



SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 9.1a

Meeting Date: March 5, 2015

Subject: **Approval of Grants, Entitlements, and Other Income Agreements**
 Ratification of Other Agreements
 Approval of Bid Awards
 Approval of Declared Surplus Materials and Equipment
 Change Notices
 Notices of Completion

- ☐ Information Item Only
- ☒ Approval on Consent Agenda
- ☐ Conference (for discussion only)
- ☐ Conference/First Reading (Action Anticipated: _____)
- ☐ Conference/Action
- ☐ Action
- ☐ Public Hearing

Division: Business Services

Recommendation: Recommend approval of items submitted.

Background/Rationale:

Financial Considerations: See attached.

LCAP Goal(s): Safe, Clean and Healthy Schools; Family and Community Engagement;
College and Career Ready Students

Documents Attached:

1. Grants, Entitlements, and Other Income Agreements
2. Recommended Bid Awards – Facilities Projects
3. Change Notices – Facilities Projects
4. Notices of Completion – Facilities Projects

Estimated Time of Presentation: N/A

Submitted by: Gerardo Castillo, CPA, Chief Business Officer
Kimberly Teague, Contract Specialist

Approved by: José L. Banda, Superintendent

GRANTS, ENTITLEMENTS AND OTHER INCOME AGREEMENTS - REVENUE

<u>Contractor</u>	<u>Description</u>	<u>Amount</u>
<u>LUTHER BURBANK HIGH SCHOOL</u>		
A15-00068 University of California, Davis	7/1/14 – 6/30/15: Community Engagement Grant to help support the Parent University Program at Luther Burbank High School. This program is the model parent engagement program in the district. The positive effects on student achievement and parent engagement have been noted in numerous research and this funding will sustain the momentum by increasing the reach of the parent-teacher home visits, building staff capacity through professional development, and providing more opportunities to engage parents through evening classes.	\$13,777 No Match

SPECIAL EDUCATION

A15-00067 California Department of Education	7/1/14 – 6/30/15: WorkAbility 1 Grant provides funding for a training program for special education students ages 16 – 22 designed to promote career awareness and exploration while students complete their secondary education program. WorkAbility 1 provides students with opportunities for job shadowing, paid and non-paid work experience, and ongoing support and guidance from vocational personnel.	\$378,547 No Match
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RECOMMENDED BID AWARDS – FACILITIES PROJECTS

Bid No. 0844-404 0830-404 0822-404	Lease-Leaseback Agreement for Fire Alarm Upgrades at Transportation, Central Warehouse, Facilities Maintenance
Recommendation:	Award to Studebaker Brown Electric, Inc.
Amount/Funding:	\$491,117 – Measure Q Funds

The lease-leaseback project delivery method is authorized by California Education Code §17406, and authorizes the governing board, without advertising for bids, to enter into a lease with a builder for the purpose of construction, including remodeling and permanent improvements, upon property.

RECOMMENDED BID AWARDS – FACILITIES PROJECTS

Bid No. 702-0825 Serna Center Data Center Fire Sprinkler Project

Recommendation: Reject all bids (*only one bid was received and it was over budget*)

CHANGE NOTICES – FACILITIES PROJECTS

The following change notice(s) are submitted for approval.

CONTRACTOR	PROJECT and DESCRIPTION OF CHANGE
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SECC

BESTNet Fiber Construction

Change Order No.1

Initiated by: Technology Services

Description: Extend currently deployed
BESTNet fiber network between
middle and high schools and
district office to also include all
elementary schools.

Change Order Subtotal: \$394,228

Original Contract: \$1,024,658

Previously Authorized Change Orders: \$-0-

New Contract Amount / Total Change Order %: \$1,418,886 38.5%

Contract Time will be extended by: -0- days

NOTICES OF COMPLETION – FACILITIES PROJECTS

Contract work is complete and Notices of Completion may be executed.

Contractor	Project	Completion Date
Roebbelen Contracting	William Land Elementary School Shade Structure, DSA #02-113421	December 14, 2014
Seward L. Schreder, Inc.	Roof Replacement at H.W. Harkness Elementary School	August 20, 2014
Landmark Construction	Restroom Remodels, Parking Lot Lighting and Security Cameras at Luther Burbank High School	May 20, 2014
Valley Precision Grading	Drainage Improvement at John Sloat Elementary School	January 2, 2015



Business Services

Contracts Office

5735 47th Avenue • Sacramento, CA 95824

(916) 643-2464

Gerardo Castillo, Chief Business Officer

Kimberly Teague, Contract Specialist

LEASE-LEASEBACK AGREEMENT

Dated as of March 5, 2015

Between

Sacramento City Unified School District

and

Studebaker Brown Electric, Inc.

**Fire Alarm System Upgrade at Transportation, Central Warehouse
& Facilities Maintenance**

LEASE-LEASEBACK AGREEMENT
Fire Alarm System Upgrade at Transportation, Central Warehouse
& Facilities Maintenance

THIS LEASE-LEASEBACK AGREEMENT (this "Agreement") is entered into as of March 5, 2015 by and between the Sacramento City Unified School District, a school district organized and existing under the laws of the State of California (hereinafter called the "Owner"), and Studebaker Brown Electric, Inc., a corporation and contractor licensed by the State of California, with its principal place of business at 6643 32nd Street, Suite 106, North Highlands, CA 95660, (hereinafter called "Contractor"). Owner and Contractor together are the "Parties" to this Agreement.

RECITALS:

WHEREAS, the Owner intends to have constructed Fire Alarm System Upgrade (the "School Facilities") Transportation, located at 3101 Redding Avenue; Central Warehouse, located at 3051 Redding Avenue; and Facilities Maintenance, located at 425 1st Avenue, Sacramento, CA; and

WHEREAS, in order to optimize the work that needs to be done for construction of the School Facilities, the Owner has determined that it is necessary to begin work as soon as possible so that the Project can be performed in a timely, cost-effective, and cooperative manner to meet the Owner's compressed time schedule for the planned completion and use of the School Facilities; and

WHEREAS, the Owner intends to undertake work, the scope of which is described generally in *Exhibit A* hereof at the School Facilities (the "Project"); and

WHEREAS, California Education Code Section 17406 permits the governing board of school district, without advertising for bids, to lease to any person, firm, or corporation any real property owned by the school district if the instrument by which such property is leased requires the lessee to construct on the leased premises, or provide for the construction thereon, of a building for the use of the school district during the term of the lease, and provides that title to that building shall vest in the school district at the expiration of the lease; and

WHEREAS, in connection with the approval of this Agreement, the Owner will enter into a site lease with Contractor (the "Site Lease"), under which it will lease the Project site described and depicted in *Exhibit A* of the Site Lease (the "Site") to Contractor in order for Contractor to construct the Project as described in the Scope of Work set forth in *Exhibits A* and *B* to this Agreement (the "Scope of Work"); and

WHEREAS, Contractor will lease the Site and the Project back to the Owner pursuant to a Sublease Agreement (the "Sublease"), under which the Owner will be required to make lease payments to Contractor for the use and occupancy of the Site, including the Project; and

WHEREAS, upon completion of the Project, the Site Lease and Sublease will terminate and title to the Site and Project will vest with the Owner; and

WHEREAS, the Owner and Contractor desire to enter into this Agreement to ensure that the Project will meet the Owner's expectations prior to the lease of the Site back to the Owner pursuant to the Sublease; and

WHEREAS, Contractor is experienced in the design and construction of the type of School Facilities and type of work desired by the Owner and is willing to perform said construction work for the Owner, all as more fully set forth this Agreement.

NOW, THEREFORE, in consideration of the covenants hereinafter contained, the Owner and Contractor agree as follows:

TERMS AND CONDITIONS:

ARTICLE I. SCOPE OF WORK. The Contractor agrees to furnish all labor, equipment and materials, including tools, implements, and appliances required, and to perform all the work in a good and workmanlike manner, free from any and all liens and claims from mechanics, material suppliers, subcontractors, artisans, machinists, teamsters, freight carriers, and laborers required for:

Fire Alarm System Upgrade at Transportation, Central Warehouse & Facilities Maintenance

all in strict compliance with the plans, drawings, and specifications therefore prepared by:

**DC Architects
820 N. Mountain Ave, Ste 200
Upland, CA 91786**

and other contract documents relating thereto.

In accordance with Section 3300 of the Public Contract Code, Contractor has a Class "C-10, Electrical Contractor" license that Contractor shall maintain in good standing for the duration of Contractor's work on the Project.

DIR REQUIREMENT

IMPORTANT NOTE: Senate Bill 854 requires all contractors and subcontractors intending to bid or perform work on public works projects to annually register and pay a fee to the Department of Industrial Relations (DIR) for purposes of monitoring and enforcing compliance with the State's prevailing wage law. The current fee is \$300. For more information, please visit the DIR website www.dir.ca.gov, and click on Public Works Projects link.

The registration program began July 1, 2014, and all contractors and subcontractors submitting bids on public works projects must be registered by March 1, 2015.

ARTICLE II. CONTRACT DOCUMENTS. The Contractor and the Owner agree that this Agreement, all of the documents listed in Article 1.1.1 of the General Conditions attached hereto (the "General Conditions"), the Site Lease, and the Sublease, together form the "Contract Documents," which form the "Contract."

ARTICLE III. TIME TO COMPLETE AND LIQUIDATED DAMAGES. Time is of the essence in this contract, and the time of completion for this Project shall be 129 days from the date established in the Owner's Notice to Proceed, for completion of the entire Project.

