

CITY OF ELK GROVE



Request for Proposals

For

Community Center Café Operator

**City Clerk's Office
City of Elk Grove
8401 Laguna Palms Way
Elk Grove, CA 95758**

Proposals Due by: Wednesday, May 1, 2024, by 4:00 PM

Introduction:

The City of Elk Grove (City) is accepting proposals from qualified Operators to manage the cafe space at the Center at District56 in accordance with the included specifications, terms, and conditions shown in this Request for Proposals (RFP). Prospective respondents are advised to read this information over carefully prior to submitting a proposal.

Electronic Submission:

Proposals shall be submitted electronically in pdf form, and emailed to City Clerk Jason Lindgren at jlindgren@elkgrovecity.org, with a copy to Vanessa McGill, Community Center Coordinator, at vmcgill@elkgrovecity.org, prior to the deadline stated above. Submittals in pdf format must be fully ADA compliant. Large files may be sent using a cloud-based system such as Dropbox. Consultants shall be responsible for ensuring that proposals submitted electronically are received by the City Clerk prior to the deadline. Proposals that are not received prior to the deadline shall not be considered by the City, even if the late submission is due to a technical or other error, including, without limitation, the City's inability to open or access the electronic file. If the proposing Consultant does not receive a confirmation from the City Clerk that the proposal has been received, Consultant should assume the transmission failed and either resubmit or arrange for another method of delivery. Consultants are also encouraged to contact the City Clerk to confirm receipt of their proposal prior to the deadline. Proposals shall not be accepted by fax.

Questions regarding this RFP are to be directed by e-mail to: Vanessa McGill, Community Center Coordinator, at vmcgill@elkgrovecity.org. Such contact shall be for clarification purposes only. The City must receive all questions no later than **Wednesday, April 24, 2024, at 5PM**. Material changes, if any, to the scope of services or proposal procedures shall only be transmitted by written addendum and posted to the City website. Addendums and answers to submitted questions will be available via the City of Elk Grove website under "Notice" for the RFP announcement.

Late Proposals:

Proposals arriving after the specified date and time shall not be considered, nor shall late proposals be opened. Each Operator assumes responsibility for timely submission of their proposal.

Withdrawal or Modifications of Proposals:

Any proposal may be withdrawn or modified by a written request signed by the Operator and received by the City Clerk prior to the final time and date for the receipt of proposals. Once the deadline is past, Operators are obligated to fulfill the terms of their proposal.

Proposal Acceptance and Rejection:

The City reserves the right to accept any proposal, to reject any and all proposals, and to call for new proposals, or dispense with the proposal process in accordance with the Elk Grove Municipal Code.

Proposal Evaluation and Award:

Evaluation shall be made based on the criteria noted in Attachment A: Evaluation and Selection Criteria. A contract may be awarded to the responsible Operator who best meets the City's needs by demonstrating the competence and professional qualifications necessary for the satisfactory performance of the required services and shall not necessarily be based on the lowest price or proposal, except as otherwise provided by

law, taking into consideration adherence to the included specifications. A contract may be awarded to the next responsible Operator if the successful Operator refuses or fails to execute the contract. All Operators that were not selected by the City shall be notified in writing. Nothing herein shall oblige the City to award a contract to any responding Operator.

Register with the California Secretary of State:

Unless Operator is a sole proprietorship, Operator must be registered and in good standing with the California Secretary of State within 14 days following notification of the City's intent to award a contract to Operator and prior to execution of a final contract. Failure to timely register with the Secretary of State may result in the City awarding the contract to another Operator. Additional information regarding the registration process may be found on the Secretary of State's website at: <https://www.sos.ca.gov/business-programs/business-entities?adlt=strict>

Disclosure of Submitted Materials:

After selection and execution of the contract(s), (or prior thereto if required by law) all information and materials provided in each submittal received is subject to disclosure through a public records request pursuant to the California Public Records Act, or otherwise as may be required by law. The City, in its sole discretion, may release any submitted materials, regardless of whether such materials are marked by respondents as confidential or otherwise as protected.

Waiver of Irregularities:

The City retains the right, in its sole discretion, to waive any irregularities in proposals that do not comply with the strict requirements of this RFP, and the City reserves the right to award a contract to an Operator submitting any such non-compliant proposal, all in the City's sole discretion.

Security Access Policy:

The work to be completed under this RFP requires access to City facilities and therefore is subject to the City's Security Access Policy, which is attached to the City's lease agreement (see Attachment B). The prospective Operator, including its employees, subcontractors, agents, and anyone working on their behalf that will access City facilities, must submit to a background check which shall include Live Scan electronic fingerprinting. This background check must be completed before the Operator will receive a Notice to Proceed. The Elk Grove Police Department shall review the background check and may deny access to any individual in its discretion as it deems necessary for the security of City facilities and personnel. A Community Center Café Lease (Contract) shall not be awarded to any Operator that is unable to complete the scope of work provided for in the lease or as a result of denied access under the City's Security Access Policy.

Validity of Pricing:

Operators are required to provide a lease rate for the use of the City owned facility. No change to the lease rate can be made after the proposal is submitted to the City. No attempt shall be made to tie any item contained in this RFP with any other business with the City; each proposal must stand on its own.

No Guarantee of Usage:

Any quantities listed in this RFP are estimated or projected and are provided for tabulation and information purposes only. No guarantee of quantities is given or implied by the City.

Operator must furnish the City's needs as they arise.

Demonstrations:

When required, the City may request full demonstrations prior to award. When such demonstrations are requested, the Operator shall respond promptly and arrange a demonstration at a convenient location. Failure to provide a demonstration as specified by the City may result in rejection of a proposal. The prospective Operator will provide a sample menu with suggested prices as part of the proposal. A tasting menu may also be required.

Qualification/Inspection:

Proposals will only be considered from Operators normally engaged in providing the types of services specified herein. By responding to this RFP, the Operator consents to the City's right to inspect the Operator's facilities, personnel, and organization at any time, or to take any other action necessary to determine Operator's ability to perform. The City reserves the right to reject proposals where evidence or evaluation is determined to indicate inability to perform. The City reserves the right to interview any or all responding Operators and/or to award a contract without conducting interviews.

Payment Terms:

Payment shall be made as set forth in the contract attached hereto as Attachment B. In submitting proposals under these specifications, Operators should consider all discounts, both trade and time, allowed in accordance with the payment terms.

Performance:

It is the intention of the City to acquire services as specified herein from an Operator that will give prompt and convenient service.

Term of Contract:

The term of the contract will be for a specific period of time, commencing upon execution. The City anticipates the contract to be for a term of two (2) years with three (3) one-year (1 year) extensions, at the option of the City. The City reserves the right to set the term for a period deemed to be in the best interest of the City, and terminate the contract as set forth therein.

Amendments:

If, in the course of the performance of the contract, the Operator or the City proposes changes to the services provided, and informal consultation with the other party indicates that a change in the terms and conditions of the contract may be warranted, the Operator or the City may request a change in the contract. The parties to the contract will meet to discuss and negotiate the required documents. Upon completion of those negotiations, the negotiated documents will be submitted to the City for approval. Upon approval by the City, an amendment to the contract will be approved by all parties for the change to be implemented. An amendment shall not render ineffective or invalidate any unaffected portions of the Contract. Nothing in this section obligates the City to agree to any change order or other amendment, and the City may withhold such agreement in its sole discretion.

Service and support:

Operators shall explain how all on-going service and support shall be handled by the Operator and the City of Elk Grove.

Records:

The Operator shall maintain complete and accurate records with respect to labor costs, material expenses, and other such information required by City that relates to the performance of services under the contract. The Operator shall maintain adequate records of services provided in sufficient detail to permit an evaluation of the services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible and in a form acceptable to the City, which the City may specify and change from time to time. The Operator shall provide free access to the representatives of City or its designees, at reasonable times, to such books and records, shall give City the right to examine and audit said books and records, shall permit City to make transcripts there from as necessary, and shall allow inspection of all work, data, documents, proceedings, and activities related to the contract. Such records, together with supporting documents, shall be maintained for City's inspection for a period of at least three (3) years after receipt of final payment.

Site Walk:

A non-mandatory site walk of the existing Café is planned for Thursday, April 11 at 10AM.

(See next page for Guidelines for Proposal)

Guidelines for Proposal

The following guidelines are provided for standardizing the preparation and submission of proposals. The intent is to assist respondents in the preparation of their submissions and to assist the City by simplifying the review process providing standards for comparison of submissions.

Statements submitted in response to this RFP shall include a complete response to the requirements in this section in the order presented. Statements should be a straightforward delineation of the respondent's capability to satisfy the intent and requirements of this RFP and should not contain redundancies and/or conflicting statements.

Digital submissions should include bookmarks for each section and in 11pt Arial font.

Proposals shall contain the following information in the order listed:

1. Introductory letter

The introductory letter should be addressed to:

Vanessa McGill
Community Event Center Coordinator
City of Elk Grove
8401 Laguna Palms Way
Elk Grove, CA 95758

The letter shall include name of the Operator submitting the proposal, their mailing address, telephone number, and contact name. The letter shall address the Operator's understanding of the project based on this RFP and any other information the Operator has gathered. Include a statement discussing the Operator's interest and qualifications for this type of work. A principal of the firm authorized to legally bind the firm shall sign the letter.

2. Table of Contents

The Operator shall insert a comprehensive table of contents denoting sections three through nine of the proposal as indicated below.

3. Qualifications and Experience

Describe the Operator's capability for undertaking and performing the work, including any professional licenses and certificates held by the Operator. List types and locations of similar work performed by the Operator in the last five (5) years that best characterizes the quality and past performance. Include names and current phone numbers for contact on work quality and performance. References may be contacted as part of the selection Process.

