

OFFICE LEASE

THIS LEASE made and executed in quadruplicate this _____ day of _____, 2010, between _____, hereinafter called "Lessor" and the **SACRAMENTO EMPLOYMENT AND TRAINING AGENCY**, a Joint Powers Agency, hereinafter called "Lessee".

RECITALS

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

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 _____, California, particularly described as follows: Suite _____ containing approximately _____ square feet at _____, _____, California, as shown on Exhibit "A" attached hereto (the "Premises"), as well as the right to non-exclusive use of the parking area of the building in which the Premises are located. The Premises are further described on the plan attached hereto as Exhibit "A" and incorporated by reference.

2. TERM AND RENT.

The term of this Lease shall be five (5) years (the "Term"), commencing and ending on the dates set forth in the Memorandum of Commencement submitted by Lessee as provided below, at a total monthly rent as follows:

Months 01 - 12	\$_____ per square foot / \$_____ per month
Months 13 - 24	\$_____ per square foot / \$_____ per month
Months 25 - 36	\$_____ per square foot / \$_____ per month
Months 37 - 48	\$_____ per square foot / \$_____ per month
Months 49 - 60	\$_____ per square foot / \$_____ per month

Rent shall be payable at the end of each calendar month during the Term of this Lease or any renewals thereof. Within ten (10) days after delivery of the Premises to Lessee for occupancy, the Lessor and Lessee shall execute the Memorandum of Commencement attached hereto as Exhibit "B" to confirm the exact square footage being occupied by Lessee under this Lease and the commencement and expiration dates of the Term.

3. USE OF PREMISES.

The Premises shall be used for administration and general 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.

During the Term of this Lease and any renewals thereof, Lessee shall have the option to lease that area shown as the "Additional Space" on Exhibit A attached hereto and incorporated by reference, by adding the Additional Space to this Lease at the same rental per square foot as Lessee is then currently paying for the Premises. Lessee shall give Lessor thirty (30) days' written notice of Lessee's election to exercise this option to add the Additional Space to this Lease. Within _____ days after Lessor's receipt of such notice, Lessor shall deliver possession of the Additional Space to Lessee complete with tenant improvements of the same kind and quality as have been provided in the original Premises.

5. OPTION TO RENEW.

Lessee shall hold an option to renew this Lease for five (5) additional lease years upon the same terms and conditions as contained herein, except that the monthly rental payments shall be subject to negotiation and agreement between the parties. Lessee shall exercise this option by giving written notice to Lessor not later than one hundred eighty (180) days prior to the expiration of the initial Term. Monthly rent shall be negotiated no later than sixty (60) days before the expiration of the initial Term of this Lease. Should the monthly rent not be agreed upon by the parties within sixty (60) days before the expiration of the initial Term of this Lease, then the option to renew 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 in this Lease, except the option to renew.

6. LANDLORD'S WORK.

Prior to the commencement of the initial Term of this Lease, Lessor shall: (a) _____; (b) _____; and (c) _____ (collectively the "Landlord's Work"). All of Landlord's Work shall be performed by licensed contractors, as applicable, and shall conform with all applicable building codes and regulations at the time of Lessor's delivery of the Premises to Lessee. [IF BEING RE-CARPETED ADD: All carpeted areas in the Premises shall be carpeted with _____ carpet, in a color approved in writing by Lessee. The base shall be 4 inch rubber top set, standard color, or at the option of Lessor, pre-finished wood, standard color. If there are any undulations in the concrete slab, the Lessor shall have the floor "floated" to create a uniform smooth and level surface upon which to install the carpeting.]

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 SPECIFICATIONS FOR THE LANDLORD'S WORK AS IDENTIFIED IN PARAGRAPH 6 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 THEREFORE PAID TO LESSOR UNDER THIS LEASE WITHIN TEN (10) BUSINESS DAYS OF CANCELLATION.

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

LESSOR'S INITIALS: _____

LESSEE'S INITIALS: _____

8. NONCONFORMING IMPROVEMENTS.

Lessee shall, no later than thirty (30) days after occupancy of the Premises or commencement of the initial Term, whichever is later, notify Lessor in writing of any nonconforming construction or improvements required pursuant to Section 6, and Lessor shall expeditiously thereafter correct any non-conforming items.

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 Paragraph (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 normal business hours for 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.

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, exterior plants located in common areas and 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, but shall not include any items installed by Lessee.

(2) Maintenance of equipment shall include, but is not limited to, furnishing and replacing electrical light fixtures, bulbs, tubes, 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 only 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. 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.

15. 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.

16. 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 which contains 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. 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.

C. 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 of this Lease. Lessor further agrees to furnish Lessee with certificates of insurance or copies of the policies evidencing the above coverage.

D. 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.

17. 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.

18. 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. Any assignment, however, must be to a subtenant which will use the Premises for general office purposes.

19. INDEMNIFICATION.

A. By Lessee. Lessee shall indemnify, defend, protect and hold harmless Lessor, and its officers, employees and agents, from and against any and all third party claims of liability, loss, damage, expense, penalties and costs (including attorneys' fees and litigation expenses) arising out of or in connection with the occupancy, use or control of the Premises by Lessee and its officers, employees, agents, volunteers, guests and invitees.

