

SITE LEASE

For all or a portion of the following Site:

0510-433 C.K. McClatchy HVAC & Kitchen Modernization Project
3066 Freeport Blvd, Sacramento, CA 95818
APN: 012-0260-003-0000

By and between

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

And

[Developer]
[Address]

Dated as of _____, 20__

TABLE OF CONTENTS

SITE LEASE

	<u>Page</u>
1. Definitions.....	2
2. Exhibits.....	2
3. Lease of the Site	2
4. Leaseback of the Project and Site.....	2
5. Term	2
6. Payment	3
7. Termination.....	3
8. Title to Site	3
9. Improvements	3
10. No Merger	3
11. Right of Entry	4
12. Quiet Enjoyment	4
13. Waste	4
14. Further Assurances and Corrective Instruments	4
15. Representations of the District	4
16. Representations of the Developer	5
17. Insurance and Indemnity	6
18. Assignment and Subleasing	6
19. Restrictions on District.....	6
20. Liens and Further Encumbrances.....	6
21. Notices	7
22. Binding Effect	7
23. No Additional Waiver Implied by One Waiver	7
24. Severability	7
25. Amendments, Changes and Modifications	7
26. Obligations Absolute	7
27. Execution in Counterparts	8
28. Developer and District Representatives	8
29. Applicable Law	8
30. Attorney's Fees	8
31. Captions	8

32.	Prior Agreements	8
33.	Further Assurances.....	8
34.	Recitals Incorporatede	8
35.	Time of the Essence	8
36.	Force Majeure	9
37.	Interpretation	9
	Exhibit A - Legal Description of Site	10
	Exhibit B - Description of Project	11

SITE LEASE

This site lease ("Site Lease") dated as of _____, 20__ ("Effective Date"), is made and entered into by and between the Sacramento City Unified School District, a school district duly organized and validly existing under the laws of the State of California, as lessor ("District"), and _____ ("Developer"), a [California corporation] duly organized and existing under the laws of the State of [California], as lessee (together, the "Parties").

RECITALS

WHEREAS, the District currently owns a parcel of land located at 3066 Freeport Blvd, Sacramento, CA 95818, known as C.K. McClatchy High School, as more particularly described in **Exhibit A** and shown on **Exhibit B** attached hereto and incorporated herein by this reference ("Site"); and

WHEREAS, the District desires to provide for the development and construction of certain work to be performed on portions of the Site, including construction of improvements to be known as the C.K. McClatchy HVAC & Kitchen Modernization Project ("Project"); and

WHEREAS, as more particularly described in the Facilities Lease between the Parties dated as of the Effective Date, the Developer agrees to perform the work of the Project and lease the completed Project and Site back to the District ("Facilities Lease"), which Facilities Lease is incorporated herein by this reference; and

WHEREAS, the Governing Board of the District ("Board") has determined that it is in the best interests of the District and for the common benefit of the citizens residing in the District to construct the Project by leasing the Site to Developer and by immediately entering into the Facilities Lease under which District will construct the Project and lease back the completed Project and Site from Developer; and

WHEREAS, the District further determines that it has entered into this Site Lease and the Facilities Lease pursuant to Education Code section 17406 as the best available and most expeditious means for the District to satisfy its substantial need for the facilities to be provided by the Project and to accommodate and educate District students; and

WHEREAS, this Site Lease and Facilities Lease are awarded based on a competitive solicitation process pursuant to Education Code section 17406 and in compliance with the required procedures and guidelines for evaluating the qualifications of proposers adopted and published by the Board to the proposer providing the best value to the school district, taking into consideration the proposer's demonstrated competence and professional qualifications necessary for the satisfactory performance of the services required; and

WHEREAS, the selection of the Developer was conducted in a fair and impartial manner; and

