Meeting Packet

Governing Board Agenda

Governing Board Agenda

CABRILLO UNIFIED SCHOOL DISTRICT
Regular Governing Board Meeting
Half Moon Bay High School
Multi-Purpose Room
1 Lewis Foster Drive, Half Moon Bay, California 94019
January 19, 2017, 7:00 PM (Closed Session 6:00 PM)

1. CALL TO ORDER - 6:00 P.M.
2. ROLL CALL / QUORUM

___ Ms. Freya McCamant, President
___ Mr. Rob Pappalardo, Vice President
___ Ms. Sophia Layne, Clerk to the Governing Board
___ Ms. Kimberly Hines, Member
___ Dr. Kirk Riemer Ph.D, Member

3. COMMENTS FROM THE PUBLIC RELATED TO ITEMS ON THE CLOSED SESSION AGENDA

Anyone wishing to address the Board regarding any of the Closed Session matters may do so at this time.

4. RECESS TO CLOSED SESSION

a. Pupil Personnel/Student Matters (Education Code §35146).

The Board may hear expulsion cases and consider the requests from students for re-admittance following expulsion. Also, the Board may review student disciplinary reports, exemption requests, and other student related matters that are regarded to be confidential according to Education Code. The Education Code requires closed session in these cases to prevent disclosure of confidential student record information.

i. The Governing Board will consider two recommendations for expulsion.

b. Public Employee Discipline/Dismissal/Release (Government Code §54954.5, §54957).

c. Conference with Legal Counsel – Anticipate Litigation (Government code §54956.9).

Conference regarding anticipated litigation pursuant to Subdivision (b) of Section §54956.9.

d. Discuss Real Property Negotiations (Government Code §54954.5).

e. With respect to every item of business to be discussed in closed session pursuant to (Government Code §54957.6): Update School Facilities Construction.

f. Conference Regarding Labor Negotiations with District-Designated Representatives Dannis/Wolliver/Kelley, Jane Yuster, John Corry (Government Code §54957.6).

   i. Cabrillo Unified Teachers' Association

   ii. California School Employees' Association, Chapter 485

5. RECONVENE OPEN SESSION – 7:00 P.M.

Report action from Closed Session: if applicable.

6. PLEDGE OF ALLEGIANCE

7. ADOPTION OF AGENDA AS PRESENTED / AMENDED

8. STUDENT / STAFF / COMMUNITY RECOGNITION

The Governing Board Recognizes the Half Moon Bay High School CCS Winning Football Team Members.

08.a HMB Varsity Football Roster 2016 Board Agenda.pdf (p. 8)

9. COMMENTS FROM THE PUBLIC RELATED TO ITEMS NOT ON THIS AGENDA

Public Participation at Board Meetings

The Board of Education encourages your participation in its deliberations. If you wish to address the Board on an agenda item, please fill out a speaker card located on the agenda table at the back of the room and present it to the Administrative Assistant seated to the immediate left of the Superintendent prior to the item being called. Any additional materials you choose to present will be copied and presented to all Board members following the meeting. The Board President will randomly call on persons submitting cards. The general order of discussion on any particular agenda item during the course of a meeting is: 1) Staff presentation on item, 2) Public comment, and 3) Board deliberation and action, if so warranted. If you wish to address the Board on a matter that is not on the agenda, you may speak during the "Comments from the Public" portion of the meeting that is held near the beginning of the meeting following the same general procedures noted above. Board members are legally prohibited from discussing non-agenda items and, therefore, cannot respond to items presented at this time. Open session is audio and/or video recorded.

Board agendas are often long and time is limited. For that reason, the Board reserves the right to limit the time allocated to each speaker (three minutes) as well as the cumulative time allocated to multiple speakers who are addressing the same topic (twenty minutes). The presiding officer may rule out of order persons who unduly interrupt or otherwise interfere with the orderly conduct of business, or who use defamatory, abusive, or profane language. Irrelevant or redundant presentations may likewise be ruled out of order. In the unlikely event that the behavior of an individual is such that the Board is unable to continue to conduct its business in an orderly manner, the Board President may direct the offending individual(s) to vacate the meeting room. Finally, a citizen may place an item on the Board Agenda by submitting a written request and supporting information to the Superintendent's Office.

The Superintendent, in consultation with the Board President, will determine at which upcoming regular Board meeting the item will be scheduled. The person who requested the item will be allowed three minutes at the meeting to present the information to the Board. Following this presentation the Board may

address the issue, put the issue on a future agenda for more discussion and action, refer the issue to the administration for follow-up, or take no action. In compliance with the Americans with Disabilities Act, those individuals requiring assistance and/or accommodations or *Spanish language translation in order to participate in this meeting are asked to contact the Superintendent's Office in advance at (650) 712-7112. (*Si usted necesita traducción al español para participar en esta reunión se pide que se ponga en contacto con la oficina del Superintendente antes de esta fecha al (650) 712-7112.)

10. REPRESENTATIVE REPORTS

a. CUTA Representative

b. CSEA Representative

11. REPORTS / INFORMATION / PRESENTATIONS

a. Receive Report on Status of Classroom Technology Integration Plan

11.a Green Sheet Tecnology Report.pdf (p. 10)

11.a.1 Jan 2017 Presentation - Technology Plan Status-finalversion.pdf (p. 11)

b. Receive Report on Local Control Accountability Plan Goals 3 & 4 Update

11.b Green Sheet LCAP Report.pdf (p. 25)

11.b.1 LCAP Goal 3 and 4 Update.pdf (p. 27)

c. Receive Audit Report for Year Ending June 30, 2016

11.c Receive Audit Report for year ending June 30 2016 11.c.pdf (p. 49)

11.c.1 2015-16 CUSD Audit Presentation.pdf (p. 50)

d. Receive the Measure B Parcel Tax Citizens' Oversight Committee Annual Report

11.d Green Sheet Measure B 01.19.pdf (p. 54)

11.d.1 Cabrillo USD Parcel Tax Report 2016-17 (1).pdf (p. 56)

12. DISCUSSION ITEMS

a. Discuss Proposed Block Scheduling for Half Moon Bay High School

12.a Green Sheet Block Scheduling.pdf (p. 71)

12.a.1 Block Schedule Board Presentation.pdf (p. 73)

13. COMMUNICATIONS

a. Board Members

b. Student Board Member

c. Superintendent

14. CONSENT ITEMS

The Consent Agenda

Consent items are those items judged by staff to be routine in nature, consistent with policy, and reflective of established practice. As a time-saving measure, such items are typically grouped together on what is

called the “Consent Agenda” for Board consideration of action. The Consent Agenda requires a motion and a second and must be approved by a roll call vote of the Governing Board. Any Board member may direct that one or more of these items be removed from the Consent Agenda for the purpose of discussion and consideration of action.

a. Approve Annual Field Trip for 8th Grade Social Studies Class to Washington, DC, February 19 - 23, 2017

14.a FT CU Washington DC.pdf (p. 78)

b. Approve Field Trip for High School Future Farmers of America to Davis, California, March 3 - 4, 2017

14.b HS FT FFA.pdf (p. 80)

c. Approve Field Trip for High School Future Farmers of America to Chico, California, March 10 - 11, 2017

14.c FT HS FFA Chico.pdf (p. 81)

d. Approve Field Trip for High School Future Farmers of America to Eureka, California, March 24 - 25, 2017

14.d FT HS FFA Eureka.pdf (p. 82)

e. Approve Certificated Personnel Report

14.e 17-01-19 Certificated Report.pdf (p. 83)

f. Approve Classified Personnel Report

14.f 17-01-19 classified report.pdf (p. 85)

g. Approve the Saint Mary's College of California Student Placement Agreement

14.g Green Sheet Saint Marys Student teaching agreeemnt.pdf (p. 87)

14.g.1 Saint Marys 2016-2017 (1).pdf (p. 88)

h. Approve the Agreement for Cooperation for Professional Preparation of Teacher Candidates for the 2016-2017 Academic Year between Cabrillo Unified School District and Stanford University

14.h Approve Stanford Teacher candidate agreeemnt 16-17.pdf (p. 92)

14.h.1 Stanford University 2016-2017_Redacted.pdf (p. 93)

i. Accept Donations to Cabrillo Unified School District

14.i Green Sheet Donations.pdf (p. 101)

j. Accept Enrollment Report for the Fourth Month of the 2016-2017 School Year

14.j Green Sheet 4th month enrollment report.pdf (p. 103)

14.j.1 Period 4.pdf (p. 104)

k. Approve Establishment of Parent Advisory Committee and English Learner Parent Advisory Committee

14.k Green Sheet Parent Advisory Committee.pdf (p. 105)

l. Approve and Adopt Minutes of December 8, 2016 Regular Governing Board Meeting

14.l Green Sheet Board minutes.pdf (p. 107)

14.l.1 Minutes 12-08-16 unadopted.pdf (p. 108)

15. ACTION ITEMS

a. Approve New Course Proposal (Part II) for Half Moon Bay High School

15.a Green Sheet Jan 19 2016 Mtg.pdf (p. 118)

15.a.1 Inroduction to Music.pdf (p. 120)

b. Approve Audit Report for Year Ending June 30, 2016

15.b Green Sheet Audit Report.pdf (p. 125)

15.b.1 2015-16 CUSD Audited Financials - C&ALLP.pdf (p. 126)

c. Approve Lease-Lease Back Agreement with Blach Construction

15.c Green Sheet Agreement of LLB Cunha C Building.pdf (p. 209)

15.c.1 17.01.06 - 16-151 Cunha GMP.pdf (p. 210)

15.c.2 16.12.19 - Site Lease - Cunha Building C (BCC Signed)_Redacted.pdf (p. 212)

15.c.3 16.12.19 - Facilities Lease Agreement - Cunha Building C (BCC Signed)_Redacted.pdf (p. 225)

d. Adopt Resolution No. 01-17 to Authorize Superintendent, Jane Yuster to Sign and Execute all Agreements Between the State of California, Department of Rehabilitation (DOR) and Cabrillo Unified School District

15.d Green Sheet 1.19.17 Sp. Ed.pdf (p. 364)

15.d.1 Department of Rehabilitation (DOR) Agreement (2).pdf (p. 365)

e. Adopt Resolution No. 02-17 of Cabrillo Unified School District's Principles for Undocumented Students and Their Families

15.e Green Sheet Undocumented Students and families Resolution.pdf (p. 377)

15.e.1 Resolution undocumented students.pdf (p. 378)

f. Approve the Extension of the Term of the Superintendent's Contract

15.f Green Sheet Sup Contract extension.pdf (p. 380)

15.f.1 Sup Yuster Contract 16-19.pdf (p. 381)

16. FUTURE BOARD AGENDA ITEMS

a. Receive Second Interim Budget Presentation for 2016-2017

b. Approve Reducing and/or Discontinuing of Classified Positions

c. Aprove the Release of Temporary Certificated Staff

17. FUTURE EVENTS/DATES/REQUESTS

a. January 23 - Health and Wellness Committee Meeting, 4:30 PM

b. January 24 - Staff Professional Development Day-Minimum Day for Students

c. January 26 - LCAP Parent Advisory Committee Meeting, 6:00 PM

d. January 27 - DELAC Parent Committee, 5:00 PM, District Office

e. February 2 - 5th Graders Student Orientation at Cunha School

f. February 4 - Ribbon Cutting Ceremony-New Cunha GYM, 4:00 PM

g. February 6 - Health and Wellness Committee Meeting, 4:30, Half Moon Bay High School

h. February 7 - Big Lift Meeting, 3:00 PM, District Office

i. February 7 - Chamber Education Committee Meeting, 4:00 PM, District Office

j. February 16 - Regular Governing Board Meeting, 7:00 PM

18. RETURN TO CLOSED SESSION (IF NECESSARY)

19. ADJOURNMENT OF THE MEETING

Meeting Curfew

Board Bylaw 9323 stipulates that the meeting of the Board shall conclude no later than 10:00 p.m. The Board, at its discretion, may extend the meeting for a defined time to finish the business at hand.

Jersey	First Name	Last Name	Positions	Graduation Year	
2	Joe	Lemos	Slot	2018	*Head Coach*
7	Blaze	Dayton	DL	2017	*Keith Holden*
8	Gavin	Tomberlin	QB	2018	
9	Dominic	Padua	Slot	2018	*Assistants:*
10	Kaylin	Kullman	LB/DL	2017	*Willie Hillyard*
11	Andrew	Olivero	WR/TE/LB	2017	*Don Dias*
12	Ronan	Spigelman	RB/DB	2019	*Brian Von Almen*
13	Sean	Fitzgerald	WR/DB/K	2018	*Rob Martin*
15	Jonathan	Carrillo	RB/DB	2018	*Breen Hofmann*
16	Jake	Johnston	WR/DB	2019	*Mike Krieger*
18	Blake	Schmieder	Slot/DB	2019	
21	Chase	Hofmann	RB/Slot/DB	2018	
22	Danny	Mack	WR/DB	2018	
26	Jake	Quosig	Slot	2018	*Head Athletic Trainer:*
27	Hayden	Von Almen	WR/DB	2018	*Jessica Markbreiter*
28	Juan	Vasquez	LB	2018	
29	Adrian	Sanchez	Slot/DB	2017	
31	Armando	Carrillo	DB	2017	
32	Gilberto	Aguilar	Slot/DB	2017	
33	Ridge	Zonge	OL/DL	2019	
35	Jesse	Luis	RB/DB	2017	
37	Bobby	Lester	TE/DL	2020	
41	Adrian	Rangel	RB	2018	
42	Jack	Cartwright	TE/DL/LB	2017	
44	Arron	Baird	WR/TE	2018	
45	Chad	Messar	RB/DB	2019	
46	Kolby	Dare	QB/LB	2019	
50	Joseph	Weinberger	OL/LB	2018	
51	Sean	Baird	OL, LB	2017	
52	Zach	Henry	OL	2018	
53	Ricky	Camacho	OL, DL	2018	
54	Chris	Avila	LB	2017	
55	Gibran	Cahuantzi	OL	2018	
56	Gerardo	Penaloza	OL	2018	
57	Rudy	Bravo	OL/DL	2017	
58	Kellan	Royce	OL/DL	2019	
63	Joshua	Kruckewitt	OL,DL	2017	
64	Garrett	Glasson	DL	2017	
68	Joe	Garcia	OL/DL	2019	
69	Luis	Lara	DL	2017	
70	Jesus	Cuevas	OL,DL	2017	
72	Jose	Ramirez	OL, DL	2017	
75	Jose	Rodriguez	OL, DL	2018	
77	Angel	Ramirez	OL/DL	2017	
81	Sean	Nugent	Slot/DB	2019	

88	Tom	Daly	DB	2019

CABRILLO UNIFIED SCHOOL DISTRICT
BOARD AGENDA ITEM

BOARD MEETING DATE: January 19, 2017

☐ **ACTION**
☐ **CONSENT**
☐ **DISCUSSION**
☒ **INFORMATION**

BOARD AGENDA NUMBER: 11.a

BOARD AGENDA ITEM: Receive Report on Status of Classroom Technology Integration Plan

DEPARTMENT: Technology

CONTACT PERSON: Anne Bailey, Director of Technology

BACKGROUND INFORMATION:

On May 9, 2013, the Board adopted a 3-year Classroom Technology Implementation Plan for school years 2013-14, 2014-15, and 2015-16. This plan included goals and strategies, professional development, infrastructure, hardware, technical support and software, and the monitoring and evaluation of the Technology Integration Plan. Since that time, purchasing, deployment, training, curriculum integration and assessment have taken place as specified by the Plan.

REPORT/PROPOSAL:

This report is an update on the current status of classroom technology integration, professional development, assessments and activities conducted and our progress toward the measurable outcomes since the Plan was adopted.

FINANCIAL IMPACT:

Financial impact is included in the budget.

RECOMMENDATION:

Receive report on status of Classroom Technology Integration Plan.

Cabrillo Unified School District

Status of 3-Year Technology Integration Plan

Plan Adopted May 2013

For Academic Years 2013-14, 2014-15, 2015-16

Report as of January 19, 2017

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Review of the 3-year Plan Goals

Cabrillo Unified School District

Tier 1 Classroom Technology

Classroom technology was defined as the tools needed by all teachers to support 21st century learning, Common Core Standards, and State assessments. The plan specifies rollout to all classrooms over 3 years, starting with 27 classrooms of recruited teacher tech leaders.

Professional development was designed to support each rollout and build District internal expertise with a Train the Trainer Peer model.

Network and Infrastructure needs were adjusted to accommodate each rollout.

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Timeline of Mobile Device Rollout

2014-15-Cohort 1 (27 teacher leaders grades K-12 any subject)
27 Tablet Carts

2014-15 Cohort 2 (3rd-5th grades and Language Arts and Math at secondary) to be ready for SBAC Spring 2015
72 Chromebook Carts

2015-16 Cohort 3 (Grades K-2, all specialized subjects, revisit lab status)
26 Chromebook carts, 8 Tablet Carts

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Recap of 2015-16

- ❑ Technical and Infrastructure Activities
- ❑ Devices in Place
- ❑ Classroom Device Usage
- ❑ Professional Development

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Network and Infrastructure

Our Network and Computer Specialist.....

- ❑ upgraded Wireless Access Points at High School and Cunha (120). The total Districtwide is ~200.
- ❑ managed network switches (39) and network functionality
- ❑ oversaw addition of 150 Samsung Tab4 for K and 1st and 700 Chromebooks for Social Studies, Cunha Science and remaining 2nd grade classrooms. (Total mobile devices = 4000+)
- ❑ managed G-Suite (Google) and Active Directory Accounts for students and staff
- ❑ consulted with construction managers on network issues for construction projects. Installed devices at Pilarcitos, Temp Hatch, Temp Cunha

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Device Deployment and Maintenance

3 Technicians deployed and maintained

920 Android Tablets
3100 Chromebooks
80 Chrome Bases
400 Windows/PCs

Technician : Device
Ratio = 1 : 1500

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Other Classroom Technical Support

- ✓ cleaned, replaced bulbs, did troubleshooting on hardware and software for 80 Smartboards and 80 projectors.
- ✓ setup network printing for all teachers and office staff
- ✓ repaired broken Chromebooks and Tablets
- ✓ moved 26 Smartboards to temporary Hatch
- ✓ resolved 1,364 documented tickets
  (and a similar number of undocumented requests)
- ✓ supported users on specific applications and needs

Tickets

Alternative Education	29
Cunha Intermediate School	295
District Office	132
El Granada Elementary School	167
Farallone View Elementary School	132
Food Service	2
Half Moon Bay High School	422
Hatch Elementary School	130
Kings Mountain Elementary School	15
LHPUSD	18
Multiple Sites	18
Sample Location	0
Special Education	3
Unassigned	1
Total	1,364

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Cost saving measures

- Our Lead Technician and Network Specialist are contracted with LaHonda Pescadero Unified School District for technical support…which offsets our district costs
- Tech department serves as point of contact for E-rate (resulting in > 80% reduction in data line, wireless, and network equipment)
- Redemption of Microsoft Voucher Funds
- Purchase through government and education contracts

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Mobile Devices Deployed per 3-Year Plan

Chromebook Carts:

- 2nd-5th grade classrooms
- English Language Arts and ELD Classrooms (Cunha, HMBHS)
- Math Classrooms (Cunha, HMBHS)
- Special Education Classrooms
- Pilarcitos

Tablet Carts:

- All K and 1st Classrooms
- PE Departments at Cunha and HMBHS
- Other miscellaneous classrooms – Science

Laptops and Data loggers with Science Probeware

- HMBHS Science Classrooms

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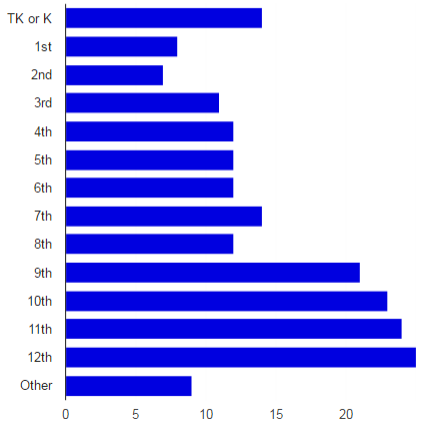
Classroom Device Usage

Based on teacher survey June 2016

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Teacher Survey – June 2016 - 110 teachers

What Grade Level

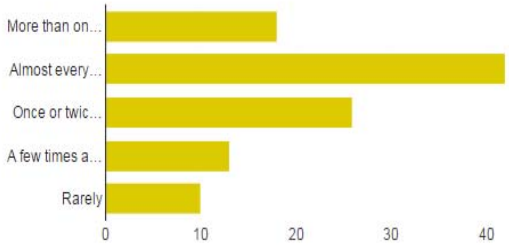


TK or K	14	12.7%
1st	8	7.3%
2nd	7	6.4%
3rd	11	10%
4th	12	10.9%
5th	12	10.9%
6th	12	10.9%
7th	14	12.7%
8th	12	10.9%
9th	21	19.1%
10th	23	20.9%
11th	24	21.8%
12th	25	22.7%
Other	9	8.2%

Cabrillo Unified School District

Teacher Survey - Frequency of Device Use in Classroom

How often do you use devices with your class?

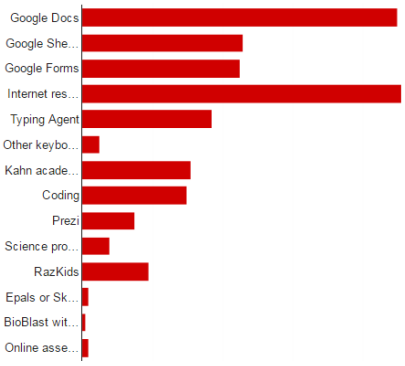


More than once per day	18	17%
Almost every day	42	39.6%
Once or twice a week	26	24.5%
A few times a month	13	12.3%
Rarely	10	9.4%

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Teacher Survey - Common Applications and Activities

Check all apps, applications, activities or web resources you have used this year with your class.



Google Docs	90	84.1%
Google Sheets	46	43%
Google Forms	45	42.1%
Internet research	91	85%
Typing Agent	37	34.6%
Other keyboarding tutorial	5	4.7%
Kahn academy	31	29%
Coding	30	28%
Prezi	15	14%
Science probeware	8	7.5%
RazKids	19	17.8%
Epals or Skype	2	1.9%
BioBlast with iNaturalist	1	0.9%
Online assessment (teacher made)	2	1.9%
Online assessment (EADMS)	8	7.5%
Online SBAC assessment	5	4.7%
Online benchmark assessment (department or grade level)	3	2.8%
Other (please list in next question)	23	21.5%

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Teacher Survey - Other Applications and Activities Reported by Teachers



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Classroom Technology Integration

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Sample Activity Descriptions from Teacher Survey

Art - we used a photo-editor on the tablets to take pictures of ourselves and modify them. We were re-creating The Scream. After we printed the pictures the students used chalk pastel to draw the background of what frightened them.

My students created a video to go along with a voice-recording of themselves reading their persuasive writing. They used Adobe Spark Video. It was a big hit at Open House.

After completing a 6-week research project on endangered species (using Gslides and sheets) students used their data to meet CCS in writing for science #1-10 using Google docs: Students used a rubric located on School Loop to properly format a business letter to a leader (student researched) from their personal research (produced in Gslides). I supported their successes by commenting and they revised their work. The writing project was completed successfully in 1 week! That turn-around is the power of gdocs. The letters were mailed to the various leaders!

Using iWitness allows for students to hear specific Survivor stories, gives them autonomy around choice, and gives them first-hand narrative background of historical events.

Sea turtle hatching web cam for all classes after library read- aloud about sea turtles.

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Sample Activity Descriptions

For Razz Kids we were able to send our reading, so that I could listen to them read and use that during my conferring. They could hear themselves talking and reading on line, which also helped their fluency

Lots of curve fitting in logger pro on the laptops

Utilized Khan Academy's Pixar in a Box to explore the connection between math and animation.

My students writing took on a new level of sophistication using split screen for citing text evidence while writing.

Use of google docs to create collaborative group assignments as well as individual assignments has been my go-to all year long! I would be lost without Google Drive. Students analyzed primary source documents and synthesized information they learned using google docs.

I created my own YouTube channel in order to help teach my students a dance for Fiesta.

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Other Significant Uses of Classroom Devices with Online Software Subscriptions

- Smarter Balanced summative assessments (all grades 2-8 and 11)
- Interim and Benchmark assessments
- Typing Agent (accounts for all 2nd – 8th)
- Lexia – for individualized literacy instruction
- Logramos – for Spanish language development
- English 3D - for English language development
- Panorama – for student online surveys grades 5 – 12

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Indirect Supports for Student Achievement and Monitoring

Software Subscriptions and Databases Maintained and Used by the District

- **Infinite Campus** – Student Information, Attendance, Schedules…
- **CALPADS** – official California Department of Education data collection and synchronization with California online assessment system
- **Destiny Follett** – all site libraries collection maintenance and circulation
- **EADMS** – data warehouse for data reporting and student benchmark assessment - both teacher score input and student online testing
- **Lifetouch** - for student photos at all sites
- **MAC/MARS -** for Silicon Valley Math Initiative
- **Naviance** – High School college prep academic plans and communication
- **SchoolLoop** – Homework assignments, teacher gradebooks, websites
- **CELDT and IPT** – Limited English Proficiency Assessments
- **SEIS and SST** – online databases maintained by the Special Education Department

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Professional Development for Continued Improvement of Integrated Technology

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Professional Development Activities in 2015-16

- Last year of formal Cohort support
  – various site - based activities and support
- Technology “Slam” April Super Tuesday at HMBHS
- G-Suite new feature alerts
- Summer Google Summit opportunities
- Specific new software trainings

  Student Study Team (SST-Online)
  - Lexia
  - English 3D

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Computer Lab Status

As part of the 3-year plan, computer labs were to be reconsidered.

As a consequence

- ✓ High School D-5 decommissioned
- ✓ El Granada B-1 decommissioned
- ✓ Cunha E-1 and E-3 labs - PCs re-imaged as Chrome boxes

Still pending solution (all older PC computers need to be decommissioned or replaced with?)

- ❑ Farallone View lab (used for Lexia in afterschool program)
- ❑ Cunha library lab
- ❑ HMBHS – 3 full labs and a small lab

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Looking Forward – Network – Infrastructure - Construction

- ❑ Ongoing replacement and maintenance of cabling, servers, switches, access points and backup
- ❑ Replacement or additional projection related to construction
  - Move Smartboards back to remodeled Hatch
  - Pilarcitos-more classroom spaces with projection needs
  - Large screen TVs in temp buildings at Cunha

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Looking Forward – Classroom Devices and Equipment

- Interactive Projection in some HMBHS classrooms
- Chromebook Carts for additional classrooms (such as Spanish Language Arts at Cunha, more Language Arts and Math classes at HMBHS and Pilarcitos)
- Replacement cycle for mobile devices, teacher computers, projectors
- Possible take home 1:1
  - Wi-Fi survey conducted
  - Policy considerations (insurance, permissions, safety)
  - Technical support considerations

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Summary of Wi-Fi Survey by School

School	% Students at each school with Broadband Wifi	Broadband	On Smartphone Only	No Wifi	No Response	Total Students
Cunha	**64%**	512	69	69	152	802
El Granada	**65%**	286	70	34	52	442
Farallone view	**72%**	239	29	32	32	332
HMBHS	**48% ****	477	69	27	****430**	573
Hatch	**76%**	478	70	68	17	633
Kings Mountain	**89%**	59	5	0	2	66
Pilarcitos	**30%**	10	5	5	13	33

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Looking Forward- Professional Development (PD)

Possible next steps.....

- Train site teachers on special assignment (TOSAs) as lead technology integration resources
- Offer paid training for Google summit and other technology leadership training
- Integrate technology PD with other curriculum PD, such as resources to support Language Learners
- Frequent “awareness” updates of tools and resources
- Continue Technology Super Tuesdays (Tech Slams) with teacher-led best practices and applications
- Continue to train Teachers and Admin to more effectively monitor student data
- Train staff on new software and curriculum resources

Cabrillo Unified School District

Thank You

Thanks to Measure S Bond funding, our supportive community, and Governing Board encouragement, our 3-year plan has resulted in

- One of highest device to student ratios in the County
- Developing technology expertise among our teachers
- Technology as an integrated part of the classroom environment
- Acceptance by students as a valuable tool to use in learning
- Students exposed to coding across the grade levels
- A growing vertical integration of computer classes

We plan to continue the momentum.....

CABRILLO UNIFIED SCHOOL DISTRICT
BOARD AGENDA ITEM

BOARD MEETING DATE: January, 19 2017

☐ **ACTION**
☐ **CONSENT**
☐ **DISCUSSION**
☒ **INFORMATION**

BOARD AGENDA NUMBER: 11.b

BOARD AGENDA ITEM: Receive Report on Local Control Accountability Plan Goals 3 & 4 Update

DEPARTMENT: Curriculum & Instruction

CONTACT PERSON: Joy Dardenelle, Assistant Superintendent, Curriculum & Instruction

BACKGROUND INFORMATION:

During 2015 the California State Legislature and the Governor redesigned the funding allocation process for California's public schools. The new system is known as the Local Control Funding Formula (LCFF). Included in the groundbreaking legislation are certain accountability requirements. On January 16, 2014, the State Board of Education approved the Local Control Accountability Plan (LCAP) template. This template provides a process for districts to develop their LCAPs. Districts are required to develop three-year plans using an inclusive process of outreach and consultation.

REPORT/PROPOSAL:

LCAP Goal 3 states, "Implement a stakeholder communication plan to support parental involvement and regular updates." This report is an update on our progress toward the measurable outcomes:

1. Parental involvement and participation increases across all sites by 5% as evidenced by parent sign-in sheets
2. Update and maintain the District and schools' websites
3. Provide a District-wide climate survey to ensure that our schools are serving the needs of all families and parent survey response increases by 5%

LCAP Goal 4 states, "Create a positive school climate where students feel safe and supported." This report is an update on our progress toward the measurable outcomes:

1. Attendance rates increase by 0.2%
2. Chronic absence rates decrease by 0.2%
3. Truancy rates decrease by 0.2%
4. Suspension rates stay at <3%
5. Expulsion rates stay at <0.1%
6. High school dropout rates dropout rates decrease by 0.3%

7. Middle school dropout rates stay at <0.1%
8. High school graduation rates increase by 0.5%

FINANCIAL IMPACT:

Financial impact is included in the budget.

RECOMMENDATION:

Receive report on Local Control Accountability Plan Goal 3 & 4 Update.

Cabrillo Unified School District

Local Control Accountability Plan Goal 3 and 4 Update

January 19, 2017

Cabrillo Unified School District

Local Control Accountability Plan

As part of the **Local Control Funding Formula** school districts are required to develop, adopt, and annually update a three-year **Local Control** and **Accountability Plan (LCAP).**

Cabrillo Unified School District

LCAP Goal 3

Implement a stakeholder communication plan to support parental involvement and regular updates.

Cabrillo Unified School District

Goal 3: Strategies and Interventions

(listed in LCAP)

- Increased parent support from community liaisons
- Written and oral translation services
- Websites updated on regular basis
- District climate survey

Cabrillo Unified School District

Goal 3: Strategies and Interventions

(above and beyond LCAP)

- Families in Schools
- Communication Plan for LCAP
- Increasing avenues for communication: newsletters, facebook, texting, SchoolLoop, robocalls, website, targeted signage at pickup/drop off, individual calls, active recruiting for representation, face-to-face interactions

Cabrillo Unified School District

LCAP Goal 3

Measurable Outcome #1

Increase parental involvement and participation across all sites by 5% as evidenced by parent sign-in sheets at school meetings.

Cabrillo Unified School District

Parent Participation School Sites

Increases in Parent Participation as measured with site-based data

- 100% of schools saw increases in at least one area: PTO, ELAC, School Site Council, Back to School Night, Parent Conferences
- Greatest impact: Back to School Night, Parent Conferences, especially with EL and Socio-economic Disadvantaged families

Cabrillo Unified School District

LCAP Goal 3

Measurable Outcome #2

Increase district wide parent climate survey response by 5%.

Cabrillo Unified School District

Parent Participation School Sites

Panorama Parent Survey Data Participation Rate

- 2016- 18%
- 2017- 25%
- Increase of 7%

Cabrillo Unified School District

Goal 3: Climate Survey Data

District asked parents about their engagement with the school -

- This included things like: have you met with teachers, have you been part of a parent group, have you talked to other parents, have you visited school, and have you been involved in fundraising

Cabrillo Unified School District

Family Engagement Data

(Note: A score of 1 indicates low engagement and 5 indicates high engagement)

3.04
/5
average score

▲ 0.15
from
Fall 2015

Cabrillo Unified School District

Family Engagement Data

(Note: A score of 1 indicates low engagement and 5 indicates high engagement)

QUESTION › In the past year, how often have you visited your child's school?	3.92 /5	▲ 0.11 from Fall 2015
QUESTION › In the past year, how often have you discussed your child's school with other parents from the school?	3.65 /5	▲ 0.13 from Fall 2015
QUESTION › In the past year, how often have you helped out at your child's school?	2.89 /5	▲ 0.18 from Fall 2015

Cabrillo Unified School District

Family Engagement Data

(Note: A score of 1 indicates low engagement and 5 indicates high engagement)

QUESTION		
How involved have you been in fundraising efforts at your child's school?	2.68 /5	▲ 0.19 from Fall 2015
How involved have you been with a parent group(s) at your child's school?	2.61 /5	▲ 0.26 from Fall 2015
How often do you meet in person with teachers at your child's school?	2.47 /5	▲ 0.02 from Fall 2015

Cabrillo Unified School District

Goal 3: Climate Survey Data

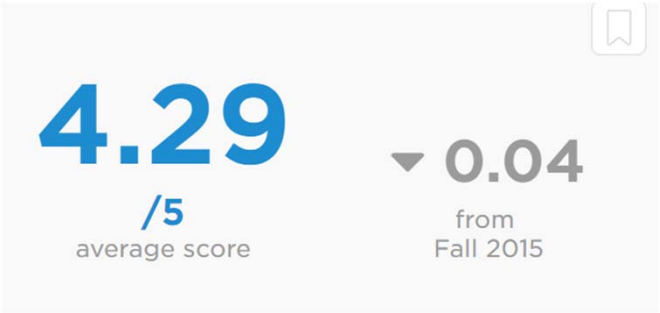
District asked parents about barriers to engagement

- This included things like transportation, child care, safety concerns, school does not communicate opportunities, and time

Cabrillo Unified School District

Barriers to Engagement Data

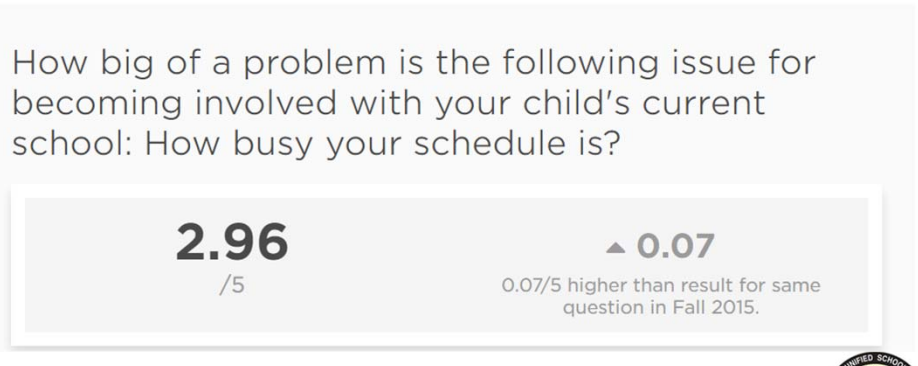
(Note: A score of 1 indicates significant barriers and 5 indicates minimal barriers)



Cabrillo Unified School District

Barriers to Engagement Data

(Note: A score of 1 indicates significant barriers and 5 indicates minimal barriers)



Cabrillo Unified School District

Areas for Improvement

- Continued participation and implementation of information from Family Engagement training
- More efficient meetings and school events to maximize busy family schedules
- More efficient messaging and forms of communication
- Identifying parent leaders

Cabrillo Unified School District

LCAP Goal 4

Create a positive school climate where students feel safe and supported.

Cabrillo Unified School District

Goal 4: Strategies and Interventions

- Positive Behaviors Interventions and Supports (PBIS)
- Alternatives to suspension
- Absenteeism and truancy protocols
- School engagement
- Transportation for at-risk students
- Academic counseling
- Social-emotional counseling

Cabrillo Unified School District

LCAP Goal 4
Measurable Outcome #1

Increase attendance rates by 0.2%.

Attendance Rate: Total # days of student attendance divided by # days students enrolled.

Cabrillo Unified School District

Attendance Rate

2014-2015:	95.9%
2015-2016:	96.2%
Increase:	0.3%

Cabrillo Unified School District

LCAP Goal 4
Measurable Outcome #2

Decrease Chronic Absence Rate by 0.2%.

Chronic Absence: Missing at least 10 percent of school days in a school year for any reason, excused or unexcused. In CUSD, this is 18 or more school days in one school year.

Cabrillo Unified School District

Chronic Absence Rate

2014-2015:	7.3%
2015-2016:	7.4%
Increase:	0.1%

Cabrillo Unified School District

LCAP Goal 4
Measurable Outcome #3

Decrease truancy rate by 5%.

In California, a student is truant if he/she is absent or tardy by more than 30 minutes of instruction without a valid excuse on 3 times during the school year.

Cabrillo Unified School District

Truancy Rate

2014-2015:	26.8%
2015-2016:	22.4%
Decrease:	4.4%

Cabrillo Unified School District

LCAP Goal 4

Measurable Outcome #4

Monitor and maintain suspension rates to be at <3%.

Cabrillo Unified School District

Pupil Suspension Rate

2014-2015:	3.0%
2015-2016:	3.0%
Maintaining:	3.0%

Cabrillo Unified School District

LCAP Goal 4
Measurable Outcome #5

Monitor and maintain expulsion rate to be at <0.1%.

Cabrillo Unified School District

Pupil Expulsion Rate

2014-2015:	<0.1%
2015-2016:	<0.1%
Maintaining:	<0.1%

Cabrillo Unified School District

LCAP Goal 4
Measurable Outcome #6

Monitor and decrease high school dropout rate by 0.3%.

Cabrillo Unified School District

High School Dropout Rate

2014-2015:	3.6% (HMBHS)
	4.7% (CUSD)
	10.7% (State)
2015-2016:	To Be Announced

Cabrillo Unified School District

LCAP Goal 4

Measurable Outcome #7

Monitor and maintain middle school dropout rate at <0.1%.

Cabrillo Unified School District

Middle School Dropout Rate

2014-2015: <0.1 %

2015-2016: To Be Announced

Cabrillo Unified School District

LCAP Goal 4

Measurable Outcome #8

Increase high school graduation rate by 0.5%.

Cabrillo Unified School District

High School Graduation Rate

2014-2015:	94.1% (HMBHS)
	89.3% (CUSD)
	82.3% (State)
2015-2016:	To Be Announced

Cabrillo Unified School District

Goal 4: Climate Survey Data

Research data indicates that for best academic performance in schools, students must-

- Feel safe
- Make a connection with a caring adult
- Be engaged

Cabrillo Unified School District

School Safety Data Grades 6-12

(Note: A score of 1 indicates students feel unsafe and 5 indicates students feel safe)

School Safety

Perceptions of student physical and psychological safety at school.

3.66
/5
average score

▲ 0.05
from Fall 2015

Cabrillo Unified School District

School Safety Data Grades 6-12

(Note: A score of 1 indicates students feel unsafe and 5 indicates students feel safe)

QUESTION

› How often are people disrespectful to others at your school?

2.86
/5

▲ 0.11
from Fall 2015

Cabrillo Unified School District

School Belonging Grades 6-12

(Note: A score of 1 indicates does not feel valued and a score of 5 indicated feels highly valued)

School Belonging

How much students feel that they are valued members of the school community.

3.14 /5
average score

▲ 0.03
from Fall 2015

Cabrillo Unified School District

School Belonging Grades 6-12

(Note: A score of 1 indicates students does not feel valued and 5 indicates students feels highly valued)

QUESTION		
How connected do you feel to the adults at your school?	**2.79** /5	▲ 0.15 from Fall 2015

Cabrillo Unified School District

School Engagement Data Grades 6-12

(Note: A score of 1 indicates students does not feel engaged and 5 indicates students feels highly engaged)

School Engagement

How attentive and invested students are in school.

3.54 /5

average score

Cabrillo Unified School District

School Engagement Data Grades 6-12

(Note: A score of 1 indicates students does not feel engaged and 5 indicates students feels highly engaged)

QUESTION

When you are not in school, how often do you talk about ideas from your classes?

2.98 /5

Cabrillo Unified School District

Goal 4: Areas for Improvement

- Continuing to develop (PBIS), alternatives to suspension, absenteeism and truancy protocols, transportation, growing counseling services
- School engagement
- Anti-bullying curriculum and interventions
- Targeted academic interventions

CABRILLO UNIFIED SCHOOL DISTRICT
BOARD AGENDA ITEM

BOARD MEETING DATE: January 19, 2017

☐ **ACTION**
☐ **CONSENT**
☐ **DISCUSSION**
☒ **INFORMATION**

BOARD AGENDA NUMBER: 11.c

BOARD AGENDA ITEM: Receive Audit Report for Year Ending June 30, 2016

DEPARTMENT: Business Department

CONTACT PERSON: Crystal Leach, Chief Business Official

BACKGROUND INFORMATION:

Education Code Section 41020 requires that each district provide an audit of the accounts and funds of the district in each fiscal year and to accept the audit report no later than January 31st. For fiscal year ending June 30, 2016, the firm of Chavan & Associates, LLP conducted an audit of the district's funds, accounts, and operations.

REPORT/PROPOSAL:

The independent audit was conducted in accordance with Government Auditing Standards. No material findings were discovered. Audit results revealed: No Exceptions in Audit Opinion; No Material Weaknesses; No Disagreements with Management; and No Significant Adjustments.

FINANCIAL IMPACT:

There is no financial impact to the General Fund.

RECOMMENDATION:

Receive audit report for year ending June 30, 2016.

Cabrillo Unified School District

June 30, 2016 Audit Results

Chavan & Associates, LLP
Certified Public Accountants

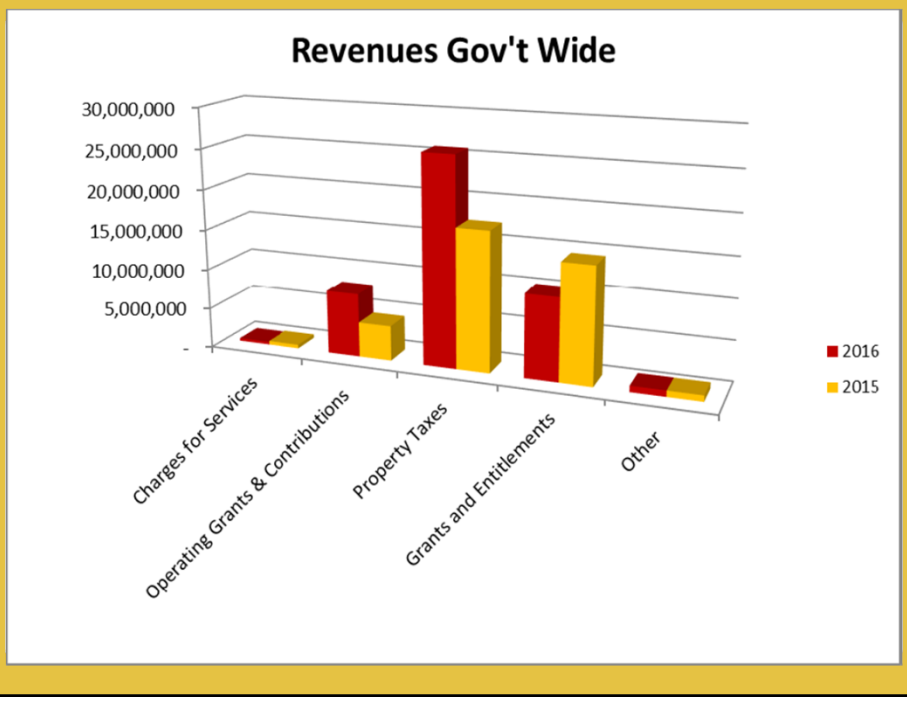
General Audit

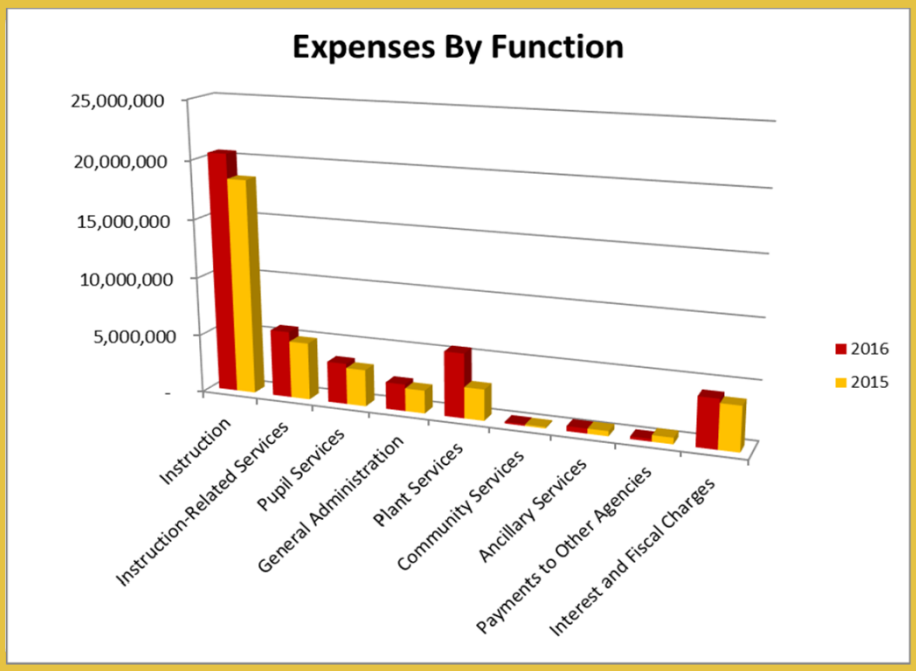
- No Significant changes in auditing standards which include *Government Auditing Standards,* issued by the Comptroller General of the United States, and *State Audit Guide*, published by the Education Audit Appeals Panel.
- The District was subject to a single audit because expenditures of federal grants exceeded $750,000. As required by Uniform Compliance, the Special Education Cluster of programs was tested as a major program.
- The State Compliance Audit Procedures included compliance testing for the Local Control Funding Formula, California Clean Energy Job Act, Educator Effectiveness, and Unduplicated Local Control Funding Formula Pupil Counts.

Governmental Accounting Standards

- GASB 72 was implemented in 2015/16 and required the disclosure of fair values by level of input as defined on page 40 of the report.
- In 2014/15, the District implemented GASB 68, which required the District to report its share of STRS and PERS unfunded liabilities in the government-wide statement of net position. This has no impact on the governmental fund balance sheet.
- The Net Pension Liability was $22.6M for 2015/16 vs. $20M for 2014/15

GASB
Governmental Accounting Standards Board





Audit Results

- There were no Exceptions in the Audit Opinions. The opinions were unmodified and there were 4 separate opinions or letters from the auditor included in the report.
- The most significant accounts or disclosures in the 2015-16 audit report were Capital Assets, Long-term Debt and Pensions. An analysis of these items can be found on pages 42, 43 and 45.
- There were no audit adjustments or material weaknesses. A material weakness is a control deficiency that leads to an audit adjustment.
- There were no Disagreements with Management.
- There were no Significant Passed on Adjustments. A passed-on adjustment, is a difference between a number reported by the District and the expected or recalculated number from the auditor.

Measure S Bond Audit

- The audit included the following objectives:
  - To obtain reasonable assurance that the proceeds of the sale of the Measure S Bonds were only used for the purposes set forth in the ballot measure and not for any other purpose, such as teacher and administrative salaries.
  - To obtain reasonable assurance that the Governing Board of the District, in establishing the approved projects set forth in the ballot measure, evaluated the remodeling, new construction and renovations of items which will relieve overcrowding, repair local schools and improve student safety conditions of the District.
  - To obtain reasonable assurance that the District complied with the performance requirements as referred to in Proposition 39 and outlined in Article XIIIA, Section 1(b)(3)(C) of the California Constitution. Management is responsible for the District's compliance with these requirements.
- To meet the objectives of the performance audit, procedures performed included, but were not limited to, the following:
  - When applicable, verification of that bond proceeds were deposited in the District's name and invested in accordance with applicable legal requirements.
  - The selection of two vendors and verification that the District followed Uniform Public Construction Cost Accounting for the projects or services awarded, if applicable, and that invoices were allowable within the bond and approved by the board prior to payment.
  - Testing payments made to the architectural service companies and reviewing the terms of the contract.
  - Approximately 83% of the 2015-16 expenditures were tested to ensure they were valid, allowable and accurate.
- No exceptions noted in the Measure S Bond Audit Report.

11.dCABRILLO UNIFIED SCHOOL DISTRICT BOARD AGENDA ITEM

BOARD MEETING DATE: January 19, 2017

☐ **ACTION**
☐ **CONSENT**
☐ **DISCUSSION**
☒ **INFORMATION**

BOARD AGENDA NUMBER: 11.d

BOARD AGENDA ITEM: Receive the Measure B Parcel Tax Citizens' Oversight Committee Annual Report

DEPARTMENT: Business Department

CONTACT PERSON: Crystal Leach, Chief Business Official

BACKGROUND INFORMATION:

Measure B was passed by the voters on June 3, 2014. This measure is a continuation of Measure E that provided ongoing funding to preserve academic programs in our local schools.

Measure B will continue to provide funds to:

- Preserve strong academic reading, writing, math and science programs
- Retain qualified teachers and staff
- Protect programs to keep struggling students on the right track
- Maintain and support classroom technology
- Keep all of the District's school open

Fiscal Accountability to Keep Funds in the Classroom

- The independent citizen's oversight committee will continue to ensure all funds are spent as promised
- None of the funds can be used for administrators' salaries, benefits or pensions

REPORT/PROPOSAL:

Pursuant to the Local Agency Parcel Tax and Bond Accountability Act (Government Code 50075.3.), this Parcel Tax Report summarizes the historical and current fiscal year parcel tax levies, exemptions, expenditures and other related data and information related to the administration of the tax. The Measure B Parcel Tax Citizens' Oversight Committee met on December 1, 2016 to confirm all funds were spent as promised.

FINANCIAL IMPACT:

There is no financial impact to the General Fund.

RECOMMENDATION:

Receive the Measure B Parcel Tax Citizens' Oversight Committee Annual Report.

CABRILLO UNIFIED SCHOOL DISTRICT

EDUCATION SPECIAL TAX - MEASURE B

PARCEL TAX REPORT 2016

FISCAL YEAR 2015-16

PURSUANT TO SECTION 4 OF ARTICLE XIIIA OF THE CALIFORNIA CONSTITUTION AND SECTION 50079 OF THE CALIFORNIA GOVERNMENT CODE

SPECIAL TAX LEVY ADMINISTRATOR:
SCIConsultingGroup
4745 MANGELS BOULEVARD
FAIRFIELD, CA 94534
PHONE 707.430.4300
FAX 707.430.4319
WWW.SCI-CG.COM

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CABRILLO UNIFIED SCHOOL DISTRICT

GOVERNING BOARD

Freya McCamant, President
Rob Pappalardo, Vice President
Sophia Layne, Clerk
Kimberly Hines, Member
Kirk Riemer, Member

SUPERINTENDENT

Jane Yuster

CHIEF BUSINESS OFFICER

Crystal Leach

SPECIAL TAX LEVY ADMINISTRATOR

Arcelia Herrera, SCI Consulting Group

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EXECUTIVE SUMMARY

On June 3, 2014, the voters in the Cabrillo Unified School District ("District") approved the Education Special Tax, Measure B – a five-year $150 parcel tax that was set to start July 1, 2015 and end June 30, 2020.

Measure B also included provisions for an independent citizen oversight committee; an exemption for senior citizens; an exemption for supplemental security income (SSI) and social security disability insurance (SSDI); an application to exempt contiguous parcels; a commitment that no funds would be used for administrator salaries; and that all funds would stay in the community to promote student achievement. Specifically, the parcel tax proceeds will support the following purposes:

- To preserve strong academic programs including science, math, reading and writing;
- To keep all schools open;
- To retain qualified teachers and staff; and
- To maintain updated classroom technology.

Pursuant to the Local Agency Parcel Tax and Bond Accountability Act (Government Code § 50075.3.), this Parcel Tax Report ("Report") summarizes the historical and current fiscal year parcel tax levies, exemptions, expenditures and other related data and information related to the administration of the tax.

FISCAL YEAR 2015-16 PARCEL TAX

PARCEL TAX REVENUE S

There were 13,375 parcels within the boundaries of the District as of June 30, 2016. Of these, 11,911 parcels were taxable parcels. The District received and approved 695 senior citizen exemptions and 73 exemptions for contiguous parcel.

The total annual parcel tax to be submitted to the County for parcels within the District for fiscal year 2015-16 is $1,671,450.

Tax units for FY 2015-16 reflected below represent the taxable parcels after taking into account the 695 approved senior citizen exemptions and the 73 contiguous parcel exemptions as of June 30, 2016.

FIGURE 1 - SUMMARY OF HISTORICAL PARCEL TAX LEVIES

Fiscal Year	Taxable Parcels	Senior Exemptions	SSI & SSDI Exemptions	Contiguious Parcel Exemptions	Tax Units	Parcel Tax Rate	Total Parcel Tax Revenue [1]
Formula	a	b	c	d	e = a - b - c - d	f	g = e * f
2014-15	11,919	690	0	20	11,209	$150	$1,681,350
2015-16	11,911	695	0	70	11,146	$150	$1,671,900
					0	$150	$0
					0	$150	$0

Figure 2 provides the Parcel Tax levy expenditures for fiscal year 2015-16.

FIGURE 2 – EXPENDITURES

Revenues	
Measure B - Cabrillo Parcel Tax	$1,655,475.52
Contribution from GF	$64,119.76
Funded Project / Programs	
Teacher Salaries	$929,848
Classified Salaries	$320,119
Benefits	$456,259
Services	$13,733
Ending Balance	-$364.00

PROJECTIONS FOR FISCAL YEAR 2016-17

Figure 3 provides a summary of the proposed parcel tax levy expenditures for FY 2016-17.

FIGURE 3 - SUMMARY OF PROPOSED PARCEL TAX EXPENDITURES

Beginning Balance	
Balance as of June 30, 2016	-$364
Revenues	
Measure B - Education Special Tax	$1,671,900
Funded Project / Programs	
Teacher Salaries	$935,280
Classified Salaries	$330,349
Benefits	$499,797
Services	$14,533
Preliminary Total	-$108,423

The Parcel Tax revenue amount submitted to the County for fiscal year 2016-17 is as follows.

FIGURE 4 - SUMMARY OF PARCEL TAX REVENUES

Summary of Special Tax Revenues

Fiscal Year	Parcels	Tax Units	Tax Amount per Tax Unit	Total Tax
2016-17	11,911	11,146	$150.00	$1,671,900

ADMINISTRATIVE REQUIREMENTS

TAXABLE PARCELS

A taxable parcel is any unit of real property in the District which receives a separate tax bill for ad valorem property taxes from the County Tax Collector's Office. All property which is otherwise exempt from or on which are levied no ad valorem property taxes in any year shall also be exempt from the parcel tax in such year.

MANNER OF COLLECTION

The parcel tax is collected by the San Mateo County Tax Collector at the same time and in the same manner and is subject to the same penalties as ad valorem property taxes. Unpaid taxes bear interest at the same rate as the rate for unpaid ad valorem property taxes until paid.

The collection of the Parcel Tax shall not decrease the funds available from other sources of the District in any period from the effective date hereof.

PARCEL TAX EXEMPTIONS

SENIOR CITIZEN EXEMPTION

In order to provide tax relief to senior citizens in the community, any parcel owned and occupied by a person 65 years of age or older shall be exempt from the parcel tax upon proper application to the District and approval. An exemption shall be granted on any parcel owned by one or more persons aged 65 years or older as of July 1 of any applicable tax year who occupies said parcel as a principal residence, upon application for exemption and approval.

SUPPLEMENTAL SECURITY INCOME & SOCIAL SECURITY DISABILITY INSURANCE EXEMPTION

To provide tax relief to property owners in the community, any parcel owned and occupied by a person receiving Supplemental Security Income ("SSI") shall be exempt upon proper application to the District. The SSI Exemption deadline for FY 2015-16 was June 30, 2015. The SSI exemption deadline for subsequent years will be June 30 prior to the applicable tax year. SSI exemption forms will be made available at the District office and the District's website or through the parcel tax administrator.

SOCIAL SECURITY DISABILITY INSURANCE EXEMPTION

To provide tax relief to property owners in the community, any parcel owned and occupied by a person receiving Social Security Disability Insurance ("SSDI") benefits, regardless of age and whose yearly income does not exceed 250 percent of the federal poverty guidelines issued by the United States Department of Health and Human Services, shall be exempt upon proper application to the District. The SSDI Exemption deadline for FY 2015-16 was June 30, 2015. The SSDI exemption deadline for subsequent years will be June 30 prior to the applicable tax year. SSDI exemption forms will be made available at the District office and the District's website or through the parcel tax administrator.

CONTIGUOUS PARCELS EXEMPTION

An exemption shall also be granted on any parcels which are contiguous, used solely for owner-occupied single family residential purposes and held under identical ownership, upon approval of application for exemption. They shall be treated as a single parcel for purposes of this special tax.

EXEMPTION APPLICATION PROCESS

The deadline to file a senior citizen exemption and a contiguous parcel exemption for fiscal year 2015-16 was June 30, 2015. The senior exemption and contiguous parcel exemption deadline for subsequent years will be June 30 prior to the applicable tax year. Both exemption forms are available at the District office, the District's website at http://www.cabrillo.k12.ca.us/CUSD_topic/parcel_tax_measureE-exemption.html or through the District's special tax administrator – SCI Consulting Group.

PARCEL TAX EXEMPTION RENEWAL PROCESS

Property owners that have previously applied and qualified for the senior exemption must complete and return the renewal form for each subsequent year in order to continue their exemption status. Renewal forms and instructions on completing the form will be mailed by April 1 to all property owners that received an exemption in the prior year. The deadline to return the renewal form will be June 30 prior to the applicable tax year.

DELINQUENCIES

The District participates in the "Teeter Plan" with the County of San Mateo whereby the County pays all delinquent parcel taxes to the District and in return the County institutes collection proceedings and, when collected, keeps all delinquent payments with interest and penalties. This plan allows the District to maintain reliable parcel tax revenues and reduces the cost of collection. Contract to include in the Teeter Plan is at the option of the County. It is not anticipated that the County will discontinue the Teeter Plan unless the level of delinquencies becomes excessive. Delinquencies are 1.13% for fiscal year 2015-16, which is below the Teeter Plan upper threshold limit of 4% and, therefore, should continue to be closely monitored. See Figure 5 below:

FIGURE 5 - SUMMARY OF % OF UNPAID DELINQUENCIES

	As of June 30, 2016
Total Special Tax Levied	$1,675,632.00
Total Special Taxes Delinquent	$18,912.00
Percent of Special Tax Delinquent	1.13%

APPROPRIATIONS LIMIT

Pursuant to Section 7902.1 of the California Government Code or any successor provision of law, the Board shall provide in each year for any increase in the District's appropriations limit as shall be necessary to ensure that parcel tax proceeds, and all qualified parcel tax levied by the District, may be spent for the authorized purposes.

AUDITOR FILING AND REPORTING

Parcel tax levies for the upcoming fiscal year must be filed with the County Tax Collector in July. After submission of the parcel tax levies, the final levies should be confirmed with the County Auditor prior to the preparation of tax bills, which typically occurs in October. The parcel tax is collected by the County in two equal installments on the tax bills that are due on December 10 and April 10.

The FY 2015-16 parcel tax levies were submitted before the submission deadline of July 31, 2016 and confirmed with the County Tax Collector on the same day.

INDEPENDENT CITIZEN OVERSIGHT COMMITTEE

To insure additional accountability, the District has established an independent citizen oversight committee ("Committee"). The Committee is comprised of one representative from the business community; one from a senior citizens organization; two from represented bargaining units; and three selected by the Board, of which at least one has a child enrolled in a District school. The Committee will review expenditures and present an annual report.

APPEALS PROCEDURE

Any property owner who feels that the parcel tax levied on a subject property is in error as a result of incorrect information being used to apply the tax, may file a written appeal with the District or the District's special tax administrator - SCI Consulting Group. Any such appeal is limited to correction of a tax during the then-current fiscal year or, if before July 1, the upcoming fiscal year. Upon the filing of any such appeal, the District or SCI Consulting Group will promptly review the appeal and any information provided by the property owner. If the District or SCI Consulting Group finds that the tax should be modified, the appropriate changes shall be made to the parcel tax roll. If any such changes are approved after the tax roll has been filed with the County for collection, the District or SCI Consulting Group is authorized to refund to the property owner the amount of any approved reduction. Any dispute over the decision of the District or SCI Consulting Group, shall be referred to the Governing Board and the decision of the Board shall be final.

PUBLIC INFORMATION

Taxpayers and other interested persons can obtain information regarding the parcel tax, parcel tax exemption status and other information by contacting the District's parcel tax levy administrator, SCI Consulting Group at telephone number (707) 430-4300 or (800) 273-

5167. SCI Consulting Group's toll free property-owner inquiry line is also included with property tax bills.

APPENDIX A – 2015-16 SENIOR EXEMPTION APPLICATION

CABRILLO UNIFIED SCHOOL DISTRICT
SENIOR PARCEL TAX EXEMPTION APPLICATION
DEADLINE for FILING: June 30, 2015 - no exceptions

2015-2016
FOR *NEW* APPLICANTS ONLY

To be completed by the person aged 65 or older as of July 1, 2015, who owns and **resides** at the property for which the exemption is claimed.

Owner Name: _____
Last Name First Name Initial

_____ _____
Telephone Number Email Address

_____
Street Address City State Zip

Assessor's Parcel Number: _____

To apply for the exemption from the parcel tax, please check the appropriate boxes below and attach required documents **to verify proof of age and primary residence** (do not send originals):

☐ I have attached a COPY of my current property tax bill for 2014-2015
☐ I have attached a COPY of identification (Driver's License or Medicare Card, etc.)

CABRILLO UNIFIED SCHOOL DISTRICT CONTINUING EXEMPT STATUS

An exemption application from a qualified applicant will provide an exemption for that tax year only. However, qualified senior applicants will not be required to resubmit their senior exemption application for future tax years provided 1) the property was exempt in the immediately previous tax year, and 2) they continue to own and occupy the property. On an annual basis, the District will verify and renew existing exemptions and, if necessary, confirm with the original applicant that they continue to own and occupy the property.

I certify that I own and occupy the property listed above for which the parcel tax exemption is claimed. Under penalty of perjury, I declare that this claim (including the accompanying copies of proof documents) is, to the best of my knowledge, correct and complete.

Signature _____ *Date* _____

Please mail or deliver the completed form with above documentation by **June 30, 2015** to:

Cabrillo Unified School District
Parcel Tax Exemption – Business Services
498 Kelly Avenue, Half Moon Bay, CA 94019

For more information regarding the exemption process, please check our website at www.cabrillo.k12.ca.us or call our parcel tax administrator: **SCI Consulting Group 1-800-273-5167**

APPENDIX B – 2015-16 SSI & SSDI EXEMPTION APPLICATION

CABRILLO UNIFIED SCHOOL DISTRICT
SUPPLEMENTAL SECURITY INCOME (SSI) &
SOCIAL SECURITY DISABILITY INSURANCE (SSID)
TAX EXEMPTION APPLICATION

DEADLINE for FILING: June 30, 2015 - no exceptions

2015-2016

FOR NEW APPLICANTS

To be completed by the person receiving SSI or SSID regardless of age and who owns and **resides** at the property for which the exemption is claimed.

Owner Name: _____
Last Name First Name Initial

_____ _____
Telephone Number Email Address

_____
Street Address City State Zip

Assessor's Parcel Number: _____

To apply for the SSI or SSID exemption from the parcel tax, please check the appropriate boxes below and attach required documents **to verify proof of SSI or SSID and primary residence** (do not send originals):

☐ I have attached a COPY of my current property tax bill for 2014-2015
☐ I have attached a COPY of Benefits Verification Letter*

*A Benefits Verification Letter can be obtained by calling the Social Security Administration Office at (800)772-1213 or by visiting a local Social Security Administration Office.

CABRILLO UNIFIED SCHOOL DISTRICT CONTINUING EXEMPT STATUS

An exemption application from a qualified applicant will provide an exemption for that tax year only. To continue to receive the SSI or SSID exemption status, applicants will be required to submit an exemption application for requalification for each future tax year.

I certify that I own and occupy the property listed above for which the parcel tax exemption is claimed. Under penalty of perjury, I declare that this claim (including the accompanying copies of proof documents) is, to the best of my knowledge, correct and complete.

