEE agrees that it will comply with all laws, either Federal, State, or local, existing during the term of this Lease pertaining to the use, storage, transportation, and disposal of any hazardous substance as that term is defined in such applicable law. In the event STATE or any of its affiliates, successors, principals, employees, or agents should incur any liability, cost, or expense, including attorney's fees and costs, as a result of the LESSEE's illegal or alleged illegal use, storage, transportation, or disposal of any hazardous substance, including any petroleum derivative, the LESSEE shall indemnify, defend, and hold harmless any of these individuals against such liability. Where the LESSEE is found to be in breach of this provision due to the issuance of a government order directing the LESSEE to cease and desist any illegal action in connection with a hazardous substance, or to remediate a contaminated condition caused by the LESSEE or any person acting under LESSEE's direct control and authority, LESSEE shall be responsible for all costs and expenses of complying with such order, including any and all expenses imposed on or incurred by STATE in connection with or in response to, such government order. In the event a government order is issued naming the LESSEE or the LESSEE incurs any liability, during or after the term of the Lease, in connection with contamination which pre-existed the LESSEE's obligations and occupancy under this Lease or which were not caused by the LESSEE, STATE shall hold harmless, indemnify, and defend the LESSEE in connection therewith and shall be solely responsible as between LESSEE and STATE for all efforts and expenses therefore.

RIGHT OF ENTRY

32. During continuance in force of this Lease, there shall be and is hereby expressly reserved to STATE and to any of its agencies, contractors, agents, employees, representatives, or licensees, the right at any and all times, and any and all places, to temporarily enter upon Premises for survey, inspection or other lawful STATE purposes.

RELOCATION

33. This tenancy is of a temporary nature, and the parties to this Lease agree that no Relocation Payment or Relocation Advisory Assistance will be sought or provided in any form as a consequence of past, present or future tenancy.

**EASEMENTS AND
RIGHTS OF WAY**

34. This Lease is subject to all existing easements and rights of way. STATE further reserves the right to grant additional public utility easements as may be necessary, whether recorded or unrecorded, and LESSEE hereby consents to the granting of any such easement. Any public utility requesting an easement will be required to reimburse LESSEE for any damages caused by the construction work on the public utility easements.

**SMOKING
RESTRICTIONS**

35. Smoking is not allowed in or upon the Premises. LESSEE will enforce the smoking prohibition inside the building and within 15 feet of any entrance regarding LESSEE's employees and invitees. The signs shall be in bold print and legible from a distance of 25 feet.

**PROPERTY
INSPECTION**

36. LESSEE has visited and inspected the Premises and it is agreed that the area described herein is only approximate and the STATE does not hereby warrant or guarantee the actual area included hereunder.

WAIVER

37. If the STATE waives the performance of any term, covenant or condition contained in this Lease, such waiver shall not be deemed to be a waiver of that or any subsequent term, covenant or condition. Failure by STATE to enforce any of the terms, covenants or conditions of this Lease for any length of time shall not be deemed to waive or decrease STATE's right to insist thereafter upon strict performance by LESSEE. Waiver by STATE of any term, covenant, or condition contained in this Lease may only be made by a written document properly signed by an authorized STATE representative.

BINDING CLAUSE

38. The terms of this Lease and covenants and agreements herein contained shall apply to and shall bind and inure to the benefit of the heirs, representatives, assigns, and successors in interest of the parties hereto.

SEVERABILITY

39. If any provision of this Lease is determined to be illegal or unenforceable, this determination shall not affect any other provision of this Lease, and all other provisions shall remain in full force and effect.

**LEASE
MODIFICATION**

40. This Lease, together with its exhibits, contains all agreements of the parties hereto and supersedes any prior negotiations. There have been no representations by STATE or understandings made between the STATE and LESSEE other than those set forth in this Lease and its exhibits. This Lease may not be modified except by a written instrument duly executed by the parties hereto.