Failure to complete the Project within these times and in the manner provided for by the Contract Documents shall subject the Contractor to liquidated damages. The actual occurrence of damages and the actual amount of the damages which the Owner would suffer if the Project were not completed within the specified times set forth are dependent upon many circumstances and conditions which could prevail in various combinations and, from the nature of the case, it is impracticable and extremely difficult to fix the actual damages. Damages that the Owner would suffer in the event of delay include, but are not limited to, loss of the use of the Project, disruption of activities, costs of administration, supervision and the loss suffered by the public.

Accordingly, the parties agree that the following dollar figure shall be the amount of damages which the Owner shall directly incur upon failure of the Contractor to complete the Project within the times specified: \$500, for each calendar day by which completion of the Project, or portion thereof, is delayed beyond the completion dates specified above.

If the Contractor becomes liable under this section, the Owner, in addition to all other remedies provided by law, shall have the right to withhold any and all retained percentages of payments, and to collect the interest thereon, which would otherwise be or become due the Contractor until the liability of the Contractor under this section has been finally determined. If the retained percentage is not sufficient to discharge all liabilities of the Contractor incurred under this Article, the Contractor and its sureties shall continue to remain liable to the Owner for such liabilities until all such liabilities are satisfied in full.

If the Owner accepts any work or makes any payment under this Agreement after a default by reason of delays, the payment or payments shall in no respect constitute a waiver or modification of any Agreement provisions regarding time of completion and liquidated damages.

ARTICLE IV. GUARANTEED PROJECT COST. Contractor's Guaranteed Project Cost ("GPC") for performance of all work required by the Contract for the Project shall be Four Hundred Ninety One Thousand, One Hundred Seventeen Dollars (\$491,117), based upon the Scope of Work set forth in *Exhibits A* and *B* of this Agreement. Except as otherwise provided in the General Conditions, the Contractor shall assume the risk of all costs in excess of the GPC in the performance of such work and shall not be entitled to additional payments because of such excess costs. Should the Contractor believe that it is entitled to additional compensation, whether money or time, it must request it pursuant to the procedures in the General Conditions for change orders and claims. The GPC is also referred to in the Contract as the "Contract Sum." The Contractor's cost breakdown of the GPC is attached (see *Exhibit C*) as Contractor's schedule of values for the Project, as required by Section 9.2.1.A of the General Conditions.

The GPC shall include a line item for allowances as follows:

1. Transportation: Devices = \$3,000; Patch & Repair = \$3,000; Owners Contingency = \$17,687
2. Central Warehouse: Devices = \$1,500; Patch & Repair = \$1,500; Owners Contingency = \$18,550
3. Facilities Maintenance: Devices = \$1,000; Patch & Repair = \$1,000; Gate Conduit = \$5,000;
Intrusion Alarm = \$5,000; Owners Contingency = \$8,410

These allowances are intended to fund extra work that may be required as a result of unforeseen scopes of work identified after execution of this Agreement (the "Additional Scope"). Only specifically identified unforeseen scopes shall be considered part of the Additional Scope. Contractor shall not be authorized to use these Contingency Funds for the Additional Scope without prior written approval by District. Any Contingency Funds not used for such purposes shall be credited to the District to reduce the GPC. If scope of the Additional Scope exceeds the Allowance Funds, Contractor is not precluded from seeking additional compensation pursuant to Section 4.5 and Article 7 of the General Conditions.

Contractor shall finance the cost of construction of the Project, which costs shall not exceed the GPC, except as otherwise provided in the Contract. The Owner shall pay Contractor sublease payments pursuant to the terms and conditions of Section 6 of the Sublease (the "Sublease Payments"), which terms and conditions include the 5% retention described in Section 6 of the Sublease (the "retention"). The sum of the Sublease Payments shall not exceed the GPC established pursuant to Article IV hereof. Retention or release of the Sublease Payments shall be in accordance with the General Conditions.

ARTICLE V. CHANGES. Changes in this Agreement or in the Work to be done under this Agreement shall be made as provided in the General Conditions.

ARTICLE VI. TERM AND TERMINATION. The term of the Contract begins on the date shown on page 1 above and automatically ends when construction of the Project is complete, or the Contract is otherwise terminated,

all in accordance with the General Conditions. All of the covenants, representations and warranties set forth in the Contract, including indemnification obligations, that are intended to bind the Parties after the completion of the Project or termination of the Contract will survive such completion or termination for the periods provided for in the Contract or otherwise allowed by law. The Owner or Contractor may terminate the Contract as provided in the General Conditions. The Site Lease and the Sublease each shall automatically end upon such completion of the Project or termination of the Contract, with the parties' respective leasehold interests thereunder automatically ended and released, and title to the Site and Project automatically and fully vested in the Owner.

ARTICLE VII. PREVAILING WAGES. Pursuant to the provisions of Section 1770 *et seq.* of the Labor Code of the State of California, which are hereby incorporated by reference and made a part hereof, the Director of Industrial Relations has determined the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in the locality in which the work is to be performed, for each craft, classification or type of worker needed to execute this Contract. Per diem wages shall be deemed to include employer payments for health and welfare, pension, vacation, apprenticeship or other training programs, and similar purposes. Copies of the rates are on file at the Owner's principal office. The rate of prevailing wage for any craft, classification or type of workmanship to be employed on this Project is the rate established by the applicable collective bargaining agreement which rate so provided is hereby adopted by reference and shall be effective for the life of this Agreement or until the Director of the Department of Industrial Relations determines that another rate be adopted. It shall be mandatory upon the Contractor and on any subcontractor to pay not less than the said specified rates to all workers employed in the execution of this Agreement.

The Contractor and any subcontractor under the Contractor as a penalty to the Owner shall forfeit not more than \$50.00 for each calendar day or portion thereof for each worker paid less than the stipulated prevailing rates for such work or craft in which such worker is employed. The difference between such stipulated prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the stipulated prevailing wage rate shall be paid to each worker by the Contractor.

The Contractor and each Subcontractor shall keep or cause to be kept an accurate record for work on this Project showing the names, addresses, social security numbers, work classification, straight time and overtime hours worked and occupations of all laborers, workers and mechanics employed by them in connection with the performance of this Contract or any subcontract thereunder, and showing also the actual per diem wage paid to each of such workers, which records shall be open at all reasonable hours to inspection by the Owner, its officers and agents and to the representatives of the Division of Labor Law Enforcement of the State Department of Industrial Relations.

ARTICLE VIII. WORKING HOURS. In accordance with the provisions of Sections 1810 to 1815, inclusive, of the Labor Code of the State of California, which are hereby incorporated and made a part hereof, the time of service of any worker employed by the Contractor or a Subcontractor doing or contracting to do any part of the Work contemplated by this Agreement is limited and restricted to 8 hours during any one calendar day and 40 hours during any one calendar week, provided, that work may be performed by such employee in excess of said 8 hours per day or 40 hours per week provided that compensation for all hours worked in excess of 8 hours per day, and 40 hours per week, is paid at a rate not less than 1½ times the basic rate of pay. The Contractor and every Subcontractor shall keep an accurate record showing the name of and the actual hours worked each calendar day and each calendar week by each worker employed by them in connection with the Work. The Contractor and every Subcontractor shall keep the records open at all reasonable hours to inspection by representatives of the Owner and the Division of Labor Law Enforcement. The Contractor shall as a penalty to the Owner forfeit \$25.00 for each worker employed in the execution of this Agreement by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than 8 hours in any one calendar day, and 40 hours in any one calendar week, except as herein provided.

ARTICLE IX. APPRENTICES. The Contractor agrees to comply with Chapter 1, Part 7, Division 2, Sections 1777.5 and 1777.6 of the California Labor Code, which are hereby incorporated and made a part hereof. These sections require that contractors and subcontractors employ apprentices in apprenticeable occupations in a ratio of not less than 1 hour of apprentice's work for each 5 hours of work performed by a journeyman (unless an exemption

is granted in accordance with Section 1777.5) and that contractors and subcontractors shall not discriminate among otherwise qualified employees as indentured apprentices on any public works solely on the ground of sex, race, religious creed, national origin, ancestry or color. Only apprentices as defined in Labor Code Section 3077, who are in training under apprenticeship standards and who have signed written apprentice agreements, will be employed on public works in apprenticeable occupations. The responsibility for compliance with these provisions is fixed with the Contractor for all apprenticeable occupations.

ARTICLE X. INDEMNIFICATION AND INSURANCE. The Contractor will defend, indemnify and hold harmless the Owner, its governing board, officers, agents, trustees, and employees against and from any and all liability for damages on account of injury to or death of persons or damage to property or delay or damage to another contractor resulting from or arising out of or in any way connected with the performance by the Contractor of this Agreement and reimburse the Owner for all costs, attorney's fees, expenses and loss incurred by it in consequence of any claims, demands, and causes of action which may be brought against it arising out of the performance by the Contractor of this Agreement. This indemnification shall be in addition to the other indemnification provisions contained in the Contract Documents.

By this statement the Contractor represents that it has secured the payment of Workers' Compensation in compliance with the provisions of the Labor Code of the State of California and during the performance of the work contemplated herein will continue so to comply with said provisions of said Code. The Contractor shall supply the Owner with certificates of insurance evidencing that Workers' Compensation Insurance is in effect and providing that the Owner will receive 30 days' notice of cancellation.

Contractor shall provide the insurance set forth in the General Conditions. The amount of general liability insurance shall be \$1,000,000 per occurrence for bodily injury, personal injury, and property damage, and the amount of automobile liability insurance shall be \$1,000,000 per accident for bodily injury and property damage combined single limit.