Signature _____ *Date* _____

Please mail or deliver the completed form with above documentation by **June 30, 2015** to:

Cabrillo Unified School District
Parcel Tax Exemption – Business Services
498 Kelly Avenue, Half Moon Bay, CA 94019

For more information regarding the exemption process, please check our website at www.cabrillo.k12.ca.us or call our parcel tax administrator: **SCI Consulting Group 1-800-273-5167**

APPENDIX C – 2015-16 CONTIGUOUS PARCEL EXEMPTION APPLICATION

CABRILLO UNIFIED SCHOOL DISTRICT
CONTIGUOUS PARCEL TAX ABATEMENT APPLICATION
DEADLINE for FILING: June 30, 2015 – no exceptions

2015-2016

FOR NEW & CONTINUING APPLICANTS

If you believe your principal parcel may qualify for the contiguous parcels abatement, please complete the following:

An abatement must be requested each year and is due to the District Office annually by June 30.

NAME AS IT APPEARS ON THE PROPERTY TAX BILL: _____

_____ _____
TELEPHONE NUMBER EMAIL ADDRESS

_____
STREET ADDRESS CITY STATE ZIP

_____
MAILING ADDRESS (IF DIFFERENT) CITY STATE ZIP

Please indicate the parcel or list of parcels for which you request that the parcel tax be abated by the Cabrillo Unified School District:

ASSESSOR'S PARCEL NO. (s): _____

Parcels must be contiguous to the principal parcel to receive the contiguous abatement (and under same ownership and constitute one economic unit). Parcels that are in proximity of but not contiguous to the principal parcel will not be granted an abatement unless the owner of the parcel chooses to have them combined or merged through the County, and submits a signed copy of one of one the following documents:

☐ COPY OF A *RECORDED NOTICE OF MERGER* **OR**

☐ COPY OF THE SIGNED *REQUEST FOR COMBINATION OF ASSESSED PARCELS* FORM (available either at the San Mateo County Assessor's office or online at http://www.smcare.org/care/forms_index.asp)

Please contact the San Mateo County Mapping Section for questions about either of these forms at 650-599-1278.

I certify that the parcels listed are contiguous and constitute one economic unit, and are held under identical ownership.

_____ _____
Signature Date

Please mail or deliver the completed form with above documents by **June 30, 2015** to:
Cabrillo Unified School District - Parcel Tax Exemption – Business Services
498 Kelly Avenue, Half Moon Bay, CA 94019

For more information regarding the exemption process, please check our website at www.cabrillo.k12.ca.us or call our parcel tax administrator: **SCI Consulting Group 1-800-273-5167**

APPENDIX D – 2015-16 MEASURE E PARCEL TAX ROLL

The tax roll listing the FY 2015-16 parcel taxes for all Assessors' parcels of land within the boundaries of the Cabrillo Unified School ("District") is filed with the County. Each lot or parcel listed on the Tax Roll is shown and illustrated on the latest County Assessor records and these records are, by reference, made part of this Report. These records shall govern for all details concerning the description of the lots or parcels.

CABRILLO UNIFIED SCHOOL DISTRICT
BOARD AGENDA ITEM

BOARD MEETING DATE: January 19, 2017

☐ **ACTION**
☐ **CONSENT**
☒ **DISCUSSION**
☐ **INFORMATION**

BOARD AGENDA NUMBER: 12.a

BOARD AGENDA ITEM: Discuss Proposed Block Scheduling for Half Moon Bay High School

DEPARTMENT: Superintendent

CONTACT PERSON: Jane Yuster, Superintendent

BACKGROUND INFORMATION:

In 2009, the faculty and staff at Half Moon Bay High School began exploring the possibility of moving the high school to a block schedule. The block schedule offered a number of significant advantages to students including:

1. The schedule would promote well-being and minimize the potential for stress and anxiety linked to the structure of the school day:
    a. Contribute to the ability of students and staff to choose a healthy balance between academics, electives, extracurricular activities, and personal life, and
    b. Supported students to meet their sleep needs, and
    c. Reduced the challenges students must address to manage their time effectively.
2. The schedule would contribute to a productive learning environment where:
    a. Teaching and learning were well supported in the manner which time was allocated within the schedule (e.g., optimal class length, schedule consistency & flexibility), and
    b. Teachers had dedicated time and plenty of opportunities to develop professionally, collaborate and share best practices
3. The schedule would provide the time needed to build deeper student-teacher relationships and offer personalized student support, including:
    a. Ample opportunities for student-teacher contacts and connections, and
    b. Committed and consistent time to address the needs of different learners

Unfortunately, both monetary and structural instabilities interfered with the desire to implement the schedule. In 2015-2016, there was renewed interest in the block schedule. This time, there was both the financial and structural stability present to allow the high school to consider the move the block schedule for the 2017-2018 school year.

The proposed block schedule is in the presentation attached to this Board Agenda Item. The schedule has been approved by the faculty and staff at the high school. It has also had comments and questions taken and answered through parent, community, and student surveys. There has also been a community forum hosted by the high school about the proposed schedule.

REPORT/PROPOSAL:

Half Moon Bay High School will adopt the block schedule shown in the attached presentation starting in the 2017-2018 school year.

FINANCIAL IMPACT:

There is no financial impact to the General Fund.

RECOMMENDATION:

Discuss Proposed Block Scheduling for Half Moon Bay High School.

Block Schedule for Half Moon Bay High School Effective 2017-2018 School Year

January 19, 2017

Topics

History of block schedule

Block schedule parameters

Recommendation

High School Block Schedule History

- First discussions as early as 2009
- Difficult to move forward due to both economic and structural instabilities
- 2015-2016 a two year program to change high school schedule is presented to Governing Board
- 2016-2017 all parties involved create and agree to block schedule
- December 2016, surveys showing new schedule sent to parents, community, and students
- Community forum held at high school

High School Block Schedule Parameters for 2017-2018

- Promotes healthy balance between academics, electives, extracurricular activities, and personal life
- Supports students to meet sleep needs
- Assists in time management for students
- Teaching and learning are well supported in the manner which time is allocated within the schedule
- Teachers have dedicated time and plenty of opportunities to develop professionally, collaborate and share best practices
- Ample opportunities for student-teacher contacts and connections
- Committed and consistent time to address the needs of different learners

High School Block Schedule Design for 2017-2018

95 minute period block schedule Tuesday thru Friday

52 minute period schedule on Monday

Advisory period on Friday

Earliest start time for students taking optional "PRIDE" period is 8 am. Most students will not start on block days until after 8:50 am.

Latest dismissal is at 3:30 pm. Some students could finish as early as 2:50 pm on certain days.

Block Schedule

Monday		Tuesday		Wednesday		Thursday		Friday	
Period 1	8:00 - 8:52	Period 1	8:00 - 9:35	COLLAB	7:45 - 8:45	Period 1	8:00 - 9:35	Period 2	8:00 - 9:35
Period 2	8:57 - 9:49	Period 3	9:40 - 11:15	Period 2	9:00 - 10:35	Period 3	9:40 - 11:15	BRUNCH	9:35 - 9:45
Period 3	9:54 - 10:46	BRUNCH	11:15 - 11:25	BRUNCH	10:35 - 10:45	BRUNCH	11:15 - 11:25	ADVISORY	9:50 - 10:45
BRUNCH	10:46 - 10:56	**Period 5**	**11:30 - 1:10***	**Period 4**	**10:50 - 12:30***	**Period 5**	**11:30 - 1:10***	**Period 4**	**10:50 - 12:30***
Perid 4	**11:01 - 11:59***	LUNCH	1:10 - 1:50	LUNCH	12:30 - 1:10	LUNCH	1:10 - 1:50	LUNCH	12:30 - 1:10
Period 5	12:04 - 12:56	Period 7	1:55 - 3:30	Period 6	1:15 - 2:50	Period 7	1:55 - 3:30	Period 6	1:15 - 2:50
LUNCH	12:56 - 1:36								
Period 6	1:41 - 2:33								
Period 7	2:38 - 3:30							55 minute Advisory	
52 min periods		95 minute block		95 min blocks		95 minute block		95 minute block	
*6 Minute Announcements		*5 Minute Announcements		*5 Minute Announcements		*5 min announcements		*5 min announcements	
								***Assemblies will happen during the Advisory period on Friday's**	

Schedule for Regular Student

Monday		Tuesday		Wednesday		Thursday		Friday	
Period 1	8:00 - 8:52	Period 1	8:00 - 9:35	COLLAB	7:45 - 8:45	Period 1	8:00 - 9:35	**Period 2**	**8:00 - 9:35**
Period 2	**8:57 - 9:49**	**Period 3**	**9:40 - 11:15**	**Period 2**	**9:00 - 10:35**	**Period 3**	**9:40 - 11:15**	BRUNCH	9:35 - 9:45
Period 3	9:54 - 10:46	BRUNCH	11:15 - 11:25	BRUNCH	10:35 - 10:45	BRUNCH	11:15 - 11:25	ADVISORY	9:50 - 10:45
BRUNCH	10:46 - 10:56	Period 5	11:30 - 1:10	Period 4	10:50 - 12:30	Period 5	11:30 - 1:10	Period 4	10:50 - 12:30
Period 4	11:01 - 11:59	LUNCH	1:10 - 1:50	LUNCH	12:30 - 1:10	LUNCH	1:10 - 1:50	LUNCH	12:30 - 1:10
Period 5	12:04 - 12:56	Period 7	1:55 - 3:30	Period 6	1:15 - 2:50	Period 7	1:55 - 3:30	Period 6	1:15 - 2:50
LUNCH	12:56 - 1:36								
Period 6	1:41 - 2:33								
Period 7	2:38 - 3:30								

Note: Student start time in red

Schedule for Student Taking Optional Pride Period

A	B	C	D	E	F	G	H	I	J
Period 1	**8:00 - 8:52**	**Period 1**	**8:00 - 9:35**	COLLAB	7:45 - 8:45	**Period 1**	**8:00 - 9:35**	**Period 2**	**8:00 - 9:35**
Period 2	8:57 - 9:49	Period 3	9:40 - 11:15	**Period 2**	**9:00 - 10:35**	Period 3	9:40 - 11:15	BRUNCH	9:35 - 9:45
Period 3	9:54 - 10:46	BRUNCH	11:15 - 11:25	BRUNCH	10:35 - 10:45	BRUNCH	11:15 - 11:25	ADVISORY	9:50 - 10:45
BRUNCH	10:46 - 10:56	Period 5	11:30 - 1:10	Period 4	10:50 - 12:30	Period 5	11:30 - 1:10	Period 4	10:50 - 12:30
Period 4	11:01 - 11:59	LUNCH	1:10 - 1:50	LUNCH	12:30 - 1:10	LUNCH	1:10 - 1:50	LUNCH	12:30 - 1:10
Period 5	12:04 - 12:56	Period 7	1:55 - 3:30	Period 6	1:15 - 2:50	Period 7	1:55 - 3:30	Period 6	1:15 - 2:50
LUNCH	12:56 - 1:36								
Period 6	1:41 - 2:33								
Period 7	2:38 - 3:30								

Note: Student start time in red

Questions

CABRILLO UNIFIED SCHOOL DISTRICT
BOARD AGENDA ITEM

BOARD MEETING DATE: January 19, 2017

☐ **ACTION**
☒ **CONSENT**
☐ **DISCUSSION**
☐ **INFORMATION**

BOARD AGENDA NUMBER: 14.a

BOARD AGENDA ITEM: Approve Annual Field Trip for 8th Grade Social Studies Class to Washington, DC, February 19 - 23, 2017

DEPARTMENT: Pupil Services

CONTACT PERSON: John Corry, Assistant Superintendent, Personnel and Pupil Services

BACKGROUND INFORMATION:

Board Policy 6153 allows the Governing Board to permit students to participate in field trips.

REPORT/PROPOSAL:

Tom Cox, Cunha Intermediate School Social Studies teacher, is requesting that the Governing Board approve a field trip for 8th grade social studies classes to Washington, DC during spring break scheduled for February 19 - 23, 2017. Invitations to participate in the Washington trip were extended to all Social Studies classes. Students will participate in an active schedule that includes sightseeing and social events geared especially to their age group. This year approximately 80 students will be participating. There will be six certificated staff members and one additional adult chaperoning.

For the last two years, School Tours of America has coordinated and supervised the 8th grade social studies trip to Washington DC. School Tours of America also provides liability coverage. Accident, illness, and accident-related dental insurance coverages are provided for all participants up to $25,000.

FINANCIAL IMPACT:

There is no financial impact on the district for this trip. The trip is funded by the parents. Scholarships are available for students in need of financial assistance. 10 students will be receiving full or partial scholarships.

RECOMMENDATION:

Approve Annual Field Trip for 8th Grade Social Studies Class to Washington, DC, February 19 - 23, 2017.

CABRILLO UNIFIED SCHOOL DISTRICT
BOARD AGENDA ITEM

BOARD MEETING DATE: January 19, 2017

☐ **ACTION**
☒ **CONSENT**
☐ **DISCUSSION**
☐ **INFORMATION**

BOARD AGENDA NUMBER: 14.b

BOARD AGENDA ITEM: Approve Field Trip for High School Future Farmers of America to Davis, California, March 3 - 4, 2017

DEPARTMENT: Pupil Services

CONTACT PERSON: John Corry, Assistant Superintendent, Personnel and Pupil Services

BACKGROUND INFORMATION:

Board Policy 6153 allows the Governing Board to permit students to participate in field trips.

REPORT/PROPOSAL:

Gayle Smith, teacher/advisor of the Half Moon Bay High School Future Farmers of America program, is requesting that the Governing Board approve a field trip to Davis, California, on March 3 - 4, 2017. Students will compete in three Career Development Events. There will be approximately 10 students, and they will be chaperoned by one certificated staff member and one additional adult. The students, teacher and chaperone will travel from Half Moon Bay to Davis, California, by private transportation. The travel party will be staying at La Quinta Inn & Suites, 1771 Research Park Dr., Davis, CA 95616, (530) 758-2600.

FINANCIAL IMPACT:

There is no financial impact on the district for this trip.

RECOMMENDATION:

Approve Field Trip for High School Future Farmers of America to Davis, California, March 3 - 4, 2017.

CABRILLO UNIFIED SCHOOL DISTRICT
BOARD AGENDA ITEM

BOARD MEETING DATE: January 19, 2017

☐ **ACTION**
☒ **CONSENT**
☐ **DISCUSSION**
☐ **INFORMATION**

BOARD AGENDA NUMBER: 14.c

BOARD AGENDA ITEM: Approve Field Trip for High School Future Farmers of America to Chico, California, March 10 - 11, 2017

DEPARTMENT: Pupil Services

CONTACT PERSON: John Corry, Assistant Superintendent, Personnel and Pupil Services

BACKGROUND INFORMATION:

Board Policy 6153 allows the Governing Board to permit students to participate in field trips.

REPORT/PROPOSAL:

Gayle Smith, teacher/advisor of the Half Moon Bay High School Future Farmers of America program, is requesting that the Governing Board approve a field trip to Chico, California, on March 10 - 11, 2017. Students will compete in three Career Development Events. There will be approximately 10 students, and they will be chaperoned by one certificated staff member and one additional adult. The students, teacher and chaperone will travel from Half Moon Bay to Chico, California, by private transportation. The travel party will be staying at the Courtyard Chico, 2481 Carmichael Dr., Chico, CA 95928, (530) 894-6699.

FINANCIAL IMPACT:

There is no financial impact on the district for this trip.

RECOMMENDATION:

Approve Field Trip for High School Future Farmers of America to Chico, California, March 10 - 11, 2017.

CABRILLO UNIFIED SCHOOL DISTRICT
BOARD AGENDA ITEM

BOARD MEETING DATE: January 19, 2017

☐ **ACTION**
☒ **CONSENT**
☐ **DISCUSSION**
☐ **INFORMATION**

BOARD AGENDA NUMBER: 14.d

BOARD AGENDA ITEM: Approve Field Trip for High School Future Farmers of America to Eureka, California, March 24 - 25, 2017

DEPARTMENT: Pupil Services

CONTACT PERSON: John Corry, Assistant Superintendent, Personnel and Pupil Services

BACKGROUND INFORMATION:

Board Policy 6153 allows the Governing Board to permit students to participate in field trips.

REPORT/PROPOSAL:

Gayle Smith, teacher/advisor of the Half Moon Bay High School Future Farmers of America program, is requesting that the Governing Board approve a field trip to Eureka, California, on March 24 - 25, 2017, to participate in the Future Farmers of America Spring Regional Meeting. There will be approximately 12 students and one certificated staff member and two additional adults attending. The students, teacher and chaperones will travel from Half Moon Bay to Eureka, California, by private transportation. The travel party will be staying at the Holiday Inn Express & Suites, 815 W. Wabash Ave., Eureka, California 95501, (707) 269-0682.

FINANCIAL IMPACT:

There is no financial impact on the district for this trip.

RECOMMENDATION:

Approve Field Trip for High School Future Farmers of America to Eureka, California, March 24 - 25, 2017.

CABRILLO UNIFIED SCHOOL DISTRICT
BOARD AGENDA ITEM

BOARD MEETING DATE: January 19, 2017

☐ **ACTION**
☒ **CONSENT**
☐ **DISCUSSION**
☐ **INFORMATION**

BOARD AGENDA NUMBER: 14.e

BOARD AGENDA ITEM: Approve Certificated Personnel Report

DEPARTMENT: Personnel

CONTACT PERSON: John Corry, Assistant Superintendent, Personnel and Pupil Services

BACKGROUND INFORMATION:

The following personnel items are submitted for your ratification/approval.

1. OFFERS OF EMPLOYMENT OF SUBSTITUTE TEACHERS

Employee
Conaghan, Leslie
Hall, Kevin
Joy, Daniel
Rossi, Michael
Wilson, Stacy

2. LEAVE OF ABSENCE

Carrie Blanton, Math Teacher, Half Moon Bay High School, effective January 9, 2017.

3. RETIREMENT

Susan Kavanagh, 2nd Grade Teacher, Farallone View Elementary School, effective March 10, 2017. Ms. Kavanagh was hired on August 31, 1989.

FINANCIAL IMPACT:

Financial impact is included in the budget.

RECOMMENDATION:

Approve the Certificated Personnel report.

CABRILLO UNIFIED SCHOOL DISTRICT
BOARD AGENDA ITEM

BOARD MEETING DATE: January 19, 2017

☐ **ACTION**
☒ **CONSENT**
☐ **DISCUSSION**
☐ **INFORMATION**

BOARD AGENDA NUMBER: 14.f

BOARD AGENDA ITEM: Approve Classified Personnel Report

DEPARTMENT: Personnel

CONTACT PERSON: John Corry, Assistant Superintendent, Personnel and Pupil Services

BACKGROUND INFORMATION:

The following personnel items are submitted for your ratification/approval.

1. OFFERS OF EMPLOYMENT FOR 2016-2017

Joshua Dansby, Lead Custodian II, Maintenance Department, effective January 3, 2017.

Sydney Ramos, Paraprofessional Special Ed II, Cunha Intermediate School, effective January 10, 2017.

Jacqueline Vidrio, Clerical Assistant I, District Office, effective December 13, 2016.

2. OFFERS OF SHORT TERM EMPLOYMENT FOR 2016-2017

Loryn Hicks, Marriage and Family Therapy Intern, Pilarcitos High School, effective December 1, 2016.

3. RESIGNATION

Scott Brunstein, Data Specialist, District Office, effective January 20, 2017.

Melissa Martin, Administrative Assistant II, La Costa Adult Education, effective January 25, 2017.

FINANCIAL IMPACT:

Financial impact is included in the budget.

RECOMMENDATION:

Approve the Classified Personnel report.

CABRILLO UNIFIED SCHOOL DISTRICT
BOARD AGENDA ITEM

BOARD MEETING DATE: January 19, 2017

☐ **ACTION**
☒ **CONSENT**
☐ **DISCUSSION**
☐ **INFORMATION**

BOARD AGENDA NUMBER: 14.g

BOARD AGENDA ITEM: Approve the Saint Mary's College of California Student Placement Agreement

DEPARTMENT: Personnel

CONTACT PERSON: John Corry, Assistant Superintendent, Personnel and Pupil Services

BACKGROUND INFORMATION:

The district will enter and maintain a student teacher contract with Saint Mary's College of California in order to participate in their student teaching program.

The student teacher enrolled in counselor or psychology training curricula practices under the supervision and instruction of District employees who hold valid credentials issued by the CCTC.

REPORT/PROPOSAL:

The general guidelines for student teachers vary between credential emphasis. During the 2016-2017 school year, students from Saint Mary's College of California will be assigned to the Cabrillo Unified School District.

FINANCIAL IMPACT:

There is no financial impact to the General Fund.

RECOMMENDATION:

Approve the Saint Mary's College of California Student Placement Agreement.

Saint Mary's College of California
1928 St. Mary's Road
PMB 4350
Moraga, CA 94575
tel. 925.631.4700 fax 925.376.8379
www.stmarys-ca.edu/soe

KALMANOVITZ SCHOOL OF EDUCATION

SAINT MARY'S COLLEGE OF CALIFORNIA
STUDENT PLACEMENT AGREEMENT

This Agreement ("Agreement") is made by and between Saint Mary's College of California ("Saint Mary's"), a non-profit public benefit corporation and **Cabrillo Unified School District** ("Institution") on this 15th day of August 2016 ("Effective Date").

RECITALS

WHEREAS, Saint Mary's desires to place Saint Mary's students enrolled in teacher training curricula and/or Saint Mary's students enrolled in counselor or psychology training curricula (collectively, "Students"), in appropriate locations whereby Students may gain practical teaching, school counseling or school psychology experience as an important element of Students' education and training by Saint Mary's School of Education; and

WHEREAS, Saint Mary's is accredited by the Western Association of Schools and Colleges and is approved by the California Commission on Teacher Credentialing ("CCTC") as a teacher and counselor education institution that enrolls Students in a teacher training and/or a school counselor or school psychology education curriculum and Institution benefits from the services and assistance of Students in Institution's teaching, school counseling or school psychology environments; and

NOW, WHEREFORE, it is mutually agreed between the parties hereto as follows:

TERMS

1. Incorporation of Recitals
The Recitals appearing above are admitted by the parties to be true and correct and are incorporated into this Agreement as if fully set forth herein.

2. Term
This Agreement is effective as of the Effective Date and covers all applicable instructional periods commencing on or about the fifteenth day of **August 2016** and ending before the fifteenth day of **August 2017**.

3. Definitions
3.1 "*Student Teaching*" means active participation in the duties and functions of classroom teaching under the supervision and instruction of Institution's employees who hold valid credentials issued by the CCTC, other than emergency or provisional credentials, authorizing them to serve as classroom teachers in the Institutions or classes in which practice teaching is provided. "*Student teaching*" further means, as appropriate, "*School Counseling or School Psychology Field Experience*" which is the active participation in the duties and function of school counseling under the supervision and instruction of Institution's employees who hold valid credentials issued by the CCTC, other than emergency or provisional credentials, authorizing them to serve as counselors in Institution classrooms and programs in which school counseling or school psychology field experience is provided.

3.2 *"Location"* means any applicable Institution site or campus when Institution is a public school district with multiple locations or campuses on which Student Teaching, School Counseling or School Psychology will occur. If Institution is located on a single campus, such as an independent school, a private school, or a public institution located on a single site, then "Location" shall be read to mean "Institution.

3.3 *"Master Teacher"* means the Institution teacher, school counselor or school psychologist, holding a valid credential or license issued by or approved by the CCTC, who is or will be providing supervision to Students assigned to the Location. Also referred to as *"Field Supervisor"* in the context of school counseling or school psychology.

4. Parameters

4.1 Institution and Saint Mary's shall, from time to time, adjust the number of Students per semester that will be placed with Institution.

4.2 Saint Mary's shall pay to Institution a fee of twenty-five dollars ($25.00) per semester unit of experience provided to Students placed at Institution Location(s). Invoices must be received by Saint Mary's (Attn: School of Education, unless otherwise directed) by June 1, 2017 to be eligible for payment.

5. Obligation of Institution

5.1 Institution shall provide Students with hands-on experience through Student Teaching, School Counseling or School Psychology in a classroom or other appropriate environment.

5.2 Institution shall ensure that Students are supervised when at the assigned Location. Institution shall ensure that each Student is provided with adequate opportunity to complete all Student Teaching, School Counseling or School Psychology requirements of the Saint Mary's credential program as may be necessary for the Student to earn his/her semester units.

6. Obligation of Saint Mary's

6.1 Saint Mary's may consult with the Principal or Vice Principal at the Location, as well as consulting with the prospective Master Teachers/Field Supervisors regarding the placement of Students at Institution Location(s).

6.2 The assignment of a Student to practice teach or practice school counseling or school psychology at an Institution location shall be deemed to be effective for the purpose of this Agreement as of the date the student presents to the proper authorities of Institution the placement verification form or other document given to the student by Saint Mary's effecting such assignment, but not earlier than the date of such assignment as shown on such form or other document measuring the amount of supervision provided.

7. Fee Computation

Saint Mary's will accept invoices by Institution periodically throughout the term of this Agreement and Saint Mary's shall make payments in accordance with the invoice terms. However, before closing the assignment of each student teacher, **but no later than June 1st**, Institution shall submit to Saint Mary's any final invoices for payment.

8. Termination

This Agreement may be terminated for any reason or without reason by either party by providing (30) thirty-calendar day's advance written notice of the Termination to the other party. Upon termination of this Agreement, all fees shall be prorated to reflect only those services rendered and shall be invoiced as contemplated under the terms of this Agreement.

Institution, for good cause, may refuse to accept for Student Teaching, Student School Counseling or School Psychology, any Student that Saint Mary's proposes to assign to Institution. Institution, for good cause and after consultation with Saint Mary's, may terminate the assignment of any Student assigned to Institution. The termination of any individual Student shall not terminate this Agreement and Saint Mary's may, during the term of this Agreement, seek to assign additional or different Students to Institution.

9. Applicable Laws, Codes and Regulations

9.1 Saint Mary's, upon written request by Institution and upon receipt of appropriate materials from Institution, will instruct students on applicable state and federal law relating to unlawful discrimination, including harassment. Institution shall clearly indicate to Saint Mary's any laws, codes, or regulations of which Saint Mary's students must be informed.

9.2 Institution warrants that it and its facilities comply with all applicable laws, codes, and regulations that pertain to the operation of an educational facility, including but not limited to laws and regulations concerning unlawful discrimination, harassment, and accessibility.

10. Relationship of Parties

This Agreement shall not be construed to make the parties partners, joint ventures, brokers, employees, principal, or agent, nor shall either party hold itself contrary to these terms and neither party shall be bound by any representation, act, or omission of the other.

11. Indemnity

11.1 Saint Mary's agrees to defend, indemnify and hold harmless Institution against all claims, suits, liabilities and costs, including but not limited to, reasonable attorneys' fees, for claims or suits arising out of or related to the negligence or intentional wrongful acts of Saint Mary's.

11.2 Institution agrees to defend, indemnify and hold harmless Saint Mary's from any claims, suits, liabilities and costs, including but not limited to, reasonable attorneys' fees, for claims or suits arising out of or related to the negligence or intentional wrongful acts or omissions of Institution or its employees.

12. Assignment

This Agreement may not be assigned by either party without the advance written consent of the other. This Agreement shall be binding upon the heirs, successors, and assigns of both parties.

13. Notices
All notices or correspondences regarding this Agreement shall be directed to the following addresses:

If to Saint Mary's:

Saint Mary's College of California
KSOE C/O Dora Scott
1928 St. Mary's Rd., PMB 4350
Moraga, CA 94575-4350
Telephone: (925) 631-4722
Facsimile: (925) 376-8379

If to Institution: (please complete below)

Attn: _____
_____
_____
_____
_____
_____

14. Governing Law
This Agreement shall be governed by and construed in accordance with the laws of the State of California, for any lawsuits or disputes between the parties arising from or incident to this Agreement.

15. Entire Agreement
This Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof and may be amended only upon the prior written agreement of the parties.

16. Severability
If any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal, void, or unenforceable, that shall not affect the validity and enforceability of the remaining portions of this Agreement.

17. Non-Waiver
The failure of either party to exercise any of its rights under this Agreement for a breach thereof shall not be deemed to be a waiver of such rights, nor shall the same be deemed to be a waiver of any subsequent breach, either of the same provision or otherwise.

WHEREFORE, each party has caused this Agreement to be executed, in no fewer than two (2) counterparts, on their behalf personally or by a duly authorized representative, all as of the Effective Date of this Agreement.

SAINT MARY'S COLLEGE OF CALIFORNIA:	CABRILLO UNIFIED SCHOOL DISTRICT:
_____	_____
Jeanne DeMatteo	Name: _____
Interim Vice President for Finance & Administration	Title: _____
Date: _____	Date: _____

CABRILLO UNIFIED SCHOOL DISTRICT
BOARD AGENDA ITEM

BOARD MEETING DATE: January 19, 2017

☐ **ACTION**
☒ **CONSENT**
☐ **DISCUSSION**
☐ **INFORMATION**

BOARD AGENDA NUMBER: 14.h

BOARD AGENDA ITEM: Approve the Agreement for Cooperation for Professional Preparation of Teacher Candidates for the 2016-2017 Academic Year between Cabrillo Unified School District and Stanford University

DEPARTMENT: Personnel

CONTACT PERSON: John Corry, Assistant Superintendent, Personnel and Pupil Services

BACKGROUND INFORMATION:

The district will enter and maintain a Teacher Candidate contract with Stanford University in order to participate in their student teaching program.

The student teacher practices under the supervision of an experienced faculty member at a high school, middle school or elementary school who is legally responsible for the classes assigned to the Teacher Candidate.

REPORT/PROPOSAL:

The general guidelines for student teachers vary between credential emphasis. During the 2016-2017 school year, students from Stanford University will be assigned to the Cabrillo Unified School District.

FINANCIAL IMPACT:

There is no financial impact to the General Fund.

RECOMMENDATION:

Approve the Agreement for Cooperation for Professional Preparation of Teacher Candidates for the 2016-2017 Academic Year between Cabrillo Unified School District and Stanford University.

Agreement for Cooperation for Professional Preparation of Teacher Candidates for the 2016-2017 Academic Year

THIS AGREEMENT ("Agreement") is entered into by and between Cabrillo Unified School District and the Board of Trustees of Leland Stanford Junior University ("Stanford"), and is effective as of 12/2/2016_____ ("Effective Date").

The undersigned parties agree to the following:

SECTION 1. DEFINITIONS

Teacher Candidate: a matriculated student in the Stanford Teacher Education Program ("STEP") pursuing a California Preliminary Multiple Subject Teaching Credential and/or Single Subject Teaching Credential with English Learner Authorization (ELA) and an MA in Education.

Cooperating Teacher: a credentialed, experienced faculty member at a high school, middle school, or elementary school who is legally responsible for the class(es) assigned to the Teacher Candidate.

University Supervisor: a veteran, credentialed teacher or doctoral candidate employed by Stanford to provide direct classroom support to Teacher Candidates and Cooperating Teachers.

STEP Administration: the Stanford faculty and staff responsible for the administration of STEP.

Site Administration: the administration at an individual school site within the School that enters into this agreement with STEP.

Graduated Responsibility: the gradual assumption of responsibility for classroom instruction by the Teacher Candidate under the direct and continuing supervision of the regularly assigned Cooperating Teacher and University Supervisor, as further defined in the Teacher Candidate Contract between the Teacher Candidate, the School and the Cooperating Teacher.

Independent Student Teaching: the portion of the student teaching placement where the Cooperating Teacher leaves the Teacher Candidate alone in the classroom while still consulting about planning on a regular basis. This may not begin until the completion of all state requirements has been verified by the STEP Administration and the Teacher Candidate is deemed ready by the Cooperating Teacher, University Supervisor and STEP Administration ("**Independent Student Teaching Status**").

SECTION 2. STEP ADMINISTRATION DUTIES

STEP Administration will: affluent

- work collaboratively with the School's school site administration and staff in the assignment of Teacher Candidates.
- guarantee that Teacher Candidates have met California Commission for Teacher Credentialing (CCTC) subject matter competence prior to commencing Independent Student Teaching.
- undertake to have Teacher Candidates remain in their student teaching assignment/s until the end of the requisite public school year unless removed for good cause by the School or STEP.
- confer regularly with School and Site Administration and Cooperating Teachers through meetings, telephone calls, and/or e-mail.

- immediately notify appropriate School and Site Administration if STEP Administration has knowledge of or suspects any professional or ethical violations by a Teacher Candidate in the School.
- guarantee that Teacher Candidates and University Supervisors have appropriate TB and finger printing clearance.
- undertake to have Teacher Candidates establish and maintain adequate public liability and property damage insurance and inform them of their lack of coverage for Worker's Compensation Insurance.
- instruct Teacher Candidates in state laws regarding child abuse reporting, sexual harassment and professional conduct.

SECTION 3. UNIVERSITY SUPERVISOR DUTIES

STEP Administration will undertake to ensure that University Supervisors will:

- conduct systematic and regular observations of Teacher Candidates' performances in the School's classrooms.
- confer regularly with Cooperating Teachers and with the Site Administration through meetings, telephone calls, and/or e-mail.

SECTION 4. TEACHER CANDIDATE DUTIES

STEP Administration will undertake to ensure that Teacher Candidates will:

- attend school placements for 20 hours a week based on the Cooperating Teacher's schedule unless given prior written approval by the STEP Director of Clinical Work.
- co-plan with Cooperating Teachers throughout the academic year.
- co-teach with Cooperating Teachers throughout the academic year based on individually developed induction plans which emphasize gradual assumption of responsibility.
- participate in department meetings and faculty meetings when possible.
- attend Back to School Nights and Open Houses.

enter into a Teacher Candidate Contract substantially in the form attached hereto as Exhibit A.

SECTION 5. SCHOOL DUTIES

The School will:

- provide supervised teaching and other clinical/professional experiences for Teacher Candidates through student teaching in schools and classes within the School's high schools and middle schools, in each case under the supervision of a Cooperating Teacher.
- provide each Teacher Candidate with a certified, experienced teacher as a Cooperating Teacher and provide documentation of appropriate credentialing as needed.
- immediately notify the Director or STEP Director of Clinical Work if the Administration has knowledge of or suspects any professional or ethical violations by a Teacher Candidate.
- request that a Teacher Candidate act as a substitute teacher only for that Teacher Candidate's supervising Cooperating Teacher and will not make Teacher Candidates part of the general substitute pool.
- instruct Teacher Candidates in School policies regarding child abuse reporting, sexual harassment and professional conduct.

SECTION 6. TERM

This Agreement shall be effective for the 2016-2017 academic calendar in the School.

SECTION 7. UNDERTAKINGS BY STANFORD

Stanford's and the STEP Administration's sole responsibility for any term of this Agreement that states that the STEP Administration will "undertake" to cause a Teacher Candidate or University Supervisor to comply with a term of this Agreement will be to follow the STEP Administration's standard internal procedures to cause that Teacher Candidate or University Supervisor to comply with that term of this Agreement.

SECTION 8. STATUS OF TEACHER CANDIDATES

The Teacher Candidates are not employees, agents or independent contractors of Stanford, and Stanford will not be held liable for any act or failure to act by a Teacher Candidate.

SECTION 9. INDEMNIFICATION

To the fullest extent permitted by law, School shall indemnify, defend, and hold harmless Stanford and its directors, officers, attorneys, officials, employees and agents ("Stanford Indemnities") from and against any and all claims, demands, judgments, losses, costs, damages, injuries, expenses and liabilities of every kind, nature and description (collectively, "Claims") that arise out of or relate to, directly or indirectly, in whole or in part, this Agreement or any error, omission or act of School or any employee, consultant, agent, director or officer of School or any employee or person otherwise working or volunteering at the School, including without limitation the performance or non-performance of the terms of this Agreement (except to the extent such Claim is solely the result of the gross negligence or willful misconduct of a Stanford Indemnity). This Section 9 shall survive the termination of this Agreement.

SECTION 10. MISCELLANEOUS

The parties to this Agreement are independent contractors. Nothing contained in this Agreement shall be deemed or construed to create a joint venture, partnership, principal-agent or employment relationship between the parties and neither party shall have the authority to bind the other party for any purpose.

This Agreement and the rights and obligations of the parties shall be governed and construed by the substantive laws of the State of California as applied to contracts that are executed and performed entirely in California.

This Agreement, including its Exhibit, supersede all prior and contemporaneous agreements and understandings between the parties, both oral and written, with respect to its subject matter and constitutes the complete agreement and understanding between the parties, unless modified in writing executed by both parties.

If a court of competent jurisdiction holds any provision of this Agreement, or its application, invalid or unenforceable, that provision shall be amended to achieve as nearly as possible the same effect as the original provision, and the remainder of this Agreement shall remain in full force and effect.

No delay or failure by either party to act in the event of a breach or default hereunder shall be construed as a waiver of that or any succeeding breach or a waiver of the provision itself.

This Agreement may be executed in any number of counterparts, each of which shall be an original as against any party whose signature appears and all of which together shall constitute one and the same instrument.

Executed by the undersigned authorized individuals on behalf of the parties effective as of the date first written above.

CABRILLO UNIFIED
SCHOOL DISTRICT

By [redacted]

Print Name Jane Yuster

Title Superintendent

BOARD OF TRUSTEES OF LELAND
STANFORD JUNIOR UNIVERSITY

By _____

Print Name Daniel Schwartz

Title Dean, Stanford School of Education

EXHIBIT A

FORM OF TEACHER CANDIDATE CONTRACT
STANFORD TEACHER EDUCATION PROGRAM

Educators learn by studying, doing and reflecting, by collaborating with other professionals, by looking closely at pupils and their work, and by sharing what they see. The development of theoretically sound professional practice cannot occur either in college classrooms separated from engagement in practice or in school classrooms separated from knowledge and theories that result from rigorous scholarship. Professional learning in both schools of education and P-12 schools should provide opportunities for research and inquiry, for trying and testing, and for talking about and evaluating the results of learning and teaching. The intersection of theory and practice occurs most productively when questions arise in the context of real work-in-progress, in schools and with pupils, informed by research and disciplined inquiry. The cooperating teacher and university supervisor provide direct support for the candidate as he/she works simultaneously in the two contexts.

This document describes the responsibilities of the **teacher candidate**, the **cooperating teacher**, and the **university supervisor** as they work in the clinical setting. The three work together to support the candidate's growth as a novice teacher. Each teacher candidate teaches under the direct and continuing classroom supervision of an assigned cooperating teacher who is a credentialed, experienced member of the school faculty and is legally responsible for the class(es) assigned to the teacher candidate. The university supervisor is also an experienced, credentialed teacher who helps to bridge the teacher candidate's classroom experience with STEP coursework. All three parties sign this agreement.

The teacher candidate co-teaches with the cooperating teacher in two different periods **(primary and secondary)**. Initially, the cooperating teacher assumes primary responsibility for both classes and the teacher candidate remains in a supportive role. **During independent student teaching, the teacher candidate takes responsibility for the primary course.** The teacher candidate and cooperating teacher co-teach **the secondary course** until the end of the year, with the cooperating teacher taking primary responsibility.

The **California Standards for the Teaching Profession (CSTPs) and Teaching Performance Expectations (TPEs)** provide a framework for assessing and documenting the teacher candidate's progress throughout the program. These standards inform the formal observations conducted by the university supervisor and the quarterly assessments completed by the cooperating teacher and university supervisor.

Graduated Responsibility

The structure of the STEP student teaching experience relies on the concept of **graduated responsibility.** In addition to observing instruction, the teacher candidates play an active role early in the placement, supporting individual students and small groups and implementing small learning segments with the support of the supervisor and cooperating teacher. Over time candidates extend their responsibility for planning, instruction, and assessment in the placement, taking ownership of learning segments that increase in length and complexity. Graduated responsibility ensures that guidance from experienced teachers shapes each candidate's development, and it also allows the cooperating teacher and supervisor to share and refine their own practice. This structure encourages candidates to merge theory and practice in authentic ways.

Graduated responsibility eventually culminates in a sustained period of **independent student teaching,** which begins in the winter. This timing allows for the candidate to complete sufficient time and experience as an independent teacher to provide evidence for recommendation for the teaching credential. This process is personalized so that candidates, university supervisors, and cooperating teachers agree on a timeline that makes sense for each candidate based on his or her strengths and abilities as a developing teacher. The following documents support graduated responsibility:

- Building Relationships Between Teacher Candidate and Cooperating Teacher
- STEP Integration Plans (Fall, Winter/Spring)
- Graduated Responsibility in STEP
- Independent Student Teaching in STEP

The Joint Work of the Cooperating Teacher and Teacher Candidate:

Together the cooperating teacher and the candidate move through all phases of the **teaching cycle**: planning, instructing, assessing, and reflecting. Throughout the year the two explore and practice the different strategies that can be utilized within each phase. The following are suggestions for ways the cooperating teacher can support the growth in each phase:

Planning:

- Articulate the intended educational goals and expected outcomes for the course.
- Discuss rationale for the focus and sequencing of the course.
- Co-plan lessons, units, curriculum, and assessments with teacher candidate throughout the academic year.
- Explore strategies to diagnose and address specific student needs.

Instructing:

- Co-teach with teacher candidate according to the teacher candidate's readiness.
- Model a variety of teaching strategies for the teacher candidate.
- Provide opportunities for the teacher candidate to practice different teaching strategies to address students' interests and needs.
- Demonstrate how to manage everyday tasks such as taking role, giving directions, and dealing with paperwork.

Assessing:

- Discuss and model different assessment techniques (e.g., objective tests, performance assessments, peer review, self-assessment, journals, portfolio, etc).
- Examine student work to identify to what extent the learners reached the educational goals and to guide future planning.

Reflecting:

- Co-reflect about daily lessons and encourage the teacher candidate to reflect on the effectiveness of the teaching technique(s) for the learners.
- Provide multiple opportunities to self-assess teaching
- Make thinking visible and share thoughts about the outcome of a lesson.
- Emphasize the teacher candidate's strengths and give constructive, specific feedback about areas for improvement.
- Discuss strategies and help set goals for the teacher candidate to address specific areas for improvement.

Graduated responsibility allows for candidates to develop at different rates throughout the year and within each phase of the teaching cycle. For example, a teacher candidate may be comfortable at utilizing different instructional strategies but still need considerable support in developing assessments. By mentoring the teacher candidate in the ways described above, the cooperating teacher will support the teacher candidate's move into the primary teaching role for the **primary course.** As the candidate takes on more responsibility in the class, the cooperating teacher plays a more supportive role. The two continue to plan and debrief on a regular basis. By winter, the teacher candidate should already have experienced significant responsibility for multiple components of the curriculum.

The cooperating teacher, the university supervisor, STEP's director of clinical work, and director determine the appropriate time for the candidate to begin **independent student teaching** in the primary course. Independent student teaching begins well before the final eight weeks of the school year. Although the candidate assumes responsibility for the classroom during independent student teaching and may be left in charge of the classroom, the cooperating teacher remains the "teacher of record" throughout the academic year. For more information, see "Independent Student Teaching in STEP."

Responsibilities of the Cooperating Teacher

- Meet with teacher candidate and university supervisor **(three-way meeting)** at the beginning of the placement and at the end of each quarter
- Review the STEP handbook
- Observe the candidate's teaching to collect evidence for quarterly assessment (use suggested observation tools found in the STEP handbook). Make your thinking visible before, during, and after class.
- Maintain proactive, ongoing communication with the supervisor about the candidate's progress. The supervisor and cooperating teacher together monitor the candidate's graduated responsibility trajectory. Should concerns arise, the supervisor should be notified immediately to determine how best to support the candidate. If necessary, the STEP Director of Clinical Work may provide additional guidance.
- Complete three quarterly assessments and upload them to Tk20 (http://stanford.tk20.com) by the following dates: **Tuesday, November 29, 2016, Friday, Wednesday, March 15, 2017, Friday, May 26, 2017.** (**Note:** The teacher candidate will not receive a grade for Seminar until each quarter report is received, and all reports for the year must be received before he or she can graduate.)
- Discuss the content of the quarterly assessment with the teacher candidate and set future learning goals.

Responsibilities of the Teacher Candidate

The teacher candidate maintains a professional presence while at the school site, communicating and relating with colleagues, students, and families.

- Be present and at the school site for about 20 hours per week for the full academic year; be prepared to fulfill his or her obligations in the teaching assignments.
- Maintain prompt and regular attendance and conscientious out-of-class preparation for teaching responsibilities
- Maintain up to date records of curricular plans; abide by school policies; meet administrative due dates;
- Visit and observe other classrooms on a regular basis as detailed in the integration plan.
- Email absences for any reason to the cooperating teacher, university supervisor, director of clinical work, and director
- Request absences for special circumstances in writing from the cooperating teacher, director of clinical work, and director

Videotaping: **As part of the teacher candidates' work for Stanford University they are required to videotape their teaching. The videotapes are kept by the student and by Stanford University and may be shared with other teacher educators and other teacher candidates to help them analyze and improve their teaching. Neither the students' names nor the name of the school will be used in any reports or presentations of the video. A form will be sent to each parent for them to indicate if they are willing to have their child appear in the video.**

Substitute Teaching: STEP teacher candidates may serve as substitute teachers for their cooperating teachers only, but not until the university supervisor has completed one formal observation, and the cooperating teacher, university supervisor, and STEP director of clinical work have given their written approval. Under certain non-routine circumstances, teacher candidates who have completed all of their subject matter competence

requirements and have attained daily independent teaching status may be allowed to accept a paid long-term substitute teaching position if the position offers specific supports required by STEP and if the advisory team determines that the teacher candidate is prepared to meet students' needs adequately. The position will be discussed with the cooperating teacher(s), university supervisor, school administration, and STEP teacher candidate before a final decision is reached. Final approval is given by STEP.

Extracurricular Activities: The teacher candidate should not receive assignments to extracurricular activities from the school. If the schedule permits, the STEP teacher candidate will attend a minimum of one department meeting and one faculty meeting per semester, parent-teacher conferences, and back-to-school events. STEP encourages teacher candidates to voluntarily participate in school activities if time permits. However, STEP teacher candidates should not be required to attend meetings that conflict with classes at Stanford.

Responsibilities of the University Supervisor

The university supervisor plays a vital role as a bridge between the university and clinical context, a mentor, and an evaluator of the candidate's progress. As they pertain to the field placement, the supervisor's responsibilities are to:

- Facilitate three-way meetings at the beginning of the placement and at the end of the quarter to discuss quarterly assessment and set goals
- Using the integration plan as a framework, communicate with the cooperating teacher and teacher candidate about how the principles of graduated responsibility are being enacted in the placement.
- Conduct at least nine formal observations during the academic year (one per quarter is videotaped)
- Complete quarterly assessment each quarter
- Facilitate information stream between Stanford and the cooperating teacher regarding candidate's progress and needs.
- Recommend candidate for credential (spring)
- Report any concerns to STEP's director of clinical work immediately

If you need to be in contact with STEP regarding any of the above or STEP Teacher candidate concerns, please email Peter Williamson, Director of STEP Secondary at peterw@stanford.edu or Ruth Ann Costanzo, Director of Clinical Work at rcostanzo@stanford.edu.

CABRILLO UNIFIED SCHOOL DISTRICT
BOARD AGENDA ITEM

BOARD MEETING DATE: January 19, 2017

☐ **ACTION**
☒ **CONSENT**
☐ **DISCUSSION**
☐ **INFORMATION**

BOARD AGENDA NUMBER: 14.i

BOARD AGENDA ITEM: Approve Donations to Cabrillo Unified School District

DEPARTMENT: Business Department

CONTACT PERSON: Crystal Leach, Chief Business Official

BACKGROUND INFORMATION:

The Governing Board routinely reviews the monthly donation reports.

REPORT/PROPOSAL:

Pursuant to the Governing Board Policy 3290, the Governing Board is to accept donations on behalf of the district or any school in the district.

HALF MOON BAY HIGH SCHOOL $3,650.

Sport/Club/Scholarship:
Kathy Hann
Kirsten E. Barron
Lisa & David Gilmour
Kimberly Sue Carpenter & Robert G.
Edward O. Kalem & Renee A. Romero
Ilda Caballero & Julio Huerta
Stacie L. Vining
Mary M. Donner & Gordon F. Force, Jr.
Kerry Macintosh
Lisa O'Keefe
Wendy Padua
Christine M. & Christopher W. Woodbridge
Catherine Zurak
Nannette M. & Philip D. Wilkinson
Hassett Hardware
Kirby J. Burnside
Friends of Kids, Inc.
IOOF Ocean View Lodge #143

PILARCITOS HIGH SCHOOL $1,000.
Friends of Kids, Inc.

FARALLONE VIEW $300.
Sue Lugiewicz

FINANCIAL IMPACT:

There is no financial impact to the General Fund.

RECOMMENDATION:

Approve donations to Cabrillo Unified School District.

CABRILLO UNIFIED SCHOOL DISTRICT
BOARD AGENDA ITEM

BOARD MEETING DATE: January 19, 2017

☐ **ACTION**
☒ **CONSENT**
☐ **DISCUSSION**
☐ **INFORMATION**

BOARD AGENDA NUMBER: 14.j

BOARD AGENDA ITEM: Accept Enrollment Report for the Fourth Month of the 2016-2017 School Year

DEPARTMENT: Business Department

CONTACT PERSON: Crystal Leach, Chief Business Official

BACKGROUND INFORMATION:

The Governing Board routinely reviews the monthly enrollment reports.

REPORT/PROPOSAL:

The enrollment report for the fourth month of the 2016-2017 school year is being presented to the Governing Board for information.

FINANCIAL IMPACT:

There is no financial impact to the District.

RECOMMENDATION:

Accept enrollment report for the fourth month of the 2016-2017 school year.

CABRILLO UNIFIED SCHOOL DISTRICT
2016-2017 SCHOOL YEAR
ENROLLMENT REPORT

School Month No. 4 **Date:** 12/16/2016

Grade	El Granada	Farallone View	Hatch	Kings Mountain	Cunha	Half Moon Bay High	Pilarcitos	Home & Independent Study	TOTALS
TK	13	14	12	0	-	-	-	0	39
K	55	56	97	12	-	-	-	0	220
1	55	48	100	13	-	-	-	0	216
2	63	44	107	10	-	-	-	0	224
3	70	48	119	12	-	-	-	0	249
4	61	56	91	13	-	-	-	0	221
5	95	58	94	9	-	-	-	0	256
6	-	-	-	-	256	-	-	0	256
7	-	-	-	-	256	-	-	1	257
8	-	-	-	-	258	-	-	1	259
9	-	-	-	-	-	251	0	0	251
10	-	-	-	-	-	224	2	5	231
11	-	-	-	-	-	248	7	4	259
12	-	-	-	-	-	232	23	13	268
Total Regular Enrollment	412	324	620	69	770	955	32	24	3206
SDC Student Enrollment	18	0	0	0	21	15	0	0	54
TOTAL ENROLLMENT	**430**	**324**	**620**	**69**	**791**	**970**	**32**	**24**	**3260**
Total Enrollment as of 12/4/2015	456	335	635	65	780	977	38	35	3321
Difference between 12/4/2015 Total Enrollment and 12/16/2016 Total Enrollment	**-26**	**-11**	**-15**	**4**	**11**	**-7**	**-6**	**-11**	**-61**
Total Enrollment as of 11/11/2016	431	328	620	69	792	971	35	23	3269
Difference between 11/11/2016 Total Enrollment and 12/16/2016 Total Enrollment	**-1**	**-4**	**0**	**0**	**-1**	**-1**	**-3**	**1**	**-9**

CABRILLO UNIFIED SCHOOL DISTRICT
BOARD AGENDA ITEM

BOARD MEETING DATE: January 19, 2017

☐ **ACTION**
☒ **CONSENT**
☐ **DISCUSSION**
☐ **INFORMATION**

BOARD AGENDA NUMBER: 14.k

BOARD AGENDA ITEM: Approve Establishment of Parent Advisory Committee and English Learner Parent Advisory Committee

DEPARTMENT: Governing Board

CONTACT PERSON: Jane Yuster, Superintendent

BACKGROUND INFORMATION:

As per the guidelines surrounding the Local Control Accountability Plan and the California Education Code Section 52063, the governing board of a school district shall establish a parent advisory committee and an English learner parent advisory committee to participate in the review of the Local Control Accountability Plan. Districts are allowed to use already existing committees to fulfill these duties and obligations. For example, a district may use an already existing District English Leaner Advisory Committee (DELAC) to be the English Learner Parent Advisory Committee.

It should be noted that the purpose of these committees is to review the draft Local Control Accountability Plan. This is above and beyond all of the meetings the district will have in order to solicit input on the creation of the Local Control Accountability Plan.

REPORT/PROPOSAL:

The district will create a parent advisory committee to review the draft of the Local Control Accountability Plan. The district will use the existing DELAC to serve as the English learner parent advisory committee to review the draft of the Local Control Accountability Plan.

The Governing Board will instruct the Superintendent to create a Parent Advisory Committee for the review of the Local Control Accountability Plan. The Board will further instruct the Superintendent to use the existing District English Learner Advisory Committee for the review of the Local Control Accountability Plan.

FINANCIAL IMPACT:

There is no financial impact to the General Fund.

RECOMMENDATION:

Approve establishment of Parent Advisory Committee and English Learner Parent Advisory Committee.

CABRILLO UNIFIED SCHOOL DISTRICT
BOARD AGENDA ITEM

BOARD MEETING DATE: January 19, 2017

☐ **ACTION**
☒ **CONSENT**
☐ **DISCUSSION**
☐ **INFORMATION**

BOARD AGENDA NUMBER: 14.l

BOARD AGENDA ITEM: Approve and Adopt Minutes of December 8, 2016 Regular Governing Board Meeting

DEPARTMENT: Superintendent/Governing Board

CONTACT PERSON: Jane Yuster, Superintendent

BACKGROUND INFORMATION:

The Governing Board routinely reviews and approves minutes from all regular meetings and special sessions.

REPORT/PROPOSAL:

The unadopted minutes from the December 8, 2016, Regular Governing Board meeting are included in this Board packet for consideration.

FINANCIAL IMPACT:

There is no financial impact to the General Fund.

RECOMMENDATION:

Approve and adopt minutes of December 8, 2016, Regular Governing Board meeting.

Governing Board (Unadopted) Meeting Minutes

CABRILLO UNIFIED SCHOOL DISTRICT
District Office Board Room
498 Kelly Avenue, Half Moon Bay, CA 94109
December 8, 2016, 7:00 p.m.
(Work Session 5:00 p.m. - Closed Session 6:00 p.m.)

Board Members Present:	Dr. Kirk Riemer, Ph.D., President Ms. Freya McCamant, Vice President Mr. Rob Pappalardo, Clerk to the Governing Board Ms. Sophia Layne, Incoming Member Ms. Kimberly Hines, Incoming Member Ms. Kate Livingston, Retiring Member Mr. Michael John Ahern, Retiring Member
Administrators at the Table:	Ms. Jane Yuster, Superintendent Mr. John Corry, Assistant Superintendent Ms. Joy Dardenelle, Assistant Superintendent Ms. Crystal Leach, Chief Business Official
Student Representative:	Miss Trisha Madayga, Student Board Representative
Honored Guest:	Ms. Anne Campbell, County Superintendent of Schools, San Mateo County Office of Education

1. CALL TO ORDER - 5:00 P.M.

2. ROLL CALL / QUORUM

____ Dr. Kirk Riemer, Ph.D., President
____ Ms. Freya McCamant, Vice President
____ Mr. Rob Pappalardo, Clerk to the Governing Board
____ Ms. Kate Livingston, Member
____ Mr. Michael John Ahern, Member
____ Ms. Sophia Layne, Incoming Member
____ Ms. Kimberly Hines, Incoming Member

3. SPECIAL WORK SESSION

a. Orientation for New Board Members

4. COMMENTS FROM THE PUBLIC RELATED TO ITEMS ON THE CLOSED SESSION AGENDA

None

5. RECESS TO CLOSED SESSION -6:01P.M.

6. RECONVENE OPEN SESSION – 7:07P.M.

The Governing Board met in Closed Session from 6:01 to 7:03 p.m. and no action was taken.

7. PLEDGE OF ALLEGIANCE

The pledge of allegiance was led by retiring Board member Michael Ahern.

8. ADOPTION OF AGENDA AS PRESENTED / AMENDED

Motion to approve agenda as presented was made by Member Michael Ahern and seconded by Member Kate Livingston.

(M-34) Passed 5-0 with Student Board Representative voting aye.

9. OATH OF OFFICE CEREMONY

San Mateo County Superintendent of Schools, Anne Campbell, officiated the swearing in ceremony for newly elected Members Sophia Layne and Kimberly Hines.

Ms. Joan Dentler, Representative for Senator Jerry Hill, came to present two California Resolutions for Ms. Kate Livingston and Mr. Michael Ahern in recognition of their service to Cabrillo Unified School District as Governing Board Members from 2012-2016.

President Riemer called for a brief intermission.

10. GOVERNING BOARD REORGANIZATION

a. Hold Elections to Determine Governing Board Officers and Designate Governing Board Representatives/Appointees for 2017:

1. President-Freya McCamant

Motion to nominate Ms. Freya McCamant as President to the Governing Board for the 2017 school year was made by Member Rob Pappalardo and seconded by Member Kimberly Hines.

(M-35) Passed 5-0 with Student Board Representative voting aye.

Roll Call:
Ms. Freya McCamant-aye

Mr. Rob Pappalardo-aye
Ms. Sophia Layne-aye
Ms. Kimberly Hines-aye
Dr. Kirk Riemer-aye

2. Vice-President-Rob Pappalardo

Motion to nominate Mr. Rob Pappalardo as Vice-President to the Governing Board for the 2017 school year was made by Member Kirk Riemer and seconded by Member Kimberly Hines.

(M-36) Passed 5-0 with Student Board Representative voting aye.
Roll Call:
Ms. Freya McCamant-aye
Mr. Rob Pappalardo-aye
Ms. Sophia Layne-aye
Ms. Kimberly Hines-aye
Dr. Kirk Riemer-aye

3. Clerk to the Governing Board-Sophia Layne

Motion to nominate Ms. Sophia Layne as Clerk to the Governing Board for the 2017 school year was made by Member Kirk Riemer and seconded by Member Rob Pappalardo.

(M-37) Passed 5-0 with Student Board Representative voting aye.
Roll Call:
Ms. Freya McCamant-aye
Mr. Rob Pappalardo-aye
Ms. Sophia Layne-aye
Ms. Kimberly Hines-aye
Dr. Kirk Riemer-aye

4. Appointed Secretary to the Governing Board-Jane Yuster

President Freya McCamant appointed the Superintendent, Jane Yuster to act as Secretary of the Governing Board.

Motion to approve appointment of Superintendent, Ms. Jane Yuster as Secretary to the Governing Board was made by Member Kirk Riemer and seconded by Kimberly Hines.

(M-38) Passed 5-0 with Student Board Representative voting aye

5. Authorize Signatories for the Governing Board-President Freya McCamant, Vice President Rob Pappalardo, Clerk to the Governing Board, Sophia Layne and Secretary to the Governing Board, Superintendent Jane Yuster

Motion to approve the authorized Signatories for the Governing Board: President Freya McCamant, Vice President Rob Pappalardo, Clerk to the Governing Board, Sophia Layne

and Secretary to the Governing Board, Superintendent Jane Yuster for the 2017 school year was made by Kirk Riemer and seconded by Member Rob Pappalardo.

(M-39) Passed 5-0 with Student Board Representative voting aye

The following action was taken by the Governing Board for the 2017 reorganization by an en masse vote:

6. Board Spokesperson – Ms. Freya McCamant, Governing Board President
7. Representative(s) to the County Board of Education – Ms. Sophia Layne
8. Representative to the San Mateo County Committee on School District Organization – Ms. Freya McCamant
9. Representative to the San Mateo County School Boards Association – Ms. Kimberly Hines
10. Representative(s) to the City Council of Half Moon Bay – Mr. Kirk Riemer
11. Representative(s) to the Mid Coast Council – Ms. Kimberly Hines
12. Representative to the Cabrillo Education Foundation - Mr. Rob Pappalardo
13. Representative to the Chamber of Commerce Education Committee – Ms. Freya McCamant
14. Representative(s) to School Sites as follows:
    A. Alvin S. Hatch Elementary – Ms. Sophia Layne
    B. El Granada Elementary – Ms. Kimberly Hines
    C. Farallone View Elementary – Ms. Freya McCamant
    D. Kings Mountain Elementary – Mr. Rob Pappalardo
    E. Manuel F. Cunha Intermediate – Ms. Sophia Layne
    F. Half Moon Bay High – Mr. Rob Pappalardo and Ms. Kimberly Hines
    G. Pilarcitos High School – Mr. Kirk Riemer

Motion to approve the appointed Board Representatives as presented made by Member Kirk Riemer and seconded by Member Rob Pappalardo.

(M-40) Passed 5 - 0 with Student Representative voting aye

b. Approve and Adopt the 2017 Governing Board Meeting Calendar as Required by Board Bylaws 9100

Motion to approve the Governing Board Meeting Calendar for 2017 as presented was made by Member Rob Pappalardo and seconded by Member Sophia Layne.

(M-41) Passed 5 - 0 with Student Representative voting aye

c. Complete Annual Review of Board Bylaw 9250 as it Pertains to Compensation; Individuals May Elect to Receive for Service as Members to the Governing Board for 2017

By mutual agreement the Governing Board agreed to make no changes in policy and all Members agreed to not accept compensation or health insurance for service, as allowed in Governing Board Bylaw 9250.

Motion to not accept compensation or health insurance for service, as allowed in Governing Board Bylaw 9250 made by Member Sophia Layne and seconded by Member Rob Pappalardo.

(M-42) Passed 5 - 0 with Student Representative voting aye

11. STUDENT / STAFF / COMMUNITY RECOGNITION

None

12. COMMENTS FROM THE PUBLIC RELATED TO ITEMS NOT ON THIS AGENDA

Mr. Kyle Koehler, 601Vue de Mar Avenue, Moss Beach, Ca. Mr. Koehler came to address the Governing Board regarding equal healthcare benefits for all.

Mr. Vanessa Stubbs, 46 Alameda Avenue, Half Moon Bay, Ca. Ms. Stubbs came to address the Governing Board regarding healthcare benefits.

Mr. Lane Mullin, 415 A Street, Daly City, Ca. Mr. Mullin came to address the Governing Board regarding equal healthcare benefits.

13. REPRESENTATIVE REPORTS

a. CUTA Representative-Sean Riordan welcomed and congratulated the new Boards members and thanked them in advance for the heavy lift and hard work they will be doing on behalf of our students. Mr. Riordan said negotiations have been long and hard, and he feels they are working toward a competitive compensation.

b. CSEA Representative-Diane Paoli welcomes Board members Sophia Layne and Kimberly Hines. Ms. Paoli said they will be sun shining their letter to begin negotiations. Ms. Paoli thanked everyone involved for the recent reclassification of the four CSEA members. Ms. Paoli said CSEA is hopeful that other positions will be awarded with like salary increases as well.

14. REPORTS / INFORMATION / PRESENTATIONS

a. Receive the Measure S Facility Bond Citizens' Oversight Committee 2015-2016 Annual Report

Mr. Phil Hophan, Chairperson for the Measure S Facility Bond Citizens' Oversight Committee presented the 2015-2016 annual report.

b. Receive First Interim Budget Report

Ms. Crystal Leach, Chief Business Official, presented the First Interim Budget report.

15. DISCUSSION ITEMS

a. Discuss First Reading of New Course Proposal (Part Two) for Half Moon Bay High School

Ms. Tiffany Zammit, Assistant Principal, presented part two of the new course proposal, Introduction to Music, for Half Moon Bay High School.

16. COMMUNICATIONS

Board Members

Member Rob Pappalardo welcomed Sophia and Kim to the Board and looks forward to working with both of them. Mr. Pappalardo said wanted to comment on Crystals comments about the budget, and having worked on the last couple of parcel taxes, he hopes the community appreciated the fact that we will need to become more self-reliant and would like to start sending the message that the district will need a larger parcel tax next time around. He said it will be greatly needed and good for the kids.

Member Sophia Layne thanked everyone for the warm welcome and is happy to be joining a great Governing Board. She said she is proud to be able to give back to her community in this way.

Member Kimberly Hines thanked everyone for the warm welcome. She said she has many questions and concurs with Rob Pappalardo in that we need to start paying attention to the parcel tax. She said we need to pay attention to what it going on at the state level and perhaps we can reach beyond that of our immediate district network and hopefully have some other broader influence in the long run.

Member Kirk Riemer said farewell to our two departing Board trustees and it was really great to have worked with them. He said he looks forward to working with our two new trustees. Dr. Riemer said the Board has a lot of work to do and appreciates the enthusiasm from the get go and he hopes that will be sustained and is expected. Dr. Riemer said it is a great time of year and a lot of things are in the air, it is a pleasure to be part of a group that is accomplishing things every day. He said it feels good to be involved and enjoys meeting every month discussing all of the wonderful possibilities.

