



SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 13.1o

Meeting Date: January 18, 2024

Subject: **Approve Resolution No. 3374: Agreement for Termination of Leases and Quit Claim Deed for the John F. Kennedy High School C-Wing HVAC Replacement Project**

- 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: Approve Resolution No. 3374: Agreement for Termination of Leases and Quit Claim Deed for the John F. Kennedy High School C-Wing Replacement Project

Background/Rationale: On May 19, 2022, the Sacramento City Unified School District (“District”) and Landmark Construction (“Developer”) executed the Site Lease and Facilities Lease for the John F. Kennedy C-Wing HVAC Replacement (“Project”).

On or about September 14, 2023, the District and Developer executed the Memorandum of Commencement Date under the Facilities Lease, acknowledging that (i) Developer had completed the construction of the Project, (ii) the District had accepted and entered into possession of the Project, (iii) the term for lease payments under the Facilities Lease would now commence.

The District has paid its obligations under the Facilities Lease in full, including paying the balance of the lease payments to Developer. Upon District’s payment in full, Developer has executed a Termination Agreement and Quitclaim Deed, which will terminate the Facilities Lease and Site Lease and releases Developer’s interests in the Project and site.

District staff ask that the Board approve, and authorize the Superintendent to execute, the Termination Agreement and Quitclaim Deed and the corresponding Certificate of Acceptance.

Financial Considerations: \$263,534 paid for the balance of the lease payments

Documents Attached:

1. Termination Agreement and Quit Claim Deed
2. Resolution Agreement for Termination of Leases and Quit Claim Deed
3. Agenda Item Resolution

Estimated Time of Presentation: N/A

Submitted by: Janea Marking, Chief Business & Operations Officer

Tina Alvarez Bevens, Contract Analyst

Approved by: Lisa Allen, Interim Superintendent

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

Sacramento City Unified School District
5735 47th Avenue
Sacramento, CA 95824
Attention: Tina Alvarez-Bevens

(Recording Fee: Exempt
under Section 27383 of
the Government Code)

TERMINATION AGREEMENT AND QUIT CLAIM DEED

THIS TERMINATION AGREEMENT AND QUIT CLAIM DEED (this "Agreement") dated as of January 18, 2024, is entered by and between the SACRAMENTO CITY UNIFIED SCHOOL DISTRICT, a political subdivision duly organized and existing under and by virtue of the laws of the State of California (the "District"), and Landmark Construction (the "Developer").

WITNESSETH

WHEREAS, District and Developer entered into a Facilities Lease, dated May 19, 2022, as amended ("Facilities Lease") and a Site Lease, dated May 19, 2022 ("Site Lease") for the construction of certain improvements by the Developer at the District's John F. Kennedy C-Wing HVAC Replacement project ("Project"), located at 6715 Gloria Drive, Sacramento, California 95831, as described in Exhibit A hereto and incorporated herein ("Project Site");

WHEREAS, under the terms of the Site Lease the District leased the Project Site to the Developer for the construction of the Project;

WHEREAS, under the terms of the Facilities Lease the District leased back the Project from the Developer and was obligated to make lease payments to the Developer for the lease of the Project;

WHEREAS, the District has paid its Project obligations in full which were secured by the lease payments payable under the Facilities Lease by making its final lease payment to the Developer and the District has paid all other amounts due or to become due with respect to the Facilities Lease;

WHEREAS, upon such payment in full, title to the Project leased under the Facilities Lease is to vest in the District and the Facilities Lease and the Site Lease are to terminate immediately upon such payment; and

NOW THEREFORE, in consideration of the mutual covenants herein contained and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the District and the Developer do hereby agree as follows:

1. Termination of Leases. The District and the Developer do hereby unconditionally terminate the Facilities Lease, which pertains to that certain real property defined above as the Project Site, as more particularly described in the Facilities Lease and incorporated herein by reference. The District and Developer concurrently unconditionally terminate the related Site Lease, which pertains to that certain real property defined above as the Project Site, as more particularly described in the Site Lease and incorporated herein by reference. The District and the Developer agree that the District has fulfilled its obligations under the Facilities Lease and fee title to the Project and the Project Site leased thereunder is to vest in the District. The Developer and its successors and assigns shall be released from all obligations and liabilities as to the Project Site, the Facilities Lease and the Site Lease, whether arising or accruing prior to or following the date hereof, except for warranty, guarantee and latent defect obligations to the District. The Facilities Lease and the Site Lease shall no longer have any force or effect.

