

SACRAMENTO EMPLOYMENT AND TRAINING AGENCY

REQUEST FOR PROPOSALS (RFP)

LEASED OFFICE AND CLASSROOM SPACE

Date Released: March 6, 2014

Extended Deadline: August 29, 2014

The terms and conditions of this Request for Proposals (RFP)
have been approved by the Governing Board of the
Sacramento Employment and Training Agency

Sacramento Employment and Training Agency
925 Del Paso Blvd., Suite 100
Sacramento, CA 95815

Telephone (916) 263-3800

RFP PLANNING CALENDAR
(Dates and Times are subject to change)

DATE	EVENT
Thursday, March 6, 2014	Release of RFP
Friday, August 29, 2014, 4:00 p.m.	Proposals are due at SETA 925 Del Paso Blvd. or email at michelle@delpaso.seta.net
Thursday, September 4, 2014 10:00 a.m.	Governing Board reviews/approves staff recommendations for office and classroom space

**SACRAMENTO EMPLOYMENT AND TRAINING AGENCY
REQUEST FOR PROPOSALS
LEASED OFFICE AND CLASSROOM SPACE**

I. GENERAL INFORMATION

INTRODUCTION

A. SETA is seeking a fully serviced lease for office and classroom space for clients entering the facility for job training and employment services. The available square footage should be between 10,000 and 13,000 square feet. The average rental rate for the space should be consistent with rates for fully serviced leases 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. The boundaries for the areas are identified in Section I.C. "Site Location." A detailed description of the space needs is included in Section II, "Identified Space." The Identified Space will be pursued for the continued operation of SETA's Job Center servicing South Sacramento and the surrounding area.

B. Background:

SETA is a joint powers agency comprised of the City and County of Sacramento. SETA was formed in 1978 and administers the Workforce Investment Act program, Sacramento County Head Start program, Community Services Block Grant program, and Refugee Resettlement 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 boards and councils that assist in the administration of the programs. These boards and councils include the Sacramento Works, Inc. Board, the Head Start Policy Council (PC), and the Community Action Board (CAB).

C. Site Location

SETA is seeking a site location in the southern area of the County of Sacramento generally bounded by Fruitridge Road to the North, Interstate 5 to the West, Elk Grove/Florin Road to the East and Elk Grove Blvd. to the South (see attached map). NOTE: Sites on both sides of boundary streets are acceptable.

D. Preferred Date for Occupancy:

The preferred date for occupancy by SETA is no later than October 31, 2014. Earlier dates for occupancy may be proposed.

E. Solicitation:

The purpose of this Request for Proposals (RFP) is to solicit proposals to lease fully serviced office and classroom 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, economic impact on the neighborhood, financial ability of the proposer, payment of agency relocation expenses, 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 proposer will be required to enter into SETA's standard form lease for the premises (see attached copy) with only the business terms thereof being subject to negotiation. The standard form 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 _____, 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 TWO HUNDRED DOLLARS (\$200.00) 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 FOR LESSOR'S WORK AS IDENTIFIED IN PARAGRAPH 6 ABOVE AND ISSUANCE OF A CERTIFICATE OF OCCUPANCY OR PERFORMANCE OF A FINAL INSPECTION BY THE APPLICABLE CITY OR COUNTY BUILDING DEPARTMENT. SHOULD THE PREMISES FAIL TO BE READY FOR OCCUPANCY FOR THIRTY (30) 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 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 proposals must contain a site plan indicating the location of the building. In addition, a floor plan of the building indicating the space being offered for lease is required.

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 modification required by its funding sources for 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) include a floor plan of the building indicating the space being offered, (4) identify the occupancy date, (5) identify the size of the proposed facility(ies), (6) quote the proposed monthly rent, (7) identify

site access to public transportation, and (8) specifically address all other items identified in the RFP, including, but not limited to, the "Specifications" set forth in Section III.

H. Proposal Deadline and Submittal Procedure:

Proposals must be received and time-stamped by a SETA receptionist no later than 4:00 p.m., Pacific Standard Time (PST), Friday, August 29, 2014 at SETA's administrative office located at 925 Del Paso Blvd., Suite 100, Sacramento, California 95815 or via email at Michelle@delpaso.seta.net. Proposals mailed to SETA must be received and time-stamped by the SETA receptionist no later than 4:00 p.m., PST, Friday, August 29, 2014. **LATE PROPOSALS WILL NOT BE ACCEPTED.** Any proposal submitted must be binding and irrevocable on the part of the proposers through Thursday, September 4, 2014. The SETA Governing Board is currently scheduled to select a proposal(s) and to authorize lease negotiations at its public meeting on Thursday, September 4, 2014.

