

EXHIBIT G

SUBLEASE AGREEMENT

Dated as of _____, 2009

Between

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

and

[BUILDER]

**EXHIBIT G
LEASE-LEASEBACK AGREEMENT**

SUBLEASE AGREEMENT

This SUBLEASE AGREEMENT ("Sublease") is dated as of _____, 2009, and is by and between [BUILDER] ("Corporation"), 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 "District"), 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 District may enter into leases and agreements relating to real property and buildings used by the District; and

WHEREAS, the District 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 entered into between the District and Corporation dated _____, 2009 (the "Lease-Leaseback Agreement") (the "Project") and situated on the School Site described in Exhibit A of the Site Lease dated _____, 2009, between the District and Corporation (the "Site Lease"). The land and the real property improvements described in the Site Lease are herein collectively referred to as the "Site"; and

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

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

WHEREAS the District and Corporation 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 which is incorporated by this reference.

WITNESSETH:

In consideration of the mutual covenants hereinafter set forth, the District and Corporation agree as follows:

SECTION 1. Sublease. Corporation hereby leases and subleases to the District, and the District hereby leases and subleases from Corporation, 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 Corporation means Corporation and Corporation's assigns for those rights, interests, and obligations that may be assigned by Corporation.

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.

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

- (a) The District is a political subdivision, 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 District'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 District is a party by which it or its property is bound.
- (d) There is no pending or, to the knowledge of the District, threatened action, or proceeding before any court or administrative agency that will materially adversely affect the ability of the District to perform its obligations under this Sublease.
- (e) The Project and the Site are essential to the District in the performance of its governmental functions and their estimated useful life to the District exceeds the term of this Sublease.
- (f) The District 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.
- (g) The District shall not abandon the Site for the use for which they are currently required by the District and, to the extent permitted by law, the District 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
- (h) The District 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 Corporation. Corporation represents and warrants to the District that:

- (a) Corporation is duly organized, validly existing and in good standing as a corporation and licensed contractor under the laws of the State, with full corporate power and authority to lease and own real and personal property;
- (b) Corporation 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 Corporation 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 Corporation is a party by which it or its property is bound;
- (d) There is no pending or, to the knowledge of Corporation, threatened action, or proceeding before any court or administrative agency that will materially adversely affect the ability of Corporation to perform its obligations under this Sublease;
- (e) Corporation 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 District has entered into the Lease-Leaseback Agreement and the Site Lease with Corporation in order to acquire and construct the Project. The cost of the acquisition, construction and installation of the Project is determined by the GMP as set forth in Section 6 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 District shall maintain on deposit in its general fund, and shall annually appropriate funds sufficient to make all Sublease payments which become due to Corporation under this Sublease.

SECTION 6. Sublease Payments.

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

(b) Corporation agrees that satisfactory progress pursuant to the time schedule required pursuant to Section 3 of the Lease-Leaseback Agreement and of the Construction pursuant to the time schedule required pursuant to Section 10.E. of the Lease-Leaseback Agreement (the "Project Construction Schedule") shall be conditions precedent to the making of Sublease Payments by the District. The determination of whether the Project Construction Schedule has been adequately adhered to shall be made by the inspector hired by the District pursuant to Section 21 of the Lease-Leaseback Agreement. If the District's inspector determines that pursuant to the Project Construction Schedule, the work required to be performed prior to a given Sublease Payment has not been met, the District shall not be required to make that scheduled Sublease Payment. Once the District's inspector has notified the District that the work scheduled to be completed prior to the Sublease Payment in question has been completed, the District shall make the Sublease Payment corresponding to completion of such work.

(c) The District shall retain an amount equal to ten percent (10%) of each Sublease Payment. The final Sublease Payment shall be made in the manner described in Section 17 of the Lease-Leaseback Agreement.

(d) Should the District fail to pay any part of the Sublease Payments not otherwise excused pursuant to this Section 6 or Section 8 hereof, within fifteen (15) business days from the due date thereof, the District shall, upon Corporation's written request, pay interest on such delinquent payment from the date said payment was due until paid at the rate of ten percent (10%) per annum or the maximum legal rate, whichever is less. The obligation of the District to pay Sublease Payments hereunder shall constitute a current expense of the District and shall not in any way be construed to be a debt of the District in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the District, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or moneys of the District.

(e) Except as specifically provided in this Section 6 and in Section 8 hereof, Sublease Payments will be absolute and unconditional in all events and will not be subject to any set-off, defense, counterclaim, abatement, or recoupment for any reason whatsoever.

