Sacramento City Unified School District

REQUEST FOR STATEMENT

OF QUALIFICATIONS

For

LEASE-LEASEBACK CONSTRUCTION SERVICES (NEW CONSTRUCTION, MODERNIZATION AND RENOVATION PROJECTS)

Request for Statement of Qualifications Issued: May 1, 2014

Deadline for Submittal of Statement of Qualifications: June 2, 2014

Request for Statement of Qualifications for Lease-Leaseback Services

I. INTRODUCTION

The Sacramento City Unified School District (SCUSD) is seeking qualified providers of Lease-Leaseback (LLB) preconstruction and construction phase services for various projects within the District. Contracts will be awarded by the Board under the provisions of Education Code Section 17406 et. seq.

SCUSD anticipates the need for LLB pre-construction and construction services on various projects at multiple campuses located in Sacramento, CA. Through this RFQ process, SCUSD intends to select one or more qualified Lease-Leaseback Entities ("Entity") to work with the Project Architect(s), Project Manager, and District throughout the design, approval and construction process. It is SCUSD's belief that involving all of the project participants early in the process in a collaborative atmosphere will result in projects that can be delivered with more predictable results: reasonable and reliable budgets, reliable timelines, and best possible quality. SCUSD seeks to gain the benefit of an environment where team members are encouraged to share ideas freely in an atmosphere of mutual respect, tolerance, and trust, and to explore ways to deliver projects that mitigate the uncertainty, frustration and risk inherent in the design-bid-build delivery method. Team members will be expected to work together to achieve transparent and cooperative exchange of information in all matters relating to the Project, and to share ideas for continuously improving project delivery during the course of design and construction.

Answers to all questions contained in the questionnaire, information about current bonding capacity, notarized statement from surety and supplemental information, are required. SCUSD will use these documents as the basis of rating entities in respect to the size and scope of contracts for which each entity is qualified. SCUSD reserves the right to check other sources available and to require an interview with the entity. SCUSD's decision regarding prequalification will be based on objective evaluation criteria.

It is the intent of the questionnaire and documents required to assist the District in determining responsibility prior to the submission of proposals and to aid SCUSD in selecting qualified, responsible entities. However, neither the fact of pre-qualification, nor any pre-qualification rating, will preclude SCUSD from determining whether an entity has the quality, fitness, capacity and experience to satisfactorily perform the proposed work, and has demonstrated the requisite trustworthiness, after it has already pre-qualified. Rejection of any or all proposals, to contract work with whomever and in whatever manner, to abandon work entirely, and/or to waive any informality in receiving of proposals is reserved as the right of SCUSD. Before a contract is awarded, SCUSD may at its sole discretion, require from the proposed contractor further evidence of the reasonable qualifications of such contractor to faithfully, capably, and reasonably perform such proposed work and may consider such evidence before making its decision on the award of such proposed work.

Each questionnaire must be signed under penalty of perjury as designated at the end of the form, by an individual who has the legal authority to bind the Contractor on whose behalf that person is signing. If any information provided by a Contractor becomes inaccurate, the Contractor must immediately notify the District and provide updated accurate information in writing, under penalty of perjury.

Background:

The Sacramento City Unified School District is an urban district with an enrollment exceeding 43,000 students in 77 pre-K through Adult schools. The District covers 75 square miles. Its buildings comprise over 5 million square feet of traditional school buildings, portable classrooms, and administrative offices. It is

governed by an elected board of seven members who serve four-year terms, and is staffed by over 3,000 teaching, support, and administrative employees.

II. GENERAL INSTRUCTIONS

Interested firms are invited to submit one original signed, un-bound response, and six (6) additional hard copies. Statements of Qualifications are limited to 30 pages, including the requirements described below, but excluding cover and index tabs. The response shall be made in the format provided and the complete response, together with any and all additional materials, shall be enclosed in a sealed envelope addressed and delivered no later than 4:30 p.m. on Monday, June 2, 2014 to the following address:

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

The sealed envelope shall be marked on the outside lower left corner with the words "Lease-Leaseback Construction Services RFQ". Late proposals will not be accepted. It is the firm's sole responsibility to ensure that their response is received prior to the scheduled closing time for receipt of Statement of Qualifications. No corrected or resubmitted responses will be accepted after the deadline.

This Request for Statement of Qualifications does not commit the Sacramento City Unified School District to award a contract or pay any costs incurred in the preparation of a response to this request. The District reserves the right to accept all or part of any responses or to cancel in part or in its entirety this Request for Statement of Qualifications. The District further reserves the right to accept the response that it considers to be in the best interest of the District.

All requirements must be addressed in your response. All responses, whether selected or rejected, shall become the property of the District. Firms are responsible for checking the website periodically for any updates or revisions to the RFQ.

Requests for Information

Questions related to this RFQ should be submitted in writing via electronic mail to leaseleasebackrfq@scusd.edu no later than Wednesday, May 14, 2014. Specify "Lease-Leaseback RFQ" in the subject line. Responses to all questions received will be posted on the Districts website.