ARTICLE XI. ENTIRE AGREEMENT. The Contract constitutes the entire agreement between the Parties, and supersedes any prior or contemporaneous agreement between the Parties, oral or written, including the Owner's award of the Project to Contractor, unless such agreement is expressly incorporated herein. The Owner makes no representations or warranties, express or implied, not specified in the Contract. The Contract is intended as the complete and exclusive statement of the Parties' agreement pursuant to Code of Civil Procedure section 1856.

ARTICLE XII. EXECUTION OF OTHER DOCUMENTS. The Parties to this Agreement shall cooperate fully in the execution of any and all other documents and in the completion of any additional actions that may be necessary or appropriate to give full force and effect to the terms and intent of the Contract.

ARTICLE XIII. EXECUTION IN COUNTERPARTS. This Agreement may be executed in counterparts such that the signatures may appear on separate signature pages. A copy, or an original, with all signatures appended together, shall be deemed a fully executed Agreement.

ARTICLE XIV. BINDING EFFECT. Contractor, by execution of this Agreement, acknowledges that Contractor has read this Agreement and the other Contract Documents, understands them, and agrees to be bound by their terms and conditions. The Contract shall inure to the benefit of and shall be binding upon the Contractor and the Owner and their respective successors and assigns.

ARTICLE XV. SEVERABILITY. If a court of competent jurisdiction shall hold any provision of the Contract invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision hereof. The laws of the State of California shall govern the Contract and venue shall be in the appropriate Superior Court in Santa Clara County, California.

ARTICLE XVI. AMENDMENTS. The terms of the Contract shall not be waived, altered, modified, supplemented, or amended in any manner whatsoever except by written agreement signed by the Parties and approved or ratified by the Governing Board.

ARTICLE XVII. ASSIGNMENT OF CONTRACT. The Contractor shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations without the prior written consent of the surety on the payment bond, the surety on the performance bond, and the Owner.

ARTICLE XVIII. WRITTEN NOTICE. Written notice shall be deemed to have been duly served if delivered in person to the individual or member of the firm or to an officer of the corporation for whom it was intended or if delivered at or sent by registered or certified or overnight mail to the last business address known to the person who gives the notice.

ARTICLE XIX. EXHIBITS INCORPORATED. All Exhibits attached to this Agreement are hereby incorporated into the Agreement by this reference as if set forth in full.

ARTICLE XX. SELECTION OF SUBCONTRACTORS. In the interest of minimizing the expenditure of funds for the construction of the Project, the Contractor agrees to select appropriately licensed subcontractors for each trade component of the Project in a manner that fosters competition. Contractor agrees that it has solicited or will solicit bids from subcontractors according to a process whereby Contractor publishes a notice of the trade components of the Project [insert timing of publication and newspaper] and enters into competitive bidding negotiations with the potential subcontractors who have successfully participated, or will successfully participate, in Contractor's pre-qualification process. Further, unless the Parties otherwise agree in writing, on a trade by trade basis, Contractor made or shall make every reasonable effort to ensure that it receives at least three competitive quotes from subcontractors for each trade component of the Project Contractor shall inform all bidders that the Owner will not be a party to any contracts for construction services executed by the Contractor and selected bidders. However, the Owner reserves the right to oversee the bidding process, and in no case will the Contractor award any subcontracts until the Owner has concurred with the selection, scope, and price of the subcontracted services. Contractor shall submit a listing of proposed subcontractors with associated breakdown of bid values to the Owner for the Owner's review. In addition, at the Owner's request, Contractor shall provide the Owner with full documentation regarding the bids or competitive quotes received by the Contractor. In no event shall such documentation be redacted or obliterated. If Contractor does not comply with this provision, the Owner may terminate this Agreement in accordance with the General Conditions. Following Owner's concurrence with the selection, scope, and price of subcontracted services, Contractor shall not make any changes in same without Owner's express written approval of the proposed changes, which approval shall be in Owner's sole discretion. Owner reserves the right to terminate this Agreement in accordance with the General Conditions if Contractor does not comply with this provision.

* * * * *

IN WITNESS WHEREOF, the Parties have, by their duly authorized representatives, executed this Agreement, as of the day and year first written above.

OWNER

**SACRAMENTO CITY
UNIFIED SCHOOL DISTRICT**

By: _____
Gerardo Castillo
Chief Business Officer

Date

CONTRACTOR

STUDEBAKER BROWN ELECTRIC

By: _____
David Studebaker
President

Date

By: _____
Shane Brown
Vice President

Date

Contractor's License Number and Expiration
Date:

957296, Exp. 2/28/15

NOTE: Contractor must give the full business address of the Contractor and sign with Contractor's usual signature. Partnerships must furnish the full name of all partners and the Agreement must be signed in the partnership name by a general partner with authority to bind the partnership in such matters, followed by the signature and designation of the person signing. The name of the person signing shall also be typed or printed below the signature. Corporations must sign with the legal name of the corporation, followed by the name of the state of incorporation and by the signature and designation of the chairman of the board, president or any vice president, and then followed by a second signature by the secretary, assistant secretary, the chief financial officer, or assistant treasurer. All persons signing must be authorized to bind the corporation in the matter. The name of each person signing shall also be typed or printed below the signature. Satisfactory evidence of the authority of the officer signing on behalf of a corporation shall be furnished.

EXHIBIT A - Lease-Leaseback Agreement

SCOPE OF WORK

**Fire Alarm System Upgrade at Transportation, Central Warehouse
& Facilities Maintenance**

The GPC for construction costs is based on the plans, specifications, drawings, and design packages prepared by DC Architects, architects for the Owner. The detailed Scope of Work is set forth in said plans, specifications, drawings, and design packages, which are incorporated herein by this reference.

EXHIBIT B - Lease-Leaseback Agreement

**Fire Alarm System Upgrade at Transportation, Central Warehouse
& Facilities Maintenance**

The Parties hereby agree that the following are hereby incorporated into the Scope of Work for the Project:

NO ADDENDUMS HAVE BEEN ISSUED FOR THIS PROJECT

EXHIBIT C - Lease-Leaseback Agreement

**Fire Alarm System Upgrade at Transportation, Central Warehouse
& Facilities Maintenance**

The Parties hereby agree that the following document is Contractor's submission of its schedule of values, per General Conditions Section 9.2.1.A. Upon the Board's approval of this Agreement, the District will review this submission pursuant to Section 9.2.2 of the General Conditions.

Studebaker Brown Electric, Inc.



Feb 11, 2015

Fire Alarm Replacement at SCUSD Transportation Site

We are pleased to submit our proposal for your consideration on the above referenced project. We hereby propose to furnish all material, labor, equipment and services required to provide the complete work in accordance with the project plans and specifications and per our scope of work and exclusions as follows:

SCOPE OF WORK

1. Replace Fire alarm system at SCUSD transportation site per approved drawings and specifications.

CLARIFICATIONS/EXCLUSIONS

1. All wiring will be free air plenum rated cable in accessible ceiling spaces and conduit where required.
2. Prevailing wages are included for all labor.

PROPOSAL AMOUNTS

<u>Bid Item</u>	<u>DESCRIPTION</u>	<u>UNITS</u>	<u>QTY.</u>	<u>EACH</u>	<u>TOTAL</u>
S&B GMP	Transportation Fire Alarm Replacement.	L.S.	1		\$171,870.00
Allowance	Allowance for devices	L.S.	1		\$ 3,000.00
Allowance	Allowance for patch & repair	L.S.	1		\$ 3,000.00
Sub-Total					\$176,870.00
Owner Contingency	10%	L.S.	1		\$17,687.00
Total GMP					\$194,557.00



Feb 10, 2015

Fire Alarm Replacement at SCUSD Central Warehouse

We are pleased to submit our proposal for your consideration on the above referenced project. We hereby propose to furnish all material, labor, equipment and services required to provide the complete work in accordance with the project plans and specifications and per our scope of work and exclusions as follows:

SCOPE OF WORK

1. Replace Fire alarm system at SCUSD central warehouse per approved drawings and specifications.

CLARIFICATIONS/EXCLUSIONS

1. All wiring will be free air plenum rated cable in accessible ceiling spaces and conduit where required.
2. Prevailing wages are included for all labor.

PROPOSAL AMOUNTS

<u>Bid Item</u>	<u>DESCRIPTION</u>	<u>UNITS</u>	<u>QTY.</u>	<u>EACH</u>	<u>TOTAL</u>
S&B GMP	Central Warehouse Fire Alarm Replacement	L.S.	1		\$182,500.00
Allowance	Allowance for devices	L.S.	1		\$ 1,500.00
Allowance	Allowance for patch & repair	L.S.	1		\$ 1,500.00
Sub-Total					\$185,500.00
Owner Contingency	10%	L.S.	1		\$18,550.00
Total GMP					\$204,050.00



Feb 10, 2015

Fire Alarm Replacement at SCUSD Maintenance Office

We are pleased to submit our proposal for your consideration on the above referenced project. We hereby propose to furnish all material, labor, equipment and services required to provide the complete work in accordance with the project plans and specifications and per our scope of work and exclusions as follows:

SCOPE OF WORK

1. Replace Fire alarm system at SCUSD maintenance office per approved drawings and specifications.

CLARIFICATIONS/EXCLUSIONS

1. All wiring will be free air plenum rated cable in accessible ceiling spaces and conduit where required.
2. Prevailing wages are included for all labor.