President McCamant welcomed Sophia and Kim and said she is looking forward to working with the both of them. It is an exciting opportunity to continue doing what we are doing and add in the new energy and enthusiasm that they both bring. Ms. McCamant thanks all the school site for welcoming her at the school site when she visits. She said she met with the PTO, something that was began by Kate Livingston. Ms. McCamant said they will be formalizing the process of these meeting.

Student Board Member

Cunha Intermediate School-
Cunha students and staff just celebrated the accomplishment of attaining PTO's Annual Giving Drive fundraising goal of $50,000! Last Friday students and staff were treated to an inflatable games day for their hard work and fundraising efforts.

Tomorrow night is Cunha's Winter Dance and is sure to be a well-attended event hosted by Mr. Cox's award winning Leadership program. Cunha will wrap up the month with the Reindeer Run before heading to Winter Break.

Pilarcitos-
Pilarcitos HS participated for the 2nd time in the Night of Lights. Students and staff sold student designed handmade wreaths, student designed school sweatshirts, goodie bags for young children and inflatable reindeer and penguins. Pilarcitos also has a booth where children could make their own snow globes. Everyone is looking forward to celebrate this semester's graduates during Winter graduation. Pilarcitos welcome Counseling Intern Loryn Hicks to the team. Lastly the students and staff are excited to move into our new facilities in January.

Farallone View-
Farallone View held its traditional Winter Festival. We had students performing songs, as well as arts, crafts, and food vendors. We thank all parents, teachers, and community members for supporting this wonderful event. Moms Against Poverty (MAP) has expanded its Food for Families Programs from Hatch to include Farallone View and Los Listos. MAP will be sponsoring 90 families once a month with poultry and veggies. MAP will also be giving away toys during the holiday season to 300 students. We are grateful for their support.

Half Moon Bay High School-
Our Cougars became two time CCS Champions in Football. The spring musical preparations have started with audition happening all week. There will be a band concert on both Monday, December 12, and Tuesday December 13 at 7:00 pm. Both students and staff are preparing for finals, and everyone is pumped for the holidays. There is a toy and coat drive being held next week to give back to the community, so if you would like to donate some items, please drop them off at the high school office.

Superintendent

Superintendent Jane Yuster said that the upcoming winter graduation ceremony at Pilarcitos reminds her reflect on the true reason we are all here, for those graduations. Ms. Yuster said it is for the children who enter as little ones who graduate ready to take their place and move forward to achieve their dreams. She reminded everyone that the Pilarcitos graduation is truly special thing and an amazing occasion to see the children who are now adults spread their wings and fly. Ms. Yuster said she will be attending the Cunha dance which is truly a very incredible thing when 700 students show up. She said she hopes everyone is able to enjoy the season and thanked parents for their trust in the school district with the most valuable gift of their children.

17. CONSENT ITEMS

a. Approve Field Trip for Cunha Boys Basketball Team to San Andreas, California, December 10-11, 2016

b. Approve Field Trip for Half Moon Bay High School Boys Basketball Team to Monterey, California, December 22023, 2016

c. Approve Field Trip for Half Moon Bay High School Girls Basketball Team to Newark, California, December 28-30, 2016

d. Approve Field Trip for Cunha Boys Basketball Team to South Lake Tahoe, California, January 13-16, 2017

e. Approve Certificated Personnel Report

f. Approve Classified Personnel Report

g. Accept Developer Fee Report for Fiscal Year 2015-2016

h. Accept Donations to Cabrillo Unified School District

i. Accept Enrollment Report for the Third Month of the 2016-2017 School Year

j. Approve and Adopt Minutes of November 10, 2016 Regular Governing Board Meeting

Motion to approve consent items as presented was made by Member Kirk Riemer and seconded by Member Sophia Layne.

(M-43) Passed 5 - 0 with Student Representative voting aye

18. ACTION ITEMS

a. Approve New Course Proposal (Part One) for Half Moon Bay High School

Motion to approve new course proposal (Part One) for Half Moon Bay High School was made by Member Rob Pappalardo and seconded by Member Kimberly Hines .

(M-44) Passed 5 - 0 with Student Representative voting aye

b. Approve the 2017-2018 and 2018-2019 Student/Teacher Calendars

Motion to approve the 2017-2018 and 2018-2019 Student/Teacher calendars was made by Member Kimberly Hines and seconded by Member Rob Pappalardo.

(M-45) Passed 5 - 0 with Student Representative voting aye

c. Hold Public Hearing for 2016-2017 Contract Reopeners as Submitted by the California School Employees Association and the Cabrillo Unified School District

President Freya McCamant opened the public hearing for the 2016-2017 contract reopeners as submitted by the California School Employees Association and the

Cabrillo Unified School District at 8:45 p.m. Hearing no comment, the public hearing was closed at 8:46 p.m.

d. Approve First Interim Budget 2016-2017

Motion to approve the First Interim Budget for the 2016-2017 school year with a positive certification was made by Member Sophia Layne and seconded by Member Kimberly Hines.

(M-46) Passed 5 - 0 with Student Representative voting aye

e. Adopt Resolution No. 22-16 Authorizing the Issuance of Series C Bonds Under the Measure S Facilities Bond Program

Motion to adopt Resolution No. 22-16 authorizing the issuance of Series C Bonds under the Measure S Facilities Bond program was made by Member Kirk Riemer and seconded by Member Rob Pappalardo.

(M-47) Passed 5-0 with Student Board Representative voting aye.
Roll Call:
Ms. Freya McCamant-aye
Mr. Rob Pappalardo-aye
Ms. Sophia Layne-aye
Ms. Kimberly Hines-aye
Dr. Kirk Riemer-aye

f. Approve Intent of Lease-Lease Back Agreement with Blach Construction

Motion to approve the intent to enter in a Lease-Lease back agreement with Blach construction not to with a not to exceed as detailed in presentation was made by Member Kimberly Hines and seconded by Member Sophia Layne.

(M-48) Passed 5 - 0 with Student Representative voting aye

President McCamant requested a motion to go past the 10:00 p.m. curfew. Member Kirk Riemer motioned to continue the meeting past the 10:00 p.m. curfew. The motion was seconded by Member Sophia Layne.

(M-49) Passed 5 - 0 with Student Representative voting aye

President McCamant adjourned open session at 9:15 p.m. The Governing Board returned to closed session.

19. RETURN TO CLOSED SESSION (IF NECESSARY)

The Governing Board met in closed session from 9:16 p.m. to 10:15 p.m. and with no action taken.

20. ADJOURNMENT OF THE MEETING

Motion to adjourn made by Member Kirk Riemer and seconded by Member Rob Pappalardo.

(M-50) Passed 5-0

Meeting was adjourned at 10:15 p.m.

Minutes prepared by Patricia Serrano, Administrative Assistant to the Superintendent

Minutes presented by Jane Yuster, Secretary to the Governing Board

Certified by:

_____ _____

Sophia Layne Date
Clerk to the Governing Board

CABRILLO UNIFIED SCHOOL DISTRICT
BOARD AGENDA ITEM

BOARD MEETING DATE: January 19, 2017

☒ **ACTION**
☐ **CONSENT**
☐ **DISCUSSION**
☐ **INFORMATION**

BOARD AGENDA NUMBER: 15.a

BOARD AGENDA ITEM: Approve New Course Proposal (Part II) for Half Moon Bay High School

DEPARTMENT: Curriculum/Instruction/Assessment

CONTACT PERSON: Joy Dardenelle, Assistant Superintendent of Curriculum and Instruction

BACKGROUND INFORMATION:

Staff at Half Moon Bay High School developed one additional course to our Part I proposed courses of study that we hope to offer to students in the 2017-2018 school year.

INTRODUCTION TO MUSIC:
This course is designed to introduce students to all aspects of music. Students will learn basic components of music. Students will develop listening skills and the ability to recognize different instruments and distinguish varieties of musical styles/genres. The practical component will require students to work towards development of skills with musical instruments with possible performances at school functions.

The purpose of the Introduction to Music course at Half Moon Bay High School is to provide students with a basic understanding of the various components of music. Students will be exposed to a number of different styles of music and key artists in that genre. The history of music will be explored and students will be required to compare and contrast different musical forms through the ages. Students will become acquainted with a wide variety of musical instruments and be able to differentiate the different sounds that each instrument makes. Students will study music theory with the end goal being the ability to sight read music. Students will also be involved in a number of different musical projects with performances highlighted throughout the school year.

REPORT/PROPOSAL:

The Board is asked to consider formal action to approve of this new course of study.

FINANCIAL IMPACT:

Costs related to Introduction to Music, will be paid from site section allocation for the 2017-2018 school year.

RECOMMENDATION:

Approve new course proposal (Part II) for Half Moon Bay High School.

CABRILLO UNIFIED SCHOOL DISTRICT
Version: June 25, 2009 Half Moon Bay, California
Board Policy 6141 Exhibit (2) 6141(a)

CURRICULUM DEVELOPMENT AND EVALUATION
NEW COURSE OF STUDY ADOPTION

Please complete (type) all questions below: (responses may be continued on another sheet)

Date: **November 25th, 2016** Department: **MUSIC**

Name of Course: **INTRODUCTION TO MUSIC**

1. Is this proposal a major revision of an already existing course of study? **NO**

2. If no, does a written course of study exist for the proposed course? **YES**

3. What are the vision, beliefs and goals that this course of study will support?

This course is designed to introduce students to all aspects of music. Students will learn basic components of music. Students will develop listening skills and the ability to recognize different instruments and distinguish varieties of musical styles/genres. The practical component will require students to work towards development of skills with musical instruments with possible performances at school functions.

The purpose of the Introduction to Music course at Half Moon Bay High School is to provide students with a basic understanding of the various components of music. Students will be exposed to a number of different styles of music and key artists in that genre. The history of music will be explored and students will be required to compare and contrast different musical forms through the ages. Students will become acquainted with a wide variety of musical instruments and be able to differentiate the different sounds that each instrument makes. Students will study music theory with the end goal being the ability to sight read music. Students will also be involved in a number of different musical projects with performances highlighted throughout the school year.

Curriculum and instruction will be informed by and built upon the California State Standards for Music (Proficient), listed below. These standards are based on the presupposition that students will have prior music instruction (as per the CA standards grades K-8), and as such some standards may post unrealistic goals for students enrolling in an Introduction to Music course. However, many of these standards would be appropriate, and at the very least will provide a benchmark for progress, and an ultimate goal to work towards.

Ultimately, students completing this course will be prepared to join either Chorale or Marching Band on the instrument of their choice.

1.1 Read an instrumental or vocal score of up to four staves and explain how the elements of music are used.

1.2 Transcribe simple songs when presented aurally into melodic and rhythmic notation (level of difficulty: 1 on a scale of 1-6).

1.3 Sight-read music accurately and expressively (level of difficulty: 3 on a scale of 1-6).

1.4 Analyze and describe the use of musical elements and expressive devices (e.g., articulation, dynamic markings) in aural examples in a varied repertoire of music representing diverse genres, styles, and cultures.

1.5 Identify and explain a variety of compositional devices and techniques used to provide unity, variety, tension, and release in aural examples.

1.6 Analyze the use of form in a varied repertoire of music representing diverse genres, styles, and cultures.

2.1 Sing a repertoire of vocal literature representing various genres, styles, and cultures with expression, technical accuracy, tone quality, vowel shape, and articulation written and memorized, by oneself and in ensembles (level of difficulty: 4 on a scale of 1-6).

2.2 Sing music written in three or four parts with and without accompaniment.

2.3 Sing in small ensembles, with one performer for each part.

2.4 Perform on an instrument a repertoire of instrumental literature representing various genres, styles, and cultures with expression, technical accuracy, tone quality, and articulation, by oneself and in ensembles (level of difficulty: 4 on a scale of 1-6).

2.5 Perform on an instrument in small ensembles, with one performer for each part.

2.6 Compose music, using musical elements for expressive effect.

2.7 Compose and arrange music for voices or various acoustic or digital/electronic instruments, using appropriate ranges for traditional sources of sound.

2.8 Arrange pieces for voices and instruments other than those for which the pieces were originally written.

2.9 Improvise harmonizing parts, using an appropriate style.

2.10 Improvise original melodies over given chord progressions.

3.1 Identify the sources of musical genres of the United States, trace the evolution of those genres, and cite well-known musicians associated with them.

3.2 Explain the various roles that musicians perform, identify representative individuals who have functioned in each role, and explain their activities and achievements.

3.3 Describe the differences between styles in traditional folk genres within the United States.

3.4 Perform music from various cultures and time periods.

3.5 Classify, by genre or style and historical period or culture, unfamiliar but representative aural examples of music and explain the reasoning for the classification.

4.1 Develop specific criteria for making informed critical evaluations of the quality and effectiveness of performances, compositions, arrangements, and improvisations and apply those criteria in personal participation in music.

4.2 Evaluate a performance, composition, arrangement, or improvisation by comparing each with an exemplary model.
4.3 Explain how people in a particular culture use and respond to specific musical works from that culture.
4.4 Describe the means used to create images or evoke feelings and emotions in musical works from various cultures.
5.1 Explain how elements, artistic processes, and organizational principles are used in similar and distinctive ways in the various arts.
5.2 Analyze the role and function of music in radio, television, and advertising.
5.3 Research musical careers in radio, television, and advertising.

4. What needs or issues will the course address?

Currently at Half Moon Bay High School there is no introductory-level music course available to those students seeking experience on an instrument. There is Chorale, which is a vocal/singing course, but there is no route available to inexperienced musicians who would eventually like to join Marching Band. This course would provide those students with the skills necessary to continue on to other music classes.

Also, there is currently no music course available at HMBHS that is not centered upon performance. This course, while including a performance element, is focused more upon developing a broad understanding of music as a whole. An Introduction to Music course will appeal to those students who seek to learn more about music, but who may not be interested or prepared to jump directly into Band or Chorale.

5. What research and/or data support this course?

A large component of the initiation of this course is due to student interest. Students are always looking for entry level music courses at the high school level and we believe this will support the growth and sustainability of our music program going forward.

6. If the proposal is to improve a current course of study, how will current student performance outcomes be enhanced?

Students will be afforded the opportunity to begin their music playing at an introductory level at the secondary level. This opportunity has not existed before and gives students the ability to join the music pathway once they reach high school versus having to enter the program in middle school.

7. Are there alternatives to this approach?

There is definitely an array of different music classes that could have been adopted, however this class allows students with little or no music experience who are interested in music to get the chance to join the program at the high school level.

8. What student learning will occur as a result of this proposal?

In addition to instrumental proficiency and some performance experience, students will learn about historical periods in music, the major composers of those periods, their landmark works, the instruments they used, and the greater historical context in which they lived. Students will also develop music theory skills and literacy.

9. Describe the assessment process and the way in which success will be measured?

For historical and theoretical knowledge, students will be assessed based on their writing assignments, their progress in their theory workbook, and unit exams.

For instrumental skills, assessment will be formative and ongoing, with rubrics outlining standards for technical proficiency, expression, and literacy, culminating in performances in class or in public.

10. What are the costs (start-up and on-going) of this proposal?

A class set of theory workbooks will be necessary as part of the written curriculum. This will pose the only on-going cost associated with the class, not including instrument repairs and purchases that are already a part of the music department budget.

11. What instructional strategies are planned?

- Lectures and class discussion will be used when discussion musical genres and styles, instruments, historical periods, and specific composers.
- Hands-on learning, student collaboration, and direct instruction will be used when students are developing their instrumental skills.
- Students will work in small groups or in pairs when reviewing music theory class work.
- Homework will consist of a combination of written concert reports (of live and recorded performances), theory work, instrumental practice, and periodic research papers.

12. What instructional supplies, textbooks, and other resources will be necessary?

Due to the expansion of music there will be a supplementary workbook needed as well as the addition of new instruments.

13. What impact may this course have on the school community (master schedule, other curricula, other programs)?

Having another music course available to students will allow students to participate in the music program, who may previously have been unable to participate due to a schedule

conflict, trepidation regarding performance, or a lack of reading/theory skills. This would increase the music program to 5 class periods all coming from the general fund.

14. Once the proposal is in place, who will implement the program, monitor its process, collect, and analyze student achievement data? Please provide a timeline.

The program will be implemented by the current music teacher, Walter Anderson for the 2017-2018 school year.

CABRILLO UNIFIED SCHOOL DISTRICT
Version: June 25, 2009 Half Moon Bay, California
Board Policy 6141 Exhibit (2) 6141(a)

CURRICULUM DEVELOPMENT AND EVALUATION
NEW COURSE OF STUDY ADOPTION

Approved by:

_____	_____
Teacher(s) Introducing the Course	Date
_____	_____
Department Chairperson	Date
_____	_____
Approval - Principal's Signature	Date
_____	_____
Signature of Associate Superintendent	Date

CABRILLO UNIFIED SCHOOL DISTRICT
BOARD AGENDA ITEM

BOARD MEETING DATE: January 19, 2017

☒ **ACTION**
☐ **CONSENT**
☐ **DISCUSSION**
☐ **INFORMATION**

BOARD AGENDA NUMBER: 15.b

BOARD AGENDA ITEM: Approve Audit Report for Year Ending June 30, 2016

DEPARTMENT: Business Department

CONTACT PERSON: Crystal Leach, Chief Business Official

BACKGROUND INFORMATION:

Education Code Section 41020 requires that each district provide an audit of the accounts and funds of the district in each fiscal year and to accept the audit report no later than January 31st. For fiscal year ending June 30, 2016, the firm of Chavan & Associates, LLP conducted an audit of the district's funds, accounts, and operations.

REPORT/PROPOSAL:

The independent audit was conducted in accordance with Government Auditing Standards. No material findings were discovered. Audit results revealed: No Exceptions in Audit Opinion; No Material Weaknesses; No Disagreements with Management; and No Significant Adjustments.

FINANCIAL IMPACT:

There is no financial impact to the General Fund.

RECOMMENDATION:

Approve audit report for year ending June 30, 2016.

CABRILLO UNIFIED SCHOOL DISTRICT
COUNTY OF SAN MATEO
HALF MOON BAY, CALIFORNIA

AUDIT REPORT

JUNE 30, 2016

CHAVAN & ASSOCIATES, LLP
CERTIFIED PUBLIC ACCOUNTANTS
1475 SARATOGA AVE., SUITE 180
SAN JOSE, CA 95129

CABRILLO UNIFIED SCHOOL DISTRICT
SAN MATEO COUNTY

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CABRILLO UNIFIED SCHOOL DISTRICT
SAN MATEO COUNTY

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Trustees
Cabrillo Unified School District
Half Moon Bay, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cabrillo Unified School District (the "District"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The District's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

New Accounting Pronouncements

As discussed in Note 1 to the financial statements, the District adopted the provisions GASB Statement No. 72, *Fair Value Measurement and Application*, GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local* Governments, effective June 30, 2016. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of pension contributions, and schedule of proportionate share of net pension liability, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Regulations, Cost Principles, and Audit Requirements for Federal Awards,* and the other information listed in the supplementary section of the table of contents, as required by the *2015-16 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, and the other information listed in the supplementary section of the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, and the other information listed in the supplementary section of the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

C & A LLP

December 8, 2016
San Jose, California

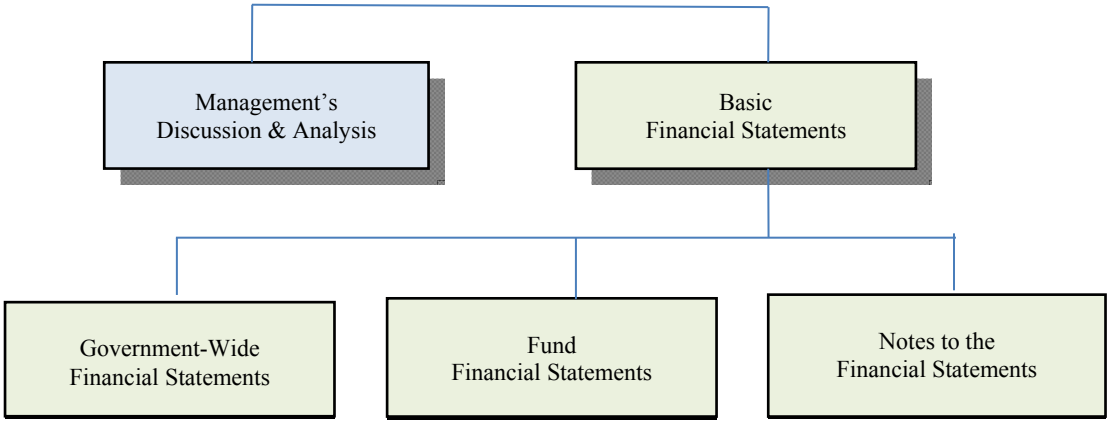
Management's Discussion and Analysis

INTRODUCTION

The Management's Discussion and Analysis (MD&A) is a required section of the District's annual financial report, as shown in the overview below. The purpose of the MD&A is to presents discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2016. This report will (1) focus on significant financial issues, (2) provide an overview of the District's financial activity, (3) identify changes in the District's financial position, (4) identify any individual fund issues or concerns, and (5) provide descriptions of significant asset and debt activity.

This information, presented in conjunction with the annual Basic Financial Statements, is intended to provide a comprehensive understanding of the District's operations and financial standing.

Required Components of the Annual Financial Report



FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2016 were as follows:

- Total net position increased by $2,702,795 or 13% from June 30, 2015 to June 30, 2016.
- General revenues accounted for $36,893,678 which is 82% of all revenues. Program specific revenues in the form of operating grants and contributions, and charges for services accounted for $8,263,312 or 18% of total revenues of $45,156,990.
- The District had $42,454,195 in expenses, which was directly supported by program specific revenues as noted in the second bullet.
- Total fund balances of governmental funds (i.e. General Fund, Building Fund, and Bond Fund) decreased by $9,560,215, or 23% from June 30, 2015 to June 30, 2016.
- Among major funds, the General Fund had $35,827,723 in revenues and $33,714,408 in expenditures. The General Fund's fund balance increased by $2,113,215 from June 30, 2015 to June 30, 2016.

USING THE ANNUAL REPORT

This annual report consists of a series of basic financial statements and notes to those statements. These statements are organized so the reader can understand the District as an entire operating entity. The statements provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities comprise the government-wide financial statements and provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of the District, the General Fund is by far the most significant fund. The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

OVERVIEW OF THE FINANCIAL STATEMENTS

The full annual financial report is a product of three separate parts: the basic financial statements, supplementary information, and this section, the Management's Discussion and Analysis. The three sections together provide a comprehensive financial overview of the District. The basic financials are comprised of two kinds of statements that present financial information from different perspectives, government-wide and fund statements.

- Government-wide financial statements, which comprise the first two statements, provide both short-term and long-term information about the District's overall financial position.

- Individual parts of the District, which are reported as fund financial statements, focus on reporting the District's operations in more detail. These fund financial statements comprise the remaining statements.

- Notes to the financials, which are included in the financial statements, provide more detailed data and explain some of the information in the statements. The required supplementary information section provides further explanations and provides additional support for the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS - STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during the fiscal year 2015 - 2016?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting practices used by most private-sector companies. This basis of accounting takes into account all of the current year revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the District's property tax base, current

property tax laws in California restricting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the District reports governmental activities. Governmental activities are the activities where most of the District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. The District does not have any business type activities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the District's major funds begins on page 18. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. These fund financial statements focus on each of the District's most significant funds. The District's major governmental funds are the General Fund, Building Fund, and Bond Interest and Redemption Fund.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Fiduciary funds

The district is the trustee, or fiduciary, for an expendable trust fund. All of the district's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. We exclude these activities from the district's fund and government-wide financial statements because the district cannot use these assets to finance its operations.

THE DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the District as a whole. Total assets of governmental activities increased by $739,992 and net capital assets increased by $8,803,920. Unrestricted net position of the District, which does not have constraints from grantors, legal requirements, or legislation, increased by $3,092,884.

Table 1 provides a summary of the District's net position as of June 30, 2016 as compared to June 30, 2015:

Table 1 - Summary of Net Position

	2016	2015	Increase (Decrease)	Percent
Assets				
Current Assets	$ 35,843,678	$ 43,907,606	$ (8,063,928)	-18.4%
Capital Assets	59,955,743	51,151,823	8,803,920	17.2%
Total Assets	$ 95,799,421	$ 95,059,429	$ 739,992	0.8%
Deferred Outflows of Resources	$ 4,717,293	$ 2,743,140	$ 1,974,153	72.0%
Liabilities				
Current and Other Liabilities	5,125,495	3,544,406	1,581,089	44.6%
Long-Term Liabilities	68,865,377	68,269,051	596,326	0.9%
Total Liabilities	$ 73,990,872	$ 71,813,457	$ 2,177,415	3.0%
Deferred Inflows of Resources	$ 3,489,779	$ 5,655,844	$ (2,166,065)	-38.3%
Net Position				
Net Investment in Capital Assets	33,058,181	33,628,956	(570,775)	-1.7%
Restricted	9,291,419	9,110,733	180,686	2.0%
Unrestricted	(19,313,537)	(22,406,421)	3,092,884	13.8%
Total Net Position	$ 23,036,063	$ 20,333,268	$ 2,702,795	13.3%

Table 2 shows the changes in net position from fiscal year 2014-15 to 2015-16:

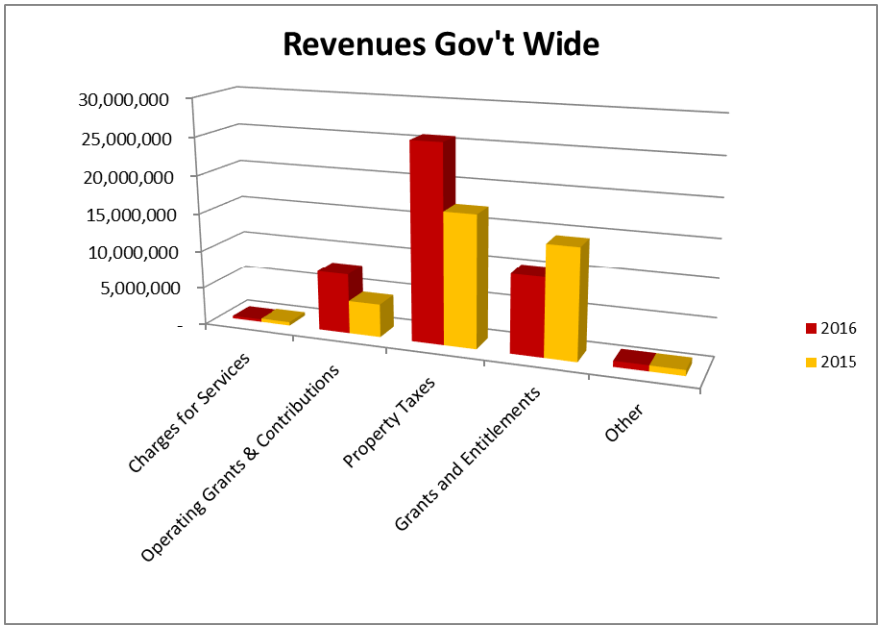
Table 2 - Change in Net Position

	2016	2015	Increase (Decrease)	Percent
Revenues				
Program Revenues:				
Charges for Services	$ 333,319	$ 454,009	$ (120,690)	-26.6%
Operating Grants and Contributions	5,719,605	4,346,370	1,373,235	31.6%
Capital Grants and Contributions	2,210,388	-	2,210,388	100.0%
General Revenues:				
Property Taxes	25,844,670	17,314,636	8,530,034	49.3%
Grants and Entitlements - Unrestricted	10,276,747	14,450,113	(4,173,366)	-28.9%
Other	772,261	757,966	14,295	1.9%
Total Revenues	45,156,990	37,323,094	7,833,896	21.0%
Program Expenses				
Instruction	20,479,134	18,395,430	2,083,704	11.3%
Instruction-Related Services	5,724,500	4,902,387	822,113	16.8%
Pupil Services	3,507,664	3,142,127	365,537	11.6%
General Administration	2,297,811	1,966,493	331,318	16.8%
Plant Services	5,517,440	2,671,238	2,846,202	106.5%
Community Services	137,727	118,736	18,991	16.0%
Ancillary Services	427,264	432,333	(5,069)	-1.2%
Payments to Other Agencies	218,679	543,145	(324,466)	-59.7%
Interest and Fiscal Charges	4,143,976	3,786,401	357,575	9.4%
Total Expenses	42,454,195	35,958,290	6,495,905	18.1%
Change in Net Position	$ 2,702,795	$ 1,364,804	$ 1,337,991	98.0%
Prior Period Restatement	-	(24,900,795)	24,900,795	100.0%
Change in Net Position Including Restatem	$ 2,702,795	$ 1,364,804	$ 1,337,991	98.0%

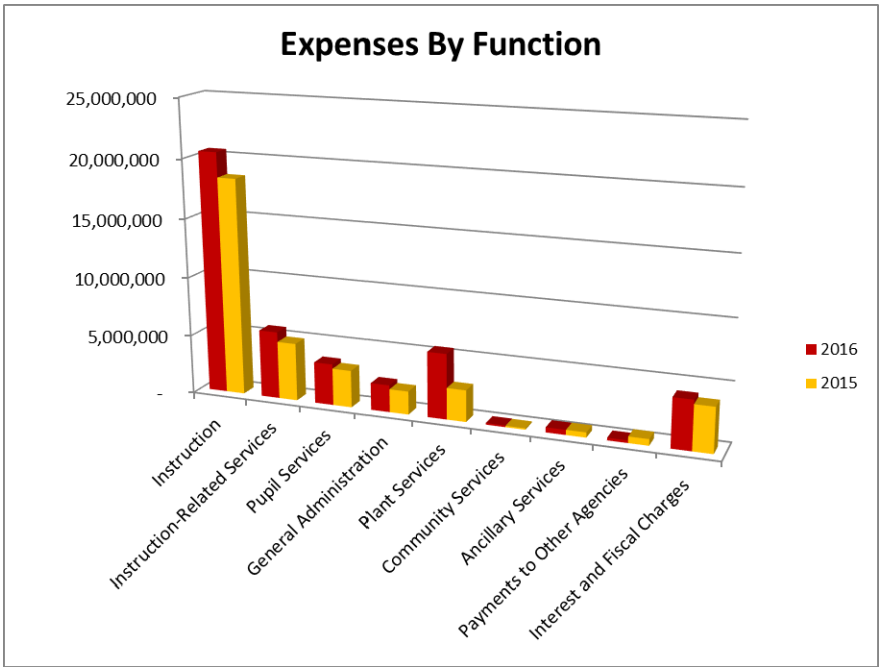
Property taxes comprised 57% of District revenues and direct instruction costs comprised 48% of District expenses for fiscal year 2015-16. These percentages are consistent with 2014-15.

Total revenues increased by 21% and total expenses increased by 18% for fiscal year 2015-16.

The following is a summary of government-wide revenues for the fiscal years ended June 30, 2015 and 2016:



The following is a summary of expenses by function for the fiscal years ended June 30, 2015 and 2016:



GOVERNMENTAL ACTIVITIES

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the net cost of services as compared to the prior fiscal year. That is, it identifies the cost of these services supported by general revenues for the government-wide statements (not the General Fund).

Table 3 - Net Cost of Services

Function	2016	2015	Increase (Decrease)	Percent
Instruction	$ 16,010,452	$ 16,379,769	$ (369,317)	-2.3%
Instruction-Related Services	4,620,936	4,361,681	259,255	5.9%
Pupil Services	2,487,222	1,967,594	519,628	26.4%
General Administration	1,978,728	1,893,104	85,624	4.5%
Plant Services	5,452,348	2,596,582	2,855,766	110.0%
Community Services	(1,000)	98,197	(99,197)	-101.0%
Ancillary Services	405,427	270,218	135,209	50.0%
Payments to Other Agencies	(907,206)	(195,635)	(711,571)	-363.7%
Interest and Fiscal Charges	4,143,976	3,786,401	357,575	9.4%
Total Net Cost of Services	$ 34,190,883	$ 31,157,911	$ 3,032,972	9.7%

Direct Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Pupil Services and Instruction-Related Services include the activities involved with assisting staff with the content and process of teaching to pupils.

General Administration includes the costs for the Board of Trustees, administration, fiscal and business services and other expenses associated with administrative and financial supervision of the District.

Plant Services include the operation and maintenance of plant activities, which involve keeping the school grounds, buildings, and equipment in an effective working condition.

Community services include activities concerned with providing services to community participants other than students.

Ancillary services include school-sponsored activities during or after the school day that are not essential to the delivery of instructional services.

Interest and Fiscal Charges involve the transactions associated with the payment of interest and other related charges to debt of the District.

The dependence upon tax and local revenues is apparent, 87% of the District's activities are supported through taxes, grants and entitlements, and other general revenues. The community, as a whole, is the primary support for the District.

THE DISTRICT'S FUNDS

The District's governmental funds report a combined fund balance of $32,502,985, which is a decrease of $9,560,215 from last year's total.

Table 4 provides an analysis of the District's fund balances and the total change in fund balances from the prior year.

Table 4 - Change in Fund Balances

Funds	2016	2015	Increase (Decrease)
General Fund	$ 5,034,255	$ 2,920,940	$ 2,113,315
Adult Education Fund	72,127	22,428	49,699
Child Development Fund	83,212	103,364	(20,152)
Cafeteria Fund	11,852	33,094	(21,242)
Deferred Maintenance Fund	219	292	(73)
Building Fund	18,993,989	30,393,045	(11,399,056)
Capital Facilities Fund	1,497,291	1,328,945	168,346
Bond Interest & Redemption Fund	6,810,040	7,261,092	(451,052)
Total Governmental Fund Balances	$ 32,502,985	$ 42,063,200	$ (9,560,215)

GENERAL FUND BUDGETING HIGHLIGHTS

The District's budget is prepared according to California law and in the modified accrual basis of accounting.

During the course of the 2015-16 fiscal year, the District revised its General Fund budget twice, at 1st Interim and 2nd interim, which resulted in an increase in budgeted expenditures of $2,813,885 from the original to final budget.

For the General Fund, the final budget basis revenue and other financing sources estimate was $34,917,210. The original budgeted estimate was $31,070,813.

CAPITAL ASSETS

At the end of the fiscal year 2016, the District had $81,575,340 invested in land, buildings, furniture and equipment, and vehicles located at the District's school sites.

Table 5 shows June 30, 2016 balances as compared to June 30, 2015.

Table 5 - Summary of Capital Assets Net of Depreciation

Capital Asset	2016 Net Capital Asset	2015 Net Capital Asset	Percentage Change
Land	$ 1,456,448	$ 1,456,448	0.0%
Site Improvements	4,075,137	4,048,195	0.7%
Buildings and Improvements	41,241,252	42,685,806	-3.4%
Furniture and Equipment	367,247	406,893	-9.7%
Work-in-Progress	12,815,659	2,554,481	401.7%
Totals	$ 59,955,743	$ 51,151,823	17.2%

Overall capital assets increased by 17.2% from fiscal year 2015 to fiscal year 2016.

LONG TERM DEBT

Table 6 summarizes the percent changes in Long-term Debt over the past two years.

Table 6 - Long-term Debt

Type of Debt	2016	2015	Percentage Change
General obligation bonds	$ 43,350,984	$ 45,269,904	-4.2%
Unamortized bond premiums - net	2,540,567	2,646,008	-4.0%
Net Pension Liability	22,618,841	20,054,314	12.8%
Compensated absences	354,985	298,825	18.8%
Total Debt	$ 68,865,377	$ 68,269,051	0.9%

FACTORS BEARING ON THE DISTRICT'S FUTURE

Due to changes in State funding, the District will potentially increase revenue based on the target LCFF. However, the new funding model includes only statutory funding requirements for cost of living adjustments and fluctuates according to State revenue. With an eight year planned implementation of the LCFF, the State revenue is likely to fluctuate significantly from current projections and could cause an operating deficit for the District. The District has adequate reserves to fund short-term fluctuations, but must maintain significantly higher reserves in order to address potential long-term downturns in State revenue.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions regarding this report or need additional financial information, contact Crystal Leach, Chief Business Official, Cabrillo Unified School District, 498 Kelly Avenue, Half Moon Bay, CA 94019, (650) 712-7123.

Basic Financial Statements

CABRILLO UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016

	Governmental Activities
Assets	
Current assets:	
Cash in county treasury	$ 33,065,266
Cash in revolving fund	25,000
Cash with fiscal agent	84,641
Accounts receivable	2,647,062
Inventories	21,709
Total current assets	35,843,678
Capital assets - net	59,955,743
Total Assets	$ 95,799,421
Deferred Outflows of Resources	
Pension plan contributions	$ 4,717,293
Liabilities	
Accounts payable	$ 2,973,458
Due to grantor government	137,008
Unearned revenue	230,227
Accrued interest	1,784,802
Total current liabilities	5,125,495
Long-term liabilities:	
Due within one year	3,047,036
Due after one year	65,818,341
Total long-term liabilities	68,865,377
Total Liabilities	$ 73,990,872
Deferred Inflows of Resources	
Net difference between projected and actual earnings from pension plans	$ 3,489,779
Net Position	
Net investment in capital assets	$ 33,058,181
Restricted for:	
Capital projects	1,497,291
Debt service	6,810,040
Educational programs	901,370
Other purposes (expendable)	82,718
Total restricted net position	9,291,419
Unrestricted	(19,313,537)
Total Net Position	$ 23,036,063

The notes to the financial statements are an integral part of this statement.

CABRILLO UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities					
Instruction	$ 20,479,134	$ 11,689	$ 2,246,605	$ 2,210,388	$ (16,010,452)
Instruction-related services:					
Supervision of instruction	2,215,272	3,263	877,384	-	(1,334,625)
Instruction library, media and technology	849,453	1,706	36,743	-	(811,004)
School site administration	2,659,775	1,291	183,177	-	(2,475,307)
Pupil services:					
Home-to-school transportation	558,391	-	43,501	-	(514,890)
Food services	821,003	155,746	596,037	-	(69,220)
All other pupil services	2,128,270	4,039	221,119	-	(1,903,112)
General administration:					
Data processing	107,238	522	11,139	-	(95,577)
All other general administration	2,190,573	149	307,273	-	(1,883,151)
Plant services	5,517,440	3,190	61,902	-	(5,452,348)
Community services	137,727	1,554	137,173	-	1,000
Ancillary services	427,264	978	20,859	-	(405,427)
Payments to other agencies	218,679	149,192	976,693	-	907,206
Interest on long-term debt	4,143,976	-	-	-	(4,143,976)
Total governmental activities	$ 42,454,195	$ 333,319	$ 5,719,605	$ 2,210,388	(34,190,883)
General revenues:					
Taxes and subventions:					
Taxes levied for general purposes					18,702,229
Taxes levied for debt service					5,486,965
Taxes levied for other specific purpose					1,655,476
Federal and state aid non restricted to specific purposes					10,276,747
Interest and investment earnings					366,856
Miscellaneous					405,405
Total general revenues					36,893,678
Change in net position					2,702,795
Net position beginning					20,333,268
Net position ending					$ 23,036,063

The notes to the financial statements are an integral part of this statement.

CABRILLO UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2016

	General Fund	Building Fund	Bond Interest and Redemption Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	$ 3,738,458	$ 20,902,035	$ 6,796,554	$ 1,628,219	$ 33,065,266
Cash in revolving fund	25,000	-	-	-	25,000
Cash with fiscal agent	80,263	4,378	-	-	84,641
Accounts receivable	2,445,490	48,554	13,486	139,532	2,647,062
Due from other funds	196,572	2	-	88,001	284,575
Prepaid items and stores inventories	10,013	-	-	11,696	21,709
Total Assets	$ 6,495,796	$ 20,954,969	$ 6,810,040	$ 1,867,448	$ 36,128,253
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	$ 1,006,303	$ 1,945,255	$ -	$ 21,900	$ 2,973,458
Due to other funds	88,003	15,725	-	180,847	284,575
Unearned revenue	230,227	-	-	-	230,227
Total Liabilities	1,461,541	1,960,980	-	202,747	3,625,268
Fund balances:					
Nonspendable:					
Revolving fund	25,000	-	-	-	25,000
Stores inventories	10,013	-	-	11,696	21,709
Restricted for:					
Educational programs	901,370	-	-	-	901,370
Debt service	-	-	6,810,040	-	6,810,040
Child development	-	-	-	82,562	82,562
Cafeteria programs	-	-	-	156	156
Capital projects	-	18,993,989	-	1,497,291	20,491,280
Assigned for:					
Adult education	-	-	-	72,127	72,127
Future pension rate increases	250,000	-	-	-	250,000
Site repairs	100,000	-	-	219	100,219
Child development	-	-	-	650	650
Educational programs	1,091,301	-	-	-	1,091,301
Unassigned:					
Economic uncertainties	1,011,433	-	-	-	1,011,433
Unappropriated	1,645,138	-	-	-	1,645,138
Total Fund Balances	5,034,255	18,993,989	6,810,040	1,664,701	32,502,985
Total Liabilities and Fund Balances	$ 6,495,796	$ 20,954,969	$ 6,810,040	$ 1,867,448	$ 36,128,253

The notes to the financial statements are an integral part of this statement.

CABRILLO UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2016

Total fund balances - governmental funds		$ 32,502,985
Amounts reported in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.		
Capital assets at cost	$ 81,575,340	
Accumulated depreciation	(21,619,597)	59,955,743
Interest payable on long-term debt does not require the use of current financial resources and, therefore, is not reported in the governmental funds.		(1,784,802)
Contributions made to pension plans will not be included in the calculation to the District's net pension liability of the plan year included in this report and have been deferred and reported as deferred outflows of resources.		4,717,293
The difference between projected and actual earnings from pension plan assets is not included in the plan's actuarial study until the next fiscal year and are reported as deferred inflows of resources in the statement of net position.		(3,489,779)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:		
General obligation bonds	$ 43,350,984	
Unamortized bond premium	2,540,567	
Net pension liabilities	22,618,841	
Compensated absences (vacation)	354,985	(68,865,377)
Total net position - governmental activities		$ 23,036,063

The notes to the financial statements are an integral part of this statement.

CABRILLO UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General Fund	Building Fund	Bond Interest and Redemption Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
LCFF sources	$ 26,654,406	$ -	$ -	$ -	$ 26,654,406
Federal revenue	1,374,340	-	-	545,931	1,920,271
Other state	4,098,687	-	28,185	271,309	4,398,181
Other local	3,700,290	2,461,027	5,498,857	418,518	12,078,692
Total revenues	35,827,723	2,461,027	5,527,042	1,235,758	45,051,550
Expenditures:					
Current					
Instruction	19,501,125	-	-	65,867	19,566,992
Instruction-related services:					
Supervision of instruction	2,299,527	-	-	22,735	2,322,262
Instruction library, media and technology	861,069	-	-	159	861,228
School site administration	2,692,844	-	-	85,057	2,777,901
Pupil services:					
Home-to-school transportation	510,362	-	-	-	510,362
Food services	-	-	-	860,654	860,654
All other pupil services	2,220,628	-	-	10,430	2,231,058
General administration:					
Data processing	112,417	-	-	-	112,417
All other general administration	2,270,666	-	-	7,085	2,277,751
Plant services	2,400,236	264,579	-	15,682	2,680,497
Facilities acquisition and construction	45,377	13,595,504	-	7,998	13,648,879
Ancillary Services	427,264	-	-	-	427,264
Community services	66,214	-	-	71,513	137,727
Payments to other agencies	218,679	-	-	-	218,679
Debt service:					
Principal	-	-	1,918,920	-	1,918,920
Interest and fees	-	-	4,059,174	-	4,059,174
Total expenditures	33,626,408	13,860,083	5,978,094	1,147,180	54,611,765
Excess (deficiency) of revenues over (under) expenditures	2,201,315	(11,399,056)	(451,052)	88,578	(9,560,215)
Other financing sources (uses):					
Transfers in	-	-	-	88,000	88,000
Transfers out	(88,000)	-	-	-	(88,000)
Total other financing sources (uses)	(88,000)	-	-	88,000	-
Net changes in fund balances	2,113,315	(11,399,056)	(451,052)	176,578	(9,560,215)
Fund balances beginning	2,920,940	30,393,045	7,261,092	1,488,123	42,063,200
Fund balances ending	$ 5,034,255	$ 18,993,989	$ 6,810,040	$ 1,664,701	$ 32,502,985

The notes to the financial statements are an integral part of this statement.

CABRILLO UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Total net change in fund balances - governmental funds		$ (9,560,215)
Capital outlays are reported in the governmental funds as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.		
Capital asset additions from capital outlay	$ 10,696,245	
Depreciation expense	(1,892,325)	8,803,920
The governmental funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure. Interest is recognized as an expenditure in the governmental funds when it is due. The net effect of these differences in the treatment of general obligation bonds and related items are as follows:		
Repayment of bond principal	$ 1,918,920	1,918,920
In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an other financing source or other financing use in the period it is incurred. In the government-wide statements, the premium or discount is amortized as interest over the life of the debt. The difference between premiums or discounts recognized in the current period and amortized over future periods is:		105,441
In governmental fundsm actual contributions to pension plans are reported as expenditures in the year incurred. However, in the government-wide statement of activities, only the curent year pension expense as noted in the plans' valuation reports is reported as an expense, as adjusted for deferred inflows and outflows of resources.		1,575,691
In the Statement of Activities, compensated absences are measured by the amount earned during the year. In the governmental funds, however, expenditures for those items are measured by the amount of financial resources used (essentially the amounts paid). This year vacation used exceeded the amounts earned, resulting in a current year change in compensated absences in the amount of:		(56,160)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		(84,802)
Changes in net position of governmental activities		$ 2,702,795

The notes to the financial statements are an integral part of this statement.

CABRILLO UNIFIED SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016

	School Scholarship Fund	Associated Student Body Agency Fund	Total
Assets:			
Cash on hand and in banks	$ 128,180	$ 123,065	$ 251,245
Total Assets	$ 128,180	$ 123,065	$ 251,245
Liabilities:			
Due to student groups	$ -	$ 123,065	$ 123,065
Total Liabilities	$ -	$ 123,065	$ 123,065
Net Position:			
Restricted	$ 128,180	$ -	$ 128,180
Total Net Position	$ 128,180	$ -	$ 128,180

The notes to the financial statements are an integral part of this statement.

CABRILLO UNIFIED SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	School Scholarship Fund
Additions	
Other Local	$ 166,936
Deductions	
Scholarships	178,912
Changes in net position	(11,976)
Net position beginning	140,156
Net position ending	$ 128,180

The notes to the financial statements are in integral part of this statement.

Notes to the Basic Financial Statements

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Principles

Cabrillo Unified School District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

B. Reporting Entity

The District is the level of government primarily accountable for activities related to public education. The governing authority consists of five elected officials who, together, constitute the Board of Trustees. The District's combined financial statements include the accounts of all its operations. The District evaluated whether any other entity should be included in these financial statements using the criteria established by GASB.

Component Units:

The District evaluated whether any other entity should be included in these financial statements. The basic, but not the only, criterion for including a governmental department, agency, institution, commission, public authority, or other governmental organization in a governmental unit's reporting entity for financial reports is the ability of the governmental unit's elected officials to exercise oversight responsibility over such agencies. Oversight responsibility implies that one governmental unit is dependent on another and that the dependent unit should be reported as part of the other. Oversight responsibility is derived from the governmental unit's power and includes, but is not limited to:

- Financial interdependency
- Selection of governing authority
- Designation of management
- Ability to significantly influence operations
- Accountability for fiscal matters

Accordingly, for the year ended June 30, 2015, the District does not have any component units and is not a component unit of any other reporting entity.

C. Basis of Presentation

Government-wide Financial Statements:

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District. Eliminations have been made to minimize the effect of interfund of activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund and fiduciary fund financial statements but differs from the manner in which governmental fund financial statements are prepared.

Governmental fund financial statements, therefore, includes a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all non-major funds are aggregated into one column. Fiduciary funds are reported by fund type.

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds use the accrual basis of accounting.

Revenues - Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, "available" means collectible within the current period or within 60 days after year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Deferred Outflows/Deferred Inflows:

Deferred outflows of resources are consumptions of net assets by the government that are applicable to a future reporting period. For example, prepaid items and deferred charges.

Deferred inflows of resources are acquisitions of net assets by the government that are applicable to a future reporting period. For example, unearned revenue and advance collections.

Unearned Revenue:

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as deferred inflows of resources from unearned revenue. In the governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have been recorded as deferred inflows of resources from unearned revenue.

Expenses/Expenditures:

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity or retained earnings, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District's accounts are organized into major, nonmajor, and fiduciary funds as follows:

Major Governmental Funds:

The *General Fund* is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund and includes transactions accounted for in the Special Reserve Fund for Other Than Capital Outlay and Special Reserve Fund for Postemployment Benefits.

The *Building Fund* is used to account for proceeds from the sale of real property and account for the acquisition of major governmental capital facilities and buildings from the sale of bond proceeds.

The *Bond Interest and Redemption Fund* is used to account for the interest and redemption of principal of general obligation bonds.

Non-major Governmental Funds:

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed for purposes other than debt service or capital projects. The restricted or committed resources need to comprise a substantial portion of the inflows reported in the special revenue fund. The District maintains four nonmajor special revenue funds:

- The *Adult Education Fund* is used to account for resources committed to adult education programs maintained by the District.

- The *Child Development Fund* is used to account for resources committed child development programs maintained by the District.

- The *Cafeteria Fund* is used to account for revenues received and expenditures made to operate the District's food service programs.

- The *Deferred Maintenance Fund* is used for the purpose of major repair or replacement of District property.

Capital Projects Funds are used to account for resources restricted, committed or assigned for capital outlays. The District maintains one nonmajor capital projects fund:

- The *Capital Facilities Fund* is used to account for resources received from developer impact fees assessed under provisions of the California Environmental Quality Act ("CEQA").

Fiduciary Funds:

- *Private-Purpose Trust Funds* are used to account for assets held by the District as trustee. The District maintains one trust fund, the Scholarship fund, which is used to provide financial assistance to students of the District.

- *Agency Funds* are used to account for assets of others for which the District acts as an agent. The District maintains an agency fund for the student body accounts. The student body funds are used to account for the raising and expending of money to promote the general welfare, morale, and educational experience of the student body.

In order to comply with the requirements of GASB 54, the District has combined transactions in the Special Reserve fund for Other than Capital Outlay (Special Reserve Fund) with the General Fund because it does not meet the definition of a special revenue fund as defined by GASB 54.

F. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. By state law, the District's governing board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements.

These budgets are revised by the District's governing board during the year to give consideration to unanticipated income and expenditures. The original and final revised budgets for the General Fund are presented as Required Supplementary Information.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

In comparing the budget and actual expenditures in the General Fund for FY 2014-15, the expenditures exceeded the final budget amounts for classified salaries and employee benefits by a total of $1,376,803. Fund balance was more than adequate to cover the excess appropriations.

G. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated on June 30.

H. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) and California State Teachers' Retirement System plans (Plans) and addition to/deduction from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS and STRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined time frames. For this period, the following time frames were used:

Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Measurement Period	July 1, 2014 to June 30, 2015

I. Assets, Liabilities, and Equity

a) Cash and Investments

Cash balances held in banks and in revolving funds are insured to $250,000 by the Federal Deposit Insurance Corporation.

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

All District-directed investments are governed by Government Code Section 53601 and Treasury investment guidelines. The guidelines limit specific investments to government securities, domestic chartered financial securities, domestic corporate issues, and California municipal securities. The District's securities portfolio is held by the County Treasurer. Interest earned on investments is recorded as revenue of the fund from which the investment was made.

b) Fair Value Measurements

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. This statement changed the definition of fair value and is effective for periods beginning after June 15, 2015.

The following is a summary of the definition of fair value:

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available:

- Market approach - This approach uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.

- Cost approach - This technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.

- Income approach - This approach converts future amounts (such as cash flows) into a current discounted amount.

Each of these valuation techniques requires inputs to calculate a fair value. Observable inputs have been maximized in fair value measures, and unobservable inputs have been minimized.

c) Inventories and Prepaid Expenditures

Inventories

Inventories are recorded using the purchases method, in that inventory acquisitions are initially recorded as expenditures. Reported inventories are equally offset by a fund balance reserve, which indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of net current assets. The District's central warehouse inventory is valued at cost and consists of expendable supplies held for consumption.

Prepaid expenditures

The District has the option of reporting expenditures in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditure during the benefiting period, thus recording a prepaid expenditure in the Statement of Net Position.

d) Capital Assets

Capital assets are those purchased or acquired with an original cost of $15,000 or more and are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset's lives are not capitalized, but are expensed as incurred. Depreciation on all capital assets is computed using a straight-line basis over the following estimated useful lives:

Assets	Years
Improvement of sites	20
Buildings	50
Portable buildings	20
Building improvements	20
Furniture and fixtures	20
Playground equipment	20
Food services equipment	15
Transportation equipment	15
Telephone system	10
Vehicles	8
Computer and office equipment	5

e) Unearned Revenue

Cash received for federal and state special projects and programs is recognized as revenue to the extent that qualified expenditures have been incurred and timing requirements have been met. Unearned revenue is recorded to the extent that cash received on specific projects and programs exceeds qualified expenditures. Unearned revenue in the funds is recorded for grant and entitlement receivables that are not available within ninety days of year end and for cash receipts from grants and entitlements for which the District has not met the eligibility requirements for recognizing revenue.

f) Compensated Absences

All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken, since such benefits do not vest, nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

g) Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of applicable bond premium or discount. Issuance costs are expensed in the period incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of the debt issued, premiums, or discounts are reported as other financing sources/uses.

h) Fund Balance Reserves and Designations

The District maintains a minimum unassigned fund balance of not less than 3 percent of budgeted general fund expenditures and other financing uses as a reserve for economic uncertainties. The District believes a reserve of this level is prudent to maintain a high bond rating and to protect the District from the effects of fluctuations in property tax revenues to which basic aide districts are vulnerable. Because amounts in the nonspendable, restricted, committed, and assigned categories are subject to varying constraints on their use, the reserve for economic uncertainties consists of balances that are otherwise unassigned.

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- *Nonspendable* fund balance includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

- *Restricted* fund balance includes amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

- *Committed* fund balances includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end. Committed fund balances are imposed by the District's board of education.

- *Assigned* fund balance includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Superintendent and the Chief Business Official.

- *Unassigned* fund balance includes positive amounts within the general fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

i) Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. In addition, deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also are included in the net investment in capital assets component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Capital Projects restrictions will be used for the acquisition and construction of capital facilities.

Debt Service restrictions reflect the cash balances in the debt service funds that are restricted for debt service payments by debt covenants.

Educational Program restrictions reflect the amounts to be expended for federal and state funded educational programs.

Other Purposes (Expendable) reflect the fluctuations of the fair market values for the cash investment in the county pool.

j) Local Control Funding Formula and Property Taxes

The Local Control Funding Formula (LCFF) creates base, supplemental, and concentration grants in place of most previously existing K–12 funding streams, including revenue limits and most state categorical programs. The revenue limit was a combination of local property taxes, state apportionments, and other local sources.

Until full implementation, local educational agencies (LEAs) will receive roughly the same amount of funding they received in 2012–13 plus an additional amount each year to bridge the

gap between current funding levels and LCFF target levels. The budget projects the time frame for full implementation of the LCFF to be eight years.

The county is responsible for assessing, collecting, and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property in the county. The levy is based on the assessed values as of the preceding March 1, which is also the lien date. Property taxes on the secured roll are due on August 31 and February 1, and taxes become delinquent after December 10 and April 10, respectively. Property taxes on the unsecured roll are due on the lien date (March 1), and become delinquent if unpaid by August 31.

Secured property taxes are recorded as revenue when apportioned, in the fiscal year of the levy. The county apportions secured property tax revenue in accordance with the alternate method of distribution prescribed by Section 4705 of the California *Revenue and Taxation Code*. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll - approximately October 1 of each year.

The County Auditor reports the amount of the District's allocated property tax revenue to the California Department of Education. Property taxes are recorded as local revenue limit sources by the District.

k) Risk management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District has joined together with other school districts in the County to form the San Mateo County Schools Insurance Group ("SMCSIG") public entity risk pool. The District pays an annual premium for its property and casualty, workers' compensation, and liability insurance coverage. The Joint Powers Agreements provide that SMCSIG will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of self-insured levels.

There were no significant reductions in insurance coverage from coverage in the prior year and no insurance settlement exceeding insurance coverage.

l) Accounting Estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

m) Subsequent Events

Management has reviewed subsequent events and transactions that occurred after the date of the financial statements through the date the financial statements were issued. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles. Management has determined that there are no non-recognized subsequent events that require additional disclosure.

J. Implemented New Accounting Pronouncements

GASB Statement No. 72, *Fair Value Measurement and Application*

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. The provisions of GASB Statement No. 72 (GASB 72) are effective for reporting periods beginning after June 15, 2015. Earlier application is encouraged.

GASB 72 provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The statement generally requires state and local governments to measure investments at fair value. The statement defines an *investment* as a security or other asset that (*a*) a government holds primarily for the purpose of income or profit and (*b*) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. *Fair value* is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between participants at the measurement date.

The statement requires that acquisition value (an entry price) be used to measure the following assets:

a. donated capital assets;
b. donated works of art, historical treasures, and other similar assets; and
c. capital assets received in a service concession arrangement. These assets were previously required to be measured at fair value.

GASB 72 requires that sound and consistent valuation techniques be used to determine fair value. The valuation techniques should maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The valuation technique used should be consistent with one or more of three approaches that are appropriate in the circumstances: the market approach, cost approach, and income approach. Valuation techniques should be applied consistently from period to period. A change in valuation technique or its application is appropriate if it achieves a measurement that is equally or more representative of an asset's fair value under the circumstances.

Inputs to valuation techniques used to measure fair value are categorized into three levels as noted in the investments disclosure section.

The implementation of GASB 72 did not have a significant impact on the District's financial statements and did not result in any prior period restatements or adjustments.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*

The purpose of GASB Statement No. 76 (GASB 76) is to identify the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. GASB Statement No. 76 supersedes GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.*

GASB 76 reduces the authoritative sources of GAAP from four categories to two. According to the statement, "The sources of authoritative GAAP are categorized in descending order of authority as follows:

a. Officially established accounting principles—Governmental Accounting Standards Board (GASB) Statements (Category A).
b. GASB Technical Bulletins; GASB Implementation Guides; and literature of the AICPA cleared by the GASB (Category B)."

Sources of nonauthoritative accounting literature are identified in paragraph 7 of GASB 76, and includes GASB Concepts Statements.

The implementation of GASB 76 did not have a significant impact on the District's financial statements and did not result in any prior period restatements or adjustments.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*

GASB 79 addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in GASB 79. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant.

If an external investment pool does not meet the criteria established by this Statement, that pool should apply the provisions in paragraph 16 of Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as amended. If an external investment pool meets the criteria in GASB 79 and measures all of its investments at amortized cost, the pool's participants also should measure their investments in that external investment pool at amortized cost for financial reporting purposes. If an external investment pool does not meet the criteria in GASB 79, the pool's participants should measure their investments in that pool at fair value, as provided in paragraph 11 of Statement 31, as amended.

GASB 79 establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals.

The requirements of GASB 79 are effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged.

The implementation of GASB 79 did not have a significant impact on the District's financial statements and did not result in any prior period restatements or adjustments.

K. Upcoming Accounting and Reporting Changes

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*.

The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*.

The scope of this Statement includes OPEB plans—defined benefit and defined contribution—administered through trusts that meet the following criteria:

- Contributions from employers and nonemployer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.
- OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.
- OPEB plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the OPEB plan administrator. If the plan is a defined benefit OPEB plan, plan assets also are legally protected from creditors of the plan members.

Management anticipates that this statement will not have a direct impact on the District's financial statements.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit

payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

In addition, this Statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB. This Statement also addresses certain circumstances in which a nonemployer District provides financial support for OPEB of employees of another District.

In this Statement, distinctions are made regarding the particular requirements depending upon whether the OPEB plans through which the benefits are provided are administered through trusts that meet the following criteria:

- Contributions from employers and nonemployer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.
- OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.
- OPEB plan assets are legally protected from the creditors of employers, nonemployer contributing entities, the OPEB plan administrator, and the plan members.

The District is in the process of determining the impact this statement will have on the financial statements.

GASB Statement No. 77, *Tax Abatement Disclosures*

GASB Statement No. 77, *Tax Abatement Disclosures,* addresses financial reporting about the nature and magnitude of tax abatements of governmental entities. The statement requires that governments that enter into tax abatements disclose more comprehensive information about the agreements, including the following:

a. Brief descriptive information including what tax is being abated, the authority under which the abatement is provided, and the eligibility criteria
b. The gross dollar amount of taxes abated during the period
c. Other commitments made by a government as part of the agreement

The complete disclosure requirements are provided in paragraphs 7 and 8 of GASB 77

GASB 77 is effective for periods beginning after December 15, 2015.

The District does not anticipate a material impact on its financial statements from the implementation of this standard.

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*

The objective of this Statement is to address a practice issue regarding the scope and applicability of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions.* This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions.

Prior to the issuance of this GASB 78, the requirements of GASB 68 applied to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts that meet the criteria in paragraph 4 of that statement.

GASB 78 amends the scope and applicability of GASB 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged.

The District does not anticipate a material impact on its financial statements from the implementation of this standard

NOTE 2 - CASH AND INVESTMENTS

A summary of cash and investments as of June 30, 2016 is as follows:

Description	Carrying Amount	Fair Value	Investment Rating
Government-Wide Statements:			
Cash in county treasury investment pool	$ 33,065,266	$ 33,166,446	AA
Cash in revolving fund	25,000	25,000	Not Rated
Cash with fiscal agent	84,641	84,887	AA
Total Government-Wide Cash and Investments	33,174,907	33,276,333	
Fiduciary Funds:			
Cash in banks	251,245	251,245	Not Rated
Total Cash and Investments	$ 33,426,152	$ 33,527,578	

Cash in Banks and in Revolving Funds

Cash balances in banks and revolving funds are insured up to $250,000 per bank by the Federal Deposit Insurance Corporation ("FDIC"). These accounts are held within various financial institutions. As of June 30, 2016, the bank balance of the District's accounts with banks was $314,409.

Cash in County Treasury

The District is considered to be an involuntary participant in an external investment pool as the District is required to maintain substantially all of its cash with the County Treasurer in accordance with Education Code Section 41001. The fair value of the District's investment in the pool is reported in the accounting

financial statements at amounts based upon the District's pro rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Fair Value Measurements

GASB 72 established a hierarchy of inputs to the valuation techniques above. This hierarchy has three levels:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable.

- Level 3 inputs are unobservable inputs, such as a property valuation or an appraisal.

The Entity has the following recurring fair value measurements as of June 30, 2016:

- The cash in the County investment pool of $33,246,954 are valued using Level 2 inputs.

Policies and Practices

The District is authorized under California Government Code Section 53635 to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are described below:

1. Interest Rate Risk

   Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to the changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains cash with the San Mateo County Investment Pool. The pool has a fair value of approximately $1.373 billion and an amortized book value of $1.368 billion.

2. Credit Risk

   Credit risk is the risk of loss due to the failure of the security issuer. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investment with the San Mateo County Investment Pool is governed by the County's general investment

policy. The investment with the San Mateo County Investment Pool is rated at least Aa1 by Moody's Investor Service.

3. Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

4. Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government code. District investments that are greater than 5 percent of total investments are in either an external investment pool or mutual funds and are therefore exempt.

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following as of June 30, 2016:

Description	General Fund	Building Fund	Bond Interest & Redemption Fund	Nonmajor Funds	Total
Federal Government	$ 992,408	$ -	$ -	$ 95,868	$ 1,088,276
State Government	405,260	-	-	-	405,260
Local Government	746,387	27	-	40,045	786,459
Other Unrestricted	301,435	48,527	13,486	3,619	367,067
Total Accounts Receivable	$ 2,445,490	$ 48,554	$ 13,486	$ 139,532	$ 2,647,062

NOTE 4 - CAPITAL ASSETS AND DEPRECIATION

Capital asset activities for the year ended June 30, 2016 were as follows:

Capital Assets	Balance July 01, 2015	Additions	Adjustments & Deletions	Balance June 30, 2016
Land - not depreciable	$ 1,456,448	$ -	$ -	$ 1,456,448
Work-in-progress - not depreciable	2,554,481	10,261,178	-	12,815,659
Site improvements	4,972,796	295,468	-	5,268,264
Buildings and improvements	60,554,896	118,819	-	60,673,715
Furniture and equipment	1,340,474	20,780	-	1,361,254
Total capital assets	70,879,095	10,696,245	-	81,575,340
Less accumulated depreciation for:				
Site improvements	924,601	268,526	-	1,193,127
Buildings and improvements	17,869,090	1,563,373	-	19,432,463
Furniture and equipment	933,581	60,426	-	994,007
Total accumulated depreciation	19,727,272	1,892,325	-	21,619,597
Total capital assets - net depreciation	$ 51,151,823	$ 8,803,920	$ -	$ 59,955,743

Depreciation expense was charged to governmental activities as follows:

Instruction	$ 1,757,460
Instruction library, media and technology	27,903
School site administration	9,856
Home-to-school transportation	71,542
All other general administration	17,761
Plant services	7,803
Total depreciation expense	$ 1,892,325

NOTE 5 - INTERFUND TRANSACTIONS

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables (Due From/To), as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers among governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Interfund Receivables/Payables (Due From/Due To)

Interfund receivables and payables consisted of the following as of June 30, 2016:

	Due From (Receivable-in)			
Due To (Payable-in)	General Fund	Building Fund	Nonmajor Funds	Total Due To
General Fund	$ -	$ 2	$ 88,001	$ 88,003
Building Fund	15,725	-	-	15,725
Nonmajor Funds	180,847	-	-	180,847
Total Due From	$ 196,572	$ 2	$ 88,001	$ 284,575

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended. The District transferred $88,000 from the Cafeteria Fund to the General Fund during the fiscal year ended June 30, 2016.

