

**SACRAMENTO EMPLOYMENT AND TRAINING AGENCY
REQUEST FOR PROPOSALS
LEASED WAREHOUSE/WORKSHOP/OFFICE SPACE**

I. GENERAL INFORMATION.

A. SETA is seeking approximately 12,500-14,500 square feet for use as warehouse/workshop/office space, with the possibility of expansion through appropriate options. The space will be used for storage of office and classroom supplies and office files. The workshop space should include a minimum of 1,000 square feet in a well lighted and ventilated area for repair and assembly of various items used in the Head Start program. The total area would also include square footage for office space for 10 staff. The average rental rate for the space should be consistent with rates in the locality of the site proposed and proposers should realize that the rental rate, while not controlling, is a significant factor in the process of selection.

B. Background.

SETA is a joint powers agency comprised of the City of Sacramento and the County of Sacramento. SETA was formed in 1978 and administers the Sacramento One Stop Career Centers, Workforce Investment Act Program, Head Start Program, Community Services Block Grant Program, Targeted Assistance and Refugee Employment Social Services Grants, and the American Recovery and Reinvestment Act of 2009 programs. SETA is governed by a five-member Governing Board comprised of two members of the Sacramento City Council, two members of the Sacramento County Board of Supervisors, and one public member.

Working in conjunction with the SETA Governing Board are a variety of boards and councils that assist in the administration of the programs. These boards and councils include the Workforce Investment Board (WIB), the Head Start Policy Council (PC), and the Community Action Board (CAB).

C. Site Location.

1. The preferred site location should be in the area generally bounded by Main Avenue and Del Paso Boulevard on the north; North B Street and C Street on the south; Interstate 5 on the west and Business 80 on the east, as indicated in Exhibit A.

2. Alternative Locations.

The area identified above represents the preferred area for location of the site. Consideration will be given to sites not located within these boundaries but within a reasonable proximity to the preferred location.

D. Preferred Date for Occupancy.

The preferred date for occupancy by SETA is December 1, 2010, or as soon thereafter as possible. If the proposed premises will be available at an earlier, or a later, date, please state that date.

E. Solicitation.

The purpose of this Request for Proposals (RFP) is to solicit proposals to lease warehouse/workshop space to SETA in accordance with the requirements contained in this RFP.

It is understood that:

1. Any proposer may be required to furnish a financial statement and/or other information as determined by SETA identifying the financial ability of the proposer to furnish and maintain the required facilities.
2. This solicitation does not seek formal bids, but is a request for proposals. SETA shall not pay for any costs incurred by a responding person or entity. SETA reserves the right to accept or reject any or all proposals in whole or in part received in response to this request and to negotiate with all qualified sources. SETA may cancel this RFP, in whole or in part, at any time and in its sole discretion. SETA reserves the right to accept or reject any proposal or to waive any irregularity in any proposal. In determining and evaluating the best proposal, the rental rate will not necessarily be the controlling factor. Such factors as construction time, suitability of the building for the proposed use, site location, financial ability of the proposer, payment of agency relocation expense, along with any other factors deemed relevant by SETA will also be considered. SETA SHALL BE THE SOLE JUDGE IN THE DETERMINATION OF THESE MATTERS.
3. The successful offeror will be required to enter into SETA's standard form warehouse lease for the premises (see attached copy) with only the business terms thereof being subject to negotiation. The standard form warehouse lease contains a liquidated damages provision for delays in occupancy beyond the agreed upon move in date as follows:

“FAILURE TO HAVE PREMISES READY FOR OCCUPANCY.

IN THE EVENT LESSOR FAILS, FOR ANY REASON WHATSOEVER TO HAVE THE PREMISES READY FOR OCCUPANCY FOR LESSEE BY DECEMBER 1, 2010, LESSEE SHALL NOT BE LIABLE FOR ANY RENT WHATSOEVER UNTIL SUCH TIME AS THE PREMISES ARE READY FOR OCCUPANCY. IN ADDITION, LESSOR SHALL PAY TO LESSEE, AS LIQUIDATED DAMAGES, COMMENCING DECEMBER 1, 2010, THE SUM OF ONE HUNDRED DOLLARS (\$100.00) PER DAY OR ANY DAILY INCREASED SUM LESSEE IS REQUIRED TO PAY AT ITS CURRENT OR ALTERNATE LOCATIONS, WHICHEVER IS GREATER, UNTIL SUCH TIME AS THE PREMISES ARE READY FOR OCCUPANCY. “READY FOR OCCUPANCY” SHALL BE DEFINED AS CONFORMING TO THE PLANS AND SPECIFICATIONS IDENTIFIED IN THIS LEASE. SHOULD THE PREMISES FAIL TO CONFORM TO SAID PLANS AND SPECIFICATIONS FOR FORTY-FIVE (45) DAYS OR MORE BEYOND DECEMBER 1, 2010, LESSEE MAY, AT ITS OPTION, CANCEL AND TERMINATE THIS LEASE WITHOUT ANY OBLIGATION ON ITS PART WHATSOEVER, AND RECEIVE A COMPLETE REFUND ON ALL SUMS THERETOFORE PAID TO LESSOR UNDER THIS LEASE WITHIN TEN (10) BUSINESS DAYS OF CANCELLATION.”

4. All leases must receive the final approval of the SETA Governing Board before execution by SETA.
5. All responses to this Request for Proposals shall be made on the “Warehouse Proposal Form” supplied with this Request. Additional pages should be added as necessary.
6. All proposals should contain a site plan indicating the location of the warehouse building with regard to neighboring uses on adjacent parcels. In addition, a floorplan of the building indicating the space being offered is requested.