PROPOSAL AMOUNTS

<u>Bid Item</u>	<u>DESCRIPTION</u>	<u>UNITS</u>	<u>QTY.</u>	<u>EACH</u>	<u>TOTAL</u>
S&B GMP	Maintenance Office Fire Alarm Replacement	L.S.	1		\$72,100.00
Allowance	Allowance for devices	L.S.	1		\$ 1,000.00
Allowance	Allowance for patch & repair	L.S.	1		\$ 1,000.00
Allowance	Allowance for Gate Conduit				\$5,000.00
Allowance	Allowance for Intru.. Alarm				\$5,000.00
Sub-Total					\$84,100.00
Owner Contingency	10%	L.S.	1		\$8,410.00
Total GMP					\$92,510.00



Business Services

Contracts Office

5735 47th Avenue • Sacramento, CA 95824

(916) 643-2464

Gerardo Castillo, Chief Business Officer

Kimberly Teague, Contract Specialist

SITE LEASE AGREEMENT

Dated as of March 5, 2015

Between

Sacramento City Unified School District

and

Studebaker Brown Electric, Inc.

**Fire Alarm System Upgrade at Transportation, Central Warehouse
& Facilities Maintenance**

SITE LEASE
Alarm System Upgrade at Transportation, Central Warehouse
& Facilities Maintenance

This SITE LEASE AGREEMENT ("Site Lease") is dated as of March 5, 2015, and is by and between the Sacramento City Unified School District, a school district duly organized and existing under the laws of the State of California (the "Owner"), as lessor, and Studebaker Brown Electric, Inc., a corporation organized and operating under the laws of the State of California ("Contractor"), as lessee.

WHEREAS, the Owner desires to provide for the financing and construction of certain public improvements, namely the Fire Alarm System Upgrades at Transportation, Central Warehouse and Facilities Maintenance (the "Project") more fully described in a Lease-Leaseback Agreement between the Owner and Contractor, (See Exhibit A), (the "Sites"); and

WHEREAS, the Owner's governing body has determined that it is in the best interests of the Owner and for the common benefit of the residents it serves to construct and finance the Project by leasing the Sites on which the public improvements are to be constructed to Contractor, and subleasing from Contractor the Sites, including the Project, under a Sublease Agreement effective the same date as this Sites Lease (the "Sublease"); and

WHEREAS, the Owner is authorized under Section 17406 of the California Education Code to lease the Sites, and its governing body has duly authorized the execution and delivery of this Sites Lease; and

WHEREAS, Contractor is authorized to lease the Sites as lessee and to construct the Project on the Sites, and has duly authorized the execution and delivery of this Site Lease.

WITNESSETH:

In consideration of the premises and covenants and conditions hereinafter contained, the parties agree as follows:

SECTION 1. Site Lease. The Owner leases to Contractor, and Contractor leases from the Owner, on the terms and conditions set forth herein, the Sites situated in the County of Sacramento, State of California, more specifically described or depicted in **Exhibit "A"** attached to this Sites Lease, including any real property improvements now or hereafter affixed thereto. Hereinafter, reference to Contractor means Contractor and Contractor's assigns for those rights, interests, and obligations that may be assigned by Contractor.

SECTION 2. Term. The term of this Sites Lease shall commence as of the date above and shall be coterminous with the term of the Lease-Leaseback Agreement (the "Termination Date"), unless such term is extended or earlier terminated as hereinafter provided:

(a) If the Owner exercises its option to purchase the Project, pursuant to Section 22 of the Sublease, then the term of this Site Lease shall end on the date of exercise of the option; or

(b) If prior to the Termination Date, all Sublease payments, as defined in the Sublease (the "Sublease Payments") shall be fully paid and retired or provision made for such payment and retirement, or which the parties hereto agree may be released, the term of this Site Lease as to the particular portion of the Sites for which Sublease Payments have been fully paid shall end ten (10) days thereafter or ten (10) days after written notice to Contractor, whichever is earlier.

(c) In accordance with the Lease-Leaseback Agreement, the term of this Site Lease shall automatically end upon such completion of the Project or termination of the Contract, with the parties'

respective interests hereunder automatically ended and released, and title to the Sites and Project automatically and fully vested in the Owner.

SECTION 3. Representations, Covenants, and Warranties of the Owner. The Owner represents covenants and warrants to Contractor that:

- (a) The Owner has good and merchantable fee title to the Sites and has authority to enter into and perform its obligations under this Sites Lease;
- (b) There are no liens on the Sites other than permitted encumbrances;
- (c) All taxes, assessments, or impositions of any kind with respect to the Sites, if applicable, except current taxes, have been paid in full;
- (d) The Sites are properly zoned for the intended purpose and utilization of it or the Owner intends to render zoning inapplicable pursuant to Government Code section 53094;
- (e) The Owner is in compliance with all laws, regulations, ordinances and orders of public authorities applicable to the Sites;
- (f) There is no litigation of any kind currently pending or threatened regarding the Sites or the Owner's use of the Sites for the purposes contemplated by this Sites Lease, the Sublease, and the Lease-Leaseback Agreement;
- (g) To the best of the Owner's knowledge, after actual inquiry: (i) no dangerous, toxic or hazardous pollutants, contaminants, chemicals, waste, materials or substances, as defined in or governed by the provisions of any State or Federal Law relating thereto (hereinafter collectively called "Environmental Regulations"), and also including, but not limited to, urea-formaldehyde, polychlorinated biphenyls, asbestos, asbestos containing materials, nuclear fuel or waste, radioactive materials, explosives, carcinogens and petroleum products, or any other waste, material, substance, pollutant or contaminant which would subject the owner of the Sites or Contractor or Contractor's subcontractors to any damages, penalties or liabilities under any applicable Environmental Regulation (hereinafter collectively called "Hazardous Substances"), are now or have been stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited or disposed of in, upon, under, over or from the Sites; (ii) no threat exists of a discharge, release or emission of a Hazardous Substance upon or from the Sites into the environment; (iii) the Sites has not been used as or for a mine, a landfill, a dump or other disposal facility, industrial or manufacturing facility, or a gasoline service station; (iv) no underground storage tank is now located in the Sites; (v) no violation of any Environmental Regulation now exists relating to the Sites, no notice of any such violation or any alleged violation thereof has been issued or given by any governmental entity or agency, and there is not now any investigation or report involving the Sites by any governmental entity or agency which in any way relates to Hazardous Substances; (vi) no person, party, or private or governmental agency or entity has given any notice of or asserted any claim, cause of action, penalty, cost or demand for payment or compensation, whether or not involving any injury or threatened injury to human health, the environment or natural resources, resulting or allegedly resulting from any activity or event described in (i) above; (vii) there are not now any actions, suits, proceedings or damage settlements relating in any way to Hazardous Substances, in, upon, under over or from the Sites; (viii) the Sites is not listed in the United States Environmental Protection Agency's National Priorities List of Hazardous Waste Sites or any other list of Hazardous Substance sites maintained by any federal, state or local governmental agency; and (ix) the Sites is not subject to any lien or claim for lien or threat of a lien in favor of any governmental entity or agency as a result of any release or threatened release of any Hazardous Substance.
- (h) To the extent permitted by law, the Owner shall not abandon the Sites for the use for which it is currently required by the Owner and further, shall not seek to substitute or acquire property to be used as a substitute for the uses for which the Sites and Project are to be maintained under the Sublease.

(i) The term “permitted encumbrances” as used herein shall mean, as of any particular time: (i) liens for general ad valorem taxes and assessments, if any, not then delinquent; (ii) this Sites Lease, the Sublease, any right or claim of any mechanic, laborer, materialman, supplier, or vendor, if applicable, not filed or perfected in the manner prescribed by law, easements, rights of way, mineral rights, drilling rights, and other rights, reservations, covenants, conditions, or restrictions which exist of record as of the date of this Sites Lease and which will not materially impair the use of the Sites; (iii) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions, or restrictions established following the date of recordation of this Sites Lease and to which Contractor and the Owner consent in writing which will not impair or impede the operation of the Sites.

SECTION 4. Representations and Warranties of Contractor. Contractor represents and warrants to the Owner that:

(a) Contractor is duly organized, validly existing and in good standing under the laws of the State of California, with full corporate power and authority to lease and own real and personal property.

(b) Contractor has full power, authority, and legal right to enter into and perform its obligations under this Sites Lease, and the execution, delivery, and performance of this Sites Lease have been duly authorized by all necessary corporate actions on the part of Contractor and do not require any further approvals or consents.

(c) Execution, delivery, and performance of this Sites Lease do not and will not result in any breach of or constitute a default under any indenture, mortgage, contract, agreement, or instrument to which Contractor is a party or by which it or its property is bound.

(d) There is no pending or, to the best knowledge of Contractor, threatened action, or proceeding before any court or administrative agency that will materially adversely affect the ability of Contractor to perform its obligations under this Sites Lease.

SECTION 5. Rental. Contractor shall pay to the Owner as and for advance rental hereunder \$1.00 per year per Sites, on or before the date of commencement of the term of this Sites Lease. The duration of the rental is expected to be from March 9, 2015 through approximately July 15, 2015 unless earlier terminated or otherwise agreed by the parties.

SECTION 6. Purpose. Contractor shall use the Sites solely for the purpose of constructing the Project thereon and for subleasing the Sites and leasing the Project to the Owner; provided, that in the Event of Default by the Owner under the Sublease, the Contractor may exercise the remedies provided for in the Sublease.

