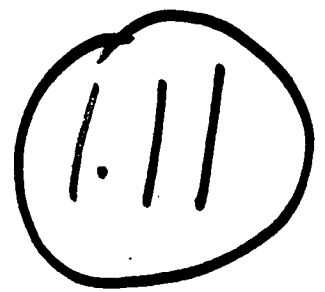




APPROVED
BY THE CITY COUNCIL



DEC 15 1998

THOMAS V. LEE
DEPUTY CITY MANAGER
DOWNTOWN DEPARTMENT

CITY OF SACRAMENTO
CALIFORNIA

OFFICE OF THE
CITY CLERK

AG98-244

1030 15TH STREET
SUITE 250
SACRAMENTO, CA
95814-4009

PH 916-264-8109
FAX 916-264-7279

December 1, 1998

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: SACRAMENTO ARCHIVES & MUSEUM COLLECTION CENTER:
FRICOT GOLD SPECIMEN**

LOCATION AND COUNCIL DISTRICT: Sacramento Archives & Museum Collection
Center, and Discovery Museum
Council District 1

RECOMMENDATION:

It is recommended that Council, by Resolution, confirm the previously executed loan agreement between the City and the State of California for the loan of the Fricot gold Specimen.

CONTACT PERSON: James E. Henley, Manager
Sacramento Archives & Museum Collection Center, 264-7072

FOR COUNCIL MEETING OF: December 15, 1998

SUMMARY:

On September 7, 1998, the City executed an agreement (Exhibit A) between the State of California and the City for the loan of an historically significant, thirteen pound, 19th Century gold specimen for public display at the Discovery Museum in Old Sacramento. This loan is in conjunction with activities planned for the 150th anniversary of the California Gold Rush. The loan is made at no cost to the City, and the nugget is covered by the City's Fine Arts insurance policy, a copy of which is attached as Exhibit B. The State of California requires, in addition to their executed copy of the loan agreement, a resolution from the

City Council accepting the 15 month loan. It is requested that Council adopt a resolution accepting this loan.

COMMITTEE/COMMISSION ACTION:

None.

BACKGROUND INFORMATION:

- The Fricot Specimen, which belongs to the State of California and is the largest gold specimen of 19th Century gold from California in known existence, became available to the Discovery Museum for public display for approximately fifteen months following the close of a state display at the California State Fair. The specimen is valued at more than \$5 million.
- There was an urgent need to transfer the specimen directly to the museum on the closing evening of the State fair or risk its not being returned to the Sacramento area from its home in Mariposa.
- Normal procedure for collection loans and acquisitions lies with the Manager of the Sacramento Archives and Museum Collection Center (SAMCC) and those procedures were followed in this case. The loan agreement (attached as Exhibit A) was reviewed by the City Attorney's office and executed on September 7, 1998.
- Under the terms of the agreement, the Fricot Specimen is loaned to the City for public display at no cost, until December 31, 1999.
- The gold specimen is covered by the City's Fine Arts insurance policy, a copy of which is attached as Exhibit B.
- Because of the unique nature of this specimen and its value, the State of California has requested confirmation of this loan agreement by the City Council.
- This report requests Council approval of the attached Resolution confirming that council has authorized the City to receive this specimen and to abide by the terms of the loan agreement as attached.

FINANCIAL CONSIDERATIONS:

There are no financial considerations pursuant to the acceptance of the loan of the Fricot Specimen, as the cost of the City's Fine Arts insurance policy is already accounted for in the budgets for the Archives (101-420-4251-4292) and the Discovery Museum (101-420-4252-4292).

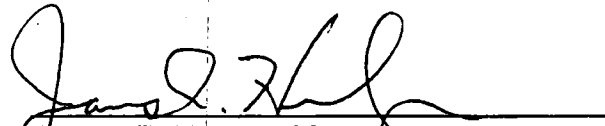
POLICY CONSIDERATIONS:

The approval requested in this report is consistent with City policy to provide attractions of significant historical and cultural interest to the public in a cost effective manner.


MBE/WBE:

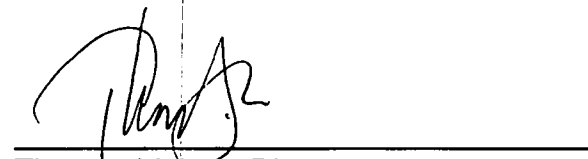
None. No goods or services are being purchased.