**CORPORATE
AUTHORITY**

41. If Lessee is a public, private or non-profit corporation, each individual executing this Lease on behalf of said Corporation represents and warrants that he/she is duly authorized to execute and deliver this Lease on behalf of said Corporation in accordance with a duly adopted Resolution of the Board of Directors of said Corporation or in accordance with the Bylaws of said Corporation and that this Lease is binding upon said Corporation in accordance with its terms.

b) Lessee shall, within thirty (30) days after execution of this Lease deliver to STATE a certified copy of the Resolution of the Board of Directors of said Corporation ratifying the execution of this Lease.

**SECTION
HEADINGS**

42. All section headings contained herein are for convenience of reference only, and are not intended to define or limit the scope of any provisions of this Lease.

ESSENCE OF TIME

43. Time is of the essence for each and all of the provisions, covenants and conditions of this agreement.

IN WITNESS WHEREOF, this agreement has been executed by the parties hereto as of the date listed below.

STATE OF CALIFORNIA

LESSEE:

Approval Recommended

Approval

DEPARTMENT OF GENERAL SERVICES
REAL ESTATE SERVICES DIVISION

LESSEE: CITY OF LODI

By: 
Charles B. Yarde
Associate Real Estate Officer

By: _____
Name: **H. Dixon Flynn**
Title: City Manager

DEPARTMENT OF MILITARY
OFFICE OF ADJECENT GENERAL

Approved as to Format

By: _____
Patrick Sproul

By: _____
Name: **Randall Hays**
Title: City Attorney

Approved:

Attest:

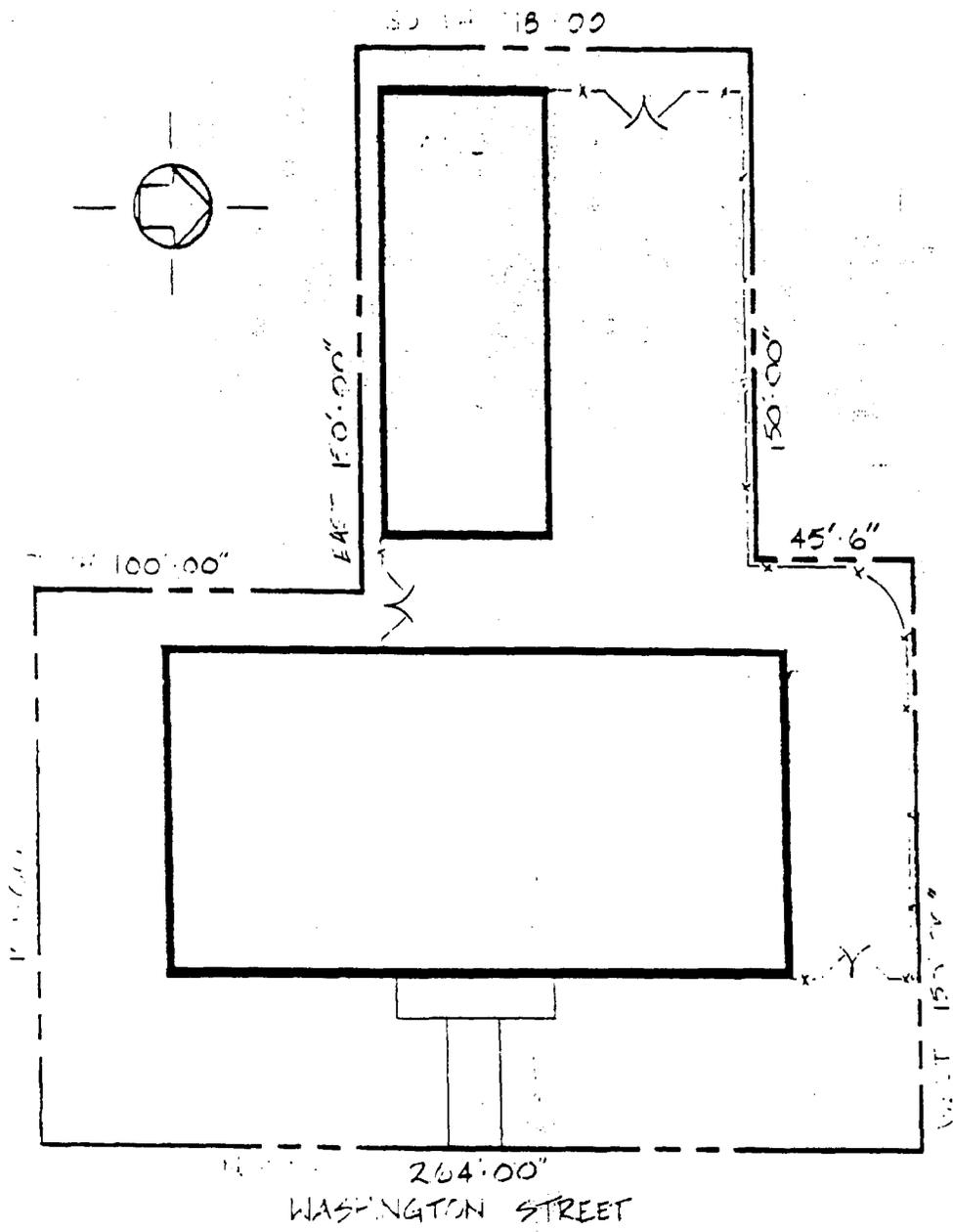
DIRECTOR OF DEPARTMENT OF
GENERAL SERVICES