F. Funding Sources.

SETA’s funding is based exclusively on federal and state grants and awards. Proposers should be aware that SETA’s activities, including procurement of leased space and lease terms and conditions, are subject to any modifications required by its funding sources or the pertinent laws and regulations.

G. Responsiveness.

In order to be deemed responsive to this RFP, any proposal submitted must: (1) identify the location, (2) include a site location map and front elevation of proposed building(s) or a photograph(s) of the existing structure(s), (3) identify the occupancy date, (4) identify the size of the proposed facility(ies), (5) quote proposed monthly rent, and (6) specifically address all other items identified in the RFP, including, but not limited to, the “Specifications” set forth in Section III.

I. RFP Schedule.

This RFP is being released on May 3, 2010. Proposals shall be received no later than 5:00 p.m., P.D.S.T., June 30, 2010 at the SETA Offices, 925 Del Paso Blvd., Suite 100, Sacramento, California 95815. LATE PROPOSALS WILL NOT BE ACCEPTED. Any proposal submitted must be binding and irrevocable on the part of the proposer through August 15, 2010. The SETA Governing Board is currently scheduled to select a proposal(s) and to authorize lease negotiations at its public meeting of August 5, 2010.

II. **IDENTIFIED SPACE.**

The following represents **approximate** space needs for the site.

A. Warehouse.

Approximately 11,000 square feet of contiguous space

Workshop.

Approximately 1,000 square feet of well-lighted workspace

Office.

Approximately 1,100 square feet of office space for a configuration of 10 staff; including 2 separate offices

Parking.

Minimum exclusive parking spaces: 10

Secure file storage room

Approximately 1,000 square feet

Restrooms and Break Room with refrigerator, microwave, and sink with garbage disposal.

B. Additional Space Options.

The space requirements identified in Section II.A, above, are the minimum space requirements necessary to satisfy SETA's current needs. It is possible that SETA's needs could increase during the life of the lease and, thus, SETA is also interested in any proposals that could include an option and/or right of first refusal to lease additional contiguous storage space. If such space is available, a proposer should identify the amount of such additional space and the general terms of that availability.

III. **SPECIFICATIONS.**

The specifications set forth below identify the standards and requirements for the premises to be leased by SETA. Each proposal must address each specification. These specifications are not intended to constitute limitations on additional amenities that a proposer may wish to include in any proposal. Proposers are encouraged to address other such amenities, such as assisting in relocation expenses.

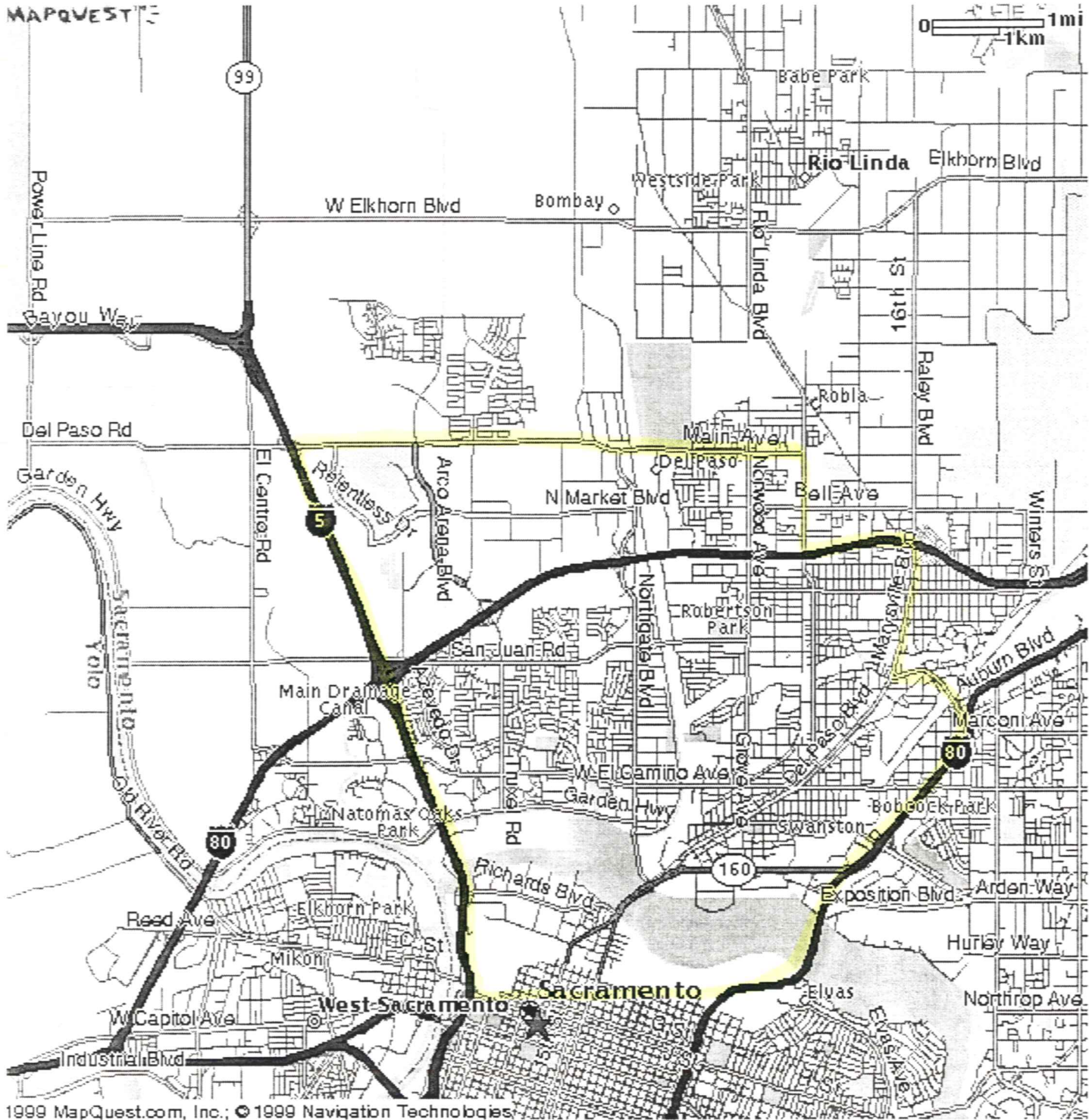
Mandatory.