4. Work Plan

The work plan must state the Operator's ability to meet each specification as outlined in this document. The work plan should address the items of work as described in this RFP. The plan should be simple, easy to read and follow, and address and satisfy the objectives and specifications as listed in the in this RFP. Operator to include a copy of a sample menu with suggested pricing as part of their work plan.

5. Conflict of Interest Statement

Any activities or relationships of the Operator that might create a conflict of interest for the Operator or the City, and, if such activities or relationships exist, a description of the facts, legal implications, and possible effects sufficient to permit the City to appreciate the significance of the conflict and to grant any conflict waiver, if appropriate and necessary.

6. Supportive Information/References

This section may include graphs, charts, photos, resumes, references, and any other relevant information in support of the Operator's qualifications.

7. Lease Rate

Lease payments to the City shall be due monthly. Indicate the basis of the proposed lease fee to be paid to the City; flat fee, % of gross receipts or some other methodology. Include a separate flat rate for utilities including electricity, water, and trash, based on usage at the Operator's previous food service establishments. Provide data to support the proposed lease and utility fee to be paid to the City. Details for the lease amount and payments will be discussed after the Operator is selected. The Operator will negotiate in good faith for a mutually agreeable lease agreement with the City.

8. Secretary of State

Operator shall acknowledge their understanding of needing to be registered with the California Secretary of State as noted in the RFP language above.

9. Lease Agreement

Attached to the RFP (Attachment B) is a copy of the City's Lease Agreement. The City's Contract may be modified, in the City's sole discretion, to address the specific provisions of this RFP. Operators should note that any specifications or other requirements specific to this RFP shall be included in the Contract and Contract's exhibits following an award of the Contract. Please review the Contract carefully and note in your proposal any exceptions or alterations to the Contract. Alterations or changes to the Contract that are not in the Operator's response shall not be allowed after the selection of the Operator. This includes alterations, exceptions, or changes to the insurance and indemnity provisions. By requiring these requests up front, the City can compare all respondents on an equal basis. However, the City reserves the right, in its sole discretion, to accept or reject any and all proposed changes to the City's lease agreement.

(See next page for Scope of Work)

SCOPE OF WORK

The City of Elk Grove invites café/restaurant operators and other food vendors to submit proposals to operate the Café at the Center at District56 located at 8230 Civic Center Drive, Elk Grove, CA 95757.

PROJECT OVERVIEW:

The City has developed a multi-phased recreational campus on 56 acres just east of Big Horn Boulevard and south of Elk Grove Boulevard. The campus currently includes the Elk Grove Aquatics Center, Avenue of the Arts, Preserve Nature Area, and the Center at District56 an event venue which includes a Main Hall, Senior Center, Veterans Hall, and Cafe. District56 is a gathering place that serves residents of all ages in the community.

The Center includes a rentable Main Hall which accommodates 500 people in theatre style seating or 400 in banquet seating; a Veterans Hall which seats 60 people as well as the Senior Center of Elk Grove with over 1,400 members.

The Café is an integral part of the Center as a focal point for people to congregate. The Café service area is 608 square feet with an additional 244 square feet for the Back of House, 109 square feet for storage as well as an 89 sq. ft. office. Café seating is available in the Center lobby and an outdoor dining area.

The City is seeking an innovative restaurateur to operate this amenity and create a gathering place for our community.

Site Walk:

A non-mandatory site walk of the existing Café is planned for Thursday, April 11th at 10AM.

Exhibit 1: The Center at District56

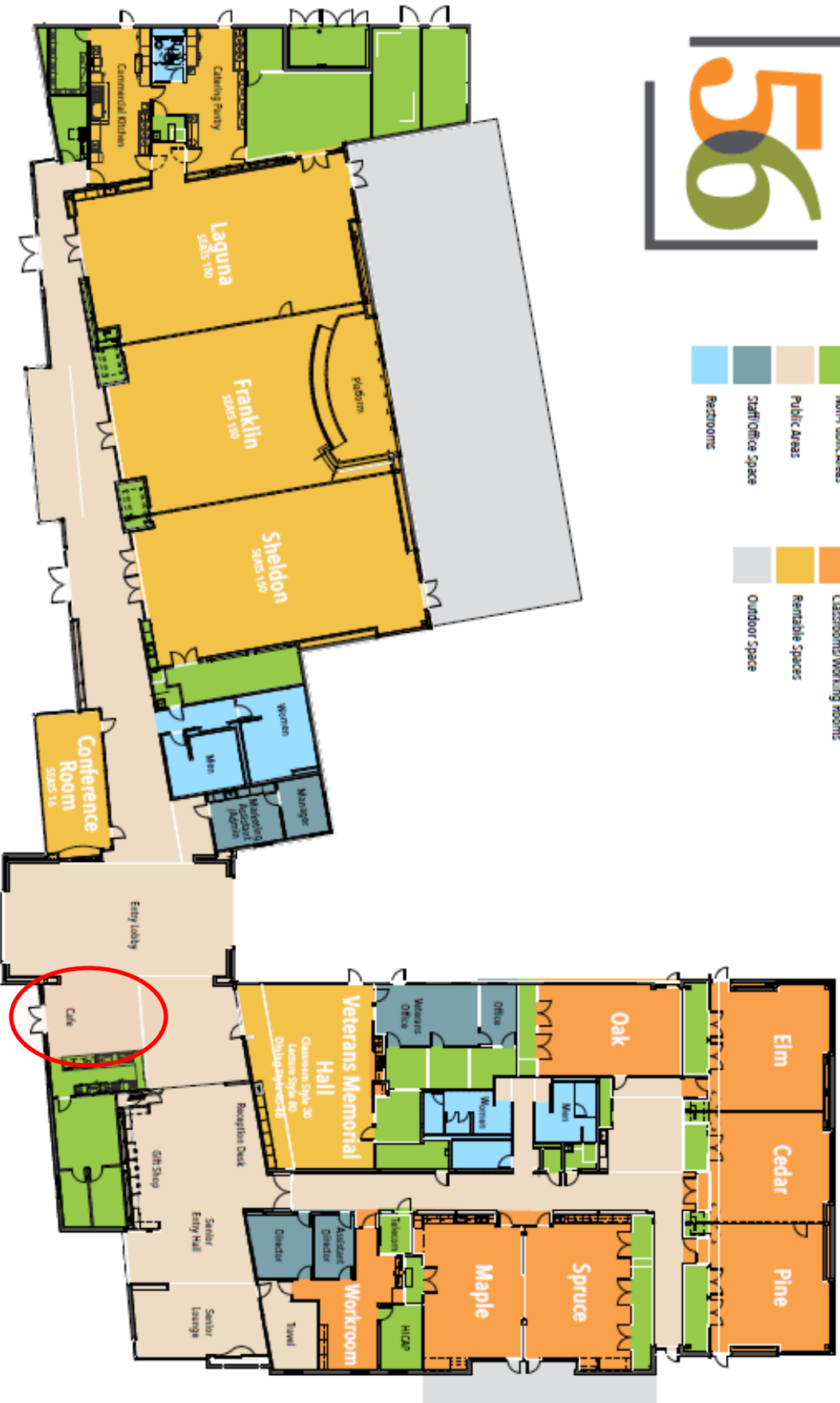


Exhibit 2: Center/Cafe Floor Plans

DISTRICT



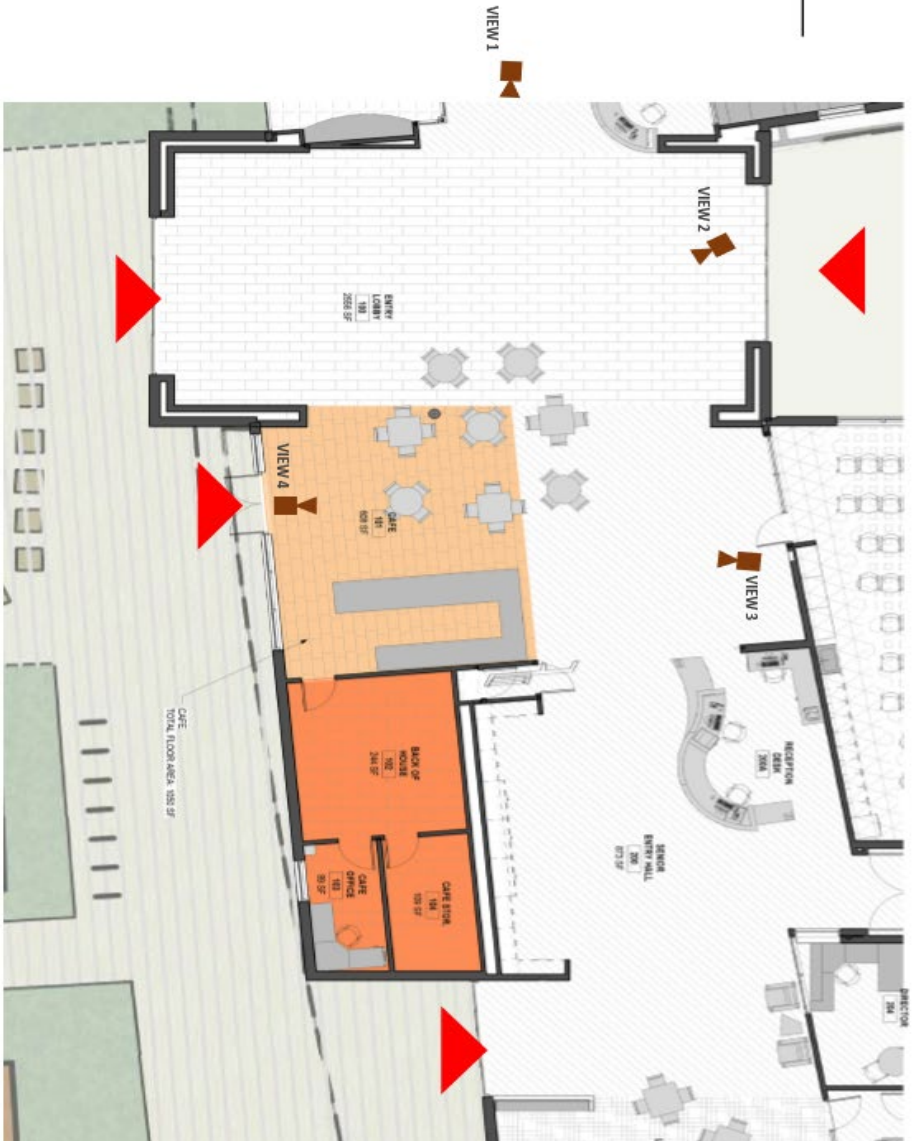
- Non-Public Areas
- Public Areas
- Staff/Office Space
- Classroom/Working Rooms
- Rentable Spaces
- Outdoor Space
- Restrooms