II. IDENTIFIED SPACE

A. The following represents approximate space needs for the site:

2 Office (approx. 182 sq. ft.)

Large reception area for three staff and resource area that will accommodate up to 50 customers and 20 computers

1 Large room that will accommodate 20 computers

1 Computer server room

1 Storage room

Large staff area that will accommodate between 16-24 staff (cubicles are 8' x 6 3/4')

2 Classrooms (with a capacity for approximately 30 people)

1 Break room (staff)

2 Private restrooms (male and female)

2 Public restrooms (male and female) or more

2 Interview Offices (15 x 15)

Minimum exclusive parking spaces of 20 for SETA staff and access to parking for customers

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 a proposal. Proposers are encouraged to address other such amenities, such as assisting in relocation expenses.

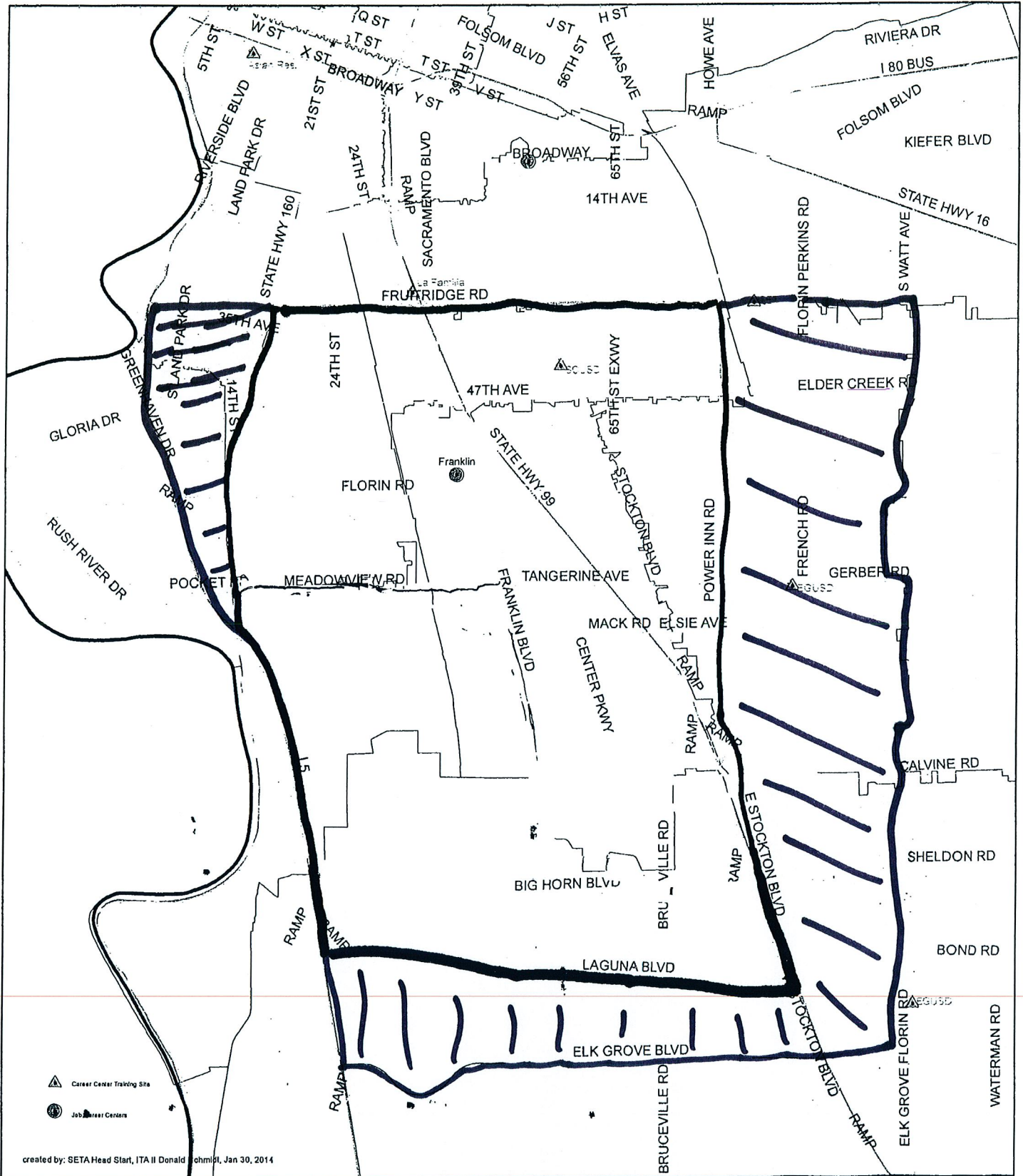
Mandatory:

- A. The term of the lease will be for five (5) years with an option to renew for up to five (5) additional years. SETA's preferred date for occupancy and commencement of the term is no later than October 31, 2014. If you propose an earlier or a later date for SETA's occupancy, please state that date. Please describe the additional options to renew the lease which the landlord is willing to grant SETA.
- B. The lease must include a provision permitting SETA to terminate the lease in the event any of SETA's funding sources reduce funding to SETA to ninety percent (90%) or less of the funding level of fiscal year 2014-2015.
- C. Proposed rental rates must be based upon usable square feet. A flat rate for rent for each year of the lease is required. Such flat rate would exclude any pass through of operating expenses, taxes, insurance, etc.
- D. **All rental rates must be for a fully serviced lease. (No triple-net lease arrangement will be considered.)**
- 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/female restrooms with handicapped access for SETA staff and SETA's customers.
- F. The lease will not require any advance deposits, and SETA will not provide any security deposits.
- G. The lease will provide for monthly rent to be paid in arrears at the end of each month.
- H. The exclusive parking space cost for the twenty (20) employee 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. Proposals must identify how additional parking needs of SETA's staff, the public and trainees can be met within a reasonable proximity of the site.
- K. The site must be accessible via public transportation.

- L. The lease will require the lessor to insure the building and improvements for their replacement value and lessor must maintain public liability insurance with limits of at least One Million and No/100 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 lessor's liability insurance.
- M. It is also preferred that the lease includes a provision granting SETA the option to lease additional contiguous space in future years.
- N. The site must be fully carpeted (exceptions are the restrooms, photocopy, storage area and break room). The carpet must be of a type which will resist static electricity and have a unitary backing to prevent running of carpet fibers.
- O. The site must be equipped with adequate window covers.
- P. The site must have central heating and air conditioning with adequate zone controls.
- Q. All sites must include 220 volt wiring with dedicated lines for reproduction machines and computer equipment.
- Q. Information Technology criteria:
- Dedicated 30 amp circuit for server room equipment
 - Server room must have its own dedicated thermostat
 - Ability to run CAT-5 wiring to all applicable work areas for computers, reproduction machines, VoIP phones, etc.
 - Connectivity capability to a large telecommunications provider, such as Telecom or AT&T
- R. 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.

SETA Job Career & Training Centers

RFP



OFFICE LEASE

THIS LEASE is made and executed in triplicate this ____ day of _____, by and between _____ hereinafter called the “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 to Lessee said Premises;

NOW THEREFORE, IT IS HEREBY MUTUALLY AGREED AS FOLLOWS:

AGREEMENTS

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 the City of _____, California, particularly described as follows: Suite _____ consisting of approximately _____ square feet at _____, _____, California, together with the exclusive right to use _____ identified parking spaces in the parking lot 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 _____. During the Term of the Lease, Lessee shall pay 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.

3. USE OF PREMISES. The Premises shall be used for administration, classroom 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. During the Term of this Lease and any renewals thereof, Lessee shall have the option to lease that approximately _____ sq.ft. area of Suite _____ in the building 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 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 apply for a building permit. Lessor shall deliver possession of the Additional Space to Lessee ready for occupancy and complete with tenant improvements of the same kind and quality as have been previously provided in the Premises pursuant to Paragraph 6 hereof within _____ (____) days after receipt of the building permit. Within ten (10) days after delivery of the Additional Space to Lessee ready for occupancy with all of the Lessor's Work described in Exhibit "C" completed, the Lessor and Lessee shall execute the Memorandum of Commencement attached hereto as Exhibit "B" to confirm the new total square footage being occupied by Lessee under this Lease and the then applicable rent.

