

EXHIBIT F

SITE LEASE

Dated as of _____, 2009

Between

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

and

[BUILDER]

EXHIBIT F LEASE-LEASEBACK AGREEMENT

SITE LEASE

This SITE LEASE is dated as of _____, 2009, 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 "District") as lessor and [BUILDER], a corporation organized and operating under the laws of the State of California ("Corporation") as lessee (collectively, the "Parties").

WHEREAS, the District desires to provide for the financing and construction of certain public improvements more fully described in a Lease-Leaseback Agreement between the District and Corporation as Builder (the "Project") at [ADDRESS OF PROJECT]; and

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

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

WHEREAS, Corporation is authorized to lease the Site as lessee and to construct the Project on the Site, 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 District leases to Corporation, and Corporation leases from the District, on the terms and conditions set forth herein, the Site situated in the County of Sacramento, State of California, more specifically described in Exhibit "A" attached to this Site Lease and incorporated by reference, including any real property improvements now or hereafter affixed thereto. 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 term of this Site 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 District exercises its option to purchase the Project, pursuant to Section 25 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 Site for which Sublease Payments have been fully paid shall end ten (10) days thereafter without notice or ten (10) days after written notice to Corporation, whichever is earlier.

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

(a) The District has good and merchantable fee title to the Site and has authority to enter into

and perform its obligations under this Site Lease;

(b) There are no liens on the Site other than permitted encumbrances;

(c) All taxes, assessments, or impositions of any kind with respect to the Site, if applicable, except current taxes, have been paid in full;

(d) The Site is properly zoned for the intended purpose and utilization of it or the District intends to render zoning inapplicable pursuant to Government Code section 53094;

(e) The District is in compliance with all laws, regulations, ordinances and orders of public authorities applicable to the Site;

(f) There is no litigation of any kind currently pending or threatened regarding the Site or the District's use of the Site for the purposes contemplated by this Site Lease, the Sublease, and the Lease-Leaseback Agreement;

(g) To the best of the District's knowledge, after actual inquiry, except as already known by the Parties prior to this Site Lease based upon previous studies and disclosures: (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 Site or Corporation or Corporation'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 Site; (ii) no threat exists of a discharge, release or emission of a Hazardous Substance upon or from the Site into the environment; (iii) the Site 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 Site; (v) no violation of any Environmental Regulation now exists relating to the Site, 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 Site 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 Site; (viii) the Site 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 Site 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 District shall not abandon the Site for the use for which it is currently required by the District and further, shall not seek to substitute or acquire property to be used as a substitute for the uses for which the Site 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 Site 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 Site Lease and which will not materially impair the use of the Site; (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 Site Lease and to which Corporation and the District consent in writing which will not impair or impede the operation of 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 under the laws of the State of California, 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 Site Lease, and the execution, delivery and performance of this Site Lease have been duly authorized by all necessary corporate actions on the part of Corporation and do not require any further approvals or consents.

(c) Execution, delivery and performance of this Site 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 Corporation is a party or by which it or its property is bound.

(d) There is no pending or, to the best 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 Site Lease.

SECTION 5. Rental. Corporation shall pay to the District as and for advance rental hereunder \$1.00 per year per Site, on or before the date of commencement of the term of this Site Lease. The duration of the rental is expected to be from the date of the Notice to Proceed through [DATE] unless earlier terminated by either party.

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

SECTION 7. Termination. Corporation agrees, upon termination of this Site Lease: (i) to quit and surrender the Site 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 District any liens and encumbrances created or caused by Corporation; and (iii) that any permanent improvements and structures existing upon the Site at the time of the termination of this Site Lease, including the Project, shall remain thereon and title thereto shall vest in the District. Notwithstanding the District's foregoing rights in the event of termination, Corporation 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 District covenants and agrees that it will not take any action to prevent Corporation's quiet enjoyment of the Site during the term of this Site Lease; and, that in the event the District's fee title to the Site is ever challenged so as to interfere with Corporation's right to occupy, use and enjoy the Site, the District will use all governmental powers at its disposal, including the power of eminent domain, to obtain unencumbered fee title to the Site and to defend Corporation's right to occupy, use, and enjoy that portion of the Site.

SECTION 9. No Liens. The District shall not mortgage, sell, assign, transfer, or convey the Site or

any part thereof to any person during the term of this Site Lease, without the written consent of Corporation. Nothing herein shall preclude the District from granting utility easements across the Site to facilitate the use and operation of the Project for which it is intended.

SECTION 10. Right of Entry. The District reserves the right for any of its duly authorized representatives to enter upon the Site 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 Corporation's operations on the Project.

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

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

SECTION 13. Default. In the event Corporation shall be in default in the performance of any obligation on its part to be performed under the terms of this Site Lease, which default continues for thirty (30) days following notice and demand for correction thereof to Corporation, the District may exercise any and all remedies granted by law, except that no merger of this Site 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 Site or the improvements thereon is taken by eminent domain, the financial interest of Corporation 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 25 of the Sublease less any unearned interest as of the date the Corporation receives payment in full. The balance of the award, if any, shall be paid to the District. For purposes of this Section 14, the Sublease Payment(s) include all amounts withheld pursuant to Section 6.c. of the Sublease.

SECTION 15. Taxes. The District covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest - taxes, levied or assessed upon the Site or the improvements thereon.

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

SECTION 17. Partial Invalidity. If any one or more of the terms, covenants or conditions of this Site 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 Site Lease shall be affected thereby, and each provision of this Site 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 Site Lease shall be served, given, or made in writing upon the District or Corporation, 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.

If to Corporation:

[BUILDER]

Attn: _____

If to District:

Sacramento City Unified School District
Planning and Construction
5735 47th Avenue
Sacramento, CA 95824

Attn: _____

With copies to:

[ARCHITECT]

[CONSTRUCTION MANAGER]

SECTION 19. Binding Effect. This Site Lease shall inure to the benefit of and shall be binding upon the District, Corporation and their respective successors in interest and assigns.

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

SECTION 21. Execution in Counterparts. This Site 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 Site Lease 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 Site Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Site Lease.

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

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

[Signatures follow on next page]

[BUILDER]

LESSEE

By: _____
Title: President

By: _____
Title: Corporate Secretary

Date: _____

SACRAMENTO CITY UNIFIED SCHOOL
DISTRICT
5735 47th Avenue
Sacramento, CA 95824

LESSOR

By: _____
Thomas S. Barentson
Deputy Superintendent/CFO

Date: _____

EXHIBIT "A"

DESCRIPTION OF SITE

The real property consisting of _____ School, located at [ADDRESS].