III. PROJECTS

SCUSD intends to construct the following projects; however, SCUSD reserves the right to add, remove, or modify any of the proposed projects. SCUSD will pre-determine the delivery method of all projects; some of which may include Lease-Leaseback. A partial list of projects currently being considered follows, and are in various stages of design and planning.

1. Core Academic Renovations at various secondary sites. Work may include modernization, demolition and/or new construction.

2. Construction of a new central kitchen

3. Relocation of various portables throughout the District

4. Proposition 39 improvements at various sites

5. Modernization of various schools

6. Renovation of various schools/buildings

7. Landscaping

8. Athletic Field Improvements

9. Parking Lots / Paving

An entity may submit a proposal for all or less than all of the projects. Other projects may be planned and developed by SCUSD during the course of its capital improvement program and added to these scopes of work.

IV. CONTRACT PARAMETERS

Architects

At the direction of SCUSD, selected LLB entity shall work with the Project Architect to conduct value engineering, constructability reviews, estimate validation and modifications to the project plans.

Fee

If ultimately awarded work on a project, the entity shall be compensated with a Guaranteed Maximum Price (GMP) for the work. The entity shall assume the risk of cost overruns that were not foreseeable at the time the agreement is entered into. The GMP shall include, but not be limited to, increases in labor and materials, and entity shall not be entitled to additional payments because of such cost increases.

Financing:

SCUSD does not contemplate borrowing any funds from the LLB entity. SCUSD is prepared to make all lease payments and final payments with its own funds. Therefore, SCUSD does not expect to pay any additional fees for inclusion of a separate development or financing entity as part of the project team.

Other Documents

If ultimately awarded work on a project, the entity shall perform work subject to the terms and conditions of the following contract documents: a lease-leaseback agreement, site lease, and sublease, project labor agreement (if applicable), and General Conditions for Contract of Construction, dated March 9, 2007 ("General Conditions"). The lease-leaseback agreement, site lease, and sublease are attached hereto as Exhibit "A." The project labor agreement and general conditions are available upon request.

V. SCOPE OF SERVICES

Project Definition

SCUSD and its consultants, including the LLB Entity, will establish the project quality, cost, and schedule. While each member will bring different skills to this exercise, all are expected to fully participate and collaborate. The project definition (scope, budget, quality, and schedule) that result from this exercise will be agreed upon by each member, and each member will be responsible for delivering the project within the established parameters.

Design and Document Production

Various members of the project team will be involved during various phases of design and document production at a level much greater than is typical in design-bid-build projects. Some projects may require design-build subcontractors in certain areas, typically mechanical, electrical, plumbing, and elevators. Other projects may not involve actual design-build, but will nevertheless require extensive involvement and deep collaboration of the subcontractors with the designers throughout design and document production.

Constructability

The Entity and its subcontractors will be expected to provide constructability input on a continuous basis. The selected Entity's project team will be involved on a continuous (but not necessarily full-time) basis throughout design, document production, and agency review period. It is SCUSD's further expectation that the pre-construction services will heavily involve the individuals and subcontractors who will actually construct the project, and not be turned over to a completely separate pre-construction team.

Pre-Construction Services

While the selection of an Entity for pre-construction services provides no guarantee of its involvement during the construction phase, it is the expectation of SCUSD that a selected entity will carry the project through to completion.

Subcontractors

The names of all potential subcontractors will be submitted to SCUSD for approval prior to the solicitation. It is the goal of SCUSD to utilize local products and work force to the greatest extent possible. Please describe your company's philosophy in helping SCUSD meet this goal.

Self-performed Work

SCUSD recognizes that self-performed work may be a benefit to the project and encourages the Entity to propose to self-perform trade scopes of work whenever it is in the best interest of the Project. The District will ultimately determine whether to accept such proposals, and SCUSD retains the right to require any scope of work to be priced by up to three (3) qualified subcontractors.

VI. FORMAT AND CONTENT OF RESPONSES

The Statement of Qualifications (SOQ) should be clear, concise, complete, well organized and demonstrate entity's qualifications and ability to follow instructions.

All entities are requested to follow the order and format specified below. Please tab each section of the submittal to correspond to the numbers/headers shown below.

Submittal Cover:

Include the Request for Qualification's (RFQ) title and submittal due date, the name, address, email, and the telephone number of entity (or entities for joint venture or association).

1. Table of Contents:
   Include a complete and clear listing of headings and pages to allow easy reference to key information.

2. Cover Letter:
   Include a cover letter signed by an officer of the entity submitting the SOQ, or signed by another person with authority to act on behalf of and bind the entity. The letter should certify that the information contained in the SOQ is true and correct, and that the signatory(ies) has authority to act on behalf of and bind the entity. Please also indicate the contact person(s) for the project.

3. Executive Summary:
   Briefly summarize or paraphrase your proposal. Entities are encouraged to provide comments on the proposed scope of services and briefly describe your company philosophy on collaboration during preconstruction.