NOTE 6 - LONG-TERM DEBT

Schedule of Changes in Long-term Debt

The following is the schedule of changes in long-term debt for the fiscal year ended June 30, 2016:

Long Term Debt	Balance July 01, 2015	Additions	Deductions	Balance June 30, 2016	Due Within One Year
General Obligation Bonds	$45,269,904	$ -	$1,918,920	$43,350,984	$2,941,595
Unamortized Bond Premium	2,646,008	-	105,441	2,540,567	105,441
Net Pension Liabilities	20,054,314	10,112,492	7,547,965	22,618,841	-
Compensated Absences	298,825	201,901	145,741	354,985	-
Total Long-Term Debt	$68,269,051	$10,314,393	$9,718,067	$68,865,377	$3,047,036

Payments on the general obligation bonds are made from the Bond Interest and Redemption Fund using local revenues.

General Obligation Bonds Payable

On August 1, 1996, the District issued $34,996,263 in General Obligation Bonds (the "Bonds"). The County Treasurer levies annual ad valorem taxes for required debt service payments. Bond proceeds have been and will be used for improvements and construction at the District's school sites.

On October 25, 2012, the District issued $19,715,860 in General Obligation Bonds. This included principal of $18,000,000, with a premium of $1,715,860. The bonds mature on August 1, 2037. Total debt service for the bonds is $27,843,608. Bond proceeds will be used for improvements and construction at the District's school sites.

On January 14, 2015, the District issued $21,067,416 in General Obligation Bonds. This included principal of $20,000,000, with a premium of $1,067,416. The bonds mature on August 1, 2044. Total debt service for the bonds is $35,591,991. Bond proceeds will be used for improvements and construction at the District's school sites.

Bond	Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 01, 2015	Issued	Redeemed	Bonds Outstanding June 30, 2016
1996	8/1/96	8/1/21	3.75-6.0%	$34,996,263	$ 9,129,904	$ -	$1,333,920	$ 7,795,984
2012A	10/25/12	8/1/37	2.0-5.0%	18,000,000	16,140,000	-	585,000	15,555,000
2012B	1/14/2015	8/1/44	2.0%-5.0%	20,000,000	20,000,000	-	-	20,000,000
Total General Obligation Bonds				$72,996,263	$45,269,904	$ -	$1,918,920	$43,350,984

As of June 30, 2016, the annual debt service requirements of the general obligation bonds were as follows:

Fiscal Year	Principal	Interest	Total
2017	$ 2,941,595	$ 4,259,150	$ 7,200,745
2018	2,503,599	4,464,920	6,968,519
2019	1,799,487	4,696,633	6,496,120
2020	1,839,765	4,961,304	6,801,069
2021	1,900,148	5,228,496	7,128,644
2022-2026	5,456,391	10,055,801	15,512,192
2027-2031	5,975,000	4,532,888	10,507,888
2032-2036	7,475,000	3,385,771	10,860,771
2037-2041	7,300,000	1,883,000	9,183,000
2042-2045	6,159,999	516,800	6,676,799
Total	$ 43,350,984	$ 43,984,763	$ 87,335,747

NOTE 7 - JOINT POWERS AGREEMENTS

The District participates in a joint powers agreement ("JPA") with the San Mateo County Schools Insurance Group ("SMCSIG"). A board consisting of a representative from each member district governs the JPA. The governing board controls the operation of the JPA independent of any influence by the District beyond the District's representation on the governing board. The JPA is independently accountable for its fiscal matters. Budgets are not subject to any approval other than that of the governing board. Member districts share surpluses and deficits proportionately to their participation. The relationship between the District and the JPA is such that the JPA not a component unit of the District for financial reporting purposes.

The following is a summary of coverage provided by SMCSIG JPA and its most recent financial statement information:

	SMCSIG June 30, 2016
Total Assets & Deferred Outflows	$ 22,473,548
Total Liabilities	11,068,151
Total Equity	11,405,397
Total Revenues	40,666,646
Total Expenditures	39,513,008

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Litigation

Various claims involving the District are currently outstanding. However, management believes, based on consultation with legal counsel, that the ultimate resolution of these matters will not have a material adverse effect on the District's financial position or results of operations.

Federal and State Allowances, Award, and Grants

The District has received federal and state funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursement will not be material.

NOTE 9 - EMPLOYEE RETIREMENT SYSTEMS

A. California Public Employees Retirement System (CalPERS/PERS) Pension Plan

General Information about the PERS Pension Plan

Plan Description - All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plan (the Plan), a cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the Plan are applied as specified by the Public Employees' Retirement Law. The Plans' provisions and benefits in effect at June 30, 2016, are summarized as follows:

	Tier 1	Tier 2
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life
Retirement age	50	62
Monthly benefits as a % of eligible compensation	2.0%	2.0%
Required employee contribution rates	7%	6%
Required employer contribution rates	11.85%	11.85%

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2016, the contributions recognized as part of pension expense for the Plan were as follows:

	Total
Contributions - employer	$ 832,772
Contributions - employee	327,666
Total contributions	$ 1,160,438

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to PERS

As of June 30, 2016, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous Plan	$ 5,855,010

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2015, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2014 and 2015 was as follows:

	Proportion of Net Pension Liability
Proportion - June 30, 2014	0.0417%
Proportion - June 30, 2015	0.0397%
Change in Net Pension Liability	-0.0020%

For the year ended June 30, 2016, the District recognized pension expense of $563,448 for the Plan. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 906,279	$ -
Changes in assumptions	-	(376,760)
Differences between expected and actual experiences	350,446	-
Net differences between projected and actual earnings on plan investments	1,007,096	(1,217,057)
Total	$ 2,263,821	$ (1,593,817)

The District reported $906,279 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Periods Ended June 30:	Deferred Outflows/(Inflows) of Resources
2016	$ (162,985)
2017	(162,985)
2018	(162,079)
2019	251,774
Total	$ (236,275)

Actuarial Assumptions - The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	3.3% - 14.2% (1)
Investment Rate of Return	7.5% (2)
Mortality	(3)

(1) Depending on age, service and
(2) Net of pension plan investment expenses, including inflation
(3) Derived using CalPERS' membership data for all funds

Discount Rate - The discount rate used to measure the total pension liability was 7.50 percent for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent.

Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total Allocation	100.00%		

(a) An expected inflation of 2.5% used for this period.
(b) An expected inflation of 3.0% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	6.65%
Net Pension Liability	$ 9,529,517
Current Discount Rate	7.65%
Net Pension Liability	$ 5,855,010
1% Increase	8.65%
Net Pension Liability	$ 2,799,412

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

B. California State Teachers' Retirement System (STRS) Pension Plan

General Information about the STRS Pension Plan

Plan Description - The District contributes to the State Teachers' Retirement System (STRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement, disability, and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information.

Benefits Provided - STRS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. The cost of living adjustments for the Plan are applied as specified by the retirement Law. The Plan's provisions and benefits in effect at June 30, 2016, are summarized as follows:

	Tier 1	Tier 2
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 60	2% @ 62
Benefit vesting schedule	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life
Retirement age	50	55
Monthly benefits as a % of eligible compensation	2%	2%
Required employee contribution rates	9.20%	8.56%
Required employer contribution rates	10.73%	10.73%

Contributions - As part of the annual valuation process, the Normal Cost rate is determined as the basis for setting the base member contribution rate for the following fiscal year. Generally, the base member contribution rate is one-half of the Normal Cost rate within certain parameters. Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial cost method.

For the year ended June 30, 2016, the contributions recognized as part of pension expense for the Plan were as follows:

	Total
Contributions - employer	$ 1,910,368
Contributions - employee	727,900
Total contributions	$ 2,638,268

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to STRS

As of June 30, 2016, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous Plan	$ 16,763,831

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2015, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2014 and 2015 was as follows:

	Proportion of Net Pension Liability
Proportion - June 30, 2014	0.0280%
Proportion - June 30, 2015	0.0249%
Change in Net Pension Liability	-0.0031%

For the year ended June 30, 2016, the District recognized pension expense of $1,220,612 for the Plan. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 2,453,472	$ -
Differences between expected and actual experiences	-	(304,384)
Net differences between projected and actual earnings on plan investments	-	(1,591,578)
Total	$ 2,453,472	$ (1,895,962)

The District reported $2,453,472 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Periods Ended June 30:	Deferred Outflows/(Inflows) of Resources
2016	$ (734,802)
2017	(734,802)
2018	(734,802)
2019	308,444
Total Outflows/(Inflows) - Net	$ (1,895,962)

Actuarial Assumptions - The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.60%
Inflation	3.00%
Payroll Growth	3.75%
Projected Salary Increase	0.5% - 5.6% (1)
Investment Rate of Return	7.60% (2)
Mortality	(3)

(1) Depending on age, service and type of employment
(2) Net of pension plan investment expenses, including inflation
(3) Derived using STRS' membership data for all funds

Discount Rate - The discount rate used to measure the total pension liability was 7.60 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increases per AB 1469. Projected inflows from investment earnings were calculated using the long term assumed investment rate of return (7.60 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (a)
Global Equity	47.00%	4.50%
Fixed Income	20.00%	0.20%
Inflation Sensitive	5.00%	3.20%
Private Equity	12.00%	6.20%
Real Estate	15.00%	4.35%
Liquidity	1.00%	0.00%
Total Allocation	100.00%	

(a) 10-year geometric average.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	6.60%
Net Pension Liability	$ 25,312,080
Current Discount Rate	7.60%
Net Pension Liability	$ 16,763,831
1% Increase	8.60%
Net Pension Liability	$ 9,659,546

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued STRS financial reports.

REQUIRED SUPPLEMENTARY INFORMATION

CABRILLO UNIFIED SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL (GAAP)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive - (Negative)
	Original	Final	Actual (GAAP Basis)	
Revenues:				
LCFF sources	$ 26,439,479	$ 26,691,380	$ 26,654,406	$ (36,974)
Federal revenues	1,415,111	1,594,749	1,374,340	(220,409)
Other state	904,303	3,030,750	4,098,687	1,067,937
Other local	2,311,920	3,600,331	3,700,290	99,959
Total revenues	31,070,813	34,917,210	35,827,723	910,513
Expenditures:				
Certificated salaries	14,428,970	14,786,890	14,784,214	2,676
Classified salaries	4,748,821	5,134,863	5,334,857	(199,994)
Employee benefits	6,682,992	6,784,657	7,961,466	(1,176,809)
Books and supplies	1,330,856	1,441,928	1,339,236	102,692
Services and other operating expenditures	3,335,388	5,481,986	3,995,041	1,486,945
Other outgo	591,193	301,781	211,594	90,187
Total expenditures	31,118,220	33,932,105	33,626,408	305,697
Excess (deficiency) of revenues over (under) expenditures	(47,407)	985,105	2,201,315	1,216,210
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	(30,422)	(88,000)	(57,578)
Total other financing sources (uses)	-	(30,422)	(88,000)	(57,578)
Change in fund balance	(47,407)	954,683	2,113,315	1,158,632
Fund balances beginning	2,920,940	2,920,940	2,920,940	-
Fund balances ending	$ 2,873,533	$ 3,875,623	$ 5,034,255	$ 1,158,632

CABRILLO UNIFIED SCHOOL DISTRICT
SCHEDULE OF PENSION PLAN CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

CalPERS

	2016	2015
Contractually Required Contributions (Actuarially Determined)	$ 646,510	$ 551,875
Contributions in Relation to Actuarially Determined Contributions	646,510	551,875
Contribution Deficiency (Excess)	$ -	$ -
Covered Employee Payroll	**$ 5,457,350**	**$ 4,688,338**
Contributions as a Percentage of Covered Payroll	**11.85%**	**11.77%**

Notes to Schedule:

Valuation Date: June 30, 2014

Assumptions Used:
- Entry Age Method used for Actuarial Cost Method
- Level Percentage of Payroll (Closed) Used Amortization Method
- 3.9 Years Remaining Amortization Period
- Inflation Assumed at 2.75%
- Investment Rate of Returns set at 7.5%
- CalPERS mortality table using 20 years of membership data for all funds

STRS

	2016	2015
Contractually Required Contributions (Actuarially Determined)	$ 1,561,827	$ 1,220,719
Contributions in Relation to Actuarially Determined Contributions	1,561,827	1,220,719
Contribution Deficiency (Excess)	$ -	$ -
Covered Employee Payroll	**$ 14,580,145**	**$ 13,748,480**
Contributions as a Percentage of Covered Payroll	**10.71%**	**8.88%**

Notes to Schedule:

Valuation Date: June 30, 2014

Assumptions Used:
- Entry Age Method used for Actuarial Cost Method
- Level Percentage of Payroll (Closed) Used Amortization Method
- 30 Years Remaining Amortization Period
- Inflation Assumed at 3.0%
- Investment Rate of Returns set at 7.6%
- STRS mortality table using membership data for all funds

** Fiscal year 2015 was the first year of implementation, therefore only two years are shown

CABRILLO UNIFIED SCHOOL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

CalPERS

	2016	2015
District's Proportion of Net Pension Liability	0.03972%	0.04170%
District's Proportionate Share of Net Pension Liability	$ 5,855,010	$ 4,733,965
District's Covered Employee Payroll	$ 5,457,350	$ 4,688,338
District's Proportionate Share of NPL as a % of Covered Employee Payroll	**107.29%**	**100.97%**
Plan's Fiduciary Net Position as a % of the TPL	**80.40%**	**83.38%**

STRS

	2016	2015
District's Proportion of Net Pension Liability	0.02490%	0.02800%
District's Proportionate Share of Net Pension Liability	$ 16,763,831	$ 16,362,360
District's Covered Employee Payroll	$ 14,580,145	$ 13,748,480
District's Proportionate Share of NPL as a % of Covered Employee Payroll	**114.98%**	**119.01%**
Plan's Fiduciary Net Position as a % of the TPL	**76.93%**	**76.52%**

** Fiscal year 2015 was the first year of implementation, therefore only two years are shown

SUPPLEMENTARY INFORMATION

Nonmajor Governmental Funds
Combining Schedules

CABRILLO UNIFIED SCHOOL DISTRICT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2016

	Special Revenue Funds				Capital Projects Fund	
	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	Total Nonmajor Governmental Funds
Assets						
Cash and investments	$ 85,535	$ 46,206	$ 1,863	$ 221	$ 1,494,394	$ 1,628,219
Accounts receivable	224	40,172	95,868	-	3,268	139,532
Due from other funds	-	-	88,001	-	-	88,001
Prepaid items and inventory	-	-	11,696	-	-	11,696
Total Assets	$ 85,759	$ 86,378	$ 197,428	$ 221	$ 1,497,662	$ 1,867,448
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	$ 7,322	$ -	$ 14,207	$ -	$ 371	$ 21,900
Due to other funds	6,310	3,166	171,369	2	-	180,847
Total Liabilities	13,632	3,166	185,576	2	371	202,747
Fund Balances:						
Nonspendable stores inventories	-	-	11,696	-	-	11,696
Restricted for child development	-	82,562	-	-	-	82,562
Restricted for cafeteria programs	-	-	156	-	-	156
Restricted for capital projects	-	-	-	-	1,497,291	1,497,291
Assigned for site repairs	-	-	-	219	-	219
Assigned for child development	-	650	-	-	-	650
Assigned for adult education	72,127	-	-	-	-	72,127
Total Fund Balances	72,127	83,212	11,852	219	1,497,291	1,664,701
Total Liabilities and Fund Balances	$ 85,759	$ 86,378	$ 197,428	$ 221	$ 1,497,662	$ 1,867,448

CABRILLO UNIFIED SCHOOL DISTRICT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Special Revenue Funds				Capital Projects Fund	
	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	Total Nonmajor Governmental Funds
Revenues:						
LCFF sources	$ -	$ -	$ -	$ -	$ -	$ -
Federal revenue	-	-	545,931	-	-	545,931
Other state	219,274	-	52,035	-	-	271,309
Other local	22,204	51,361	156,380	170	188,403	418,518
Total revenues	241,478	51,361	754,346	170	188,403	1,235,758
Expenditures:						
Current						
Instruction	65,867	-	-	-	-	65,867
Instruction-related services:						
Supervision of instruction	22,735	-	-	-	-	22,735
Instruction library, media and technology	159	-	-	-	-	159
School site administration	85,057	-	-	-	-	85,057
Pupil services:						
Food services	-	-	860,654	-	-	860,654
All other pupil services	10,430	-	-	-	-	10,430
General administration:						
All other general administration	7,085	-	-	-	-	7,085
Plant services	446	-	2,934	243	12,059	15,682
Facilities acquisition and construction	-	-	-	-	7,998	7,998
Community services	-	71,513	-	-	-	71,513
Total expenditures	191,779	71,513	863,588	243	20,057	1,147,180
Excess (deficiency) of revenues over (under) expenditures	49,699	(20,152)	(109,242)	(73)	168,346	88,578
Other financing sources (uses):						
Transfers in	-	-	88,000	-	-	88,000
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	88,000	-	-	88,000
Change in fund balances	49,699	(20,152)	(21,242)	(73)	168,346	176,578
Fund balances beginning	22,428	103,364	33,094	292	1,328,945	1,488,123
Fund balances ending	$ 72,127	$ 83,212	$ 11,852	$ 219	$ 1,497,291	$ 1,664,701

STATE AND FEDERAL AWARD COMPLIANCE SECTION

CABRILLO UNIFIED SCHOOL DISTRICT
ORGANIZATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Cabrillo Unified School District, located just south of San Francisco on the beautiful Pacific Coast, was established on July 1, 1965 and encompasses an area of approximately 135 square miles. The District currently operates four elementary schools, one intermediate school, one high school, a continuation school, and an adult education program.

The Board of Education for the fiscal year ended June 30, 2016, was comprised of the following members:

Governing Board

Name	Office	Term Expires
Kirk Riemer	President	2018
Freya McCamant	Vice President	2018
Rob Pappalardo	Clerk	2018
Kate Livingston	Member	2016
Michael Ahern	Member	2016

Administration

Jane Yuster, Superintendent

CABRILLO UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Second Period Report	Annual Report
Regular ADA:		
Grades TK/K through three	938.08	935.01
Grades four through six	738.78	738.73
Grades seven and eight	498.68	497.22
Grades nine and twelve	997.56	1,010.73
Regular ADA Totals	3,173.10	3,181.69
Extended year special education:		
Grades TK/K through three	0.96	0.96
Grades four through six	1.27	1.27
Grades seven and eight	0.73	0.73
Grades nine and twelve	0.74	0.74
Special education - nonpublic and nonsectarian:		
Grades TK/K through three	0.90	0.90
Grades four through six	1.73	1.73
Grades seven and eight	1.91	1.91
Grades nine and twelve	5.04	5.04
Extended year special education - nonpublic and nonsectarian:		
Grades four through six	0.02	0.02
Grades seven and eight	-	0.03
Grades nine and twelve	0.65	0.65
ADA Totals	3,187.05	3,195.67

CABRILLO UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME OFFERED
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Grade Level	Minutes Requirements	2015-16 Actual Minutes	Number of Days Traditional Calendar	Number of Days Multitrack Calendar	Status
Kindergarten	36,000	36,555	180	0	In compliance
Grade 1	50,400	51,010	180	0	In compliance
Grade 2	50,400	51,010	180	0	In compliance
Grade 3	50,400	51,010	180	0	In compliance
Grade 4	54,000	55,355	180	0	In compliance
Grade 5	54,000	55,355	180	0	In compliance
Grade 6	54,000	65,186	180	0	In compliance
Grade 7	54,000	65,186	180	0	In compliance
Grade 8	54,000	65,186	180	0	In compliance
Grade 9	64,800	76,218	180	0	In compliance
Grade 10	64,800	76,218	180	0	In compliance
Grade 11	64,800	76,218	180	0	In compliance
Grade 12	64,800	76,218	180	0	In compliance

School districts and charter schools must maintain their instructional minutes as defined in Education Code Section 46207. This schedule is required of all districts and charter schools, including basic aid districts.

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instruction time offered by the District and whether the District complied with the provisions of Education Code Sections 46200 through 46206. The District has not met or exceeded its target funding.

CABRILLO UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	(Budget [1]) 2017	2016	2015	2014
General Fund				
Revenues and other financial sources	$ 33,954,233	$ 35,827,723	$ 30,710,513	$ 28,070,416
Expenditures	34,704,035	33,626,408	30,567,863	29,153,259
Other uses and transfers (out)	139,053	88,000	-	-
Total outgo	34,843,088	33,714,408	30,567,863	29,153,259
Change in fund balance	$ (888,855)	$ 2,113,315	$ 142,650	$ (1,082,843)
Ending fund balance	$ 4,145,400	$ 5,034,255	$ 2,920,940	$ 2,778,290
Available reserves [2]	$ 1,978,633	$ 2,656,571	$ 2,425,264	$ 1,504,470
Designated for economic uncertainty	$ 1,045,293	$ 1,011,433	$ 895,906	$ -
Unassigned fund balance	$ 933,340	$ 1,645,138	$ 1,529,358	$ 1,504,470
Available reserves as a percentage of total outgo	6%	8%	8%	5%
Total long-term liabilities	$ 65,818,341	$ 68,865,377	$ 68,269,051	$ 29,488,726
Average daily attendance (ADA) at P-2	3,187	3,187	3,201	3,202

ADA has decreased by 15 since 2014. The district anticipates no change in ADA in 2016-17.

The general fund balance has decreased by $2,255,965 since 2014. For a district this size, the state recommends available reserves of at least 3% of total general fund expenditures, transfers out, other uses (total outgo).

The district operated at a surplus in the two of the past three years. Total long-term debt has increased by $39,376,651 over the past three years.

[1] Budget numbers are based on the first adopted budget of the fiscal year 2016/17.

[2] Available reserves consists of all unassigned fund balances in the general fund, which includes the reserve for economic uncertainties.

CABRILLO UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

PROGRAM NAME	Federal Catalog Number		Pass Through Number	Program Expenditures
U. S. DEPARTMENT OF AGRICULTURE				
Passed Through California Department of Education				
National School Lunch Program	10.555		13391	$ 545,931
TOTAL U.S. DEPARTMENT OF AGRICULTURE				545,931
U. S. DEPARTMENT OF EDUCATION				
Passed Through California Department of Education				
Special Education Cluster				
Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	(1)	13379	557,337
Special Ed: IDEA Preschool Grants, Part B, Sec 619	84.173	(1)	13430	12,549
Special Ed: IDEA Preschool Local Entitlement, Part B, Sec 611	84.027	(1)	13682	25,367
Special Ed: IDEA Preschool Staff Development, Part B, Sec 619	84.173	(1)	13431	148
Total Special Education Cluster				595,401
Title I Cluster				
NCLB: Title I, Part A, Basic Grants Low-Income and Neglected	84.010		14329	280,464
NCLB: Title I, Part C, Migrant Ed	84.011		14326	164,749
Migrant Education Summer Program	84.011		10005	50,880
Even Start Migrant Education	84.011		14768	40,969
Total Title I Cluster				537,062
Department of Rehab: Workability II, Transition Partnership	84.158		10006	68,841
Carl D. Perkins Career and Technical Education: Secondary, Section 131	84.048		14894	8,616
NCLB: Title II, Part A, Teacher Quality	84.367		14341	48,100
NCLB: Title III, Immigrant Education Program	84.365		15146	112,916
TOTAL U. S. DEPARTMENT OF EDUCATION				1,370,936
TOTAL FEDERAL PROGRAMS				$ 1,916,867

(1) Audited as major program

CABRILLO UNIFIED SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (SACS)
WITH AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General Fund	Special Reserve Fund for Other Than Capital Outlay	Building Fund	Bond Interest and Redemption Fund	Other Nonmajor Governmental Funds
June 30, 2016 Annual Financial and Budget Report (SACS) Fund Balances	$ 4,965,306	$ 68,949	$ 18,993,989	$ 6,810,040	$ 1,664,701
Adjustments & Reclassifications:					
Special Reserve Fund for Other Than Capital Outlay:					
Cash with County Treasury	68,797	(68,797)	-	-	-
Accounts receivable	152	(152)	-	-	-
June 30, 2016 Audited Financial Statements Fund Balances	$ 5,034,255	$ -	$ 18,993,989	$ 6,810,040	$ 1,664,701

1. PURPOSE OF SCHEDULES

A. Schedule of Average Daily Attendance

Average daily attendance is a measurement of the number of pupils attending classes in the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments in state funds are made to school Districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

B. Schedule of Instructional Time

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day and Longer Instructional Year. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of Education Code Sections 46201 through 46206.

C. Schedule of Financial Trends and Analysis

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

D. Schedule of Expenditures of Federal Awards

Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Regulations, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) requires a disclosure of the financial activities of all federally funded programs. This schedule was prepared to comply with Uniform Guidance requirements.

E. Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balances of all funds reported on the SACS report to the audited financial statements.

2. RESULTS OF RECONCILIATIONS OF EXPENDITURES PER SCHEDULE OF GRANT ACTIVITY WITH THE DISTRICT'S ACCOUNTING SYSTEM

There were no material unreconciled differences between the District's records and the Schedule of Federal Grant Activity as shown on the Schedule of Expenditures of Federal Awards.

3. BASIS OF PRESENTATION - SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Regulations, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

4. EARLY RETIREMENT INCENTIVE PROGRAM

The District has not adopted an early retirement incentive program, pursuant to Education Code Sections 22714 and 44929, whereby the service credit to eligible employees is increased to two years.

OTHER INDEPENDENT AUDITOR'S REPORTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Board of Trustees
Cabrillo Unified School District
Half Moon Bay, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 8, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and

material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C & A LLP

December 8, 2016
San Jose, California

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY TITLE 2 CFR PART 200 (UNIFORM GUIDANCE)

The Honorable Board of Trustees
Cabrillo Unified School District
Half Moon Bay, California

Report on Compliance for Each Major Federal Program

We have audited Cabrillo Unified School District's compliance with the types of compliance requirements described in *OMB Compliance Supplement* that could have a direct and material effect on each of Cabrillo Unified School District's major federal programs for the year ended June 30, 2016. Cabrillo Unified School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Cabrillo Unified School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Regulations, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cabrillo Unified School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Cabrillo Unified School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Cabrillo Unified School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

Management of Cabrillo Unified School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Cabrillo Unified School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cabrillo Unified School District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

C & A LLP

December 8, 2016
San Jose, California

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON STATE PROGRAMS

The Honorable Board of Trustees
Cabrillo Unified School District
Half Moon Bay, California

Compliance

We have audited the Cabrillo Unified School District's (the District) compliance with the types of compliance requirements described in the *2015-16 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, that could have a direct and material effect on each of the District's state programs identified below for the year ended June 30, 2016.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each applicable program as identified in the State's audit guide, *2015-16 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2015-16 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Those standards, and state audit, guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above, that could have a material effect on compliance with the state laws and regulations described in the schedule below, occurred. An audit includes examining, on a test basis, evidence supporting the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In connection with the compliance audit referred to above, we selected and tested transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

Description	Procedures Performed
Local Education Agencies Other than Charter Schools:	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	No
Continuation Education	No

Description	Procedures Performed
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	N/A
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	N/A
Middle or Early College High Schools	N/A
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
School Districts, County Offices of Education, and Charter Schools	
Educator Effectiveness	Yes
California Clean Energy Job Acts	Yes
After School Education and Safety Program:	
General Requirements	Yes
After School	Yes
Before School	N/A
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	No
Immunization	Yes
Charter Schools:	
Attendance	N/A
Mode of Instruction	N/A
Nonclassroom-Based Instruction/Independent Study for Charter Schools	N/A
Determination of Funding for Nonclassroom - Based Instruction	N/A
Annual Instructional Minutes - Classroom Based	N/A
Charter School Facility Grant Program	N/A

We did not perform the audit procedures for Continuation Education, Full-time Independent Study and Independent Study-Course Based programs because the ADA was under the level that requires testing.

Opinion

In our opinion, Cabrillo Unified School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on State Programs for the fiscal year ended June 30, 2016.

C & A LLP

December 8, 2016
San Jose, California

FINDINGS AND RECOMMENDATIONS

CABRILLO UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	**Unmodified**
Internal control over financial reporting:	
Material weaknesses?	____ Yes **x** No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes **x** No
Non-compliance material to financial statements noted?	____ Yes **x** No

Federal Awards

Internal control over major programs:	
Material weaknesses?	____ Yes **x** No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes **x** No
Type of auditor's report issued on compliance over major programs	**Unmodified**
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	____ Yes **x** No

Identification of Major Programs:

CFDA Numbers	Name of Federal Program
84.027	Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Sec 611
84.173	Special Ed: IDEA Preschool Grants, Part B, Sec 619
84.027	Special Ed: IDEA Preschool Local Entitlement, Part B, Sec 611
84.173	Special Ed: IDEA Preschool Staff Development, Part B, Sec 619

Dollar threshold used to distinguish between type A and type B programs:	$ 750,000
Auditee qualified as low risk auditee?	**x** Yes ____ No

State Awards

Internal control over state programs:	
Material weaknesses?	____ Yes **x** No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes **x** No
Type of auditor's report issued on compliance over state programs:	**Unmodified**

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - State Award Findings and Questioned Costs

None

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - State Award Findings and Questioned Costs

None

* * *

The audit staff wishes to express their thanks and appreciation for the help and cooperation of the District office staff during the course of our audit.

CABRILLO UNIFIED SCHOOL DISTRICT
BOARD AGENDA ITEM

BOARD MEETING DATE: January 19, 2017

☒ **ACTION**
☐ **CONSENT**
☐ **DISCUSSION**
☐ **INFORMATION**

BOARD AGENDA NUMBER: 15.c

BOARD AGENDA ITEM: Approve Lease-Lease Back Agreement with Blach Construction

DEPARTMENT: Business Department

CONTACT PERSON: Crystal Leach, Chief Business Official

BACKGROUND INFORMATION:

On June 5, 2012, the Coastside community approved Measure S authorizing the district to issue $81 million in bonds to fund a building program. On October 13, 2016 the Governing Board approved the lease-leaseback project delivery method as authorized by Education Code Section 17406. On December 8, 2016, the Governing Board vote to approve the intent to enter in to this agreement with Blach Construction.

REPORT/PROPOSAL:

The district is negotiating with Blach Construction to develop a lease-lease back agreement to construct the repair of Cunha C Building for a guaranteed maximum price of $14,609,722.

FINANCIAL IMPACT:

There is no financial impact to the General Fund.

RECOMMENDATION:

Approve Lease-Lease Back Agreement with Blach Construction.

GUARANTEED MAXIMUM PRICE

Project Name:	Cunha Bldg. C Emergency Water Damage Repairs 600 Church Street
Client:	Cabrillo Unified School District
Architect:	WLC Architects
Project Manager:	Dean Leyshock
Date:	1/9/2017

ITEM	Resp	DESCRIPTION	SUBCONTRACTOR		TOTAL	Notes
0		General Conditions	Blach Construction	$	1,293,003	
1		Final Clean	TBD/Allowance	$	32,175	
2		Surveying	TBD/Allowance	$	21,012	
3		Underground Locating	TBD/Allowance	$	10,500	
4		Selective Demolition and Abatement	Restec Contractors	$	1,231,879	
5		Reinforcing Steel	TBD/Allowance	$	18,375	
6		Structural Concrete	Blach Construction	$	67,238	
7		Misc. Metals	TBD/Allowance	$	145,396	
8		General Trades	Blach Construction	$	1,768,500	
9		Glu Lam Beams	Blach Construction	$	63,036	
10		Roofing	TBD/Allowance	$	356,153	
11		Flashing and Gutters	TBD/Allowance	$	535,806	
12		Joint Sealants	TBD/Allowance	$	78,795	
13		Doors, Frames, and Hardware	TBD/Allowance	$	393,373	
14		Glass and Storefronts	TBD/Allowance	$	768,175	
15		Elevator	TBD/Allowance	$	47,277	
16		Scaffolding	Safway	$	462,741	
17		Sheetrock and Insulation	TBD/Allowance	$	400,255	
18		Lath and Plaster	TBD/Allowance	$	1,610,417	
19		Tile	TBD/Allowance	$	130,485	
20		Accoustical Ceilings	TBD/Allowance	$	157,759	
21		Flooring	TBD/Allowance	$	172,162	
22		Paint & Intemescent and Wall Covering	TBD/Allowance	$	447,646	
23		Mobilization/Temp Facilities	TBD/Allowance	$	207,420	
24		Specialties	TBD/Allowance	$	98,292	
25		Signage	TBD/Allowance	$	8,466	
26		Toilet Accessories	TBD/Allowance	$	31,000	
27		Fire Spinklers	TBD/Allowance	$	77,219	
28		Window Coverings	TBD/Allowance	$	55,157	
29		Casework	TBD/Allowance	$	153,650	
30		Plumbing	TBD/Allowance	$	149,711	
31		Mechanical	TBD/Allowance	$	490,105	
32		Electrical	TBD/Allowance	$	135,449	
33		Grading and Paving	TBD/Allowance	$	88,250	
34		SWPPP	TBD/Allowance	$	50,429	
35		Site Concrete	TBD/Allowance	$	48,195	
36		Fencing and Gates	TBD/Allowance	$	13,133	
37		Landscape and Irrigation	TBD/Allowance	$	33,619	
		SUBTOTAL		$	11,852,252	
42	1.00%	General Liability Insurance		$	118,523	
43	0.75%	Builder's Risk		$	89,781	
44	0.80%	Performance & Payment Bonds		$	96,484	
45	4.50%	Fee		$	547,067	
		SUBTOTAL		$	12,704,107	
46	15.0%	Construction Contingency		$	1,905,616	

TOTAL GUARANTEED MAXIMUM PRICE (GMP) $ 14,609,722

CLARIFICATIONS & EXCLUSIONS

BLACH CONSTRUCTION
Together. Building Greatness.™

Project Name:	Cunha Bldg. C Emergency Water Damage Repairs 600 Church Street
Client:	Cabrillo Unified School District
Architect:	WLC Architects
Project Manager:	Dean Leyshock
Date:	TBD

CLARIFICATIONS

1. GMP pricing was based off of the report issued by District and assumes removal and replacement of all scope as noted in the report.
2. GMP pricing does not include upgrades to the existing Fire Alarm system or any other upgrades required to bring the building up to current code.
3. Report issued by District does not indicate how to repair waterproofing issues. GMP pricing includes demolition and replacement of complete building exterior per original AEDIS contract documents, however, waterproofing repairs have not been identified and will be determined by design team at a later date.
4. GMP pricing includes removal and reinstallation of existing doors and windows. An allowance has been set aside to purchase new windows if desired. If new doors and windows are not purchased as part of the project then no warranty can/will be provided for that scope of work.
5. GMP pricing assumes the use of the district parking lot on site for Blach Employees and subcontractors. An area outside of the fence line will also be provided for a construction trailer.
6. GMP pricing assumes replacement in kind of all landscaping adjacent to building that will be removed during demolition.

EXCLUSIONS

1. All work associated with the removal of temporary emergency portables or reprogramming of Fire Alarm panel after removal of portables.
2. Abatement and Mold Remediation. BCC has been told this work has been completed by Belfor.
3. All move services to relocate temporary emergency portables furniture back into Building C classrooms. BCC has been told that this work will be completed by Belfor.
4. Replacement of interior finishes to be completed by Belfor. BCC can assist in coordinating this work.
5. Replacement of Existing Site Concrete

SITE LEASE

For all or a portion of the following Site:

Cunha Intermediate School Building C Repair Project
600 Church Street
Half Moon Bay, CA 94019
APN: 056-182-040
056-182-050

By and between

Cabrillo Unified School District
498 Kelly Ave
Half Moon Bay, CA 94019

And

Blach Construction Company
2244 Blach Place, Suite 100
San Jose, CA 95131

Dated as of _____, 2016

SITE LEASE

This site lease ("Site Lease") dated as of _____, 2016 ("Effective Date"), is made and entered into by and between the Cabrillo Unified School District, a school district duly organized and validly existing under the laws of the State of California, as lessor ("District"), and Blach Construction Company, a California corporation duly organized and existing under the laws of the State, as lessee ("Developer") (together, the "Parties").

WHEREAS, the District currently owns a parcel of land located at 600 Church Street Half Moon Bay, California 94019, known as Cunha Intermediate School, as more particularly described in **Exhibit A** and shown on **Exhibit B** attached hereto and incorporated herein by this reference ("School Site"); and

WHEREAS, the District desires to provide for the development and construction of certain work to be performed on portions of the School Site. That work will include construction of improvements to be known as Cunha Intermediate School Building C Repair Project ("Project"); and

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

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

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

WHEREAS, the District is authorized under Education Code section 17406 to lease the Project Site to Developer and to have Developer develop and cause the construction of the Project thereon and lease the Project Site back to the District by means of the Facilities Lease, and the Board has duly authorized the execution and delivery of this Site Lease in order to effectuate the foregoing, based upon a finding that it is in the best interest of the District to do so; and

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

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

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

1. Definitions

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

2. Exhibits

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

2.1. Exhibit "A": Legal Description of School Site

2.2. Exhibit "B": Diagram of School Site indicating location of Project Site

3. Lease of the Project Site

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

4. Leaseback of the Project Site

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

5. Term

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

6. Payment

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

7. Termination

7.1. Termination Upon Purchase of Project

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

7.2. Termination Due to Default by Developer

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

7.3. Termination Due to Default by District

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

7.3.1. Take possession of the Project Site.

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

7.3.3. Re-let the Project Site; and

7.3.4. Stop all Work associated with the Site Lease.

8. Title to School Site

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

9. Improvements

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

10. No Merger

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

11. Right of Entry

The District reserves the right for any of its duly authorized representatives to enter upon the Project Site at any reasonable time to inspect the same, provided the District follows all safety precautions required by the Developer.

12. Quiet Enjoyment

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

13. Waste

The Developer agrees that at all times that it is in possession of the Project Site, it will not commit, suffer or permit any waste on the Project Site, and that it will not willfully or knowingly use or permit the use of the Project Site for any illegal purpose or act.

14. Further Assurances and Corrective Instruments

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

15. Representations of the District

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

15.1. Due Organization and Existence

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

15.2. Authorization

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

15.3. No Violations

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

15.4. CEQA Compliance

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

15.5. Condemnation Proceedings

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

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

15.6. Use and Zoning

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

15.7. Taxes

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

16. Representations of the Developer

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

16.1. Due Organization and Existence

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

16.2. Authorization

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

16.3. No Violations

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

16.4. No Bankruptcy

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

16.5. No Litigation

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

17. Insurance and Indemnity

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

18. Assignment and Subleasing

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

19. Restrictions on District

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

20. Liens and Further Encumbrances

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

21. Notices

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

If to District:

Cabrillo Unified School District
498 Kelly Ave
Half Moon Bay, CA 94019
Attn: Jane Yuster, Superintendent

With a copy to:

Deidree Y.M.K. Sakai , Esq.
Dannis Woliver Kelley
275 Battery Street, Suite 1150
San Francisco, CA 94111

If to Developer:

Blach Construction Company
2244 Blach Place, Suite 100
San Jose, CA 95131
Attn: Keith Craw, Project Executive

With a copy to:

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

22. Binding Effect

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

23. No Additional Waiver Implied by One Waiver

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

24. Severability

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

25. Amendments, Changes and Modifications

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

26. Obligations Absolute

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

27. Execution in Counterparts

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

28. Developer and District Representatives

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

29. Applicable Law

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

30. Attorney's Fees

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

31. Captions

The captions or headings in this Site Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Site Lease.

32. Prior Agreements

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

33. Further Assurances

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

34. Recitals Incorporated

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

35. Time of the Essence

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

36. Force Majeure

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

37. Interpretation

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

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

ACCEPTED AND AGREED on the date indicated below:

Dated: _____, 2016

Cabrillo Unified School District

By: _____
Name: _____
Title: _____

Dated: December 21, 2016

Blach Construction Company

By: [redacted]
Name: _____
Title: Keith Craw, Project Executive

EXHIBIT A

LEGAL DESCRIPTION OF SCHOOL SITE

Attached is the Legal Description for:

Cunha Intermediate School Building C Repair Project
600 Church Street
Half Moon Bay, CA 94019

The land referred to in this Report is situated in the County of San Mateo, City of Half Moon Bay, State of California, and is described as follows:

PARCEL ONE:

BEGINNING at the point of intersection of the Westerly line of Church Street (formerly Ocean Street) with the Westerly prolongation of the center line of Miramontes Street as shown on that certain map entitled "MAP OF SPANISHTOWN" filed in the office of the County Recorder of San Mateo County on January 22, 1884 in Book "A" of maps at page 53 and copied into Book 1 of Maps at page 60; thence from said point of beginning, along said Westerly line of Church Street, North 8° 00' 04" East 338.62 feet to the Southerly line of Kelly Street as shown on Record of Survey filed in the office of the County Recorder of San Mateo County on May 12, 1964 in Book 5 of Licensed Land Surveyors' Maps at page 127; thence along said Southerly line, North 81° 41' 03" West 508.75 feet; thence South 8° 00' 04" West 339220 feet to a 3/4 inch iron pipe monument set in the Westerly prolongation of the centerline of Miramontes Street; thence along said prolongation North 81° 44' 56" West 258.89 feet to the Easterly line of State Highway Route No. 56, as established by Deed to the State of California, recorded November 6, 1953 in Book 2495 of Official Records at page 701 (File No. 17686-L), Records of San Mateo County, California; thence along said Easterly line, South 7° 54' 19" West 810.29 feet to a concrete monument set on the property line common to the lands formerly of Manuel Cardoza Silva and the lands formerly of Marie Silva Dutra; thence along said common property line, North 82° 19' 09" East 795.90 feet to the Southerly prolongation of the Westerly line of Church Street; thence along said prolongation and continuing along said Westerly line of Church Street, North 8° 00' 04" East 591.81 feet to the point of beginning.

Being that certain 16.303 acre parcel of land shown on Record of Survey filed in the office of the County Recorder of San Mateo County on May 12, 1964 in Book 5 of Licensed Land Surveyors' Maps at page 127.

Excepting, however, therefrom the following described parcel:

Beginning at the Northwest corner of School House Lot, said point of beginning being on the Westerly prolongation of the Southerly line of Miramontes Street in said Spanishtown, and running thence from said point of beginning, along the Westerly prolongation of the Southerly line of said Miramontes Street, North 84° 30' West 149.50 feet; thence leaving said Southerly line, South 5° 30' West 673.97 feet to the Northerly line of a tract of land, now or formerly owned by Mrs. Hafford; thence along said Northerly line, North 79° 27' East 421.69 feet to the intersection of said Northerly line with the Southerly prolongation of the Westerly line of Ocean Street in said Spanishtown; thence along said prolongation and continuing along the Westerly line of said Ocean Street, North 5° 30' East 557.39 feet to the Southerly line of Miramontes Street; thence along said Southerly line, North 84° 30' West 255.75 feet to the point of beginning.

PARCEL TWO:

Commencing at a point on the Southwest corner Ocean and Miramontez Streets thence along the South side of Miramontez Street running West three chains, eighty seven and a half links, thence South at right angles five chains sixty and links, thence East at right angles along the North side of Correas Street three chains, eighty seven and a half links, thence North at right angles running along the West side of Ocean Street five chains, sixty one links to the point of beginning, conveying all of block twenty-seven (27) on Ryan Addition to Spanishtown being formerly a portion of the Miramontez Rancho and surveyed by A.S. Easton, the County Surveyor of San Mateo County.

A.P.N. 056-182-050-PTN J.P.N. 56-18-182-5 PTN

PARCEL THREE:

Beginning at the Northwest corner of School House Lot, said point of beginning being on the Westerly prolongation of the Southerly line of Miramontez Street in said Spanishtown, and running thence from said point of beginning along the Westerly prolongation of the Southerly line of said Miramontez Street North 84° 30' West 149.50 feet; thence leaving said Southerly line South 5° 30' West 673.97 feet to the Northerly line of a tract of land now or formerly owned by Mrs. Hafford; thence along said Northerly line North 79° 27' East 421.69 feet to the intersection of said Northerly line with the Southerly prolongation of the Westerly line of Ocean Street in said Spanishtown; thence along said prolongation and continuing along the Westerly line of said Ocean Street North 5° 30' East 258.13 feet to the Southerly line of said School House lot; thence along the Southerly and Westerly lines of said School House lot North 84° 30' West 255.75 feet and North 5° 30' East 299.26 feet to the point of beginning.

A.P.N. 056-182-050 PTN J.P.N. 56-18-182-5 PTN

PARCEL FOUR:

Portion of Miramontes Street, abandoned by the Board of Supervisors of the County of San Mateo on November 26, 1940, a copy of the Resolution of Abandonment having been recorded December 3, 1940 in Book 933 of Official Records at page 104 (File No. 6537-E), Records of San Mateo County, California, said portion being more particularly described as follows:

Beginning at a point on the Westerly line of Church Street, also known as Ocean Street, at the intersection thereof with the Northerly line of lands conveyed from Patrick Ryan to John Johnston by Deed dated August 1, 1866 and recorded in book 6 of Deeds at page 265, Records of San Mateo County, California; thence

along said last mentioned line North 5° 05' East 35 feet; thence leaving said Easterly line of Coast Highway, South 84° 30' 00" East 258.17 feet; thence North 5° 05' East 35 feet; thence South 84° 30' 00" East 510.75 feet to said Westerly line of Church Street; thence along said last mentioned line, South 5° 05' West 70 feet to the point of beginning.

A.P.N. 056-182-050 PTN J.P.N. 56-18-182-5 PTN

EXHIBIT B

DESCRIPTION OF PROJECT SITE

Attached is a map or diagram showing the location of the School Site, as outlined below with the dashed lines, that is subject to this Site Lease and upon which Developer will construct the Project.



FACILITIES LEASE

For all or a portion of the following Site:

Cunha Intermediate School Building C Repair Project
600 Church Street
Half Moon Bay, CA 94019
APN: 056-182-040
056-182-050

By and between

Cabrillo Unified School District
498 Kelly Ave
Half Moon Bay, CA 94019

And

Blach Construction Company
2244 Blach Place, Suite 100
San Jose, CA 95131

Dated as of December __, 2016

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Exhibits A - G

FACILITIES LEASE

This facilities lease ("Facilities Lease"), dated as of _____, 2016 ("Effective Date"), is made and entered into by and between Blach Construction Company ("Developer"), a California corporation duly organized and existing under the laws of the State of California, as sublessor, and Cabrillo Unified School District, a school district duly organized and validly existing under the laws of the State of California, as sublessee ("District") (together, the "Parties").

RECITALS

WHEREAS, on the date hereof, the District has leased to Developer, a parcel of land located at 600 Church Street, Half Moon Bay, California, 94019, known as Cunha Intermediate School, particularly described in **Exhibit A** and shown on **Exhibit B** attached hereto and incorporated herein by reference ("School Site"); and

WHEREAS, the District desires to provide for the development and construction of certain work to be performed on portions of the School Site which will include construction of improvements to be known as the Cunha Intermediate School Building C Repair Project ("Project"); and

WHEREAS, District has retained WLC Architects, Inc. ("Architect") to act as the Design Professional in General Responsible Charge for the Project; and

WHEREAS, AEDIS Architects, the successor firm to PJHM Architects, Inc., was the Architect of Record for the original construction project, including preparation of the plans and specifications, which were approved by the Division of State Architect, DSA File No. 41-37, Application 01-108741 ("Plans and Specifications"); and

WHEREAS, District and Developer have executed a site lease at the same time as this Facilities Lease whereby the District is leasing the Project Site to the Developer ("Site Lease"); and

WHEREAS, Developer represents that it has the expertise and experience to perform the services set forth in this Facilities Lease; and

WHEREAS, Developer has reviewed the Lease Documents; and

WHEREAS, the District is authorized under Section 17406 of the Education Code of the State of California to lease the Project Site to Developer and to have Developer develop and construct the Project on the Project Site and to lease back to the District the Project Site and the Project, and has duly authorized the execution and delivery of this Facilities Lease; and

WHEREAS, Developer is authorized to lease the Project Site as lessee and to develop the Project and to have the Project constructed on the Project Site and to lease the Project and the Project Site back to the District, and has duly authorized the execution and delivery of this Facilities Lease; and

WHEREAS, the Governing Board of the District (the "Board") has determined that it is in the best interests of the District and for the common benefit of the citizens residing in the District to construct the Project by leasing the Project Site to Developer and by

simultaneously entering into this Facilities Lease under which the District will lease back the Project Site and the Project from Developer and if necessary, make Lease Payments; and

WHEREAS, the Parties have 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 of this Facilities Lease and all those conditions precedent do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Parties hereto are now duly authorized to execute and enter into this Facilities Lease; and

WHEREAS, the District further acknowledges and agrees that it has entered into the Site Lease and the Facilities Lease pursuant to Education Code Section 17406 as the best available and most expeditious means for the District to satisfy its substantial need for the facilities to be provided by the Project and to accommodate and educate District students and to utilize its facilities proceeds expeditiously.

NOW, THEREFORE, in consideration of the above recitals and of the mutual covenants hereinafter contained, the Parties hereto do hereby agree as follows:

1. Definitions

In addition to the terms and entities defined above or in subsequent provisions, and unless the context otherwise requires, the terms defined in this section shall, for all purposes of this Facilities Lease, have the meanings herein specified.

1.1 "**Developer**" or "**Lessor**" means Blach Construction Company, a California corporation, organized and existing under the laws of the State of California, and its successors and assigns.

1.2 "**Developer's Representative**" means the Managing Member of Developer, or any person authorized to act on behalf of Developer under or with respect to this Facilities Lease.

1.3 "**Contract Documents**" are defined in **Exhibit "D"** to this Facilities Lease.

1.4 "**District**" or "**Lessee**" means the Cabrillo Unified School District, a school district duly organized and existing under the laws of the State of California.

1.5 "**District Representative**" means the Superintendent of the District, or any other person authorized by the Board of Education of the District to act on behalf of the District under or with respect to this Facilities Lease.

1.6 "**Permitted Encumbrances**" means, as of any particular time:

1.6.1 Liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the District may permit to remain unpaid;

1.6.2 The Site Lease.

1.6.3 This Facilities Lease.

1.6.4 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 Facilities Lease.

1.6.5 Easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions established following the date of recordation of this Facilities Lease and to which Developer and the District consent in writing which will not impair or impede the operation of the Project Site.

2. Exhibits

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

2.1 **Exhibit A - Legal Description of the School Site**: The descriptions of the real property constituting the School Site.

2.2 **Exhibit B - Description of the Project Site**: The map or diagram depictionof the Project Site.

2.3 **Exhibit C - Guaranteed Maximum Price and Other Project Cost, Funding, and Payment Provisions:** A detailed description of the Guaranteed Maximum Price and the provisions related to the payment of that amount to the Developer, including Attachment 3, the Schedule of Lease Payments and Payoff Dates and Amounts.

2.4 **Exhibit D - General Construction Provisions:** The provisions generally describing the Project's construction.

2.5 **Exhibit D-1 – Special Conditions Provisions**: The provisions describing conditions specific to the Project's construction.

2.6 **Exhibit E - Memorandum of Commencement Date:** The Memorandum which will memorialize the commencement and expiration dates of the Lease Term.

2.7 **Exhibit F - Construction Schedule**

2.8 **Exhibit G – Schedule of Values**

3. Lease of Project and Project Site

3.1 Developer hereby leases the Project and the Project Site to the District, and the District hereby leases said Project and Project Site from Developer upon the terms and conditions set forth in this Facilities Lease.

3.2 The leasing by Developer to the District of the Project Site shall not affect or result in a merger of the District's leasehold estate pursuant to this Facilities Lease and its fee estate as lessor under the Site Lease. Developer shall continue to have and hold a leasehold estate in the Project Site pursuant to the Site Lease throughout the term thereof and the term of this Facilities Lease.

3.3 As to the Project Site, this Facilities Lease shall be deemed and constitute a sublease.

4. Term

4.1 Facilities Lease is Legally Binding

This Facilities Lease is legally binding on the Parties upon execution by the Parties and the District Board's approval of this Facilities Lease. The Term of this Facilities Lease for the purposes of District's obligation to make Lease Payments shall commence on the earlier of the following two (2) events, whichever occurs first ("Commencement Date"):

4.1.1 The date the District takes beneficial occupancy of the Project; or

4.1.2 The date when Developer delivers possession of the Project to District and when all improvements to be provided by Developer are determined by the District to be completed as set forth in **Exhibits D and D-1** to this Facilities Lease.

Unless earlier terminated pursuant to the provisions of the Contract Documents, the Term of this Facilities Lease for the purposes of District's obligations to make Lease Payments shall terminate one (1) year thereafter or upon payment of the final lease payment.

4.2 After Developer has completed construction of the Project and the District has accepted the Project, the Parties shall execute the Memorandum of Commencement Date attached hereto as **Exhibit E** to memorialize the commencement date of the Lease Payments and expiration date of the Term. Notwithstanding this Term, the Parties hereby acknowledge that each has obligations, duties, and rights under this Facilities Lease that exist upon execution of this Facilities Lease and prior to the beginning of the Lease Payment obligations.

4.3 The Term may be extended or shortened upon the occurrence of the earliest of any of the following events, which shall constitute the end of the Term:

4.3.1 An Event of Default by District as defined herein and Developer's election to terminate this Facilities Lease as permitted herein, or

4.3.2 An Event of Default by Developer as defined herein and District's election to terminate this Facilities Lease as permitted herein, or

4.3.3 Consummation of the District's purchase option pursuant to the Guaranteed Maximum Price and Other Project Cost, Funding, and Payment Provisions indicated in **Exhibit C** ("Guaranteed Maximum Price Provisions").

4.3.4 A third-party taking of the Project under Eminent Domain, only if the Term is ended as indicated more specifically herein.

4.3.5 Damage or destruction of the Project, only if the Term is ended as indicated more specifically herein.

5. Payment

In consideration for the lease of the Project Site by the Developer back to the District and for other good and valuable consideration, the District shall make all necessary payments pursuant to the Guaranteed Maximum Price Provisions indicated in **Exhibit C.**

6. Title

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

6.2 During the Term of this Facilities Lease, Developer shall have a leasehold interest in the Project Site pursuant to the Site Lease.

6.3 During the Term of this Facilities Lease, the Developer shall hold title to the Project improvements provided by Developer which comprise fixtures, repairs, replacements or modifications thereto.

6.4 If the District exercises its Purchase Option pursuant to the Guaranteed Maximum Price Provisions indicated in **Exhibit C** or if District makes all necessary payments under the Guaranteed Maximum Price Provisions indicated in **Exhibit C**, all right, title and interest of Developer, its assigns and successors in interest in and to the Project and the Project Site shall be transferred to and vested in the District at the end of the Term. Title shall be transferred to and vested in the District hereunder without the necessity for any further instrument of transfer; provided, however, that Developer agrees to execute any instrument requested by District to memorialize the termination of this Facilities Lease and transfer of title to the Project.

7. Quiet Enjoyment

Upon District's possession of the Project, Developer shall thereafter provide the District with quiet use and enjoyment of the Project, and the District shall during the Term peaceably and quietly have and hold and enjoy the Project, without suit, trouble or hindrance from Developer, except as otherwise may be set forth in this Facilities Lease. Developer will, at the request of the District and at Developer's cost, join in any legal action in which the District asserts its right to such possession and enjoyment to the extent Developer may lawfully do so. Notwithstanding the foregoing, Developer shall have the right to inspect the Project and the Project Site as provided herein.

8. Representations of the District

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

8.1 Due Organization and Existence

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

8.2 Authorization

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

8.3 No Violations

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

8.4 Condemnation Proceedings

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

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

9. Representations of the Developer

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

9.1 Due Organization and Existence

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

9.2 Authorization

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

9.3 No Violations

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

9.4 No Bankruptcy

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

9.5 No Encumbrances

Developer shall not pledge any District payments of any kind, related to the Site Lease, this Facilities Lease, or in any way derived from the Project Site, and shall not mortgage or encumber the Project Site, except as may be specifically permitted pursuant to the provisions of this Facilities Lease related to Developer's financing the construction of the project.

9.6 Continued Existence

Developer shall not voluntarily commence any act intended to dissolve or terminate the legal existence of Developer, at or before the latest of the following:

9.6.1 Eighteen (18) months following completion of the Project.

9.6.2 One (1) year following expiration or earlier termination of the Term.

9.6.3 After dismissal and final resolution of any and all disputes between the Parties and/or any third-party claims related, in any way, to the Project.

While the lease documents are in effect, Developer shall give District one hundred twenty (120) days written notice prior to dissolving or terminating the legal existence of Developer.

10. Construction of Project

10.1 Construction of Project

10.1.1 Developer agrees to cause the Project to be developed, constructed, and installed in accordance with the terms hereof and the Construction Provisions set forth in **Exhibit D**, including those things reasonably inferred from the Contract Documents as being

within the scope of the Project and necessary to produce the stated result even though no mention is made in the Contract Documents.

10.1.2 Contract Time / Construction Schedule

It is hereby understood and agreed that the Contract Time for this Project shall commencing with the date upon which the Facilities Lease and the Site Lease are fully executed and delivered to both Parties and ending with completion of the Work which will occur no later than August 1, 2017 ("Contract Time"). The Construction Schedule must be approved by the District.

10.1.3 Schedule of Values

The Developer has provided a schedule of values, approved by the District, which will be attached hereto as **Exhibit G** ("Schedule of Values"). The Schedule of Values must be approved by the District.

10.1.4 Liquidated Damages

Time is of the essence for all work Developer must perform to complete the Project. It is hereby understood and agreed that it is and will be difficult and/or impossible to ascertain and determine the actual damage that the District will sustain in the event of and by reason of Developer's delay; therefore, Developer agrees that it shall pay to the District the sum of One Thousand, Five Hundred One and NO/100 Dollars ($1,501.00) per day as liquidated damages for each and every day's delay beyond the Contract Time.

10.1.4.1 It is hereby understood and agreed that this amount is not a penalty.

10.1.4.2 In the event any portion of the liquidated damages is not paid to the District, the District may deduct that amount from any money due or that may become due the Developer under this Facilities Lease. The District's right to assess liquidated damages is as indicated herein and in **Exhibit D**.

10.1.4.3 The time during which the construction of the Project is delayed for cause as hereinafter specified may extend the time of completion for a reasonable time as the District may grant.

10.1.5 Guaranteed Maximum Price

Developer will cause the Project to be constructed within the Guaranteed Maximum Price as set forth and defined in the Guaranteed Maximum Price Provisions in **Exhibit C,** and Developer will not seek additional compensation from District in excess of that amount.

10.1.6 Modifications

If the DSA requires changes to the Contract Documents submitted by District to Developer, and those changes change the construction costs and/or construction time for the Project, then those changed costs or time will be handled as a modification pursuant to the provisions of **Exhibit D**.

11. Maintenance

Following delivery of possession of the Project by Developer to District, the repair, improvement, replacement and maintenance of the Project and the Project Site shall be at the sole cost and expense and the sole responsibility of the District, subject only to all punch list items and warranties against defects in materials and workmanship of Developer as provided in **Exhibit D.** The District shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Project resulting from ordinary wear and tear. The District waives the benefits of subsections 1 and 2 of Section 1932 of the California Civil Code, but such waiver shall not limit any of the rights of the District under the terms of this Facilities Lease.

12. Utilities

Following delivery of possession of the Project by Developer to District, the cost and expenses for all utility services, including, but not limited to, electricity, natural gas, telephone, water, sewer, trash removal, cable television, janitorial service, security, heating, water, internet service, data transmission, and all other utilities of any type shall be paid by District.

13. Taxes and Other Impositions

All ad valorem real property taxes, special taxes, possessory interest taxes, bonds and special lien assessments or other impositions of any kind with respect to the Project, the Project Site and the improvements thereon, charged to or imposed upon either Developer or the District or their respective interests or estates in the Project, shall at all times be paid by District. In the event any possessory interest tax is levied on Developer, its successors and assigns, by virtue of this Facilities Lease or the Site Lease, District shall pay such possessory interest tax directly, if possible, or shall reimburse Developer, its successors and assigns for the full amount thereof within forty-five (45) days after presentation of proof of payment by Developer.

14. Insurance

14.1 Developer's Insurance

The Developer shall comply with the insurance requirements as indicated here and in **Exhibit D** and **Exhibit D-1**, if applicable**.**

14.1.1 Commercial General Liability and Automobile Liability Insurance

14.1.1.1 Developer shall procure and maintain, during the life of the Project, Commercial General Liability Insurance and Automobile Liability Insurance that shall protect

Developer, District, its Board Members, employees, agents, Construction Manager(s), Project Manager(s), Project Inspector(s), and Architect(s) from all claims for bodily injury, property damage, personal injury, death, advertising injury, and medical payments arising from operations under the Project. This coverage shall be provided in a form at least as broad as Insurance Services (ISO) Form CG 00 01 11 88. Developer shall ensure that Products Liability and Completed Operations coverage, Fire Damage Liability, and Any auto including owned, non-owned, and hired, are included within the above policies and at the required limits, or Developer shall procure and maintain these coverages separately.

14.1.1.2 Developer's deductible or self-insured retention for its Commercial General Liability Insurance policy shall not exceed five thousand dollars ($5,000) for deductible or twenty-five thousand dollars ($25,000) for self-insured retention, respectively, unless approved in writing by District.

14.1.1.3 All such policies shall be written on an occurrence form.

14.1.2 Excess Liability Insurance

14.1.2.1 Developer may procure and maintain, during the life of the Project, an Excess Liability Insurance Policy to meet the policy limit requirements of the required policies if Developer's underlying policy limits are less than required.

14.1.2.2 There shall be no gap between the per occurrence amount of any underlying policy and the start of the coverage under the Excess Liability Insurance Policy. Any Excess Liability Insurance Policy shall protect Developer, District, its Board Members, employees, agents, Construction Manager(s), Project Manager(s), Project Inspector(s), and Architect(s) in amounts and including the provisions as set forth in Exhibit D-1, the Supplementary Conditions and/or Special Conditions (if any), and that complies with all requirements for Commercial General Liability and Automobile Liability and Employers' Liability Insurance.

14.1.2.3 The District, in its sole discretion, may accept the Excess Liability Insurance Policy that bring Contractor's primary limits to the minimum requirements herein.

14.1.3 Subcontractor

Developer shall require its Subcontractor(s), if any, to procure and maintain Commercial General Liability Insurance, Automobile Liability Insurance, and Excess Liability Insurance (if Subcontractor

elects to satisfy, in part, the insurance required herein by procuring and maintaining an Excess Liability Insurance Policy) with minimum limits at least equal to the amount required of the Developer except where smaller minimum limits are permitted as set forth below.

14.1.4 Workers' Compensation and Employers' Liability Insurance

14.1.4.1 In accordance with provisions of section 3700 of the California Labor Code, the Developer and every Subcontractor shall be required to secure the payment of compensation to its employees.

14.1.4.2 Developer shall procure and maintain, during the life of the Project, Workers' Compensation Insurance and Employers' Liability Insurance for all of its employees engaged in work under the Project, on/or at the Site of the Project. This coverage shall cover, at a minimum, medical and surgical treatment, disability benefits, rehabilitation therapy, and survivors' death benefits. Developer shall require its Subcontractor(s), if any, to procure and maintain Workers' Compensation Insurance and Employers' Liability Insurance for all employees of Subcontractor(s). Any class of employee or employees not covered by a Subcontractor's insurance shall be covered by Developer's insurance. If any class of employee or employees engaged in Work on the Project, on or at the Site of the Project, is not protected under the Workers' Compensation Insurance, Developer shall provide, or shall cause a Subcontractor to provide, adequate insurance coverage for the protection of any employee(s) not otherwise protected before any of those employee(s) commence work.

14.1.5 Builder's Risk Insurance: Builder's Risk "All Risk" Insurance

14.1.5.1 Developer shall procure and maintain, during the life of this Contract, Builder's Risk (Course of Construction), or similar first party property coverage acceptable to the District, issued on a replacement cost value basis. The cost shall be consistent with the total replacement cost of all insurable Work of the Project included within the Contract Documents. Coverage is to insure against all risks of accidental physical loss and shall include without limitation the perils of vandalism and/or malicious mischief (both without any limitation regarding vacancy or occupancy), sprinkler leakage, civil authority, theft, sonic disturbance, earthquake, flood, collapse, wind, rain, dust, fire, war, terrorism, lightning, smoke, and rioting. Coverage shall include debris removal, demolition, increased costs due to enforcement of all applicable ordinances and/or laws in the repair and replacement of damaged and undamaged portions of the

property, and reasonable costs for the Architect's and engineering services and expenses required as a result of any insured loss upon the Work and Project, including completed Work and Work in progress, to the full insurable value thereof.