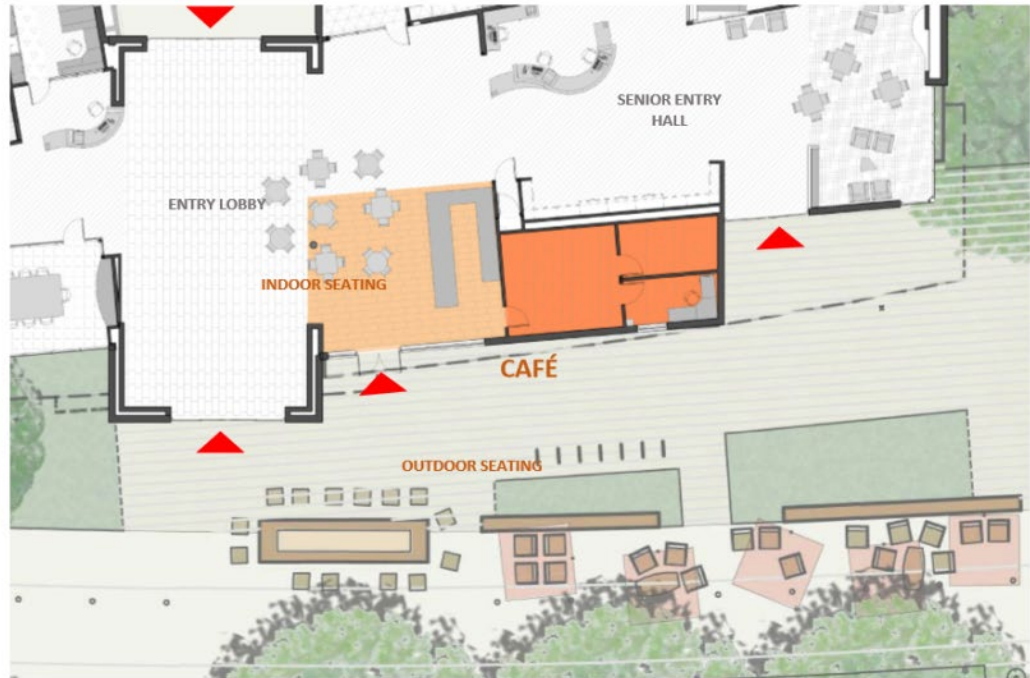
CAFÉ AT ELK GROVE COMMUNITY & SENIOR CENTER

SPACE	SF
SEATING + COUNTER*	608
BACK OF HOUSE	244
STORAGE	109
OFFICE	89
TOTAL	1050

* SEATING AREA CAN BE EXPANDED TO ENTRY LOBBY DURING OPENING HOURS



CAFÉ AT ELK GROVE COMMUNITY & SENIOR CENTER



CAFÉ AT ELK GROVE COMMUNITY & SENIOR CENTER

FRONT OF HOUSE FINISHES



Paint –
Dunn Edwards DE6211



Floor and Base –
Brazil Black Slate – 12"x24" Pavers



BACK OF HOUSE FINISHES



Paint –
Dunn Edwards DE6211



Floor and Base –
Epoxy Floor

Outside Seating



Indoor Seating



Exhibit 3: Café Layout & Equipment List

Cafe Elk Grove Equipment List

Item	Qty
(2) Waring Commercial Panini	2
Waring Belgian Waffle Maker	1
Stainless Steel Pans	1
Vitamix Blending Station	1
Vevor Juice Extractor	1
Commercial Meat Slicer	1
Heavy Duty Crepe Maker	1
BUNN(2) 12 Cup Coffee Brewer	2
Commercial Microwave	1
Koolmore Countertop Refrigerator	1
Avantco Food Warmer	1
Food Processor	1
Kitchen Cart	1
(4) Insta Pot	4
(2) Insta Multicooker	2
Kitchen Aid Mixer	1
22 Quart Roaster	1
Avantco 60 cup Rice Cooker	1
Kintera Undercounter Refrigerator	1
Replacement of casters	
Grindmaster Espresso Machine	1
TurboChef Sota Oven	1
Ice Maker	1
Refrigerator	1
Freezer	1
Mobile Work Table	1
Dry Shelving	1

OBJECTIVES:

The Café serves the Elk Grove community as well as patrons of the Senior Center of Elk Grove. The Café is a place for people to spend time with family and friends, enjoy a delectable meal or snack, and create opportunities to engage our community. It is an important amenity at the District56 campus that people can enjoy.

SPECIFICATIONS:

Hours of Operation:

The hours of operation for the Center are Monday-Friday from 8AM – 6PM (except holidays). It is preferable that the Café's days/hours of operation do not exceed the Center's evening hours. At a minimum, the Café will need to accommodate the operational hours of the Senior Center from 8AM until 4PM Monday-Friday (except holidays).

Menu/Food type:

The menu shall include at least one (1) hot meal/entrée each day which should vary each day, sandwiches, and hot/cold beverages. Healthy food options such as salads, fruits, and vegetables shall be required. A sample menu, typical of the foods and drinks to be served, shall be included in the proposal.

A discounted rate for Seniors, active-duty military personnel and veterans is desired.

City-Provided Resources:

The City will provide the Café space of 1050 sq. ft which includes the back of the house, storage, and office. Shelving and an ice machine will be provided as part of the agreement as well as the attached equipment list.

The Operator shall be responsible for other equipment needed for Café operations and obtaining necessary Health Department permits.

Access to utilities (water, electricity, trash, and data) will be provided by the City. A flat rate for utilities will be included as part of the lease agreement. Seating for the Café (tables and chairs) will be provided by the City as part of the Center lobby and outdoor seating area. The Operator will be responsible for all equipment and furnishing provided by the City.

The Center includes a commercial and a catering kitchen. Use of these amenities can be proposed as part of the work plan by submitting proposed hours of use for food preparation but is not guaranteed.

Operator Provided Resources:

The Operator shall provide all food, beverages, and Café supplies and a mechanism for ordering and receiving them. Storage space for Café supplies is limited to the "back of the house" area and shelving provided. The City will provide some of the basic food service equipment including an ice machine, refrigerator, and freezer. The Operator is responsible for any other equipment deemed necessary for operation.

Staffing for the Café and all operational elements such as cash handling, accounting, and similar shall be the Operator's responsibility. All staff must be background screened per the City's Security Access Policy listed above on page three (3).

The Operator shall provide the menu and other promotional items including signage. The City Representative must approve all signage prior to being displayed.

Trash removal, cleaning supplies, and cleaning services for the Café, including the front and back of the house shall be conducted by the Operator. The Operator may negotiate a contract with the City's custodial contractor for service if desired. This is a separate agreement solely between the Operator and custodial company.

Compensation:

The City is seeking a two (2) year lease agreement with options for renewal. Lease proposals

should be submitted based on a monthly cost and a proposed utility cost including electricity, water, trash, utilizing data based on usage at the operator's previous food service establishments. Lease rent payments would begin once the Operator opens to the public, which should occur on August 1, 2024.

The Operator shall be responsible for providing any additional equipment that is not provided by the City and daily operations and maintenance of all equipment.

Final details for lease rent amount and payments will be discussed after the Operator is selected.

(See next page for Attachments)

ATTACHMENTS

Attachment A: Evaluation and Selection Criteria

Evaluation Criteria

The following represent the principal selection criteria, which will be considered during the evaluation process:

- An ability to work collaboratively with the Center stakeholders and staff.
- Ability to keep to a schedule and timeline for café operations.
- The Operator must have knowledge of and ability to work in food service, providing exceptional customer service, and delivering quality cuisine including use of fresh, local ingredients.
- Ability to adhere to all Health Department standards for food service establishments and obtain permitting as needed.
- Knowledge of customer service techniques in the food service industry.
- Assessment of client references.

Firms Qualifications, Experience, and References: Experience in performing work of a closely similar nature and size; strength, stability, experience, and technical competence.

Qualifications and Experience of Personnel and Staffing: Qualifications and experience of proposed personnel for requested services.

Work Plan: Depth of Operator's understanding of City's requirements; overall quality and logic of work plan.

Quality and Responsiveness of the Proposal: Completeness of response in accordance with the RFP instructions.

Rates and Fees: Reasonableness and competitiveness of lease rates proposed, proposed pricing of menu items, and discount for senior citizens, active-duty military personnel and veterans.

Selection process:

Proposals will be evaluated by a Review Committee comprised of a member of the Senior Center of Elk Grove and at least two (2) City staff.

Step One: Request for Proposals (RFP) will be distributed.

Step Two: The Review Committee will select approximately 2-3 finalists based on the proposals submitted.

Step Three: Selected finalists will be invited to a site visit to meet with the Review Committee regarding scope of the project and an interview regarding their proposal. A tasting menu may be required as part of the interview process.

