WHEREAS Lessor desires to begin the Project (the "Improvements") on the Site, as more particularly described in Exhibit A to the Facilities Lease, as referenced below;

WHEREAS Lessee, as defined below, desires to lease the Site from Lessor with the intent to perform preconstruction services and to construct the Improvements on the Site;

WHEREAS Lessor intends to lease the Site to Lessee to permit Lessee to perform necessary preconstruction services and to construct the Improvements on the Site, and to lease from Lessee the Site and Improvements constructed thereon;

WHEREAS the Governing Board of Lessor ("Board") has determined that it is in the best interests of Lessor, and for the common benefit of the citizens residing in the school district, to construct the Improvements by leasing the Site to Lessee and by entering into the Facilities Lease of even date herewith, under which Lessor will sublease the Site and lease the Improvements from Lessee, and has duly authorized the lease of the Site and sublease of the Site and Improvements;

WHEREAS Lessee is duly authorized to lease the Site, to construct the Improvements thereon, and to sublease the Site and Improvements to Lessor, and has duly authorized the lease of the Site and sublease of the Site and Improvements;

WHEREAS Lessor and Lessee have each performed all acts, conditions, and things required by law to exist, to have happened, and to have been performed precedent to and in connection with the execution and entering into this Site Lease ("Lease") and each has duly authorized and directed its respective officers to execute and enter into this Lease;

WHEREAS the parties further acknowledge and agree that they have entered into this Lease and the Facilities Lease, as defined below, pursuant to Education Code section 17406 as the best available and most expeditious means for Lessor to satisfy its substantial need for the Improvements;

1.5 : the date this Lease is fully executed and

4.4.6 For existing improvements, Lessor shall maintain property insurance covering loss or damage to the Site in the full amount of its replacement value.

4.4.7 . Lessee and Lessor shall pay all premiums for the insurance policies described in no later than the due date. Lessee shall deliver to Lessor a certificate of insurance, including any required Additional Insured Endorsements and Waivers of Subrogation, executed by an authorized officer of the insurance company, showing that the insurance which Lessee is required to maintain under this Section is in full force and effect and containing such other information which Lessor reasonably requires.

4.4.8 General Insurance Provisions.

4.4.8.1 If, without Lessor's consent, Lessee fails to deliver any policy, certificate or renewal to Lessor required under this Lease within the prescribed time period or if any such policy is canceled or coverage does not meet the requirements of this Lease during the Lease Term, Lessor may, after providing Lessee written notice and a reasonable opportunity to cure, obtain such insurance, in which case Lessee shall reimburse Lessor for the cost of such insurance within fifteen (15) days after receipt of a statement that indicates the cost of such insurance.

4.4.8.2 Lessee shall maintain all insurance required under this Lease with companies holding a Bests' rating of no less than A-VII.

4.4.8.3 Lctiess o m e d

Hazardous Materials. Lessee shall have no responsibility or liability for Hazardous Materials that are pre-existing on the Site or that are brought to the Site by others for whom Lessee is not liable.

To the fullest extent permitted by law, the Lessor shall defend, indemnify and hold harmless the Lessee1.961 10.921 reW nBT9 -0 0 9 508.8 105.36 Tmt -0 0 9 508.8 10BDC 995

needed). If any

Lessor has not required Lessee to remove shall become Lessor's property and shall be surrendered to Lessor upon the expiration or earlier termination of the Lease, except that Lessee may remove any of Lessee's machinery or equipment which can be removed without material damage to the Site. Lessee shall repair,

8.2.3 If Lessee abandons the Site.

8.2.4 If Lessee unreasonably refuses or fails to prosecute the work under the Facilities Lease with such reasonable diligence as will accomplish its completion within the time specified or any extension thereof, or unreasonably fails to complete said work within such time.

8.2.5 If Lessee should be adjudged a bankrupt, or file for bankruptcy, or if Lessee should make a general assignment for the benefit of its creditors, or if a receiver should be appointed on account of its insolvency, provided that such condition described in this subsection is not corrected or cured within thirty (30) days.

8.2.6 If Lessee persistently disregards any applicable law or regulation related to the Site or related to its lease or occupancy of the Site.

8.3 Lessor shall be in material default under this Lease if Lessor fails to observe and perform any covenant, condition, or agreement in this Lease on its part to be observed or performed for a period of thirty (30) days after Lessee provides written notice specifying such failure and requesting that it be remedied; provided, however, if the failure stated in the notice cannot be corrected within thirty (30) days, Lessee shall not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessor within thirty (30) days and diligently pursued until the default is corrected. The notice required by this Section is intended to satisfy unr1n

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or municipal administrative body which, if determined adverse to Lessor or its interests, would have a material and adverse effect upon Lessor's ability to consummate or perform the transactions and obligations contemplated by, or validity of, this Lease or the Facilities Lease. Lessor is not in default with respect to any order or decree of any court or any order, regulation, or demand of any federal, state, local or foreign governmental agency or instrumentality or administrative body which default might

9.2.4 Lessee is aware of no action, suit, proceeding, inquiry, or investigation pending or threatened in any court or in any federal, state, or municipal administrative body which, if determined adversely to Lessee or its interests, would have a material and adverse effect upon Lessee's ability to consummate or perform the transactions and obligations contemplated by, or validity of, this Lease or the Facilities Lease. Lessee is not in default with respect to any order or decree of any court or any order, regulation, or demand of any federal, state, or municipal administrative body

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