Respectfully submitted,



James E. Henley, Manager
History and Science Division

RECOMMENDATION APPROVAL:


Barbara E. Bonebrake, Manager
Downtown and Regional Enterprise Department


Thomas V. Lee, Director
Downtown and Regional Enterprise Department

RECOMMENDATION APPROVED:


William H. Edgar
City Manager

AG 98-244

APPROVED
BY THE CITY COUNCIL

FRICOT SPECIMEN LEASE AGREEMENT

DEC 15 1998

OFFICE OF THE
CITY CLERK

This agreement is entered into on the date or dates last below written, by and between the State of California, hereinafter referred to as STATE; and the City of Sacramento Archives and Museum Collection Center, hereinafter referred to as CITY; for the lease of the Fricot Specimen, described in the attached Condition Report, included as Addendum A of this agreement and hereinafter referred to as SPECIMEN; and lease of security display safe, hereinafter referred to as SAFE.

1. The term of this lease agreement shall be for a period commencing upon September 7, 1998 and terminating on December 31, 1999.
2. Prior to obtaining possession of the SPECIMEN and SAFE, CITY shall provide to STATE a Certificate of Insurance in the amount of \$5 million (five million dollars), with a company satisfactory to the STATE, to adequately insure the SPECIMEN during the time SPECIMEN is in the possession of CITY. The STATE shall be named as additional insured on said insurance policy.
3. CITY agrees to be fully and solely responsible for timely payment of charges for all security and insurance deemed necessary by the STATE to ensure the safety of the SPECIMEN.
4. SPECIMEN and SAFE are to be maintained in good condition, protected from theft, mishandling, and damage. CITY is fully responsible for the SPECIMEN and SAFE in the event of loss, theft, or damage while the SPECIMEN is in the possession of CITY. In the event SPECIMEN and/or SAFE are damaged or destroyed, STATE shall be entitled to restitution costs for SAFE in the amount of \$2,000 (two thousand dollars); and restitution costs for SPECIMEN in the amount of \$5 million (five million dollars). STATE shall also be entitled to damage repair costs for SAFE and/or SPECIMEN.
5. SAFE shall be installed with a security motion sensor wired to a security monitoring company, to additional detailed specifications of STATE, to be provided to CITY verbally or in writing by September 6, 1998.
6. Moving or removing SAFE, opening SPECIMEN security compartment of SAFE, or touching, moving, removing, trimming, cleaning, or otherwise handling or altering the SPECIMEN is expressly prohibited. Access to SPECIMEN is expressly prohibited. SPECIMEN and SAFE maintenance are to be performed only under direct supervision of STATE, by an individual designated by STATE, except cleaning of viewing panel and outside exterior of SAFE.

FRICOT SPECIMEN LEASE AGREEMENT

Page 2

7. During the term of the lease, responsibility for the SPECIMEN shall remain with the individual designated by the CITY representative executing this AGREEMENT, as named in Addendum B of this AGREEMENT, and as agreed upon by the STATE. No assignment of this responsibility shall be permitted unless agreed to by STATE in writing.
8. Display of the SPECIMEN is to be prominently titled to indicate the Department of Conservation's interest in and ownership of the SPECIMEN. CITY and STATE shall confer and mutually agree, within 30 days after CITY takes delivery and possession of SPECIMEN, on wording to be used in any labeling or titling of the SPECIMEN, on wording to be used in any publicity or promotion of the SPECIMEN, and on wording to be used in any brochures or other promotional materials containing information about the SPECIMEN. All promotional costs are to be paid by CITY.
9. Upon 30 days written notice to CITY, STATE shall be entitled to temporarily remove the SPECIMEN and SAFE for special exhibit at Sesquicentennial or other special events, at no cost to CITY. Additionally, upon 30 days written notice to CITY, STATE shall be entitled to temporarily remove the SPECIMEN for restoration and stabilization procedures, at no cost to CITY.
10. Notification of the news media or other individuals of transport of the SPECIMEN, arrival dates and times, or other information which could in any way jeopardize the security of the SPECIMEN during transport or delivery, is expressly prohibited without prior written approval of the STATE.
11. CITY shall execute this agreement prior to taking delivery and possession of the SPECIMEN. CITY shall, after receipt and examination of the SPECIMEN, sign a Condition Report, including photographs of SPECIMEN, indicating the condition of the SPECIMEN at the time of delivery and receipt.
12. CITY shall be responsible for any and all expenses incurred in delivering the SPECIMEN to any place within California, at the termination of the lease, as designated by STATE, and in accordance with written instructions from STATE.
13. Upon delivery of the SPECIMEN to the location identified pursuant to foregoing Section 12, CITY representative shall submit a Lease Termination Report and updated photographs to the STATE. Report shall confirm that SPECIMEN has been safely returned and describe in what condition it has been returned.

FRICOT SPECIMEN LEASE AGREEMENT

Page 3

STATE will sign said report, verifying and acknowledging SPECIMEN has been returned in condition as stated.