B. By Lessor. Lessor shall indemnify, defend, protect and hold harmless Lessee and its officers, employees, agents and volunteers, from and against any and all liability, loss, damage, expense, penalties and costs (including attorneys' fees and litigation expenses) arising

out of or in connection with the ownership, occupancy, use, maintenance or control of the Premises by Lessor and its officers, employees, agents, volunteers, guests and invitees.

20. HOLDING OVER.

Lessee shall have the option to hold possession of the Premises after the expiration of the initial 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.

21. 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.

22. SUCCESSORS.

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

23. 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 _____, California _____, 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 95814. In lieu of such mailing, all notices may be served personally. Notices sent by mail shall be deemed received three (3) days after mailing.

24. 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 attorney's 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.

25. 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 waste 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 attorney 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 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.

26. PARKING.

Lessee and its employees and invitees shall have the non-exclusive right to use the parking lot of the building which contains the Premises. Lessor also shall provide all handicapped parking spaces as required by law for the Premises. Lessor shall provide all sweeping and cleaning services to all parking areas serving the building that contains the Premises.

28. ADDRESS FOR RENT.

Lessor authorizes Lessee to make all rental payments to:_____.
_____. Lessor shall provide Lessee with monthly invoices for the rent.

29. 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. 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 may be 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 exclusive parking area, by the replacement cost of comparable parking spaces within the one square block area surrounding the Premises.

"Condemnation" means (a) the exercise by any governmental power, whether by legal proceedings or otherwise, by a condemning authority and (b) 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.

30. 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.

31. PEST CONTROL.

Lessor shall provide initial and regular pest, including rodent, control service to the Premises. During the term of this Lease or 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 powder post beetles.

32. WAIVER.

Either party's failure to take advantage of any default by the other party or any breach of covenant by the other party shall not be construed as a waiver thereof.

33. 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 at the time of delivery of the Premises. 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.

34. JANITORIAL SERVICES.

Lessor shall furnish to Lessee, during the Term and any renewals thereof, at Lessor's sole cost, the following janitorial services:

(a) Daily services - clean, dust, and vacuum all office areas and corridors; clean and maintain in sanitary condition restrooms and toilets and furnish toilet supplies; and dispose of waste in office and common areas.

(b) Intermittent services - wax floors; clean lighting fixtures; furnish and replace tubes, bulbs and starters; clean venetian blinds or other window coverings; wash windows; sweep sidewalks; clean parking area; maintain internal and external landscaped areas; and shampoo the carpeting in the Premises at least once every six months during the term of this Lease. The foregoing shall be performed as may be necessary to keep the Premises in a clean and presentable condition and to continuously furnish proper lighting throughout the Premises.

(c) Sweep entire parking area at least once per month.

35. 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 2007, 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 2007, 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 2007 and any subsequent years.

36. 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.

37. 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.

38. SUBORDINATION.

As a condition precedent to Lessee's obligations under this Lease, Lessor shall obtain and furnish to Lessee a written Non-disturbance Agreement reasonably acceptable to Lessee, signed by the holders of all mortgages or deeds of trust now encumbering the Premises within thirty (30) days following Lessor's execution of this Lease. 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.

39. CALIFORNIA LAW.

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

40. 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.

41. EFFECT OF INVALIDITY.

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

42. TIME.

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

IN WITNESS WHEREOF, the respective parties hereto have hereunto set their hands to be effective the day and year first above written.

LESSOR:

_____,
a California _____

By:

Name: _____

Title: _____

By:

Name: _____

Title: _____

LESSEE:

**SACRAMENTO EMPLOYMENT AND TRAINING AGENCY,
a joint powers agency**

By: _____
Kathy Kossick, Executive Director

APPROVED AS TO FORM:

Legal Counsel to SETA

EXHIBIT A
DIAGRAM SHOWING THE PREMISES

[To be supplied by Lessor]

EXHIBIT "B"

MEMORANDUM OF COMMENCEMENT DATE

This Memorandum of Commencement Date is dated this _____ day of _____, for references purposes only, by and between _____, the Lessor, and the **Sacramento Employment and Training Agency**, the Lessee.

The parties have entered into a Lease dated as of _____ (the "Lease") for certain office space (the "Premises") located in Suite _____ at _____, California.

Lessee and Lessor hereby confirm the following:

- (a) That the Landlord's Work to be performed by Lessor pursuant to the provisions of the Lease has been completed;
- (b) That Lessee has accepted possession of the Premises and now occupies same;
- (c) That the Term of the Lease commenced on _____, and will expire on _____; and
- (d) That the Premises consist of _____ square feet.

IN WITNESS WHEREOF, Lessor and Lessee have signed this Memorandum of Commencement Date.

LESSOR:

LESSEE:

SACRAMENTO EMPLOYMENT AND TRAINING AGENCY

By: _____

Name: _____

Title: _____

By: _____

**KATHY KOSSICK
Executive Director**