4. General Information:
   Include number of employees, years in business, name(s) of owner (& home office location, local office location (if different), types of licenses held, primary business types and market areas.

5. Contractor's License:
   Entities must possess a General Building Contractor License, Class B, which is current, valid and in good standing with the California Contractor's State License Board. **Provide a copy of all licenses you hold showing the following information:**

   - Name of license holder exactly as on file
   - License Classification / License Number
   - Date Issued
   - Expiration Date

   If your license(s) has been suspended or revoked in the past five years, please disclose this information and provide an explanation as to reason.

6. Organization:
   Show an organizational chart for the team indicating principals, project managers and superintendents. Give a brief description of the roles of each person on the team and their office location. In narrative form, briefly discuss each member's experience and its relevance to the subject project.

7. Approach:
   Describe your approach to the project or projects for which you are submitting a proposal, including any creative methodology or technology that your firm uses or unique resources that your firm can offer. Topics should include discussion of past experience with innovative project delivery techniques likely to promote SCUSD's goals. Emphasis should be placed on the team's ability to work in a deeply collaborative manner and specifically how this will change the individuals' roles from those typically required in public school construction. Respondents should also describe their intent and proposed

timing for integrating subcontractors into the design process, and how they will promote collaboration from the subcontractor participants.

8. Workplan:
   Provide a workplan for the preconstruction phase of a typical new construction project that incorporates the goals and objectives described in the RFQ. Include specific individuals involved in specific tasks, descriptions of tasks, the times and durations involved, and the type of work products to be provided.

VII. EVALUATION AND CRITERIA PROCEDURES

A Selection Advisory Committee will evaluate and select those firms deemed to be the most highly qualified to perform the required services. The Selection Advisory Committee may choose to interview any, all, or none of the respondents as may be in the best interest of the District. If interviews are held, selected firms will be notified as to place, time, date and purpose of the interview.

The names of all firms submitting proposals and the names, if any, selected for interview shall be public information. At the conclusion of the RFQ process, committee comments and evaluation scores, as well as the contents of all proposals become public information. Firms that have not been selected will be notified in writing after the conclusion of the selection process.

All Statement of Qualifications received by the specified deadline will be reviewed by the Sacramento City Unified School District for content, completeness, experience and qualifications. Statement of Qualifications received from construction firms who have provided similar services to public school districts within 50 miles of Sacramento shall receive ten bonus points.

RECENT CONSTRUCTION PROJECTS COMPLETED

1. GENERAL RELEVANT EXPERIENCE. Contractor shall provide information about its five most recently completed public works projects under the jurisdiction of the California Division of the State Architects. Indicate which of the projects were completed pursuant to contracts let under Education Code section 17406 (lease-leaseback). Names and references must be current and verifiable. Use separate sheets of paper that contain all of the following information:

Project Name: _____

Location: _____

Owner: _____

Description of Project:

_____

_____

Owner Contact (name and current phone number): _____

_____

Architect or Engineer Contact (name and current phone number):

_____

Construction Manager (if any on project) (name and current phone number):

_____

Inspector(s) on the Project (name and current phone number):

_____

Original Guaranteed Maximum Price: $_____

Final Guaranteed Maximum Price: $_____

Explain, if different: _____

_____

Original Scheduled Completion Date: _____

Time Extensions Granted (number of days): _____

Actual Date of Completion: _____

QUESTIONNAIRE

1. Indicate which liability insurance policy limits you can obtain:

   ☐ $1 million per occurrence ☐ $2 million per occurrence ☐ $3 million per occurrence

   ☐ $2,000,000 aggregate ☐ $3,000,000 aggregate ☐ $5,000,000 aggregate

2. Contractor has current workers' compensation insurance policy as required by the Labor Code or is legally self-insured pursuant to Labor Code section 3700 et. seq. Please attach evidence of such policy.

   ☐ Yes ☐ No

   ☐ Contractor is exempt from this requirement, because it has no employees

3. Has your contractor's license been revoked at any time in the last five years?
   ☐ Yes (immediate disqualification) ☐ No

4. Has there been any change in ownership of the firm at any time during the last three years?
   NOTE: A corporation whose shares are publicly traded is not required to answer this question.

   ☐ Yes ☐ No

   If "yes," explain on a separate signed page.

5. Is the firm a subsidiary, parent, holding company or affiliate of another construction firm?
   NOTE: Include information about other firms if one firm owns 50 per cent or more of another, or if an owner, partner, or officer of your firm holds a similar position in another firm.

   ☐ Yes ☐ No

   If "yes," explain on a separate signed page.

6. Are any corporate officers, partners or owners connected to any other construction firms?
   NOTE: Include information about other firms if an owner, partner, or officer of your firm holds a similar position in another firm.

   ☐ Yes ☐ No

   If "yes," explain on a separate signed page.

7. At any time during the past five years, has any surety company made any payments on your firm's behalf as a result of a default, to satisfy any claims made against a performance or payment bond issued on your firm's behalf, in connection with a construction project, either public or private?