WHEREAS, based on the above findings, the District is authorized under Education Code section 17406 to lease the Site to Developer and to have Developer develop and cause the construction of the Project thereon and lease the completed Project and Site back to the District by means of the Facilities Lease, and the Board has duly authorized the execution and delivery of this Site Lease in order to effectuate the foregoing; and

WHEREAS, the Parties have performed all acts, conditions and things required by law to exist, to have happened, and to have been performed prior to and in connection with the execution and entering into this Site Lease, and those conditions precedent do exist, have happened, and have been performed in regular and due time, form, and manner as required by law, and the Parties hereto are now duly authorized to execute and enter into this Site Lease; and

WHEREAS, Developer as lessee is authorized and competent to lease the Site from District and to develop and cause the construction of the Project on the Site, and has duly authorized the execution and delivery of this Site Lease.

NOW, THEREFORE, in consideration of the promises and of the mutual covenants contained herein, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto do hereby agree as follows:

1. Definitions

Unless the context clearly otherwise requires, all words and phrases defined in the Facilities Lease shall have the same meaning in this Site Lease.

2. Exhibits

The following Exhibits are attached to and by reference incorporated and made a part of this Site Lease.

2.1. Exhibit A - Legal Description of the Site: The legal description of the real property constituting the Site.

2.2. Exhibit B - Description of the Project: The map or diagram depiction of the Project on the Site.

3. Lease of the Site

The District hereby leases to the Developer, and the Developer hereby leases from the District the Site, subject only to Permitted Encumbrances, in accordance with the provisions of this Site Lease, to have and to hold for the term of this Site Lease. This Site Lease shall only take effect if the Facilities Lease is executed by the District and Developer within three (3) days of execution of this Site Lease.

4. Leaseback of the Project and Site

The Parties agree that the completed Project and Site will be leased back to the District pursuant to the Facilities Lease for the term thereof.

5. Term

The term of this Site Lease shall commence as of the Effective Date and shall terminate on the last day of the Term of the Facilities Lease, provided the District has paid to the Developer, or its assignee, all payments which may be due under the Facilities Lease, and provided this Site Lease has not been terminated pursuant to the termination provisions of the Facilities Lease.

6. Payment

In consideration for the lease of the Site by the District to the Developer and for other good and valuable consideration, the Developer shall pay One Dollar (\$1.00) to the District upon execution of this Site Lease.

7. Termination

7.1. Termination Upon Purchase of Project

If the District exercises its option to purchase the Project pursuant to the Facilities Lease, then this Site Lease shall terminate concurrently with the District's buy out and termination of the Facilities Lease.

7.2. Termination Due to Default by Developer

If Developer defaults pursuant to the provision(s) of the Facilities Lease and the District terminates the Facilities Lease pursuant to the Facilities Lease provision(s) allowing termination, then the Developer shall be deemed to be in default of this Site Lease and this Site Lease shall also terminate at the same time as the Facilities Lease.

7.3. Termination Due to Default by District

If District defaults pursuant to the provision(s) of the Facilities Lease, the Developer, or its assignee, will have the right, for the then remaining term of this Site Lease, to:

7.3.1. Take possession of the Site.

7.3.2. If it deems it appropriate, cause appraisal of the Site and a study of the then reasonable uses thereof.

7.3.3. Re-let the Site; and

7.3.4. Stop all Work associated with the Site Lease.

8. Title to Site

During the term of this Site Lease, the District shall hold fee title to the Site, including the Site, and nothing in this Site Lease or the Facilities Lease shall change, in any way, the District's ownership interest in the Site.

9. Improvements

Title to all improvements made on the Site during the term hereof shall be held, vest and transfer pursuant to the terms of the Facilities Lease.

10. No Merger

The leaseback of the completed Project and Site by the Developer to the District pursuant to the Facilities Lease shall not effect or result in a merger of the estates of the District in the Site, and the Developer shall continue to have a leasehold estate in the Site pursuant to this Site Lease throughout the term hereof.