Step Four: A finalist will be selected after the interview and an agreement negotiated with the City to establish operations and compensation.

Step Five: Elk Grove City Council approves or disapproves the Center Café Lease for café operations.

Attachment B: Sample Community Center Café Lease

COMMUNITY CENTER CAFE LEASE

This Community Center Cafe Lease ("Lease") is entered into as of _____, 2024 ("Effective Date"), by and between the **City of Elk Grove**, a California municipal corporation ("City"), and _____, a California _____ ("Lessee"). The City and Lessee are individually referred to as a "Party", and collectively referred to as the "Parties."

RECITALS

A. The City owns certain real property commonly known as District56, located in the City of Elk Grove, California, as shown in **Exhibit A**, attached hereto, and incorporated herein. The District56 campus includes and is intended to include various public amenities including an aquatics facility, a community center, and nature area. The site also includes a café in the community center to serve the public.

B. The Café is located in the lobby of the Center at District56 Community Center. The service area is 608 square feet with an additional 244 square feet for the back of house, 109 square feet for storage as well as an 89 square foot office for a total area of 1050 square feet. Café seating is available in the center lobby and an outdoor dining area. The City will provide the tables and seating for the dining areas. The layout of the café site is depicted in **Exhibit B**, attached hereto and incorporated herein (the "Premises").

C. Lessee desires to lease from the City and the City desires to lease to Lessee the Premises.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

1. **Lease of Premises**. The City hereby leases to Lessee, and Lessee leases from City, the Premises, consisting of a building of approximately 1050 square feet with building improvements, fixtures, and limited kitchen machinery and equipment.

2. **Term**. The term of this Lease is two (2) years, commencing _____, 2024 (the "Commencement Date") and expiring _____, 20__ (the "Expiration Date"), unless sooner terminated in accordance with the terms hereof. The City, in its sole discretion, shall have the option to extend the term of this contract for up to three (3), one (1) year extensions..

3. **Annual Lease Rent**. Lessee agrees to pay to the City, without notice or demand, annual rent in the amount of **\$TBD ("Rent")** in advance, on or before the first day of the month. Rent will be based on monthly costs including utilities (electrical, water, trash, and data).

4. **Use of the Premises**.

4.1 Lessee's Use. The Premises shall be used by the Lessee during the Term of this Lease exclusively for the operation, maintenance, and management of a café. Lessee shall not use or permit the Premises, or any part thereof, to be used for any purpose other than as set forth in this Lease without the City's prior written consent. Lessee agrees not to use the Premises for any immoral or unlawful purpose or in violation of any applicable laws, ordinances, or codes. Lessee shall not commit any waste or any public or private nuisance upon the Premises.

4.2 Cafe Operations. The Lessee will maintain the following as minimum standards of operations.

4.2.1 Hours of operation. The minimum hours of operation will be 8AM-4PM. It's preferable that the Café's hours of operation do not exceed the Center's hours of operation Monday-Friday 9AM-6PM.

4.2.2 Menu. The menu shall include at least one hot meal/entrée each day, which should vary each day, sandwiches, and hot/cold beverages. Healthy food options such as salads, fruits, and vegetables shall be required.

4.2.3 Service. Lessee shall not discriminate against any member of the public on the grounds of their race, color, religion, sex, ancestry, national origin, age, disability, medical condition, marital status, or sexual orientation with regard its operations.

4.3 Security Access Policy. The work to be completed under this agreement requires access to City facilities and therefore is subject to the City's Security Access Policy, which is attached (see **Exhibit C**). The Lessee, including its employees, subcontractors, agents and anyone working on their behalf that will access City facilities, must submit to a background check which shall include Live Scan electronic fingerprinting. This background check must be completed before the Lessee will receive a Notice to Proceed. The Elk Grove Police Department shall review the background check and may deny access to any individual in its discretion as it deems necessary for the security of City facilities and personnel.

5. Utilities and Services. During the Term, Lessee shall arrange for and pay, before delinquency, all charges or assessments for telephone, internet, water, sewer, gas, heat, electricity, garbage disposal, trash disposal, pest control, fire alarm monitoring and security alarm monitoring, janitorial, and all other utilities and services of any kind that may be used on the Premises. If the City is notified that Lessee has past due utility or service bills, the City may pay the bill(s), but shall not be required to do so. If the City does pay for any utility or service bills, Lessee shall reimburse the City any amounts paid by the City within ten (10) days of receipt of invoice by the City.

6. Condition of Premises. Lessee acknowledges that as of the date of this Lease, Lessee has inspected the Premises and all improvements on the Premises and that the Premises and improvements are in good order, repair, and condition. Lessee hereby accepts the Premises "AS-IS, WHERE-IS, WITH ALL FAULTS", in the condition existing as of the Effective Date, without any warranty, express or implied, of any kind, and subject to all applicable zoning, municipal, county and state laws, ordinances, and regulations governing and regulating the use of the Premises, all environmental conditions, and any covenants or restrictions of record, and accepts this Lease subject thereto, and to all matters disclosed thereby, and by any exhibits attached hereto. Lessee acknowledges that Lessee has inspected the Premises, and that the Premises is in tenantable condition as of the date of this Lease, and Lessee has determined that the Premises is suitable for Lessee's intended use. Lessee acknowledges that the City has made

no representations or warranties to Lessee regarding the condition or suitability of the Premises. Lessee is solely responsible for assuring itself that the Premises is suitable for its intended use and has not relied upon any City representations or warranty regarding the appropriateness of the Premises for Lessee's intended use. Lessee shall be solely responsible, at its own cost and expense, for security on the Premises, and Lessee agrees to indemnify, defend, and hold the City harmless from any and all liabilities that may be incurred or exist as a result of any breach of security on the Premises.

7. Compliance with Laws. Lessee shall comply with all laws regarding Lessee's use and occupancy of the Premises.

7.1 Licenses and Permits. If any governmental license or permit shall be required for the proper and lawful conduct of Lessee's business or other activity carried out on the Premises or if a failure to procure such a license or permit might or would, in any way, affect the City, the property, or the ability of Lessee to operate its business, then Lessee, at Lessee's sole expense, shall, at all times, obtain and comply with the requirements of each such license or permit.

7.2 Laws and Statutes. Lessee shall, at all times and at Lessee's expense, comply with all applicable statutes, ordinances, rules, regulations, orders, covenants, and restrictions of record and requirements of any fire insurance underwriters or rating bureaus, including, but not limited to, the Americans with Disabilities Act ("ADA"), now in effect or which may hereafter come into effect, whether or not they reflect a change in policy from that now existing, during the Lease Term or any part of the Lease Term, relating in any manner to the Premises and the occupation and use by Lessee of the Premises.

7.3 Nuisance. Lessee shall not commit, suffer, or permit any waste or nuisance on the Premises or any acts to be done thereon in violation of any law or ordinance, and shall permit the City and its agents to enter the Premises at reasonable times to inspect the same. Lessee shall not conduct its business in such a manner as to interfere with or deprive neighboring commercial and residential tenants of the quiet enjoyment of their premises, including without limitation, making excessive noise or production of unpleasant odors.

7.4 Lessee ADA Compliance. In the event Lessee is required by any governmental agency or private action to bring the Premises into compliance with any building code, regulation, or ordinance, including the ADA, due to Lessee's business or occupation or use of the Premises, Lessee shall be solely responsible for complying with such requirements, at its sole expense.

7.5 Hazardous Materials. Lessee shall not cause or permit any mold or Hazardous Materials or waste (hereinafter defined) to be kept, used, discharged, leaked, or omitted in or about, or treated at the Premises or the Property. As used in this Lease, "Hazardous Material" shall mean mold and/or any hazardous, toxic, or radioactive substance, material, matter or waste which is regulated by any federal, state, or local law, ordinance, order, rule, regulation, code, or any other governmental restriction or requirement, and shall include asbestos, petroleum products, and the terms, "Hazardous Substance" and "Hazardous Waste" as defined in the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), as amended, 42 U.S.C. 6901 et seq., the Resources Conservation and Recovery Act ("RCRA"), as amended, 42 U.S.C. 6901 et seq. However, "Hazardous Material" shall not include substances which are used in Lessee's ordinary course of business provided, however, that such substances are used, handled, transported, stored, and disposed of in strict compliance with any applicable federal, state and local law, rule, regulation, code, ordinance, or any other governmental restriction requirement. If such substances are not so used, handled, transported, stored, or

disposed of accordingly, then they shall be deemed "Hazardous Material" for purposes of the Lease. Should Lessee default in any of its duties and obligations required under this Lease: 1) Lessee shall at its sole expense, promptly take all actions as are necessary to return the Premises and the Property to the condition existing prior to the introduction of any such Hazardous Material by Lessee, its employees, agents, and/or contractors; and 2) Lessee shall indemnify, defend, and save harmless the City and its council members, agents, employees, partners, officers, directors, and mortgagees, if any, from any and all claims, demands, damages, expenses, fees, costs, fines, penalties, suits, proceedings, actions, causes of action, and losses of any and every kind, including the investigation of site conditions and any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political agency or political subdivision, which result therefrom. Lessee's obligations under this section will survive the expiration or other termination of this Lease.

8. Repairs and Maintenance.

8.1 Lessee's Obligations.

(a) In General. Except those obligations expressly retained by the City in Section 8.2 below, Lessee shall, at Lessee's expense, keep the entire Premises and improvements in good order, condition and repair by performing, without limitation, the maintenance, repair and replacement of (1) all exposed electrical, plumbing and sewage systems, including but not limited to, toilets, plumbing fixtures, electrical fixtures, telephone and computer-related wires and systems, light bulbs, hot water heater, kitchen appliances, etc.; (2) the complete interior of the Premises, including the interior surfaces of walls, floors, ceilings, and windows, window coverings, all doors, glass and all plate-glass, and all equipment, including kitchen equipment; (3) exterior signs, awnings, doors, windows, siding, thresholds, and the refuse area; (4) any portion of the Premises or Property which is damaged as a result of the negligent or intentional acts or omissions of Lessee, its agents, contractors, employees, or invitees; (5) graffiti removal in the patio area and (6) the security alarm system.