   ☐ Yes ☐ No

If "yes," explain on a separate signed page the amount of each such claim, the name and telephone number of the claimant, the date of the claim, the grounds for the claim, the present status of the claim, the date of resolution of such claim if resolved, the method by which such was resolved if resolved, the nature of the resolution and the amount, if any, at which the claim was resolved.

8. In the last five years has any insurance carrier, for any form of insurance, refused to renew the insurance policy for your firm?

☐ Yes ☐ No

If "yes," explain on a separate signed page the name the insurance carrier, the form of insurance, and the year of the refusal.

9. Bonding capacity: Provide documentation from your surety identifying the following:

Name of bonding company/surety: _____
Name of surety agent, address and telephone number:
_____

Notarized statement must be from the surety company, not an agent or broker.

10. During the last five years, has your firm ever been denied bond coverage by a surety company, or has there ever been a period of time when your firm had no surety bond in place during a public construction project when one was required?

☐ Yes ☐ No

If "yes", provide details on a separate signed sheet indicating the date when your firm was denied coverage and the name of the company or companies that denied coverage; and the period during which you had no surety bond in place.

11. Within the last five years has there ever been a period when your firm had employees but was without workers' compensation insurance or state-approved self-insurance?

☐ Yes ☐ No

If "yes," please explain the reason for the absence of workers' compensation insurance on a separate signed page. If "No," provide a statement by your current workers' compensation insurance carrier that verifies periods of workers' compensation insurance coverage for the last five years.

12. Has there been more than one occasion during the last five years in which your firm was required to pay either back wages or penalties for your own firm's failure to comply with the **state's** prevailing wage laws?

NOTE: This question refers only to your own firm's violation of prevailing wage laws, not to violations of the prevailing wage laws by a subcontractor.

☐ Yes ☐ No

If "yes," attach a separate signed page or pages, describing the nature of each violation, identifying the name of the project, the date of its completion, the public agency for which it was constructed; the number of employees who were initially underpaid and the amount of back wages and penalties that you were required to pay.

13. If awarded work on a project or projects, where the cost exceeds $1 million, do you agree to be bound by the terms of SCUSD's Project Labor Agreement?

☐ Yes ☐ No

14. How many K-12 school district projects has your firm/company completed pursuant to Education Code section 17406 (lease – leaseback) in the last five years?

15. Is your firm currently the debtor in a bankruptcy case?

☐ Yes ☐ No

If "yes," please attach a copy of the bankruptcy petition, showing the case number, and the date on which the petition was filed.

16. Was your firm in bankruptcy at any time during the last five years? (This question refers only to a bankruptcy action that was not described in answer, above)

☐ Yes ☐ No

If "yes," please attach a copy of the bankruptcy petition, showing the case number and the date on which the petition was filed, and a copy of the Bankruptcy Court's discharge order, or of any other document that ended the case, if no discharge order was issued.

17. At any time in the last five years has your firm been assessed and paid liquidated damages under a construction contract with either a public or private owner?

☐ Yes ☐ No

If yes, explain on a separate signed page, identifying all such projects by owner, owner's address, the date of completion of the project, amount of liquidated damages assessed and all other information necessary to fully explain the assessment of liquidated damages.

18. In the last five years has your firm, or any firm with which any of your company's owners, officers or partners was associated, been debarred, disqualified, removed or otherwise prevented from bidding on, proposing, or completing, any government agency or public works project for any reason?

NOTE: "Associated with" refers to another construction firm in which an owner, partner or officer of your firm held a similar position.

☐ Yes ☐ No

If "yes," explain on a separate signed page. State whether the firm involved was the firm applying for pre-qualification here or another firm. Identify by name of the company, the name of the person within your firm who was associated with that company, the year of the event, the owner of the project, the project and the basis for the action

19. In the last five years has your firm been denied an award of a public works contract based on a finding by a public agency that your company was not a responsible bidder?

☐ Yes ☐ No

If "yes," explain on a separate signed page. Identify the year of the event, the owner, the project and the basis for the finding by the public agency.

20. Has your firm or any of its owners, officers or partners ever been found liable in a civil suit or found guilty in a criminal action for making any false claim or material misrepresentation to any public agency or entity?

☐ Yes ☐ No

If "yes," explain on a separate signed page, including identifying who was involved, the name of the public agency, the date of the investigation and the grounds for the finding.

21. Has your firm or any of its owners, officers or partners ever been convicted of a crime involving any federal, state, or local law related to construction in the last five years?

☐ Yes ☐ No

If "yes," explain on a separate signed page, including identifying who was involved, the name of the public agency, the date of the conviction and the grounds for the conviction.

22. Has your firm or any of its owners, officers or partners ever been convicted of a federal or state crime of fraud, theft, or any other act of dishonesty?

☐ Yes ☐ No

If "yes," identify on a separate signed page the person or persons convicted, the court (the county if a state court, the district or location of the federal court), the year and the criminal conduct.

23. Has CAL OSHA cited and assessed penalties against your firm for any "serious," "willful" or "repeat" violations of its safety or health regulations in the past five years?
NOTE: If you have filed an appeal of a citation and the Occupational Safety and Health Appeals Board has not yet ruled on the appeal, you need not include information about it.