11. 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, provided the District follows all safety precautions required by the Developer.

12. Quiet Enjoyment

Subject to any rights the District may have under the Facilities Lease (in the absence of an Event of Default) to possession and enjoyment of the Site, the District hereby covenants and agrees that it will not take any action to prevent the Developer from having quiet and peaceable possession and enjoyment of the Site during the term hereof and will, at the request of the Developer, to the extent that it may lawfully do so, join in any legal action in which the Developer asserts its right to such possession and enjoyment.

13. Waste

The Developer 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 that it will not willfully or knowingly use or permit the use of the Site for any illegal purpose or act.

14. Further Assurances and Corrective Instruments

The Parties shall, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Site hereby leased or intended so to be or for carrying out the expressed intention of this Site Lease and the Facilities Lease.

15. Representations of the District

The District represents, covenants and warrants to the Developer as follows:

15.1. Due Organization and Existence

The District is a school district, duly organized and existing under the Constitution and laws of the State of California.

15.2. Authorization

The District has the full power and authority to enter into, to execute and to deliver this Site Lease, and to perform all of its duties and obligations hereunder, and has duly authorized the execution of this Site Lease.

15.3. No Violations

To the best of the District's actual knowledge, neither the execution and delivery of this Site Lease nor the Facilities Lease, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the District is now a party or by which the District is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge

or encumbrance whatsoever upon any of the property or assets of the District, or upon the Site, except Permitted Encumbrances.

15.4. CEQA Compliance

The District has complied with all assessment requirements imposed upon it by the California Environmental Quality Act (Public Resource Code Section 21000 *et seq.* ("CEQA")) in connection with the Project, and no further environmental review of the Project is necessary pursuant to CEQA before the construction of the Project may commence.

15.5. Condemnation Proceedings

15.5.1. District covenants and agrees, but only to the extent that it may lawfully do so, that so long as this Site Lease remains in effect, the District will not seek to exercise the power of eminent domain with respect to the Project so as to cause a full or partial termination of this Site Lease and the Facilities Lease.

15.5.2. If for any reason the foregoing covenant is determined to be unenforceable or in some way invalid, or if District should fail or refuse to abide by such covenant, then, to the extent they may lawfully do so, the Parties agree that the financial interest of Developer shall be as indicated in the Facilities Lease.

15.6. Use and Zoning

To the best of the District's actual knowledge, the Site is properly zoned for its intended purpose and the use or activities contemplated by this Site Lease will not conflict with local, state or federal law.

15.7. Taxes

To the best of the District's actual knowledge, all taxes and assessments are paid current and such taxes and assessments will continue to be paid to the extent that the District is not exempt.

16. Representations of the Developer

The Developer represents, covenants and warrants to the District as follows:

16.1. Due Organization and Existence

The Developer is a [California company] duly organized and existing under the laws of the State of [California], has power to enter into this Site Lease and the Facilities Lease; is possessed of full power to lease, leaseback, and hold real and personal property and has duly authorized the execution and delivery of all of the aforesaid agreements.

16.2. Authorization

The Developer has the full power and authority to enter into, to execute and to deliver this Site Lease, and to perform all of its duties and obligations hereunder, and has duly authorized the execution of this Site Lease.

16.3. No Violations

Neither the execution and delivery of this Site Lease or the Facilities Lease, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Developer is now a party or by which the Developer is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Developer, or upon the Site, except for Permitted Encumbrances.

16.4. No Bankruptcy

Developer is not now nor has it ever been in bankruptcy or receivership.

16.5. No Litigation

There is no pending or, to the knowledge of Developer, threatened action or proceeding before any court or administrative agency which will materially adversely affect the ability of Developer to perform its obligations under this Site Lease or the Facilities Lease.

17. Insurance and Indemnity

The Developer and the District shall comply with the insurance requirements and the indemnity requirements as indicated in the Facilities Lease.