SECTION 7. Fair Rental Value. Sublease Payments shall be paid by the District 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 District and the general public, the ability of the District 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 Corporation'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 District 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 District in concert with its insurance provider. Corporation's right to dispute these decisions is not impaired. The amount of abatement shall be such that the Sublease Payments paid by the District 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, Corporation shall provide the District with quiet use and enjoyment of the Site without suit, or hindrance from Corporation or its assigns. The District 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 District shall provide all permits and licenses, if any, necessary for the operation of the Project. In addition, the District 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 District 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 Corporation, adversely affect the estate of Corporation in and to the Site or the Project or its interest or rights under this Sublease. Upon substantial completion of the Project or severable portions thereof, as defined in the Lease-Leaseback Agreement, Corporation shall provide the District with quiet use and enjoyment of the Site without suit or hindrance from Corporation or its assigns, subject to reasonable interference from ongoing construction operations on any remaining portion of the Site under construction by Corporation.

SECTION 10. Corporation's Inspection/Access to the Site. The District agrees that Corporation and any Corporation 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 District further agrees that Corporation and any Corporation 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 District to perform its obligations hereunder.

SECTION 11. Project Acceptance. The District shall acknowledge final inspection and completion of the Project by executing a Certificate of Acceptance and recording a Notice of Completion. 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 Corporation, subject to the provisions of Sections 24 and 25 hereof. Separately identifiable attachments added to the Project by the District shall remain the property of the District. At Corporation's request, the District 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 District to perform its obligations hereunder.

SECTION 14. Maintenance. The District, at its own cost and expense, shall maintain the Project, to the extent not required to be maintained by Corporation pursuant to the Contract Documents as defined in Section 2.C. of the Lease-Leaseback Agreement, and the Site in good repair throughout the term of the Sublease.

SECTION 15. Utilities. Unless otherwise so specified in the Lease-Leaseback Agreement, the District shall, in its own name, contract for and pay the expenses of all utility services required for the Project and Site, such utilities, including but not limited to, all air conditioning, heating, electrical, gas, water, and sewer units. The District shall be liable for payment as well as maintenance of all utility services received.

SECTION 16. Damage, Destruction or Condemnation. With the exception of acts resulting from misconduct or negligence by Corporation, its agents and representatives, or responsibilities of the Corporation assumed or outlined under the Lease-Leaseback Agreement as "Builder," the District assumes all risk of loss of, damage to or condemnation of the Project or the Site from any cause or for any reason whatsoever, and no such loss of, damage to or condemnation of the Project or the Site shall relieve the District of (i) the obligation to make the Sublease Payments hereunder subject to the provisions in Sections 6 and 8 hereof, or (ii) to perform any other obligation under this Sublease. The District may terminate the contract and pay Corporation pursuant to section 11.B. of the Lease-Leaseback Agreement in the event of damage, destruction or condemnation of the Site or Project.

SECTION 17. Physical Damage; Public Liability Insurance. With the exception of the Corporation's responsibilities as "Builder" under the Lease-Leaseback Agreement, the District shall keep the Project and the Site insured against all risks of loss or damage from every cause whatsoever for which insurance is available at a cost, which, in the determination of the District, justifies the risk, for not less than the full replacement value thereof, and the District shall carry public liability and property damage insurance covering the Project and the Site. All said insurance shall be in form and amount and with companies approved by Corporation and shall name Corporation as loss payee and an additional insured. The District shall pay the premiums therefor and deliver certification of said policies to Corporation. Each insurer shall agree, by endorsement upon the policy or policies issued by it or by independent instrument furnished to Corporation, that it will give Corporation thirty (30) days written notice before the policy or policies shall be altered or canceled. The proceeds of such insurance or the proceeds of any condemnation award received with respect to the Project and the Site, at the option of the District, shall be applied: (a) toward the replacement, restoration, or repair of the Project and the Site, or (b) toward the payment of all amounts required in the exercise of the District's purchase option under Section 25. Should the District replace, restore, or repair the Project and the Site as set out in option (a) above, this Sublease

shall continue in full force and effect. Subject to prior written consent of Corporation, the District may self-insure up to specified limits as evidenced by a rider of self insurance to be attached hereto (providing that all policies of self-insurance shall be governed by the provisions under this Sublease respecting cancellation and modification and payment of losses to Corporation.)

SECTION 18. Taxes. The District 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 Corporation's income.