(b) Cleanliness and Refuse. Lessee agrees, at Lessee's sole cost and expense, to keep the Premises in a safe, clean, sanitary, orderly, and attractive condition. Lessee shall keep bathrooms, kitchens, and all public areas neat and clean. Lessee shall strictly adhere to all health code requirements pertaining to its business. Lessee shall not permit rubbish or garbage to accumulate in, on or about the Premises. Lessee shall promptly collect and remove any rubbish or garbage from the Premises and the surrounding areas used by Lessee's patrons, including sidewalks. Lessee shall place refuse in the designated dumpster and Lessee shall comply with all City standards concerning refuse and recycling.

(c) Signs. Lessee shall not have the right to place, construct, or maintain any sign, advertisement, awning, banner, posted menu, or other exterior decoration (collectively, "Signs") without the City's prior written consent. All Signs shall be in compliance with the sign ordinance of the City of Elk Grove. If Lessee desires any changes to any Sign, Lessee must request approval from the City for the change, and if changes are approved, Lessee may change the Sign at its own cost. Lessee must remove or restore any Signs to the original condition at its own cost prior to the expiration or earlier termination of the Lease Term.

(d) Pest Control. Lessee agrees to secure a monthly service contract with a certified pest control professional at Lessee's expense, unless waived by the City in writing. Lessee agrees to provide the City with a copy of the contract on the Commencement Date, and

annually thereafter. If the City waives such a requirement in writing, Lessee shall still be required to spray for pests as needed to prevent pests in, on or around the Premises.

(e) Fire Prevention Monitoring/Fire Extinguishers. Lessee shall maintain an annual contract with an independent contractor certified to inspect the fire prevention system associated with the Premises (sprinklers and/or fire extinguishers). Lessee shall provide the City with a copy of the contract on the Commencement Date, and each year thereafter. The City may inspect the Premises at any time, and if the fire prevention systems (i.e. fire extinguisher(s)) do not have a current inspection certificate, the City may hire a contractor to bring the system into compliance, and bill Lessee accordingly.

(g) Grease Disposal and Exhaust/Venting Systems. Lessee shall properly maintain and repair any grease disposal systems associated with the Premises, including, but not limited to, indoor and/or outdoor grease traps/interceptors, vents, hoods, and roof top exhaust fan/Ansul systems (if any) associated with the Premises. Lessee shall clean and maintain grease storage containers in a sanitary condition at all times, and in a manner that reduces odors and leaks, and dispose of grease in accordance with City of Elk Grove health department regulations. The City may inspect the Premises at any time and may hire a contractor to bring any grease disposal systems associated with the Premises into compliance with City regulations, and bill Lessee accordingly. Lessee is required to obtain any and all governmental certifications necessary for its grease/vent/exhaust systems and provide copies to the City on an annual basis.

(h) Lessee's Failure to Perform. If Lessee fails to perform Lessee's obligations under this Section 8.1, the City may enter upon the Premises after ten (10) days' prior written notice to Lessee (except in the case of emergency, in which case no notice shall be required, perform such obligations on Lessee's behalf and put the Premises in good order, condition, and repair, and the cost thereof shall be due and payable to the City within ten (10) days of receipt of invoice by the City.

8.2 The City's Obligations.

(a) In General. Except for damage caused by any negligent or intentional act or omission of Lessee, Lessee's agents, contractors, employees, or invitees, the City, at the City's expense, shall be responsible for maintaining the following in good condition and repair: (a) the structure of the building, including foundations, bearing and exterior walls (excluding all glass, and all exterior and interior doors), sub-flooring and roof (collectively, the "Structural Repairs"); (b) the HVAC system, and unexposed electrical, plumbing and sewage systems (excluding sewer stoppages and blockages), including, without limitation, those portions of the systems lying outside the Premises; (c) External fire prevention systems outside the rental area such as in the covered public pathways or restrooms); (d) landscaping and sprinkler system for the public spaces outside of the Community Center; and (e) painting and caulking of the building exterior. If any repairs or replacements are required due to Lessee's negligent or intentional acts or omissions, including failure to promptly inform the City of need for service or repairs, Lessee agrees to reimburse the City for the cost of all such repairs or replacement within ten (10) days of receipt of invoice by the City.

(b) No Obligation. The City shall have no obligation to make repairs under this Section 8.2 until a reasonable time after receipt of written notice from Lessee of the need for such repairs. Lessee expressly waives the benefits of any statute now or hereafter in effect, including Civil Code sections 1941 and 1942, which would otherwise afford Lessee the right to make repairs at the City's expense or to terminate this Lease because of the City's failure to keep the Premises

in good order, condition, and repair. The City shall not be liable for damages or loss of any kind or nature by reason of the City's failure to furnish any services when such failure is caused by accident, breakage, repairs, strikes, lockout, or other labor disturbances or disputes of any character, weather, or by any other cause beyond the control of the City.

8.3 Notice and Scope of Structural Repairs. If any Structural Repairs of the building or Premises are necessary for Lessee' operations or based on a City inspection or on Lessee's reasonable determination, then either Party may provide written notice to the other Party regarding the defect and the proposed scope of work required to remedy the defect. City shall have the right and option, but not the obligation, to undertake the Structural Repairs at City's sole cost and based on the scope of work as determined by City in its reasonable discretion. City shall inform Lessee in writing if its proposed scope of work differs from what was recommended by Lessee. If City declines to undertake the Structural Repairs required, then Lessee shall have the right, among others as set forth herein, to terminate the Lease or to undertake the Structural Repairs at Lessee' sole cost, but subject to approval by City as to the proposed scope of work.

8.4 Meet and Confer Process for Structural Repairs. If neither Party elects to undertake the Structural Repairs at its sole cost, the Parties shall meet and confer in good faith for up to sixty (60) days to determine whether: (i) the Structural Repairs can be modified to reduce costs or delayed until funding becomes available; (ii) the Parties can share in the costs of the Structural Repairs; and/or (iii) the Lease can be modified to restrict use of certain areas of the Premises until the Structural Repair work can be undertaken. If the Parties determine that the Structural Repairs can be modified, delayed or jointly funded, then they shall enter into an agreement addressing such issues and, if applicable, allocating the total cost of the Structural Repair to each of the Parties.

9. Alterations/Tenant Improvements.

9.1 Lessee shall not make any additions, alterations or improvements to the Premises or any part thereof without the City's prior written consent. Approval, however, may be conditioned upon the receipt by the City of a set of detailed plans and specifications for the alterations a minimum of thirty (30) days prior to the scheduled construction of the alterations. The City may impose any conditions and requirements to any consent as the City shall in its discretion deem to be necessary or advisable, including, without limitation, the hours when work may be performed and the implementation of safety measures while the construction is being performed. Any additions to or alterations or improvements to said Premises, including but not limited to carpeting, cabinetry, permanent partitions, and fixtures of any kind, shall become at once a part of the realty, and belong to the City, except for unattached, moveable trade fixtures placed in the Premises by Lessee. Carpentry and cabinetry, and all HVAC systems, Ansul systems, stove pipe or flue, shall be deemed an improvement of the Premises and not moveable trade fixtures, regardless of how or where affixed, and shall become and remain the property of the City from the time of installation. All alterations are to be made at Lessee's own cost. the City may condition its approval to additions, alterations, or improvements on Lessee's agreement to remove any such additions, alterations, or improvements at the expiration of the Lease Term and restore the Premises to its original condition.

9.2 Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use in the Premises, which claims are or may be secured by any mechanic's or material-men's lien against the Premises or any interest therein. If Lessee shall, in good faith, contest the validity of any such lien, claim, or demand, then Lessee shall, at its sole expense, defend itself and the City against the same and shall pay and satisfy

any such adverse judgment that may be rendered thereon before the enforcement thereof against the City or the Premises, and upon the condition that if the City shall require, Lessee shall furnish to the City a surety bond satisfactory to the City in an amount equal to such contested lien claim or demand indemnifying the City against liability for the same and holding the Premises free from the effect of such lien or claim. In addition, the City may require Lessee to pay the City's attorney fees and costs in participating in such action if the City shall decide it is in the City's best interest to do so. If Lessee makes any approved alterations to the Premises, the alterations shall not be commenced until twenty-one (21) days after Lessee has given written notice to the City stating the date alterations are to commence so that the City can post an appropriate Notice of Non-responsibility. Should Lessee make any additions, alterations, or improvements without the prior written approval of the City, the City may, at any time during the Lease Term, require that Lessee remove any or all of the same. All work with respect to any addition, alteration, or improvement shall be performed in a good and workmanlike manner.

10. Rules and Regulations. Lessee agrees to comply with (and cause its agents, contractors, employees, and invitees to comply with) any rules and regulations that the City shall from time-to-time promulgate with regard to the Premises and/or the Property, and with such reasonable modifications thereof and additions thereto as the City may from time to time make. the City shall not be responsible for any violation of said rules and regulations by other tenants or occupants of any buildings on the Property.

11. Insurance. Prior to occupancy and throughout the Lease Term, Lessee, at its sole cost, shall procure and maintain the insurance policies with the terms and liability limits shown on **Exhibit D**, attached hereto and incorporated herein.

12. Taxes.

12.1 Possessory Interest Taxes. In the event that pursuant to Revenue and Taxation Code § 107.6 there are possessory interest taxes imposed on Lessee's possession or right to possession of the Premises, Lessee shall be responsible for the payment of such possessory interest taxes. Lessee shall also pay any other special assessments or taxes imposed on the Premises during the term of this Lease. Lessee shall pay all such taxes and assessments on or before the date on which they are due.