18. Assignment and Subleasing

This Site Lease may be assigned and/or the Site subleased, as a whole or in part, by the Developer only upon the prior written consent of the District to such assignment or sublease, which shall not be unreasonably withheld.

19. Restrictions on District

The District agrees that it will not mortgage, sell, encumber, assign, transfer or convey the Site or any portion thereof during the term of this Site Lease in any way that would interfere with or diminish Developer's interests indicated in this Site Lease.

20. Liens and Further Encumbrances

Developer agrees to keep the Site and every part thereof free and clear of any and all encumbrances and/or liens, including without limitation, pledges, charges, encumbrances, claims, mechanic liens and/or other liens for or arising out of or in connection with work or labor done, services performed, or materials or appliances used or furnished for or in connection with the Site or the Project. Pursuant to the Facilities Lease, Developer further agrees to pay promptly and fully and discharge any and all claims on which any encumbrance and/or lien may or could be based, and to save and hold District free and harmless from any and all such liens, mortgages, and claims of liens and suits or other proceedings pertaining thereto. This subsection does not apply to Permitted Encumbrances.

21. Notices

All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed to have been received five (5) days after deposit in the United States mail in registered or certified form with postage fully prepaid or one (1) business day after deposit with an overnight delivery service with proof of actual delivery:

If to District:

Sacramento City Unified School District
5735 47th Avenue
Sacramento, CA 95824
Attn: [Name, Title]

If to Developer:

[Developer]
[Address]
Attn: [Name, Title]

With a copy to:

Deidree Sakai, Esq.
Dannis Woliver Kelley
200 California Street, Suite 400
San Francisco, CA 94111

With a copy to:

The Developer and the District, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

22. Binding Effect

This Site Lease shall inure to the benefit of and shall be binding upon the Developer and the District and their respective successors and assigns.

23. No Additional Waiver Implied by One Waiver

In the event any agreement contained in this Site Lease should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive future compliance with any term hereof or any other breach hereunder.

24. Severability

In the event any provision of this Site Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof, unless elimination of such invalid provision materially alters the rights and obligations embodied in this Site Lease or the Facilities Lease.

25. Amendments, Changes and Modifications

Except as to the termination rights of both Parties as indicated in the Facilities Lease, this Site Lease may not be amended, changed, modified, altered or terminated without the written agreement of both Parties hereto.

26. Obligations Absolute

The Developer agrees that the obligations of the Developer are absolute and unconditional and not subject to any charges or setoffs against the District whatsoever.

27. Execution in Counterparts

This Site Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

28. Developer and District Representatives

Whenever under the provisions of this Site Lease approval by the Developer or the District is required, or the Developer or the District is required to take some action at the request of the other, such approval or such request shall be given for the Developer by the Developer Representative and for the District by the District Representative, and any party hereto shall be authorized to rely upon any such approval or request.

29. Applicable Law

This Site Lease shall be governed by and construed in accordance with the laws of the State of California, and venued in the County within which the Site is located.

30. Attorney's Fees

If either party brings an action or proceeding involving the Site or to enforce the terms of this Site Lease or to declare rights hereunder, each party shall bear the cost of its own attorneys' fees.

31. Captions

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.

32. Prior Agreements

This Site Lease and the corresponding Facilities Lease collectively contain all of the agreements of the Parties hereto with respect to any matter covered or mentioned in this Site Lease and no prior agreements or understanding pertaining to any such matter shall be effective for any purpose.

33. Further Assurances

Parties shall promptly execute and deliver all documents and instruments reasonably requested to give effect to the provisions of this Site Lease.

34. Recitals Incorporated

The Recitals set forth at the beginning of this Site Lease are hereby incorporated into its terms and provisions by this reference.

35. Time of the Essence

Time is of the essence with respect to each of the terms, covenants, and conditions of this Site Lease.