- A. The lease must be for a five (5) year initial term with an option to renew for up to five (5) additional years. SETA's preferred date for occupancy and commencement of the term is December 1, 2010. If you propose an earlier or a later date, please state that date. If you are willing to grant SETA an option and/or right of first refusal to lease additional contiguous space, please describe the amount of space and general terms of availability.
- B. The lease must include a provision permitting SETA to terminate the lease in the event SETA's funding is reduced to ninety percent (90%) of the funding level of fiscal year 2010.
- C. Proposed rental rates must be based upon usable square feet. A flat rate for rent for each year of the lease is preferred. Such a flat rate would exclude any pass through of operating expenses, taxes, insurance, building maintenance, etc.
- D. All rental rates must be for a fully serviced lease.
- E. The site must have full handicapped access in conformance with all federal, state and local laws and regulations. Sites must also conform to all safety regulations and orders of applicable governmental agencies, including, but not limited to, the California Department of Industrial Relations, the U.S. Department of Labor - Occupational Safety and Health Department and the California State Fire Marshall. The site must include male and female restrooms with handicapped access.
- F. The lease will not require advance deposits, and SETA will not provide any security deposits.
- G. The lease will provide for lease payments to be paid in arrears at the end of each month.
- H. Ten (10) exclusive parking spaces shall be included in the basic rent.
- I. The site must have the ability to fully secure the leased premises during non-business hours.
- J. The site must have adequate areas for truck loading and unloading. The warehouse portion of the leased premises must be suitable for the operation of forklifts therein.
- K. The lease will require the lessor to insure the building and improvements for replacement value and maintain commercial general liability insurance with limits of at least One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate per location, with SETA named as an additional insured on the liability insurance.
- L. It is preferred that the lease includes a provision granting SETA the option to lease additional contiguous space in future years.
- M. The building which contains the leased premises shall be **fully fire sprinklered**.
- N. The exterior walls and the roof of the building which contains the leased premises shall be weatherproof and not allow wind or water to enter the building.
- O. Prior to the walk through inspection of the leased premises, the landlord shall thoroughly clean the leased premises using professional cleaners. Items to be cleaned include, but

are not limited to, doors, door frames, windows and frames, grills, trim, light fixtures and switch plates, plumbing fixtures and trim, and all finished surfaces. All spots, smears, dust, debris and defacements of every sort, including those of vandals, shall be removed. The landlord shall keep the leased premises clean until occupancy by SETA and commencement of the lease.

IV. OFFEROR'S CONFERENCE.

SETA will conduct an Offeror's Conference on May 20, 2010, from 1:00 p.m. to 2:30 p.m. The Conference will be held in the SETA Board Room at 925 Del Paso Blvd., Suite 100, Sacramento, California. The Conference will be provided so that proposers may have the opportunity to raise any questions they may have pertaining to the development of their proposals. It is not the intent of SETA to offer personalized technical assistance, but rather to provide examples, clarify information or answer questions relative to the RFP. Please be advised that questions regarding the preparation of individual responses to this RFP will only be answered at the Offeror's Conference. Proposers are strongly urged to attend.



WAREHOUSE LEASE

THIS LEASE is dated _____, for reference purposes only, and is made by and between _____, hereinafter called “Lessor” and the **SACRAMENTO EMPLOYMENT AND TRAINING AGENCY**, a Joint Powers Agency (“SETA”), hereinafter called “Lessee.”

RECITALS

WHEREAS, Lessee is desirous of leasing the herein described Premises and Lessor is desirous of leasing said Premises to Lessee;

NOW THEREFORE, IT IS HEREBY MUTUALLY AGREED AS FOLLOWS:

1. THE PREMISES.

That in consideration of the rents and performance of the covenants herein agreed to be paid and performed by the respective parties hereto, Lessor does hereby lease to Lessee the following described Premises and Lessee does hereby hire of and from Lessor the hereinafter described Premises situated in Sacramento, California, particularly described as follows: approximately _____ sq.ft. of warehouse, workshop and office space in the building situated at _____, together with the right to use _____ (_____) exclusive parking spaces in the parking lot of the building in which the Premises are located. In addition, Lessor shall provide all handicapped parking spaces as required by law for the Premises. The Premises are further described on the plan attached hereto as Exhibit “A” and incorporated by reference.

2. TERM AND RENT.

The initial term of this Lease shall be _____ years, commencing on _____ and ending on _____ (the “Term”). Monthly Rent during the Term shall be _____ (\$_____) (hereinafter the “Rent”). If this Lease commences or ends on a day other than the first or last day of the month,

the Rent shall be prorated for the actual number of days in such calendar month that Lessee was entitled to occupy the Premises.