2. Quitclaim. The Developer does hereby remise, release and forever quitclaim the Project Site and the Project to the District.

3. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

4. Counterparts. This Agreement shall become effective upon the execution and delivery hereof by the parties hereto and may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

ACCEPTED AND AGREED on the first date indicated above.

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

Landmark Construction

By: _____

By: _____

Name: Janea Marking

Name: Kevin Brennan

Title: Chief Business & Operations Officer

Title: President

EXHIBIT "A"
PROPERTY DESCRIPTION

Attached is the Legal Description for:

John F. Kennedy C-Wing HVAC Replacement Project

Recorded Address: 6749 Gloria Dr. Sacramento, CA 95831

Physical Address: 6715 Gloria Dr. Sacramento, CA 95831

APN: 030-0370-021

Beginning at a point on the easterly line of that certain parcel of land described in the deed executed by Sacramento Brick Company to Mary E. Garcia on April 15, 1946 recorded in the office of the Recorder of Sacramento County on April 18, 1946 in Book 1240 of Official Records, page 8 ; from which point of beginning a one and one-half inch iron pipe monument, marking the most southerly corner of that certain 10.0 acre tract of land described in the deed executed by Manuel B. and Mary E. Garcia to Sacramento Brick Company on October 24, 1931, recorded in the office of the Recorder of Sacramento County on November 24, 1931 in Book 372 of Official Records, page 144 bears North 21° 08' 07" West 160.49 feet; thence parallel to and distant 160.00 feet southeasterly measured at right angles, from the southerly line of said 10.0 acre tract of land North 72° 40' 53" East 1025.44 feet; thence South 17° 22' 45" East 1380.78 feet; thence South 72° 38' 15" West 934.73 feet to the easterly line of that certain 29.27 acre parcel of land described in the deed executed by Sacramento Brick Company to E. A. and Nina B. Seamas on April 15, 1946, recorded in the office of the Recorder of Sacramento County on April 18, 1946 in Book 1240 of Official Records, page 7 ; thence continuing South 72° 38' 15" West 415.96 feet; thence North 19° 58' 07" West 305.90 feet to the southerly line of the hereinabove described Garcia property; thence continuing North 19° 58' 07" West 1077.56 feet; thence North 72° 40' 53" East 387.75 feet to the point of beginning; containing 43.827 acres, more or less.

CERTIFICATE OF ACCEPTANCE

This Acceptance dated as of January 18, 2024, is executed by the SACRAMENTO CITY UNIFIED SCHOOL DISTRICT, a public school district duly organized and existing under and by virtue of the laws of the State of California (the "District").

In consideration of the covenants contained in the Termination Agreement and Quit Claim Deed and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the District hereby accepts that certain real property and facilities located in the County of Sacramento, California, as more particularly described in that certain Termination Agreement and Quit Claim Deed dated as of the date hereof, by and between the District and Landmark Construction.

IN WITNESS WHEREOF, the District has executed this Acceptance as of the date first written above.

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

By: _____

Name: Janea Marking

Title: Chief Business & Operations Officer

BOARD AGENDA ITEM

DATE: **January 18, 2024**

ITEM NO. _____

**TOPIC: APPROVAL OF RESOLUTION NO. 3374 TO ACCEPT
TERMINATION OF LEASES AND QUIT CLAIM DEED FOR THE
JOHN F. KENNEDY C-WING HVAC REPLACEMENT PROJECT**

DESCRIPTION: On May 19, 2022, the Sacramento City Unified School District ("District") and Landmark Construction ("Developer") executed the Site Lease and Facilities Lease for the John F. Kennedy C-Wing HVAC Replacement Project ("Project").