☐ Yes ☐ No

24. Has the EPA or any Air Quality Management District or any Regional Water Quality Control Board cited and assessed penalties against either your firm or the owner of a project on which your firm was the contractor, in the past five years?

NOTE: If you have filed an appeal of a citation and the Appeals Board has not yet ruled on your appeal, or if there is a court appeal pending, you need not include information about the citation.

☐ Yes ☐ No

DECLARATION

I, the undersigned, certify and declare that I have read all the foregoing answers to this Questionnaire and know their contents. The matters stated in the Questionnaire answers are true of my own knowledge and belief, except as to those matters stated on information and belief, and as to those matters, I believe them to be true. I declare under penalty of perjury under the laws of the State of California, that the foregoing is correct.

Dated: _____ By: _____

Contractor Name: _____

Exhibit A

LEASE-LEASEBACK AGREEMENT

Dated as of ***Insert Data Here***

Between

Sacramento City Unified School District

and

*****Insert Data Here*****

*****Insert Data Here*** Project**

(MPN)

LEASE-LEASEBACK AGREEMENT

*****Insert Data Here*** [PROJECT NAME]**

THIS LEASE-LEASEBACK AGREEMENT (this "Agreement") is entered into as of ***Insert Data Here***, by and between the Sacramento City Unified School District, a school district organized and existing under the laws of the State of California (hereinafter called the "Owner"), and ***Insert Data Here***, a corporation and contractor licensed by the State of California, with its principal place of business at ***Insert Data Here***, (hereinafter called "Contractor"). Owner and Contractor together are the "Parties" to this Agreement.

RECITALS:

WHEREAS, the Owner intends to have constructed ***Insert Data Here*** (the "School Facilities") on the campus of the ***Insert Data Here*** School, located at ***Insert Data Here***, ; and

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

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

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

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

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

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

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

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

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

TERMS AND CONDITIONS:

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

*****INSERT DATA HERE*** PROJECT**
AT ***INSERT DATA HERE* SCHOOL**
SACRAMENTO COUNTY, CALIFORNIA,

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

*****Insert Data Here*** [INSERT ARCHITECT NAME, ADDRESS, PHONE NUMBER, FAX]**

and other contract documents relating thereto.

In accordance with Section 3300 of the Public Contract Code, Contractor has a Class "***Insert Data Here***" license that Contractor shall maintain in good standing for the duration of Contractor's work on the Project.

ARTICLE II. CONTRACT DOCUMENTS. The Contractor and the Owner agree that this Agreement, all of the documents listed in Article 1.1.1 of the General Conditions attached hereto (the "General Conditions"), the Site Lease, and the Sublease, together form the "Contract Documents," which form the "Contract." ***insert Data Here*** The Project shall also be governed by the Project Labor Agreement, also attached hereto as Exhibit "D"; and Contractor hereby agrees to conform to all terms and conditions set forth in the Project Labor Agreement.

ARTICLE III. TIME TO COMPLETE AND LIQUIDATED DAMAGES. Time is of the essence in this contract, and the time of completion for this Project shall be ***Insert Data Here*** **[NUMBER OF DAYS]** from the date established in the Owner's Notice to Proceed, for completion of the entire Project.

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

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

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

continue to remain liable to the Owner for such liabilities until all such liabilities are satisfied in full.

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

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

*****Insert Data Here***[USE THE FOLLOWING PARAGRAPH IF GPC INCLUDES ALLOWANCES]**

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

Contractor shall finance the cost of construction of the Project, which costs shall not exceed the GPC, except as otherwise provided in the Contract. The Owner shall pay Contractor sublease payments pursuant to the terms and conditions of Section 6 of the Sublease (the "Sublease Payments"), which terms and conditions include the 10% retention described in Section 6 of the Sublease (the "retention"). The sum of the Sublease Payments shall not exceed the GPC established pursuant to Article IV hereof. Retention or release of the Sublease Payments shall be in accordance with the General Conditions.

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

ARTICLE VI. TERM AND TERMINATION. The term of the Contract begins on the date shown on page 1 above and automatically ends when construction of the Project is complete, or the Contract is otherwise terminated, all in accordance with the General Conditions. All of the covenants, representations and warranties set forth in the Contract, including indemnification obligations, that are intended to bind the Parties after the completion of the Project or termination of the Contract will survive such completion or termination for the periods provided for in the Contract or otherwise allowed by law. The Owner or Contractor may terminate the Contract as provided in the General Conditions. The Site Lease and the Sublease each shall automatically end upon such completion of the Project or termination of the Contract, with the parties' respective leasehold interests thereunder automatically ended and released, and title to the Site and Project automatically and fully vested in the Owner.