SECTION 19. Indemnity. In addition to the indemnification set forth in Section 30 of the Lease-Leaseback Agreement, to the extent permitted by law, and with the exception of the Corporation's responsibilities as "Builder" under the Lease-Leaseback Agreement, the District shall, with respect to the Project and the Site, indemnify Corporation against and hold Corporation 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 District'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 District agrees, to the extent the law allows, to indemnify Corporation against and hold Corporation 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 District shall not be required to indemnify Corporation in the event that such liability or damages are caused by the negligence or intentional misconduct of Corporation.

SECTION 20. 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 District willfully fails to make any unexcused Sublease Payment (or any other payment) within fifteen (15) days after the due date thereof or the District 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 ten (10) days after written notice thereof by Corporation; (b) the discovery by Corporation that any statement, representation or warranty made by the District in this Sublease, or in any document delivered by the District pursuant hereto or in connection herewith is misleading in any substantial, material respect; (c) the District 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 District or of all or a substantial part of its assets, or a petition for relief is filed by the District under federal bankruptcy, insolvency or similar laws.

SECTION 21. Remedies on Default. Upon the happening of any Event of Default, Corporation, and after reasonable opportunity to cure by the District, may exercise any and all remedies available pursuant to law or in equity or granted pursuant to this Sublease. Corporation is expressly authorized to enter and re-enter the Site and the Project and, in addition, at its option, with or without such entry to terminate this Sublease. In the Event of Default and notwithstanding any entry or re-entry by Corporation, the District shall continue to remain liable for the payment of Sublease Payments and damages for breach of this Sublease and the performance of all conditions herein such Sublease Payments and damages shall be payable to Corporation at the time and in the manner set forth in subsections (a) and (b) of this Section:

(a) In the event that Corporation does not elect to terminate this Sublease pursuant to subsection (b)

below, the District agrees to and shall remain liable for the payment of Sublease Payments and the performance of all conditions herein and shall reimburse Corporation for any deficiency arising out of the re-letting of the Project and the Site, or, in the event that Corporation is unable to re-let the Project and the Site, then for the full amount of the Sublease Payments to the end of the Sublease term. District hereby irrevocably appoints Corporation as the agent and attorney-in-fact of the District to enter upon and relet the Project and the Site in the Event of Default by the District. If the Project and the Site are re-let to a private operator, the agreement evidencing such re-letting shall conform with requirements of State and Federal law in a manner that will not cause the interest portion of the Sublease Payments to become includable in gross income for Federal income tax purposes.

(b) In the event of termination of this Sublease by Corporation at its option and in the manner hereinafter provided on account of default by the District (and notwithstanding any re-entry upon the Project by Corporation in any manner whatsoever or the re-letting of the Project and the Site), the District agrees to pay to Corporation all costs, loss or damages howsoever arising or occurring payable at the same time and in the same manner as the Sublease Payments. Neither notice to pay Sublease Payments or to deliver up possession of the Project and the Site given pursuant to law nor any proceeding in unlawful detainer taken by Corporation shall of itself operate to terminate this Sublease.

No right or remedy herein conferred upon or reserved to Corporation is exclusive of any other right or remedy herein, but each shall be cumulative of every other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise, and may be enforced concurrently therewith or from time to time; provided, however, that notwithstanding any provisions to the contrary herein, Corporation 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 22. Non-Waiver. No covenant or condition to be performed by the District or Corporation under this Sublease can be waived except by the written consent of the other party. Forbearance or indulgence by the District or Corporation in any regard whatsoever shall not constitute a waiver of the covenant or condition in question. Until complete performance by the District or Corporation 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 23. Assignment. Without the prior written consent of Corporation, the District 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 District or any other person. Corporation 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 District upon full satisfaction of the District's obligations hereunder; however, Corporation 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 District. No assignment shall be effective as against the District unless and until the District is so notified in writing. The District shall pay all Sublease Payments due hereunder pursuant to the direction of Corporation or the assignee named in the most recent assignment or notice of assignment. During the Sublease term, the District 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 24. Ownership. The Project is and shall at all times be and remain the sole and exclusive property of Corporation, and the District shall have no right, title, or interest therein or thereto except as expressly set forth herein.

SECTION 25. Sublease Prepayments/Purchase Option.

(a) Sublease Prepayments. At any time during the term of this Sublease, the District may make Sublease Prepayments to the Corporation of the Sublease Payments ("Sublease Prepayments"). No Sublease Prepayments requested by Corporation may be made by the District in an amount which exceeds the aggregate true cost to Corporation of the work on the Project completed to the date Corporation submits the request for a Sublease Prepayment less the aggregate amount of: (1) all Sublease Payments previously made by the District to Corporation; (2) all Sublease Prepayments previously made by the District to the Corporation; (3) all amounts previously retained pursuant to Section 25(a)(3), below, from Sublease Prepayments previously made by the District to Corporation (unless Corporation shall have previously substituted securities for such retained amounts pursuant to Section 25(a)(3)); and (5) the retention for such Sublease Prepayment pursuant to Section 25(a)(3) hereof. Corporation must submit evidence that the conditions precedent set forth in Section 25(a) (1), below, have been met. In the event District elects to make Sublease Prepayments, the Prepayment Price, contemplated in Section 25(b), below, shall be adjusted accordingly.