Rent shall be payable in arrears at the end of each calendar month during the Term of this Lease or any renewals thereof. Lessor authorizes Lessee to make all rental payments to:

Lessor shall provide Lessee with monthly invoices for the Rent.

3. USE OF PREMISES.

The Premises shall be used for warehouse, workshop and office purposes, and for related purposes, and for no other purposes without Lessor's prior written consent. Lessee shall comply with all applicable federal, state and local laws and regulations in connection with its use and occupancy of the Premises.

4. OPTION TO LEASE ADDITIONAL SPACE.

[Insert terms of option to lease additional space]

5. OPTION TO RENEW.

Lessee shall hold an option to renew this Lease for _____ additional term(s) of _____, upon the same terms and conditions as contained herein except for rent. Monthly rent during the option term(s) shall be at a rate agreed to by the parties. Lessee shall exercise its option(s) to renew by providing Lessor with written notice(s) no later than one hundred twenty (120) days before expiration of the then current term of this Lease. Should the monthly rent not be agreed upon between the parties at least thirty (30) days before the end of the then current term, the option shall expire. Should the option expire, Lessee shall be entitled to hold over for a minimum period of ninety (90) days upon the same terms and conditions as contained in this Lease.

6. PLANS AND SPECIFICATIONS.

Prior to the commencement of the Initial Term of this Lease, Lessor shall fully construct and prepare the Premises substantially in accordance with the plans and specifications marked as Exhibit "B" which are attached hereto and incorporated by reference. If, in the performance of the construction and modifications specified in Exhibit "B" it is determined that asbestos-containing materials will have to be removed and remediated, the Lessor shall engage the services of a licensed asbestos contractor for the removal of such materials. Any additional cost

of the modifications which may be caused by the need to hire such asbestos contractor shall be borne solely by Lessor.

7. FAILURE TO HAVE PREMISES READY FOR OCCUPANCY.

IN THE EVENT LESSOR FAILS, FOR ANY REASON WHATSOEVER, TO HAVE THE PREMISES READY FOR OCCUPANCY FOR LESSEE BY _____, LESSEE SHALL NOT BE LIABLE FOR ANY RENT WHATSOEVER UNTIL SUCH TIME AS THE PREMISES ARE READY FOR OCCUPANCY. IN ADDITION, LESSOR SHALL PAY TO LESSEE, AS LIQUIDATED DAMAGES, COMMENCING _____, THE SUM OF ONE HUNDRED DOLLARS (\$100.00) PER DAY OR ANY DAILY INCREASED SUM LESSEE IS REQUIRED TO PAY AT ITS CURRENT OR ALTERNATE LOCATIONS, WHICHEVER IS GREATER, UNTIL SUCH TIME AS THE PREMISES ARE READY FOR OCCUPANCY. "READY FOR OCCUPANCY" SHALL BE DEFINED AS CONFORMING TO THE PLANS AND SPECIFICATIONS AS IDENTIFIED IN PARAGRAPH 5 ABOVE. SHOULD THE PREMISES FAIL TO CONFORM TO SAID PLANS AND SPECIFICATIONS FOR FORTY-FIVE (45) DAYS OR MORE BEYOND _____, LESSEE MAY, AT ITS OPTION, CANCEL AND TERMINATE THIS LEASE WITHOUT ANY OBLIGATION ON ITS PART WHATSOEVER, AND RECEIVE A COMPLETE REFUND OF ALL SUMS THERETOFORE PAID TO LESSOR UNDER THIS LEASE WITHIN TEN (10) BUSINESS DAYS OF CANCELLATION.

BY SIGNING BELOW, THE PARTIES SPECIFICALLY APPROVE THIS LIQUIDATED DAMAGES PROVISION.

LESSOR:_____

LESSEE:_____

8. NONCONFORMING IMPROVEMENTS.

Lessee shall, no later than thirty (30) days after occupancy of the Premises notify Lessor in writing of any nonconforming construction or improvements. Lessor shall promptly repair or rectify any nonconforming construction or improvements.

9. DESTRUCTION.

(a) If the Premises are destroyed by fire or rendered unusable by any other cause (hereinafter referred to as "Destruction"), this Lease shall terminate if there is total Destruction of the Premises. If such Destruction shall render ten percent (10%) or less of the floor space of the Premises unusable for the purpose intended, Lessor shall effect restoration of the Premises to substantially the same condition as they were immediately prior to the Destruction as quickly as is reasonably possible, but in any event within thirty (30) days of the event of Destruction.

(b) In the event such Destruction shall render more than ten percent (10%) of such floor space unusable, Lessor shall within seven (7) calendar days of the event of Destruction give written notice to Lessee of the time required to repair the same. If Lessor under such circumstances does not give written notice within seven (7) days or if repairs will require more than ninety (90) days to complete from the date such notice is given, Lessee, in either such event, at its option, may terminate this Lease or, upon notice to Lessor, may elect to undertake the repairs itself, deducting the cost thereof from the rental due or to become due under this or any other lease between Lessor and Lessee.

(c) In the event of such Destruction, other than total, where the Lessee has not terminated the Lease as herein provided or pursuant to the terms hereof has not elected to make the repairs itself, Lessor shall diligently prosecute the repair of said Premises and if for any reason said repairs are not completed within the period of thirty (30) days for Destruction aggregating ten percent (10%) of the floor space or less, or within the period specified in the notice of repair from Lessor to Lessee pursuant to Subparagraph (b), above, the Lessee shall have the option to terminate this Lease or complete the repairs itself, deducting the cost thereof from the rental due or to become due under this or any other lease between Lessor and Lessee.