ARTICLE VII. PREVAILING WAGES. Pursuant to the provisions of Section 1770 *et seq*. of the Labor Code of the State of California, which are hereby incorporated by reference and made a part hereof, the Director of Industrial Relations has determined the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in the locality in which the work is to be performed, for each craft, classification or type of worker needed to execute this Contract. Per diem wages shall be

deemed to include employer payments for health and welfare, pension, vacation, apprenticeship or other training programs, and similar purposes. Copies of the rates are on file at the Owner's principal office. The rate of prevailing wage for any craft, classification or type of workmanship to be employed on this Project is the rate established by the applicable collective bargaining agreement which rate so provided is hereby adopted by reference and shall be effective for the life of this Agreement or until the Director of the Department of Industrial Relations determines that another rate be adopted. It shall be mandatory upon the Contractor and on any subcontractor to pay not less than the said specified rates to all workers employed in the execution of this Agreement.

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

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

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

ARTICLE IX. APPRENTICES. The Contractor agrees to comply with Chapter 1, Part 7, Division 2, Sections 1777.5 and 1777.6 of the California Labor Code, which are hereby incorporated and made a part hereof. These sections require that contractors and subcontractors employ apprentices in apprenticeable occupations in a ratio of not less than 1 hour of apprentice's work for each 5 hours of work performed by a journeyman (unless an exemption is granted in accordance with Section 1777.5) and that contractors and subcontractors shall not discriminate among otherwise qualified employees as indentured apprentices on any public works solely on the ground of sex, race, religious creed, national origin, ancestry or color. Only apprentices as defined in Labor Code Section 3077, who are in training under apprenticeship standards and who have signed written apprentice agreements, will be employed on public works in apprenticeable occupations. The responsibility for compliance with these provisions is fixed with the Contractor for all apprenticeable occupations.

ARTICLE X. INDEMNIFICATION AND INSURANCE. The Contractor will defend, indemnify and hold harmless the Owner, its governing board, officers, agents, trustees, and employees against and from any

and all liability for damages on account of injury to or death of persons or damage to property or delay or damage to another contractor resulting from or arising out of or in any way connected with the performance by the Contractor of this Agreement and reimburse the Owner for all costs, attorney's fees, expenses and loss incurred by it in consequence of any claims, demands, and causes of action which may be brought against it arising out of the performance by the Contractor of this Agreement. This indemnification shall be in addition to the other indemnification provisions contained in the Contract Documents.

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

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

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

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

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

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

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

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

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

ARTICLE XVIII. WRITTEN NOTICE. Written notice shall be deemed to have been duly served if

delivered in person to the individual or member of the firm or to an officer of the corporation for whom it was intended or if delivered at or sent by registered or certified or overnight mail to the last business address known to the person who gives the notice.

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

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

* * * * * * * * * * * * * * * * * * * *

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

OWNER	**CONTRACTOR**
SACRAMENTO CITY UNIFIED SCHOOL DISTRICT	*****INSERT DATA HERE***,**
By:_____ Ken A. Forrest Chief Business Officer	By: _____ Signature
_____ Date	_____ Print Name/President
	By: _____ Signature
	_____ Print Name/Corporate Secretary
	_____ Date
	Contractor's License Number and Expiration Date: _____

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

EXHIBIT A - Lease-Leaseback Agreement

SCOPE OF WORK

Insert Data Here Project

at ***Insert Data Here*** School

The GPC for construction costs is based on the plans, specifications, drawings, and design packages prepared by ***Insert Data Here*** **[ARCHITECT]**, architects for the Owner. The detailed Scope of Work is set forth in said plans, specifications, drawings, and design packages, which are incorporated herein by this reference.

EXHIBIT B - Lease-Leaseback Agreement

Insert Data Here Project

at ***Insert Data Here*** School

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

*****Insert Data Here*****

[INSERT ANY ADDENDUMS / MODIFICATIONS TO SCOPE OF WORK]

EXHIBIT C - Lease-Leaseback Agreement

Insert Data Here Project

at ***Insert Data Here*** School

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

[ATTACH SOV]

SITE LEASE AGREEMENT

Dated as of ***Insert Data Here***

Between

Sacramento City Unified School District

and

*****Insert Data Here*****

*****Insert Data Here*** Project**

(MPN)

SITE LEASE

*****Insert Data Here*** Project**

This SITE LEASE AGREEMENT ("Site Lease") is dated as of ***Insert Data Here***, and is by and between the Sacramento City Unified School District, a school district duly organized and existing under the laws of the State of California (the "Owner"), as lessor, and ***Insert Data Here***, a corporation organized and operating under the laws of the State of California ("Contractor"), as lessee.

WHEREAS, the Owner desires to provide for the financing and construction of certain public improvements, namely the ***Insert Data Here*** Project (the "Project") more fully described in a Lease-Leaseback Agreement between the Owner and Contractor, and located at ***Insert Data Here*** School, ***Insert Data Here*** **[insert address]**, Sacramento, California, (the "Site"); and

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

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

SECTION 2. Term. The term of this 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 Owner exercises its option to purchase the Project, pursuant to Section 22 of the Sublease, then the term of this Site Lease shall end on the date of exercise of the option; or

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

(c) In accordance with the Lease-Leaseback Agreement, the term of this Site Lease shall automatically end upon such completion of the Project or termination of the Contract, with the parties' respective interests hereunder automatically ended and released, and title to the Site and Project automatically and fully vested in the Owner.