On or about September 14, 2023, the District and Developer executed the Memorandum of Commencement Date under the Facilities Lease, acknowledging that (i) Developer had completed the construction of the Project, (ii) the District had accepted and entered into possession of the Project, (iii) the term for lease payments under the Facilities Lease would now commence.

The District has paid its obligations under the Facilities Lease in full, including paying the balance of the lease payments to Developer. Upon District's payment in full, Developer has executed a Termination Agreement and Quitclaim Deed, which will terminate the Facilities Lease and Site Lease and releases Developer's interests in the Project and site.

District staff ask that the Board approve, and authorize the Superintendent to execute, the Termination Agreement and Quitclaim Deed and the corresponding Certificate of Acceptance.

FISCAL IMPACT: \$263,534.00 was paid for the balance of the lease payments.

RECOMMENDATION: It is recommended that the Board approve and adopt Resolution No. 3374 to Accept Termination of Leases and Quit Claim Deed for the John F. Kennedy C-Wing HVAC Replacement Project.

Janea Marking
CBO

RESOLUTION NO. 3374

**RESOLUTION OF THE GOVERNING BOARD
OF THE SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
TO ACCEPT AGREEMENT FOR TERMINATION OF LEASES
AND QUIT CLAIM DEED**

WHEREAS, Sacramento City Unified School District ("District") and Landmark Construction ("Developer") entered into a Facilities Lease, dated May 19, 2022, as amended ("Facilities Lease") and a Site Lease, dated May 19, 2022 ("Site Lease") for the construction of certain improvements by the Developer, known as John F. Kennedy C-Wing HVAC Replacement project ("Project"), located at 6715 Gloria Drive, Sacramento, CA 95831 as described in Exhibit A to the Facilities Lease ("Project Site");

WHEREAS, under the terms of the Site Lease the District leased a portion of the Project Site to the Developer for the construction of the Project;

WHEREAS, under the terms of the Facilities Lease the District leased back the Project from the Developer and is obligated to make lease payments to the Developer for the lease of the Project;

WHEREAS, the District has paid its Project obligations in full which were secured by the lease payments payable under the Facilities Lease by making its final lease payment to the Developer, and the District has paid all other amounts due or to become due with respect to the Facilities Lease;

WHEREAS, upon such payment in full, title to the Project leased under the Facilities Lease is to vest in the District, and the Facilities Lease and the Site Lease are to terminate immediately upon such payment;

WHEREAS, the District and the Developer desire to unconditionally terminate the Facilities Lease, which pertains to the Project Site and to concurrently unconditionally terminate the related Site Lease, which also pertains to the Project Site; and

WHEREAS, the District and the Developer agree that the District has fulfilled its obligations under the Facilities Lease and that fee title to the Project and the Project Site leased thereby is to vest in the District.

NOW, THEREFORE, the Governing Board of the Sacramento City Unified School District hereby finds, determines, declares, orders, and resolves as follows:

Section 1. The above recitals are true and correct.

Section 2. The District hereby accepts and approves the Termination Agreement and Quit Claim Deed terminating the Facilities Lease and the Site Lease and conveying all of Developer's right, title and interest in the Project Site and the Project to the District.

Section 3. The District does hereby accept all of Developer's right, title and interest in the Project Site and the Project remised, released, quitclaimed and conveyed to the District by the Termination Agreement and Quit Claim Deed.

Section 4. The Superintendent and the Superintendent’s designees are authorized to take all steps and sign all documents necessary to effect the intent of this resolution, including but not limited to the Termination Agreement and Quit Claim Deed and the Certificate of Acceptance of the real property and facilities located in Sacramento County, California, as more particularly described in the Termination Agreement and Quit Claim Deed.

IN WITNESS WHEREOF, this resolution was approved and adopted by the Governing Board of the Sacramento City Unified School District this 18th day of January, 2024.

AYES: _____
NOES: _____
ABSENT: _____
ABSTAIN: _____

President of the Governing Board of the
Sacramento City Unified School District

ATTEST:

Clerk of the Governing Board of the
Sacramento City Unified School District