SECTION 7. Termination. Contractor agrees, upon termination of this Sites Lease: (i) to quit and surrender the Sites in the same good order and condition as it was in at the time of commencement of the term hereunder, reasonable wear and tear excepted; (ii) to release and reconvey to the Owner any liens and encumbrances created or caused by Contractor; and (iii) that any permanent improvements and structures existing upon the Sites at the time of the termination of this Sites Lease, including the Project, shall remain thereon and title thereto shall vest in the Owner. Notwithstanding the Owner’s foregoing rights in the event of termination, Contractor shall retain the right to full compensation for all services rendered prior to the termination in accordance with the Lease-Leaseback Agreement and the Sublease.

SECTION 8. Quiet Enjoyment. The Owner covenants and agrees that it will not take any action to prevent Contractor’s quiet enjoyment of the Sites during the term of this Sites Lease; and, that in the event the Owner’s fee title to the Sites is ever challenged so as to interfere with Contractor’s right to occupy, use and enjoy the Sites, the Owner will use all governmental powers at its disposal, including the power of eminent domain, to obtain unencumbered fee title to the Sites and to defend Contractor’s right to occupy, use, and enjoy that portion of the Sites.

SECTION 9. No Liens. The Owner shall not mortgage, sell, assign, transfer, or convey the Sites or any part thereof to any person during the term of this Sites Lease, without the written consent of Contractor. Nothing herein shall preclude the Owner from granting utility easements across the Sites to facilitate the use and operation of the Project for which it is intended.

SECTION 10. Right of Entry. The Owner reserves the right for any of its duly authorized representatives to enter upon the Sites at any reasonable time to inspect the same or to make any repairs, improvements, or changes necessary for the preservation thereof, but in doing so shall not interfere with Contractor's operations on the Project.

SECTION 11. Assignment and Subleasing. Other than the Sublease, Contractor will not assign or otherwise dispose of or encumber the Sites or this Sites Lease without the prior written consent of the Owner.

SECTION 12. No Waste. Contractor agrees that at all times that it is in possession of the Sites it will not commit, suffer, or permit any waste on the Sites, and it will not willfully or knowingly use or permit the use of the Sites for any illegal act or purpose.

SECTION 13. Default. In the event Contractor shall be in default in the performance of any obligation on its part to be performed under the terms of this Sites Lease, which default continues for thirty (30) days following notice and demand for correction thereof to Contractor, the Owner may exercise any and all remedies granted by law, except that no merger of this Sites Lease and of the Sublease shall be deemed to occur as a result thereof.

SECTION 14. Eminent Domain. In the event the whole or any part of the Sites or the improvements thereon is taken by eminent domain, the financial interest of Contractor shall be recognized and is hereby determined to be the amount of all Sublease Payments then due or past due, the next succeeding Sublease Payment and the purchase option price stated in Section 22 of the Sublease less any unearned interest as of the date the Contractor receives payment in full. The balance of the award, if any, shall be paid to the Owner. For purposes of this Section 14, the Sublease Payment(s) include all amounts withheld pursuant to Section 6, paragraph (c) of the Sublease.

SECTION 15. Taxes. The Owner covenants and agrees that as between Owner and Contractor, Owner shall pay any and all assessments of any kind or character and also all taxes, including possessory interest - taxes, levied or assessed upon the Sites or the improvements thereon.

SECTION 16. Indemnification. The Owner covenants and agrees to indemnify and hold Contractor harmless from and against any and all losses, claims, suits, damages and expenses (including reasonable attorneys fees) arising out of the condition of the Sites, including but not limited to, all costs required to be incurred by Contractor as a result of any condition described in Section 3, paragraph (g) hereof, whether or not known to the Owner on the date of execution of this Sites Lease.

SECTION 17. Partial Invalidity. If any one or more of the terms, covenants or conditions of this Sites Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Sites Lease shall be affected thereby, and each provision of this Sites Lease shall be valid and enforceable to the fullest extent permitted by law.

SECTION 18. Notices. Any notices or filings required to be given or made under this Sites Lease shall be served, given, or made in writing upon the Owner or Contractor, as the case may be, by personal delivery or registered mail (with a copy sent via fax or regular mail) to the respective addresses given below, or at such address as such party may provide in writing from time to time.

If to Owner:

Sacramento City Unified School District
Attn: Kimberly Teague, Contract Specialist
5735 47th Avenue
Sacramento, CA 95824

If to Contractor:

Studebaker Brown Electric, Inc.
Attn: Shane Brown
6643 32nd St, Ste 106
North Highlands, CA 95660

SECTION 19. Binding Effect. This Sites Lease shall inure to the benefit of and shall be binding upon the Owner, Contractor and their respective successors in interest and permitted assigns, if any.

SECTION 20. Amendments and Modifications. This Sites Lease shall not be effectively amended, changed, modified, altered, or terminated without the written agreement of the Owner and Contractor.

SECTION 21. Execution in Counterparts. This Sites Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 22. Applicable Law. This Sites Lease and the rights of the parties hereunder shall be governed by and construed in accordance with the laws of the State of California.

SECTION 23. Headings. The captions or headings in this Sites Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Sites Lease.

SECTION 24. Time. Time is of the essence in this Sites Lease and each and all of its provisions.

SECTION 25. Terms Not Defined. Capitalized terms used in this Sites Lease that are not defined shall have the same meaning as in the Lease-Leaseback Agreement.

SECTION 26. Exhibits Incorporated. All Exhibits attached to this Sites Lease are hereby incorporated into the Sites Lease by this reference as if set forth in full.

IN WITNESS WHEREOF, the parties hereto have executed this Sites Lease by their authorized officers as of the dates so indicated under their respective signatures.

LESSOR

LESSEE

**SACRAMENTO CITY
UNIFIED SCHOOL DISTRICT**

STUDEBAKER BROWN ELECTRIC

By: _____
Gerardo Castillo
Chief Business Officer

By: _____
David Studebaker
President

Date

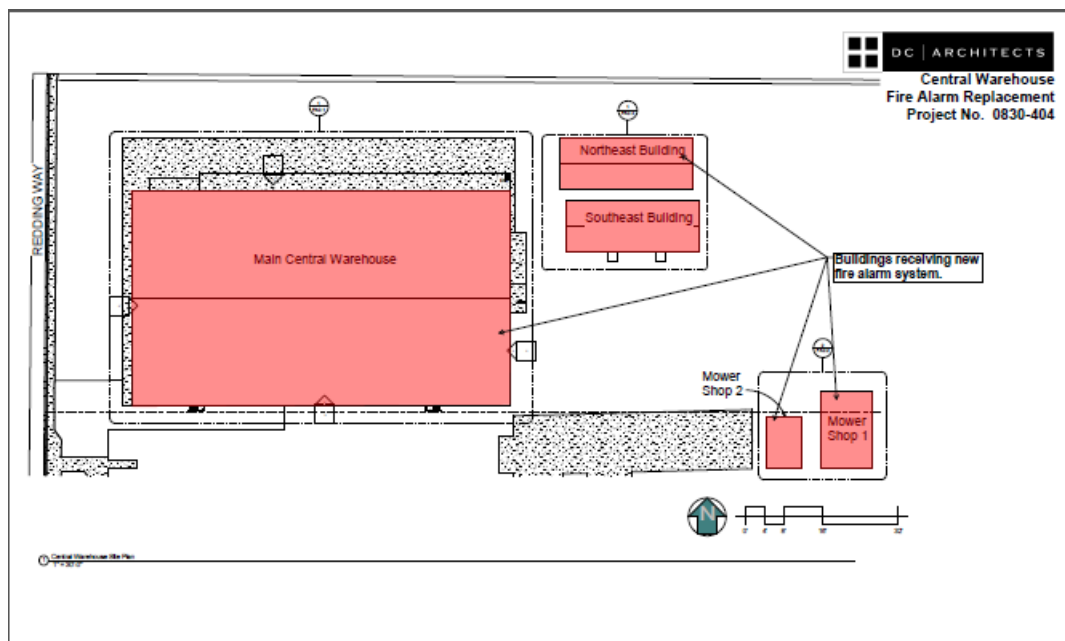
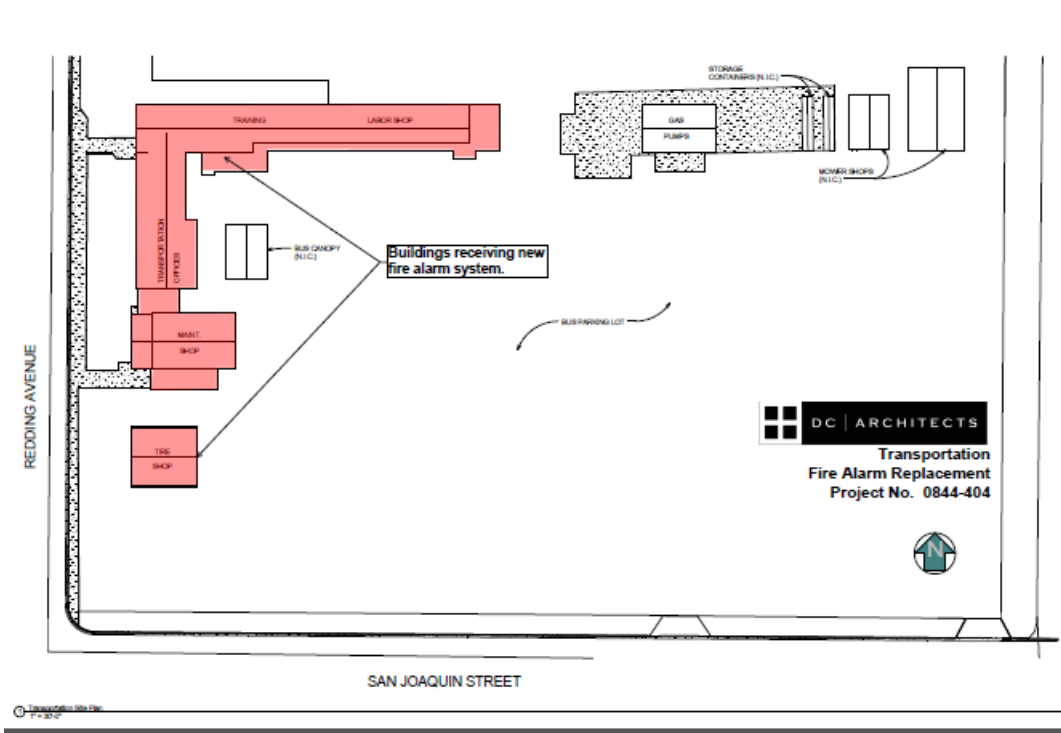
Date