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

(a) The Owner has good and merchantable fee title to the 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 Owner intends to render zoning inapplicable pursuant to Government Code section 53094;

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

(f) There is no litigation of any kind currently pending or threatened regarding the Site or the Owner'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 Owner's knowledge, after actual inquiry: (i) no dangerous, toxic or hazardous pollutants, contaminants, chemicals, waste, materials or substances, as defined in or governed by the provisions of any State or Federal Law relating thereto (hereinafter collectively called "Environmental Regulations"), and also including, but not limited to, urea-formaldehyde, polychlorinated biphenyls, asbestos, asbestos containing materials, nuclear fuel or waste, radioactive materials, explosives, carcinogens and petroleum products, or any other waste, material, substance, pollutant or contaminant which would subject the owner of the Site or Contractor or Contractor's subcontractors to any damages, penalties or liabilities under any applicable Environmental Regulation (hereinafter collectively called "Hazardous Substances"), are now or have been stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited or disposed of in, upon, under, over or from the 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 Owner shall not abandon the Site for the use for which it is currently required by the Owner and further, shall not seek to substitute or acquire property to be used as a substitute for the uses for which the 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 Contractor and the Owner consent in writing which will not impair or impede the operation of the Site.

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

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

(b) Contractor has full power, authority, and legal right to enter into and perform its obligations under this 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 Contractor 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 Contractor is a party or by which it or its property is bound.

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

SECTION 5. Rental. Contractor shall pay to the Owner 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 ***Insert Data Here*** **[date]** through approximately ***Insert Data Here*** **[date]**, unless earlier terminated or otherwise agreed by the parties.

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

SECTION 7. Termination. Contractor agrees, upon termination of this 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 Owner any liens and encumbrances created or caused by Contractor; 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 Owner. Notwithstanding the Owner's foregoing rights in the event of termination, Contractor shall retain the right to full compensation for all services rendered prior to the termination in accordance with the Lease-Leaseback Agreement and the Sublease.

SECTION 8. Quiet Enjoyment. The Owner covenants and agrees that it will not take any action to prevent Contractor's quiet enjoyment of the Site during the term of this Site Lease; and, that in the event the Owner's fee title to the Site is ever challenged so as to interfere with Contractor's right to occupy, use and enjoy the Site, the Owner 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 Contractor's right to occupy, use, and enjoy that portion of the Site.

SECTION 9. No Liens. The Owner 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 Contractor. Nothing herein shall preclude the Owner 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 Owner 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 Contractor's operations on the Project.

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

SECTION 12. No Waste. Contractor agrees that at all times that it is in possession of the 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 Contractor 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 Contractor, the Owner 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 Contractor shall be recognized and is hereby determined to be the amount of all Sublease Payments then due or past due, the next succeeding Sublease Payment and the purchase option price stated in Section 22 of the Sublease less any unearned interest as of the date the Contractor receives payment in full. The balance of the award, if any, shall be paid to the Owner. For purposes of this Section 14, the Sublease Payment(s) include all amounts withheld pursuant to Section 6, paragraph (c) of the Sublease.

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

SECTION 16. Indemnification. The Owner covenants and agrees to indemnify and hold Contractor harmless from and against any and all losses, claims, suits, damages and expenses (including reasonable attorneys fees) arising out of the condition of the Site, including but not limited

to, all costs required to be incurred by Contractor as a result of any condition described in Section 3, paragraph (g) hereof, whether or not known to the Owner on the date of execution of this 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 Owner or Contractor, as the case may be, by personal delivery or registered mail (with a copy sent via fax or regular mail) to the respective addresses given below, or at such address as such party may provide in writing from time to time.

If to Owner:	If to Contractor:
Sacramento City Unified School District Attn: Kimberly Teague, Contract Specialist 5735 47th Avenue Sacramento, CA 95824	***INSERT DATA HERE*** Name, Title, and Address

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

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

SECTION 21. Execution in Counterparts. This 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 and the rights of the parties hereunder shall be governed by and construed in accordance with the laws of the State of California.

SECTION 23. Headings. The captions or headings in this 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.

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

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

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.

LESSOR

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

By:_____
Ken A. Forrest
Chief Business Officer

_____
Date

LESSEE

*****INSERT DATA HERE*****

By: _____
Signature

_____
Print Name/President

By: _____
Signature

_____
Print Name/Corporate Secretary

_____
Date

EXHIBIT “A”

DESCRIPTION OR DEPICTION OF SITE

(See attached)

SUBLEASE AGREEMENT

Dated as of ***Insert Data Here***

Between

Sacramento City Unified School District

and

*****Insert Data Here*****

*****Insert Data Here*** Project**

(MPN)

SUBLEASE AGREEMENT

*****Insert Data Here*** PROJECT**

This SUBLEASE AGREEMENT ("Sublease") is dated as of ***Insert Data Here***, and is by and between ***Insert Data Here***, ("Contractor"), a corporation organized and operating under the laws of the State of California (the "State"), as lessor, and the Sacramento City Unified School District (the "Owner"), a public school district duly organized and existing under the Constitution and laws of the State as lessee.