By: _____
Name: **Susan J. Blackston**
Title: City Clerk

By: _____
CHERYL L. ALLEN, Manager,
State Owned Leasing and Development

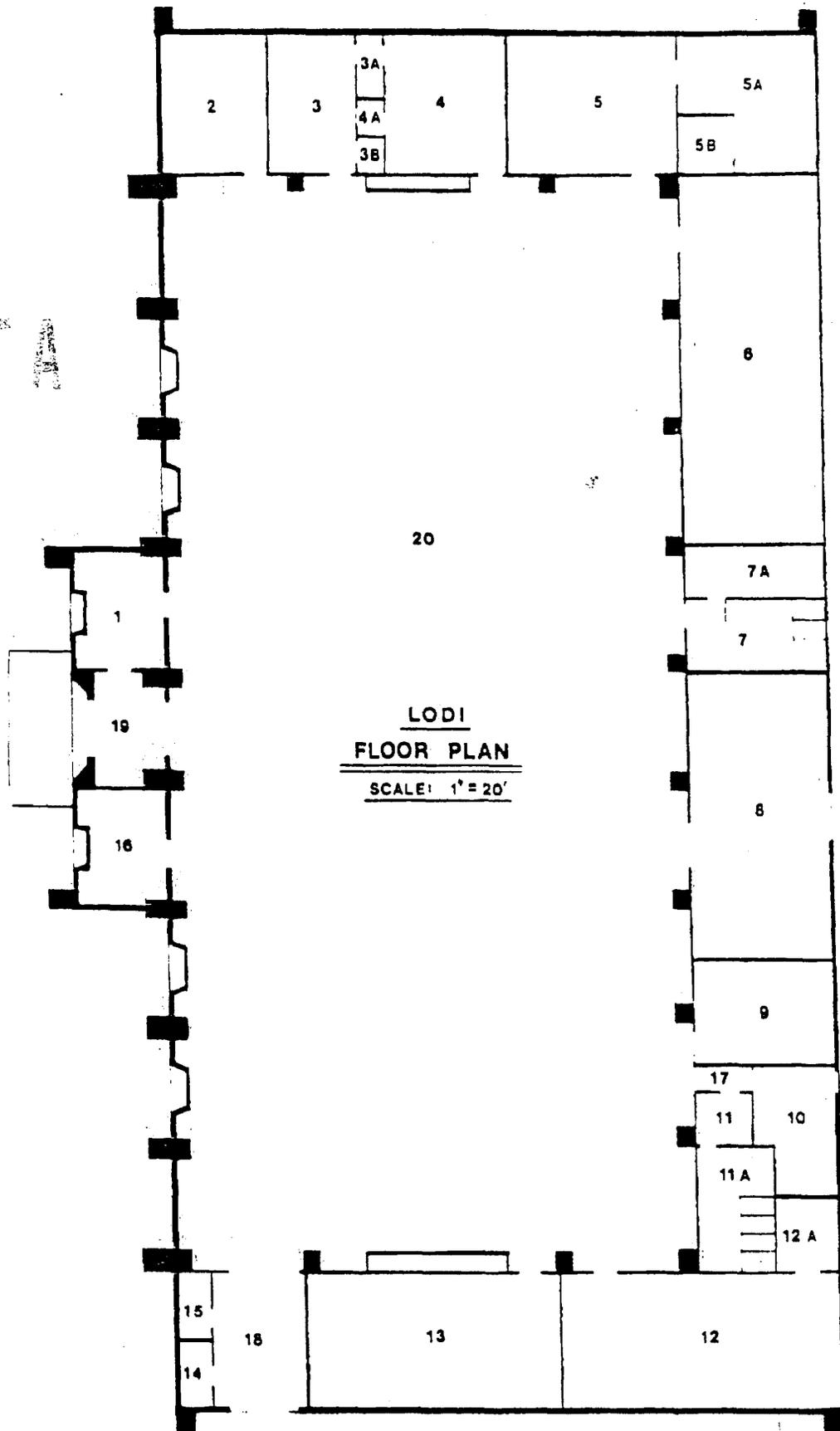
EXECUTED DATE: _____

EXHIBIT A



LODI
PLOT PLAN
SCALE: 1" = 50'

EXHIBIT A



LODI
FLOOR PLAN
SCALE: 1" = 20'

EXHIBIT B

Lodi Armory – Rent Calculation

Economic Rent – Per Month	\$2,500.00
Less:	
Repairs and Improvements to Armory Building - \$91,481 Divided by 60 months	-1,525.00
Landscape Maintenance Allowance	- 100.00
Emergency Termination Allowance	- 25.00
Balance	\$ 850.00
Divided by two for allowance for joint use and operation of city basketball and other community oriented recreation programs	- 425.00
Net Monthly Rent	\$425.00

RESOLUTION NO. 2002-61

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY MANAGER TO EXECUTE LEASE AGREEMENT BETWEEN THE CITY OF LODI AND THE STATE OF CALIFORNIA, ACTING BY AND THROUGH ITS DIRECTOR OF GENERAL SERVICES, WITH THE CONSENT OF THE MILITARY DEPARTMENT FOR USE OF THE NATIONAL GUARD ARMORY BUILDING

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WHEREAS, negotiations have been ongoing between the City of Lodi and the State of California regarding a lease agreement for joint use of the Armory facility located at 333 N. Washington Street, Lodi, CA; and

WHEREAS, the building is in need of repairs/improvements to the inside ceiling, bathrooms to comply with code, gym floor, and parking lot; and

WHEREAS, pursuant to the lease, the City will receive full credit for the value of any repairs completed, which amounts to approximately \$91,000.00;