By: _____
Shane Brown
Corporate Secretary

Date

EXHIBIT "A"

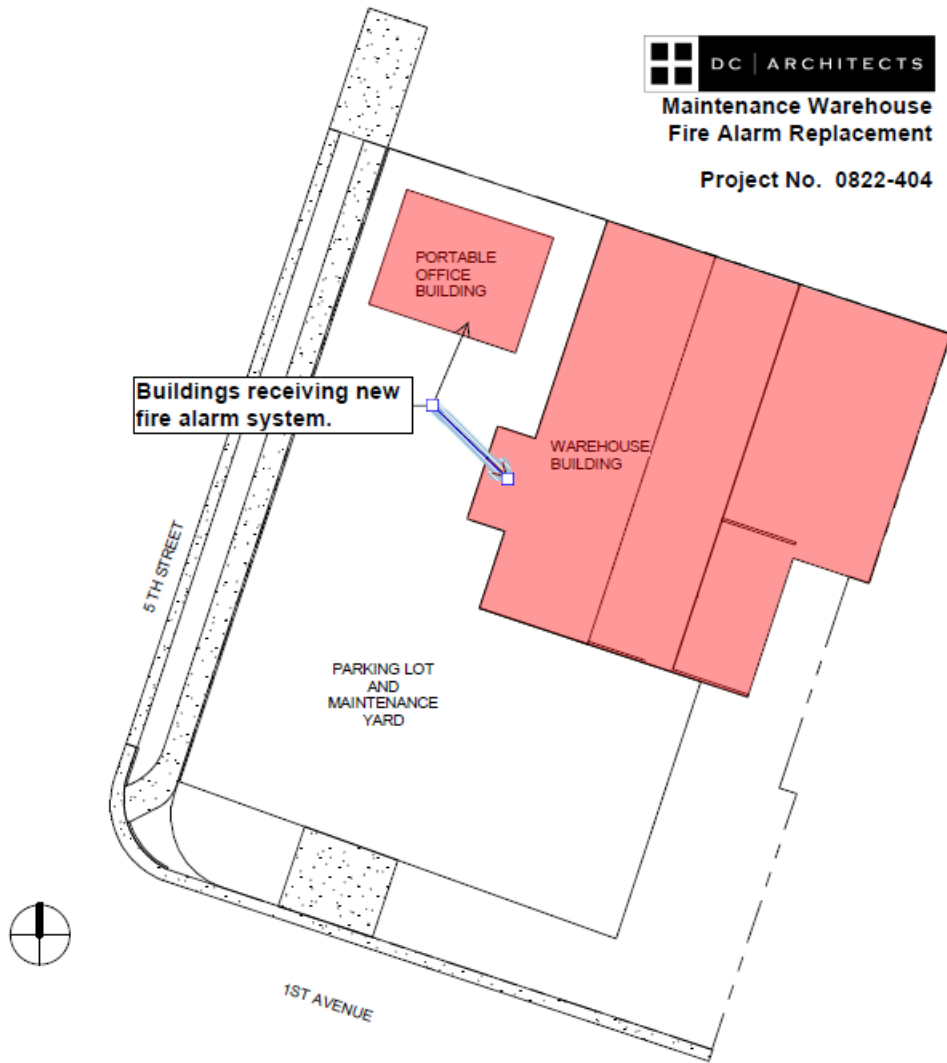
DESCRIPTION OR DEPICTION OF SITES





**Maintenance Warehouse
Fire Alarm Replacement**

Project No. 0822-404



SITE PLAN



Business Services

Contracts Office

5735 47th Avenue • Sacramento, CA 95824

(916) 643-2464

Gerardo Castillo, Chief Business Officer

Kimberly Teague, Contract Specialist

SUBLEASE AGREEMENT

Dated as of March 5, 2015

Between

Sacramento City Unified School District

and

Studebaker Brown Electric, Inc.

**Fire Alarm System Upgrade at Transportation, Central Warehouse
& Facilities Maintenance**

SUBLEASE AGREEMENT

Fire Alarm System Upgrade at Transportation, Central Warehouse & Facilities Maintenance

This SUBLEASE AGREEMENT ("Sublease") is dated as of March 5, 2015, and is by and between Studebaker Brown Electric, Inc., ("Contractor"), a corporation organized and operating under the laws of the State of California (the "State"), as lessor, and the Sacramento City Unified School District (the "Owner"), a public school district duly organized and existing under the Constitution and laws of the State as lessee.

RECITALS:

WHEREAS, pursuant to Section 17406 *et seq.* of the Education Code, the Owner may enter into leases and agreements relating to real property and buildings used by the Owner; and

WHEREAS, the Owner deems it essential for its own governmental purpose to finance the construction and installation of certain improvements described in *Exhibit "A"* of the Lease-Leaseback Agreement entered into between the Owner and Contractor dated March 5, 2015, for the Fire Alarm Upgrade at Transportation, Central Warehouse, and Facilities Maintenance Project (the "Lease-Leaseback Agreement"; and the "Project") and situated on the Site described in *Exhibit A* of the Site Lease dated the same date between the Owner and Contractor related to the Project (the "Site Lease"). The land described in the Site Lease is herein referred to as the "Site"; and

WHEREAS, pursuant to Section 17406 of the Education Code, the Owner is leasing the Site to Contractor pursuant to the Site Lease in consideration of Contractor subleasing the Site, including the Project, to the Owner pursuant to the terms of this Sublease; and

WHEREAS, the Owner owns the Site and pursuant to the Lease-Leaseback Agreement has prepared, adopted, and had approved plans and specifications for the completion of the Project pursuant to law as required by Section 17402 of the Education Code; and

WHEREAS the Owner and Contractor agree to mutually cooperate now or hereafter, to the extent possible, in order to sustain the intent of this Sublease and the bargain of both parties hereto, and to provide payments pursuant to this Sublease on the dates and in the amounts set forth in *Exhibit A* of this Sublease.

WITNESSETH:

In consideration of the mutual covenants hereinafter set forth, the Owner and Contractor agree as follows:

SECTION 1. Sublease. Contractor hereby leases and subleases to the Owner, and the Owner hereby leases and subleases from Contractor, the Site, including any real property improvements now or hereafter affixed thereto in accordance with the provisions herein for the full term of this Sublease. Hereinafter, reference to Contractor means Contractor and Contractor's assigns for those rights, interests, and obligations that may be assigned by Contractor.

SECTION 2. Term. The terms and conditions of this Sublease shall become effective upon the authorized execution of this Sublease by the parties. The term of the Sublease shall be coterminous with the term of the Lease-Leaseback Agreement. In accordance with the Lease-Leaseback Agreement, the term of this Sublease shall automatically end upon such completion of the Project or termination of the Contract, with the parties' respective interests hereunder automatically ended and released, and title to the Site and Project automatically and fully vested in the Owner.

SECTION 3. Representations, Warranties and Covenants of the Owner. The Owner represents and warrants to Contractor that:

(a) The Owner is a public school district, duly organized and existing under the Constitution and laws of the State with authority to enter into this Sublease and to perform all of its obligations hereunder.

(b) The Owner's governing body has duly authorized the execution and delivery of this Sublease and further represents and warrants that all requirements have been met and procedures followed to ensure its enforceability.

(c) The execution, delivery, and performance of this Sublease do not and will not result in any breach of or constitute a default under any indenture, mortgage, contract, agreement, or instrument to which the Owner is a party by which it or its property is bound.

(d) There is no pending or, to the knowledge of the Owner, threatened action, or proceeding before any court or administrative agency that will materially adversely affect the ability of the Owner to perform its obligations under this Sublease.

(c) The Project and the Site are essential to the Owner in the performance of its governmental functions and their estimated useful life to the Owner exceeds the term of this Sublease.

(d) The Owner shall take such action as may be necessary to include all Sublease payments in its annual budget and annually to appropriate an amount necessary to make such Sublease payments.

(e) The District shall not abandon the Site for the use for which it is currently required by the Owner and, to the extent permitted by law, the Owner shall not seek to substitute or acquire property to be used as a substitute for the use for which the Site is maintained under the Sublease; and

(f) The Owner shall not allow any hazardous materials or substances to be used or stored on, under, or about the Site.