36. Force Majeure

A party shall be excused from the performance of any obligation imposed in this Site Lease and the exhibits hereto for any period and to the extent that a party is prevented from performing such obligation, in whole or in part, as a result of delays caused by the other party or third parties, a governmental agency or entity, an act of God, pandemic, war, terrorism, civil disturbance, forces of nature, fire, flood, earthquake, or strikes or lockouts, and such non-performance will not be a default hereunder or a grounds for termination of this Site Lease.

37. Interpretation

None of the Parties hereto, nor their respective counsel, shall be deemed the drafters of this Site Lease or the Facilities Lease for purposes of construing the provisions of each. The language in all parts of this Site Lease shall in all cases be construed according to its fair meaning, not strictly for or against any of the Parties hereto.

IN WITNESS WHEREOF, the Parties have caused this Site Lease to be executed by their respective officers who are duly authorized, as of the Effective Date.

ACCEPTED AND AGREED on the date indicated below:

Dated: _____, 20__

Dated: _____, 20__

Sacramento City Unified School District

[Developer]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

EXHIBIT A

LEGAL DESCRIPTION OF SITE

Attached is the Legal Description from County Recorder for:

0510-433 C.K. McClatchy HVAC & Kitchen Modernization Project
3066 Freeport Blvd, Sacramento, CA 95818
APN: 012-0260-003-0000

Beginning at the southeasterly corner of Maple Park, on the westerly line of Freeport Boulevard, as the same is shown and delineated on the official map of Maple Park, filed in the office of the County Recorder of Sacramento County, California, on May 4th, 1910, in Map Book No. 10, at Map No. 27, and which said point is marked by a division fence corner and is distant N. 76°24.55'W. 40 feet from a stone monument, set by the City Engineer of Sacramento City, marking the center line of the said Freeport Boulevard, 80 feet wide, and which said monument is distant S. 15°17'W. 155.98 feet from and iron pipe marking the intersection of the center line of Freeport Boulevard with the center line of Bidwell Way, formerly known as Bevenue Avenue; thence, from the said division line common to Maple Park of the North and the land formerly belonging to Julius Blauth, on South, N. 75°9'W. 1730.18 feet to the southwest corner of Maple Park, and at the southeast corner of that certain 8.53 acre tract of land which was conveyed by Dee dated August 18, 1932, to Sacramento City High School District, and recorded in Volume 408, Official Records, at page 132 Sacramento County Records; thence, along the division lien common to the said 8.53 acre tract of land, on the North, and the land formerly owned by Julius Blauth, on the South, N.75°37.38'W.178.75 feet to a stake located at a point on the said division line distant S.75°37.38'E.719.74 feet from the Easterly line of Land Park Drive at the southwesterly corner of the hereinabove mentioned 8.53 acre tract of land; thence, parallel with the Easterly line of said Land Park Drive, S.14°55.95'W.658.41 feet to a stake located on the division line common to the land formerly owned by Julius Blauth on the North, and the land now or formerly owned by Joseph Imfeld et al, on the South; thence, along the division line common to the said last named lands, S.75°45'E.1911.12 feet to the Westerly line of Freeport Boulevard 80 feet wide; thence along the Westerly line of Freeport Boulevard, following the official line thereof. 40 feet Westerly from the center line of said Boulevard as fixed and monumented by the City Engineer of the City of Sacramento, N.15°02'E.247.68 feet; thence N.14°33.44'E417.36 feet to the place of beginning and containing 29 acres of land, and is located in Sacramento City, Sacramento County, State of California, and is a fractional part of that certain tract of land which is shown on the map entitle "Plat of a Survey of the Brockway Ranch": etc., filed September 24th, 1895, in Map Book A of Surveys, at page 24, Sacramento County Record, and is particularly designated thereon as C.Z. Brockway

EXHIBIT B

DESCRIPTION OF PROJECT

Attached is a map or diagram showing the location of the Site that is subject to this Site Lease and upon which Developer will construct the Project.