1. The following are conditions precedent to any Sublease Prepayments made to Corporation pursuant to a request of Corporation:

a. Satisfactory progress of the Construction pursuant to the Project Construction Schedule required pursuant to Section 10.E of the Lease-Leaseback Agreement (the "Project Construction Schedule") shall have been made as determined in Section 25.2, below.

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

2. The determination of whether satisfactory progress of the Construction pursuant to the Project Construction Schedule has occurred shall be made by the inspector hired by the District pursuant to Section 21 of the Lease-Leaseback Agreement. If the District's inspector determines that pursuant to the Project Construction Schedule, the work required to be performed, as stated in Corporation's Sublease Prepayment request has not been substantially completed, Corporation shall not be eligible to receive the

requested Sublease Prepayment

3. The District shall retain an amount equal to ten percent (10%) of each Sublease Prepayment (“retention”) made at Corporation’s request. Corporation shall have the right, as delineated in Section 33 of the Lease-Leaseback Agreement, to substitute securities for any retention withheld by the District, pursuant to the provisions of Public Contract Code section 22300. At any time after fifty percent of the work has been completed, if the Governing Board of the District finds that satisfactory progress is being made, it may make any of the remaining Sublease Prepayments in full.

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

SECTION 26. Release of Liens.

(a) Notwithstanding Section 25 hereof, upon the District executing a Certificate of Acceptance and filing a Notice of Completion on the Project, as such term is defined herein and in the Lease-Leaseback Agreement, Corporation or its assignee and the District shall release Corporation's leasehold interest in the Project.

(b) Corporation shall authorize, execute and deliver to the District all documents reasonably requested by the District 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 27. Severability. If any provision of this Sublease shall be held invalid or unenforceable by a court of competent jurisdiction, 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 28. Entire Agreement. This Sublease, the Site Lease, and the Lease-Leaseback Agreement constitute the entire agreement between Corporation and the District, and it shall not be amended, altered, or changed except by a written agreement signed by the parties hereto.

SECTION 29. Notices. Services of all notices under this Sublease shall be sufficient if given personally or mailed to the party involved at its respective address hereinafter set forth or at such address as such party may provide in writing from time to time. Any change in the addresses noted shall not be binding upon the other party unless preceded by no less than thirty (30) days prior written notice.

If to Corporation:

[BUILDER]

Attn: _____

If to District:

Sacramento City Unified School District

5735 47th Avenue Sacramento, CA 95824 Attn: _____

With copies to:

[ARCHITECT]

[CONSTRUCTION MANAGER]

SECTION 30. Titles. The titles to the sections of this Sublease are solely for the convenience of the parties and are not an aid in the interpretation thereof.

SECTION 31. Time. Time is of the essence in this Sublease and each and all of its provisions.

SECTION 32. Sublease Interpretation. This Sublease and the rights of the parties hereunder shall be determined in accordance with the laws of the State of California.

[Signatures follow on next page]

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

CORPORATION:

[BUILDER]

BY: _____

TITLE: PRESIDENT

BY: _____

TITLE: CORPORATE SECRETARY

DISTRICT:

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

BY: _____

Deputy Superintendent/CFO

EXHIBIT A

SCHEDULE OF SUBLEASE PAYMENTS

The term of this sublease shall commence on the date specified in the Notice to Proceed. Sublease payments shall be paid monthly and the total Sublease Payments made shall not exceed the amount of the GMP as defined in Section 6 of the Lease-Leaseback Agreement. Each month Corporation shall provide District with an itemized summary reflecting the percentage of work performed and signed off on by the Inspector of Record and other designated District representatives. The Sublease Payments shall be commensurate with the amount of work performed, invoiced and signed off on by the Inspector of Record and other designated District representatives to date. The monthly Sublease Payments shall be made in accordance with Section 17 of the Lease-Leaseback Agreement in accordance with the Project Construction Schedule in accordance with Section 10.E. of the Lease-Leaseback Agreement. The parties agree that Builder must complete all work as set forth in Exhibit A of the Lease-Leaseback Agreement by no later than _____, 200__.