12.2 Personal Property Taxes. Lessee shall pay, prior to delinquency, all taxes assessed against and levied upon trade fixtures, furnishings, equipment, and all other personal property of Lessee contained in the Premises or elsewhere.

13. Indemnification. This Lease is made upon the express condition that the City and its respective council members, officers, agents, consultants, and employees are to be free from all liability or claims for damages or loss by reason of any injury or loss to any person or persons, including Lessee, or property of any kind whatsoever, while in, upon, or in any way connected with the Premises, Lessee's business, or the Property during the Lease Term or any occupancy hereunder, except liability or claims resulting from the sole negligence or willful misconduct of the City. Lessee agrees to defend, indemnify, protect and hold harmless the City and its respective board members, officers, directors, agents, and employees from any claim, demand, cause of action, liability, loss, cost (including without limitation, attorneys' fees) and expense on account of or arising out of Lessee's use or occupancy of the Premises or the Property, or from the conduct of Lessee's business or from any activity, omission, work, or things done, permitted, or suffered by Lessee in or about the Premises or the Property and shall further indemnify and hold harmless the City from and against any and all claims arising from any breach or default in the performance

of any obligation on Lessee's part to be performed under the terms of this Lease, or arising from any act or omission of Lessee, or any of Lessee's agents, contractors, employees, and invitees, and from and against all costs, attorney's fees, expenses, and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon; and in case any action or proceeding be brought against the City by reason of any such claim, Lessee upon notice from the City shall defend the same at Lessee's expense by counsel reasonably satisfactory to the City, and the City shall cooperate with Lessee in such defense. Lessee, as a material part of the consideration to the City, hereby assumes all risk of damage to property of Lessee in, upon, or about the Premises arising from any cause and Lessee hereby waives all claims in respect thereof against the City. The indemnification obligations of this Lessee shall survive the expiration or earlier termination of this Lease.

14. Exemption of City From Liability. Except for the sole negligence or willful misconduct of the City, Lessee, as a material part of the consideration to the City, hereby assumes all risk of damage to the property of Lessee or injury to persons, in, upon or about the Premises arising from any cause, and Lessee hereby waives all claims in respect thereof against the City. Lessee, as a material part of the consideration to the City, hereby acknowledges that there is a risk of harm to Lessee's property and injury to persons in, upon or about the Premises arising from any cause or event, and Lessee agrees to assume all such risks of harm and Lessee hereby waives all claims in respect thereof against the City. Lessee hereby agrees that the City shall not be liable for injury to Lessee's business or any loss of income therefrom or for loss of or damage to the goods, wares, merchandise or other property of Lessee, Lessee's agents, contractors, employees, and invitees, or any other person in or about the Premises or the Property, nor shall the City be liable for injury to the person of Lessee, Lessee's agents, contractors, employees, and invitees, whether such damage or injury is caused by or results from theft, fire, steam, electricity, gas, water, or rain, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, or from any other cause, whether said damage or injury results from conditions arising from or upon the Premises or the Property or from other sources or places, or from new construction or the repair, alteration or improvement of any part of the Premises or the Property, or of the equipment, fixtures or appurtenances applicable thereto, and regardless of whether the cause of such damages or injury or the means of repairing the same is inaccessible to Lessee. The City shall not be liable for any damages arising from any act or negligence of any other occupant or user of the Premises or the Property, nor from the failure of the City to enforce the provisions of any other lease of any other tenant of any building on the Property.

15. Quiet Enjoyment. Provided Lessee performs all of the covenants and conditions of this Lease to be performed hereunder, Lessee shall be entitled to the quiet enjoyment and possession of the Premises without hindrance or disturbance by the City, subject to the terms and conditions of this Lease.

16. Entry by the City. The City, its agents, employees, and contractors may enter the Premises at any reasonable hour. Lessee hereby waives any claim against the City, its agents, employees or contractors for damages for any injury or inconvenience to or interference with Lessee's business, any loss of occupancy or quiet enjoyment of the Premises or any other loss occasioned by any entry in accordance with this section. The City will at all times have and retain a key with which to unlock all of the doors in, on or about the Premises (excluding Lessee's vaults, safes and similar areas designated in writing by Lessee in advance). Any entry to the Premises by the City in accordance with this section will not be construed or deemed to be a forcible or unlawful entry into or a detainer of the Premises or an eviction, actual or constructive, of Lessee from the

Premises, or any portion of the Premises, nor will any such entry entitle Lessee to damages or an abatement of charges which this Lease requires Lessee to pay.

17. Assignment and Sublease. Lessee shall not voluntarily or by operation of law assign, transfer, mortgage, sublet, or otherwise transfer or encumber all or any part of Lessee's interest in the Lease or in the Premises, without the City's prior written consent, which may be withheld in the City's sole discretion. Any attempted assignment, transfer, mortgage, encumbrance, or subletting without such consent shall be void, and shall constitute a breach of this Lease without the need for notice to Lessee.

18. Default and Remedies.

18.1 Event of Default by Lessee. The following events are referred to, collectively, as "Events of Default" or, individually, as an "Event of Default":

- (a) Lessee defaults in the due and punctual payment of any amount due City hereunder, and such default continues for three (3) days after the due date;
- (b) Lessee vacates or abandons the Premises for more than five (5) consecutive days;
- (c) Lessee purports to assign this Lease, or sublet all or a portion of the Premises, in violation of the terms hereof;
- (d) Lessee breaches any of the other agreements, terms, covenants or conditions which this Lease, requires Lessee to perform, and such breach continues for a period of thirty (30) days after written notice from the City to Lessee or, if such breach cannot be cured reasonably within such 30-day period, if Lessee fails to diligently commence to cure such breach within thirty (30) days after written notice from the City and to complete such cure.
- (e) The occurrence of any of the following events: (i) the making by Lessee of any general arrangement or assignment for the benefit of creditors; (ii) Lessee's becoming a "debtor" as defined in 11 U.S. Code section 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within sixty (60) days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within thirty (30) days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within thirty (30) days; provided, however, in the event that any provision of this Subparagraph 18.1(e) is contrary to any applicable law, such provision shall be of no force or effect, and shall not affect the validity of the remaining provisions.

18.2 Replacement of Statutory Notice Requirements. When this Lease requires service of a notice, that notice shall replace rather than supplement any equivalent or similar statutory notice, including any notices required by California Code of Civil Procedure Section 1161 or any similar or successor statute. When a statute requires service of notice in a particular manner, service of that notice (or a similar notice required by this Lease) in the manner required by Section 22 shall replace and satisfy the statutory service of notice procedures, including those required by California Code of Civil Procedure Section 1162 or any similar or successor statute.

18.3 City's Remedies. If any one or more Events of Default set forth in Section 18.1 occurs then City has the right, at its election:

(a) To terminate this Lease, in which case Lessee's right to possession of the Premises will cease and this Lease will be terminated as if the expiration of the Term fixed in such notice were the end of the Term, and City shall have all remedies available to it at law or equity, including, but not limited to, the right to recover all amounts necessary to compensate City for all the detriment proximately caused by Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including, but not limited to, any attorneys' fees, broker's commissions or finder's fees, any costs for repairs, cleanup, refurbishing, removal (including the repair of any damage caused by such removal) and storage or disposal of Lessee's personal property, equipment, fixtures, and anything else that Lessee is required under this Lease to remove but does not remove, and any costs for alterations, additions and renovations and any other costs and expenses incurred by City in regaining possession of and reletting or attempting to relet the Premises.

(b) The right and power to enter the Premises and remove therefrom all persons and property, to store such property in a public warehouse or elsewhere at the cost of and for the account of Lessee. Before retaking of any such property from storage, Lessee shall pay to City, upon demand, all expenses incurred in such removal and all storage charges against such property. Any such property of Lessee not so retaken from storage by Lessee within thirty (30) days after such property is removed from the Premises shall be deemed abandoned and may be either disposed of by City pursuant to Section 1988 of the California Civil Code or retained by City as its own property.

(c) To cure any event of default and to charge Lessee for the cost of effecting such cure, including without limitation reasonable attorneys' fees and interest provided that City will have no obligation to cure any such event of default of Lessee.

18.4 Remedies Cumulative. Each right and remedy provided for in this Lease is cumulative and is in addition to every other right or remedy provided for in this Lease or at law or in equity.

18.5 Waiver of Redemption. Lessee waives any right of redemption, reentry, or repossession arising as a result of City's exercise of its remedies under Section 18.

19. Damage and Destruction. If the Premises shall be totally or partially destroyed or rendered wholly or partly uninhabitable by fire or other casualty, the City shall promptly proceed to take all steps necessary to begin reconstruction and to promptly and diligently commence the repair or replacement of the Premises to substantially the same condition as is required to be maintained in pursuant to this Lease, so long as such repair or replacement does not exceed the amount of the insurance proceeds received in connection with such casualty. If the cost to repair or restore the Premises exceeds the value of the insurance proceeds received in connection with such casualty, the City may elect to terminate this Lease and both Parties shall have no further obligations hereunder, except where expressly provided herein. All proceeds of insurance with respect to loss or damage to the Premises shall be payable to the City. The Parties waive the provisions of any statute which relate to termination of leases when leased property is destroyed and agree that such event shall be governed by the terms of this Lease.