(d) In the event of any such Destruction where the Lessee remains in possession of said Premises, the rental as herein provided shall be reduced by the same ratio as the floor space the Lessee is thus precluded from occupying bears to the total floor space of the Premises.

(e) Notwithstanding anything to the contrary contained in this Paragraph 9, in the event such Destruction shall render more than ten percent (10%) of such floor space unusable and the damage occurs during the last six (6) months of the then current term of this Lease or any renewal period thereof, Lessor shall not have any obligation to repair, restore or reconstruct the Premises. Should Lessor elect not to repair, restore or reconstruct the Premises pursuant to this Paragraph 9(e), it shall give written notice of this intent to Lessee within seven (7) days. Should Lessor elect not to repair, Lessee may immediately terminate this Lease with no further obligation whatsoever.

10. UTILITIES.

Lessor shall pay, when due, all gas and electricity charges incurred for heating, lighting, and cooling the Premises during the Term of this Lease and renewals thereof. Lessor shall furnish and replace all electric light bulbs and/or tubes as required during the Term of this Lease and renewals thereof. Lessor shall pay all sewer and water charges or rates when due. If any interruption in the provision of any of such utilities to the Premises is caused by Lessor in excess of twenty-four (24) hours, the Rent shall be abated for each day of interruption.

11. MAINTENANCE BY LESSOR.

(a) Lessor shall, at its own expense during the Term of this Lease and renewals thereof, provide and maintain in good repair and tenantable condition, the complete interior and exterior of the Premises, together with all appurtenances, rights, privileges and easements belonging, or appertaining thereto, including but not limited to the following:

(1) Roof, exterior walls, interior walls, ceilings, glazing, sky lights, doors, locks, flooring, landscaping, parking lot, and other facilities of the Premises. Said facilities shall include without limitation all plumbing, water pipes, hot water heaters, and air conditioning and heating units.

(2) Maintenance of equipment shall include, but is not limited to, furnishing and replacing electrical light fixtures, ballasts, and air conditioning, ventilating and heating equipment filter pads.

(b) In case Lessor shall, after notice in writing from Lessee requiring the Lessor to comply with the requirements of Paragraph 11(a) in regard to a specified condition, fail, refuse, or neglect to comply within ten (10) days of such notice or in the event of an emergency constituting a hazard, Lessee may, in addition to any other remedy Lessee may have, make such

repair at its own cost and deduct the amount thereof from the monthly rents that may then be or thereafter become due hereunder.

(c) Lessor shall designate maintenance repairmen for electrical emergencies, for plumbing emergencies, for heating, ventilating and air conditioning emergencies and other emergencies to be called in the event of an emergency situation when Lessor or its agent cannot be contacted within a reasonable time.

12. HVAC.

Lessor shall employ a licensed heating and air conditioning contractor pursuant to a service contract to service the heating and air conditioning units and to maintain these items in reasonable condition and repair (including reasonably scheduled filter changes) during the Term of this Lease and any renewals thereof. A copy of the service contract shall be submitted to Lessee prior to occupancy.

13. WASTE REMOVAL.

Lessor shall, at its own cost and expense, furnish garbage and waste removal services for the Premises.

14. JANITORIAL SERVICES.

Lessee shall be responsible for providing its own janitorial services.

15. MAINTENANCE BY LESSEE.

Except as otherwise identified in this Lease, Lessee agrees to keep the Premises in good condition and repair, damage thereto from causes beyond the reasonable control of Lessee and ordinary wear and tear excepted.

16. ALTERATIONS.

Lessee shall not make or suffer to be made any alterations, additions or improvements to the Premises without the prior written consent of Lessor, which shall not be unreasonably withheld or delayed. Any alterations, additions, or improvements to or of said Premises, including but not limited to, wall covering, paneling, and built-in cabinet work, but excluding moveable furniture and trade fixtures, shall on expiration of the Term, or any renewal thereof, become part of the realty and belong to Lessor and shall be surrendered with the Premises. Should any such work as identified above be made, Lessee shall provide Lessor with sufficient prior notice so as to allow Lessor to file a Notice of Non-responsibility.

17. PROPERTY INSURANCE.

(a) Lessor's Property Insurance.

Lessor shall procure and maintain at all times, at its cost, a policy or policies of property insurance which is at least as broad as the ISO Special Form Causes of Loss (CP 1030) policy, formerly known as "all-risks", as well as insurance covering boiler and machinery and compliance with ordinances or laws if appropriate, for the 100% insurable replacement cost of the building and improvements which contain the Premises. Lessor shall also maintain Business Income insurance in an amount sufficient to insure at least 12 months loss of rents for the same perils insured on the building and improvements. Such insurance shall include a waiver of subrogation in favor of Lessee, its employees, agents and business invitees. Lessor may not insure with a deductible or self-insured retention exceeding \$10,000 without the prior written consent of Lessee.

(b) Lessee's Property Insurance.

Lessee shall procure and maintain at all times property insurance which is at least as broad as the ISO Special Form Causes of Loss (CP 1030) policy, formerly known as "all-risks", which insurance covers Lessee's personal property including furniture, fixtures and inventory. Such insurance shall include a waiver of subrogation in favor of Lessor.

18. LIABILITY INSURANCE.

(a) Lessor's Liability Insurance.