5. OPTION TO RENEW. Lessee shall hold an option to renew this Lease for up to 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 twenty (120) days prior to the expiration of the Term, which notice shall specify the length of the term for which Lessee desires to renew the Lease. Monthly rent shall be negotiated and agreed upon no later than sixty (60) days before the expiration of the Term of this Lease.

Should the monthly rent not be agreed upon by the parties within sixty (60) days before the expiration of the 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. LESSOR'S WORK. Lessor shall provide the tenant improvements and prepare the Premises as set forth in Exhibit "C" attached hereto and incorporated herein by reference (the "Lessor's Work"). All Lessor'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 completion of the Lessor's Work in the Premises.

7. FAILURE TO COMPLETE LESSOR'S WORK.

IN THE EVENT LESSOR FAILS, FOR ANY REASON WHATSOEVER (EXCLUDING, HOWEVER, ACTS OF GOD), TO COMPLETE THE LESSOR'S WORK BY THE APPLICABLE DATES OF COMPLETION AS SET FORTH IN EXHIBIT "C", LESSOR SHALL PAY TO LESSEE, AS LIQUIDATED DAMAGES, COMMENCING AS OF THE DATE(S) OF COMPLETION SET FORTH IN EXHIBIT "C", THE SUM OF TWO HUNDRED DOLLARS (\$200.00) PER DAY UNTIL SUCH TIME AS THE LESSOR'S WORK IS COMPLETED AND CONFORMING TO THE PLANS AND THE SPECIFICATIONS FOR LESSOR'S WORK AS IDENTIFIED IN PARAGRAPH 6 ABOVE AND ISSUANCE OF A CERTIFICATE OF OCCUPANCY OR PERFORMANCE OF A FINAL INSPECTION BY THE CITY OR COUNTY BUILDING DEPARTMENT, WHEN APPLICABLE, FOR THE LESSOR'S WORK. SHOULD THE LESSOR'S WORK FAIL TO BE COMPLETED FOR THIRTY (30) DAYS OR MORE BEYOND THE APPLICABLE DATES OF COMPLETION SET FORTH IN EXHIBIT "C", LESSEE MAY, AT ITS OPTION, CANCEL AND TERMINATE THIS LEASE WITHOUT ANY OBLIGATION ON ITS PART WHATSOEVER.

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

LESSOR: _____

LESSEE: _____

8. NONCONFORMING IMPROVEMENTS. Lessee shall, no later than thirty (30) days after Lessor's completion of an item of the Lessor's Work, notify Lessor in writing of any nonconforming construction or improvements required pursuant to Exhibit "C" 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 a 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 purposes 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 of the date of Destruction. 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 power, heating, lighting, and cooling the Premises during the Term of this Lease and renewals thereof. Lessor shall pay all garbage, sewer and water charges or rates when due. If any interruption in the provision 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 any renewals thereof, provide and maintain in good repair and tenantable condition, the complete interior and exterior of the Premises and the building that contains them, 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 and interior plants located in common areas, landscaping, parking lot, and other facilities of the Premises and building which contains them. Said facilities shall include without limitation all plumbing, sinks, faucets, toilets, pipes, hot water heaters, electrical systems, and air conditioning and heating systems.

(2) Maintenance of equipment shall include, but is not limited to, furnishing and replacing electrical light fixtures, electrical outlets and switches, light bulbs, florescent tubes, ballasts, and air conditioning, ventilating and heating equipment filters.

(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 system emergencies and other emergencies who can be called by Lessee 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 Premises' heating and air conditioning system and to maintain the system 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. GRAFFITI REMOVAL. Lessor shall promptly remove all graffiti from the exterior walls and windows of the Premises and the building that contains them. If Lessor fails to remove any such graffiti from any exterior wall or window of the Premises or the building that contains them within forty-eight (48) hours of written notice being given thereof to Lessor by Lessee, then Lessee may undertake such graffiti removal itself and deduct the actual costs thereof from the Rent. For the purposes of the self-help remedy herein granted, the Lessor hereby grants Lessee all rights necessary to exercise such remedy.