RECITALS:

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

WHEREAS, the Owner deems it essential for its own governmental purpose to finance the construction and installation of certain improvements described in ***Exhibit "A"*** of the Lease-Leaseback Agreement entered into between the Owner and Contractor dated ***Insert Data Here***, for the ***Insert Data Here*** Project (the "Lease-Leaseback Agreement"; and the "Project") and situated on the Site described in ***Exhibit A*** of the Site Lease dated the same date between the Owner and Contractor related to the Project (the "Site Lease"). The land described in the Site Lease is herein referred to as the "Site"; and

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

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

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

WITNESSETH:

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

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

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

fully vested in the Owner.

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) There is no pending or, to the knowledge of Contractor, threatened action, or

proceeding before any court or administrative agency that will materially adversely affect the ability of Contractor to perform its obligations under this Sublease;

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

SECTION 5. Construction/Acquisition.

(a) The Owner has entered into the Lease-Leaseback Agreement and the Site Lease with Contractor in order to acquire and construct the Project. The cost of the acquisition, construction, and installation of the Project is determined by the GPC as set forth in Article IV of the Lease-Leaseback Agreement.

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

SECTION 6. Sublease Payments.

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

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

(c) In accordance with the General Conditions, the Owner shall retain an amount equal to 10% of each Sublease Payment. Release of the retention and the final Sublease Payment shall be made in the manner described in the General Conditions.

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

SECTION 7. Fair Rental Value. Sublease Payments shall be paid by the Owner in consideration of the right of possession of, and the continued quiet use and enjoyment of, the Project and the Site during this Sublease. The parties hereto have agreed and determined that such total rental is not in excess of the fair rental value of the Project and the Site. In making such determination, consideration has been given to the fair market value of the Project and the Site, other obligations of the parties under this Sublease (including, but not limited to, costs of maintenance, taxes and insurance), the uses and purposes which may be served by the Project

and the Site and the benefits therefrom which will accrue to the Owner and the general public, the ability of the Owner to make additions, modifications and improvements to the Project and the Site which are not inconsistent with the Lease-Leaseback Agreement and which do not interfere with Contractor's work on the Project and Site.

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

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

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

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

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

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

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

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

SECTION 16. Indemnity. In addition to the indemnification set forth in Article X of the Lease-Leaseback Agreement, to the extent permitted by law, and with the exception of the Contractor's responsibilities as "Contractor" under the Lease-Leaseback Agreement, the Owner shall, with respect to the Project and the Site, indemnify Contractor against and hold Contractor harmless from any and all claims, actions, suits, proceedings, costs, expenses, damages, and liabilities, including attorneys' fees, arising out of, connected with or resulting from any acts of omission or commission by the Owner's employees and agents or claims resulting from incidents or occurrences involving the financing of the Project and Lease-Leaseback aspects of the Project and third parties on the Site, including without limitation, the construction, possession, use or operation of the Project and further, the Owner agrees, to the extent the law allows, to indemnify Contractor against and hold Contractor harmless from and against any and all claims, actions, suits, proceedings, cost, expenses, damages, and liabilities, including attorney's fees, arising out of, connected with or resulting from the clean-up of any hazardous materials or toxic wastes from the Site or the Project; provided, however, that the Owner shall not be required to indemnify Contractor in the event that such liability or damages are caused by the negligence or intentional misconduct of Contractor.

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

SECTION 18. Remedies on Default. Upon the happening of any Event of Default, the non-defaulting Party may exercise any and all remedies available pursuant to law or in equity or granted pursuant to this Sublease. Notwithstanding any provisions to the contrary herein,

Contractor shall not under any circumstances have the right to accelerate the Sublease Payments that fall due in future Sublease periods or otherwise declare any Sublease Payments not then in default to be immediately due and payable.

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

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

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

SECTION 22. Sublease Prepayments/Purchase Option.

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

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

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

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

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

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

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

SECTION 23. Release of Liens.

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

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

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

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

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

If to Owner:	If to Contractor:
Sacramento City Unified School District Attn: Kimberly Teague, Contract Specialist 5735 47th Avenue Sacramento, California 95824	***INSERT DATA HERE*** Name, Title, and Address

SECTION 27. Headings. The captions or headings in this Sublease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Sublease.

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

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

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

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

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

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

OWNER

SACRAMENTO CITY
UNIFIED SCHOOL DISTRICT

By:_____
Ken A. Forrest
Chief Business Officer

_____
Date

CONTRACTOR

*****INSERT DATA HERE*****

By: _____
Signature

_____
Print Name/President

By: _____
Signature

_____
Print Name/Corporate Secretary

_____
Date

EXHIBIT A

SCHEDULE OF SUBLEASE PAYMENTS

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

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