14.1.6 Pollution Liability Insurance

14.1.6.1 Developer shall procure and maintain Pollution Liability Insurance that shall protect Developer, District, Construction Manager(s), Project Inspector(s), and Architect(s) from all claims for bodily injury, property damage, including natural resource damage, cleanup costs, removal, storage, disposal, and/or use of the pollutant arising from operations under this Facilities Lease, and defense, including costs and expenses incurred in the investigation, defense, or settlement of claims. Coverage shall apply to sudden and/or gradual pollution conditions resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids, or gases, natural gas, waste materials, or other irritants, contaminants, or pollutants, including asbestos. This coverage shall be provided in a form at least as broad as Insurance Services Offices, Inc. (ISO) Form CG 2415, or Developer shall procure and maintain these coverages separately.

14.1.6.2 Developer shall warrant that any retroactive date applicable to coverage under the policy predates the Effective Date of this Facilities Lease and that continuous coverage will be maintained or an extended reporting or discovery period will be exercised for a period of three (3) years, beginning from the time that the Work under the Contract is completed.

14.1.6.3 If Developer is responsible for removing any pollutants from a site, then Developer shall ensure that Any Auto, including owned, non-owned, and hired, are included within the above policies and at the required limits, to cover its automobile exposure for transporting the pollutants from the site to an approved disposal site. This coverage shall include the Motor Carrier Act Endorsement, MCS 90.

14.1.7 Proof of Carriage of Insurance and Other Requirements Endorsements and Certificates

14.1.7.1 Developer shall not commence Work nor shall it allow any Subcontractor to commence Work on the Project, until Developer and its Subcontractor(s) have procured all required insurance and Developer has delivered in duplicate to the District complete endorsements (or entire insurance policies) and certificates indicating the

required coverages have been obtained, and the District has approved these documents.

14.1.7.2 Endorsements, certificates, and insurance policies shall include the following:

14.1.7.2.1 A clause stating:

"This policy shall not be amended, canceled or modified and the coverage amounts shall not be reduced until notice has been mailed to District, Architect, and Construction Manager stating date of amendment, modification, cancellation or reduction. Date of amendment, modification, cancellation or reduction may not be less than thirty (30) days after date of mailing notice."

14.1.7.2.2 Language stating in particular those insured, extent of insurance, location and operation to which insurance applies, expiration date, to whom cancellation and reduction notice will be sent, and length of notice period.

14.1.7.3 All endorsements, certificates and insurance policies shall state that District, its Board Members, employees and agents, Construction Manager(s), Project Manager(s), Inspector(s) and Architect(s) are named additional insureds under all policies except Workers' Compensation Insurance and Employers' Liability Insurance.

14.1.7.4 Insurance written on a "claims made" basis shall be retroactive to a date that coincides with or precedes Contractor's commencement of Work, including subsequent policies purchased as renewals or replacements. Said policy is to be renewed by the Developer and all Subcontractors for a period of five (5) years following completion of the Work or termination of this Facilities Lease. Such insurance must have the same coverage and limits as the policy that was in effect during the term of this Facilities Lease, and will cover the Developer and all Subcontractors for all claims made.

14.1.7.5 Developer's and Subcontractors' insurance policy(s) shall be primary and non-contributory to any insurance or self-insurance maintained by District, its Board Members, employees and/or agents, the State of

California, Construction Manager(s), Project Manager(s), Inspector(s), and/or Architect(s).

14.1.7.6 All endorsements shall waive any right to subrogation against any of the named additional insureds.

14.1.7.7 All policies shall be written on an occurrence form.

14.1.7.8 All of Developer's insurance shall be with insurance companies with an A.M. Best rating of no less than A: XI.

14.1.7.9 The insurance requirements set forth herein shall in no way limit the Developer's liability arising out of or relating to the performance of the Work or related activities.

14.1.7.10 Failure of Developer and/or its Subcontractor(s) to comply with the insurance requirements herein shall be deemed a material breach of the Facilities Lease and constitute a Default by the Developer pursuant to this Facilities Lease.

14.1.8 Insurance Policy Limits

The limits of insurance shall not be less than the following amounts:

Commercial General Liability	Combined Single Limit	$4,000,000
	Product Liability and Completed Operations, Fire Damage Liability – Split Limit	$4,000,000
Automobile Liability – Any Auto	Combined Single Limit	$4,000,000
Workers Compensation		Statutory limits pursuant to State law
Employers' Liability		$4,000,000
Pollution Liability		$1,000,000 per claim; $2,000,000 aggregate

The limits of insurance for those subcontractors whose scope of work does not exceed ten percent (10%) of the Guaranteed Maximum Cost shall not be less than the following amounts:

Commercial General Liability	Combined Single Limit	$2,000,000
	Product Liability and Completed Operations	$2,000,000

Automobile Liability - Any Auto	Combined Single Limit	$2,000,000
Workers Compensation		Statutory limits pursuant to State law
Employers' Liability		$2,000,000

Notwithstanding anything in this Facilities Lease to the contrary, the above insurance requirements may be modified as appropriate for subcontractors, with District's prior written approval.

14.2 District's Insurance

14.2.1 Rental Interruption Insurance

District shall at all times from and after District's **acceptance** of the Project, for the benefit of District and Developer, as their interests may appear, maintain rental interruption insurance to cover loss, total or partial, of the use of the Project due to damage or destruction, in an amount at least equal to the maximum estimated Lease Payments payable under this Facilities Lease during the current or any future twenty-four (24) month period. This insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and such insurance may be maintained in whole or in part in the form of participation by the District in a joint powers agency or other program providing pooled insurance. This insurance may not be maintained in the form of self-insurance. The proceeds of this insurance shall be paid to the Developer.

14.2.2 Property Insurance

District shall at all times from and after District's acceptance of the Project, carry and maintain in force a policy of property insurance for 100% of the insurable replacement value with no coinsurance penalty, on the Project Site and the Project, together with all improvements thereon, under a standard "all risk" contract insuring against loss or damage. Developer shall be named as additional insureds or co-insureds thereon by way of endorsement. District shall not be relieved from the obligation of supplying any additional funds for replacement of the Project and the improvements thereon in the event of destruction or damage where insurance does not cover replacement costs. District shall have the right to procure the required insurance through a joint powers agency or to self-insure against such losses or portion thereof as is deemed prudent by District.

15. Indemnification and Defense

15.1 To the fullest extent permitted by California law, Developer shall indemnify, keep and hold harmless the District and its respective Board Members,

officers, representatives, employees, consultants, the Architect and Construction Manager in both individual and official capacities and their consultants ("Indemnitees"), against all suits, claims, damages, losses, and expenses, including but not limited to attorney's fees and costs, caused by, arising out of, resulting from, or incidental to, the performance of the Work under this Contract by the Developer or its Subcontractors, vendors and/or suppliers, including any suit, claim, damage, loss, or expense attributable to, without limitation, bodily injury, sickness, disease, death, alleged patent violation or copyright infringement, or injury to or destruction of tangible property (including damage to the Work itself) and including the loss of use resulting therefrom, except to the extent caused wholly by the active negligence or willful misconduct of the Indemnitees. This indemnification and hold harmless obligation includes any failure or alleged failure by Developer to comply with any law and/or provision of the Contract Documents, including, without limitation, any stop payment notice actions or liens, including Civil Wage and Penalty Assessments and/or Orders by the California Department of Industrial Relations.

15.2 Developer shall also defend, at its own expense, Indemnitees with legal counsel reasonably acceptable to the District, against all suits, claims, allegations, damages, losses, and expenses, including but not limited attorneys' fees and costs, caused by, arising out of, resulting from, or incidental to, the performance of the Work under this Contract by Developer, its Subcontractors, vendors, or suppliers, except to the extent caused by the sole negligence, active negligence, or willful misconduct of the Indemnitees. This defense obligation extends to any failure or alleged failure by Developer to comply with any provision of law, any failure or alleged failure to timely and properly fulfill all of its obligations under the Contract Documents in strict accordance with their terms, and without limitation, any failure or alleged failure of Developer's obligations regarding any stop payment notice actions or liens, including Civil Wage and Penalty Assessments and/or Orders by the California Department of Industrial Relations. This agreement and obligation of the Developer shall not be construed to negate, abridge, or otherwise reduce any right or obligation of defense that would otherwise exist as to any party or person described herein.

15.3 The Developer shall give prompt notice to the District in the event of any injury (including death), loss, or damage included herein. Without limitation of the provisions herein, if the Developer's agreement to indemnify and hold harmless the Indemnitees or its agreement to defend Indemnitees as provided herein against liability for damage arising out of bodily injury to persons or damage to property caused by or resulting from the negligence of any of the Indemnitees shall to any extent be or be determined to be void or unenforceable, it is the intention of the parties that these circumstances shall not otherwise affect the validity or enforceability of the Developer's agreement to indemnify, defend, and hold harmless the rest of the Indemnitees, as provided herein, and in the case of any such suits, claims, damages, losses, or expenses caused in part by the default, negligence, or act or omission of the Developer, any Subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, and in part by any of the Indemnitees, the Developer shall be and remain fully liable on its agreements and obligations herein to the fullest extent permitted by law.

15.4 In any and all claims against any of the Indemnitees by any employee of the Developer, any Subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the Developer's indemnification obligation herein shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the Developer or any Subcontractor under workers' compensation acts, disability benefit acts, or other employee benefit acts.

15.5 The District may retain so much of the moneys due to the Developer as shall be considered necessary, until disposition of any such suit, claims or actions for damages or until the District, Architect and Construction Manager have received written agreement from the Developer that Developer will unconditionally defend the District and its respective Board Members, officers, representatives, employees, consultants, the Architect and Construction Manager and their sub-consultants and pay any damages due by reason of settlement or judgment.

15.6 The indemnification and defense obligations hereunder shall survive the completion of Work, including the warranty/guarantee period, and/or the termination of the Contract.

16. Eminent Domain

16.1 Total Taking After Project Delivery

If, following delivery of possession of the Project by Developer to District, all of the Project and the Project Site is taken permanently under the power of eminent domain, the Term shall cease as of the day possession shall be so taken.

16.1.1 The financial interest of Developer shall be limited to the amount of principal payments pursuant to the Guaranteed Maximum Price Provisions indicated in Exhibit C that are then due or past due together with all remaining and succeeding principal payments pursuant to the Guaranteed Maximum Price Provisions indicated in Exhibit C for the remainder of the original Term. For example, if all of the Project and the Project Site is taken at the end of the third year of the Term, Developer shall be entitled to receive from the eminent domain award the sum of all principal payments pursuant to the Guaranteed Maximum Price Provisions indicated in Exhibit C that would have been owing for the fourth year through the end of the Term had there been no taking.

16.1.2 The balance of the award, if any, shall be paid to the District.

16.2 Total Taking Prior to Project Delivery

If all of the Project and the Project Site is taken permanently under the power of eminent domain and the Developer is still performing the work of the Project and has not yet delivered possession of the Project to District, the Term shall cease as of the day possession shall be so taken. The financial interest of Developer shall be the amount Developer has expended to date for

work performed on the Project, subject to documentation reasonably satisfactory to the District.

16.3 Partial Taking.

If, following delivery of possession of the Project by Developer to District, less than all of the Project and the Project Site is taken permanently, or if all of the Project and the Project Site or any part thereof is taken temporarily, under the power of eminent domain.

16.3.1 This Facilities Lease shall continue in full force and effect and shall not be terminated by virtue of that partial taking and the Parties waive the benefit of any law to the contrary, and

16.3.2 There shall be a partial abatement of any principal payments pursuant to the Guaranteed Maximum Price Provisions indicated in Exhibit C as a result of the application of the net proceeds of any eminent domain award to the prepayment of those payments hereunder. The Parties agree to negotiate, in good faith, for an equitable split of the net proceeds of any eminent domain award and a corresponding reduction in the payments required pursuant to the Guaranteed Maximum Price Provisions indicated in Exhibit C.

17. Damage and Destruction

If, following delivery of possession of all or a portion of the Project by Developer to District, the Project is totally or partially destroyed due to fire, acts of vandalism, flood, storm, earthquake, Acts of God, or other casualty beyond the control of either party hereto, the Term shall end and District shall no longer be required to make any payments required pursuant to the Guaranteed Maximum Price Provisions indicated in **Exhibit C** that are then due or past due or any remaining and succeeding principal payments pursuant to the Guaranteed Maximum Price Provisions indicated in **Exhibit C** for the remainder of the original Term.

18. Abatement

18.1 If, after the Parties have executed the Memorandum of Commencement Date attached hereto as **Exhibit E,** the Project becomes destroyed or damaged beyond repair, the District may determine its use of the Project abated. Thereafter, the District shall have no obligation to make, nor shall the Developer have the right to demand, the Lease Payments as indicated in the Guaranteed Maximum Price Provisions indicated in **Exhibit C** to this Facilities Lease. The Term shall cease at that time.

18.2 The Parties hereby agree that the net proceeds of the District's rental interruption insurance that the District must maintain during the Term, as required herein, shall constitute a special fund for the payment of the Lease Payments indicated in the Guaranteed Maximum Price Provisions indicated in **Exhibit C**.

18.3 The District shall as soon as practicable after such event, apply the net proceeds of its insurance policy intended to cover that loss ("Net Proceeds"), either to:

18.3.1 Repair the Project to full use.

18.3.2 Replace the Project, at the District's sole cost and expense, with property of equal or greater value to the Project immediately prior to the time of the destruction or damage, and that replacement, once completed, shall be substituted in this Facilities Lease by appropriate endorsement; or

18.3.3 Exercise the District's purchase option as indicated in the Guaranteed Maximum Price Provisions indicated in Exhibit C to this Facilities Lease.

18.4 The District shall notify the Developer of which course of action it desires to take within thirty (30) days after the occurrence of the destruction or damage. The Net Proceeds of all insurance payable with respect to the Project shall be available to the District and shall be used to discharge the District's obligations under this Section.

19. Access

19.1 By Developer

Developer shall have the right at all reasonable times to enter upon the Project Site to construct the Project pursuant to this Facilities Lease. Following the acceptance of the Project by District, Developer may enter the Project at reasonable times with advance notice and arrangement with District for purposes of making any repairs required to be made by Developer.

19.2 By District

The District shall have the right to enter upon the Project Site at all times. District shall comply with all safety precautions and procedures required by Developer.

20. Assignment, Subleasing

20.1 Assignment and Subleasing by the District

Any assignment or sublease by District shall be subject to all of the following conditions:

20.1.1 This Facilities Lease and the obligation of the District to make the payments required pursuant to the Guaranteed Maximum Price Provisions indicated in Exhibit C shall remain obligations of the District; and

20.1.2 The District shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to Developer a true and complete copy of any assignment or sublease.

20.2 Assignment by Developer

Developer may assign its right, title and interest in this Facilities Lease, in whole or in part to one or more assignees, only after the written consent of District, which District will not unreasonably withhold. No assignment shall be effective against the District unless and until the District has consented in writing. Notwithstanding anything to the contrary contained in this Facilities Lease, no consent from the District shall be required in connection with any assignment by Developer to a lender for purposes of financing the Project as long as there are not additional costs to the District.

21. Termination, Default And Suspension

21.1 Termination; Lease Terminable Only As Set Forth Herein

21.1.1 Except as otherwise expressly provided in this Facilities Lease, this Facilities Lease shall not terminate, nor shall District have any right to terminate this Facilities Lease or be entitled to the abatement of any necessary payments pursuant to the Guaranteed Maximum Price Provisions in Exhibit C or any reduction thereof. The obligations hereunder of District shall not be otherwise affected by reason of any damage to or destruction of all or any part of the Project; the taking of the Project or any portion thereof by condemnation or otherwise; the prohibition, limitation or restriction of District's use of the Project; the interference with such use by any private person or contractor; the District's acquisition of the ownership of the Project (other than pursuant to an express provision of this Facilities Lease); any present or future law to the contrary notwithstanding. It is the intention of the Parties hereto that all necessary payments pursuant to the Guaranteed Maximum Price Provisions indicated in Exhibit C shall continue to be payable in all events, and the obligations of the District hereunder shall continue unaffected unless the requirement to pay or perform the same shall be terminated or modified pursuant to an express provision of this Facilities Lease.

21.1.2 Nothing contained herein shall be deemed a waiver by the District of any rights that it may have to bring a separate action with respect to any Event of Default by Developer hereunder or under any other agreement to recover the costs and expenses associated with that action. The District covenants and agrees that it will remain obligated under this Facilities Lease in accordance with its terms.

21.1.3 Following completion of the Project, the District will not take any action to terminate, rescind or avoid this Facilities Lease, notwithstanding the bankruptcy, insolvency, reorganization, composition, readjustment, liquidation, dissolution, winding-up or other proceeding affecting Developer or any assignee of Developer in any such proceeding, and notwithstanding any action with respect to this Facilities Lease which may be taken by any trustee or receiver of Developer or of any assignee of Developer in any such proceeding or by any court in any such proceeding. Following

completion of the Project, except as otherwise expressly provided in this Facilities Lease, District waives all rights now or hereafter conferred by law to quit, terminate or surrender this Facilities Lease or the Project or any part thereof.

21.1.4 District acknowledges that Developer may assign an interest in some or all of the necessary payments pursuant to the Guaranteed Maximum Price Provisions indicated in Exhibit C to a lender in order to obtain financing for the cost of constructing the Project and that the lender may rely on the foregoing covenants and provisions in connection with such financing.

21.2 District's Right to Terminate Developer for Cause

21.2.1 Grounds for Termination

The District, in its sole discretion, without prejudice to any other right or remedy, may terminate the Site Lease and Facilities Lease and/or terminate the Developer's right to perform the work of the Facilities Lease based upon any of the following:

21.2.1.1 Developer refuses or fails to execute the Work or any separable part thereof; or

21.2.1.2 Developer fails to complete said Work within the time specified or any extension thereof; or

21.2.1.3 Developer persistently fails or refused to perform Work or provide material of sufficient quality as to be in compliance with the Facilities Lease; or

21.2.1.4 Prior to completion of the Project, Developer is adjudged a bankrupt, files a petition for relief as a debtor, or a petition is filed against the Developer without its consent, and the petition not dismissed within sixty (60) days; or

21.2.1.5 Prior to the completion of the Project, Developer makes a general assignment for the benefit of its creditors, or a receiver is appointed on account of its insolvency; or

21.2.1.6 Developer persistently or repeatedly refuses and/or fails, except in cases for which extension of time is provided, to supply enough properly skilled workers or proper materials to complete the Work in the time specified; or

21.2.1.7 Developer fails to make prompt payment to Subcontractors, or for material, or for labor; or

21.2.1.8 Developer persistently disregards laws, or ordinances, or instructions of District as indicated in **Exhibit D**, or otherwise in violation of **Exhibit D**; or

21.2.1.9 Developer fails to supply labor, including that of Subcontractors, that is sufficient to prosecute the Work or that can work in harmony with all other elements of labor employed or to be employed on the Work; or

21.2.1.10 Developer or its Subcontractor(s) is/are otherwise in breach, default, or in substantial violation of any provision of this Facilities Lease, including but not limited to a lapse in licensing or registration.

21.2.2 Notification of Termination

21.2.2.1 Upon the occurrence at District's sole determination of any of the above conditions, or upon Developer's failure to perform any material covenant, condition or agreement in this Facilities Lease, District may, without prejudice to any other right or remedy, serve written notice upon Developer and its Surety of District's termination of this Facilities Lease and/or the Developer's right to perform the work of this Facilities Lease. This notice will contain the reasons for termination.

21.2.2.1.1 Unless, within fifteen (15) days after the service of the notice, any and all condition(s) shall cease, and any and all violation(s) shall cease, or arrangement satisfactory to District for the correction of the condition(s) and/or violation(s) be made, this Facilities Lease and the Site Lease shall cease and terminate.

21.2.2.1.2 If the failure stated in the notice cannot be corrected within fifteen (15) days after the service of notice, District may consent to an extension of time, provided Developer instituted and diligently pursued corrective action within the applicable fifteen (15)-day period and until the violation is corrected. Upon District determination, Developer shall not be entitled to receive any further payment until the entire Work is finished.

21.2.2.2 Upon Termination, District may immediately serve written notice of tender upon Surety whereby Surety shall have the right to take over and perform this Facilities Lease only if Surety:

21.2.2.2.1 Within three (3) days after service upon it of the notice of tender, gives District written notice of Surety's intention to take over and perform this Facilities Lease; and

21.2.2.2.2 Commences performance of this Facilities Lease within three (3) days from date of serving of its notice to District.

21.2.2.3 Surety shall not utilize Developer in completing the Project if the District notifies Surety of the District's objection to Developer's further participation in the completion of the Project. Surety expressly agrees that any developer which Surety proposes to fulfill Surety's obligations is subject to District's approval.

21.2.2.4 If Surety fails to notify District or begin performance as indicated herein, District may take over the Work and execute the Work to completion by any method it may deem advisable at the expense of Developer and/or its Surety. Developer and its Surety shall be liable to District for any excess cost or other damages the District incurs thereby. Time is of the essence in this Facilities Lease. If the District takes over the Work as herein provided, District may, without liability for so doing, take possession of and utilize in completing the Work all materials, appliances, plan, and other property belonging to Developer as may be on the Site of the Work, in bonded storage, or previously paid for.

21.2.3 Effect of Termination

21.2.3.1 If District terminates the Site Lease and the Facilities Lease pursuant to this section, the Project Site and any improvements built upon the Project Site shall vest in District upon termination of the Site Lease and Facilities Lease, and District shall thereafter be required to pay only the principal amounts then due and owing pursuant to the Guaranteed Maximum Price Provisions indicated in Exhibit C, less any damages incurred by District due to Developer's default, acts, or omissions.

21.2.3.2 The District shall retain all rights it possesses pursuant to this Facilities Lease including, without limitation.

21.2.3.2.1 The right to assess liquidated damages due because of any project delay; and

21.2.3.2.2 All rights the District holds to demand performance pursuant to the Developer's required performance bond.

21.2.3.3 Developer shall, only if ordered to do so by the District, immediately remove from the Site all or any materials and personal property belonging to Developer that have not been incorporated in the construction of the Work, or which are not in place in the Work. The District retains the right, but not the obligation, to keep and use

any materials and personal property belonging to Developer that have not been incorporated in the construction of the Work, or which are not in place in the Work. The Developer and its Surety shall be liable upon the performance bond for all damages caused the District by reason of the Developer's failure to complete the Work under this Facilities Lease.

21.2.3.4 In the event that the District shall perform any portion of, or the whole of the Work, pursuant to the provisions of the General Conditions, the District shall not be liable nor account to the Developer in any way for the time within which, or the manner in which, the Work is performed by the District or for any changes the District may make in the Work or for the money expended by the District in satisfying claims and/or suits and/or other obligations in connection with the Work.

21.2.3.5 In the event that the Site Lease and Facilities Lease are terminated for any reason, no allowances or compensation will be granted for the loss of any anticipated profit by the Developer or any impact or impairment of Developer's bonding capacity.

21.2.3.6 If the expense to the District to finish the Work exceeds the unpaid Guaranteed Maximum Price, Developer and Surety shall pay difference to District within twenty-one (21) days of District's request. District may apply any amounts otherwise due to Developer to this difference.

21.2.3.7 The District shall have the right (but shall have no obligation) to assume and/or assign to a replacement contractor or construction manager, or other third party who is qualified and has sufficient resources to complete the Work, the rights of the Developer under its subcontracts with any or all Subcontractors. In the event of an assumption or assignment by the District, no Subcontractor shall have any claim against the District or third party for Work performed by Subcontractor or other matters arising prior to termination of the Facilities Lease. The District or any third party, as the case may be, shall be liable only for obligations to the Subcontractor arising after assumption or assignment. Should the District so elect, the Developer shall execute and deliver all documents and take all steps, including the legal assignment of its contractual rights, as the District may require, for the purpose of fully vesting in the District the rights and benefits of its Subcontractors under Subcontracts or other obligations or commitments. Developer must include this assignment provision in all of its Facilities Leases with its Subcontractors.

21.2.3.8 All payments due the Developer hereunder shall be subject to a right of offset by the District for expenses, damages, losses, costs, claims, or reimbursements suffered by, or due to, the District as a result of any default, acts, or omissions of the Developer.

21.2.3.9 The foregoing provisions are in addition to and not in limitation of any other rights or remedies available to District.

21.3 Termination of Developer for Convenience

21.3.1 District in its sole discretion may terminate the Facilities Lease upon five (5) days written notice to the Developer. Under a termination for convenience, the District retains the right to all the options available to the District if there is a termination for cause. In case of a termination for convenience, the Developer shall have no claims against the District except:

21.3.1.1 The actual cost for labor, materials, and services performed that is unpaid and adequately documented through timesheets, invoices, receipts, or otherwise; and

21.3.1.2 Five percent (5%) of the total cost of work performed as of the date of termination, or five percent (5%) of the value of the Work yet to be performed, whichever is less. This five percent (5%) amount shall be full compensation for all Developer's and its Subcontractor(s)' mobilization and/or demobilization costs and any anticipated lost profits resulting from termination of the Developer for convenience.

21.4 Developer Remedies Upon District Default

21.4.1 Events of Default by District Defined

The following shall be "Events of Default" of the District under this Facilities Lease. The terms "Event of Default" and "Default," whenever they are used as to the District in the Site Lease or this Facilities Lease, shall only mean one or more of the following events:

21.4.1.1 Failure by the District to pay payments required pursuant to the Guaranteed Maximum Price Provisions in Exhibit C, and the continuation of this failure for a period of forty-five (45) days.

21.4.1.2 Failure by the District to perform any material covenant, condition or agreement in this Facilities Lease and that failure continues for a period of forty-five (45) days after Developer provides District with written notice specifying that failure and requesting that the failure be remedied;

provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Developer shall not withhold its consent to an extension of time if corrective action is instituted by the District within the applicable period and diligently pursued until the default is corrected.

21.4.2 Remedies on District's Default

If there has been an Event of Default on the District's part, the Developer may exercise any and all remedies granted pursuant to this Facilities Lease; provided, however, there shall be no right under any circumstances to accelerate any of the payments required pursuant to the Guaranteed Maximum Price Provisions in **Exhibit C** or otherwise declare those payments not then past due to be immediately due and payable.

21.4.2.1 Developer may rescind its leaseback of the Project Site to the District under this Facilities Lease and re-rent the Project Site to another lessee for the remaining Term for no less than the fair market value for leasing the Project Site, which shall be:

21.4.2.1.1 An amount determined by a mutually-agreed upon appraiser; or

21.4.2.1.2 If an appraiser cannot be agreed to, an amount equal to the mean between a District appraisal and a Developer appraisal for the Project Site, both prepared by MAI-certified appraisers.

21.4.2.2 District's obligation to make the payments required pursuant to the Guaranteed Maximum Price Provisions indicated in Exhibit C shall be:

21.4.2.2.1 Increased by the amount of costs, expenses, and damages incurred by the Developer in re-renting the Project Site; and

21.4.2.2.2 Decreased by the amount of rent Developer receives in re-letting the Project Site.

21.4.2.3 The District agrees that the terms of this Facilities Lease constitute full and sufficient notice of the right of Developer to re-rent the Project Site in the Event of Default without effecting a surrender of this Facilities Lease, and further agrees that no acts of Developer in re-renting as permitted herein shall constitute a surrender or termination of this Facilities Lease, but that, on the contrary, in the event of an Event of Default

by the District the right to re-rent the Project Site shall vest in Developer as indicated herein.

21.4.3 District's Continuing Obligation

Unless there has been damage, destruction, a Taking, or the Developer has acted, failed to act, or is in default as indicated above providing District with the right to terminate for cause, the District shall continue to remain liable for the payments required pursuant to the Guaranteed Maximum Price Provisions in **Exhibit C** and those amounts shall be payable to Developer at the time and in the manner therein provided.

21.4.4 No Remedy Exclusive

No remedy herein conferred upon or reserved to Developer is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Facilities Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Developer to exercise any remedy reserved to it in this article, it shall not be necessary to give any notice, other than such notice as may be required in this Article or by law.

21.5 Suspension of Work

21.5.1 District in its sole discretion may suspend, delay or interrupt the Work in whole or in part for such period of time as the District may determine upon three (3) days written notice to the Developer.

21.5.1.1 An adjustment may be made for changes in the cost of performance of the Work caused by any suspension, delay or interruption. No adjustment shall be made to the extent:

21.5.1.1.1 That performance is, was or would have been so suspended, delayed or interrupted by another cause for which Developer is responsible; or

21.5.1.1.2 That an equitable adjustment is made or denied under another provision of the Site Lease or the Facilities Lease; or

21.5.1.1.3 That the suspension of Work was the direct or indirect result of Developer's failure to perform any of its obligations hereunder.

21.5.1.2 Any adjustments in cost of performance may have a fixed or percentage fee as provided in the section on Format for Proposed Change Order in Exhibit D. This amount shall be full compensation for all Developer's and its Subcontractor(s)' changes in the cost of performance of the Facilities Lease caused by any such suspension, delay or interruption.

22. Notices

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

If to District:

Cabrillo Unified School District
498 Kelly Ave
Half Moon Bay
Attn: Jane Yuster, Superintendent

If to Developer:

Blach Construction Company
2244 Blach Place, Suite 100
San Jose, CA 95131
Attn: Keith Craw, Project Executive

With a copy to:

Deidree Y.M.K. Sakai, Esq.
Dannis Woliver Kelley
275 Battery Street, Suite 1150
San Francisco, CA 94111
Telephone: 415-543-4111
Facsimile: 415-543-4384

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

23. Binding Effect

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

24. No Additional Waiver Implied by One Waiver

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

25. Severability

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

26. Amendments, Changes and Modifications

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

27. Net-Net-Net Lease

This Facilities Lease shall be deemed and construed to be a "net-net-net lease" and the District hereby agrees that all payments it makes pursuant to the Guaranteed Maximum Price Provisions in **Exhibit C** shall be an absolute net return to Developer, free and clear of any expenses, charges or set-offs.

28. Execution in Counterparts

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

29. Developer and District Representatives

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

30. Applicable Law

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

31. Attorney's Fees

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

32. Captions

The captions or headings in this Facilities Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Facilities Lease.

33. Prior Agreements

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

34. Further Assurances

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

35. Recitals and Exhibits Incorporated

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

36. Time of the Essence

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

37. Force Majeure

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

38. Interpretation

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

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

ACCEPTED AND AGREED on the date indicated below:

Dated: December __, 2016	Dated: December 21, 2016
Cabrillo Unified School District	Blach Construction Company
By: _____	By: [redacted]
Name: _____	Name: Keith Craw
Title: _____	Title: Project Executive

EXHIBIT A

LEGAL DESCRIPTION OF SCHOOL SITE

Attached is the Legal Description for:

Cunha Intermediate School Building C Repair Project
600 Church Street
Half Moon Bay, CA 94019

The land referred to in this Report is situated in the County of San Mateo, City of Half Moon Bay, State of California, and is described as follows:

PARCEL ONE:

BEGINNING at the point of intersection of the Westerly line of Church Street (formerly Ocean Street) with the Westerly prolongation of the center line of Miramontes Street as shown on that certain map entitled "MAP OF SPANISHTOWN" filed in the office of the County Recorder of San Mateo County on January 22, 1884 in Book "A" of maps at page 53 and copied into Book 1 of Maps at page 60; thence from said point of beginning, along said Westerly line of Church Street, North 8° 00' 04" East 338.62 feet to the Southerly line of Kelly Street as shown on Record of Survey filed in the office of the County Recorder of San Mateo County on May 12, 1964 in Book 5 of Licensed Land Surveyors' Maps at page 127; thence along said Southerly line, North 81° 41' 03" West 508.75 feet; thence South 8° 00' 04" West 339220 feet to a 3/4 inch iron pipe monument set in the Westerly prolongation of the centerline of Miramontes Street; thence along said prolongation North 81° 44' 56" West 258.89 feet to the Easterly line of State Highway Route No. 56, as established by Deed to the State of California, recorded November 6, 1953 in Book 2495 of Official Records at page 701 (File No. 17686-L), Records of San Mateo County, California; thence along said Easterly line, South 7° 54' 19" West 810.29 feet to a concrete monument set on the property line common to the lands formerly of Manuel Cardoza Silva and the lands formerly of Marie Silva Dutra; thence along said common property line, North 82° 19' 09" East 795.90 feet to the Southerly prolongation of the Westerly line of Church Street; thence along said prolongation and continuing along said Westerly line of Church Street, North 8° 00' 04" East 591.81 feet to the point of beginning.

Being that certain 16.303 acre parcel of land shown on Record of Survey filed in the office of the County Recorder of San Mateo County on May 12, 1964 in Book 5 of Licensed Land Surveyors' Maps at page 127.

Excepting, however, therefrom the following described parcel:

Beginning at the Northwest corner of School House Lot, said point of beginning being on the Westerly prolongation of the Southerly line of Miramontes Street in said Spanishtown, and running thence from said point of beginning, along the Westerly prolongation of the Southerly line of said Miramontes Street, North 84° 30' West 149.50 feet; thence leaving said Southerly line, South 5° 30' West 673.97 feet to the Northerly line of a tract of land, now or formerly owned by Mrs. Hafford; thence along said Northerly line, North 79° 27' East 421.69 feet to the intersection of said Northerly line with the Southerly prolongation of the Westerly line of Ocean Street in said Spanishtown; thence along said prolongation and continuing along the Westerly line of said Ocean Street, North 5° 30' East 557.39 feet to the Southerly line of Miramontes Street; thence along said Southerly line, North 84° 30' West 255.75 feet to the point of beginning.

PARCEL TWO:

Commencing at a point on the Southwest corner Ocean and Miramontez Streets thence along the South side of Miramontez Street running West three chains, eighty seven and a half links, thence South at right angles five chains sixty and links, thence East at right angles along the North side of Correas Street three chains, eighty seven and a half links, thence North at right angles running along the West side of Ocean Street five chains, sixty one links to the point of beginning, conveying all of block twenty-seven (27) on Ryan Addition to Spanishtown being formerly a portion of the Miramontez Rancho and surveyed by A.S. Easton, the County Surveyor of San Mateo County.

A.P.N. 056-182-050-PTN J.P.N. 56-18-182-5 PTN

PARCEL THREE:

Beginning at the Northwest corner of School House Lot, said point of beginning being on the Westerly prolongation of the Southerly line of Miramontez Street in said Spanishtown, and running thence from said point of beginning along the Westerly prolongation of the Southerly line of said Miramontez Street North 84° 30' West 149.50 feet; thence leaving said Southerly line South 5° 30' West 673.97 feet to the Northerly line of a tract of land now or formerly owned by Mrs. Hafford; thence along said Northerly line North 79° 27' East 421.69 feet to the intersection of said Northerly line with the Southerly prolongation of the Westerly line of Ocean Street in said Spanishtown; thence along said prolongation and continuing along the Westerly line of said Ocean Street North 5° 30' East 258.13 feet to the Southerly line of said School House lot; thence along the Southerly and Westerly lines of said School House lot North 84° 30' West 255.75 feet and North 5° 30' East 299.26 feet to the point of beginning.

A.P.N. 056-182-050 PTN J.P.N. 56-18-182-5 PTN

PARCEL FOUR:

Portion of Miramontes Street, abandoned by the Board of Supervisors of the County of San Mateo on November 26, 1940, a copy of the Resolution of Abandonment having been recorded December 3, 1940 in Book 933 of Official Records at page 104 (File No. 6537-E), Records of San Mateo County, California, said portion being more particularly described as follows:

Beginning at a point on the Westerly line of Church Street, also known as Ocean Street, at the intersection thereof with the Northerly line of lands conveyed from Patrick Ryan to John Johnston by Deed dated August 1, 1866 and recorded in book 6 of Deeds at page 265, Records of San Mateo County, California; thence

along said last mentioned line North 5° 05' East 35 feet; thence leaving said Easterly line of Coast Highway, South 84° 30' 00" East 258.17 feet; thence North 5° 05' East 35 feet; thence South 84° 30' 00" East 510.75 feet to said Westerly line of Church Street; thence along said last mentioned line, South 5° 05' West 70 feet to the point of beginning.

A.P.N. 056-182-050 PTN J.P.N. 56-18-182-5 PTN

EXHIBIT B

DESCRIPTION OF PROJECT SITE

Attached is a diagram of the School Site that is subject to this Facilities Lease, as outlined below with the dashed lines, and upon which Developer will construct the Project.



EXHIBIT C

GUARANTEED MAXIMUM PRICE AND OTHER PROJECT COST, FUNDING, AND PAYMENT PROVISIONS

1. Site Lease Payments

As indicated in the Site Lease, Developer shall pay One Dollar ($1.00) to the District as consideration for the Site Lease.

2. Guaranteed Maximum Price

Pursuant to the Facilities Lease, Developer will cause the Project to be constructed for an amount to be determined in writing and by mutual agreement of both Parties, but not to exceed Fifteen Million Dollars ($15,000,000) ("Guaranteed Maximum Price"):

2.1 Cost of the Work

The term "Cost of the Work" shall mean the costs necessarily incurred in the proper performance of the Work contemplated by the Contract Documents. Such costs shall be at rates no higher than the standard paid at the place of the Project except with the prior consent of the District. The Cost of the Work shall include only the items set forth in this Section 2 and approved by the District.

2.1.1 General Conditions

The General Conditions to be set forth in **Attachment 1** hereto shall be included in a progress billing as incurred. Said rates shall include all costs for labor, equipment and materials for the items identified therein which are necessary for the proper management of the Project, and shall include all costs paid or incurred by the Developer for insurance, permits, taxes, and all contributions, assessments and benefits, holidays, vacations, retirement benefits, incentives to the extent contemplated in **Attachment 1**, whether required by law or collective bargaining agreements or otherwise paid or provided by Developer to its employees. The District reserves the right to request changes to the personnel, equipment, or facilities provided as General Conditions as may be necessary or appropriate for the proper management of the Project, in which case, the District shall be entitled to a reduction in the cost of General Conditions based on the rates set forth in **Attachment 1**.

2.1.2 Subcontract Costs

Payments made by the Developer to Subcontractors (inclusive of the Subcontractor's bonding and insurance costs, which shall be included in the subcontract amount), which payments shall be made in accordance with the requirements of the Contract Documents.

2.1.3 Developer-Performed Work

Costs incurred by the Developer for self-performed work at the direction of District or with the District's prior approval, as follows:

2.1.3.1 Actual costs to the Developer of wages of construction workers, excluding all salaried and/or administrative personnel, directly employed by the Developer to perform the construction of the Work at the site.

2.1.3.2 Wages or salaries and customary benefits, such as sick leave, medical and health benefits, holidays, vacations, incentive programs, and pension plans of the Developer's field supervisory, safety and administrative personnel when stationed at the site or stationed at the Developer's principal office, only for that portion of their time required for the Work.

2.1.3.3 Wages and salaries and customary benefits, such as sick leave, medical and health benefits, holidays, vacations, incentive programs and pension plans of the Developer's supervisory or administrative personnel engaged at factories, workshops or on the road, in expediting the production or transportation of materials or equipment required for the Work, but only for that portion of their time required for the Work.

2.1.3.4 Costs paid or incurred by Developer for taxes, insurance, contributions, assessments required by law or collective bargaining agreements and for personnel not covered by such agreements, and for customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided such costs are based on wages and salaries included in the Cost of the Work under Subparagraphs 2.1.3.1 through 2.1.3.3.

2.1.3.5 Costs, including transportation and storage, of materials and equipment incorporated in the completed construction, including costs of materials in excess of those actually installed to allow for reasonable waste and spoilage. Unused excess materials, if any, shall become the District's property at the completion of the Work or, at the District's option, shall be sold by the Developer. Any amounts realized from such sales shall be credited to the District as a deduction from the Cost of the Work.

2.1.3.6 Costs, including transportation and storage, installation, maintenance, dismantling and removal of materials, supplies, machinery and equipment not customarily owned by construction workers, that are provided by the Developer at the site and fully consumed in the performance of the Work; and cost (less salvage value) of such items if not fully consumed, whether sold to others or retained by the Developer. Cost for items previously used by the Developer shall mean fair market value.

2.1.3.7 Rental charges for temporary facilities, machinery, equipment, vehicles and vehicle expenses, and hand tools not customarily owned by construction workers that are provided by the Developer at the site, whether rented from the Developer or others, and the costs of transportation, installation, minor repairs and replacements, dismantling and removal thereof and costs of Developer's Project field office, overhead and general expenses including office supplies, parking, office equipment, and software. Rates and quantities of equipment rented shall be subject to the District's prior approval.

2.1.3.8 Costs of removal of debris from the site, daily clean up costs and dumpster charges not otherwise included in the cost of the subcontracts which exceeds the clean-up provided under the General Conditions.

2.1.3.9 Costs of that portion of the reasonable travel, parking and subsistence expenses of the Developer's personnel incurred while traveling and discharging duties connected with the Work.

2.1.3.10 Costs of materials and equipment suitably stored off the site at a mutually acceptable location, if approved in advance by the District.

2.1.4 Allowances

Because it is impossible at the time of execution of the Facilities Lease to determine the exact cost of performing certain tasks, the Cost of the Work shall include the following Allowances for the Tasks/Work as noted here:

Task/Work	Allowance Amount
Total Allowance Amount	

The District shall have sole discretion to authorize all expenditures from the Allowances. The District shall process expenditures from the Allowances in the form of an Allowance Expenditure Directive ("AED"). The Allowances are included in the Guaranteed Maximum Price. Any unused Allowance or unused portion thereof shall be deducted from the Cost of the Work pursuant to **Exhibit D** to this Facilities Lease.

2.1.5 Miscellaneous Costs

2.1.5.1 Where not included in the General Conditions, and with the prior approval of District, costs of document reproductions (photocopying and blueprinting expenses), long distance telephone call charges, postage, overnight and parcel delivery charges, telephone costs including cellular telephone charges, facsimile or other communication service at the Project site, job photos and progress schedules, and reasonable petty cash expenses of the site office. Developer shall consult with District to determine whether District has any vendor relationships that could reduce the cost of these items and use such vendors whenever possible.

2.1.5.2 Sales, use, gross receipts, local business and similar taxes imposed by a governmental authority that are related to the Work.

2.1.5.3 Fees and assessments for permits, plan checks, licenses and inspections for which Developer is required by the Contract Documents to pay including, but not limited to, permanent utility connection charges, street use permit, street use rental, OSHA permit and sidewalk use permit and fees.

2.1.5.4 Fees of laboratories for tests required by the Contract Documents.

2.1.5.5 Deposits lost for causes other than the Developer's or its subcontractors' negligence or failure to fulfill a specific responsibility to the District as set forth in the Contract Documents.

2.1.5.6 Expenses incurred in accordance with the Developer's standard personnel policy for relocation and temporary living allowances of personnel required for the Work if approved in advance by District.

2.1.5.7 Where requested by District, costs or expenses incurred by Developer in performing design services for the design-build systems.

2.1.5.8 Other costs incurred in the performance of the Work if, and to the extent, approved in advance by District.

2.1.5.9 Costs due to emergencies incurred in taking action to prevent threatened damage, injury or loss in case of an emergency affecting the safety of persons and/or property.

2.1.5.10 Provided all other eligible costs have been deducted from the contingency and as part of the calculation of amounts due Developer for Final Payment, costs of repairing and correcting damaged or non-conforming Work executed by the Developer, Subcontractors or suppliers, providing that such damage or non-conforming Work was not caused by negligence or failure to fulfill a specific responsibility of the Developer and only to the extent that the cost of repair or correction is

not recovered by the Developer from insurance, sureties, Subcontractors or suppliers.

2.1.6 Excluded Costs

The following items are considered general overhead items and shall not be billed to the District:

2.1.6.1 Salaries and other compensation of the Developer's personnel stationed at Developer's principal office or offices other than the Project Field Office, except as specifically provided in Subparagraphs 2.1.3.2. and 2.1.3.4.

2.1.6.2 Expenses of the Developer's principal office and offices other than the Project Field Office.

2.1.6.3 Overhead and general expenses, except as may be expressly included in this Section 2.

2.1.6.4 The Developer's capital expenses, including interest on the Developer's capital employed for the Work.

2.1.6.5 Costs that would cause the Guaranteed Maximum Price (as adjusted by Change Order) to be exceeded.

2.1.7 Developer's Fee

The Developer's Fee shall be a flat fee in the amount of Six Hundred Thirty Thousand Dollars ($630,000) based on the scope of work identified in the Cost of the Work as described in Section 2.1. For District-initiated changes to the scope of work, the Developer Fee shall be Four and One-Half percent (4.5%) of the cost of the work.

2.1.8 Bonds and Insurance

For insurance and bonds required under this Facilities Lease (exclusive of those required by Subcontractors, which costs are included in the subcontract amounts), that portion of insurance and bond premiums which are directly attributable to this Contract, which shall be calculated at a rate of one percent (1%) of the Cost of the Work for insurance and eight-tenths percent (0.8%) of the Cost of the Work for payment and performance bonds.

2.1.9 Contingency

2.1.9.1 The Guaranteed Maximum Price includes a Developer Contingency of Five and One-Half percent (5.5%) of the Cost of the Work as described in Section 2.1.1, 2.1.2, and 2.1.3 for potential additional construction costs for District requested changes, unforeseen conditions that occur over the course of construction and/or scope gaps between the subcontract categories of the Work.

2.1.9.2 The Developer Contingency is not intended for such things as scope changes.

2.1.9.3 The Contingency shall not be used without the agreement of the District.

2.1.9.4 The unused portion of the Developer Contingency shall be considered as cost savings and retained by the District at the end of the Project.

2.2 The Guaranteed Maximum Price is to be determined in writing and by mutual agreement of both Parties, but shall not exceed Fifteen Million Dollars ($15,000,000) which consists of the amounts to be identified in **Attachment 2** to this **Exhibit C**. Except as indicated herein for modifications to the Project approved by the District, Developer will not seek additional compensation from District in excess of Guaranteed Maximum Price. District shall pay the Guaranteed Maximum Price to Developer in the form of Tenant Improvement Payments and Lease Payments as indicated herein.

2.3 Total Payment

In no event shall the cumulative total of the Tenant Improvement Payments and the Lease Payments ever exceed the Guaranteed Maximum Price as defined herein, as may be modified pursuant to **Exhibit D** to the Facilities Lease.

2.4 Changes to Guaranteed Maximum Price

2.4.1 The Parties acknowledge that the Guaranteed Maximum Price is based on the Construction Documents, including the plans and specifications, as identified in **Exhibit D** to the Facilities Lease.

2.4.2 As indicated in the Facilities Lease, the Parties may add to or remove from the project specific scopes of work. Based on these change(s), the Parties may agree to a reduction or increase in the Guaranteed Maximum Price. If a cost impact of a change is agreed to by the Parties, it shall be paid upon the payment request from the Developer for the work that is the subject of the change in accordance with the provisions of **Exhibit D**. The amount of any change to the Guaranteed Maximum Price shall be calculated in accordance with the provisions of **Exhibit D** to this Facilities Lease.

2.4.3 The Parties agree to reduce the Guaranteed Maximum Price for the unused portion of the Developer Contingency, if any.

2.4.4 Cost Savings

Developer shall work cooperatively with Architect, Construction Manager, subcontractors and District, in good faith, to identify appropriate opportunities to reduce the Project costs and promote cost savings. Any identified cost savings from the Guaranteed Maximum Price shall be identified by Developer, and approved in writing by the District. If any cost savings require revisions to the Construction Documents, Developer shall work with the District and Architect with respect to revising the Construction Documents and, if

necessary, obtaining the approval of DSA with respect to those revisions. Developer shall be entitled to an adjustment of Contract Time for delay in completion caused by any cost savings adopted by District pursuant to **Exhibit D**, if requested in writing before the approval of the cost savings.

2.4.5 If the District exercises its Purchase Option pursuant to this **Exhibit C**, any reduction in the Guaranteed Maximum Price resulting from that exercise of the Purchase Option, if any, shall be retained in full by the District and shall not be shared with the Developer.

2.4.6 If the Parties agree to a reduction or increase in the Guaranteed Maximum Price, the Loan Amount indicated in **Attachment 3** shall be adjusted accordingly and **Attachment 3** shall be amended prior to the commencement of Lease Payments.

3. Tenant Improvement Payments

Prior to the District's taking delivery or occupancy of the Project, the District shall pay to Developer an amount equal to the Guaranteed Maximum Price as modified pursuant to the terms of the Facilities Lease, including **Exhibit C** and **Exhibit D**, less the Lease Payments ("Tenant Improvement Payments"). Tenant Improvement Payments will be processed based on the amount of Work performed according to the Developer's Schedule of Values (**Exhibit G** to the Facilities Lease) and pursuant to the provisions in **Exhibit D** to the Facilities Lease, including withholding for or escrow of retention of five percent (5%) of the Guaranteed Maximum Price.

4. Lease Payments

Upon execution of the Memorandum of Commencement Date, the form of which is attached to the Facilities Lease as **Exhibit E**, the District shall commence making lease payments to Developer in accordance with the Schedule attached hereto as **Attachment 3**.

4.1 The Lease Payments shall be consideration for the District's rental, use, and occupancy of the Project and the Project Site and shall be made in monthly installments as indicated in the Schedule of Lease Payments attached hereto as **Attachment 3** for the duration of the lease term of one (1) year, with the first Lease Payment due ninety (90) days after execution of the Memorandum of Commencement Date.

4.2 The District represents that the annual Lease Payment obligation does not surpass the District's annual budget and will not require the District to increase or impose additional taxes or obligations on the public that did not exist prior to the execution of the Facilities Lease.

4.3 Fair Rental Value

District and Developer have agreed and determined that the total Lease Payments constitute adequate consideration for the Facilities Lease and are reasonably equivalent to the fair rental value of the Project. In making such determination, consideration has been given to the obligations of the Parties under the Facilities Lease and Site Lease, the

uses and purposes which may be served by the Project and the benefits therefrom which will accrue to the District and the general public.

4.4 Each Lease Payment Constitutes a Current Expense of the District

4.4.1 The District and Developer understand and intend that the obligation of the District to pay Lease Payments and other payments hereunder constitutes a current expense of the District and shall not in any way be construed to be a debt of the District in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the District, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or moneys of the District.

4.4.2 Lease Payments due hereunder shall be payable only from current funds which are budgeted and appropriated or otherwise made legally available for this purpose. This Facilities Lease shall not create an immediate indebtedness for any aggregate payments that may become due hereunder.

4.4.3 The District covenants to take all necessary actions to include the Lease Payments in each of its final approved annual budgets.

4.4.4 The District further covenants to make all necessary appropriations (including any supplemental appropriations) from any source of legally available funds of the District for the actual amount of Lease Payments that come due and payable during the period covered by each such budget. Developer acknowledges that the District has not pledged the full faith and credit of the District, State of California or any state agency or state department to the payment of Lease Payments or any other payments due hereunder. The covenants on the part of District contained in this Facilities Lease constitute duties imposed by law and it shall be the duty of each and every public official of the District to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform the covenants and agreements in this Facilities Lease agreed to be carried out and performed by the District.

4.4.5 The Developer cannot, under any circumstances, accelerate the District's payments under the Facilities Lease.

5. District's Purchase Option

5.1 If the District is not then in uncured Default hereunder, the District shall have the option to purchase not less than all of the Project in its "as-is, where-is" condition and terminate this Facilities Lease and Site Lease by paying the balance of the "Loan Amount" identified in **Attachment 3** as of the date the option is exercised ("Option Price"). Said payment shall be made on or before the date on which the District's lease payment would otherwise be due for that month ("Option Date").

5.2 District shall provide to Developer a written notice no less than ten (10) days prior to the Option Date. The notice will include that District is exercising its option to purchase the Project as set forth above on the Option Date. If the District exercises this option, the District shall pay directly to Developer the Option Price on or prior to

the Option Date and Developer shall at that time deliver to District an executed Termination Agreement and Quitclaim Deed in recordable form to terminate this Facilities Lease and the Site Lease. District may record all such documents at District's cost and expense.

5.3 Under no circumstances can the first Option Date be on or before ninety (90) days after the Developer completes the Project and the District accepts the Project.

ATTACHMENT 1

GENERAL CONDITIONS COSTS

[To be Attached.]

ATTACHMENT 2

GUARANTEED MAXIMUM PRICE

[To be Attached.]

ATTACHMENT 3

SCHEDULE OF LEASE PAYMENTS

Amortization Schedule

Loan Amount:	$ 1,000,000
Interest:	5% Annual
Term in Months	12.00
Payment Frequency	Monthly

Payment #	Total Payment	Principal Payment	Interest Payment	Balance
				$1,000,000
1	$85,607.48	$81,440.82	$4,166.67	$918,559.18
2	$85,607.48	$81,780.15	$3,827.33	$836,779.03
3	$85,607.48	$82,120.90	$3,486.58	$754,658.13
4	$85,607.48	$82,463.07	$3,144.41	$672,195.06
5	$85,607.48	$82,806.67	$2,800.81	$589,388.39
6	$85,607.48	$83,151.70	$2,455.78	$506,236.69
7	$85,607.48	$83,498.16	$2,109.32	$422,738.53
8	$85,607.48	$83,846.07	$1,761.41	$338,892.46
9	$85,607.48	$84,195.43	$1,412.05	$254,697.03
10	$85,607.48	$84,546.24	$1,061.24	$170,150.78
11	$85,607.48	$84,898.52	$708.96	$85,252.26
12	$85,607.48	$85,252.26	$355.22	$0.00
Totals	**$1,027,289.76**	**$1,000,000**	**$27,289.78**	

EXHIBIT D

GENERAL CONSTRUCTION PROVISIONS FOR THE FOLLOWING PROJECT:

CUNHA INTERMEDIATE SCHOOL BUILDING C REPAIR PROJECT

BY AND BETWEEN

CABRILLO UNIFIED SCHOOL DISTRICT

AND

BLACH CONSTRUCTION COMPANY

Dated as of December __, 2016

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1. Contract Terms and Definitions

1.1 Definitions

Wherever used in the Contract Documents, the following terms shall have the meanings indicated, which shall be applicable to both the singular and plural thereof:

1.1.1 Adverse Weather. Shall be only weather that satisfies all of the following conditions: (1) unusually severe precipitation, sleet, snow, hail, or extreme temperature conditions in excess of the norm for the location and time of year it occurred based on the closest weather station data averaged over the past five years, (2) that is unanticipated and would cause unsafe work conditions and/or is unsuitable for scheduled work that should not be performed during inclement weather (i.e., exterior finishes), and (3) at the Project.

1.1.2 Approval, Approved, and/or Accepted. Written authorization, unless stated otherwise.

1.1.3 Architect (or "Design Professional in General Charge"). The individual, partnership, corporation, joint venture, or any combination thereof, named as Architect, who will have the rights and authority assigned to the Architect in the Contract Documents. The term Architect means the Design Professional in General Responsible Charge as defined in DSA PR 13-02 on this Project or the Architect's authorized representative.

1.1.4 As-Builts. Reproducible blue line prints of drawings to be prepared on a monthly basis pursuant to the Contract Documents, that reflect changes made during the performance of the Work, recording differences between the original design of the Work and the Work as constructed since the preceding monthly submittal. See **Record Drawings.**

1.1.5 Change Order. A written order to the Developer authorizing an addition to, deletion from, or revision in the Work, and/or authorizing an adjustment in the Guaranteed Maximum Price or Contract Time.

1.1.6 Claim. A Dispute that remains unresolved at the conclusion of all the applicable Dispute Resolution requirements provided herein.

1.1.7 Completion. The earliest of the date of acceptance by the District or the cessation of labor thereon for a continuous period of sixty (60) days.

1.1.8 Construction Change Directive. A written order prepared and issued by the District, the Construction Manager, and/or the Architect and signed by the District and the Architect, directing a change in the Work.

1.1.9 Construction Manager. The individual, partnership, corporation, joint venture, or any combination thereof, or its authorized representative, named as such by the District. If no Construction Manager is used on the Project that is the subject of this Contract, then all references to Construction Manager herein shall be read to refer to District.

1.1.10 Construction Schedule. The progress schedule of construction of the Project as provided by Developer and approved by District.

1.1.11 Contract. The agreement between the District and Developer contained in the Contract Documents.

1.1.12 Contract Documents. The Contract Documents consist exclusively of the documents evidencing the agreement of the District and Developer. The Contract Documents consist of the following documents:

1.1.12.1 Non-Collusion Declaration

1.1.12.2 Site Lease

1.1.12.3 Facilities Lease, including Exhibits A- G

1.1.12.3.1 Performance Bond

1.1.12.3.2 Payment Bond (Developer's Labor & Material Bond)

1.1.12.3.3 [Reserved]

1.1.12.3.4 Hazardous Materials Procedures and Requirements

1.1.12.3.5 Workers' Compensation Certification

1.1.12.3.6 Prevailing Wage Certification

1.1.12.3.7 Disabled Veterans Business Enterprise Participation Certification (if applicable)

1.1.12.3.8 Drug-Free Workplace Certification

1.1.12.3.9 Tobacco-Free Environment Certification

1.1.12.3.10 Hazardous Materials Certification

1.1.12.3.11 Lead-Based Materials Certification (if applicable)

1.1.12.3.12 Imported Materials Certification (if applicable)

1.1.12.3.13 Criminal Background Investigation/Fingerprinting Certification

1.1.12.3.14 Roofing Project Certification

1.1.12.3.15 Iran Contracting Act Certification

1.1.12.3.16 Skilled and Trained Workforce Certification

1.1.12.3.17 Escrow Agreement for Security Deposits in Lieu of Retention (if used)

1.1.12.3.18 Agreement and Release of Any and All Claims

1.1.12.4 All Plans, Technical Specifications, and Drawings

1.1.12.5 Any and all addenda to any of the above documents

1.1.12.6 Any and all change orders or written modifications to the above documents if approved in writing by the District

1.1.13Contract Time. The time period stated in the Facilities Lease for the completion of the Work.

1.1.14 Daily Job Report(s). Daily Project reports prepared by the Developer's employee(s) who are present on Site, which shall include the information required herein.

1.1.15 Day(s). Unless otherwise designated, day(s) means calendar day(s).

1.1.16 Department of Industrial Relations (or "DIR"). DIR is responsible, among other things, for labor compliance monitoring and enforcement of California prevailing wage laws and regulations for public works contracts.

1.1.17 Design Professional in General Responsible Charge: See definition of Architect above.

1.1.18 Developer. The person or persons identified in the Facilities Lease as contracting to perform the Work to be done under this Contract, or the legal representative of such a person or persons.

1.1.19 Dispute. A separate demand by Developer for a time extension, or payment of money or damages arising from Work done by or on behalf of the Developer pursuant to the Contract and payment of which is not otherwise expressly provided for or Developer is not otherwise entitled to; or an amount of payment disputed by the District.

1.1.20 District. The public agency or the school district for which the Work is performed. The governing board of the District or its designees will act for the District in all matters pertaining to the Contract. The District may, at any time:

1.1.20.1 Direct the Developer to communicate with or provide notice to the Construction Manager or the Architect on matters for which the Contract Documents indicate the Developer will communicate with or provide notice to the District; and/or

1.1.20.2 Direct the Construction Manager or the Architect to communicate with or direct the Developer on matters for which the Contract Documents indicate the District will communicate with or direct the Developer.

1.1.21 Drawings (or "Plans"). The graphic and pictorial portions of the Contract Documents showing the design, location, scope and dimensions of the Work, generally including plans, elevations, sections, details, schedules, sequence of operation, and diagrams.

1.1.22 DSA. Division of the State Architect.

1.1.23 Force Account Directive. A process that may be used when the District and the Developer cannot agree on a price for a specific portion of work or before the Developer prepares a price for a specific portion of work and whereby the Developer performs the work as indicated herein on a time and materials basis.

1.1.24 Guaranteed Maximum Price. The total monies payable to the Developer under the terms and conditions of the Contract Documents.

1.1.25 Job Cost Reports: Any and all reports or records detailing the costs associated with work performed on or related to the Project that Developer shall maintain for the Project. Specifically, Job Cost Reports shall contain, but are not limited by or to, the following information: a description of the work performed or to be performed on the Project; quantity, if applicable, of work performed (hours, square feet, cubic yards, pounds, etc.) for the Project; Project budget; costs for the Project to date; estimated costs to complete the Project; and expected costs at completion. The Job Cost Reports shall also reflect all Contract cost codes, change orders, elements of non-conforming work, back charges, and additional services.

1.1.26 Labor Commissioner's Office (or "Labor Commissioner"). Also known as the Division of Labor Standards Enforcement ("DLSE"): Division of the DIR responsible for adjudicating wage claims, investigating discrimination and public works complaints, and enforcing Labor Code statutes and Industrial Welfare Commission orders.

1.1.27 Material Safety Data Sheets (or "MSDS"). A form with data regarding the properties for potentially harmful substances handled in the workplace.

1.1.28 Municipal Separate Storm Sewer System (or "MS4"). A system of conveyances used to collect and/or convey storm water, including, without limitation, catch basins, curbs, gutters, ditches, man-made channels, and storm drains.

1.1.29 Plans: See **Drawings**.

1.1.30 Premises. The real property on which the Site is located.

1.1.31 Product(s). New material, machinery, components, equipment, fixtures and systems forming the Work, including existing materials or components required and approved by the District for reuse.

1.1.32 Product Data. Illustrations, standard schedules, performance charts, instructions, brochures, diagrams, and other information furnished by the Developer to illustrate a material, product, or system for some portion of the Work.

1.1.33 Project. The planned undertaking as provided for in the Contract Documents.

1.1.34 Project Inspector (or "Inspector"). The individual(s) retained by the District in accordance with title 24 of the California Code of Regulations to monitor and inspect the Project.

1.1.35 Project Labor Agreement (or "PLA"): a prehire collective bargaining agreement in accordance with Public Contract Code section 2500 *et seq*. that establishes terms and conditions of employment for a specific

construction project or projects and/or is an agreement described in Section 158(f) of Title 29 of the United States Code.

1.1.36 Program Manager. The individual, partnership, corporation, joint venture, or any combination thereof, or its authorized representative, named as such by the District. If no Program Manager is designated for the Project that is the subject of the Contract Documents, then all references to Program Manager herein shall be read to refer to District.

1.1.37 Proposed Change Order. A Proposed Change Order ("PCO") is a written request prepared by the Developer requesting that the District, the Construction Manager and the Architect issue a Change Order based upon a proposed change to the Work.

1.1.38 Provide. Shall include "provide complete in place," that is, "furnish and install," and "provide complete and functioning as intended in place" unless specifically stated otherwise.

1.1.39 Qualified SWPPP Practitioners ("QSP"). Certified personnel that attended a State Water Resources Control Board sponsored or approved training class and passed the qualifying exam.

1.1.40 Record Drawings. Unless otherwise defined in the Special Conditions, Reproducible drawings (or Plans) prepared pursuant to the requirements of the Contract Documents, that reflect all changes made during the performance of the Work, recording differences between the original design of the Work and the Work as constructed upon completion of the Project. See also **As-Builts**.

1.1.41 Request for Information ("RFI" or "RFIs"). A written request prepared by the Developer requesting that the Architect provide additional information necessary to clarify or amplify an item in the Contract Documents that the Developer believes is not clearly shown or called for in the Drawings or Specifications or other portions of the Contract Documents, or to address problems that have arisen under field conditions.

1.1.42 Request for Substitution for Specified Item. A request by Developer to substitute an equal or superior material, product, thing, or service for a specific material, product, thing, or service that has been designated in the Contract Documents by a specific brand or trade name.

1.1.43 Safety Orders. Written and/or verbal orders for construction issued by the California Division of Occupational Safety and Health ("Cal/OSHA") or by the United States Occupational Safety and Health Administration ("OSHA").

1.1.44 Safety Plan. Developer's safety plan specifically adapted for the Project. Developer's Safety Plan shall comply with all provisions regarding Project safety, including all applicable provisions in these Construction Provisions.

1.1.45 Samples. Physical examples that illustrate materials, products, equipment, finishes, colors, or workmanship and that, when approved in

accordance with the Contract Documents, establish standards by which portions of the Work will be judged.

1.1.46 Shop Drawings. All drawings, prints, diagrams, illustrations, brochures, schedules, and other data that are prepared by the Developer, a subcontractor, manufacturer, supplier, or distributor, that illustrate how specific portions of the Work shall be fabricated or installed.

1.1.47 Site. The Project site as shown on the Drawings.

1.1.48 Specifications. That portion of the Contract Documents, Division 1 through Division 49, and all technical sections, and addenda to all of these, if any, consisting of written descriptions and requirements of a technical nature of materials, equipment, construction methods and systems, standards, and workmanship.