15. MAINTENANCE BY LESSEE. Except as otherwise specifically 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 consent shall not be unreasonably withheld, conditioned or delayed. Any alterations, additions, or improvements to or of said Premises, including but not limited to, wall coverings, 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. 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 policy shall include a waiver of subrogation in favor of Lessee, its employees, board members, officers, 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 located at the Premises. Such insurance policy 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 interest 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 \$10,000 without the prior written consent of Lessee. Lessee, and in their capacity as such, Lessee's officers, board members, 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 and any renewals thereof. Such liability insurance shall be written as a primary policy, not excess or contributing with or secondary to any other insurance as may be available to the additional insureds. Lessor further agrees to furnish Lessee with certificates of insurance or copies of the policies evidencing the above insurance 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, Lessor's agents and any lender of Lessor as an additional insured. Such liability insurance shall be written as a primary policy, not excess or contributing with or secondary to any other insurance as may be available to the additional insureds. 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.

E. Failure to Insure. If a party fails to maintain any insurance which that party is required to maintain pursuant to this Lease, such party shall be liable to the other party for any loss or costs resulting from such failure to maintain the required insurance.

18. TRADE FIXTURES. All trade fixtures and equipment 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.

19. 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.

20. INDEMNIFICATION.

A. By Lessee. Lessee shall indemnify, defend, protect and hold harmless Lessor, and its officers, directors, 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 costs) arising out of or in connection with the occupancy, use or control of the Premises by Lessee and its officers, board members, employees, agents, volunteers, guests and invitees.

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

21. 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.

22. QUIET ENJOYMENT. Lessor hereby covenants and agrees that upon Lessee paying the monthly 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.

23. SUCCESSORS. The terms and conditions of this Lease shall extend to, be binding upon, and inure to the benefit of the successors and assigns of the parties hereto.

24. 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: _____, Attention _____, _____, 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.

25. 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 Lessor or operation of law, Lessee may withhold rent thereafter accruing until Lessee is furnished proof satisfactory to it as to the party entitled thereto.

26. 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 board members 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.

27. PARKING. Lessor shall provide Lessee with _____ exclusive individual parking spaces in the parking lot of the building which contains the Premises. In addition, Lessee and its employees and invitees shall have the non-exclusive right to use parking spaces in the remainder of the parking lot of the building which contains the Premises. Lessor also shall provide all disabled/handicapped parking spaces as required by law for the Premises. Lessor shall provide all sweeping and cleaning services to the parking areas.

28. ADDRESS FOR RENT. Lessor authorizes Lessee to make all rental payments to: _____, Attention _____, _____, _____, California _____. 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 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, whether by legal proceedings or otherwise, by a condemning authority 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.

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 and all renewals 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. 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.

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 disability/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. Lessor shall indemnify, defend and hold Lessee harmless from any and all costs, liabilities, penalties, fines and judgments arising from Lessor's failure to comply with the foregoing provisions of this paragraph.

34. JANITORIAL SERVICES. Lessor shall furnish to Lessee, during the Term and any renewals thereof, the following janitorial services as part of the basic monthly rent:

(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, restroom and common areas.

(b) Intermittent services - wax floors; clean lighting fixtures; furnish and replace florescent tubes, light bulbs and starters; clean mini 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 and any renewals thereof. 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 of the building which contains the Premises at least once per month.

(d) All janitorial equipment, mops, brooms, vacuum cleaners and supplies shall be kept in a janitor's closet located outside of the Premises.

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 renewals thereof, to an amount less than ninety percent (90%) of the funding level of the fiscal year in which this Lease was first entered into by Lessee, 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 the fiscal year in which this Lease was first entered into by Lessee, 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 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 the fiscal year in which this Lease was first entered into by Lessee.

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 lender to whom the written statement is addressed.

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 Lease 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 the day and year written below.

LESSOR:

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

EXHIBIT "B"

MEMORANDUM OF COMMENCEMENT DATE

This Memorandum of Commencement Date is dated this _____ day of _____, for reference purposes only, and is made 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 at Suite _____, _____, California and Lessee has exercised its option to expand into Suite 65 and add it to the Premises

Lessee and Lessor hereby confirm the following:

- 1) All of the Lessor's Work to be performed by Lessor pursuant to the provisions of the Lease has been completed in Suite _____;
- 2) That Lessee has accepted possession of Suite ____ and now occupies same;
- 3) That the Rent for the Premises in the amount of \$ _____ will commence on _____.

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

LESSOR:

LESSEE:

**EXHIBIT “C”
LESSOR’S WORK**

[Insert description of improvements to be provided by Lessor]

