



# Sacramento City Unified School District

**Business Services**

**Contracts Office**

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*Gerardo Castillo, Chief Business Officer*

*Kimberly Teague, Contract Specialist*

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## **LEASE-LEASEBACK**

### **SITE LEASE AGREEMENT**

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

**Between**

**Sacramento City Unified School District**

**and**

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

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

# LEASE-LEASEBACK SITE LEASE AGREEMENT

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

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This **LEASE-LEASEBACK SITE LEASE AGREEMENT** (“Site Lease”) is entered into on \*\*\*Insert Data Here\*\*\*, between the Sacramento City Unified School District, a California public school district (the “Owner”), as lessor, and \*\*\*Insert Data Here\*\*\*, a California corporation and licensed general contractor (“Contractor”), as lessee. Owner and Contractor are each a “Party” and together are the “Parties” to this Site Lease.

The Owner desires to provide for the financing and construction of certain public improvements (the “Project”) more fully described in a Lease-Leaseback Agreement between the Owner and Contractor and located at \*\*\*Insert Data Here\*\*\* (the “Site”); and

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

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

The purpose of the Lease is for Contractor to have necessary access to and use of the Site for the purpose of making, during the term of the Lease, the tenant improvements included in the Project, and as a condition of the Lease, Contractor agrees to make those tenant improvements; and

Contractor is authorized to lease the Site as lessee and to make the tenant improvements defined as the Project on the Site, and has authorized the execution and delivery of this Site Lease.

The Parties therefore agree as follows:

1. **Site Lease.** The Owner leases to Contractor, and Contractor leases from the Owner, on the terms and conditions of this Site Lease, the Site more specifically described or depicted in **Exhibit A** attached to this Site Lease, including any real property improvements now or later placed on the Site. Hereafter, reference in this Site Lease to the term “Contractor” means Contractor and Contractor’s assigns for those rights, interests, and obligations that may be assigned by Contractor. The Site is leased to Contractor on an “as is” basis. Owner shall not be required to make or construct any alterations including structural changes, additions or improvements to the Site. By entering and taking possession of the Site pursuant to this Lease, Contractor accepts the Site in “as is” condition. Any agreements, warranties, or representations not expressly contained herein shall in no way bind either Owner or Contractor, and Owner and Contractor expressly waive all claims for damages by reason of any statement, representation, warranty, promise or agreement, if any, not contained in this Site Lease or the Contract Documents.

2. **Term.** The term of this Site Lease (“Lease Term”) shall begin as of the date above and shall be coterminous with the term of the Lease-Leaseback Agreement. Upon termination, the Parties’ respective interests under this Site Lease will automatically end and be released, and title to the Site and Project will automatically and fully vest in the Owner. Upon termination, Contractor shall immediately quit and surrender the Site to Owner in good order and condition, and shall remove all of Contractor’s personal property and also any trash, debris, chemicals or hazardous materials

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.

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.

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.

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. Contractor warrants that it will not engage in any unlawful activities on the Site and that Contractor will not engage in activities on the Site not authorized by the Owner.

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.

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 un-encumbered fee title to the Site and to defend Contractor's right to occupy, use, and enjoy that portion of the Site.

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. Contractor warrants that at all times during this Lease, the Site and Project shall remain free and clear of all liens (including mechanic's liens), mortgages, deeds of trust, easements and all other encumbrances, other than liens existing at the time the Project starts, unless the Owner gives Contractor prior written permission to place, or allow to be placed, any liens, mortgages, deeds of trust, easements or other encumbrances on the Site.

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.
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.
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.
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.
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. The balance of the award, if any, shall be paid to the Owner.
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.
16. **Severability.** If a court of competent jurisdiction shall hold any provision of this Site Lease invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision of this Site Lease, unless elimination of such provision materially alters the rights and obligations embodied in this Site Lease.
17. **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 47 <sup>th</sup> Avenue Sacramento, CA 95824	***INSERT DATA HERE***

18. **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.
19. **Amendments and Modifications.** This Site Lease shall not be effectively amended, changed, modified, altered, or terminated without the written agreement of both Parties.
20. **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.
21. **Applicable Law.** This Site Lease and the rights of the Parties under it shall be governed by and construed in accordance with the laws of California.
22. **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.

23. **Time.** Time is of the essence in this Site Lease and all of its provisions.

24. **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.

LESSOR

LESSEE

**SACRAMENTO CITY  
UNIFIED SCHOOL DISTRICT**

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

By: \_\_\_\_\_

Gerardo Castillo  
Chief Business Officer

\_\_\_\_\_  
Date

By: \_\_\_\_\_

Signature

\_\_\_\_\_  
Print Name/President

\_\_\_\_\_  
Date

By: \_\_\_\_\_

Signature

\_\_\_\_\_  
Print Name/Corporate Secretary

\_\_\_\_\_  
Date

**EXHIBIT A**

**DESCRIPTION OR DEPICTION OF SITE**

Contractor hereby leases those portions of the property identified as \_\_\_\_\_ as depicted on this diagram.