Lessor shall procure and maintain at all times, at its cost, a policy or policies of commercial general liability insurance written on an "occurrence" policy form which is at least as broad as the most current ISO Commercial General Liability (CG 0001) policy, insuring liability arising from premises, operations, independent contractors, personal injury and advertising injury, products-completed operations and liability assumed under an insured contract. Coverage shall include a severability of interests provision and shall provide limits of not less than \$1,000,000 per occurrence and \$2,000,000 general aggregate per location. Lessor may not insure with deductibles or self-insurance retention exceeding \$5,000 without the prior written consent of Lessee. Lessee, and in their capacity as such, Lessee's officers, directors, agents and employees shall be named additional insureds by way of endorsement in the policy or policies of insurance by which Lessor complies with the above insurance requirements, and Lessor shall obligate its insurer to notify Lessee in writing at least thirty (30) days in advance of

any cancellation or failure to renew the above insurance during the Term, and any renewals, of this Lease. Lessor further agrees to furnish Lessee with certificates of insurance or copies of the policies evidencing the above coverage.

(b) Lessee's Liability Insurance.

Lessee shall procure and maintain at all times, at its cost, commercial general liability insurance written on an "occurrence" policy form which is at least as broad as the most current ISO Commercial General Liability (CG 0001) policy, insuring liability arising from premises, operations, independent contractors, personal injury and advertising injury, products-completed operations and liability assumed under an insured contract. Coverage shall include a severability of interests provision and shall provide limits of not less than \$1,000,000 per occurrence and \$2,000,000 general aggregate. Lessee's general liability policies shall be endorsed to name Lessor and any lender of Lessor as additional insured. Lessee's liability insurance may be provided by a combination of primary, excess and umbrella policies, but all excess and umbrella policies must be at least as broad as the scope of the primary commercial general liability policy.

19. INDEMNIFICATION.

To the fullest extent permitted by law, Lessor shall indemnify, defend, protect and hold completely harmless Lessee, and its officers, directors, employees, volunteers and agents (for the purposes of this paragraph, the "Indemnitees"), from and against any and all claims, demands, costs and expenses (including, but not limited to, attorneys' fees) in any way arising out of or in connection with the Lessor's ownership, occupancy, use, maintenance or control of the building and real property which contain the Premises. Lessor shall defend the Indemnitees, through counsel reasonably approved by such Indemnitees in any action, proceeding or arbitration brought against the Indemnitees, or any one of them, by reason of any such claim described above. Lessee shall indemnify, defend and hold harmless Lessor, its officers, directors and employees, from and against all liability, loss, damage, expense, penalties and costs (including attorney's fees and litigation costs) arising out of the occupancy, use or control of the Premises by Lessee.

20. TRADE FIXTURES.

All trade fixtures made or installed by Lessee in said Premises shall remain the property of Lessee, and may be removed by Lessee upon the expiration of the Lease at the option of

Lessee. Lessee shall repair any damage resulting from removal of any fixtures installed by Lessee.

21. ASSIGNMENT.

Lessee shall have the right and option to assign this Lease or any part thereof, or sublet the whole, or any part of said Premises, with the consent of Lessor which shall be reasonably given. In the event the joint powers agreement forming Lessee is terminated or its functions taken over by the City of Sacramento, County of Sacramento or a successor agency, this Lease may be assigned to such successor without the necessity of obtaining Lessor's consent.

22. HOLDING OVER.

Lessee shall have the option to hold possession of the Premises after the expiration of the Term of this Lease and/or renewals thereof for a period of ninety (90) days or less, in Lessee's sole discretion, and thereafter on a month-to-month tenancy. Any hold over period shall be upon the same terms and conditions and at the same monthly rental as described in this Lease. Such month-to-month tenancy may be terminated by either party by giving a written notice of the intention to terminate said tenancy at least one month prior to the date of the termination of said monthly tenancy.

23. QUIET ENJOYMENT.

Lessor hereby covenants and agrees that upon Lessee paying said rent in the manner aforesaid, and performing the other covenants, terms and conditions of this Lease on the part of Lessee to be kept and performed, Lessee shall have the right at all times, under the terms of this Lease, to quietly and peaceably hold possession, use, occupy and enjoy said Premises for the entire term hereof.

24. SUCCESSORS.

This Lease shall be binding upon and inure to the benefit of the successors in interest of the parties hereto.

25. NOTICES.

All notices required hereunder shall be written and shall be deemed properly served when deposited and sent postage prepaid, via certified United States mail, return receipt requested, addressed to Lessor at:

and to Lessee at 925 Del Paso Boulevard, Suite 100, Sacramento, California 95815 Attention: Executive Director, with a copy to the Law Offices of Gregory D. Thatch, 1730 I Street, Suite 220, Sacramento, California 95811. In lieu of such mailing, all notices may be served personally.

26. LESSOR'S TITLE.

Lessor covenants that Lessor is well seized of and has good right and title to lease the Premises, will warrant and defend its title thereto, and will indemnify Lessee against any damage and expense, including attorneys' fees, which Lessee may suffer by reason of any lien, encumbrance, restriction or defect in the title to or description of the Premises. If Lessor's title to or the description of the Premises is in any manner disputed, or there is a change of ownership of Lessor's estate by act of the parties or operation of law, Lessee may withhold rent thereafter accruing until Lessee is furnished proof satisfactory to it as to the party entitled thereto.