SECTION 4. Representations and Warranties of Contractor. Contractor represents and warrants to the Owner that:

(a) Contractor is duly organized, validly existing and in good standing as a contractor and licensed contractor under the laws of the State, with full corporate power and authority to lease and own real and personal property;

(b) Contractor has full power, authority and legal right to enter into and perform its obligations under this Sublease, and the execution, delivery and performance of this Sublease have been duly authorized by all necessary corporate actions on the part of Contractor and do not require any further approvals or consents;

(c) The execution, delivery, and performance of this Sublease do not and will not result in any breach of or constitute a default under any indenture, mortgage, contract, agreement, or instrument to which Contractor is a party by which it or its property is bound;

(d) There is no pending or, to the knowledge of Contractor, threatened action, or proceeding before any court or administrative agency that will materially adversely affect the ability of Contractor to perform its obligations under this Sublease;

(e) Contractor will not mortgage or encumber the Site or the Sublease or assign this Sublease or its rights to receive Sublease payments hereunder, except as permitted herein.

SECTION 5. Construction/Acquisition.

(a) The Owner has entered into the Lease-Leaseback Agreement and the Site Lease with Contractor in

order to acquire and construct the Project. The cost of the acquisition, construction, and installation of the Project is determined by the GPC as set forth in Article IV of the Lease-Leaseback Agreement.

(b) In order to ensure that moneys sufficient to pay all costs will be available for this purpose when required, the Owner shall maintain on deposit in its general or other appropriate fund, and shall annually appropriate funds sufficient to make all Sublease payments which become due to Contractor under this Sublease.

SECTION 6. Sublease Payments.

(a) The Owner shall pay Contractor lease payments (the "Sublease Payments" and each individually a "Sublease Payment") monthly as set forth in ***Exhibit A*** hereof, at the office of Contractor or to such other person or at such other place as Contractor may from time to time designate in writing.

(b) Contractor agrees that satisfactory progress pursuant to the time schedule required pursuant to the Contract and of the construction pursuant to the time schedule required pursuant to the Contract (the "Time Schedule") shall be conditions precedent to the making of Sublease Payments by the Owner. The determination of whether the Time Schedule has been adequately adhered to shall be made in accordance with the General Conditions of the Contract ("General Conditions"). If the Owner determines that pursuant to the Time Schedule, the work required to be performed prior to a given Sublease Payment has not been met, the Owner shall not be required to make that scheduled Sublease Payment. Once the Owner has determined that the work scheduled to be completed prior to the Sublease Payment in question has been completed, the Owner shall make the Sublease Payment corresponding to completion of such work.

(c) In accordance with the General Conditions, the Owner shall retain an amount equal to 5% of each Sublease Payment. Release of the retention and the final Sublease Payment shall be made in the manner described in the General Conditions.

(d) The obligation of the Owner to pay Sublease Payments hereunder shall constitute a current expense of the Owner and shall not in any way be construed to be a debt of the Owner in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the Owner, nor shall anything contained herein constitute a pledge of the general tax revenues, funds, or moneys of the Owner.

SECTION 7. Fair Rental Value. Sublease Payments shall be paid by the Owner in consideration of the right of possession of, and the continued quiet use and enjoyment of, the Project and the Site during this Sublease. The parties hereto have agreed and determined that such total rental is not in excess of the fair rental value of the Project and the Site. In making such determination, consideration has been given to the fair market value of the Project and the Site, other obligations of the parties under this Sublease (including, but not limited to, costs of maintenance, taxes and insurance), the uses and purposes which may be served by the Project and the Site and the benefits therefrom which will accrue to the Owner and the general public, the ability of the Owner to make additions, modifications and improvements to the Project and the Site which are not inconsistent with the Lease-Leaseback Agreement and which do not interfere with Contractor's work on the Project and Site.

SECTION 8. Sublease Abatement. In addition to delay of Sublease Payments provided in Section 6, above, Sublease Payments due hereunder with respect to the Project shall be subject to abatement prior to the commencement of the use of the Project or during any period in which, by reason of material damage to or destruction of the Project or the Site there is substantial interference with the use and right of possession by the Owner of the Project and the Site or any substantial portion thereof. For each potential incident of substantial interference, decisions to be made on: i) whether or not abatement shall apply; ii) the date upon which abatement shall commence; iii) the applicable portion of Sublease Payments to be abated and; iv) the concluding date of the particular abatement shall all be subject to determinations by the Owner in concert with its insurance provider. Contractor's right to dispute these decisions is not impaired. The amount of abatement shall be such that the Sublease Payments paid by the Owner during the period of Project restoration do not exceed the fair rental value of the usable portions of the Site. In the event of any damage or destruction to the Project or the Site, this Sublease shall continue in full force and effect.

SECTION 9. Use of Site and Project. During the term of this Sublease, Contractor shall provide the Owner with quiet use and enjoyment of the Site without suit, or hindrance from Contractor or its assigns. The Owner will not use, operate, or maintain the Site or Project improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Sublease. The Owner shall provide all permits and licenses, if any, necessary for the operation of the Project. In addition, the Owner agrees to comply in all respects (including, without limitation, with respect to the time, maintenance and operation of the Project) with laws of all jurisdictions in which its operations involving the Project may extend and any legislative, executive, administrative, or judicial body exercising any power or jurisdiction over the Site or the Project; provided, however, that the Owner may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of Contractor, adversely affect the estate of Contractor in and to the Site or the Project or its interest or rights under this Sublease. Upon completion of the Project or severable portions thereof, as defined in the General Conditions, Contractor shall provide the Owner with quiet use and enjoyment of the Site without suit or hindrance from Contractor or its assigns, subject to reasonable interference from ongoing construction operations on any remaining portion of the Site under construction by Contractor.

SECTION 10. Contractor's Inspection/Access to the Site. The Owner agrees that Contractor and any Contractor representative shall have the right at all reasonable times to enter upon the Site or any portion thereof to construct and improve the Project, to examine and inspect the Site and the Project and to exercise its remedies pursuant to Section 21 of this Sublease. The Owner further agrees that Contractor and any Contractor representative shall have such rights of access to the Site as may be reasonably necessary to cause the proper maintenance of the Site and the Project in the event of failure by the Owner to perform its obligations hereunder.

SECTION 11. Project Acceptance. The Owner shall acknowledge final inspection and completion of the Project by executing a Certificate of Acceptance and recording a Notice of Completion in accordance with the General Conditions. The validity of this Sublease will not be affected by any delay in or failure of completion of the Project.

SECTION 12. Lease-Leaseback Agreement and Site Lease. The Lease-Leaseback Agreement and Site Lease are incorporated herein in their entirety by this reference.

SECTION 13. Alterations and Attachments. All permanent additions and improvements that are made to the Project shall belong to and become the property of Contractor, subject to the provisions of Sections 21 and 22 hereof. Separately identifiable attachments added to the Project by the Owner shall remain the property of the Owner. At Contractor's request, the Owner agrees to remove the attachments and restore the Project to substantially as good condition as when acquired and constructed, normal wear and tear excepted, in the event of failure by the Owner to perform its obligations hereunder.

SECTION 14. Physical Damage; Public Liability Insurance. The Contractor and the Owner shall maintain such damage and public liability insurance policies with respect to the Project and the Site as are required of them by the Lease-Leaseback Agreement.

SECTION 15. Taxes. The Owner shall keep the Project and the Site free and clear of all levies, liens, and encumbrances and shall pay all license fees, registration fees, assessments, charges, and taxes (municipal, state, and federal) if applicable, which may now or hereafter be imposed upon the ownership, leasing, renting, sale, possession, or use of the Project and the Site, excluding, however, all taxes on or measured by Contractor's income.

SECTION 16. Indemnity. In addition to the indemnification set forth in Article X of the Lease-Leaseback Agreement, to the extent permitted by law, and with the exception of the Contractor's responsibilities as "Contractor" under the Lease-Leaseback Agreement, the Owner shall, with respect to the Project and the Site, indemnify Contractor against and hold Contractor harmless from any and all claims, actions, suits, proceedings, costs, expenses, damages, and liabilities, including attorneys' fees, arising out of, connected with or resulting from any acts of omission or commission by the Owner's employees and agents or claims resulting from incidents or occurrences involving the financing of the Project and Lease-Leaseback aspects of the Project and third parties on the Site, including without limitation, the construction, possession, use or operation of the Project and further, the

Owner agrees, to the extent the law allows, to indemnify Contractor against and hold Contractor harmless from and against any and all claims, actions, suits, proceedings, cost, expenses, damages, and liabilities, including attorney's fees, arising out of, connected with or resulting from the clean-up of any hazardous materials or toxic wastes from the Site or the Project; provided, however, that the Owner shall not be required to indemnify Contractor in the event that such liability or damages are caused by the negligence or intentional misconduct of Contractor.

SECTION 17. Events of Default. The term "Event of Default," as used in this Sublease means the occurrence of any one or more of the following events: (a) the Owner fails to make any unexcused Sublease Payment (or any other payment) within 15 days after the due date thereof; (b) the Owner or the Contractor fails to perform or observe any other covenant, condition or agreement to be performed or observed by it hereunder and such failure to either make the payment or perform the covenant, condition or agreement is not cured within 10 days after written notice thereof by the other Party; (c) the discovery by a Party that any statement, representation or warranty made by the other Party in this Sublease, or in any document ever delivered by that other Party pursuant hereto or in connection herewith is misleading or erroneous in any material respect; (d) a Party becomes insolvent, is unable to pay its debts as they become due, makes an assignment for the benefit of creditors, applies or consents to the appointment of a receiver, trustee, conservator or liquidator of the Party or of all or a substantial part of its assets, or a petition for relief is filed by the Party under federal bankruptcy, insolvency or similar laws.