20. Surrender of Premises. At the end of this Lease, or upon City's exercise of its right, upon an event of default, to repossess the Premises without terminating this Lease, Lessee will

promptly quit and surrender the Premises broom-clean, in good order and repair, ordinary wear and tear excepted. Lessee will remove all of Lessee's property and equipment and restore the Premises to their original condition. Lessee shall remove all alterations, additions or improvements from the Premises and repair any damage caused thereby, unless City notifies Lessee in writing that such alterations may remain. Any damage or deterioration of the Premises shall not be deemed ordinary wear and tear if the same could have been prevented by good maintenance practices. Lessee shall repair any damage to the Premises caused by the installation or removal of Lessee's trade fixtures, alterations, furnishings, and equipment. All trade fixtures, equipment, furniture, inventory, effects, alterations, additions and improvements on the Premises after the end of the Term may be deemed conclusively to have been abandoned, in accordance with California law, and may be appropriated, sold, stored, destroyed or otherwise disposed of by. Lessee will pay City for all expenses incurred in connection with the removal of such property, including, but not limited to, the cost of repairing any damage to the building or Premises caused by the removal of such property. Lessee's obligations under this section will survive the expiration or other termination of this Lease.

21. Estoppel Certificates. Lessee and the City shall at any time upon not less than ten (10) days' prior written notice from the other Party execute, acknowledge, and deliver a statement in writing (1) 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 rent and other charges are paid in advance, if any, and (2) acknowledging that there are not, to the responding Party's knowledge, any uncured defaults on the part of the requesting Party, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises or of the business of Lessee. At the requesting Party's option, the failure to deliver such statement within such time shall be a material default of this Lease by the Party who is to respond, without further notice to such Party, or it shall be conclusively presumed that (1) this Lease is in full force and effect without modification except as may be represented by the requesting Party; and (2) there are no uncured defaults in the requesting Party's performance.

22. Notices. All notices, demands, consents, requests or other communications required to or permitted to be given pursuant to this Lease shall be in writing, shall be addressed to the Parties in the manner set forth below, and shall be conclusively deemed to have been properly delivered (i) upon receipt when hand delivered, (ii) upon receipt when sent by facsimile to the number set forth below (so long as evidence can be presented by the sending Party of receipt by the receiving Party), (iii) upon the day of delivery if the notice has been deposited in an authorized receptacle of the United States Postal Service as first-class, registered or certified mail, postage prepaid, with a return receipt requested (provided that, the sender has in its possession, the return receipt to prove actual delivery), or (iv) upon actual delivery if deposited with any commercially-recognized overnight carrier that routinely issues receipts (provided that, the sending Party receives a confirmation of actual delivery from the courier). Either Party may by written notice to the other specify a different address for notice purposes except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice purposes. A copy of all notices required or permitted to be given to the City hereunder shall be concurrently transmitted to such Party or Parties at such addresses as the City may from time-to-time hereafter designate by notice to Lessee. The addresses of the Parties to receive notices are as follows:

To the City:	City of Elk Grove 8401 Laguna Palms Way Elk Grove, CA 95758 Fax: (916) 627-4200
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Attn: City Manager
With a copy to: City of Elk Grove
8401 Laguna Palms Way
Elk Grove, CA 95758
Fax: (916) 627-4100
Attn: City Attorney

To Lessee: _____

Elk Grove, CA _____
Attn: _____

If any notice is refused, the notice shall be deemed to have been delivered upon such refusal. Any notice delivered after 5:00 p.m. (recipient's time) or on a non-business day shall be deemed delivered on the next business day. Email notification does not suffice as notice. A Party may change or supplement the addresses given above, or designate additional addresses, for purposes of this Section 22 by delivering to the other Party written notice in the manner set forth above.

23. Interest on Past-Due Obligations. Except as expressly provided herein, any amount due to the City not paid when due shall bear interest at the maximum rate then allowable by law from the date due. Payment of such interest shall not excuse or cure any default by Lessee under this Lease.

24. Financial Reporting Requirements. Lessee shall provide the City with annual financial statements by the last day of September each year for the prior year, which shall include all revenues produced from the operation of the Premises and the manner in which the revenues were expended or retained. Such financial statements may be unaudited.

25. Miscellaneous.

25.1 Waiver. No delay or omission in the exercise of any right of the City on any default by Lessee shall impair any right or remedy or be construed as a waiver. No waiver of any term or condition of this Lease shall be construed to be a waiver of any other term or condition of this Lease or to subsequently waive the same term or condition of this Lease. The City's receipt of rent with knowledge of Lessee's violation of a covenant does not waive its rights to enforce any covenant of this Lease. Any waiver by the City of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Lease.

25.2 Binding Effect. This Lease will bind and inure to the benefit of City and Lessee and their respective successors, heirs, administrators and approved assigns, except as otherwise provided in this Lease.

25.3 No Third-Party Beneficiaries. This Lease shall not create any third-party beneficiaries.

25.4 Severability. If any provision of this Lease proves to be illegal, invalid, or unenforceable, the remainder of this Lease will not be affected by such finding, and in lieu of each provision of this Lease that is illegal, invalid or unenforceable, a provision will be added as a part of this Lease as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

25.5 Entire Agreement. This Lease sets forth all the covenants, promises, agreements, conditions, and understandings between the City and Lessee concerning the Premises, and there are no covenants, promises, agreements, conditions, or understandings, either oral or written, between them, other than those expressly set forth herein. All negotiations and oral agreements have been merged into and are included herein, it being understood that this Lease supersedes and cancels any and all previous negotiations, arrangements, agreements, understandings, representations, and brochures, and none thereof shall be used to interpret or construe this Lease.

25.6 Waivers and Amendments. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of City, and all amendments hereto must be in writing and signed by the appropriate authorities of City.

25.7 Nonliability of City Officials and Employees. No member, official or employee of City shall be personally liable to the other in the event of any default or breach by City, or for any amount which may become due to City, or for the performance of any obligations under the terms of this Agreement.

25.8 Attorneys' Fees. In the event of any action or proceeding brought by any Party against the other to enforce any of the terms hereof or because of the breach by either Party of any of the terms hereof, the losing party shall pay to the prevailing party reasonable attorneys' fees and expenses, and the right to such attorneys' fees and expenses shall be deemed to have accrued upon the commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment. For the purposes of this Agreement, "prevailing party" includes: (a) a party who dismisses an action in exchange for sums allegedly due; (b) the party that received performance from the other party of an alleged breach of covenant or a desired remedy, if it is substantially equal to the relief sought in an action, or (c) the party determined to be prevailing by a court of law or arbitrator.

25.9 Venue/Governing Law. This Lease shall be interpreted and governed by the laws of the State of California. Any action arising out of this Lease shall be brought in Sacramento County, California, regardless of where else venue may lie.

25.10 Negation of Joint Venture or Partnership. Nothing herein contained shall be in any way construed as expressing or implying that the Parties hereto have joined together in any joint venture, partnership or in any manner have agreed to or are contemplating the sharing of profits and losses among themselves in relation to any matter relating to this Lease.

25.11 Partial Invalidity. If any term, covenant, condition or provision of this Lease, except any provision referring to Lessee's obligation to pay rent, is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected or impaired or invalidated.

25.12 Security Measures. Lessee hereby acknowledges that the City shall have no obligation whatsoever to provide guard service or other security measures for the benefit of the Lessee, the Premises or the Property. Lessee assumes all responsibility for the protection of Lessee, its employees, agents, and invitees, and the property of Lessee and of Lessee's employees, agents and invitees from acts of third parties. Nothing contained herein shall prevent the City, at the City's sole option, from providing security protection for the Premises or any part thereof.

25.13 Lessee Authorization. The individuals executing this Lease on behalf of the City represent and warrant to Lessee that they are fully authorized and legally capable of executing this Lease on behalf of the City, and that such execution is binding upon all parties holding an ownership interest in the Premises. If Lessee is a corporation, limited liability company, trust, general or limited partnership, or other form of entity, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of said entity. If Lessee is a corporation, limited liability company, trust, partnership, or any other form of entity, Lessee shall, within thirty (30) days after execution of this Lease, deliver to the City evidence of such authority satisfactory to the City.

25.14 Time is of the Essence. Time is of the essence of each and all of the terms and provisions of this Lease.

IN WITNESS WHEREOF, the Parties have executed this Lease as of the Effective Date.

CITY:

City of Elk Grove,
a California municipal corporation

By: _____
Jason Behrmann, City Manager

LESSEE:

_____, a
California _____

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

By: _____
Jonathan P. Hobbs, City Attorney

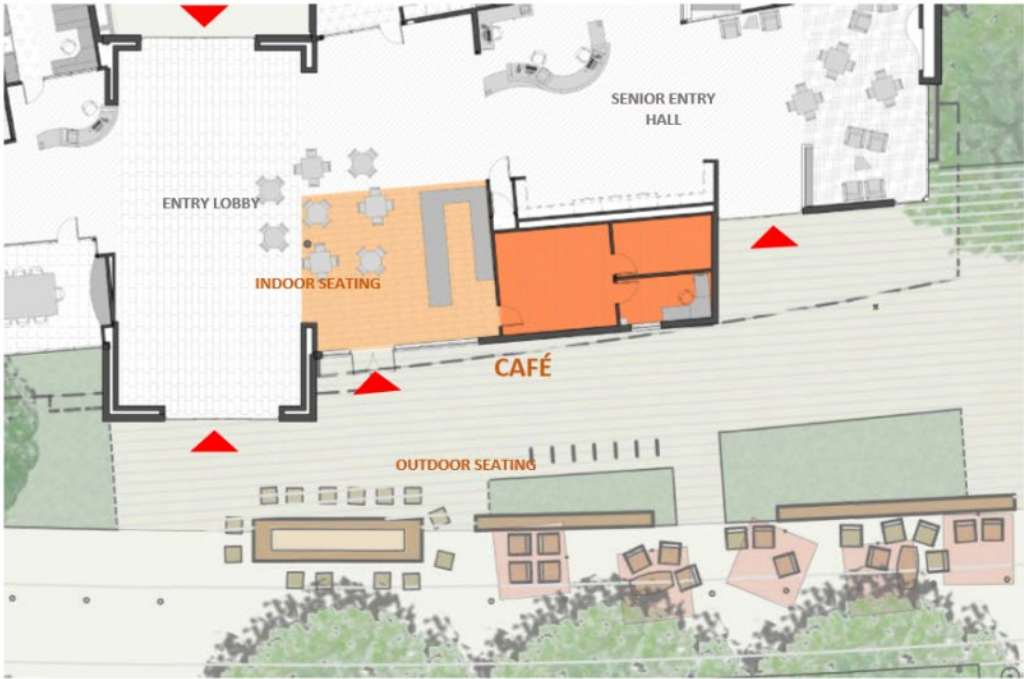
ATTEST:

By: _____
Jason Lindgren, City Clerk

Exhibit A



CAFÉ AT ELK GROVE COMMUNITY & SENIOR CENTER



CAFÉ AT ELK GROVE COMMUNITY & SENIOR CENTER

SPACE	SF
SEATING + COUNTER*	608
BACK OF HOUSE	244
STORAGE	109
OFFICE	89
TOTAL	1050

* SEATING AREA CAN BE EXPANDED TO ENTRY LOBBY DURING OPENING HOURS



Exhibit B

Cafe Elk Grove Equipment List

Item	Qty
(2) Waring Commercial Panini	2
Waring Belgian Waffle Maker	1
Stainless Steel Pans	1
Vitamix Blending Station	1
Vevor Juice Extractor	1
Commercial Meat Slicer	1
Heavy Duty Crepe Maker	1
BUNN(2) 12 Cup Coffee Brewer	2
Commercial Microwave	1
Koolmore Countertop Refrigerator	1
Avantco Food Warmer	1
Food Processor	1
Kitchen Cart	1
(4) Insta Pot	4
(2) Insta Multicooker	2
Kitchen Aid Mixer	1
22 Quart Roaster	1
Avantco 60 cup Rice Cooker	1
Kintera Undercounter Refrigerator	1
Replacement of casters	
Grindmaster Espresso Machine	1
TurboChef Sota Oven	1
Ice Maker	1
Refrigerator	1
Freezer	1
Mobile Work Table	1
Dry Shelving	1

Lessee and all their employees or subcontractors who shall undertake work to be performed under this Lease shall be required to complete a security and criminal history check. The Elk Grove Police Department (“EGPD”) will conduct two “Live Scan” fingerprint checks, free of charge, on a Lessee that will access City Facilities. “Live Scan” is a system that completes a criminal history inquiry by checking local, state and national databases. The EGPD will be provided with a list of any arrests and convictions that have been made. From that date forward the EGPD will be notified of any subsequent arrests. Any individual with a felony arrest cannot be granted unescorted access to City Facilities; other arrest history shall be evaluated. Security privileges associated with access to City Facilities is dependent upon which area(s) of the building Lessee requires access to relative to the type of work or service being completed. An access card will be issued, and this card will allow unescorted access. In addition to the completing the Live Scan criminal history check, Lessee shall be required to agree to the following:

- a) Lessee agrees to assign a primary employee(s) to complete job tasks at City Facilities whenever possible.
- b) Lessee and their employees and/or subcontractors agree to wear the assigned visitor lanyard attached to access card whenever on the premises.
- c) Lessee agrees that access cards shall not be used as a form of identification or for any purpose other than access into City Facilities.
- d) Employees may be Live Scanned at the expense of Lessee at the rate charged to the EGPD. The current rate is \$54.00 but is subject to change.
- e) Lessee agrees to monitor Access Key Card(s) issued to them and only allow those employees that have been Live Scanned to have access to the card.
- f) Lessee agrees to notify the City within 24 hours of when an employee has severed employment. Lessee shall retrieve the key card from that employee’s possession and return it to the City within 48 hours.
- g) Lessee shall follow the directions provided by City staff while on the premises.
- h) Lessee agrees that employees shall be instructed to access only the areas necessary for the service provided, and to leave the premises immediately upon completion of duties.
- i) Lessee agrees access cards are the property of the City of Elk Grove and must immediately surrender upon request by a City of Elk Grove Employee.
- j) Lessee agrees to reassign any employee that becomes involved in any criminal activity and retrieve the access card should the department be notified of criminal activity.
- k) Access to City Facilities will be coordinated with the City’s Public Affairs Division.

Lessee shall contact the EGPD Analyst within 10 days of receiving notification of Lease award to set an appointment for Live Scan testing. Test results are typically returned in 3-5 business days. Lessee and their employees shall be required to bring photo identification. A photograph for the access card will be taken. Lessee will be contacted when to pick up access cards.

Until the process outlined has been completed, Lessee and their employees shall not be allowed to begin work at City Facilities and payment for service may be delayed until Lessee has fully complied with this procedure.

Exhibit D

Insurance Requirements

Prior to commencement of any work under this Lease, the Lessee shall provide to the City proof of, and maintain in full force and effect at all times during the term of the Lease, at its sole cost and expense, policies of insurance as set forth herein. Lessee shall comply with all reporting and other provisions of the policies of insurance as set forth herein including, but not limited to, timely reporting of claims and suits. Further, should Lessee maintain any programs of self-insurance, Lessee shall comply with the applicable fulfillment of any self-insured retentions.

1. General Liability:

- a. Comprehensive general liability insurance including, but not limited to, protection for claims of bodily injury and property damage liability, and personal and advertising injury liability.
- b. Coverage shall be at least as broad as Insurance Services Office Commercial General Liability coverage form CG 0001 (occurrence).
- c. Claims-made coverage is not acceptable.
- d. Coverage shall include liquor liability.
- e. The limits of liability shall not be less than:

Each occurrence:	One Million Dollars (\$1,000,000)
Personal & Advertising Injury:	One Million Dollars (\$1,000,000)
General Aggregate:	Two Million Dollars (\$2,000,000)
- f. The City, its officials, employees, agents and authorized volunteers shall be covered and specifically named as additional insured as respects liability arising out of activities performed by or on behalf of Lessee, products and completed operations of Lessee, premises owned, occupied, or used by Lessee, or automobiles leased, hired, or borrowed by Lessee on a separate endorsement acceptable to the City.
- g. The insurer shall agree to waive all rights of subrogation against the City, its officials, employees, agents, and authorized volunteers for losses arising from work performed by Lessee.
- h. The policy shall contain no special limitations on the scope of coverage afforded to the City, its officials, employees, agents, or authorized volunteers.
- i. Provision or endorsement stating that for any claims related to this contract, Lessee's insurance coverage shall be primary insurance as respects the City, its officials, employees, agents, and authorized volunteers to the extent the City is an additional insured. Any insurance or self-insurance maintained by the City, its officials, employees, agents, or authorized volunteers shall be in excess of Lessee's insurance and shall not contribute with it, to the payment or satisfaction of any defense expenses, loss or judgment.

2. Worker's Compensation

- a. Worker's Compensation Insurance, with coverage as required by the State of California (unless the Lessee is a qualified self-insurer with the State of California), and Employers Liability coverage. The Lessee shall execute a certificate in compliance with Labor Code Section 1861, on the form provided by the City.
- b. Employer's Liability Coverage shall not be less than \$1,000,000.
- c. If an injury occurs to any employee of the Lessee for which the employee or his dependents, in the event of his death, may be entitled to compensation from

the City under the provisions of the Acts, for which compensation is claimed from the City, there will be retained out of the sums due the Lessee under this Lease, an amount sufficient to cover such compensation as fixed by the Acts, until such compensation is paid or it is determined that no compensation is due. If the City is required to pay such compensation, the amount so paid will be deducted and retained from such sums due, or to become due to the Lessee.

- d. The insurer shall agree to waive all rights of subrogation against the City, its officers, officials, and employees for losses arising from work performed by the Lessee.
3. **Acceptability of Insurers:** Insurance is to be placed with insurers with a **Bests' rating of no less than A:VII.**
 4. Any deductibles, aggregate limits, pending claims or lawsuits that may diminish the aggregate limits, or self-insured retention(s), must be declared to, and approved by, the City.
 5. The Lessee shall furnish the City with certificates of insurance and original endorsements or insurance binders, signed by a person authorized by the insurer to bind coverage on its behalf, evidencing the coverage required by this Lease. At the written request of the City, Lessee agrees to furnish a duplicate original or certified copy of each required policy including the declaration pages, conditions, provisions, endorsements, and exclusions.
 6. The City, due to unforeseen risk or exhaustion, failure, or dilution of Lessee's insurance coverage, at its discretion, may increase the amounts and types of insurance coverage required hereunder at any time during the term of the Lease by giving 30 days written notice.
 7. The Lessee shall serve the City notice, in writing by certified mail, within 2 days of any notices received from any insurance carriers providing insurance coverage under this Agreement that concern the suspension, voidance, cancellation, termination, reduction in coverage or limits, non-renewal, or material changes of coverage proposed or otherwise.
 8. If the Lessee fails to procure or maintain insurance as required by this section, and any Supplementary Conditions, or fails to furnish the City with proof of such insurance, the City, at its discretion, may procure any or all such insurance. Premiums for such insurance procured by the City shall be deducted and retained from any sums due the Lessee under the Lease.
 9. Failure of the City to obtain such insurance shall in no way relieve the Lessee from any of its responsibilities under the Lease.
 10. The making of progress payments to the Lessee shall not be construed as relieving the Lessee of responsibility for loss or direct physical loss, damage, or destruction occurring prior to final acceptance by the City.
 11. The failure of the City to enforce in a timely manner any of the provisions of this section shall not act as a waiver to the enforcement of any of these provisions at

any time during the term of the Lease.

12. The requirements as to types, limits, and the City's approval of insurance coverage to be maintained by Lessee are not intended to, and shall not in any manner, limit or qualify the liabilities and obligations assumed by Lessee under the Lease.