1.1.49 State. The State of California.

1.1.50 Storm Water Pollution Prevention Plan (or "SWPPP"). A document which identifies sources and activities at a particular facility that may contribute pollutants to storm water and contains specific control measures and time frames to prevent or treat such pollutants.

1.1.51 Subcontractor. A contractor and/or supplier who is under contract with the Developer or with any other subcontractor, regardless of tier, to perform a portion of the Work of the Project.

1.1.52 Submittal Schedule. The schedule of submittals as provided by Developer and approved by District.

1.1.53 Surety. The person, firm, or corporation that executes as surety the Developer's Performance Bond and Payment Bond, and must be a California admitted surety insurer as defined in the Code of Civil Procedure section 995.120.

1.1.54 Work. All labor, materials, equipment, components, appliances, supervision, coordination, and services required by, or reasonably inferred from, the Contract Documents, that are necessary for the construction and completion of the Project.

1.2 Laws Concerning the Contract Documents

The Contract is subject to all provisions of the Constitution and laws of California and the United States governing, controlling, or affecting District, or the property, funds, operations, or powers of District, and such provisions are by this reference made a part hereof. Any provision required by law to be included in this Contract shall be deemed to be inserted.

1.3 No Oral Agreements

No oral agreement or conversation with any officer, agent, or employee of District, either before or after execution of Contract Documents, shall affect or modify any of

the terms or obligations contained in any of the documents comprising the Contract Documents.

1.4 No Assignment

Except as specifically permitted in the Facilities Lease, Developer shall not assign the Contract Documents or any part thereof including, without limitation, any services or money to become due hereunder without the prior written consent of the District. Assignment without District's prior written consent shall be null and void. Any assignment of money due or to become due under the Contract Documents shall be subject to a prior lien for services rendered or material supplied for performance of Work called for under the Contract Documents in favor of all persons, firms, or corporations rendering services or supplying material to the extent that claims are filed pursuant to the Civil Code, Code of Civil Procedure, Government Code, Labor Code, and/or Public Contract Code, and shall also be subject to deductions for liquidated damages or withholding of payments as determined by District in accordance with the Contract Documents. Developer shall not assign or transfer in any manner to a Subcontractor or supplier the right to prosecute or maintain an action against the District.

1.5 Notice and Service Thereof

1.5.1 Any notice from one party to the other or otherwise under the Contract Documents shall be in writing and shall be dated and signed by the party giving notice or by a duly authorized representative of that party. Notice shall not be effective for any purpose whatsoever unless served in one of the following manners:

1.5.1.1 If notice is given by personal delivery thereof, it shall be considered delivered on the day of delivery.

1.5.1.2 If notice is given by overnight delivery service, it shall be considered delivered one (1) day after date deposited, as indicated by the delivery service.

1.5.1.3 If notice is given by depositing same in United States mail, enclosed in a sealed envelope, it shall be considered delivered five (5) days after date deposited, as indicated by the postmarked date.

1.5.1.4 If notice is given by registered or certified mail with postage prepaid, return receipt requested, it shall be considered delivered on the day the notice is signed for.

1.6 No Waiver

The failure of District in any one or more instances to insist upon strict performance of any of the terms of the Contract Documents or to exercise any option herein conferred shall not be construed as a waiver or relinquishment to any extent of the right to assert or rely upon any such terms or option on any future occasion. No action or failure to act by the District, Architect, or Construction Manager shall constitute a waiver of any right or duty afforded the District under the Contract Documents, nor shall any action or failure to act constitute an approval of or

acquiescence on any breach thereunder, except as may be specifically agreed in writing.

1.7 Substitutions For Specified Items

Unless the Special Conditions in **Exhibit D-1** to the Facilities Lease provide otherwise, Developer shall not substitute different items for any items identified in the Contract Documents without prior written approval of the District.

1.8 Materials and Work

1.8.1 Except as otherwise specifically stated in the Contract Documents, Developer shall provide and pay for all materials, labor, tools, equipment, transportation, supervision, temporary constructions of every nature, and all other services, management, and facilities of every nature whatsoever necessary to execute and complete the Work, in a good and workmanlike manner, within the Contract Time.

1.8.2 Unless otherwise specified, all materials shall be new and of the best quality of their respective kinds and grades as noted or specified, and workmanship shall be of high quality, and Developer shall use all diligence to inform itself fully as to the required manufacturer's instructions and to comply therewith.

1.8.3 Materials shall be furnished in ample quantities and at such times as to insure uninterrupted progress of Work and shall be stored properly and protected from the elements, theft, vandalism, or other loss or damage as required.

1.8.4 For all materials and equipment specified or indicated in the Drawings and Specifications, the Developer shall provide all labor, materials, equipment, and services necessary for complete assemblies and complete working systems, functioning as intended. Incidental items not indicated on Drawings, nor mentioned in the Specifications, that can legitimately and reasonably be inferred to belong to the Work described, or be necessary in good practice to provide a complete assembly or system, shall be furnished as though itemized here in every detail. In all instances, material and equipment shall be installed in strict accordance with each manufacturer's most recent published recommendations and specifications.

1.8.5 Developer shall, after award of the Project by District and after relevant submittals have been approved, place orders for materials and/or equipment as specified so that delivery of same may be made without delays to the Work. Developer shall, upon demand from District, present documentary evidence showing that orders have been placed.

1.8.6 In the event of Developer's neglect in complying or failure to comply with the above instructions, District reserves the right, but has no obligation, to place orders for such materials and/or equipment as the District may deem advisable so that the Work may be completed by the date specified in the Facilities Lease, and all expenses incidental to the procuring of said materials and/or equipment shall be paid for by Developer or deducted from payment(s) to Developer.

1.8.7 Developer warrants good title to all material, supplies, and equipment installed or incorporated in Work and agrees upon completion of all Work to deliver the Site to District, together with all improvements and appurtenances constructed or placed thereon by it, and free from any claims, liens, or charges. Developer further agrees that neither it nor any person, firm, or corporation furnishing any materials or labor for any work covered by the Contract Documents shall have any right to lien any portion of the Premises or any improvement or appurtenance thereon, except that Developer may install metering devices or other equipment of utility companies or of political subdivision, title to which is commonly retained by utility company or political subdivision. In the event of installation of any such metering device or equipment, Developer shall advise District as to owner thereof.

1.8.8 Nothing contained in this Article, however, shall defeat or impair the rights of persons furnishing materials or labor under any bond given by Developer for their protection or any rights under any law permitting such protection or any rights under any law permitting such persons to look to funds due Developer in hands of District (e.g., Stop Payment Notices), and this provision shall be inserted in all subcontracts and material contracts and notice of its provisions shall be given to all persons furnishing material for Work when no formal contract is entered into for such material.

1.8.9 Title to new materials and/or equipment for the Work of the Contract Documents and attendant liability for its protection and safety shall remain with Developer until incorporated in the Work of the Contract Documents and accepted by District. No part of any materials and/or equipment shall be removed from its place of storage except for immediate installation in the Work of the Contract Documents. Should the District, in its discretion, allow the Developer to store materials and/or equipment for the Work off-site, Developer will store said materials and/or equipment at a bonded warehouse and with appropriate insurance coverage at no cost to District. Developer shall keep an accurate inventory of all materials and/or equipment in a manner satisfactory to District or its authorized representative and shall, at the District's request, forward it to the District.

2. [Reserved]

3. Architect

3.1 The Architect shall represent the District during the Project and will observe the progress and quality of the Work on behalf of the District. Architect shall have the authority to act on behalf of District to the extent expressly provided in the Contract Documents and to the extent determined by District. Architect shall have authority to reject materials, workmanship, and/or the Work whenever rejection may be necessary, in Architect's reasonable opinion, to insure the proper execution of the Contract Documents.

3.2 Architect shall, with the District and on behalf of the District, determine the amount, quality, acceptability, and fitness of all parts of the Work, and interpret the Specifications, Drawings, and shall, with the District, interpret all other Contract Documents.

3.3 Architect shall have all authority and responsibility established by law, including title 24 of the California Code of Regulations.

3.4 Developer shall provide District and the Construction Manager with a copy of all written communication between Developer and Architect at the same time as that communication is made to Architect, including, without limitation, all RFIs, correspondence, submittals, claims, and change order requests.

4. Construction Manager

4.1 If a Construction Manager is used on this Project ("Construction Manager" or "CM"), the Construction Manager will provide administration of the Contract Documents on the District's behalf. After execution of the Contract Documents, all correspondence and/or instructions from Developer and/or District shall be forwarded through the Construction Manager. The Construction Manager will not be responsible for and will not have control or charge of construction means, methods, techniques, sequences, or procedures or for safety precautions in connection with the Work, which shall all remain the Developer's responsibility.

4.2 The Construction Manager, however, will have authority to reject materials and/or workmanship not conforming to the Contract Documents, as determined by the District, the Architect, and/or the Project Inspector. The Construction Manager shall also have the authority to require special inspection or testing of any portion of the Work, whether it has been fabricated, installed, or fully completed. Any decision made by the Construction Manager in good faith, shall not give rise to any duty or responsibility of the Construction Manager to: the Developer, any Subcontractor, or their agents, employees, or other persons performing any of the Work. The Construction Manager shall have free access to any or all parts of Work at any time.

4.3 If the District does not use a Construction Manager on this Project, all references to Construction Manager or CM shall be read as District.

5. Inspector, Inspections, and Tests

5.1 Project Inspector

5.1.1 One or more Project Inspector(s), including special Project Inspector(s), as required, will be assigned to the Work by District, in accordance with requirements of title 24, part 1, of the California Code of Regulations, to enforce the building code and monitor compliance with Plans and Specifications for the Project previously approved by the DSA. Duties of Project Inspector(s) are specifically defined in section 4-342 of said part 1 of title 24.

5.1.2 No Work shall be carried on except with the knowledge and under the inspection of the Project Inspector(s). The Project Inspector(s) shall have free access to any or all parts of Work at any time. Developer shall furnish Project Inspector(s) reasonable opportunities for obtaining such information as may be necessary to keep Project Inspector(s) fully informed respecting progress and manner of work and character of materials, including, but not limited to, submission of form DSA 156 (or the most current version applicable at the time the Work is performed) to the Project Inspector at least 48 hours in advance of the commencement and completion of construction of

each and every aspect of the Work. Forms are available on the DSA's website at: http://www.dgs.ca.gov/dsa/Forms.aspx. Inspection of Work shall not relieve Developer from an obligation to fulfill the Contract Documents. Project Inspector(s) and the DSA are authorized to suspend work whenever the Developer and/or its Subcontractor(s) are not complying with the Contract Documents. Any work stoppage by the Project Inspector(s) and/or DSA shall be without liability to the District. Developer shall instruct its Subcontractors and employees accordingly.

5.1.3 If Developer and/or any Subcontractor requests that the Project Inspector(s) perform any inspection off-Site, this shall only be done if it is allowable pursuant to applicable regulations and DSA approval, if the Project Inspector(s) agree to do so, and at the expense of the Developer.

5.2 Tests and Inspections

5.2.1 Tests and Inspections shall comply with title 24, part 1, California Code of Regulations, group 1, article 5, section 4-335, and with the provisions of the Specifications.

5.2.2 The District will select an independent testing laboratory to conduct the tests. Selection of the materials required to be tested shall be by the laboratory or the District's representative and not by the Developer. The Developer shall notify the District's representative a sufficient time in advance of its readiness for required observation or inspection. This notice shall be provided, at a minimum, seventy-two (72) hours prior to the inspection of the material that needs to be tested.

5.2.3 The Developer shall notify the District's representative a sufficient time in advance of the manufacture of material to be supplied under the Contract Documents that must by terms of the Contract Documents be tested so that the District may arrange for the testing of same at the source of supply. This notice shall be provided, at a minimum, seventy-two (72) hours prior to the manufacture of the material that needs to be tested.

5.2.4 Any material shipped by the Developer from the source of supply prior to having satisfactorily passed such testing and inspection or prior to the receipt of notice from said representative that such testing and inspection will not be required, shall not be incorporated into and/or onto the Project.

5.2.5 The District will select the testing laboratory and pay for the costs for all tests and inspections. Developer shall reimburse the District for any and all laboratory costs or other testing costs for any materials found to be not in compliance with the Contract Documents. At the District's discretion, District may elect to deduct laboratory or other testing costs for noncompliant materials from the Guaranteed Maximum Price, and such deduction shall not constitute a withholding.

5.3 Costs for After Hours and/or Off Site Inspections

If the Developer performs Work outside the Inspector's regular working hours, costs of any inspections required outside regular working hours shall be borne by the

Developer and may be invoiced to the Developer by the District or the District may deduct those expenses from the next Tenant Improvement Payment.

6. Developer

Developer shall construct and complete, in a good and workmanlike manner, the Work for the Guaranteed Maximum Price including any adjustment(s) to the Guaranteed Maximum Price pursuant to provisions herein regarding changes to the Guaranteed Maximum Price. Except as otherwise noted, Developer shall provide and pay for all labor, materials, equipment, permits (excluding DSA), fees, licenses, facilities, transportation, taxes, bonds and insurance, and services necessary for the proper execution and completion of the Work, except as indicated herein.

6.1 Status of Developer

6.1.1 Developer is and shall at all times be deemed to be an independent contractor and shall be wholly responsible for the manner in which it and its Subcontractors perform the services required of it by the Contract Documents. Nothing herein contained shall be construed as creating the relationship of employer and employee, or principal and agent, between the District, or any of the District's employees or agents, and Developer or any of Developer's Subcontractors, agents or employees. Developer assumes exclusively the responsibility for the acts of its agents and employees as they relate to the services to be provided during the course and scope of their employment. Developer, its Subcontractors, and its agents and employees shall not be entitled to any rights or privileges of District employees. District shall be permitted to monitor the Developer's activities to determine compliance with the terms of the Contract Documents.

6.1.2 As required by law, Developer and all Subcontractors shall be properly licensed and regulated by the Contractors State License Board, 9821 Business Park Drive, Sacramento, California 95827 (Post Office Box 26000, Sacramento, California 95826), http://www.cslb.ca.gov.

6.1.3 As required by law, Developer and all Subcontractors shall be properly registered as public works contractors by the Department of Industrial Relations at https://efiling.dir.ca.gov/PWCR/ActionServlet?action=displayPWCRegistrationForm or current URL.

6.1.4 Developer represents that it has no existing interest and will not acquire any interest, direct or indirect, which could conflict in any manner or degree with the performance of Work required under this Contract and that no person having any such interest shall be employed by Developer.

6.2 Project Inspection Card(s)

Developer shall verify that forms DSA 152 (or most current version applicable at the time the Work is performed) are issued for the Project prior to the commencement of construction.

6.3 Developer's Supervision

6.3.1 During progress of the Work, Developer shall keep on the Premises, and at all other locations where any Work related to the Contract is being performed, an experienced and competent project manager and construction superintendent who are employees of the Developer, to whom the District does not object and at least one of whom shall be fluent in English, written and verbal.

6.3.2 The project manager and construction superintendent shall both speak fluently the predominant language of the Developer's employees.

6.3.3 Before commencing the Work herein, Developer shall give written notice to District of the name of its project manager and construction superintendent. Neither the Developer's project manager nor construction superintendent shall be changed except with prior written notice to District. If the Developer's project manager and/or construction superintendent proves to be unsatisfactory to Developer, or to District, any of the District's employees, agents, the Construction Manager, or the Architect, Developer shall immediately notify District in writing before any change occurs, but no less than two (2) business days prior. Any replacement of the project manager and/or construction superintendent shall be made promptly and must be satisfactory to the District. The Developer's project manager and construction superintendent shall each represent Developer, and all directions given to Developer's project manager and/or construction superintendent shall be as binding as if given to Developer.

6.3.4 Developer shall give efficient supervision to Work, using its best skill and attention. Developer shall carefully study and compare all Contract Documents, Drawings, Specifications, and other instructions and shall at once report to District, Construction Manager, and Architect any error, inconsistency, or omission that Developer or its employees and Subcontractors may discover, in writing, with a copy to District's Project Inspector(s). Developer shall have responsibility for discovery of errors, inconsistencies, or omissions.

6.3.5 All contractors doing work on the Project will provide their workers with identification badges. These badges will be worn by all members of the contractor's staff who are working in a District facility.

6.3.5.1 Badges must be filled out in full and contain the following information:

6.3.5.1.1 Name of contractor

6.3.5.1.2 Name of employee

6.3.5.1.3 Contractor's address and phone number

6.3.5.2 Badges are to be worn when the Developer or his/her employees are on site and must be visible at all times. Contractors must inform their employees that they are required to allow District employees, the Architect, the Construction Manager, the Program

Manager, or the Project Inspector to review the information on the badges upon request.

6.3.5.3 Continued failure to display identification badges as required by this policy may result in the individual being removed from the Project or assessment of fines against the contractor.

6.4 Duty to Provide Fit Workers

6.4.1 Developer and Subcontractor(s) shall at all times enforce strict discipline and good order among their employees and shall not employ any unfit person or anyone not skilled in work assigned to that person. It shall be the responsibility of Developer to ensure compliance with this requirement. District may require Developer to permanently remove unfit persons from Project Site.

6.4.2 Any person in the employ of Developer or Subcontractor(s) whom District may deem incompetent or unfit shall be excluded from working on the Project and shall not again be employed on the Project except with the prior written consent of District.

6.4.3 The Developer shall furnish labor that can work in harmony with all other elements of labor employed or to be employed in the Work.

6.4.4 If Developer intends to make any change in the name or legal nature of the Developer's entity, Developer shall first notify the District in writing prior to making any contemplated change. The District shall determine in writing if Developer's intended change is permissible while performing the Work.

6.5 Field Office

6.5.1 Developer shall provide on the Work Site a temporary office.

6.6 Purchase of Materials and Equipment

The Developer is required to order, obtain, and store materials and equipment sufficiently in advance of its Work at no additional cost or advance payment from District to assure that there will be no delays.

6.7 Documents on Work

6.7.1 Developer shall at all times keep on the Work Site, or at another location as the District may authorize in writing, one legible copy of all Contract Documents, including Addenda and Change Orders, and Titles 19 and 24 of the California Code of Regulations, the specified edition(s) of the Uniform Building Code, all approved Drawings, Plans, Schedules, and Specifications, and all codes and documents referred to in the Specifications, and made part thereof. These documents shall be kept in good order and available to District, Construction Manager, Architect, Architect's representatives, the Project Inspector(s), and all authorities having jurisdiction. Developer shall be acquainted with and comply with the provisions of these titles as they relate to this Project. (See particularly the

duties of Contractor, Title 24, Part 1, California Code of Regulations, Section 4-343.) Developer shall also be acquainted with and comply with all California Code of Regulations provisions relating to conditions on this Project, particularly Titles 8 and 17. Developer shall coordinate with Architect and Construction Manager and shall submit its verified report(s) according to the requirements of Title 24.

6.7.2 Daily Job Reports

6.7.2.1 Developer shall maintain, at a minimum, at least one (1) set of Daily Job Reports on the Project. These must be prepared by the Developer's employee(s) who are present on Site, and must include, at a minimum, the following information:

6.7.2.1.1 A brief description of all Work performed on that day.

6.7.2.1.2 A summary of all other pertinent events and/or occurrences on that day.

6.7.2.1.3 The weather conditions on that day.

6.7.2.1.4 A list of all Subcontractor(s) working on that day.

6.7.2.1.5 A list of each Developer employee working on that day and the total hours worked for each employee.

6.7.2.1.6 A complete list of all equipment on Site that day, whether in use or not.

6.7.2.1.7 A complete list of all materials, supplies, and equipment delivered on that day.

6.7.2.1.8 A complete list of all inspections and tests performed on that day.

6.7.2.2 Each day Developer shall provide a copy of the previous day's Daily Job Report to the District or the District's Construction Manager.

6.8 Preservation of Records

Developer shall maintain, and District shall have the right to inspect, Developer's financial records for the Project, including, without limitation, Job Cost Reports for the Project in compliance with the criteria set forth herein. The District shall have the right to examine and audit all Daily Job Reports or other Project records of Developer's project manager(s), project superintendent(s), and/or project foreperson(s), all certified payroll records and/or related documents including, without limitation, Job Cost Reports, payroll, payment, timekeeping and tracking documents; and as it pertains to change orders, all books, estimates, records, contracts, documents, cost data, subcontract job cost reports, and other data of the Developer, any Subcontractor, and/or supplier, including computations and projections related to estimating, negotiating, pricing, or performing the Work or

modification, in order to evaluate the accuracy, completeness, and currency of the cost, manpower, coordination, supervision, or pricing data at no additional cost to the District. These documents may be duplicative and/or be in addition to any documents held in escrow by the District. The Developer shall make available at its office at all reasonable times the materials described in this paragraph for the examination, audit, or reproduction until three (3) years after final payment under this Facilities Lease. Notwithstanding the provisions above, Developer shall provide any records requested by any governmental agency, if available, after the time set forth above.

6.9 Integration of Work

6.9.1 Developer shall do all cutting, fitting, patching, and preparation of Work as required to make its several parts come together properly, to fit it to receive or be received by work of other contractors, and to coordinate tolerances to various pieces of work, showing upon, or reasonably implied by, the Drawings and Specifications for the completed structure, and shall conform them as District and/or Architect may direct.

6.9.2 Developer shall make its own layout of lines and elevations and shall be responsible for the accuracy of both Developer's and Subcontractors' work resulting therefrom.

6.9.3 Developer and all Subcontractors shall take all field dimensions required in performance of the Work, and shall verify all dimensions and conditions on the Site. All dimensions affecting proper fabrication and installation of all Work must be verified prior to fabrication by taking field measurements of the true conditions. If there are any discrepancies between dimensions in drawings and existing conditions which will affect the Work, Developer shall bring such discrepancies to the attention of the District and Architect for adjustment before proceeding with the Work.

6.9.4 All costs caused by noncompliant, defective, or delayed Work shall be borne by Developer, inclusive of repair work.

6.9.5 Developer shall not endanger any work performed by it or anyone else by cutting, excavating, or otherwise altering work and shall not cut or alter work of any other contractor except with consent of District.

6.10 Notifications

6.10.1 Developer shall notify the Architect and Project Inspector, in writing, of the commencement of construction of each and every aspect of the Work at least 48 hours in advance by submitting form DSA 156 (or the most current version applicable at the time the Work is performed) to the Project Inspector. Forms are available on the DSA's website at: http://www.dgs.ca.gov/dsa/Forms.aspx.

6.10.2 Developer shall notify the Architect and Project Inspector, in writing, of the completion of construction of each and every aspect of the Work at least 48 hours in advance by submitting form DSA 156 (or the most current version applicable at the time the Work is performed) to the Project Inspector.

6.11 Obtaining of Permits, Licenses and Registrations

Developer shall secure and pay for any permits (except DSA), licenses, registrations, approvals, and certificates necessary for prosecution of Work, including but not limited to those listed in the Special Conditions, Exhibit D-1, if any, before the date of the commencement of the Work or before the permits, licenses, registrations, approvals and certificates are legally required to continue the Work without interruption. The Developer shall obtain and pay, only when legally required, for all licenses, approvals, registrations, permits, inspections, and inspection certificates required to be obtained from or issued by any authority having jurisdiction over any part of the Work included in the Contract Documents. All final permits, licenses, registrations, approvals and certificates shall be delivered to District before demand is made for final payment. The costs associated with said permits, licenses, registrations, approvals and certificates shall be direct reimbursement items and are not subject to any markup.

6.12 Royalties and Patents

6.12.1 Developer shall obtain and pay, when legally required, all royalties and license fees necessary for prosecution of Work before the earlier of the date of the commencement of the Work or the date the license is legally required to continue the Work without interruption. Developer shall defend suits or claims of infringement of patent, copyright, or other rights and shall hold the District, Construction Manager and the Architect harmless and indemnify them from loss on account thereof except when a particular design, process, or make or model of product is required by the Contract Documents. However, if the Developer has reason to believe that the required design, process, or product is an infringement of a patent or copyright, the Developer shall indemnify and defend the District, Construction Manager and Architect against any loss or damage.

6.12.2 The review by the District, Construction Manager or Architect of any method of construction, invention, appliance, process, article, device, or material of any kind shall be only as to its adequacy for the Work and shall not constitute approve use by the Developer in violation of any patent or other rights of any person or entity.

6.13 Work to Comply With Applicable Laws and Regulations

6.13.1 Developer shall give all notices and comply with the following specific laws, ordinances, rules, and regulations and all other applicable laws, ordinances, rules, and regulations bearing on conduct of Work as indicated and specified, including but not limited to the appropriate statutes and administrative code sections. If Developer observes that Drawings and Specifications are at variance with any applicable laws, ordinances, rules and regulations, or should Developer become aware of the development of conditions not covered by Contract Documents that may result in finished Work being at variance therewith, Developer shall promptly notify District in writing and any changes deemed necessary by District shall be made as provided in this Exhibit D for changes in Work.

6.13.1.1 National Electrical Safety Code, U. S. Department of Commerce

6.13.1.2 National Board of Fire Underwriters' Regulations

6.13.1.3 Uniform Building Code, latest addition, and the California Code of Regulations, title 24, and other amendments

6.13.1.4 Manual of Accident Prevention in Construction, latest edition, published by A.G.C. of America

6.13.1.5 Industrial Accident Commission's Safety Orders, State of California

6.13.1.6 Regulations of the State Fire Marshall (title 19, California Code of Regulations) and Pertinent Local Fire Safety Codes

6.13.1.7 Americans with Disabilities Act

6.13.1.8 Education Code of the State of California

6.13.1.9 Government Code of the State of California

6.13.1.10 Labor Code of the State of California, division 2, part 7, Public Works and Public Agencies

6.13.1.11 Public Contract Code of the State of California

6.13.1.12 California Art Preservation Act

6.13.1.13 U. S. Copyright Act

6.13.1.14 U. S. Visual Artists Rights Act

6.13.2 Developer shall comply with all applicable mitigation measures, if any, adopted by any public agency with respect to this Project pursuant to the California Environmental Quality Act (Public Resources Code section 21000 et seq.).

6.13.3 If Developer performs any Work that it knew, or through exercise of reasonable care should have known, to be contrary to any applicable laws, ordinance, rules, or regulations, Developer shall bear all costs arising therefrom and arising from the correction of said Work.

6.13.4 Where Specifications or Drawings state that materials, processes, or procedures must be approved by the DSA, State Fire Marshall, or other body or agency, Developer shall use its best efforts to satisfy the requirements of such bodies or agencies applicable at the time the Work is performed, and as determined by those bodies or agencies.

6.14 Safety/Protection of Persons and Property

6.14.1 The Developer will be solely and completely responsible for conditions of the Work Site, including safety of all persons and property during performance of the Work. This requirement will apply continuously and not be limited to normal working hours.

6.14.2 The wearing of hard hats will be mandatory at all times for all personnel on Site. Developer shall supply sufficient hard hats to properly equip all employees and visitors.

6.14.3 Any construction review of the Developer's performance is not intended to include review of the adequacy of the Developer's safety measures in, on, or near the Work Site.

6.14.4 Implementation and maintenance of safety programs shall be the sole responsibility of the Developer.

6.14.5 The Developer shall furnish to the District a copy of the Developer's safety plan within the time frame indicated in the Contract Documents and specifically adapted for the Project.

6.14.6 Developer shall be responsible for all damages to persons or property that occur as a result of its fault or negligence in connection with the prosecution of the Contract Documents and shall take all necessary measures and be responsible for the proper care and completion and final acceptance by District. All Work shall be solely at Developer's risk.

6.14.7 Developer shall take, and require Subcontractors to take, all necessary precautions for safety of workers on the Project and shall comply with all applicable federal, state, local, and other safety laws, standards, orders, rules, regulations, and building codes to prevent accidents or injury to persons on, about, or adjacent to premises where Work is being performed and to provide a safe and healthful place of employment. Developer shall furnish, erect, and properly maintain at all times, all necessary safety devices, safeguards, construction canopies, signs, nets, barriers, lights, and watchmen for protection of workers and the public and shall post danger signs warning against hazards created by such features in the course of construction.

6.14.8 Hazards Control –Developer shall store volatile wastes in approved covered metal containers and remove them from the Site daily. Developer shall prevent accumulation of wastes that create hazardous conditions. Developer shall provide adequate ventilation during use of volatile or noxious substances.

6.14.9 Developer shall designate a responsible member of its organization on the Project, whose duty shall be to post information regarding protection and obligations of workers and other notices required under occupational safety and health laws, to comply with reporting and other occupational safety requirements, and to protect the life, safety, and health of workers. Name and position of person so designated shall be reported to District by Developer.

6.14.10 Developer shall correct any violations of safety laws, rules, orders, standards, or regulations. Upon the issuance of a citation or notice of violation by the Division of Occupational Safety and Health, Developer shall correct such violation promptly.

6.14.11 Developer shall comply with any District storm water requirements that are approved by the District and applicable to the Project, at no additional cost to the District.

6.14.12 In an emergency affecting safety of life or of work or of adjoining property, Developer, without special instruction or authorization, shall act, at its discretion, to prevent such threatened loss or injury. Any compensation claimed by Developer on account of emergency work shall be determined by agreement.

6.14.13 All salvage materials will become the property of the Developer and shall be removed from the Site unless otherwise called for in the Contract Documents. However, the District reserves the right to designate certain items of value that shall be turned over to the District unless otherwise directed by District.

6.14.14 All connections to public utilities and/or existing on-site services shall be made and maintained in such a manner as to not interfere with the continuing use of same by the District during the entire progress of the Work.

6.14.15 Developer shall provide such heat, covering, and enclosures as are necessary to protect all Work, materials, equipment, appliances, and tools against damage by weather conditions, such as extreme heat, cold, rain, snow, dry winds, flooding, or dampness.

6.14.16 The Developer shall protect and preserve the Work from all damage or accident, providing any temporary roofs, window and door coverings, boxings, or other construction as required by the Architect. The Developer shall be responsible for existing structures, walks, roads, trees, landscaping, and/or improvements in working areas; and shall provide adequate protection therefor. If temporary removal is necessary of any of the above items, or damage occurs due to the Work, the Developer shall replace same at his expense with same kind, quality, and size of Work or item damaged. This shall include any adjoining property of the District and others.

6.14.17 Developer shall take adequate precautions to protect existing roads, sidewalks, curbs, pavements, utilities, adjoining property, and structures (including, without limitation, protection from settlement or loss of lateral support), and to avoid damage thereto, and repair any damage thereto caused by construction operations.

6.14.18 Developer shall confine apparatus, the storage of materials, and the operations of workers to limits indicated by law, ordinances, permits, or directions of Architect, and shall not interfere with the Work or unreasonably encumber Premises or overload any structure with materials. Developer shall enforce all instructions of District and Architect regarding signs, advertising, fires, and smoking, and require that all workers comply with all regulations while on Project Site.

6.14.19 Developer, Developer's employees, Subcontractors, Subcontractors' employees, or any person associated with the Work shall conduct themselves in a manner appropriate for a school site. No verbal or physical contact with neighbors, students, and faculty, profanity, or inappropriate attire or behavior

will be permitted. District may require Developer to permanently remove non-complying persons from Project Site.

6.14.20 Developer shall take care to prevent disturbing or covering any survey markers, monuments, or other devices marking property boundaries or corners. If such markers are disturbed, Developer shall have a civil engineer, registered as a professional engineer in California, replace them at no cost to District.

6.14.21 In the event that the Developer enters into any agreement with owners of any adjacent property to enter upon the adjacent property for the purpose of performing the Work, Developer shall fully indemnify, defend, and hold harmless each person, entity, firm, or agency that owns or has any interest in adjacent property. The form and content of the agreement of indemnification shall be approved by the District prior to the commencement of any Work on or about the adjacent property. The Developer shall also indemnify the District as provided in the indemnification provision herein. These provisions shall be in addition to any other requirements of the owners of the adjacent property.

6.15 General Permit for Storm Water Discharges Associated with Construction and Land Disturbance Activities ("General Permit")

6.15.1 Developer acknowledges that all California school districts are obligated to develop and implement the following requirements for the discharge of storm water to surface waters from its construction and land disturbance activities (storm water requirements), without limitation:

6.15.1.1 A Municipal Separate Storm Sewer System (MS4). An MS4 is a system of conveyances used to collect and/or convey storm water, including, without limitation, catch basins, curbs, gutters, ditches, man-made channels, and storm drains.

6.15.1.2 A Storm Water Pollution Prevention Plan ("SWPPP") that contains specific best management practices ("BMPs") and establishes numeric effluent limitations at:

6.15.1.2.1 Sites where the District engages in maintenance (e.g., fueling, cleaning, repairing) or transportation activities.

6.15.1.2.2 Construction sites where:

6.15.1.2.2.1 One (1) or more acres of soil will be disturbed, or

6.15.1.2.2.1.1 The Project is part of a larger common plan of development that disturbs more than one (1) acre of soil.

6.15.2 Developer shall comply with any District storm water requirements that are approved by the District and applicable to the Project, at no additional cost to the District.

6.15.3 At no additional cost to the District, Developer shall provide a Qualified Storm Water Practitioner who shall be onsite and implement and monitor any and all SWPPP requirements applicable to the Project, including but not limited to:

6.15.3.1 At least forty eight (48) hours prior to a forecasted rain event, implementing the Rain Event Action Plan (REAP) for any rain event requiring implementation of the REAP, including any erosion and sediment control measures needed to protect all exposed portions of the site; and

6.15.3.2 Monitoring any Numeric Action Levels (NALs), if applicable.

6.16 Working Evenings and Weekends

Developer may be required to work increased hours, evenings, and/or weekends at no additional cost to the District. Developer shall give the District seventy-two (72) hours' notice prior to performing any evening and/or weekend work. Developer shall perform all evening and/or weekend work in compliance with all applicable rules, regulations, laws, and local ordinances including, without limitation, all noise and light limitations. Developer shall reimburse the District for any increased or additional Inspector charges as a result of the Developer's increased hours, or evening and/or weekend work.

6.17 Cleaning Up

6.17.1 The Developer shall provide all services, labor, materials, and equipment necessary for protecting and securing the Work, all school occupants, furnishings, equipment, and building structure from damage until its completion and final acceptance by District. Dust barriers shall be provided to isolate dust and dirt from construction operations. At completion of the Work and portions thereof, Developer shall clean to the original state any areas beyond the Work area that become dust laden as a result of the Work. The Developer must erect the necessary warning signs and barricades to ensure the safety of all school occupants. The Developer at all times must maintain good housekeeping practices to reduce the risk of fire damage and must make a fire extinguisher, fire blanket, and/or fire watch, as applicable, available at each location where cutting, braising, soldering, and/or welding is being performed or where there is an increased risk of fire.

6.17.2 Developer at all times shall keep Premises, including property immediately adjacent thereto, free from debris such as waste, rubbish (including personal rubbish of workers, e.g., food wrappers, etc.), and excess materials and equipment caused by the Work. Developer shall not leave debris under, in, or about the Premises (or surrounding property or neighborhood), but shall promptly remove same from the Premises on a daily basis. If Developer fails to clean up, District may do so and the cost thereof shall be charged to Developer. If the Contract calls for Work on an existing facility, Developer shall also perform specific clean-up on or about the Premises upon request by the District as it deems necessary for the continuing education process. Developer shall comply with all related provisions of the Specifications.

6.17.3 If the Construction Manager, Architect, or District observes the accumulation of trash and debris, the District will give the Developer a 24-hour written notice to mitigate the condition.

6.17.4 Should the Developer fail to perform the required clean-up, or should the clean-up be deemed unsatisfactory by the District, the District will then perform the clean-up. All cost associated with the clean-up work (including all travel, payroll burden, and costs for supervision) will be deducted from the Guaranteed Maximum Price, or District may withhold those amounts from payment(s) to Developer.

7. Subcontractors

7.1 Developer shall provide the District with information for all of Developer's Subcontracts and Subcontractors as indicated in the Developer's Submittals and Schedules Section herein.

7.2 No contractual relationship exists between the District and any Subcontractor, supplier, or sub-subcontractor by reason of the Contract Documents.

7.3 Developer agrees to bind every Subcontractor by terms of the Contract Documents as far as those terms that are applicable to Subcontractor's work including, without limitation, all labor, wage & hour, apprentice and related provisions and requirements. If Developer subcontracts any part of the Work called for by the Contract Documents, Developer shall be as fully responsible to District for acts and omissions of any Subcontractor and of persons either directly or indirectly employed by any Subcontractor, including Subcontractor caused Project delays, as it is for acts and omissions of persons directly employed by Developer. The divisions or sections of the Specifications and/or the arrangements of the drawings are not intended to control the Developer in dividing the Work among Subcontractors or limit the work performed by any trade.

7.4 District's consent to, or approval of, or failure to object to, any Subcontractor under the Contract Documents shall not in any way relieve Developer of any obligations under the Contract Documents and no such consent shall be deemed to waive any provisions of the Contract Documents.

7.5 Developer is directed to familiarize itself with sections 1720 through 1861 of the Labor Code of the State of California, as regards the payment of prevailing wages and related issues, and to comply with all applicable requirements therein including, without limitation, section 1775 and the Developer's and Subcontractors' obligations and liability for violations of prevailing wage law and other applicable laws.

7.6 Developer shall be responsible for the coordination of the trades, Subcontractors, sub-subcontractors, and material or equipment suppliers working on the Project.

7.6.1 If the Contract is valued at $1 million or more and plans to use state bond funds, then Developer is responsible for ensuring that first-tier Subcontractors holding C-4, C-7, C-10, C-16, C-20, C-34, C-36, C-38, C-42, C-43, and/or C-46 licenses, are prequalified by the District to work on the Project pursuant to Public Contract Code section 20111.6.

7.6.2 Developer is responsible for ensuring that all Subcontractors are properly registered as public works contractors by the Department of Industrial Relations.

7.7 Developer is solely responsible for settling any differences between the Developer and its Subcontractor(s) or between Subcontractors.

7.8 Developer must include in all of its subcontracts the assignment provisions indicated in the Termination section of these Construction Provisions.

8. Other Contracts/Contractors

8.1 District reserves the right to let other contracts, and/or to perform work with its own forces, in connection with the Project. Developer shall afford other contractors reasonable opportunity for introduction and storage of their materials and execution of their work and shall properly coordinate and connect Developer's Work with the work of other contractors.

8.2 Developer shall protect the work of any other contractor that Developer encounters while working on the Project.

8.3 If any part of Developer's Work depends for proper execution or results upon work of District or any other contractor, the Developer shall visually inspect, and with reasonable effort, physically inspect all accessible portions of District's or any other contractor's work and, before proceeding with its Work, promptly report to the District in writing any defects in District's or any other contractor's work that render Developer's Work unsuitable for proper execution and results. Developer shall be held accountable for damages to District for District's or any other contractor's work that Developer failed to inspect or should have inspected. Developer's failure to inspect and report shall constitute Developer's acceptance of all District's or any other contractor's work as fit and proper for reception of Developer's Work, except as to defects that may develop in District's or any other contractor's work after execution of Developer's Work and not caused by execution of Developer's Work.

8.4 To ensure proper execution of its subsequent Work, Developer shall measure and inspect Work already in place and shall at once report to the District in writing any discrepancy between that executed Work and the Contract Documents.

8.5 Developer shall ascertain to its own satisfaction the scope of the Project and nature of District's or any other contracts that have been or may be awarded by District in prosecution of the Project to the end that Developer may perform under the Contract in light of the other contracts, if any.

8.6 Nothing herein contained shall be interpreted as granting to Developer exclusive occupancy of the Site, the Premises, or of the Project. Developer shall not cause any unnecessary hindrance or delay to the use and/or school operation(s) of the Premises and/or to District or any other contractor working on the Project. If simultaneous execution of any contract or school operation is likely to cause interference with performance of Developer's obligations under the Contract Documents, Developer shall coordinate with those contractor(s), person(s), and/or entity(s) and shall notify the District of the resolution.

9. Drawings And Specifications

9.1 A complete list of all Drawings that form a part of the Contract Documents are to be found as an index on the Drawings themselves, and/or may be provided to the Developer and/or in the Table of Contents.

9.2 Materials or Work described in words that so applied have a well-known technical or trade meaning shall be deemed to refer to recognized standards, unless noted otherwise.

9.3 Trade Name or Trade Term

It is not the intention of the Contract Documents to go into detailed descriptions of any materials and/or methods commonly known to the trade under "trade name" or "trade term." The mere mention or notation of "trade name" or "trade term" shall be considered a sufficient notice to Developer that it will be required to complete the work so named, complete, finished, and operable, with all its appurtenances, according to the best practices of the trade.

9.4 The naming of any material and/or equipment shall mean furnishing and installing of same, including all incidental and accessory items thereto and/or labor therefor, as per best practices of the trade(s) involved, unless specifically noted otherwise.

9.5 Contract Documents are complementary, and what is called for by one shall be binding as if called for by all. As such, Drawings and Specifications are intended to be fully cooperative and to agree. However, if Developer observes that Drawings and Specifications are in conflict with the Contract Documents, Developer shall promptly notify District and Architect in writing, and any necessary changes shall be made as provided in the Contract Documents.

9.6 Figured dimensions shall be followed in preference to scaled dimensions, and the Developer shall make all additional measurements necessary for the work and shall be responsible for their accuracy. Before ordering any material or doing any work, each Developer shall verify all measurements at the building and shall be responsible for the correctness of same.

9.7 Should any question arise concerning the intent or meaning of the Contract Documents, including the Plans and Specifications, the question shall be submitted to the District for interpretation. If a conflict exists in the Contract Documents, these Construction Provisions shall control over the Facilities Lease, which shall control over the Site Lease, which shall control over Division 1 Documents, which shall control over Division 2 through Division 49 documents, which shall control over figured dimensions, which shall control over large-scale drawings, which shall control over small-scale drawings. In no case shall a document calling for lower quality and/or quantity of material or workmanship control. However, in the case of discrepancy or ambiguity solely between and among the Drawings and Specifications, the discrepancy or ambiguity shall be resolved in favor of the interpretation that will provide District with the functionally complete and operable Project described in the Drawings and Specifications.

9.8 Drawings and Specifications are intended to comply with all laws, ordinances, rules, and regulations of constituted authorities having jurisdiction, and where

referred to in the Contract Documents, the laws, ordinances, rules, and regulations shall be considered as a part of the Contract Documents within the limits specified.

9.9 As required by Section 4-317(c), Part 1, Title 24, CCR: "Should any existing conditions such as deterioration or non-complying construction be discovered which is not covered by the DSA-approved documents wherein the finished work will not comply with Title 24, California Code of Regulations, a construction change document, or a separate set of plans and specifications, detailing and specifying the required repair work shall be submitted to and approved by DSA before proceeding with the repair work."

9.10 Ownership of Drawings

All copies of Plans, Drawings, Designs, Specifications, and copies of other incidental architectural and engineering work, or copies of other Contract Documents furnished by District, are the property of District. They are not to be used by Developer in other work and, with the exception of signed sets of Contract Documents, are to be returned to District on request at completion of Work, or may be used by District as it may require without any additional costs to District. Neither the Developer nor any Subcontractor, or material or equipment supplier shall own or claim a copyright in the Drawings, Specifications, and other documents prepared by the Architect. District hereby grants the Developer, Subcontractors, sub-subcontractors, and material or equipment suppliers a limited license to use applicable portions of the Drawings prepared for the Project in the execution of their Work under the Contract Documents.

10. Developer's Submittals and Schedules

Developer's submittals shall comply with the provisions and requirements of the Specifications including, without limitation Submittals.

10.1 Schedule of Work, Schedule of Submittals, and Schedule of Values.

10.1.1 The Developer shall comply with the construction schedule attached to the Facilities Lease as Exhibit F ("Construction Schedule"). [To be attached when available.]

10.1.2 Developer must provide all schedules both in hard copy and electronically, in a format (e.g. Microsoft Project or Primavera) approved in advance by the District.

10.1.3 The District will review the schedules submitted and the Developer shall make changes and corrections in the schedules as requested by the District and resubmit the schedules until approved by the District.

10.1.4 The District shall have the right at any time to revise the schedule of values if, in the District's sole opinion, the schedule of values does not accurately reflect the value of the Work performed.

10.1.5 All submittals and schedules must be approved by the District before Developer can rely on them as a basis for payment.

10.1.6 Within TEN (10) calendar days after the date of the Notice to Proceed (unless otherwise specified in the Specifications), the Developer shall prepare and submit to the District for review, in a form supported by sufficient data to substantiate its accuracy as the District may require:

10.1.6.1 Preliminary Schedule

A preliminary schedule of construction indicating the starting and completion dates of the various stages of the Work, including any information and following any form as may be specified in the Specifications. Once approved by District, this shall become the Construction Schedule. This schedule shall include and identify all tasks that are on the Project's critical path with a specific determination of the start and completion of each critical path task as well as all Contract milestones and each milestone's completion date(s) as may be required by the District.

10.1.6.2 Preliminary Schedule of Values

A preliminary schedule of values for all of the Work, which must include quantities and prices of items aggregating the Contract Price and must subdivide the Work into component parts in sufficient detail to serve as the basis for progress payments during construction. Unless the Special Conditions contain different limits, this preliminary schedule of values shall include, at a minimum, the following information and the following structure:

10.1.6.2.1 Divided into at least the following categories:

10.1.6.2.1.1 Overhead and profit

10.1.6.2.1.2 Supervision

10.1.6.2.1.3 General conditions

10.1.6.2.1.4 Layout

10.1.6.2.1.5 Mobilization

10.1.6.2.1.6 Submittals

10.1.6.2.1.7 Bonds and insurance

10.1.6.2.1.8 Close-out/Certification documentation

10.1.6.2.1.9 Demolition

10.1.6.2.1.10 Installation

10.1.6.2.1.11 Rough-in

10.1.6.2.1.12 Finishes

10.1.6.2.1.13 Testing

10.1.6.2.1.14 Punch list and acceptance

10.1.6.2.2 And also divided by each of the following areas:

10.1.6.2.2.1 Site work

10.1.6.2.2.2 By each building

10.1.6.2.2.3 By each floor

10.1.6.2.3 The preliminary schedule of values shall not provide for values any greater than the following percentages of the Contract value:

10.1.6.2.3.1 Mobilization and layout combined to equal not more than 1%.

10.1.6.2.3.2 Submittals, samples and shop drawings combined to equal not more than 3%.

10.1.6.2.3.3 Bonds and insurance combined to equal not more than 2%.

10.1.6.2.4 Closeout documentation shall have a value in the preliminary schedule of not less than 5%.

10.1.6.2.5 Notwithstanding any provision of the Contract Documents to the contrary, payment of the Developer's overhead, supervision, general conditions costs, and profit, as reflected in the Cost Breakdown, shall be paid based on percentage complete, with the disbursement of Progress Payments and the Final Payment.

10.1.6.2.6 Developer shall certify that the preliminary schedule of values as submitted to the District is accurate and reflects the costs as developed in preparing Developer's bid. The preliminary schedule of values shall be subject to the District's review and approval of the form and content thereof. In the event that the District objects to any portion of the preliminary schedule of values, the District shall notify the Developer, in writing, of the District's objection(s) to the preliminary schedule of values. Within five (5) calendar days of the date of the District's written objection(s), Developer shall submit a revised preliminary schedule of values to the District for review and approval. The foregoing procedure for the preparation, review and approval of the preliminary schedule of values shall continue until the District has approved the entirety of the preliminary schedule of values.

10.1.6.2.7 Once the preliminary schedule of values is approved by the District, this shall become the Schedule of

Values. The Schedule of Values shall not be thereafter modified or amended by the Developer without the prior consent and approval of the District, which may be granted or withheld in the sole discretion of the District.

10.1.6.3 Schedule of Values

The Developer shall provide for District review and approval prior to commencement of the Work a schedule of values for all of the Work, which includes quantities and prices of items aggregating the Guaranteed Maximum Price and subdivided into component parts as per specifications. The Schedule of Values shall not be modified or amended by the Developer without the prior consent and approval of the District, which may be granted or withheld in the sole discretion of the District. The District shall have the right at any time to revise the schedule of values if, in the District's sole opinion, the schedule of values does not accurately reflect the value of the Work performed.

10.1.6.4 Preliminary Schedule of Submittals

A preliminary schedule of submittals, including Shop Drawings, Product Data, and Samples submittals. Once approved by District, this shall become the Submittal Schedule. All submittals shall be forwarded to the District by the date indicated on the approved Submittal Schedule, unless an earlier date is necessary to maintain the Construction Schedule, in which case those submittals shall be forwarded to the District so as not to delay the Construction Schedule. Upon request by the District, Developer shall provide an electronic copy of all submittals to the District. All submittals shall be submitted no later than 90 days after the Notice to Proceed.

10.1.6.5 Safety Plan

Developer's Safety Plan specifically adapted for the Project shall comply with the following requirements:

10.1.6.5.1 All applicable requirements of California Division of Occupational Safety and Health ("Cal/OSHA") and/or of the United States Occupational Safety and Health Administration ("OSHA").

10.1.6.5.2 All provisions regarding Project safety, including all applicable provisions in these Construction Provisions.

10.1.6.5.3 Developer's Safety Plan shall be in English and in the language(s) of the Developer's and its Subcontractors' employees.

10.1.6.6 Complete Subcontractor List

The name, address, telephone number, facsimile number, California State Contractors License number, classification, and monetary value

of all Subcontracts for parties furnishing labor, material, or equipment for completion of the Project.

10.2 Monthly Progress Schedule(s)

10.2.1 Developer shall provide Monthly Progress Schedule(s) to the District. A Monthly Progress Schedule shall update the approved Construction Schedule or the last Monthly Progress Schedule, showing all work completed and to be completed. The monthly Progress Schedule shall be sent as noted below and, if also requested by District, within the timeframe requested by the District and shall be in a format acceptable to the District and contain a written narrative of the progress of work that month and any changes, delays, or events that may affect the work. The process for District approval of the Monthly Progress Schedule shall be the same as the process for approval of the Construction Schedule.

10.2.2 Developer shall submit Monthly Progress Schedule(s) with all payment applications.

10.2.3 Developer must provide all schedules both in hard copy and electronically, in a format (e.g., Microsoft Project or Primavera) approved in advance by the District.

10.2.4 District will review the schedules submitted and Developer shall make changes and corrections in the schedules as requested by the District and resubmit the schedules until approved by the District.

10.2.5 District shall have the right at any time to revise the schedule of values if, in the District's sole opinion, the schedule of values does not accurately reflect the value of the Work performed.

10.2.6 All submittals and schedules must be approved by the District before Developer can rely on them as a basis for payment.

10.3 Material Safety Data Sheets (MSDS)

Developer is required to ensure Material Safety Data Sheets are available in a readily accessible place at the Work Site for any material requiring a Material Safety Data Sheet per the federal "Hazard Communication" standard, or employees' "right to know" law. The Developer is also required to ensure proper labeling on substances brought onto the job site and that any person working with the material or within the general area of the material is informed of the hazards of the substance and follows proper handling and protection procedures. Two additional copies of the Material Safety Data Sheets shall also be submitted directly to the District.

11. Site Access, Conditions, And Requirements

11.1 Site Investigation

Developer has made a careful investigation of the Site and is familiar with the requirements of the Contract Documents and has accepted the readily observable, existing conditions of the Site.

11.2 Soils Investigation Report

When a soils investigation report obtained from test holes at Site or for the Project is available, that report may be made available to the Developer but shall not be a part of this Contract but shall not alleviate or excuse Developer's obligation to perform its own investigation. Any information obtained from that report or any information given on Drawings as to subsurface soil condition or to elevations of existing grades or elevations of underlying rock is approximate only, is not guaranteed, does not form a part of this Contract, and Developer may not rely thereon. Developer acknowledges that it has made a visual examination of the Site and has made whatever tests Developer deems appropriate to determine underground condition of soil.

11.3 Access to Work

District and its representatives shall at all times have access to Work wherever it is in preparation or progress, including storage and fabrication. Developer shall provide safe and proper facilities for such access so that District's representatives may perform their functions.

11.4 Layout and Field Engineering

11.4.1 All field engineering required for layout of this Work and establishing grades for earthwork operations shall be furnished by Developer at its expense. This Work shall be done by a qualified, California-registered civil engineer approved in writing by District and Architect. Any required Record and/or As-Built Drawings of Site development shall be prepared by the approved civil engineer.

11.4.2 The Developer shall be responsible for having ascertained pertinent local conditions such as location, accessibility, and general character of the Site and for having satisfied itself as to the conditions under which the Work is to be performed. District shall not be liable for any claim for allowances because of Developer's error or negligence in acquainting itself with the conditions at the Site.

11.4.3 Developer shall protect and preserve established benchmarks and monuments and shall make no changes in locations without the prior written approval of District. Developer shall replace any benchmarks or monuments that are lost or destroyed subsequent to proper notification of District and with District's approval.

11.5 Utilities

Utilities shall be provided as indicated in the Specifications.

11.6 Sanitary Facilities

Sanitary facilities shall be provided as indicated in the Specifications.

11.7 Surveys

Developer shall provide surveys done by a California-licensed civil engineer surveyor to determine locations of construction, grading, and site work as required to perform the Work.

11.8 Regional Notification Center

The Developer, except in an emergency, shall contact the appropriate regional notification center at least two (2) days prior to commencing any excavation if the excavation will be conducted in an area or in a private easement that is known, or reasonably should be known, to contain subsurface installations other than the underground facilities owned or operated by the District, and obtain an inquiry identification number from that notification center. No excavation shall be commenced and/or carried out by the Developer unless an inquiry identification number has been assigned to the Developer or any Subcontractor and the Developer has given the District the identification number. Any damages arising from Developer's failure to make appropriate notification shall be at the sole risk and expense of the Developer. Any delays caused by failure to make appropriate notification shall be at the sole risk of the Developer and shall not be considered for an extension of the Contract Time.

11.9 Existing Utility Lines

11.9.1 Pursuant to Government Code section 4215, District assumes the responsibility for removal, relocation, and protection of main or trunk utility lines and facilities located on the construction Site at the time of commencement of construction under the Contract Documents with respect to any such utility facilities that are not identified in the Plans and Specifications. Developer shall not be assessed for liquidated damages for delay in completion of the Project caused by failure of District or the owner of a utility to provide for removal or relocation of such utility facilities.

11.9.2 Locations of existing utilities provided by District shall not be considered exact, but approximate within a reasonable margin and shall not relieve Developer of its responsibilities to exercise reasonable care and to pay all costs of repair due to Developer's failure to do so. District shall compensate Developer for the costs of locating, repairing damage not due to the failure of Developer to exercise reasonable care, and removing or relocating such utility facilities not indicated in the Plans and Specifications with reasonable accuracy, and for equipment necessarily idle during such work.

11.9.3 No provision herein shall be construed to preclude assessment against Developer for any other delays in completion of the Work. Nothing in this Article shall be deemed to require District to indicate the presence of existing service laterals, appurtenances, or other utility lines, within the exception of main or trunk utility lines. Whenever the presence of these utilities on the Site of the construction Project can be inferred from the presence of other visible facilities, such as buildings, meter junction boxes, on or adjacent to the Site of the construction.

11.9.4 If Developer, while performing Work under this Contract, discovers utility facilities not identified by District in Contract Plans and Specifications, Developer shall immediately notify the District and the utility in writing. In the event Developer fails to immediately provide notice and subsequently causes damage to the utility facilities, the cost of repair for damage to above-mentioned visible facilities shall be borne by the Developer.

11.10 Notification

Developer understands, acknowledges and agrees that the purpose for prompt notification to the District pursuant to these provisions is to allow the District to investigate the condition(s) so that the District shall have the opportunity to decide how the District desires to proceed as a result of the condition(s). Accordingly, failure of Developer to promptly notify the District in writing, pursuant to these provisions, shall constitute Developer's waiver of any claim for damages or delay incurred as a result of the condition(s).

11.11 Hazardous Materials

Developer shall comply with all provisions and requirements of the Contract Documents related to hazardous materials including, without limitation, Hazardous Materials Procedures and Requirements.

11.12 No Signs

Neither the Developer nor any other person or entity shall display any signs not required by law or the Contract Documents at the Site, fences, trailers, offices, or elsewhere on the Site without specific prior written approval of the District.

12. Trenches

12.1 Trenches Greater Than Five Feet

Pursuant to Labor Code section 6705, if the Guaranteed Maximum Price exceeds $25,000 and involves the excavation of any trench or trenches five (5) feet or more in depth, the Developer shall, in advance of excavation, promptly submit to the District and/or a registered civil or structural engineer employed by the District or Architect, a detailed plan showing the design of shoring for protection from the hazard of caving ground during the excavation of such trench or trenches.

12.2 Excavation Safety

If such plan varies from the Shoring System Standards established by the Construction Safety Orders, the plan shall be prepared by a registered civil or structural engineer, but in no case shall such plan be less effective than that required by the Construction Safety Orders. No excavation of such trench or trenches shall be commenced until said plan has been accepted by the District or by the person to whom authority to accept has been delegated by the District.

12.3 No Tort Liability of District

Pursuant to Labor Code section 6705, nothing in this Article shall impose tort liability upon the District or any of its employees.

12.4 No Excavation without Permits

The Developer shall not commence any excavation Work until it has secured all necessary permits including the required CalOSHA excavation/shoring permit. Any permits shall be prominently displayed on the Site prior to the commencement of any excavation.

12.5 Discovery of Hazardous Waste and/or Unusual Conditions

12.5.1 Pursuant to Public Contract Code section 7104, if the Work involves digging trenches or other excavations that extend deeper than four feet below the Surface, the Developer shall promptly, and before the following conditions are disturbed, notify the District, in writing, of any:

12.5.1.1 Material that the Developer believes may be material that is hazardous waste, as defined in section 25117 of the Health and Safety Code, is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law.

12.5.1.2 Subsurface or latent physical conditions at the Site differing from those indicated.

12.5.1.3 Unknown physical conditions at the Project Site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract Documents.

12.5.2 The District shall promptly investigate the conditions, and if it finds that the conditions do materially so differ, or do involve hazardous waste, and cause a decrease or increase in the Developer's cost of, or the time required for, performance of any part of the Work, shall issue a Change Order under the procedures described herein.

12.5.3 In the event that a dispute arises between District and the Developer whether the conditions materially differ or cause a decrease or increase in the Developer's cost of, or time required for, performance of any part of the Work, the Developer shall not be excused from any scheduled completion date provided for by the Contract Documents, but shall proceed with all work to be performed under the Contract Documents. The Developer shall retain any and all rights provided either by the Contract Documents or by law that pertain to the resolution of disputes and protests.

13. Insurance and Bonds

13.1 Developer's Insurance

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

13.2 Contract Security – Bonds

13.2.1 Developer shall furnish two surety bonds issued by a California admitted surety insurer as follows:

13.2.1.1 Performance Bond

A bond in an amount at least equal to one hundred percent (100%) of Guaranteed Maximum Price as security for faithful performance of the Contract Documents.

13.2.1.2 Payment Bond

A bond in an amount at least equal to one hundred percent (100%) of the Guaranteed Maximum Price as security for payment of persons performing labor and/or furnishing materials in connection with this Contract.

13.2.2 Cost of bonds shall be included in the Guaranteed Maximum Price.

13.2.3 All bonds related to this Project shall be in the forms set forth in these Contract Documents and shall comply with all requirements of the Contract Documents, including, without limitation, the bond forms.

14. Warranty/Guarantee/Indemnity

14.1 Warranty/Guarantee

14.1.1 The Developer shall obtain and preserve for the benefit of the District, manufacturer's warranties on materials, fixtures, and equipment incorporated into the Work.

14.1.2 In addition to guarantees and warranties required elsewhere, Developer shall, and hereby does guarantee and warrant all Work furnished on the job against all defects for a period of ONE (1) year after the later of the following dates, unless a longer period is provided for in the Contract Documents:

14.1.2.1 The acceptance by the District, or its agent, of the Work, subject to these General Conditions, or

14.1.2.2 The date that commissioning for the Project, if any, was completed.

14.1.3 If any work is not in compliance with the Drawings and Specifications, Developer shall repair or replace any and all of that Work, together with any other Work that may be displaced in so doing, that may prove defective in workmanship and/or materials within a ONE (1) year period from date of completion as defined above, unless a longer period is provided for in the Contract Documents, without expense whatsoever to District.

14.1.4 In the event of failure of Developer and/or Surety to commence and pursue with diligence said replacements or repairs within ten (10) days after being notified in writing, Developer and Surety hereby acknowledge and agree that District is authorized to proceed to have defects repaired and made good at expense of Developer and/or Surety who hereby agree to pay costs and charges therefore immediately on demand.

14.1.5 If any work is not in compliance with the Drawings and Specifications and if in the opinion of District said defective work creates a dangerous condition or requires immediate correction or attention to prevent further loss to District or to prevent interruption of operations of District, District will attempt to give the notice required above. If Developer or Surety cannot be contacted or neither complies with District's request for correction within a reasonable time as determined by District, District may, notwithstanding the above provision, proceed to make any and all corrections and/or provide attentions the District believes are necessary. The costs of correction or attention shall be charged against Developer and Surety of the guarantees or warranties provided in this Article or elsewhere in this Agreement.

14.1.6 The above provisions do not in any way limit the guarantees or warranties on any items for which a longer guarantee or warranty is specified or on any items for which a manufacturer gives a guarantee or warranty for a longer period. Developer shall furnish to District all appropriate guarantee or warranty certificates as indicated in the Specifications or upon request by District.

14.1.7 Nothing herein shall limit any other rights or remedies available to District.

14.2 Indemnity

Developer shall indemnify the District as indicated in the Facilities Lease.

15. Time

15.1 Notice to Proceed

15.1.1 District may issue a Notice to Proceed within ninety (90) days from the date of the Notice of Award. Once Developer has received the Notice to Proceed, Developer shall complete the Work within the period of time indicated in the Contract Documents.

15.1.2 In the event that the District desires to postpone issuing the Notice to Proceed beyond ninety (90) days from the date of the Notice of Award, it is expressly understood that with reasonable notice to the Developer, the District may postpone issuing the Notice to Proceed. It is further expressly understood by Developer that Developer shall not be entitled to any claim of additional compensation as a result of the postponement of the issuance of the Notice to Proceed.

15.1.3 If the Developer believes that a postponement of issuance of the Notice to Proceed will cause a hardship to Developer, Developer may terminate the Contract. Developer's termination due to a postponement shall be by written notice to District within ten (10) days after receipt by Developer of District's notice of postponement. It is further understood by Developer that in the event that Developer terminates the Contract as a result of postponement by the District, the District shall only be obligated to pay Developer for the Work that Developer had performed at the time of notification of postponement.

15.2 Computation of Time / Adverse Weather

15.2.1 The Developer will only be allowed a time extension for Adverse Weather conditions if requested by Developer in compliance with the time extension request procedures and only if all of the following conditions are met:

15.2.1.1 The weather conditions constitute Adverse Weather, as defined herein.

15.2.1.2 Developer can verify that the Adverse Weather caused delays in excess of five (5) hours of the indicated labor required to complete the scheduled tasks of Work on the day affected by the Adverse Weather.

15.2.1.3 The Developer's crew is dismissed as a result of the Adverse Weather;

15.2.1.4 Said delay adversely affect the critical path in the Construction Schedule; and

15.2.1.5 The number of days of delay for the month the following parameters:

January	6	July	0
February	5	August	0
March	5	September	1
April	4	October	1
May	1	November	3
June	0	December	5

15.2.2 If the aforementioned conditions are met, a non-compensable day-for-day extension will only be allowed for those days in excess of those indicated herein.

15.2.3 The Developer shall work seven (7) days per week, if necessary, irrespective of inclement weather, to maintain access and the Construction Schedule, and to protect the Work under construction from the effects of Adverse Weather, all at no further cost to the District.

15.2.4 The Contract Time has been determined with consideration given to the average climate weather conditions prevailing in the County in which the Project is located.

15.3 Hours of Work

15.3.1 Sufficient Forces

Developer and Subcontractors shall continuously furnish sufficient and competent work forces with the required levels of familiarity with the Project and skill, training and experience to ensure the prosecution of the Work in accordance with the Construction Schedule.

15.3.2 Performance During Working Hours

Work shall be performed during regular working hours as permitted by the appropriate governmental agency except that in the event of an emergency, or when required to complete the Work in accordance with job progress, Work may be performed outside of regular working hours with the advance written consent of the District and approval of any required governmental agencies.

15.3.3 No Work during State Testing

Developer shall, at no additional cost to the District and at the District's request, coordinate its Work to not disturb District students including, without limitation, not performing any Work when students at the Site are taking State or Federally-required tests. The District or District's Representative will provide Developer with a schedule of test dates concurrent with the District's issuance of the Notice to Proceed, or as soon as test dates are made available to the District.

15.4 Progress and Completion

15.4.1 Time of the Essence

Time limits stated in the Contract Documents are of the essence to the Contract Documents. By executing the Facilities Lease, the Developer confirms that the Contract Time is a reasonable period for performing the Work.