27. LESSOR'S WARRANTIES.

Lessor warrants to the best of Lessor's knowledge and records that the Premises are not in violation of any federal, state or local law, ordinance or regulation relating to environmental conditions or hazardous materials on, under or about the Premises. Lessor agrees to abide by all environmental laws, rules and regulations during the Term of this Lease and any renewals thereof. Lessor further warrants to the best of Lessor's knowledge and records that no hazardous materials have been installed, used, generated, manufactured, stored, released or disposed of on, under or about the Premises, or transported to and from the Premises by Lessor, or any third person during the time period Lessor owned and/or managed the Premises. Lessor must notify Lessee in writing prior to the execution of this Lease of the existence and location of asbestos-containing materials within the Premises in accordance with Health and Safety Code Section 25915.5. If at any time during the Term of this Lease or any renewal thereof, Lessor learns of any hazardous material problem on or near the Premises, Lessor shall notify Lessee in writing within five (5) days thereof. Lessor further agrees to take immediate corrective action with respect to any hazardous materials problem, including but not limited to, asbestos, that may affect Lessee. Lessor agrees to indemnify, protect, defend and hold harmless Lessee and its agents, employees, representatives, and directors from and against any and all claims, costs, penalties, fines, loss, damages and expenses, including attorneys' fees, incurred as a result of any environmental problems or any problem which Lessor permits to be created by other tenants of

the same building and warehouse complex which contains the Premises. Hazardous materials shall include, but are not limited to, substances which are flammable; explosive; corrosive; radioactive; toxic; and any substances defined as hazardous substances, hazardous materials, toxic substances, or hazardous wastes in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. Section 9601 et. seq.); the Hazardous Material Transportation Act (49 U.S.C. Section 1801 et. seq.); the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et. seq.); the Hazardous Waste Control Act (California Health and Safety Code Section 25100 et. seq.); and the Hazardous Substance Account Act (California Health and Safety Code Section 25300 et. seq.), and all amendments to these laws and regulations adopted or publications promulgated pursuant to these laws. Hazardous materials shall also include those asbestos-containing materials defined and described in Environmental Protection Agency Report No. 56/5-85-024 (June 1985), or any related or successor report, or other applicable government regulations defining or describing such materials.

28. CONDEMNATION.

In the event of condemnation of the Premises, each of the parties hereto shall have and retain their separate and independent right to compensation for loss, costs and damages against the Condemning Authority (as hereinafter defined). In the event of such condemnation of all or substantially all of the Premises, or so much thereof as to render the balance thereof impractical for the use of Lessee, as Lessee in its sole discretion shall determine, this Lease maybe terminated by Lessee thirty (30) days after Lessee so notifies Lessor. In the event less than all, or substantially all, of the Premises are condemned, and the balance remaining may be practically devoted to the use of the Lessee, as Lessee in its sole discretion shall determine, this Lease shall not terminate, but rental shall thereafter be reduced from the Date of Taking as follows:

(a) In the case of floor space, by the same ratio as the floor space Lessee is precluded from occupying bears to the total floor space of the Premises immediately before the Date of Taking; and,

(b) In the case of parking area, by the replacement cost of comparable parking spaces within the one square block area surrounding the Premises.

“Condemnation” means (i) the exercise by any governmental power or Condemning Authority, whether by legal proceedings or otherwise, of a power of eminent domain or condemnation and (ii) a voluntary sale or transfer by Lessor to any Condemning Authority, either under threat of condemnation or while legal proceedings for condemnation are pending.

“Date of Taking” means the date the condemner has the right to the possession of the Premises or any part thereof.

“Condemning Authority” means any public or quasi-public authority, or private corporation or individual, having the power of condemnation.

29. FAILURE TO PERFORM.

If Lessor shall fail or refuse to perform any of the affirmative covenants to be performed by Lessor pursuant to the terms of this Lease, or if Lessor shall fail or refuse to make any payment which Lessor agrees to make or is obligated to make pursuant to the terms of the Lease, then, in the event of the failure of Lessor to perform such affirmative covenant or make such payment within a period of thirty (30) days after Lessee shall have given written notice to the Lessor of its failure to perform such affirmative covenant or make any such payment (except that if such affirmative covenant cannot be reasonably performed within said thirty (30) day period, then if the Lessor shall fail to commence performance of such affirmative covenant within said thirty (30) day period with reasonable speed and diligence until such affirmative covenant is performed), Lessee may, at Lessee’s option, either cancel this Lease by giving Lessor a thirty (30) day written notice of cancellation, or cure Lessor’s failure to perform or failure to make payment at Lessee’s cost. If Lessee at any time, by reason of Lessor’s failure to perform or to make payments after notice as provided herein, pays any sum or does any act that requires the payment of any sum in order to cure Lessor’s failure to perform or to make payments, Lessee may deduct the amount thereof from the rents that may then be or thereafter become due hereunder.

30. WAIVER.

Lessee’s failure to take advantage of any default by Lessor or any breach of covenant by Lessor shall not be construed as a waiver thereof.

31. COMPLIANCE WITH LAWS.

Lessor shall make, at its sole cost, the Premises conform to regulations and orders of the California Department of Industrial Relations, the U.S. Department of Labor - Occupational Safety and Health Administration, the California Occupational Safety & Health Department and the Premises shall meet the requirements of the State Fire Marshall's safety orders and shall conform to all handicap laws and regulations applicable to either Lessor or Lessee. Lessor shall, in the performance of its obligations under this Lease, abide by all other applicable laws, ordinances, codes and administrative regulations of the United States, the State of California, and local governments.

32. PEST CONTROL.

Lessor shall provide initial and regular pest, including rodent, control service to the Premises. During the term of this Lease or any renewal thereof, Lessor shall be responsible for all pest control service related to wood destroying pests and organisms, including but not limited to, termites, dry rot and other powder post beetles.