SECTION 18. Remedies on Default. Upon the happening of any Event of Default, the non-defaulting Party may exercise any and all remedies available pursuant to law or in equity or granted pursuant to this Sublease. Notwithstanding any provisions to the contrary herein, Contractor shall not under any circumstances have the right to accelerate the Sublease Payments that fall due in future Sublease periods or otherwise declare any Sublease Payments not then in default to be immediately due and payable.

SECTION 19. Non-Waiver. No covenant or condition to be performed by the Owner or Contractor under this Sublease can be waived except by the written consent of the other party. Forbearance or indulgence by the Owner or Contractor in any regards whatsoever shall not constitute a waiver of the covenant or condition in question. Until complete performance by the Owner or Contractor of said covenant or condition, the other party shall be entitled to invoke any remedy available to it under this Sublease or by law or in equity despite said forbearance or indulgence.

SECTION 20. Assignment. Without the prior written consent of Contractor, the Owner shall not (a) assign, transfer, pledge, or hypothecate this Sublease, the Project and the Site, or any part thereof, or any interest therein, or (b) sublet or lend the use of the Project or any part thereof, except as authorized by the provisions of the California Civic Center Act, Education Code Section 38130 *et seq.* Consent to any of the foregoing prohibited acts applies only in the given instance and is not a consent to any subsequent like act by the Owner or any other person. Contractor shall not assign its obligations under this Sublease with the exception of its obligation to issue default notices and to convey or reconvey its interest in the Project and Site to the Owner upon full satisfaction of the Owner's obligations hereunder; however, Contractor may assign its right, title and interest in this Sublease, the Sublease Payments and other amounts due hereunder and the Project in whole or in part to one or more assignees or subassignees at any time without the consent of the Owner. No assignment shall be effective as against the Owner unless and until the Owner is so notified in writing. The Owner shall pay all Sublease Payments due hereunder pursuant to the direction of Contractor or the assignee named in the most recent assignment or notice of assignment. During the Sublease term, the Owner shall keep a complete and accurate record of all such assignments. Subject always to the foregoing, this Sublease inures to the benefit of, and is binding upon, the heirs, legatees, personal representatives, successors, and assigns of the parties hereto.

SECTION 21. Ownership. The Project is and shall at all times be and remain the sole and exclusive property of Contractor, and the Owner shall have no right, title, or interest therein or thereto except as expressly set forth herein.

SECTION 22. Sublease Prepayments/Purchase Option.

(a) Sublease Prepayments. At any time during the term of this Sublease, the Owner may make

Sublease Prepayments to the Contractor of the Sublease Payments (“Sublease Prepayments”). No Sublease Prepayments requested by Contractor may be made by the Owner in an amount which exceeds the aggregate true cost to Contractor of the work on the Project completed to the date Contractor submits the request for a Sublease Prepayment less the aggregate amount of: (1) all Sublease Payments previously made by the Owner to Contractor; (2) all Sublease Prepayments previously made by the Owner to the Contractor; (3) all amounts previously retained pursuant to Section 22(a)(3), below, from Sublease Prepayments previously made by the Owner to Contractor (unless Contractor shall have previously substituted securities for such retained amounts pursuant to Section 22(a)(3)); and (5) the retention for such Sublease Prepayment pursuant to Section 22(a)(3) hereof. Contractor must submit evidence that the conditions precedent set forth in Section 22(a) (1), below, have been met. In the event Owner elects to make Sublease Prepayments, the Prepayment Price, contemplated in Section 22(b), below, shall be adjusted accordingly.

(1) The following are conditions precedent to any Sublease Prepayments made to Contractor pursuant to a request of Contractor:

(a) Satisfactory progress of the construction of the Project pursuant to the time schedule required pursuant to the General Conditions shall have been made as determined in accordance therewith.

(b) Contractor shall also submit to the Owner (i) duly executed conditional lien releases and waivers (in the form provided in California Civil Code Section 3262) from Contractor and all Subcontractors, consultants and other persons retained by Contractor in connection with the Project, whereby such persons conditionally waive all lien and stop notice rights against the Owner, the Project and the Project site with respect to the pending Sublease Prepayment to be made by the Owner, (ii) duly executed unconditional lien releases and waivers (in the form provided in California Civil Code Section 3262) from Contractor and all subcontractors, consultants and other persons retained by Contractor in connection with the Project, whereby such persons unconditionally and irrevocably waive all lien and stop notice rights against the Owner, the Project and the Project site with respect to all previous Sublease Prepayments made by the Owner, and (iii) any other items that Contractor may be required to collect and distribute to the Owner pursuant to the terms and provisions of the Contract. Contractor shall promptly pay all amounts due to each subcontractor, consultant and other person retained by Contractor in connection with the Project no later than 10 days after Contractor’s receipt of a Sublease Prepayment from the Owner.

(2) The determination of whether satisfactory progress of the construction pursuant to the Time Schedule has occurred shall be made by the Owner in accordance with the General Conditions. If the Owner determines that pursuant to the Time Schedule the work required to be performed, as stated in Contractor’s Sublease Prepayment request, has not been substantially completed, then Contractor shall not be eligible to receive the requested Sublease Prepayment.

(3) The Owner shall retain an amount equal to 10% of each Sublease Prepayment (“retention”) made at Contractor’s request. Contractor shall have the right, as delineated in the General Conditions, to substitute securities for any retention withheld by the Owner, pursuant to the provisions of Public Contract Code Section 22300. At any time after 50% of the work has been completed, if the Governing Board of the Owner finds that satisfactory progress is being made, then it may make any of the remaining Sublease Prepayments in full.

(b) If the Owner is not in default hereunder, the Owner shall be granted options to purchase not less than the entire Project in as-is condition. The Prepayment Price at any given time shall be an amount equal to the final GPC, as it may be revised from time to time, less the sum of any Sublease Payments and/or Sublease Prepayments made by the Owner prior to the date on which the Owner elects to exercise its option under this Section. The Owner may thereupon terminate this Sublease. Following the purchase option date, Owner shall retain all rights to any claim or warranty arising under the Contract.

SECTION 23. Release of Liens.

(a) Notwithstanding Section 22 hereof, upon the Owner executing a Certificate of Acceptance and filing a Notice of Completion on the Project, as such term is defined herein and in the General Conditions, Contractor or its assignee and the Owner shall release Contractor's leasehold interest in the Project.

(b) Contractor shall authorize, execute, and deliver to the Owner all documents reasonably requested by the Owner to evidence (i) the release of any and all liens created pursuant to the provisions of this Sublease and the Site Lease, and (ii) any other documents required to terminate the Site Lease and this Sublease.

SECTION 24. Severability. If a court of competent jurisdiction shall hold any provision of this Sublease invalid or unenforceable, such holdings shall not invalidate or render unenforceable any other provision of this Sublease, unless elimination of such provision materially alters the rights and obligations embodied in this Sublease.

SECTION 25. Entire Agreement. This Sublease, the Site Lease, the Lease-Leaseback Agreement, and the Contract Documents that make up the "Contract" constitute the entire agreement between Contractor and the Owner, and it shall not be amended, altered, or changed except by a written agreement signed by the parties hereto.

SECTION 26. Notices. Any notices or filings required to be given or made under this Sublease shall be served, given, or made in writing upon the Owner or Contractor, as the case may be, by personal delivery or registered mail (with a copy sent via fax or regular mail) to the respective addresses given below, or at such address as such party may provide in writing from time to time.

If to Owner:

If to Contractor:

Sacramento City Unified School District Attn: Kimberly Teague, Contract Specialist 5735 47 th Avenue Sacramento, California 95824	Studebaker Brown Electric, Inc. Attn: Shane Brown 6643 32 nd St, STe 106 North Highlands, CA 95660
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SECTION 27. Headings. The captions or headings in this Sublease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Sublease.

SECTION 28. Time. Time is of the essence in this Sublease and each and all of its provisions.

SECTION 29. Sublease Interpretation. This Sublease and the rights of the parties hereunder shall be governed by and construed in accordance with the laws of the State of California.

SECTION 30. Execution in Counterparts. This Sublease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 31. Terms Not Defined. Capitalized terms used in this Sublease that are not defined shall have the same meaning as in the Lease-Leaseback Agreement or General Conditions.

SECTION 32. Exhibits Incorporated. All Exhibits attached to this Sublease are hereby incorporated into the Sublease by this reference as if set forth in full.

* * * * *

IN WITNESS WHEREOF, the parties hereto have executed this Sublease by their authorized officers as of the dates so indicated under their respective signatures.

OWNER

**SACRAMENTO CITY
UNIFIED SCHOOL DISTRICT**

By: _____
Gerardo Castillo
Chief Business Officer

Date

CONTRACTOR

STUDEBAKER BROWN ELECTRIC

By: _____
David Studebaker
President

Date

By: _____
Shane Brown
Corporate Secretary

Date

EXHIBIT A

SCHEDULE OF SUBLEASE PAYMENTS

The term of this sublease shall commence as of March 5, 2015. Sublease payments shall be paid monthly and the total Sublease Payments made shall not exceed the amount of the GPC as defined in Article IV of the Lease-Leaseback Agreement. Each month Contractor shall provide Owner with an itemized summary reflecting the percentage of work performed and signed off on by the Owner's DSA Inspector or other designated employee. The Sublease Payments shall be commensurate with the amount of work performed, invoiced, and signed off on by the DSA Inspector to date, all in accordance with the procedures set forth in the General Conditions.

Notwithstanding the foregoing, the term of this Sublease may be extended and payment options may be modified by written agreement of the parties hereto.