15.4.2 No Commencement Without Insurance or Bonds

The Developer shall not commence operations on the Project or elsewhere prior to the effective date of insurance and bonds. The date of commencement of the Work shall not be changed by the effective date of such insurance or bonds. If Developer commences Work without insurance and bonds, all Work is performed at Developer's peril and shall not be compensable until and unless Developer secures bonds and insurance pursuant to the terms of the Contract Documents and subject to District claim for damages.

15.5 Schedule

Developer shall provide to District, Construction Manager, and Architect a schedule in conformance with the Contract Documents and as required in these Construction Provisions.

15.6 Expeditious Completion

The Developer shall proceed expeditiously with adequate forces and shall achieve Completion within the Contract Time.

16. Extensions of Time – Liquidated Damages

16.1 Liquidated Damages

Developer and District hereby agree that the exact amount of damages for failure to complete the Work within the time specified is extremely difficult or impossible to determine. If the Work is not completed within the time specified in the Contract Documents, it is understood that the District will suffer damage. It being impractical and unfeasible to determine the amount of actual damage, it is agreed the Developer shall pay to District as fixed and liquidated damages, and not as a penalty, the amount set forth in the Facilities Lease for each calendar day of delay in Completion. Developer and its Surety shall be liable for the amount thereof pursuant to Government Code section 53069.85.

16.2 Excusable Delay

16.2.1 Developer shall not be charged for liquidated damages because of any delays in completion of Work which are not the fault of Developer or its Subcontractors, including acts of God as defined in Public Contract Code section 7105, acts of enemy, epidemics, and quarantine restrictions. Developer shall, within five (5) calendar days of beginning of any delay, notify District in writing of causes of delay including documentation and facts explaining the delay and the direct correlation between the cause and effect. District shall review the facts and extent of any delay and shall grant extension(s) of time for completing Work when, in its judgment, the findings of fact justify an extension. Extension(s) of time shall apply only to that portion of Work affected by delay, and shall not apply to other portions of Work not so affected. An extension of time may only be granted if Developer has timely submitted the Construction Schedule as required herein.

16.2.2 Developer shall notify the District pursuant to the claims provisions in these Construction Provisions of any anticipated delay and its cause. Following submission of a claim, the District may determine whether the delay is to be considered avoidable or unavoidable, how long it continues, and to what extent the prosecution and completion of the Work might be delayed thereby.

16.2.3 In the event the Developer requests an extension of Contract Time for unavoidable delay as set forth in subparagraph 16.2.1, such request shall be submitted in accordance with the provisions in the Contract Documents governing changes in Work. When requesting time, requests must be submitted with full justification and documentation. If the Developer fails to submit justification, it waives its right to a time extension at a later date. Such justification must be based on the official Construction Schedule as updated at the time of occurrence of the delay or execution of Work related to any changes to the Scope of Work. Any claim for delay must include the following information as support, without limitation:

16.2.3.1 The duration of the activity relating to the changes in the Work and the resources (manpower, equipment, material, etc.) required to perform the activities within the stated duration.

16.2.3.2 Specific logical ties to the Contract Schedule for the proposed changes and/or delay showing the activity/activities in the Construction Schedule that are affected by the change and/or delay. In particular, Developer must show an actual impact to the schedule, after making a good faith effort to mitigate the delay by rescheduling the work, by providing an analysis of the schedule ("Schedule Analysis"). Such Schedule Analysis shall describe in detail the cause and effect of the delay and the impact on the critical dates in the Project schedule. (This information must be provided for any portion of any delay of seven (7) days or more.)

16.2.3.3 A recovery schedule must be submitted within twenty (20) calendar days of written notification to the District of causes of delay.

16.3 No Additional Compensation for Delays within Developer's Control

16.3.1 Developer is aware that governmental agencies and utilities, including, without limitation, the Division of the State Architect, the Department of General Services, gas companies, electrical utility companies, water districts, and other agencies may have to approve Developer-prepared drawings or approve a proposed installation. Accordingly, Developer has included in the Guaranteed Maximum Price, time for possible review of its drawings and for reasonable delays and damages that may be caused by such agencies, including without limitation delays due to California Environmental Quality Act ("CEQA") compliance. Thus, Developer is not entitled to make a claim for damages for delays arising from the review of Developer's drawings.

16.3.1.1 Developer shall only be entitled to compensation for delay when all of the following conditions are met:

16.3.1.1.1 The District is responsible for the delay.

16.3.1.1.2 The delay is unreasonable under the circumstances involved.

16.3.1.1.3 The delay was not within the contemplation of District and Developer; and

16.3.1.1.4 Developer timely complies with the claims procedure of the Contract Documents.

16.4 Float or Slack in the Schedule

Float or slack is the amount of time between the early start date and the late start date, or the early finish date and the late finish date, of any of the activities in the schedule. Float or slack is not for the exclusive use of or benefit of either the District or the Developer, but its use shall be determined solely by the District.

17. Changes in the Work

17.1 No Changes without Authorization

17.1.1 There shall be no change whatsoever in the Drawings, Specifications, or in the Work without an executed Change Order or a written Construction Change Directive authorized by the District as herein provided. District shall not be liable for the cost of any extra work or any substitutions, changes, additions, omissions, or deviations from the Drawings and Specifications unless the District's governing board has authorized the same and the cost thereof has been approved in writing by Change Order or Construction Change Directive in advance of the changed Work being performed. No extension of time for performance of the Work shall be allowed hereunder unless a request for such extension is made at the time changes in the Work are ordered, and such time duly adjusted and approved in writing in the Change Order or Construction Change Directive. The provisions of the Contract Documents shall apply to all such changes, additions, and omissions with the same effect as if originally embodied in the Drawings and Specifications.

17.1.2 Developer shall perform immediately all work that has been authorized by a fully executed Change Order or Construction Change Directive. Developer shall be fully responsible for any and all delays and/or expenses caused by Developer's failure to expeditiously perform this Work.

17.1.3 Should any Change Order result in an increase in the Guaranteed Maximum Price or extend the Contract Time, the cost of or length of extension in that Change Order shall be agreed to, in writing, by the District in advance of the work by Developer. In the event that Developer proceeds with any change in Work without a Change Order executed by the District or Construction Change Directive, Developer waives any claim of additional compensation or time for that additional work. Under no circumstances shall Developer be entitled to any claim of additional compensation or time not expressly requested by Developer in a Proposed Change Order or approved by District in an executed Change Order.

17.1.4 Developer understands, acknowledges, and agrees that the reason for District authorization is so that District may have an opportunity to analyze the Work and decide whether the District shall proceed with the Change Order or alter the Project so that a change in Work becomes unnecessary.

17.2 Architect Authority

The Architect will have authority to order minor changes in the Work not involving any adjustment in the Guaranteed Maximum Price, or an extension of the Contract Time, or a change that is inconsistent with the intent of the Contract Documents. These changes shall be effected by written Change Order, Construction Change Directive, or by Architect's response(s) to RFI(s), or by Architect's Supplemental Instructions ("ASI").

17.3 Change Orders

A Change Order is a written instrument prepared and issued by the District and/or the Architect and signed by the District (as authorized by the District's Board of Education), the Developer, the Architect, and approved by the Project Inspector (if necessary) and DSA (if necessary), stating their agreement regarding all of the following:

17.3.1 A description of a change in the Work.

17.3.1.1 The amount of the adjustment in the Guaranteed Maximum Price, if any; and

17.3.1.2 The extent of the adjustment in the Contract Time, if any.

17.3.2 Changes in Guaranteed Maximum Price

A Change Order Request ("COR") shall include breakdowns pursuant to the provisions herein to validate any change in Guaranteed Maximum Price.

17.3.3 Unknown and/or Unforeseen Conditions

If Developer submits a COR requesting an increase in Guaranteed Maximum Price and/or Contract Time that is based at least partially on Developer's assertion that Developer has encountered unknown and/or unforeseen condition(s) on the Project, then Developer shall base the COR on provable information that, to the District's satisfaction, demonstrates that the unknown and/or unforeseen condition(s) were actually unknown and/or unforeseen and that the condition(s) were reasonably unknown and/or unforeseen. If not, the District shall deny the COR and the Developer shall complete the Project without any increase in Guaranteed Maximum Price and/or Contract Time based on that COR.

17.4 Proposed Change Order

17.4.1 Definition of Proposed Change Order

A Proposed Change Order ("PCO") is a written request prepared by the Developer requesting that the District and the Architect issue a Change Order based upon a proposed change to the Work, to the Guaranteed Maximum Price, and/or to the Contract Time.

17.4.2 Changes in Guaranteed Maximum Price

A PCO shall include breakdowns and backup documentation pursuant to the provisions herein and sufficient, in the District's judgment, to validate any change in Guaranteed Maximum Price. In no case shall Developer or any of its Subcontractors be permitted to reserve rights for additional compensation for Change Order Work.

17.4.3 Changes in Time

A PCO shall also include any changes in time required to complete the Project. Any additional time requested shall not be the number of days to make the proposed change, but must be based upon the impact to the Construction Schedule as defined in the Contract Documents. If Developer fails to request a time extension in a PCO, then the Developer is thereafter precluded from requesting, and waives any right to request, additional time and/or claiming a delay. In no case shall Developer or any of its Subcontractors be permitted to reserve rights for additional time for Change Order Work. A PCO that leaves the amount of time requested blank, or states that such time requested is "to be determined", is not permitted and shall also constitute a waiver of any right to request additional time and/or claim a delay.

17.4.4 Unknown and/or Unforeseen Conditions

If Developer submits a PCO requesting an increase in Guaranteed Maximum Price and/or Contract Time that is based at least partially on Developer's assertion that Developer has encountered unknown and/or unforeseen condition(s) on the Project, then Developer shall base the PCO on provable information that, beyond a reasonable doubt and to the District's satisfaction, demonstrates that the unknown and/or unforeseen condition(s) were actually unknown and/or unforeseen. If not, the District shall deny the PCO as unsubstantiated, and the Developer shall complete the Project without any increase in Guaranteed Maximum Price and/or Contract Time based on that PCO.

17.5 Proposed Change Order Certification

In submitting a PCO, Developer certifies and affirms that the cost and/or time request is submitted in good faith, that the cost and/or time request is accurate and in accordance with the provisions of the Contract Documents, and the Developer submits the cost and/or request for extension of time recognizing the significant civil penalties and treble damages which follow from making a false claim or presenting a false claim under Government Code section 12650, *et seq.*

17.6 Format for Proposed Change Order

17.6.1 The format at section 17.6 shall be used as applicable by the District and the Developer (e.g. Change Orders, PCOs) to communicate proposed additions and/or deductions to the Contract, supported by attached documentation.

17.6.2 Labor

Developer shall be compensated for the costs of labor actually and directly utilized in the performance of the Work. Such labor costs shall be limited to field labor for which there is a prevailing wage rate classification. Wage rates for labor shall not exceed the prevailing wage rates in the locality of the Site and shall be in the labor classification(s) necessary for the performance of the Work. Labor costs shall exclude costs incurred by the Developer in preparing estimate(s) of the costs of the change in the Work, in the maintenance of records relating to the costs of the change in the Work, coordination and

assembly of materials and information relating to the change in the Work or performance thereof, or the supervision and other overhead and general conditions costs associated with the change in the Work or performance thereof.

17.6.3 Materials

Developer shall be compensated for the costs of materials necessarily and actually used or consumed in connection with the performance of the change in the Work. Costs of materials may include reasonable costs of transportation from a source closest to the Site of the Work and delivery to the Site. If discounts by material suppliers are available for materials necessarily used in the performance of the change in the Work, they shall be credited to the District. If materials necessarily used in the performance of the change in the Work are obtained from a supplier or source owned in whole or in part by the Developer, compensation therefor shall not exceed the current wholesale price for such materials. If, in the reasonable opinion of the District, the costs asserted by the Developer for materials in connection with any change in the Work are excessive, or if the Developer fails to provide satisfactory evidence of the actual costs of such materials from its supplier or vendor of the same, the costs of such materials and the District's obligation to pay for the same shall be limited to the then lowest wholesale price at which similar materials are available in the quantities required to perform the change in the Work. The District may elect to furnish materials for the change in the Work, in which event the Developer shall not be compensated for the costs of furnishing such materials or any mark-up thereon.

17.6.4 Equipment

As a precondition to the District's duty to pay for Equipment rental or loading and transportation, Developer shall provide satisfactory evidence of the actual costs of Equipment from the supplier, vendor or rental agency of same. Developer shall be compensated for the actual cost of the necessary and direct use of Equipment in the performance of the change in the Work. Use of Equipment in the performance of the change in the Work shall be compensated in increments of fifteen (15) minutes. Rental time for Equipment moved by its own power shall include time required to move the Equipment to the site of the Work from the nearest available rental source of the same. If Equipment is not moved to the Site by its own power, Developer will be compensated for the loading and transportation costs in lieu of rental time. The foregoing notwithstanding, neither moving time or loading and transportation time shall be allowed if the Equipment is used for performance of any portion of the Work other than the change in the Work. Unless prior approval in writing is obtained by the Developer from the Architect, the Project Inspector, the Construction Manager and the District, no costs or compensation shall be allowed for time while Construction Equipment is inoperative, idle or on standby, for any reason. Developer shall not be entitled to an allowance or any other compensation for Equipment or tools used in the performance of a change in the Work where the Equipment or tools have a replacement value of $500.00 or less. Equipment costs claimed by the Developer in connection with the performance of any Work shall not exceed rental rates established by distributors or construction equipment rental agencies in the locality of the Site; any costs asserted which exceed

such rental rates shall not be allowed or paid. Unless otherwise specifically approved in writing by the Architect, the Project Inspector, Construction Manager and the District, the allowable rate for the use of Equipment in connection with the Work shall constitute full compensation to the Developer for the cost of rental, fuel, power, oil, lubrication, supplies, necessary attachments, repairs or maintenance of any kind, depreciation, storage, insurance, labor (exclusive of labor costs of the Equipment operator), and any and all other costs incurred by the Developer incidental to the use of the Equipment.

17.6.5 Overhead and Profit.

The phrase "Overhead and Profit" shall include field and office supervisors and assistants, watchperson, use of small tools, consumable, insurance other than construction bonds and insurance required herein, and general field and home office expenses.

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17.7 Format for Change Order Request and Proposed Change Order

The following format shall be used as applicable by the District and the Developer (e.g. Change Orders, PCO's) to communicate proposed additions and deductions to the Contract Documents, supported by attached documentation. Any spaces left blank will be deemed no change to cost or time.

	SUBCONTRACTOR PERFORMED WORK	**ADD**	**DEDUCT**
(a)	**Material** (attach supplier's invoice or itemized quantity and unit cost plus sales tax)		
(b)	**Add Labor** (attach itemized hours and rates, fully encumbered)		
(c)	**Add Equipment** (attach suppliers' invoice)		
(d)	**Subtotal**		
(e)	**Add Subcontractor's overhead and profit,** not to exceed five percent (5%) of **Item (d)**		
(f)	**Subtotal**		
(g)	**Add Developer's overhead and profit**, not to exceed four and one-half percent (4.5%) of **Item (f)**		
(h)	**Subtotal**		
(i)	**Add Bond and Insurance,** at Developer's Cost, not to exceed one and one half percent (1.5%) of **Item (h)**		
(j)	**TOTAL**		
(k)	**Time** (zero unless indicated; "TBD" not permitted)	**__ Calendar Days**	

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	DEVELOPER PERFORMED WORK		
(a)	**Material** (attach supplier's invoice or itemized quantity and unit cost plus sales tax)		
(b)	**Add Labor** (attach itemized hours and rates, fully encumbered)		
(c)	**Add Equipment** (attach suppliers' invoice)		
(d)	**Subtotal**		
(e)	**Add Developer's overhead and profit,** not to exceed nine and one-half percent (9.5%) of **Item (d).**		
(f)	**Subtotal**		
(g)	**Add Bond and Insurance,** at Developer's Cost, not to exceed one and one half percent (1.5%) of **Item (h)**		
(h)	**TOTAL**		
(i)	**Time** (zero unless indicated; "TBD" not permitted)	**__ Calendar Days**	

17.8 Change Order Certification

17.8.1 All Change Orders, CORs, and PCOs must include the following certification by the Developer:

The undersigned Developer approves the foregoing as to the changes, if any, and to the Guaranteed Maximum Price specified for each item and as to the extension of time allowed, if any, for completion of the entire Work as stated herein, and agrees to furnish all labor, materials, and service, and perform all work necessary to complete any additional work specified for the consideration stated herein. Submission of sums which have no basis in fact or which Developer knows are false are at the sole risk of Developer and may be a violation of the False Claims Act set forth under Government Code section 12650 et seq. and U.S. Criminal Code, 18 U.S.C. § 1001. It is understood that the changes herein to the Contract Documents shall only be effective when approved by the governing board of the District.

It is expressly understood that the value of the extra Work or changes expressly includes any and all of the Developer's costs and expenses, both direct and indirect, resulting from additional time required on the Project or resulting from delay to the Project. Developer is not entitled to separately recover amounts for overhead or other indirect costs. Any costs, expenses, damages, or time extensions not included are deemed waived.

17.9 Determination of Change Order Cost

17.9.1 The amount of the increase or decrease in the Guaranteed Maximum Price from a Change Order, if any, shall be determined in one or more of the following ways as applicable to a specific situation and at the District's discretion:

17.9.1.1 District acceptance of a COR or PCO.

17.9.1.2 By amounts contained in Developer's schedule of values, if applicable.

17.9.1.3 By agreement between District and Developer.

17.10 Deductive Change Orders

All deductive Change Order(s) must be prepared pursuant to the provisions herein. Where a portion of the Work is deleted from the Contract, the reasonable value of the deleted work less the value of any new work performed shall be considered the appropriate deduction. The value submitted on the Schedule of Values shall be used to calculate the credit amount unless the bid documentation is being held in escrow as part of the Contract Documents. If Developer offers a proposed amount for a deductive Change Order(s) for work performed directly by the Developer, Developer shall include a minimum of nine and one half percent (9.5%) total profit and overhead to be deducted with the amount of the work of the Change Order(s). If Subcontractor work is involved, Subcontractors shall include a minimum of five percent (5%) profit and overhead to be deducted with the amount of its deducted work and Developer shall include a minimum of four and one half percent (4.5%). Any deviation from this provision shall not be allowed.

17.11 Addition or Deletion of Alternate Bid Item(s)

17.11.1 If a subcontractor's Bid Form and Proposal includes proposal(s) for Alternate Bid Item(s), during Developer's performance of the Work, the District may elect to add or delete any such Alternate Bid Item(s) if not included in the Contract at the time of award. If the District elects to add or delete Alternate Bid Item(s) after Contract award, the cost or credit for such Alternate Bid Item(s) shall be as set forth in the Bid Form and Proposal unless the parties agree to a different price and the Contract Time shall be adjusted by the number of days allocated in the Contract Documents.

17.11.2 For purposes of determining the cost, if any, of any change, addition, or omission to the Work hereunder, all trade discounts, rebates, refunds, and all returns from the sale of surplus materials and equipment shall accrue and be credited to the Developer, and the Developer shall make provisions so that such discounts, rebates, refunds, and returns may be secured, and the amount thereof shall be allowed as a reduction of the Developer's cost in determining the actual cost of construction for purposes of any change, addition, or omission in the Work as provided herein.

17.12 Construction Change Directives

17.12.1 A Construction Change Directive is a written order prepared and issued by the District, the Construction Manager, and/or the Architect and signed by the District and the Architect, directing a change in the Work. The District may, as provided by law, by Construction Change Directive and without invalidating the Contract, order changes in the Work consisting of additions, deletions, or other revisions. The adjustment to the Guaranteed Maximum Price or Contract Time, if any, is subject to the provision of this section regarding Changes in the Work. If all or a portion of the Project is being funded by funds requiring approval by the State Allocation Board ("SAB"), these revisions may be subject to compensation once approval of same is received and funded by the SAB, and funds are released by the Office of Public School Construction ("OPSC"). Any dispute as to the adjustment of the Guaranteed Maximum Price, if any, of the Construction Change Directive or timing of payment shall be resolved pursuant to the Payment and Claims and Disputes provisions herein.

17.12.2 The District may issue a Construction Change Directive in the absence of agreement on the terms of a Change Order.

17.13 Force Account Directives

17.13.1 When work, for which a definite price has not been agreed upon in advance, is to be paid for on a force account basis, all direct costs necessarily incurred and paid by the Developer for labor, material, and equipment used in the performance of that Work, shall be subject to the approval of the District and compensation will be determined as set forth herein.

17.13.2 The District will issue a Force Account Directive to proceed with the Work on a force account basis, and a not-to-exceed budget will be established by the District.

17.13.3 All requirements regarding direct cost for labor, labor burden, material, equipment, and markups on direct costs for overhead and profit described in this section shall apply to Force Account Directives. However, the District will only pay for actual costs verified in the field by the District or its authorized representative(s) on a daily basis.

17.13.4 The Developer shall be responsible for all costs related to the administration of Force Account Directives. The markup for overheard and profit for Developer modifications shall be full compensation to the Developer to administer Force Account Directives, and Developer shall not be entitled to separately recover additional amounts for overhead and/or profit.

17.13.5 The Developer shall notify the District or its authorized representative(s) at least twenty-four (24) hours prior to proceeding with any of the force account work. Furthermore, the Developer shall notify the District when it has consumed eighty percent (80%) of the budget, and shall not exceed the budget unless specifically authorized in writing by the District. The Developer will not be compensated for force account work in the event that the Developer fails to timely notify the District regarding the

commencement of force account work, or exceeding the force account budget.

17.13.6 The Developer shall diligently proceed with the work, and on a daily basis, submit a daily force account report no later than 5:00 p.m. each day on a form supplied by the District. The report shall contain a detailed itemization of the daily labor, material, and equipment used on the force account work only. The names of the individuals performing the force account work shall be included on the daily force account reports. The type and model of equipment shall be identified and listed. The District will review the information contained in the reports, and sign the reports no later than the next work day, and return a copy of the report to the Developer for its records. The District will not sign, nor will the Developer receive compensation for, work the District cannot verify. The Developer will provide a weekly force account summary indicating the status of each Force Account Directive in terms of percent complete of the not-to-exceed budget and the estimated percent complete of the work

17.13.7 In the event the Developer and the District reach a written agreement on a set cost for the work while the work is proceeding based on a Force Account Directive, the Developer's signed daily force account reports shall be discontinued and all previously signed reports shall be invalid.

17.14 Price Request

17.14.1 Definition of Price Request

A Price Request ("PR") is a written request prepared by the Architect or Construction Manager requesting the Developer submit to the District, the Construction Manager and the Architect an estimate of the effect of a proposed change in the Work on the Guaranteed Maximum Price and the Contract Time.

17.14.2 Scope of Price Request

A Price Request shall contain adequate information, including any necessary Drawings and Specifications, to enable Developer to provide the cost breakdowns required. The Developer shall not be entitled to any additional compensation for preparing a response to a Price Request, whether ultimately accepted or not.

17.15 Accounting Records

With respect to portions of the Work performed by Change Orders and Construction Change Directives, the Developer shall keep and maintain cost-accounting records satisfactory to the District, including, without limitation, Job Cost Reports as provided in these General Conditions, which shall be available to the District on the same terms as any other books and records the Developer is required to maintain under the Contract Documents. Such records shall include without limitation hourly records for Labor and Equipment and itemized records of materials and Equipment used that day in connection with the performance of any Work. All records maintained hereunder shall be subject to inspection, review and/or reproduction by the District, the Construction Manager and the Architect or the Project Inspector upon request.

In the event that the Developer fails or refuses, for any reason, to maintain or make available for inspection, review and/or reproduction such records, the District's determination of the extent of adjustment to the Contract Price shall be final, conclusive, dispositive and binding upon Developer.

17.16 Notice Required

If the Developer desires to make a claim for an increase in the Guaranteed Maximum Price, or any extension in the Contract Time for completion, it shall notify the District pursuant to the provisions herein, including the Article on Claims and Disputes. No claim shall be considered unless made in accordance with this subparagraph. Developer shall proceed to execute the Work even though the adjustment may not have been agreed upon. Any change in the Guaranteed Maximum Price or extension of the Contract Time resulting from such claim shall be authorized by a Change Order.

17.17 Applicability to Subcontractors

Any requirements under this Article shall be equally applicable to Change Orders or Construction Change Directives issued to Subcontractors by the Developer to the extent required by the Contract Documents.

17.18 Alteration to Change Order Language

Developer shall not alter Change Orders or reserve time in Change Orders. Change Orders altered in violation of this provision, if in conflict with the terms set forth herein, shall be construed in accordance with the terms set forth herein. Developer shall execute finalized Change Orders and proceed under the provisions herein with proper notice.

17.19 Failure of Developer to Execute Change Order

Developer shall be in default of the Contract Documents if Developer fails to execute a Change Order when the Developer agrees with the addition and/or deletion of the Work in that Change Order.

18. Requests For Information

18.1 Any Request for Information shall reference all applicable Contract Document(s), including Specification section(s), detail(s), page number(s), drawing number(s), and sheet number(s), etc. The Developer shall make suggestions and interpretations of the issue raised by each Request for Information. A Request for Information cannot modify the Guaranteed Maximum Price, Contract Time, or the Contract Documents.

18.2 The Developer may be responsible for any costs incurred for professional services that District may deduct from any amounts owing to the Developer, if a Request for Information requests an interpretation or decision of a matter where the information sought is equally available to the party making the request. District may deduct from and/or invoice Developer for professional services arising therefrom.

19. Payments

19.1 Guaranteed Maximum Price

As compensation for Developer's construction of the Project, the District shall pay Developer pursuant to the terms of Exhibit "C" to the Facilities Lease. This is the total amount payable by the District to the Developer for performance of the Work under the Contract.

19.2 Applications for Tenant Improvement Payments

19.2.1 Procedure for Applications for Tenant Improvement Payments

19.2.1.1 Not before the fifth (5th) day of each calendar month during the progress of the Work, Developer shall submit to the District and the Architect an itemized Application for Payment for operations completed in accordance with the Schedule of Values. Such application shall be on a form approved by the District and shall be notarized, if required, and supported by the following or each portion thereof unless waived by the District in writing:

19.2.1.1.1 The amount paid to the date of the Application for Payment to the Developer, to all its Subcontractors, and all others furnishing labor, material, or equipment under the Contract Documents.

19.2.1.1.2 The amount being requested under the Application for Payment by the Developer on its own behalf and separately stating the amount requested on behalf of each of the Subcontractors and all others furnishing labor, material, and equipment under the Contract Documents.

19.2.1.1.3 The balance that will be due to each of such entities after said payment is made.

19.2.1.1.4 A certification that the As-Built Drawings and annotated Specifications are current.

19.2.1.1.5 Itemized breakdown of work done for the purpose of requesting partial payment.

19.2.1.1.6 An updated and acceptable construction schedule in conformance with the provisions herein.

19.2.1.1.7 The additions to and subtractions from the Guaranteed Maximum Price and Contract Time.

19.2.1.1.8 A total of the retentions held.

19.2.1.1.9 Material invoices, evidence of equipment purchases, rentals, and other support and details of cost as the District may require from time to time.

19.2.1.1.10 The percentage of completion of the Developer's Work by line item.

19.2.1.1.11 Schedule of Values updated from the preceding Application for Payment.

19.2.1.1.12 A duly completed and executed conditional waiver and release upon Tenant Improvement Payment compliant with Civil Code section 8132 from the Developer and each subcontractor of any tier and supplier to be paid from the current Tenant Improvement Payment.

19.2.1.1.13 A duly completed and executed unconditional waiver and release upon Tenant Improvement Payment compliant with Civil Code section 8134 from the Developer and each subcontractor of any tier and supplier that was paid from the previous Tenant Improvement Payment submitted 60 days prior; and

19.2.1.1.14 A certification by the Developer of the following:

The Developer warrants title to all Work performed as of the date of this payment application and that all such Work has been completed in accordance with the Contract Documents for the Project. The Developer further warrants that all Work performed as of the date of this payment application is free and clear of liens, claims, security interests, or encumbrances in favor of the Developer, Subcontractors, material and equipment suppliers, workers, or other persons or entities making a claim by reason of having provided labor, materials, and equipment relating to the Work, except those of which the District has been informed. Submission of sums which have no basis in fact or which Contractor knows are false are at the sole risk of Contractor and may be a violation of the False Claims Act set forth under Government Code section 12650 *et seq*.

19.2.1.1.15 The Developer shall be subject to the False Claims Act set forth in Government Code section 12650 et seq. for information provided with any Application for Tenant Improvement Payments.

19.2.1.1.16 All remaining certified payroll records ("CPR(s)") for each journeyman, apprentice, worker, or other employee employed by the Developer and/or each Subcontractor in connection with the Work for the period of the Application for Payment. As indicated herein, the District shall not make any payment to Developer until:

19.2.1.1.16.1 Developer and/or its Subcontractor(s) provide electronic CPRs weekly for all weeks any journeyman, apprentice, worker or other employee was employed in connection with the Work directly to the

DIR, or within ten (10) days of any request by the District or the DIR; and

19.2.1.1.16.2 Any delay in Developer and/or its Subcontractor(s) providing CPRs in a timely manner may directly delay the Developer's payment.

19.2.1.1.17 Applications received after June 20th will not be paid until the second week of July and applications received after December 12th will not be paid until the first week of January.

19.2.2 Prerequisites for Tenant Improvement Payments

19.2.2.1 First Payment Request

The following items, if applicable, must be completed before the District will accept and/or process the Developer's first payment request:

19.2.2.1.1 Installation of the Project sign.

19.2.2.1.2 Installation of field office.

19.2.2.1.3 Installation of temporary facilities and fencing.

19.2.2.1.4 Schedule of Values.

19.2.2.1.5 Developer's Construction Schedule.

19.2.2.1.6 Schedule of unit prices, if applicable.

19.2.2.1.7 Submittal Schedule.

19.2.2.1.8 Receipt by Architect of all submittals due as of the date of the payment application.

19.2.2.1.9 Copies of necessary permits.

19.2.2.1.10 Initial progress report.

19.2.2.1.11 List of Subcontractors, with names, license numbers, telephone numbers, and Scope of Work.

19.2.2.1.12 All bonds and insurance endorsements; and

19.2.2.1.13 Resumes of Developer's project manager, and if applicable, job site secretary, record documents recorder, and job site superintendent.

19.2.3 Subsequent Payment Requests

The District will not process subsequent payment requests until and unless submittals and Shop Drawings necessary to maintain the Project schedule have been submitted to the Architect.

19.2.4 No Waiver of Criteria

Any payments made to Developer where criteria set forth herein have not been met shall not constitute a waiver of said criteria by District. Instead, such payment shall be construed as a good faith effort by District to resolve differences so Developer may pay its Subcontractors and suppliers. Developer agrees that failure to submit such items may constitute a breach of contract by Developer and may subject Developer to termination.

19.3 District's Approval of Application for Payment

19.3.1 Upon receipt of an Application for Payment, The District shall act in accordance with both of the following:

19.3.1.1 Each Application for Payment shall be reviewed by the District as soon as practicable after receipt for the purpose of determining that the Application for Payment is a proper Application for Payment.

19.3.1.2 Any Application for Payment determined not to be a proper Application for Payment suitable for payment shall be returned to the Developer as soon as practicable, but not later than seven (7) days, after receipt. An Application for Payment returned pursuant to this paragraph shall be accompanied by a document setting forth in writing the reasons why the Application for Payment is not proper. The number of days available to the District to make a payment without incurring interest pursuant to this section shall be reduced by the number of days by which the District exceeds this seven-day return requirement.

19.3.2 An Application for Payment shall be considered properly executed if funds are available for payment of the Application for Payment, and payment is not delayed due to an audit inquiry by the financial officer of the District.

19.3.3 The District's review of the Developer's Application for Payment will be based on the District's and the Architect's observations at the Site and the data comprising the Application for Payment that the Work has progressed to the point indicated and that, to the best of the District's and the Architect's knowledge, information, and belief, the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject to:

19.3.3.1 Observation of the Work for general conformance with the Contract Documents.

19.3.3.2 Results of subsequent tests and inspections.

19.3.3.3 Minor deviations from the Contract Documents correctable prior to completion; and

19.3.3.4 Specific qualifications expressed by the Architect.

19.3.4 District's approval of the certified Application for Payment shall be based on Developer complying with all requirements for a fully complete and valid certified Application for Payment.

19.3.5 Payments to Developer

19.3.5.1 Within thirty (30) days after approval of the Application for Payment, Developer shall be paid a sum equal to ninety-five percent (95%), of the value of the Tenant Improvement Payment (as verified by Architect and Inspector and certified by Developer) up to the last day of the previous month, less the aggregate of previous payments and amount to be withheld. The value of the Work completed shall be Developer's best estimate. No inaccuracy or error in said estimate shall operate to release the Developer, or any Surety upon any bond, from damages arising from such Work, or from the District's right to enforce each and every provision of the Contract Documents, and the District shall have the right subsequently to correct any error made in any estimate for payment.

19.3.5.2 The Developer may not be entitled to have payment requests processed, or may be entitled to have only partial payment made for Work performed, so long as any direction given by the District concerning the Work, or any portion thereof, remains incomplete.

19.3.6 No Waiver

No payment by District hereunder shall be interpreted so as to imply that District has inspected, approved, or accepted any part of the Work. Notwithstanding any payment, the District may enforce each and every provision of this Contract. The District may correct or require correction of any error subsequent to any payment

19.3.7 Warranty of Title

19.3.7.1 If a lien or a claim based on a stop payment notice of any nature should at any time be filed against the Work or any District property, by any entity that has supplied material or services at the request of the Developer, Developer and Developer's Surety shall promptly, on demand by District and at Developer's and Surety's own expense, take any and all action necessary to cause any such lien or a claim based on a stop payment notice to be released or discharged immediately therefrom.

19.3.7.2 If the Developer fails to furnish to the District within ten (10) calendar days after demand by the District satisfactory evidence that a lien or a claim based on a stop payment notice has been released, discharged, or secured, the District may discharge such indebtedness and deduct the amount required therefor, together with any and all losses, costs, damages, and attorney's fees and expenses

incurred or suffered by District from any sum payable to Developer under the Contract.

19.4 Decisions to Withhold Payment

19.4.1 Reasons to Withhold Payment

The District shall withhold payment in whole, or in part, as required by statute. In addition, the District may withhold payment in whole, or in part, to the extent reasonably necessary to protect the District if, in the District's opinion, the representations to the District required herein cannot be made. Payment, in whole, or in part, will be withheld based on the need to protect the District from loss because of, but not limited to, any of the following:

19.4.1.1 Defective Work not remedied within FORTY-EIGHT (48) hours of written notice to Developer.

19.4.1.2 Stop Payment Notices or other liens served upon the District as a result of the Contract.

19.4.1.3 Failure to provide to the District the monthly report demonstrating that Developer and its Subcontractors are complying with the requirements of Education Code section 17407.5, unless a Project Labor Agreement that complies with Education Code section 17407.5 applies ("Skilled and Trained Workforce Requirements").

19.4.1.4 Liquidated damages assessed against the Developer.

19.4.1.5 The cost of completion of the Contract if there exists reasonable doubt that the Work can be completed for the unpaid balance of the Guaranteed Maximum Price or by the Contract Time.

19.4.1.6 Damage to the District or other contractor(s).

19.4.1.7 Unsatisfactory prosecution of the Work by the Developer.

19.4.1.8 Failure to store and properly secure materials.

19.4.1.9 Failure of the Developer to submit, on a timely basis, proper, sufficient, and acceptable documentation required by the Contract Documents, including, without limitation, a Construction Schedule, Schedule of Submittals, Schedule of Values, Monthly Progress Schedules, Shop Drawings, Product Data and samples, Proposed product lists, executed Change Orders, and/or verified reports.

19.4.1.10 Failure of the Developer to maintain As-Built Drawings.

19.4.1.11 Erroneous estimates by the Developer of the value of the Work performed, or other false statements in an Application for Payment.

19.4.1.12 Unauthorized deviations from the Contract Documents.

19.4.1.13 Failure of the Developer to prosecute the Work in a timely manner in compliance with the Construction Schedule, established progress schedules, and/or completion dates.

19.4.1.14 Failure to provide acceptable electronic certified payroll records, as required by the Labor Code, by these Contract Documents or by written request for each journeyman, apprentice, worker, or other employee employed by the Developer and/or by each Subcontractor in connection with the Work for the period of the Application for Payment or if payroll records are delinquent or inadequate.

19.4.1.15 Failure to properly pay prevailing wages as required in Labor Code section 1720 et seq., failure to comply with any other Labor Code requirements, and/or failure to comply with labor compliance monitoring and enforcement by the DIR.

19.4.1.16 Failure to comply with any, if applicable federal requirements regarding minimum wages, withholding, payrolls and basic records, apprentice and trainee employment requirements, equal employment opportunity requirements, Copeland Act requirements, Davis-Bacon Act and related requirements, Contract Work Hours and Safety Standards Act requirements.

19.4.1.17 Failure to properly maintain or clean up the Site.

19.4.1.18 Failure to timely indemnify, defend, or hold harmless the District.

19.4.1.19 Failure to perform any implementation and/or monitoring required by the General Permit, including without limitation any SWPPP for the Project and/or the imposition of any penalties or fines therefore whether imposed on the District or Developer.

19.4.1.20 Any payments due to the District, including but not limited to payments for failed tests, utilities changes, or permits.

19.4.1.21 Failure to pay any royalty, license or similar fees.

19.4.1.22 Failure to pay Subcontractor(s) or supplier(s) as required by law and Developer's subcontract agreement and by the Contract Documents; and

19.4.1.23 Developer is otherwise in breach, default, or in substantial violation of any provision of the Contract Documents.

19.4.2 Reallocation of Withheld Amounts

19.4.2.1 District may, in its discretion, apply any withheld amount to pay outstanding claims or obligations as defined herein. In so doing, District shall make such payments on behalf of Developer. If any payment is so made by District, then that amount shall be considered a payment made under the Contract Documents by District to

Developer and District shall not be liable to Developer for any payment made in good faith. These payments may be made without prior judicial determination of claim or obligation. District will render Developer an accounting of funds disbursed on behalf of Developer.

19.4.2.2 If Developer defaults or neglects to carry out the Work in accordance with the Contract Documents or fails to perform any provision thereof, District may, after FORTY-EIGHT (48) hours' written notice to the Developer and opportunity to commence and pursue cure of default, and, without prejudice to any other remedy, make good such deficiencies. The District shall adjust the total Guaranteed Maximum Price by reducing the amount thereof by the cost of making good such deficiencies. If District deems it inexpedient to correct Work that is damaged, defective, or not done in accordance with the provisions of the Contract Documents, an equitable reduction in the Guaranteed Maximum Price (of at least one hundred twenty-five percent (125%) of the estimated reasonable value of the nonconforming Work) shall be made therefor.

19.4.3 Payment After Cure

When Developer removes the grounds for declining approval, payment shall be made for amounts withheld because of them. No interest shall be paid on any retainage or amounts withheld due to the failure of the Developer to perform in accordance with the terms and conditions of the Contract Documents.

19.5 Subcontractor Payments

19.5.1 Payments to Subcontractors

No later than seven (7) days after receipt of any Tenant Improvement Payment, or pursuant to Business and Professions Code section 7108.5 and Public Contract Code section 7107, the Developer shall pay to each Subcontractor, out of the amount paid to the Developer on account of such Subcontractor's portion of the Work, the amount to which said Subcontractor is entitled. The Developer shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to its Sub-subcontractors in a similar manner.

19.5.2 No Obligation of District for Subcontractor Payment

The District shall have no obligation to pay, or to see to the payment of, money to a Subcontractor except as may otherwise be required by law.

19.5.3 Joint Checks

District shall have the right in its sole discretion, if necessary for the protection of the District, to issue joint checks made payable to the Developer and Subcontractors and/or material or equipment suppliers. The joint check payees shall be responsible for the allocation and disbursement of funds included as part of any such joint payment. In no event shall any joint check payment be construed to create any contract between the District and a

Subcontractor of any tier, or a material or equipment supplier, or any obligation from the District to such Subcontractor or a material or equipment supplier or rights in such Subcontractor against the District.

20. Completion of the Work

20.1 Completion

20.1.1 District will accept completion of Project and have the Notice of Completion recorded when the entire Work shall have been completed to the satisfaction of District.

20.1.2 The Work may only be accepted as complete by action of the governing board of the District.

20.1.3 District, at its sole option, may accept completion of Project and have the Notice of Completion recorded when the entire Work shall have been completed to the satisfaction of District, except for minor corrective items, as distinguished from incomplete items. If Developer fails to complete all minor corrective items within fifteen (15) days after the date of the District's acceptance of completion, District shall withhold from the final payment one hundred fifty percent (150%) of an estimate of the amount sufficient to complete the corrective items, as determined by District, until the item(s) are completed.

20.1.4 At the end of the fifteen (15) day period, if there are any items remaining to be corrected, District may elect to proceed as provided herein related to adjustments to Guaranteed Maximum Price, and/or District's right to perform the Work of the Developer.

20.2 Close-Out/Certification Procedures

20.2.1 Punch List

The Developer shall notify the Architect when Developer considers the Work complete. Upon notification, Architect will prepare a list of minor items to be completed or corrected ("Punch List"). The Developer and/or its Subcontractors shall proceed promptly to complete and correct items on the Punch List. Failure to include an item on Punch List does not alter the responsibility of the Developer to complete all Work in accordance with the Contract Documents.

20.2.2 Close-Out/Certification Requirements

20.2.2.1 Utility Connections

Buildings shall be connected to water, gas, sewer, and electric services, complete and ready for use. Service connections shall be made and existing services reconnected.

20.2.2.2 As-Builts/Record Drawings and Record Specifications

20.2.2.2.1 Developer shall provide exact "as-built" drawings of the Work upon completion of the Project as indicated in the Contract Documents, including but not limited to the Specifications ("As-Built Drawings") as a condition precedent to approval of final payment.

20.2.2.2.2 Developer is liable and responsible for any and all inaccuracies in the As-Built Drawings, even if inaccuracies become evident at a future date.

20.2.2.2.3 Upon completion of the Work and as a condition precedent to approval of final payment, Developer shall obtain the Inspector's approval of the corrected prints and employ a competent draftsman to transfer the As-Built Drawings information to the most current version of AutoCAD or Building Information Modeling ("BIM") or other 3d imaging model that is, at that time, currently utilized for plan check submission by either the District, the Architect, OPSC, and/or DSA, and print a complete set of transparent sepias. When completed, Developer shall deliver corrected sepias and diskette/CD/other data storage device acceptable to District with AutoCAD or BIM or other 3d imaging model file to the District.

20.2.3 Maintenance Manuals

Developer shall prepare all operation and maintenance manuals and date as indicated in the Specifications.

20.2.4 Source Programming

Developer shall provide all source programming for all items in the Project.

20.2.5 Verified Reports

Developer shall completely and accurately fill out and file forms DSA 6-C or DSA 152 (or most current version applicable at the time the Work is performed), as appropriate. Refer to section 4-336 and section 4-343 of Part 1, Title 24 of the California Code of Regulations.

20.3 Final Inspection

20.3.1 Developer shall comply with Punch List procedures as provided herein, and maintain the presence of its District-approved project superintendent and project manager until the Punch List is complete to ensure proper and timely completion of the Punch List. Under no circumstances shall Developer demobilize its forces prior to completion of the Punch List without District's prior written approval. Upon receipt of Developer's written notice that all of the Punch List items have been fully completed and the Work is ready for final inspection and acceptance, Architect and Project Inspector will inspect the Work and shall submit to Developer and District a final inspection report noting the Work, if any,

required in order to complete in accordance with the Contract Documents. Absent unusual circumstances, this report shall consist of the Punch List items not yet satisfactorily completed.

20.3.2 Upon Developer's completion of all items on the Punch List and any other uncompleted portions of the Work, the Developer shall notify the District and Architect, who shall again inspect such Work. If the Architect finds the Work complete and acceptable under the Contract Documents, the Architect will notify Developer, who shall then jointly submit to the Architect and the District its final Application for Payment.

20.3.3 Final Inspection Requirements

20.3.3.1 Before calling for final inspection, Developer shall determine that the following have been performed:

20.3.3.1.1 The Work has been completed.

20.3.3.1.2 All life safety items are completed and in working order.

20.3.3.1.3 Mechanical and electrical Work are complete and tested, fixtures are in place, connected, and ready for tryout.

20.3.3.1.4 Electrical circuits scheduled in panels and disconnect switches labeled.

20.3.3.1.5 Painting and special finishes complete.

20.3.3.1.6 Doors complete with hardware, cleaned of protective film, relieved of sticking or binding, and in working order.

20.3.3.1.7 Tops and bottoms of doors sealed.

20.3.3.1.8 Floors waxed and polished as specified.

20.3.3.1.9 Broken glass replaced and glass cleaned.

20.3.3.1.10 Grounds cleared of Developer's equipment, raked clean of debris, and trash removed from Site.

20.3.3.1.11 Work cleaned, free of stains, scratches, and other foreign matter, damaged and broken material replaced.

20.3.3.1.12 Finished and decorative work shall have marks, dirt, and superfluous labels removed.

20.3.3.1.13 Final cleanup, as provided herein.

20.4 Costs of Multiple Inspections

More than two (2) requests of the District to make a final inspection shall be considered an additional service of District, Architect, Construction Manager, and/or Project Inspector, and all subsequent costs will be invoiced to Developer and if funds are available, withheld from remaining payments.

20.5 Partial Occupancy or Use Prior to Completion

20.5.1 District's Rights to Occupancy

The District may occupy or use any completed or partially completed portion of the Work at any stage, and such occupancy shall not constitute the District's Final Acceptance of any part of the Work. Neither the District's Final Acceptance, the making of Final Payment, any provision in Contract Documents, nor the use or occupancy of the Work, in whole or in part, by District shall constitute acceptance of Work not in accordance with the Contract Documents nor relieve the Developer or the Developer's Performance Bond Surety from liability with respect to any warranties or responsibility for faulty or defective Work or materials, equipment and workmanship incorporated therein. The District and the Developer shall agree in writing to the responsibilities assigned to each of them for payments, security, maintenance, heat, utilities, damage to the Work, insurance, the period for correction of the Work, and the commencement of warranties required by the Contract Documents. Any dispute as to responsibilities shall be resolved pursuant to the Claims and Disputes provisions herein, with the added provision that during the dispute process, the District shall have the right to occupy or use any portion of the Work that it needs or desires to use.

20.5.2 Inspection Prior to Occupancy or Use

Immediately prior to partial occupancy or use, the District, the Developer, and the Architect shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

20.5.3 No Waiver

Unless otherwise agreed upon, partial or entire occupancy or use of a portion or portions of the Work shall not constitute beneficial occupancy or acceptance of the Work not complying with the requirements of the Contract Documents.

21. Final Payment and Retention

21.1 Final Payment

Upon receipt and approval of a valid and final Application for Payment, the Architect will issue a final Certificate of Payment. The District shall thereupon jointly inspect the Work and either accept the Work as complete or notify the Architect and the Developer in writing of reasons why the Work is not complete. Upon acceptance of the Work of the Developer as fully complete (that, absent unusual circumstances, will occur when the Punch List items have been satisfactorily completed), the District shall record a Notice of Completion with the County Recorder, and the Developer

shall, upon receipt of final payment from the District, pay the amount due Subcontractors.

21.2 Prerequisites for Final Payment

The following conditions must be fulfilled prior to Final Payment:

21.2.1 A full release of all Stop Payment Notices served in connection with the Work shall be submitted by Developer.

21.2.2 A duly completed and executed conditional waiver and release upon final payment compliant with Civil Code section 8136 from each subcontractor of any tier and supplier to be paid from the final Tenant Improvement Payment.

21.2.3 A duly completed and executed unconditional waiver and release upon Tenant Improvement Payment compliant with Civil Code section 8134 from each subcontractor of any tier and supplier that was paid from the previous Tenant Improvement Payment(s).

21.2.4 A duly completed and executed "AGREEMENT AND RELEASE OF ANY AND ALL CLAIMS" from the Contractor.

21.2.5 The Developer shall have made all corrections to the Work that are required to remedy any defects therein, to obtain compliance with the Contract Documents or any requirements of applicable codes and ordinances, or to fulfill any of the orders or directions of District required under the Contract Documents.

21.2.6 Each Subcontractor shall have delivered to the Developer all written guarantees, warranties, applications, and bonds required by the Contract Documents for its portion of the Work.

21.2.7 Developer must have completed all requirements set forth under "Close-Out/Certification Procedures," including, without limitation, submission of an approved set of complete Record Drawings.

21.2.8 Architect shall have issued its written approval that final payment can be made.

21.2.9 The Developer shall have delivered to the District all manuals and materials required by the Contract Documents, which must be approved by the District.

21.2.10 The Developer shall have completed final clean up as provided herein.

21.3 Retention

21.3.1 The retention, less any amounts disputed by the District or that the District has the right to withhold pursuant to provisions herein, shall be paid:

21.3.1.1 After approval by the District of the Architect of the Application and Certificate of Payment.

21.3.1.2 After the satisfaction of the conditions set forth herein.

21.3.1.3 No less than forty-five (45) days after the recording of the Notice of Completion by District; and

21.3.1.4 After receipt of a duly completed and executed unconditional waiver and release upon Final Payment compliant with Civil Code section 8138 from each subcontractor of any tier and supplier that was paid from the Final Payment.

21.3.2 No interest shall be paid on any retention, or on any amounts withheld due to a failure of the Developer to perform, in accordance with the terms and conditions of the Contract Documents, except as provided to the contrary in any Escrow Agreement between the District and the Developer pursuant to Public Contract Code section 22300.

21.4 Substitution of Securities

The District will permit the substitution of securities in accordance with the provisions of Public Contract Code section 22300.

22. Uncovering of Work

If a portion of the Work is covered without Inspector or Architect approval or not in compliance with the Contract Documents, it must, if required in writing by the District, the Project Inspector, or the Architect, be uncovered for the Project Inspector's or the Architect's observation and be corrected, replaced and/or recovered at the Developer's expense without change in the Guaranteed Maximum Price or Contract Time.

23. Nonconforming Work and Correction of Work

23.1 Nonconforming Work

23.1.1 Developer shall promptly remove from Premises all Work identified by District as failing to conform to the Contract Documents whether incorporated or not. Developer shall promptly replace and re-execute its own Work to comply with the Contract Documents without additional expense to the District and shall bear the expense of making good all work of other contractors destroyed or damaged by any removal or replacement pursuant hereto and/or any delays to the District or other contractors caused thereby.

23.1.2 If Developer does not commence to remove Work that District has identified as failing to conform to the Contract Documents within a reasonable time, not to exceed FORTY-EIGHT (48) hours after written notice and complete removal of work within a reasonable time, District may remove it and may store any material at Developer's expense. If Developer does not pay expense(s) of that removal within ten (10) days' time thereafter, District may, upon ten (10) days' written notice, sell any material at auction or at private sale and shall deduct all costs and expenses incurred by the District and/or District may withhold those amounts from payment(s) to Developer.

23.2 Correction of Work

23.2.1 Correction of Rejected Work

Pursuant to the notice provisions herein, the Developer shall promptly correct the Work rejected by the District, the Architect, or the Project Inspector as failing to conform to the requirements of the Contract Documents, whether observed before or after Completion and whether or not fabricated, installed, or completed. The Developer shall bear costs of correcting the rejected Work, including additional testing, inspections, and compensation for the Inspector's or the Architect's services and expenses made necessary thereby.

23.2.2 One-Year Warranty Corrections

If, within one (1) year after the date of Completion of the Work or a designated portion thereof, or after the date for commencement of warranties established hereunder, or by the terms of an applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Developer shall correct it promptly after receipt of written notice from the District to do so. This period of one (1) year shall be extended with respect to portions of the Work first performed after Completion by the period of time between Completion and the actual performance of the Work. This obligation hereunder shall survive acceptance of the Work under the Contract Documents and termination of the Contract Documents. The District shall give such notice promptly after discovery of the condition.

23.3 District's Right to Perform Work

23.3.1 If the Developer should neglect to prosecute the Work properly or fail to perform any provisions of the Contract Documents, the District, after providing FORTY-EIGHT (48) hours written notice and an opportunity to cure the failure, to the Developer, may, without prejudice to any other remedy it may have, make good such deficiencies and may deduct the cost thereof from the payment then or thereafter due the Developer.

23.3.2 If it is found at any time, before or after completion of the Work, that Developer has varied from the Drawings and/or Specifications, including, but not limited to, variation in material, quality, form, or finish, or in the amount or value of the materials and labor used, District may require at its option:

23.3.2.1 That all such improper Work be removed, remade or replaced, and all work disturbed by these changes be made good by Developer at no additional cost to the District.

23.3.2.2 That the District deduct from any amount due Developer the sum of money equivalent to the difference in value between the work performed and that called for by the Drawings and Specifications; or

23.3.2.3 That the District exercise any other remedy it may have at law or under the Contract Documents, including but not limited to the District hiring its own forces or another contractor to replace the Developer's nonconforming Work, in which case the District shall either

issue a deductive Change Order, a Construction Change Directive, or invoice the Developer for the cost of that work. Developer shall pay any invoices within thirty (30) days of receipt of same or District may withhold those amounts from payment(s) to Developer.

24. Termination And Suspension

The Parties' rights to terminate the Project are as indicated in the Facilities Lease. In the event of a termination of the Facilities Lease and notwithstanding any other provision in the Contract Documents, the Surety shall remain liable to all obligees under the Payment Bond and to the District under the Performance Bond for any claim related to the Project.

25. Claims and Disputes

25.1 Performance during Dispute or Claim Process

The Developer shall continue to perform its Work under the Contract and shall not cause a delay of the Work during any dispute, claim, negotiation, mediation, or arbitration proceeding, except by written agreement by the District.

25.2 Definition of Dispute

The term "Dispute" means a separate demand by the Developer for:

25.2.1 A time extension.

25.2.2 Payment of money or damages arising from Work done by or on behalf of the Developer pursuant to the Contract and payment of which is not otherwise expressly provided for or the claimant is not otherwise entitled to; or

25.2.3 An amount of payment disputed by the District.

25.3 Dispute Presentation

25.3.1 If Developer intends to apply for an increase in the Guaranteed Maximum Price or Contract Time for any reason including, without limitation, the acts of District or its agents, Developer shall, within ten (10) days after Developer has notice of the event giving rise to the Dispute, give notice of the Dispute in writing and submit to the District a written statement of the damage sustained or time requested. On or before twenty (20) days after Developer's written Notice of Dispute, Developer shall file with the District an itemized statement of the details and amounts of its Dispute for any increase in the Guaranteed Maximum Price of Contract Time. Otherwise, Developer shall have waived and relinquished its Dispute against the District, Developer's claims for compensation or an extension of time shall be forfeited and invalidated, and Developer shall not be entitled to consideration for payment or time.

25.3.2 The Notice of Dispute shall identify:

25.3.2.1 The issues, events, conditions, circumstances and/or causes giving rise to the dispute.

25.3.2.2 The pertinent dates and/or durations and actual and/or anticipated effects on the Guaranteed Maximum Price, Contract Schedule milestones and/or Contract Time adjustments; and

25.3.2.3 The line-item costs for labor, material, and/or equipment, if applicable.

25.3.3 The Notice of Dispute shall include the following certification by the Developer:

25.3.3.1 The undersigned Developer certifies under penalty of perjury that the attached dispute is made in good faith; that the supporting data is accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the adjustment for which Developer believes the District is liable; and that I am duly authorized to certify the claim on behalf of the Developer.

25.3.3.2 Furthermore, Developer understands that the value of the attached dispute expressly includes any and all of the Developer's costs and expenses, direct and indirect, resulting from the Work performed on the Project, additional time required on the Project and/or resulting from delay to the Project. Any costs, expenses, damages, or time extensions not included are deemed waived.

25.3.4 If a Dispute, or any portion thereof, remains unresolved upon satisfaction of all applicable Dispute Resolution requirements, the Developer shall comply with all claim resolution requirements as provided in Public Contract Code section 20104 et seq.

25.3.5 Developer shall bind its Subcontractors to the provisions of this section and will hold the District harmless against disputes by Subcontractors.

25.4 Dispute Resolution

25.4.1 Developer shall file with the District the Notice of Dispute, including the documents necessary to substantiate it, on or before the day of submitting the application for final payment.

25.4.2 District shall respond in writing within forty-five (45) days of receipt of the Dispute or may request in writing within thirty (30) days of receipt of the Dispute any additional documentation supporting the Dispute or relating to defenses or claims District may have against the Developer.

25.4.2.1 If additional information is required, it shall be requested and provided by mutual agreement of the parties.

25.4.2.2 District's written response to the documented Dispute shall be submitted to the Developer within fifteen (15) days after receipt of

the further documentation or within a period of time no greater than that taken by the Developer to produce the additional information, whichever is greater.

25.4.3 If Developer disputes the District's written response, Developer may file a claim pursuant to the Claim Resolution requirements provided herein.

25.5 Definition of Claim

25.5.1 The term "Claim" means a dispute that remains unresolved at the conclusion of the Dispute Resolution requirements as provided herein.

25.6 Claim Presentations

25.6.1 Developer must timely submit the Notice of Claim and all documents necessary to substantiate any Claim. Otherwise, Developer shall have waived and relinquished its Claim against the District and Developer's Claims for compensation or an extension of time shall be forfeited and invalidated, and Developer shall not be entitled to consideration for payment or time on account of the instant matter. No Claim shall be presented prior to Project completion. Any statute that might otherwise govern the presentation of an unresolved Dispute, including but not limited to Government Code section 900 et seq. and Public Contract Code section 20104 et seq. shall be tolled for all purposes during the course of construction on the Project.

25.6.1.1 All Claims shall include the following certification by the Developer:

25.6.1.1.1 The undersigned Developer certifies under penalty of perjury that the attached claim is made in good faith; that the supporting data is accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the adjustment for which Developer believes the District is liable; and that I am duly authorized to certify the claim on behalf of the Developer.

25.6.1.1.2 Furthermore, Developer understands that the value of the attached claim expressly includes any and all of the Developer's costs and expenses, direct and indirect, resulting from the Work performed on the Project, additional time required on the Project and/or resulting from delay to the Project. Any costs, expenses, damages, or time extensions not included are deemed waived.

25.6.2 The attention of the Developer is drawn to Government Code section 12650, et seq. regarding penalties for false claims.

25.6.3 If a Claim, or any portion thereof, remains in dispute upon satisfaction of all applicable Dispute and Claim Resolution requirements, the Developer shall comply with all claims presentation requirements as provided in Chapter 1 (commencing with section 900) and Chapter 2 (commencing with section 910) of Part 3 of Division 3.6 of Title 1 of Government Code as a condition precedent to the Developer's right to bring a civil action against the

District. For purposes of those provisions, the running of the time within which a Dispute or Claim must be presented to the District shall be tolled from the time the Developer submits its written Dispute or Claim until the time the Dispute or Claim is denied, including any time utilized by any applicable meet and confer process.

25.6.4 The Developer shall bind all its Subcontractors to the provisions of this section and will hold the District harmless against claims by Subcontractors.

25.7 Claim Resolution

25.7.1 In the event of a disagreement between the parties as to performance of the Work, the interpretation of this Contract, or payment or nonpayment for Work performed or not performed, the parties shall, after the conclusion of the Dispute Resolution requirements, attempt to resolve the Claim by those procedures set forth herein.

25.7.2 Claims of $375,000 or Less

25.7.2.1 For all Claims of three hundred seventy-five thousand dollars ($375,000) or less which arise between Developer and District, the procedure set forth in Public Contract Code section 20104 et seq. shall apply:

25.7.2.1.1 Developer shall file with the District any written Claim, including the documents necessary to substantiate it, upon the application for final payment.

25.7.2.1.2 For claims of less than fifty thousand dollars ($50,000), the District shall respond in writing within forty-five (45) days of receipt of the Claim or may request in writing within thirty (30) days of receipt of the Claim any additional documentation supporting the claim or relating to defenses or claims the District may have against the Developer.

25.7.2.1.2.1 If additional information is required, it shall be requested and provided by mutual agreement of the parties.

25.7.2.1.2.2 District's written response to the documented Claim shall be submitted to the Developer within fifteen (15) days after receipt of the further documentation or within a period of time no greater than that taken by the Developer to produce the additional information, whichever is greater.

25.7.2.1.2.3 For claims of over fifty thousand dollars ($50,000) and less than or equal to three hundred seventy-five thousand dollars ($375,000), the District shall respond in writing to all written Claims within sixty (60) days of receipt of the claim, or may request, in writing, within thirty (30) days of receipt of the Claim

any additional documentation supporting the Claim or relating to defenses or claims the District may have against the Developer.

25.7.2.1.2.4 If additional information is required, it shall be requested and provided upon mutual agreement of the District and the Developer.

25.7.2.1.2.5 The District's written response to the claim, as further documented, shall be submitted to the Developer within thirty (30) days after receipt of the further documentation, or within a period of time no greater than that taken by the Developer to produce the additional information or requested documentation, whichever is greater.

25.7.2.2 If Developer disputes the District's written response, or the District fails to respond within the time prescribed, Developer may so notify the District, in writing, either within fifteen (15) days of receipt of the District's response or within fifteen (15) days of the District's failure to respond within the time prescribed, respectively, and demand an informal conference to meet and confer for settlement of the issues in dispute. Upon a demand, the District shall schedule a meet and confer conference within thirty (30) days for settlement of the dispute.

25.7.2.3 Following the meet and confer conference, if the claim or any portion of it remains in dispute, the Developer shall file a claim as provided in Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code. For purposes of those provisions the running of the time within which a claim must be filed shall be tolled from the time the Developer submits its written Claim until the time the Claim is denied, including any period of time utilized by the meet and confer process.

25.7.2.4 For any civil action filed to resolve claims filed pursuant to this section, within sixty (60) days, but no earlier than thirty (30) days, following the filing of responsive pleadings, the court shall submit the matter to nonbinding mediation unless waived by mutual stipulation of both parties. The mediation process shall provide for the selection within fifteen (15) days by both parties of a disinterested third person as mediator, shall be commenced within thirty (30) days of the submittal, and shall be concluded within fifteen (15) days from the commencement of the mediation unless a time requirement is extended upon a good cause showing to the court or by stipulation of both parties. If the parties fail to select a mediator within the 15-day period, any party may petition the court to appoint the mediator.

25.7.2.5 If the matter remains in dispute, the case shall be submitted to judicial arbitration pursuant to Chapter 2.5 (commencing with Section 1141.10) of the Title 3 of Part 3 of the Code of Civil Procedure, notwithstanding Section 1141.11 of that code. The Civil

Discovery Act, (commencing with Section 2016) of Chapter 1 of Title 4 of part 4 of the Code of Civil Procedure) shall apply to any proceeding brought under this subdivision consistent with the rules pertaining to judicial arbitration.

25.7.2.6 The District shall not fail to pay money as to any portion of a Claim which is undisputed except as otherwise provided in the Contract Documents. In any suit filed pursuant to this section, the District shall pay interest at the legal rate on any arbitration award or judgment. Interest shall begin to accrue on the date the suit is filed in a court of law.

25.7.3 Claims Over $375,000

25.7.3.1 For all Claims of over three hundred seventy-five thousand dollars ($375,000) which arise between a Developer and the District, the following procedure shall apply:

25.7.3.1.1 The parties agree to first endeavor to settle the dispute in an amicable manner by mediation before having recourse to a judicial forum. The Claim shall be identified in writing to the District within thirty (30) days from the date of Developer's application for final payment of all Contract balances not in dispute and shall be mediated within one hundred and twenty (120) days from the submission of the Claim to the District. For purposes of filing a Claim to mediation, the running of the time within which mediation must be filed shall be tolled from the time the Developer submits its written Claim until the time the Claim is denied. Mediator fees and administrative costs of the mediation shall be shared equally by the parties.

25.7.3.1.2 District may assert any counter-claims it has for damages against Developer, including, but not limited to, defective Work and liquidated damages.

25.7.4 Developer shall bind its Subcontractors to the provisions of this Section and will hold the District harmless against disputes by Subcontractors.

25.8 Dispute and Claim Resolution Non-Applicability

25.8.1 The procedures for dispute and claim resolution set forth in this Article shall not apply to the following:

25.8.1.1 Personal injury, wrongful death or property damage claims.

25.8.1.2 Latent defect or breach of warranty or guarantee to repair.

25.8.1.3 Stop payment notices.

25.8.1.4 District's rights set forth in the Article on Suspension and Termination.

25.8.1.5 Disputes arising out of State labor compliance, if applicable; or

25.8.1.6 District rights and obligations as a public entity set forth in applicable statutes; provided, however, that penalties imposed against a public entity by statutes, including, but not limited to, Public Contract Code sections 20104.50 and 7107, shall be subject to the Dispute and Claim Resolution requirements provided in this Article.