33. LESSEE'S FUNDING.

Notwithstanding any other provision of this Lease, Lessor and Lessee mutually agree that in the event the source of funding available to Lessee is reduced at any time during the term of this Lease, or any renewal thereof, to an amount less than ninety percent (90%) of the funding level of fiscal year 2010, or in the event that the applicable laws or regulations governing the amount of funds which Lessee may expend for the purposes of this Lease are reduced to an amount less than ninety percent (90%) of the amount allowable in fiscal year 2010, or in the event that the Joint Powers Agreement between the City of Sacramento and the County of Sacramento establishing and authorizing the operations of Lessee is terminated, then Lessee may terminate this Lease, upon the giving to Lessor of a thirty (30) days written notice of intention to terminate pursuant to this provision. Upon request, Lessee shall provide Lessor with a schedule indicating the funding level of fiscal year 2010.

34. ENTRY BY LESSOR.

Lessor shall have the right to enter the Premises at all reasonable times for reasonable purposes, specifically including the right to inspect the Premises during normal business hours, to supply janitorial and other services, and to make repairs. Lessor shall not unreasonably

interfere with the conduct of Lessee's business in the Premises during the exercise of the foregoing right to enter.

35. ESTOPPEL CERTIFICATES.

Lessee shall at any time and from time to time upon not less than ten (10) business days prior written notice from Lessor execute, acknowledge and deliver to Lessor a statement in writing, (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified, is in full force and effect), and the date to which the rental and other charges are paid in advance, if any, and (b) acknowledging that there are not, to Lessee's knowledge, any uncured defaults on the part of the Lessor hereunder, or specifying such defaults if any are claimed. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part.

36. SUBORDINATION.

This Lease may be made subordinate to any encumbrance now of record or recorded after the date of this Lease affecting the Premises only after Lessor furnishes to Lessee an executed Non-Disturbance Agreement, in a form reasonably satisfactory to Lessee, from the holder of any encumbrance.

37. CALIFORNIA LAW.

This Lease shall be governed according to the laws of the State of California.

38. MODIFICATIONS.

This instrument contains all of the agreements and conditions made between the parties to this Lease and may not be modified orally or in any manner other than by an agreement in writing signed by all the parties to the Lease or their successors in interest.

39. EFFECT OF INVALIDITY.

The invalidity or illegality of any provision shall not affect the remainder of this Lease.

40. TIME.

Time is of the essence in the performance of this Lease.

IN WITNESS WHEREOF, the respective parties hereto have hereunto set their hands as indicated below.

LESSOR:

By:

Name: _____

Title: _____

Dated: _____

LESSEE:

**SACRAMENTO EMPLOYMENT AND
TRAINING AGENCY, A Joint Powers Agency**

By: _____

Kathy Kossick, Executive Director

Dated: _____

APPROVED AS TO FORM:

Legal Counsel to SETA

EXHIBIT A
DIAGRAM SHOWING THE PREMISES

[To Be Attached]

EXHIBIT B

**PLANS AND SPECIFICATIONS
for
TENANT IMPROVEMENTS**

[To Be Attached]

WAREHOUSE PROPOSAL FORM

PROPOSER

Name:	
Address:	
Phone No.:	
FAX No.:	
Contact Person:	

LOCATION OF PROPOSED FACILITY

Address:	
Parcel #'s:	
Current Zoning:	
	Remember to include site location map, front elevation or photo.

SIZE PROPOSED - Usable Square Feet

Warehouse Sq. Ft. Proposed:	
Workshop Sq. Ft. Proposed:	
Office Sq. Ft. Available:	
Additional Sq. Ft. Available:	
	<i>Minimum</i> <u> </u> <i>sq. ft. total requested.</i>

RENTAL RATE - Payable In Arrears At End of Month

Years 1 - 5:	
Option Years:	
	<p>Lessor pays sewer, water, garbage, waste removal, landscaping, insurance, taxes and maintenance.</p> <p>Lessor pays for gas and electric.</p> <p>SETA views pass-throughs, "CAMS", and any other open-ended costs with great disfavor.</p>

TERM

Commencement Date Proposed:	
Initial Term Proposed:	
Option Term Proposed:	
	5 year Initial Term with Option Term up to 5 additional years requested.
	SETA's Preferred Commencement Date is December 1, 2010.

PARKING SPACES

No. of exclusive:	
No. of non-exclusive:	
	<u>Minimum of _____ exclusive spaces should be included in the rent.</u>

OCCUPANCY

No. of days to complete:	
Move in date:	
	This period commences after SETA reviews and approves your plans.

OTHER

Handicapped Access in men's and women's restrooms?	Yes/No
Require any Advance/Security Deposits?	Yes/No
Please describe loading docks and facilities on a separate attachment. [See preferred specifications attached as Exhibits to RFP]	
Will landlord carry \$1 Million commercial general liability insurance?	Yes/No
Will the landlord carry fire and extended coverage insurance for the replacement value of building which contains the premises?	Yes/No
Do the proposed premises have fire sprinklers?	Yes/No
Can the premises be fully secured during non-business hours?	Yes/No

OTHER AMENITIES

	Please list any additional amenities on a separate attachment.
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SUBMITTAL

	<p>The proposals must be received at: Sacramento Employment and Training Agency 925 Del Paso Boulevard, Suite 100 Sacramento, CA 95815 <u>no later than 5:00 p.m.,</u></p> <p>The proposals should be received in a sealed envelope marked - "WAREHOUSE LEASE PROPOSAL".</p>
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BINDING

	The proposals are binding and irrevocable on the part of the proposer for 60 days.
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SIGNATURE

Signature:	
Print Name:	
Title or Position:	
Company Name:	