14. In the event of a breach by CITY of any term contained herein, STATE shall be entitled to attorney's fees and costs of enforcing the provisions of this AGREEMENT. In the event CITY refuses to return the SPECIMEN to the STATE in a timely manner, on or before the termination date of the Lease Agreement, STATE shall be entitled to Injunctive Relief from a court of competent jurisdiction to obtain possession of the SPECIMEN.
15. CITY shall not loan, pledge, give away, lease, or in any way hypothecate the SPECIMEN to any person or entity.
16. Within 15 working days after obtaining delivery and possession of the SPECIMEN, CITY shall provide to STATE a certified copy of a duly adopted Resolution of the City Council of CITY, authorizing the individual executing this AGREEMENT to enter into this AGREEMENT.

CITY OF SACRAMENTO
ARCHIVES AND MUSEUM COLLECTION CENTER

Date: Sept 7, 1998

By: _____

James E. Henley

Title: Manager, History and Science Division

STATE OF CALIFORNIA
DEPARTMENT OF CONSERVATION

Date: 9/3/98

By: _____

Pat Meehan

Title: Deputy Director

ADDENDUM A

FRICOT SPECIMEN CONDITION REPORT

LOAN FROM: California Department of Conservation
801 K Street MS 24-01
Sacramento, California 95814

LOAN TO: City of Sacramento
Archives and Museum Collection Center
551 Sequoia Pacific Boulevard
Sacramento, California

DATE SHIPPED: VALUE: \$5 MILLION

SHIPPED VIA:

DATE RECEIVED: RECEIVED BY:

DESCRIPTION OF SPECIMEN:

Dimensions:

a.	32 x 21 x 7 cm	12 lb. (5443 grams)
b.	11 x 5.5 x 415 cm	325.90 grams
c.	7.5 x 5 x 3 cm	203.04 grams

Accessory: Wooden transport box and security display safe.

Description: Mass of random to parallel crystals (to about 16 mm) with minor fine sponge; many crystals. Largest specimen (a) is reinforced with gold band and several wires.

RECEIVED IN GOOD ORDER BY: _____
(SIGNATURE)

DATE: _____
(TITLE)

RETURNED IN GOOD ORDER: _____
(SIGNATURE)

DATE: _____
(TITLE)

ADDENDUM B

FRICOT SPECIMEN LEASE AGREEMENT

Be it hereby agreed by and between the state of California, hereinafter referred to as STATE; and the City of Sacramento Archives and Museum Collection Center, hereinafter referred to as CITY, that Rebecca A. Carruthers, Curator, Discovery Museum, is hereby designated as the official representative for CITY, and as such is fully responsible for the care and security of the Fricot Specimen during the term of AGREEMENT. No reassignment of this responsibility shall be permitted except with written approval of STATE.

CITY OF SACRAMENTO
ARCHIVES AND MUSEUM COLLECTION CENTER

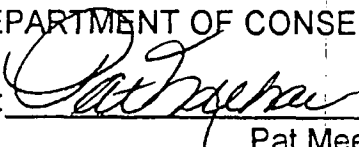
Date: Sept. 7, 1998

By: 
James E. Henley

Title: Manager, History and Science Division

STATE OF CALIFORNIA
DEPARTMENT OF CONSERVATION

Date: 9/3/98

By: 
Pat Meehan

Title: Deputy Director

EXHIBIT B
HENDERSON PHILLIPS
FINE ARTS

1001 Pennsylvania Avenue
Suite 725, South Tower
Washington, DC 20004
Tel: (202) 955-5750
Fax: (202) 955-5760

(800) 871-9991

4525 Wilshire Boulevard
Suite 204
Los Angeles, CA 90010
Tel. (213) 933-3770
Fax. (213) 933-1173

Certificate of Insurance

Standard All Risk Fine Arts insurance on a wall to wall basis, subject to the usual exclusions of War, Nuclear, Moths and Vermin, Shipments by mail and the professional liability of any Conservator or Restorer, on the following work(s) of art. This is not a policy of insurance but is furnished as evidence of coverage under the policy(ies) listed, which is subject to change or cancellation in accordance with the policy terms.

**Named Insured
and Address:**

City of Sacramento
Discovery Museum
101 I Street
Sacramento, CA 95814

Amount of Insurance

\$ 5,000,000

Title

201 Ounce, Gold Fricot Nugget

Artist

Exhibition: "The Lure of Gold"

Certificate issued to:

California Department of Conservation
801 K Street, MS 24-01
Sacramento, CA 95814

Dates:

September 7, 1998 to December 31, 1998

Underwriters:

Commerce and Industry Insurance Company

Policy Number:

ERFA 285 1700



Authorized Representative

September 2, 1998

Date



APPROVED
BY THE CITY COUNCIL

DEC 15 1998

OFFICE OF THE
CITY CLERK

RESOLUTION NO. 98-626

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**SACRAMENTO ARCHIVES & MUSEUM COLLECTION CENTER:
FRICOT GOLD SPECIMEN**

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

That the City Manager is hereby directed to execute an agreement between the City and the State of California for the loan of the Fricot Specimen.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO: _____

DATE ADOPTED: _____