25.9 Developer's costs incurred in seeking relief under this Article are not recoverable from the District.

26. State Labor, Wage & Hour, Apprentice, And Related Provisions

26.1 Labor Compliance and Enforcement

Since this Project is subject to labor compliance and enforcement by the Department of Industrial Relations ("DIR"), Developer specifically acknowledges and understands that it shall perform the Work of this Agreement while complying with all the applicable provisions of Division 2, Part 7, Chapter 1, of the Labor Code and Title 8 of the California Code of Regulations, including, without limitation, the requirement that the Developer and all Subcontractors shall timely furnish complete and accurate electronic certified payroll records directly to the DIR. The District may not issue payment if this requirement is not met.

26.2 Wage Rates, Travel, and Subsistence

26.2.1 Pursuant to the provisions of Article 2 (commencing at section 1770), Chapter 1, Part 7, Division 2, of the Labor Code of California, the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in the locality in which this public work is to be performed for each craft, classification, or type of worker needed to execute the Contract Documents are on file at the District's principal office and copies will be made available to any interested party on request. Developer shall obtain and post a copy of these wage rates at the job site.

26.2.2 Holiday and overtime work, when permitted by law, shall be paid for at a rate of at least one and one-half times the above specified rate of per diem wages, unless otherwise specified. The holidays upon which those rates shall be paid need not be specified by the District, but shall be all holidays recognized in the applicable collective bargaining agreement. If the prevailing rate is not based on a collectively bargained rate, the holidays upon which the prevailing rate shall be paid shall be as provided in Section 6700 of the Government Code.

26.2.3 Developer shall pay and shall cause to be paid each worker engaged in Work on the Project not less than the general prevailing rate of per diem wages determined by the Director of the Department of Industrial Relations ("DIR") ("Director"), regardless of any contractual relationship which may be alleged to exist between Developer or any Subcontractor and such workers.

26.2.4 If, prior to execution of the Facilities Lease, the Director determines that there has been a change in any prevailing rate of per diem wages in the

locality in which the Work under the Contract Documents is to be performed, such change shall not alter the wage rates in the Contract Documents subsequently awarded.

26.2.5 Pursuant to Labor Code section 1775, Developer shall, as a penalty, forfeit the statutory amount (believed by the District to be currently two hundred dollars ($200) to District for each calendar day, or portion thereof, for each worker paid less than the prevailing rates, determined by the District and/or the Director, for the work or craft in which that worker is employed for any public work done under Contract by Developer or by any Subcontractor under it. The difference between such 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 prevailing wage rate, shall be paid to each worker by Developer.

26.2.6 Any worker employed to perform Work on the Project, which Work is not covered by any classification listed in the general prevailing wage rate of per diem wages determined by the Director, shall be paid not less than the minimum rate of wages specified therein for the classification which most nearly corresponds to Work to be performed by him, and that minimum wage rate shall be retroactive to time of initial employment of the person in that classification.

26.2.7 Pursuant to Labor Code section 1773.1, per diem wages are deemed to include employer payments for health and welfare, pension, vacation, travel time, subsistence pay, and apprenticeship or other training programs authorized by Labor Code section 3093, and similar purposes.

26.2.8 Developer shall post at appropriate conspicuous points on the Project Site a schedule showing all determined minimum wage rates and all authorized deductions, if any, from unpaid wages actually earned. In addition, Developer shall post a sign-in log for all workers and visitors to the Site, a list of all Subcontractors of any tier on the Site, and the required Equal Employment Opportunity poster(s).

26.3 Hours of Work

26.3.1 As provided in Article 3 (commencing at section 1810), Chapter 1, Part 7, Division 2, of the Labor Code, eight (8) hours of labor shall constitute a legal day of work. The time of service of any worker employed at any time by Developer or by any Subcontractor on any subcontract under the Contract Documents upon the Work or upon any part of the Work contemplated by the Contract Documents shall be limited and restricted by Developer to eight (8) hours per day, and forty (40) hours during any one week, except as hereinafter provided. Notwithstanding the provisions hereinabove set forth, Work performed by employees of Developer in excess of eight (8) hours per day and forty (40) hours during any one week, shall be permitted upon this public work upon compensation for all hours worked in excess of eight (8) hours per day at not less than one and one-half times the basic rate of pay.

26.3.2 Developer shall keep and shall cause each Subcontractor to keep an accurate record showing the name of and actual hours worked each calendar day and each calendar week by each worker employed by Developer in

connection with the Work or any part of the Work contemplated by the Contract Documents. The record shall be kept open at all reasonable hours to the inspection of District and to the Division of Labor Standards Enforcement of the DIR.

26.3.3 Pursuant to Labor Code section 1813, Developer shall, as a penalty, forfeit the statutory amount (believed by the District to be currently twenty-five dollars ($25)) to the District for each worker employed in the execution of the Contract Documents by Developer or by any Subcontractor for each calendar day during which a worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of Article 3 (commencing at section 1810), Chapter 1, Part 7, Division 2, of the Labor Code.

26.3.4 Any Work necessary to be performed after regular working hours, or on Sundays or other holidays shall be performed without additional expense to the District.

26.4 Payroll Records

26.4.1 Developer shall upload, and shall cause each Subcontractor performing any portion of the Work under this Contract to upload, an accurate and complete certified payroll record ("CPR") electronically using DIR's eCPR System by uploading the CPRs by electronic XML file or entering each record manually using the DIR's iform (or current form) online on a weekly basis and within ten (10) days of any request by the District or Labor Commissioner at http://www.dir.ca.gov/Public-Works/Certified/Payroll-Reporting.html or current application and URL, showing the name, address, social security number, work classification, straight time, and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by the Developer and/or each Subcontractor in connection with the Work.

26.4.2 The CPRs enumerated hereunder shall be filed directly with the DIR on a weekly basis or to the requesting party, whether the District or DIR, within ten (10) days after receipt of each written request. The CPRs from the Developer and each Subcontractor for each week shall be provided on or before Wednesday of the week following the week covered by the CPRs. District may not make any payment to Developer until:

26.4.2.1 The Developer and/or its Subcontractor(s) provide CPRs acceptable to the District and DIR.

26.4.2.2 Any delay in Developer and/or its Subcontractor(s) providing CPRs to the District or DIR in a timely manner may directly delay the District's review and/or audit of the CPRs and Developer's payment.

26.4.3 All CPRs shall be available for inspection at all reasonable hours at the principal office of Developer on the following basis:

26.4.3.1 A certified copy of an employee's CPR shall be made available for inspection or furnished to the employee or his/her authorized representative on request.

26.4.3.2 CPRs shall be made available for inspection or furnished upon request or as required by regulation to a representative of the District, Division of Labor Standards Enforcement, Division of Apprenticeship Standards, and/or the DIR.

26.4.3.3 CPRs shall be made available upon request by the public for inspection or copies thereof made; provided, however, that a request by the public shall be made through the District, Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement. If the requested CPRs have not been provided pursuant to the provisions herein, the requesting party shall, prior to being provided the records, reimburse the costs of preparation by Developer, Subcontractors, and the entity through which the request was made. The public shall not be given access to the records at the principal office of Developer.

26.4.4 Any copy of records made available for inspection as copies and furnished upon request to the public or any public agency by District, Division of Apprenticeship Standards, Division of Labor Standards Enforcement, or DIR shall be marked or obliterated in such a manner as to prevent disclosure of an individual's name, address, and social security number. The name and address of Developer awarded the Project under the Contract Documents or performing under the Contract Documents shall not be marked or obliterated.

26.4.5 Developer shall inform District of the location of the records enumerated hereunder, including the street address, city, and county, and shall, within five (5) working days of a change in location of the records, provide a notice of change of location and address.

26.4.6 In the event of noncompliance with the requirements of this section, Developer shall have ten (10) days in which to comply subsequent to receipt of written notice specifying in what respects Developer must comply with this section. Should noncompliance still be evident after the ten (10) day period, Developer shall, as a penalty, forfeit up to one hundred dollars ($100) to District for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Labor Commissioner, these penalties shall be withheld from Tenant Improvement Payments then due.

26.5 [Reserved]

26.6 Apprentices

26.6.1 Developer acknowledges and agrees that, if the Contract Documents involve a dollar amount greater than or a number of working days greater than that specified in Labor Code section 1777.5, then this Contract is governed by the provisions of Labor Code Section 1777.5 and 29 CFR part 5. It shall be the responsibility of Developer to ensure compliance with this Article and with Labor Code section 1777.5 for all apprenticeship occupations.

26.6.2 Apprentices of any crafts or trades may be employed and, when required by Labor Code section 1777.5, shall be employed provided they are properly registered in full compliance with the provisions of the Labor Code.

26.6.3 Every apprentice shall be paid the standard wage paid to apprentices under the regulations of the craft or trade at which he/she is employed, and shall be employed only at the work of the craft or trade to which she/he is registered.

26.6.4 Only apprentices, as defined in section 3077 of the Labor Code, who are in training under apprenticeship standards and written apprentice agreements under Chapter 4 (commencing at section 3070), Division 3, of the Labor Code, are eligible to be employed. The employment and training of each apprentice shall be in accordance with the provisions of the apprenticeship standards and apprentice agreements under which he/she is training.

26.6.5 Pursuant to Labor Code section 1777.5, if that section applies to this Contract as indicated above, Developer and any Subcontractors employing workers in any apprenticeable craft or trade in performing any Work under this Contract shall apply to the applicable joint apprenticeship committee for a certificate approving the Developer or Subcontractor under the applicable apprenticeship standards and fixing the ratio of apprentices to journeymen employed in performing the Work.

26.6.6 Pursuant to Labor Code section 1777.5, if that section applies to this Contract as indicated above, Developer and any Subcontractor may be required to make contributions to the apprenticeship program.

26.6.7 If Developer or Subcontractor willfully fails to comply with Labor Code section 1777.5, then, upon a determination of noncompliance by the Administrator of Apprenticeship, it shall:

26.6.7.1 Be denied the right to bid on any subsequent project for one (1) year from the date of such determination.

26.6.7.2 Forfeit, as a penalty, to District the full amount stated in Labor Code section 1777.7. Interpretation and enforcement of these provisions shall be in accordance with the rules and procedures of the California Apprenticeship Council and under the authority of the Chief of the Division of Apprenticeship Standards.

26.6.7.3 Developer and all Subcontractors shall comply with Labor Code section 1777.6, which section forbids certain discriminatory practices in the employment of apprentices.

26.6.7.4 Developer shall become fully acquainted with the law regarding apprentices prior to commencement of the Work. Special attention is directed to sections 1777.5, 1777.6, and 1777.7 of the Labor Code, and Title 8, California Code of Regulations, Section 200 et seq. Questions may be directed to the State Division of Apprenticeship Standards, 455 Golden Gate Avenue, 9th Floor, San Francisco, California 94102.

26.7 Skilled and Trained Workforce

26.7.1 Developer and its subcontractors at every tier shall comply with Education Code section 17407.5, which requires use of a skilled and trained workforce to perform all work on the Contract or Project that falls within an apprenticeable occupation in the building and construction trades.

26.7.1.1 "Apprenticeable Occupation" means an occupation for which the Chief of the Division of Apprenticeship Standards of the Department of Industrial Relations ("Chief") had approved an apprenticeship program pursuant to Section 3075 of the Labor Code before January 1, 2014.

26.7.1.2 "Skilled and Trained Workforce" means a workforce that meets all of the following conditions:

26.7.1.2.1 All of the workers are either skilled journeypersons or apprentices registered in an apprenticeship program approved by the Chief.

26.7.1.2.2 That as of January 1, 2016, at least 30 percent of the skilled journeypersons employed to perform work on the Contract or Project by the Developer or its subcontractors at every tier are graduates of an apprenticeship program for the applicable occupation that was either approved by the Chief of the Division of Apprenticeship Standards of the Department of Industrial Relations pursuant to Labor Code section 3075 or located outside California and approved for federal purposes pursuant to the apprenticeship regulation adopted by the federal Secretary of Labor.

26.7.1.2.3 That as of January 1, 2017, at least 40 percent of the skilled journeypersons employed to perform work on the Contract or Project by the Developer or its subcontractors at every tier are graduates of an apprenticeship program for the applicable occupation that was either approved by the Chief of the Division of Apprenticeship Standards of the Department of Industrial Relations pursuant to Labor Code section 3075 or located outside California and approved for federal purposes pursuant to the apprenticeship regulation adopted by the federal Secretary of Labor.

26.7.1.2.4 That as of January 1, 2018, at least 50 percent of the skilled journeypersons employed to perform work on the Contract or Project by the Developer or its subcontractors at every tier are graduates of an apprenticeship program for the applicable occupation that was either approved by the Chief of the Division of Apprenticeship Standards of the Department of Industrial Relations pursuant to Labor Code section 3075 or located outside California and approved for federal purposes pursuant to the apprenticeship regulation adopted by the federal Secretary of Labor.

26.7.1.2.5 That as of January 1, 2019, at least 60 percent of the skilled journeypersons employed to perform work on the Contract or Project by the Developer or its subcontractors at every tier are graduates of an apprenticeship program for the applicable occupation that was either approved by the Chief of the Division of Apprenticeship Standards of the Department of Industrial Relations pursuant to Labor Code section 3075 or located outside California and approved for federal purposes pursuant to the apprenticeship regulation adopted by the federal Secretary of Labor.

26.7.1.2.5.1 "Skilled Journeyperson" means a worker who either:

26.7.1.2.5.1.1 Graduated from an apprenticeship program for the applicable occupation that was approved by the Chief or located outside of California and approved for federal purposes pursuant to the apprenticeship regulation adopted by the federal Secretary of Labor; or

26.7.1.2.5.1.2 Has at least as many hours of on-the-job experience in the applicable occupation as would be required to graduate from an apprenticeship program for the applicable occupation that is approved by the Chief.

26.7.1.2.5.2 For an Apprenticeable Occupation in which no apprenticeship program had been approved by the Chief before January 1, 1995, up to one-half of the graduation percentage requirements of subparagraph 26.7.1.2.2 above, may be satisfied by Skilled Journeypersons who commenced working in the Apprenticeable Occupation before the Chief's approval of an apprenticeship program for that occupation in the County in which the Project is located.

26.7.2 Developer may establish its commitment to use a Skilled and Trained Workforce by either of the following:

26.7.2.1 Provide a monthly report to the District demonstrating that the Developer and its subcontractors are complying with the requirements of Education Code section 17407.5, which shall be a public record under California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1, of the Government Code); or

26.7.2.2 Provide evidence that Developer has become a party to a Project Labor Agreement that binds all contractors and all its subcontractors at every tier performing work on the Contract or Project and that includes the requirements of Education Code section 17407.5.

26.8 Non-Discrimination

26.8.1 Developer herein agrees not to discriminate in its recruiting, hiring, promotion, demotion, or termination practices on the basis of race, religious creed, national origin, ancestry, sex, sexual orientation, age, or physical handicap in the performance of this Contract and to comply with the provisions of the California Fair Employment and Housing Act as set forth in Part 2.8 of Division 3 of Title 2 of the California Government Code, commencing at section 12900; the Federal Civil Rights Act of 1964, as set forth in Public Law 88-352, and all amendments thereto; Executive Order 11246; and all administrative rules and regulations found to be applicable to Developer and Subcontractor.

26.8.2 Special requirements for Federally Assisted Construction Contracts: During the performance of the requirement of the Contract Documents, Developer agrees to incorporate in all subcontracts the provisions set forth in Chapter 60-1.4(b) of Title 41 published in Volume 33 No. 104 of the Federal Register dated May 28, 1968.

26.9 Labor First Aid

Developer shall maintain emergency first aid treatment for Developer's laborers and mechanics on the Project which complies with the Federal Occupational Safety and Health Act of 1970 (29 U.S.C. § 651 et seq.) and the California Occupational Safety and Health Act of 1973 (Lab. Code, § 6300 et seq.; 8 Cal. Code of Regs., § 330 et seq.).

27. [Reserved]

28. Miscellaneous

28.1 Assignment of Antitrust Actions

Although this project may not have been formally bid, the following provisions may apply:

28.1.1 Section 7103.5(b) of the Public Contract Code states:

In entering into a public works contract or subcontract to supply goods, services, or materials pursuant to a public works contract, the contractor or subcontractor offers and agrees to assign to the awarding body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time the awarding body tenders final payment to the contractor, without further acknowledgment by the parties.

28.1.2 Section 4552 of the Government Code states in pertinent part:

In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder.

28.1.3 Section 4553 of the Government Code states in pertinent part:

If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery.

28.1.4 Section 4554 of the Government Code states in pertinent part:

Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action.

28.1.5 Under this Article, "public purchasing body" is District and "bidder" is Developer.

28.2 Excise Taxes

If, under Federal Excise Tax Law, any transaction hereunder constitutes a sale on which a Federal Excise Tax is imposed and the sale is exempt from such Federal

Excise Tax because it is a sale to a State or Local Government for its exclusive use, District, upon request, will execute documents necessary to show (1) that District is a political subdivision of the State for the purposes of such exemption, and (2) that the sale is for the exclusive use of District. No Federal Excise Tax for such materials shall be included in any Guaranteed Maximum Price.

28.3 Taxes

Guaranteed Maximum Price is to include any and all applicable sales taxes or other taxes that may be due in accordance with section 7051 et seq. of the Revenue and Taxation Code, Regulation 1521 of the State Board of Equalization or any other tax code that may be applicable.

28.4 Shipments

All shipments must be F.O.B. destination to Site or approved sites, as indicated in the Contract Documents. There must be no charge for containers, packing, unpacking, drayage, or insurance. The total Guaranteed Maximum Price shall be all inclusive (including sales tax) and no additional costs of any type will be considered.

28.5 Compliance with Government Reporting Requirements

If this Contract is subject to federal or other governmental reporting requirements because of federal or other governmental financing in whole or in part for the Project of which it is part, or for any other reason, Developer shall comply with those reporting requirements at the request of the District at no additional cost.

[END OF DOCUMENT]

EXHIBIT D-1

SPECIAL CONDITIONS

1. Modernization Projects

1.1 Master Key.

Upon request, the District may, at its own discretion, provide a master key to the school site for the convenience of the Developer. The Developer agrees to pay all expenses to re-key the entire school site and all other affected District buildings if the master key is lost or stolen, or if any unauthorized party obtains a copy of the key or access to the school.

1.2 Maintaining Services.

The Developer is advised that Work is to be performed in spaces regularly scheduled for instruction. Interruption and/or periods of shutdown of public access, electrical service, water service, lighting, or other utilities shall be only as arranged in advance with the District. Developer shall provide temporary services to all facilities interrupted by Developer's Work.

1.3 Maintaining Utilities.

The Developer shall maintain in operation during duration of Contract, drainage lines, storm drains, sewers, water, gas, electrical, steam, and other utility service lines within working area.

1.4 Confidentiality.

Developer shall maintain the confidentiality of all information, documents, programs, procedures and all other items that Developer encounters while performing the Work. This requirement shall be ongoing and shall survive the expiration or termination of this Contract and specifically includes, without limitation, all student, parent, and employee disciplinary information and health information.

1.5 Work during Instructional Time.

Developer affirms that Work may be performed during ongoing instruction in existing facilities. If so, Developer agrees to cooperate to the best of its ability to minimize any disruption to school operations and any use of school facilities by the public up to, and including, rescheduling specific work activities, at no additional cost to District.

2. Substitution for Specified Items

2.1. Whenever in the Specifications any materials, process, or article is indicated or specified by grade, patent, or proprietary name, or by name of manufacturer, that Specification shall be deemed to be followed by the words "or equal." Developer may, unless otherwise stated, offer any material, process, or article that shall be substantially equal or better in every respect to that so indicated or specified.

2.1.1. If the material, process, or article offered by Developer is not, in the opinion of the District, substantially equal or better in every respect to that specified,

then Developer shall furnish the material, process, or article specified in the Specifications without any additional compensation or change order.

2.1.2. This provision shall not be applicable with respect to any material, product, thing or service for which District made findings and gave notice in accordance with Public Contract Code section 3400(c); therefore, Developer shall not be entitled to request a substitution with respect to those materials, products or services.

2.2. A request for a substitution shall be submitted as follows:

2.2.1. Developer shall notify the District in writing of any request for a substitution at least ten (10) days prior to bid opening as indicated in the Instructions to Bidders.

2.2.2. Requests for Substitutions after award of the Contract shall be submitted within thirty-five (35) days of the date of the Notice of Award.

2.3. Within 35 days after the date of the Notice of Award, Developer shall provide data substantiating a request for substitution of "an equal" item, including but not limited to the following:

2.3.1. All variations of the proposed substitute from the material specified including, but not limited to, principles of operation, materials, or construction finish, thickness or gauge of materials, dimensions, weight, and tolerances;

2.3.2. Available maintenance, repair or replacement services;

2.3.3. Increases or decreases in operating, maintenance, repair, replacement, and spare parts costs;

2.3.4. Whether or not acceptance of the substitute will require other changes in the Work (or in work performed by the District or others under Contract with the District); and

2.3.5. The time impact on any part of the Work resulting directly or indirectly from acceptance of the proposed substitute.

2.4. No substitutions shall be made until approved, in writing, by the District. The burden of proof as to equality of any material, process, or article shall rest with Developer. The Developer warrants that if substitutes are approved:

2.4.1. The proposed substitute is equal or superior in all respects to that specified, and that such proposed substitute is suitable and fit for the intended purpose and will perform adequately the function and achieve the results called for by the general design and the Contract Documents;

2.4.2. The Developer provides the same warranties and guarantees for the substitute that would be provided for that specified;

2.4.3. The Developer shall be fully responsible for the installation of the substitute and any changes in the Work required, either directly or indirectly, because of the acceptance of such substitute, with no increase in Contract Price or Contract Time. Incidental changes or extra component parts required to accommodate

the substitute will be made by the Developer without a change in the Contract Price or Contract Time;

2.4.4. The Developer shall be responsible for any re-design costs occasioned by District's acceptance and/or approval of any substitute; and

2.4.5. The Developer shall, in the event that a substitute is less costly than that specified, credit the District with one hundred percent (100%) of the net difference between the substitute and the originally specified material. In this event, the Developer agrees to execute a deductive Change Order to reflect that credit.

2.5. In the event Developer furnishes a material, process, or article more expensive than that specified, the difference in the cost of that material, process, or article so furnished shall be borne by Developer.

2.6. In no event shall the District be liable for any increase in Contract Price or Contract Time due to any claimed delay in the evaluation of any proposed substitute or in the acceptance or rejection of any proposed substitute.

2.7. Developer shall be responsible for any costs the District incurs for professional services, DSA fees, or delay to the Project Schedule, if applicable, while DSA reviews changes for the convenience of Developer and/or to accommodate Developer's means and methods. District may deduct those costs from any amounts owing to the Developer for the review of the request for substitution, even if the request for substitution is not approved. District, at its sole discretion, shall deduct from the payments due to and/or invoice Developer for all the professional services and/or DSA fees or delay to the Project Schedule, if applicable, while DSA reviews changes for the convenience of Developer and/or to accommodate Developer's means and methods arising herein.

3. Termination

3.1. Emergency Termination Pursuant to Public Contracts Act of 1949

3.1.1. This Facilities Lease is subject to termination as provided by sections 4410 and 4411 of the Government Code of the State of California, being a portion of the Emergency Termination of Public Contracts Act of 1949.

4.1.1.1. Section 4410 of the Government Code states:

In the event a national emergency occurs, and public work, being performed by contract, is stopped, directly or indirectly, because of the freezing or diversion of materials, equipment or labor, as the result of an order or a proclamation of the President of the United States, or of an order of any federal authority, and the circumstances or conditions are such that it is impracticable within a reasonable time to proceed with a substantial portion of the work, then the public agency and the contractor may, by written agreement, terminate said contract.

4.1.1.2. Section 4411 of the Government Code states:

Such an agreement shall include the terms and conditions of the

termination of the contract and provision for the payment of compensation or money, if any, which either party shall pay to the other or any other person, under the facts and circumstances in the case.

3.1.2. Compensation to the Developer shall be determined at the sole discretion of District on the basis of the reasonable value of the Work done, including preparatory work. As an exception to the foregoing and at the District's discretion, in the case of any fully completed separate item or portion of the Work for which there is a separate previously submitted unit price or item on the accepted schedule of values, that price may control. The District, at its sole discretion, may adopt the Schedule of Values Price as the value of the work done or any portion thereof.

EXHIBIT E

MEMORANDUM OF COMMENCEMENT DATE

This MEMORANDUM OF COMMENCEMENT DATE is dated _____, 201__, and is made by and between Blach Construction Company ("Developer"), as Lessor, and the Cabrillo Unified School District ("District"), as Lessee.

1. Developer and District have previously entered into a Facilities Lease dated as of December __, 2016, (the "Lease") for the leasing by Developer to District of the Project Site and Project in Half Moon Bay, California, referenced in the Lease.

2. District hereby confirms the following:

A. That all construction of the Project required to be performed pursuant to the Facilities Lease has been completed by Developer in all respects;

B. That District has accepted and entered into possession of the Project and now occupies same; and

C. That the term for the Lease Payments under the Facilities Lease commenced on _____, 20__ and will expire at 11:59 P.M. on _____, 20__.

THIS MEMORANDUM OF COMMENCEMENT DATE IS ACCEPTED AND AGREED on the date indicated below:

Dated: _____ __ , 201__	Dated: _____ __ , 201__
Cabrillo Unified School District	Blach Construction Company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

EXHIBIT F

CONSTRUCTION SCHEDULE

Attached is a detailed Project Construction Schedule with a duration no longer than the Contract Time, and with specific milestones that Developer shall meet.

[To Be Attached.]

EXHIBIT G

SCHEDULE OF VALUES

Attached is a detailed Schedule of Values that complies with the requirements of the Construction Provisions (Exhibit "D") and that has been approved by the District.

[To Be Attached.]

CABRILLO UNIFIED SCHOOL DISTRICT
BOARD AGENDA ITEM

BOARD MEETING DATE: January 19, 2017

☒ **ACTION**
☐ **CONSENT**
☐ **DISCUSSION**
☐ **INFORMATION**

BOARD AGENDA NUMBER: 15.d

BOARD AGENDA ITEM: Adopt Resolution No. 01-17 to Authorize Superintendent, Jane Yuster to Sign and Execute all Agreements Between the State of California, Department of Rehabilitation and Cabrillo Unified School District

DEPARTMENT: Special Education

CONTACT PERSON: Meredith Raymond, Special Education Director

BACKGROUND INFORMATION:

The person currently authorized to sign contracts with the State of California, Department of Rehabilitation (DOR) is Dr. Tony Roehrick. A new Board resolution and signature authorization form are required to appoint Superintendent, Jane Yuster as the person authorize to sign all agreements between the State of California, Department of Rehabilitation (DOR) and Cabrillo Unified School District.

REPORT/PROPOSAL:

The Governing Board is asked to consider adopting Resolution No. 01-17 to authorize Jane Yuster as the person authorized to sign all agreements between the State of California, Department of Rehabilitation (DOR) and Cabrillo Unified School District.

FINANCIAL IMPACT:

There is no financial impact to the General Fund

RECOMMENDATION:

Adopt Resolution No. 01-17 to authorize Superintendent, Jane Yuster to sign and execute all agreements between the State of California, Department of Rehabilitation and Cabrillo Unified School District.

DEPARTMENT of REHABILITATION
Employment, Independence & Equality

Edmund G. Brown Jr., Governor

State of California
Health and Human Services Agency
Contracts & Procurement Section
P.O. Box 944222
Sacramento, CA 94299-9222
(916) 558-5680 Office
(916) 558-5681 Fax
wedmonso@dor.ca.gov Email

November 28, 2016

Cabrillo Unified School District
498 Kelly Avenue
Half Moon Bay, CA 94019

Subject: WIOA Amendment

Attn: Tom Owen:

Attached is Agreement 29169, amendment 2 for Fiscal Year 2016/17. Please print out four copies of the Standard Agreement (STD213) form. Sign and return all four copies to the Department of Rehabilitation, Carl Edmonson, Contracts and Procurement Section, 721 Capitol Mall, 6th Floor, Sacramento, CA 95814. **All signed documents must have original signatures.**

In addition to the above, current insurance certificate/letter of Self Insurance is required for the following: (insurance requirements attached)

- Auto Insurance Requirements.
- General Liability Insurance Requirements.

Please note: The person currently authorized to sign contracts is Tony Roehrick, Ed.D. Superintendent. If anyone else signs the contract, a new board resolution and a signature authorization form are required. However, if the authorized signer is in an elected position, you do not need the Board Resolution form; just submit a letter stating the fact.

Expeditious handling of this Agreement is appreciated. If you have any questions please call me at (916) 558-5689.

Sincerely,

Carl Edmonson
Contract Analyst

Enclosure
cc: Contract Administrator

STATE OF CALIFORNIA
DEPARTMENT OF REHABILITATION

BOARD RESOLUTION

DR 324 (Rev 9/2011)

Cabrillo Unified School District Resolution No. 01-17

FULL Name of Corporation or Public Agency

Cabrillo Unified School District

WHEREAS, the Board of Directors or Board of Trustees of the above-named corporation or public agency has read the proposed agreement between State of California, Department of Rehabilitation (DOR), and above-named corporation or public agency and said Board of Directors or Board of Trustees acknowledges the benefits and responsibilities to be shared by both parties to said agreement.

NOW, THEREFORE, BE IT RESOLVED that said Board of Directors or Board of Trustees does hereby authorize the following person/position

Name/Position of Person Authorized to Sign Agreement

Jane Yuster/Superintendent

of the above-named corporation or public agency on behalf of the corporation or public agency to sign and execute any and all documents required by DOR to effectuate the execution of said Agreement and all amendments. This authorization shall remain in effect until the expiration of the contract and shall automatically expire at that time, unless earlier revoked or extended by the Board of Directors.

CERTIFICATION

I, the Recording Secretary named below, hereby certify that the foregoing resolution was duly and regularly adopted by the Board of Directors or Board of Trustees of above-named corporation or public agency at a meeting of said Board regularly called and convened at which a quorum of said Board of Directors or Board of Trustees was present and voting, and that said resolution was adopted by a vote of the majority of all Directors or Trustees present at said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand as Recording Secretary of said corporation or public agency.

Address Where Board Meeting Held

498 Kelly Ave Half Moon Bay, CA 94019

Date of Board Meeting	Signature of Recording Secretary	Date Signed
01/26/2017		

STATE OF CALIFORNIA

DEPARTMENT OF REHABILITATION

GRANT/CONTRACT SIGNATURE AUTHORIZATION

DR 325 (Rev. 12/98) Computer Generated

GRANTEE/CONTRACTOR:	SUBGRANTEE/CONTRACTEE: (Legal Corporation/Public Agency Name & Address)
STATE OF CALIFORNIA Department of Rehabilitation 721 Capitol Mall Sacramento, California 95814	Cabrillo Unified School District 498 Kelly Ave Half Moon Bay, California 94019

The following persons are authorized to request reimbursement of expenses incurred as a result of the agreement between the Grantee/Contractor and Subgrantee/Contractee named above:

Signature	Name (Please Type or Print)	Title (Please Type or Print)
✍	Jane Yuster	Superintendent
✍	Crystal Leach	Chief Financial Officer
✍	Meredith Raymond	Special Ed Director
✍	Tom Owen	Program Coordinator

I hereby delegate authority to request reimbursement of expenses as shown above.

Authorized Signature per Board Resolution	Name (Please Type or Print)	Date Signed
✍		

STATE OF CALIFORNIA
STANDARD AGREEMENT AMENDMENT
STD. 213 A (Rev 6/03)

[X] CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED 8 Pages

AGREEMENT NUMBER	AMENDMENT NUMBER
29169	2
REGISTRATION NUMBER	
eP 1340150	

1. This Agreement is entered into between the State Agency and Contractor named below:
   STATE AGENCY'S NAME
   Department of Rehabilitation
   CONTRACTOR'S NAME
   Cabrillo Unified School District
2. The term of this Agreement is July 1, 2014 through June 30, 2017
3. The maximum amount of this Agreement after this amendment is: $ 228,897.00 Certified Expenditure $163,307.00
4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

CFDA # Basic Support 84.126A State Vocational Rehabilitation Services Program

The following checked documents are hereby revised and attached hereto for fiscal year(s) 2016/17.

- ☒ Program Budget & Match Summary
- ☒ Service Budget
- ☒ Service Budget Narrative
- ☒ Certified Budget
- ☒ Certified Budget Narrative

The maximum amount of this agreement remains the same. The certified expenditure decreased $20,389.00 for a new total amount of $163,307.00

The effective date of this amendment is October 1, 2016.

All other terms and conditions shall remain the same.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR		CALIFORNIA Department of General Services Use Only
CONTRACTOR'S NAME *(If other than an individual, state whether a corporation, partnership, etc.)* Cabrillo Unified School District		
BY *(Authorized Signature)* ✍	DATE SIGNED *(Do not type)*	
PRINTED NAME AND TITLE OF PERSON SIGNING Tony Roehrick, Ed. D. Superintendent		
ADDRESS 498 Kelly Avenue, Half Moon Bay, CA 94019		
STATE OF CALIFORNIA		
AGENCY NAME Department of Rehabilitation		
BY *(Authorized Signature)* ✍	DATE SIGNED *(Do not type)*	
PRINTED NAME AND TITLE OF PERSON SIGNING Simone Dumas, Chief, Contracts & Procurement Section		☐ Exempt per:
ADDRESS 721 Capitol Mall, Sacramento, CA 95814		

Cabrillo Unified School District

Program Budget and Match Summary
July 1, 2014 - June 30, 2017

	FY 7/1/2014 to 6/30/2015 TOTALS	FY 7/1/2015 to 6/30/2016 TOTALS	FY 7/1/2016 to 6/30/2017 TOTALS
DOR PROGRAM COSTS (From DOR Program Budget)	$45,632	$45,632	$45,632
TOTAL PAYMENT BY DOR TO CONTRACTOR (From Service Budget)	$76,299	$76,299	$76,299
TOTAL FEDERAL COSTS	$121,931	$121,931	$121,931
Certified Match (If applicable)	$61,232 33.43%	$61,232 33.43%	**$40,843** 25.09%
Total Federal Share	$121,931 66.57%	$121,931 66.57%	$121,931 74.91%
Cash Match (If applicable)	 0%	 0%	 0%
Total Federal Share	$0 0%	$0 0%	$0 0%
TOTAL STATE MATCH	$61,232	$61,232	**$40,843**

Cooperative agency certified match expenditure and cash match expenditure must be from non-federal funds and cannot be used to draw down other federal funds. The cash match expenditure must equal at least 21.3% of the designated share and the certified match expenditure must equal at least 25% of the designated share.

STATE OF CALIFORNIA
TPP PETS SERVICE BUDGET

DEPARTMENT OF REHABILITATION

☐ Original ☑ Amendment

Contractor Name and Address	Contract Number	Federal ID Number	Page 1 of 1
Cabrillo Unified School District 498 Kelly Ave Half Moon Bay, CA 94019	29169	94-3083821	
	Budget Period: July 1, 2014 - June 30, 2015	Budget Period: July 1, 2015 - June 30, 2016	Budget Period: July 1, 2016 - June 30, 2017
	Effective Date (Amendments Only):	Effective Date (Amendments Only):	Effective Date (Amendments Only): 10/1/2016

Line No.	PERSONNEL-Position Title & Time Base	Annual Salary Per FTE	Annual FTE	Amount Budgeted	Annual Salary Per FTE	Annual FTE	Amount Budgeted	Annual Salary Per FTE	Annual FTE	Amount Budgeted
	Administrative Personnel									
1	TPP Transition Specialist, 1 FTE = 40hrs/week, 10 months + Benefits				$80,000.00	0.0500	$4,000.00	$ 84,000.00	0.1000	$8,400.00
2	**TPP Vocational Assistant, 1 FTE = 30hrs/week, 10 months + Benefits**							$36,000.00	0.0200	$720.00
3										
4										
5	**Admin Subtotal**						$4,000.00			$9,120.00
6	**PETS direct service Personnel**									
7	TPP Transition Specialist, 1 FTE = 40hrs/week, 10 months + Benefits	$79,000.00	0.62	$48,980.00	$80,000.00	0.57	$45,600.00	$ 84,000.00	0.52	$43,680.00
8	TPP Vocational Assistant, 1 FTE = 30hrs/week, 10 months + Benefits	$36,000.00	0.55	$19,800.00	$36,000.00	0.55	$19,800.00	$ 36,000.00	0.48	$17,280.00
9										
10										
11										
12	**PETS Subtotal**			$68,780.00			$65,400.00			$60,960.00
13	**Personnel Subtotal**			$68,780.00			$69,400.00			$70,080.00
14	**OPERATING EXPENSES**									
15	**Office Supplies**			$1,000.00			$1,000.00			$850.00
	Instructional Materials									$473.00
16	Training			$1,000.00			$1,000.00			
17	Travel			$1,330.00			$1,078.00			
18	**Mileage**									$850.00
19	Theft Sensitive Items						$830.00			
20	Software			$500.00						
21	**Operating Subtotal**			$3,830.00			$3,908.00			$2,173.00
22	**Personnel and Operating Subtotal**			$72,610.00			$73,308.00			$72,253.00
23	**Indirect Rate Percentage**			5.08%			4.08%			5.60%
24	**Indirect Cost**			$3,688.59			$2,990.97			$4,046.17
25	**TOTAL (rounded to nearest dollar)**			$76,299			$76,299			$76,299

CABRILLO UNIFIED SCHOOL DISTRICT

SERVICE BUDGET NARRATIVE

Benefits:

Social Security; Unemployment Insurance, Worker's Comp; Medicare, PERS. Benefits range from 11% to 23% of Salary

Cooperative Program Duties:

TPP Transition Specialist:

Administrative Duties: **Line#1**

- Collect and process PAR"s for all involved in the contract for certified time match input onto Certified Expenditure Budget
- Collect and Input all data for 801 B Service Invoice
- Attend all Quarterly DOR meetings

PETS Direct Services Duties: Line# 7

- Provides job seeking skills, training and preparation to DOR student/clients either individually or in a group setting, prior to entering into a specific job search.
- Assists DOR Counselor in scheduling appointments with DOR student/clients, gather paperwork for DOR counselor and coordinates services with the DOR counselor,
- Analyzes pertinent collateral information and reports of DOR student/clients' prior Work Experience/ PETS work-based learning experience and performance,
- Instructs DOR student/clients and/or groups regarding techniques for obtaining and maintaining employment,
- Becomes knowledgeable regarding the impact of employment on DOR student/clients disability and benefits, as well as provides information on accessing such benefits,
- Is aware of the impact that employment will have on DOR student/clients disability and benefits and is aware of providing information on accessing such benefits,
- Assists in Job Development, Placement and Follow-up/. PETS Workplace readiness training DOR student/clients on the job, orients the DOR student/clients to the job and identifies specific ongoing support and resource needs.
  - Follows required safety and health techniques,
  - Follows universal health precautions,
  - May be required to perform a variety of routine custodial duties related to student needs,

- Develops placement sites for DOR student/clients **specifically as per their IPE goal**
- Performs other TPP duties as assigned.

Non- Contract Duties

- Provides vocational related services to Special Ed students
- Teaches pre- vocational skills to students
- Develops and recommends appropriate vocational goals
- Develops placements sites for WorkAbility I students
- Coordinates WorkAbility program services

Cooperative Program Duties
TPP Vocational Assistant

Administrative Duties: Line #2

- **Attend All Quarterly DOR Meetings**

PETS Direct Service Duties: Line #8

- Provides PETS Vocational Evaluation (PETS/VE), Vocational Instruction/Employment Preparation PETS Workplace readiness training, Work Experience/ PETS work-based learning experience, Job Development, Placement and Follow-up/. PETS Workplace readiness training and PETS Non-Supported Employment (NSE) Job Coaching.
- Provides assistance in accessing post-secondary programs and community resources,
- Assists DOR student/clients in identifying their career alternatives through awareness of their strengths and challenges,
- Assists with maintaining contact with DOR student/clients, as needed, and after school exit,
- Assists in destination training for DOR student/clients.
- Organizes and maintains DOR related paper work,
- Assists the Transition Partnership Program (TPP) Specialist in providing services to DOR student/clients as directed by the Individualized Plan for Employment (IPE),
- Performs TPP-related duties as assigned, including, but not limited to, attendance at scheduled meetings and assisting in activities that facilitate the success of DOR student/clients in seeking and maintaining employment while in school and after school exit, as appropriate.

- Assists with the development of placement sites

Non- Contract Duties

- Assists with the implementation of the WorkAbility I program

OPERATING EXPENSES

Office Supplies
Office supplies to carry out the Transition Partnership Program such as but not limited to postage, paper, pencils pens, duplicating cost, flash drives and record keeping materials

Instructional Materials
Necessary to promote the vocational rehabilitation component of the TPP this includes manuals, vocational specific curriculum and job specific tutorial supplies.

Training
Training related to vocational rehabilitation, transitioning, job development, and job training. Training must be pre-approved in writing by the DOR Contract Administrator.

Travel
Per Diem and travel costs for CUSD TPP staff to travel to contract related trainings such as to transition and job development and reimbursed at actual costs not to exceed the CalHR designated rates.

Mileage
Reimbursement for mileage expenses when contract staff use their own private vehicles in the provision of contract services such as local job development, job coaching, monitoring and other program related activities. Reimbursement rates not to exceed CalHR designated rates.

Theft Sensitive Items
Items necessary to carry out the vocational rehabilitation component of the Transition Partnership Program. It includes the purchase of computers/tablets that will be used by DOR student/client and TPP staff

for resume writing, job searches and other vocational related activities. These theft sensitive items, all or part of the listed items below, will be purchased either in Fiscal Year 2015-2016. These purchases will be made only once and will not be bought twice over the two years.

Computers	$ 415.00 each
Tablets	$ 415.00 each

Software

Expenses related to obtaining new and updating existing databases and communication software for DOR student/clients.

INDIRECT/ADMINISTRATIVE OVERHEAD

Indirect cost rate of the Education Agency Cooperative Program is the rate calculated and approved by the California Department of Education.

July 1, 2014 - June 30, 2017

COOPERATIVE AGENCY-CERTIFIED EXPENDITURE BUDGET

Contractor Name and Address	Cooperative agency agrees it will make the following expenditures during the fiscal year, in conformity with the following narrative section titled "Cooperative Agency-Certified Expenditure Budget Narrative". These are not legally mandated services and are not services that the Cooperative agency otherwise provides. **NOTE** No portion of the below expenditures shall come from Federal Funds or WorkAbility I Funds.
Cabrillo Unified School District 498 Kelly Av Half Moon Bay, CA 94019	

Item Expenditure	FY July 1, 2014 - June 30, 2015			FY July 1, 2015 - June 30, 2016			FY July 1, 2016 - June 30, 2017		
PERSONNEL - Position Title & Time Base	Annual Salary Per FTE	Annual FTE	Annual Amount Certified	Annual Salary	Annual FTE	Annual Amount Certified	Annual Salary	Annual FTE	Annual Amount Certified
TPP Administrator- 1 FTE= 40hrs/week, 10 months	$131,211.00	0.05	$6,560.55	$131,211.00	0.05	$6,560.55			
TPP Secretary- 1 FTE= 40hrs/week, 10 months	$63,951.00	0.05	$3,197.55	$63,951.00	0.05	$3,197.55			
TPP Transition Specialist - FTE = 32.5 hrs/week, 10 months	$58,622.00	0.20	$11,724.40	$58,622.00	0.20	$11,724.40	**$132,347.00**	**0.12**	**$15,881.64**
TPP Transition Specialist - 1FTE = 32.5 hrs/week, 10 months	$79,464.00	0.20	$15,892.80	$79,464.00	0.20	$15,892.80	**$131,415.00**	**0.09**	**$11,827.35**
TPP Transition Specialist - 1FTE = 32.5 hrs/week, 10 months	$108,002.00	0.15	$16,200.30	$108,002.00	0.15	$16,200.30	**$107,191.00**	**0.09**	**$9,647.19**
TPP Transition Specialist - 1FTE = 32.5 hrs/week, 10 months	$93,922.00	0.0500	$4,696.10	$93,922.00	5%	$4,696.10	**$63,390.00**	**0.055**	**$3,486.45**
Personnel Subtotal			$58,271.70			$58,271.70			**$40,842.63**
OPERATING EXPENSES									
Operating Subtotal									
Personnel and Operating Subtotal			$58,271.70			$58,271.70			**$40,842.63**
Indirect Cost Percentage			5.08%			5.08%			
Indirect Cost Total			$2,960.20			$2,960.20			
TOTAL EXPENDITURES "CERTIFIED"			$61,232			$61,232			**$40,843**

Cabrillo Unified School District
Certified Expenditure Budget Narrative

Funded Benefits: Social Security; Unemployment Insurance, Worker's Comp; Medicare, Health, Dental and Vision Insurance, Employee Assistance Program (EAP) STRS.
Benefits have been included in the salaries listed on the attached Certified Expenditure Budget. Benefits range from 19% - 31%.

Special Education Teacher
Non-Contract Duties:

- Provides academic instruction to students.
- Teaches district approved core curriculum and provides an educational program designed to provide students with the academic skills to reach their maximum potential.
- Provides tutorial assistance to students experiencing academic difficulties.
- Formulates daily lesson plans, grade student achievement and monitor student progress with parents, counselors, and special education staff.

TPP Transition Specialist(s)
TPP Contract Duties:

- Teaches DOR student/clients job related skills
- Coordinates **PETS** transition activities for DOR student/clients
- Facilitates **PETS Employment Preparation activities, as per DOR student/clients' IPE** within classroom setting

CABRILLO UNIFIED SCHOOL DISTRICT
BOARD AGENDA ITEM

BOARD MEETING DATE: January 19, 2017

☒ **ACTION**
☐ **CONSENT**
☐ **DISCUSSION**
☐ **INFORMATION**

BOARD AGENDA NUMBER: 15.e

BOARD AGENDA ITEM: Adopt Resolution No. 02-17 of Cabrillo Unified School District's Principles for Undocumented Students and Their Families

DEPARTMENT: Superintendent/Governing Board

CONTACT PERSON: Jane Yuster, Superintendent

BACKGROUND INFORMATION:

The attached is a resolution setting forth the district's principles in support of undocumented students and families. This resolution has been created by the San Mateo County Counsel. This resolution has been discussed by the San Mateo County Superintendent's Association and will be put forth to all Governing Boards in the county of San Mateo for discussion and adoption.

REPORT/PROPOSAL:

With Resolution No. 02-17 the Board adopts the recommended principles for undocumented students and their families.

FINANCIAL IMPACT:

There is no fiscal impact on the General Fund.

RECOMMENDATION:

Adopt Resolution No. 02-17 of Cabrillo Unified School District's principles for undocumented students and their families.

CABRILLO UNIFIED SCHOOL DISTRICT

RESOLUTION NO. 02-17

BOARD OF TRUSTEES OF THE CABRILLO UNIFIED SCHOOL DISTRICT
COUNTY OF SAN MATEO, STATE OF CALIFORNIA

* * * * * *

RESOLUTION SETTING FORTH THE CABRILLO UNIFIED SCHOOL DISTRICT'S PRINCIPLES IN SUPPORT OF UNDOCUMENTED STUDENTS AND FAMILIES

RESOLVED, by the Board of Trustees of the Cabrillo Unified School District (District), in the County of San Mateo, State of California, that

WHEREAS, the District is committed to fostering an environment in which all students are able to learn and excel, whatever their national origin, ethnicity, religion, sexual orientation, ability, gender, or socio-economic status; and

WHEREAS, education is essential to all individuals' ability to advance and thrive in our society and the United States Supreme Court has held, in *Plyler v. Doe,* 457 U.S. 202 (1982), that local school districts have a constitutional mandate to educate all students residing within their jurisdictional boundaries, whatever the students' immigration status; and

WHEREAS, the District welcomes and supports all of its students, regardless of their immigration status; and

WHEREAS, in light of recent developments and rhetoric throughout the course of the recent national elections, many of the District's students and families have expressed fear and concern, owing to their immigration status; and

WHEREAS, the District seeks to make clear its commitment to support all of its students and families, including those who are undocumented.

NOW, THEREFORE, IT IS HEREBY RESOLVED the District will not collect information regarding students' and families' immigration status when enrolling students in the District.

BE IT FURTHER RESOLVED that when the District or any of the District's school sites receives a request for information that implicates individual privacy rights (including with respect to immigration status and religion), the District shall take all legally permissible actions to protect the privacy rights of its students and families.

BE IT FURTHER RESOLVED that, in particular, the District will not release information regarding immigration status or related matters contained in pupil records to federal agencies or other authorities enforcing immigration laws without the permission of the student's parent or guardian or pursuant to a judicial warrant, subpoena, court order or as otherwise required by law.

BE IT FURTHER RESOLVED that the District will work closely with other local government agencies and community groups to ensure that all students and families, including those that are undocumented, are able to receive education in a safe and supportive environment.

BE IT FURTHER RESOLVED that a federal effort to create a registry based on any protected characteristic, including national origin or religion, would be antithetical to the United States and California Constitutions and the values of the District and if authorities seek to involve the District in the development of such a registry, the District will take all legally appropriate steps to resist such involvement.

BE IT FURTHER RESOLVED that the Superintendent is directed to work with District staff and counsel to develop policies and procedures implementing and advancing these principles.

ACCEPTED, ADOPTED, SIGNED,
This 19th day of January, 2017, Resolution No. 02-17 by the
BOARD OF EDUCATION OF THE CABRILLO UNIFIED SCHOOL DISTRICT
HALF MOON BAY, SAN MATEO COUNTY, CALIFORNIA

AYES in Favor of Said Resolution:	**NOES Against Said Resolution:**
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
ABSTENTIONS:	**ABSENCES:**
_____	_____

Certified by:

Signed: _____ Date: _____
Sophia Layne
Clerk to the Governing Board

[CC0-155750]

CABRILLO UNIFIED SCHOOL DISTRICT
BOARD AGENDA ITEM

BOARD MEETING DATE: January 19, 2017

☒ **ACTION**
☐ **CONSENT**
☐ **DISCUSSION**
☐ **INFORMATION**

BOARD AGENDA NUMBER: 15.f

BOARD AGENDA ITEM: Approve the Extension of the Term of the Superintendent's Contract

DEPARTMENT: Superintendent/Governing Board

CONTACT PERSON: Jane Yuster, Superintendent

BACKGROUND INFORMATION:

The current Superintendent of Cabrillo Unified School District was hired on July 1, 2015. The terms of the contract state, "The Governing Board shall take action to reform the term of this Agreement by one year, annually, to maintain a three (3) year term, upon Superintendent's receipt of a summary evaluation, which indicates that the Superintendent's performance meets the Governing Board's expectations."

On October 16, 2016, the Governing Board completed the summary evaluation of the Superintendent. The Superintendent's performance was found to meet the Governing Board's expectations.

REPORT/PROPOSAL:

In accordance with the language of the Superintendent's contract, the term of the agreement is extended to June 30, 2019.

FINANCIAL IMPACT:

There is no fiscal impact on the General Fund.

RECOMMENDATION:

Approve the extension of the term of the Superintendent's contract.

CABRILLO UNIFIED SCHOOL DISTRICT EMPLOYMENT AGREEMENT FOR DISTRICT SUPERINTENDENT

PREAMBLE

This Agreement is hereby entered into by and between the Governing Board of the Cabrillo Unified School District, hereinafter referred to as "Governing Board" or as "District," and Jane Yuster, hereafter referred to as "Superintendent."

TERMS OF EMPLOYMENT

I. AGREEMENT TERM

The Governing Board shall employ Jane Yuster as Superintendent of the Cabrillo Unified School District for a term of three (3) years, commencing July 1, 2016 and ending on June 30, 2019, subject to the terms and conditions hereinafter set forth. The Governing Board shall take action to reform the term of this Agreement by one year, annually, to maintain a three (3) year term, upon Superintendent's receipt of a summary evaluation, which indicates that the Superintendent's performance meets the Governing Board's expectations.

II. COMPENSATION

1. Beginning July 1, 2015, the Superintendent's annual total compensation salary shall be one hundred eighty thousand six hundred eleven dollar ($180,611.00) paid in twelve equal monthly installments. This amount shall be prorated for a partial year of service.

2. Commencing in 2016-2017 and every year thereafter, Superintendent shall receive the same cost of living increase granted to other certificated management employees. In addition, for each year of service, the Superintendent shall advance one step on a Governing Board approved salary schedule for her position, the increments of which shall be the same percentage as the salary schedules approved by the Governing Board for all other certificated management positions. Any other adjustments in salary made during the term of this Agreement shall be in the form of an amendment and shall become part of this Agreement, but any failure to attach the adjusted salary amount as an amendment shall not affect the validity or amount of any such adjustment. Subject to the exception provided herein, the Superintendent's salary shall not be reduced below the initial salary stated in this Agreement, or any subsequent increase once the increase becomes effective, provided, however, that such salary shall be reduced by the same proportion as reductions which may occur in certificated management employees' salaries.

III. DUTIES AND RESPONSIBILITIES

1. Superintendent shall serve as Chief Executive Officer of the Governing Board pursuant to sections 35035 and 35040 of the Education Code, and the

Superintendent's position description, attached hereto and incorporated herein by reference, which may be amended by the Board at any time.

2. Governing Board shall retain primary responsibility for formulating and adopting policy. Subject to Governing Board approval, the Superintendent shall have the authority and responsibility to:
   - Organize or reorganize the administrative/supervisory staff to best serve the District;
   - Recommend placement, transfer, and reassignment of all personnel;
   - Review criticisms, complaints, or suggestions referred to the Superintendent by the Governing Board and to make appropriate recommendations for disposition to the Governing Board;
   - Administer the instructional and business affairs, personnel, and property management affairs of the District;
   - Review policies and make recommendations to the Governing Board;
   - Evaluate employees; and
   - Represent the Governing Board in all employer-employee matters.
3. All powers and duties that may lawfully be delegated to the Superintendent are to be performed and executed by her in accordance with the policies adopted by the Governing Board. These policies shall include a complete position description to be developed by the Governing Board and Superintendent that shall be incorporated herein by reference and which may be amended by the Board at any time.

IV. WORK YEAR AND VACATION

1. Superintendent shall render service to the District during each annual period covered by this Agreement, except as may be hereinafter provided. The total number of workdays of service so rendered by the Superintendent to the District on an annual basis shall be two hundred twenty-five (225) days. In each school year, a calculation of the total number of workdays (total days per year, less weekends and legal and Board approved holidays) shall be made. 225 workdays shall be subtracted from the total to determine the annual number of vacation days provided to Superintendent for that school year, prorated for service of less than a complete year. Unused vacation time shall be paid on a per diem basis annually on or about July 1 (for the prior year).
2. It is the parties' intention that the Superintendent take the full amount of vacation time each year and that vacation be scheduled to the extent practicable during times when the schools of the District are not in session. Approval of vacations entailing physical absence from the District for more than fourteen (14) consecutive days shall be requested of the Governing Board in advance of the first day of absence. The Superintendent is expected to work a full workday and is expected to account for absences of greater than one half of a workday as vacation time, sick leave or another leave of absence.

V. PROFESSIONAL DEVELOPMENT

Superintendent shall endeavor to maintain and improve her professional competence by all available means, including subscription to and reading of appropriate periodicals, maintenance of membership in appropriate professional organizations, and attendance at professional meetings at the local, state, and national level, with Governing Board approval.

The District shall pay for the Superintendent's dues to join the Association of California School Administrators (ACSA) and one local service club. Superintendent may approach the Governing Board about any other professional organizations that she wishes to join. Superintendent shall request permission from the Governing Board for her attendance at out-of-state meetings and periodically report to the Governing Board her appraisal of the meetings.

Superintendent is also encouraged to obtain additional academic training/staff development in such areas as school finance, budget, curriculum theory, staff development and related topics. When Superintendent participates in such programs or activities at the approval of the Governing Board, Superintendent shall be compensated for actual and necessary expenses that are incurred.

During the first year of this Agreement (2015-2016 school year), Superintendent shall engage, at a cost not to exceed eight thousand dollars ($8,000), the services of a coach or mentor regarding the superintendency.

When appropriate, the Superintendent will promptly submit receipts related to all such activities delineated in this section.

VI. MEDICAL EXAMINATION

Superintendent shall have a comprehensive medical examination at least once each year from the initial date of employment with the District, unless otherwise authorized or directed by the Governing Board. The report of the physical examination shall be given directly to the Superintendent; however, the examining physician shall advise the Board in writing of the Superintendent's continued physical and/or mental fitness to perform the duties of Superintendent. All costs and expenses of said medical examination and report shall be paid by the District.

VII. EVALUATION

The Governing Board and Superintendent shall, on or before January 1, 2016, develop a process, timelines and instrument for the Superintendent's evaluation. The evaluation procedure and instrument shall be incorporated into this Agreement as an Addendum.

VIII. FRINGE BENEFITS

1. Health and Welfare: During the term of this Agreement, the Superintendent shall be entitled to receive the same medical, dental, vision, paid prescription benefits and/or other programs under the same terms and conditions available to District certificated management employees who were employed on or after June 30, 2011.
2. Expense Reimbursement: District shall reimburse Superintendent for all actual and necessary expenses incurred within the scope of employment. Reimbursement shall be in accordance with Governing Board policy and District budget. Expenses not budgeted for may be responsibility of the Superintendent.
3. Consistent with Education Code section 44033 and notwithstanding any contrary Board Policy or Administrative Regulation, the Superintendent is required to possess and maintain an automobile to be used in the performance of her regularly assigned duties, at her own expense.
4. Technology: Subject to Board approval, the District will meet the Superintendent's reasonable requests for technology that will facilitate the Superintendent's performance of duties within the course and scope of her employment, including but not limited to a cell phone (monthly charges to be paid for by the District) and computer for District-related and personal use.

IX. SICK LEAVE

The Superintendent shall accrue sick leave at the rate of twelve (12) days per school year. In accordance with the California Education Code, sick leave shall be transferred upon the Superintendent leaving the District.

X. PROFESSIONAL CONSULTATION

Nothing herein shall prohibit the Superintendent from using earned vacation days to undertake consultative work, speaking engagements, writing, lecturing, or other professional duties and obligations provided that such undertakings do not interfere with the Superintendent's performance of duty under this Agreement. The Governing Board may authorize the Superintendent to undertake any of these activities as part of her

regular duty if the Governing Board concludes that such work would bring recognition to the District, its staff, or its students.

XI. CHANGES IN OR TERMINATION OF AGREEMENT

1. This Agreement is subject to modification by the mutual written agreement of the Governing Board and the Superintendent at any time.
   A. This Agreement may be changed or terminated by mutual consent of the parties: provided, however, that the parties seeking such change or termination shall give not less than ninety (90) days written notice to the other party.
   B. The Superintendent shall notify the Board President immediately in writing if she applies or becomes a finalist for another position in public or private employment. In the event the Superintendent accepts a position outside of the District, the Governing Board and the Superintendent will mutually agree on a timeline for said departure during which period of time the Superintendent will continue to perform her duties.

2. In addition to the termination of this Agreement by mutual consent, this Agreement may be terminated for the following reasons:
   A. Disability of the Superintendent:
      Superintendent may be removed from her position by the Governing Board should she be unable to serve in her position due to physical and/or mental disability, which, in the opinion of the Governing Board and supported by written evaluation provided by a licensed physician selected by the Governing Board, and a second written evaluation by a licensed physician selected by the Superintendent, indicates that the Superintendent will be unable to perform the duties of her position for at least six continuous months.

      Immediately upon Governing Board receipt of such evaluations indicating that the Superintendent will be unable to perform the duties of her position for at least six continuous months, the Superintendent shall indicate to the Governing Board in writing to what extent, if any, she elects to utilize available sick leave upon her removal from the superintendency. The Superintendent shall continue to be compensated and the District shall continue to pay the Superintendent's current medical, vision, and dental benefit levels during the duration of time that sick leave is being utilized.

      This Agreement shall be terminated at the conclusion of the Superintendent's utilization of sick leave, or immediately upon receipt of the evaluations referred to above should the Superintendent elect not to utilize available sick leave.
   B. Credential
      Failure of Superintendent to maintain a valid California Administrative Credential.
   C. Retirement of Superintendent
   D. Discharge for Cause.
      In the event of discharge for cause, which shall be defined as conduct which is seriously prejudicial to District, this Agreement may be terminated. This shall include, but is not limited to, unprofessional conduct, unsatisfactory performance, neglect of duty, or breach of Agreement. Should the Governing Board elect to terminate this Agreement prior to its expiration pursuant to this section, the Governing Board shall notify Superintendent in writing. Upon request, Governing Board shall serve upon Superintendent a reasonably detailed statement of charges.

Superintendent has fifteen (15) calendar days from the date she is personally served with the notice described above to request a hearing before the Board. Superintendent protects her right to a hearing by timely filing her request for a hearing with the presiding officer of the Board. The Board shall hold the hearing within thirty (30) calendar days from the date that the presiding officer of the Board receives Superintendent's request for a hearing. The hearing date may be extended by the agreement of both parties. If the Superintendent fails to timely file a request for hearing, the Board may take action, without granting Superintendent a hearing, at its next regularly scheduled meeting. If Superintendent timely files a request for a hearing, the Board cannot take any action until after the hearing.

At the hearing the Superintendent may be represented by counsel and call witnesses. If Superintendent chooses to be accompanied by legal counsel at such hearing, she shall bear any costs therein involved. Such hearing shall be conducted in closed session. The Governing Board shall issue a written decision to the Superintendent describing the results of the hearing which shall be final.

E. Governing Board Option to Terminate

Notwithstanding any other provision of this agreement, the Governing Board, in its discretion, may, upon the giving of forty five (45) days notice, unilaterally terminate this Agreement. The Governing Board's action shall be effective forty-five (45) days from the date notice is personally served on Superintendent. At the end of the forty-five (45) day period, the District shall pay to Superintendent an amount equal to the monthly salary of Superintendent multiplied by the number of months left on the unexpired term of this Agreement. However, if the unexpired term of the Agreement is greater than 12 months, the maximum cash settlement shall be an amount equal to the monthly salary of the Superintendent multiplied by 12. The parties shall mutually agree as to whether the cash settlement will be paid in one lump sum of in equal payments over a set period of time.

The parties agree that any damages to Superintendent that may result from the Board's option to terminate this Agreement cannot be readily ascertained. Accordingly, the parties agree that the payments made pursuant to this option to terminate provision constitute reasonable liquidated damages for the Superintendent, fully compensate the Superintendent for all potential tort, contract and other damages of any nature whatsoever, whether in law or equity, and do not result in a penalty. The parties agree that the District's completion of its obligations under this provision constitutes the Superintendent's sole remedy to the fullest extent provided by law. Finally, the parties agree that this provision meets the requirements governing maximum cash settlements as set forth in Government Code sections 53260, *et seq*, the provisions of which are incorporated into this Agreement by reference.

Notwithstanding any other provision of this Agreement to the contrary, if the Governing Board believes, and subsequently confirms through an independent audit, that the Superintendent has engaged in fraud, misappropriation of funds, or other willfully illegal fiscal practices, then the Governing Board may terminate Superintendent and Superintendent shall not be entitled to the cash, salary payments set forth above. This provision is intended to implement the requirements of Government Code section 53260(b).

F. Non re-election:

The Governing Board may determine not to re-employ the Superintendent upon expiration of this Agreement by providing written notice at least forty-five (45) days before the expiration of this Agreement in accordance with Education Code section 35031. Superintendent shall notify the Board in writing at least ninety (90)

days prior to the expiration of this Agreement of the Board's notice obligations set forth in this section. In the event the Governing Board fails to
provide Superintendent with the written notice at least forty-five (45) days prior to the expiration of the Agreement, Superintendent shall be deemed reelected for one (1) fiscal year under the same terms and conditions and with the same compensation as the preceding year of this Agreement.

3. Unused Vacation Compensation
   In the event of early termination of this Agreement by any means set forth in this Article, Superintendent shall be compensated for all unused vacation days to which she is entitled pursuant to section IV.

XII. GENERAL PROVISIONS

This Agreement is subject to all applicable laws of the State of California, to the rules and regulations of the State Board of Education, and the lawful rules and regulations of the Governing Board of the Cabrillo Unified School District. Said laws, rules, regulations, and policies, not inconsistent with the provisions of this Agreement, are hereby made a part of the terms and conditions of this Agreement as though set forth fully herein.

XIII. COMPLETE AGREEMENT

Except as provided in Article XIII, this Agreement contains the entire agreement between the Governing Board and Superintendent and there is no agreement on the part of either party to do any act or thing other than as expressly stated in this Agreement. There will
also be no modifications or amendments to this Agreement unless such modifications or amendments are stated in writing, and signed by both parties.

IN WITNESS WHEREOF, we affix our signatures to this Agreement as the full and complete understanding of the rights and obligations of the parties hereto.

Dated: January 19, 2017 Cabrillo Unified School District Governing Board:

Freya McCamant

Rob Pappalardo

Kirk Riemer

Sophia Layne

Kimberly Hines

ACCEPTANCE

I hereby accept this offer of employment and agree to comply with the conditions thereof and to fulfill all of the duties of employment as Superintendent of the Cabrillo Unified School District.

By: _____ Dated: _____
Jane Yuster

This Agreement was ratified by the Governing Board at its meeting of January 19, 2017.