WHEREAS, elements of the lease include a five-year term; City use of 10,200 square feet of common area (gymnasium area, two offices, meeting room, kitchen, restrooms, and a storage room); and a monthly lease payment of \$425.00 per month; and

WHEREAS, the Boosters of Boys and Girls Sports have agreed to assist with funding for this project with a donation of \$8,000.00, and the City Council has also approved a \$50,000.00 Community Development Block Grant allocation for the needed restroom improvements; and

WHEREAS, the building will be used for a wide variety of athletic and recreational activities for youth and adults on a year round basis. Programs include basketball, volleyball, open gym hours, and possibly table tennis, wrestling etc. Other intentions for use of the facility would include community needs and events such as dances as well.

NOW, THEREFORE, BE IT RESOLVED, that the Lodi City Council does hereby authorize the City Manager to execute the lease agreement between the City of Lodi and the State of California, acting by and through its Director of General Services, with the consent of the Military Department for use of the National Guard Armory building located at 333 N. Washington Street, Lodi, California, for a period of one year.

Dated: March 20, 2002

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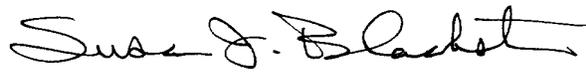
I hereby certify that Resolution No. 2002-61 was passed and adopted by the City Council of the City of Lodi in a regular meeting held March 20, 2002 by the following vote:

AYES: COUNCIL MEMBERS – Hitchcock, Land, and Nakanishi

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – Howard and Mayor Pennino

ABSTAIN: COUNCIL MEMBERS – None



SUSAN J. BLACKSTON
City Clerk