

San Dieguito

Union High School District

710 Encinitas Blvd.
Encinitas, CA 92024-3357
(760) 753-6491
www.sduhsd.net

Board of Trustees:

Joyce Dalessandro
Linda Friedman
Barbara Groth
Beth Hergesheimer
Deanna Rich

Superintendent:

Peggy Lynch, Ed.D.
(760) 943-3501 FAX

Canyon Crest Academy
Carmel Valley MS
Diegueño MS
Earl Warren MS
La Costa Canyon HS
North Coast Alternative HS
Oak Crest MS
San Dieguito Adult Education
San Dieguito HS Academy
Sunset HS
Torrey Pines HS

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT BOARD OF TRUSTEES REGULAR BOARD MEETING

THURSDAY, FEBRUARY 7, 2008
6:30 PM

DISTRICT OFFICE BOARD ROOM 101
710 ENCINITAS BLVD, ENCINITAS, CA. 92024

Welcome to the meeting of the San Dieguito Union High School District Board of Trustees.

PUBLIC COMMENTS

If you wish to speak regarding an item on the agenda, please complete a blue slip located at the sign-in desk and present it to the Secretary to the Board prior to the start of the meeting. When the Board President invites you to the podium, please state your name, address, and organization before making your presentation.

Persons wishing to address the Board on any school-related issue not elsewhere on the agenda are invited to do so under the "Public Comments" item. If you wish to speak under Public Comments, please follow the same directions (above) for speaking to agenda items. Complaints or charges against an employee are not permitted in an open meeting of the Board of Trustees.

In the interest of time and order, presentations from the public are limited to three (3) minutes per person, per topic. The total time for non-agenda items shall not exceed twenty (20) minutes. An individual speaker's allotted time may not be increased by a donation of time from others in attendance.

In accordance with the Brown Act, unless an item has been placed on the published agenda, there shall be no action taken. The Board may 1) acknowledge receipt of the information, 2) refer to staff for further study, or 3) refer the matter to the next agenda.

CONSENT CALENDAR

All matters listed under Consent are those on which the Board has previously deliberated or which can be classified as routine items of business. An administrative recommendation on each item is contained in the agenda supplements. There will be no separate discussion of these items prior to the time the Board of Trustees votes on the motion unless members of the Board, staff, or public request specific items to be discussed or pulled from the Consent items.

To address an item on the consent calendar, please follow the procedure described under *Comments on Agenda Items*.

CLOSED SESSION

The Board will meet in Closed Session to consider qualified matters of litigation, employee negotiations, student discipline, employee grievances, personnel qualifications, or real estate negotiations which are timely.

CELL PHONES/PAGERS

As a courtesy to all meeting attendees, please set cellular phones and pagers to silent mode and engage in conversations outside the meeting room.

In compliance with the Americans with Disabilities Act, if you need special assistance, disability-related modifications, or accommodations, including auxiliary aids or services, in order to participate in the public meetings of the District's Governing Board, please FAX the office of the District Superintendent at (760) 943-3501. Notification 72 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accommodation and accessibility to this meeting. Upon request, the District shall also make available this agenda and all other public records associated with the meeting in appropriate alternative formats for persons with a disability.

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
BOARD OF TRUSTEES
REGULAR BOARD MEETING

AGENDA

THURSDAY, FEBRUARY 7, 2008
6:30 PM

DISTRICT OFFICE BOARD ROOM 101
710 ENCINITAS BLVD., ENCINITAS, CA. 92024

PRELIMINARY FUNCTIONS (Items 1 – 6)

- 1. Call to Order; Public Comments Regarding Closed Session Items6:00 PM
- 2. **Closed Session** **6:05 PM**
 - A. To consider personnel issues, pursuant to Government Code Sections 11126 and 54957; limited to consideration of the appointment, employment, evaluation of performance, discipline/release, dismissal of a public employee or to hear *complaints or charges brought against such employee by another person or employee unless the employee requests a public session.*
 - B. Conference with Labor Negotiators, pursuant to Government Code Section 54957.8.
Agency Negotiators: Superintendent and Associate Superintendents (3)
Employee Organizations: San Dieguito Faculty Association / Classified School Employees Association
- 3. **Regular Meeting / Open Session****6:30 PM**
- 4. Pledge of Allegiance
- 5. Report Out of Closed Session
- 6. Approval of Minutes of the Regular Board Meeting of January 17, 2008, and the Special Board Meetings of January 23 and 24, 2008, as shown in the attached supplements.

Motion by _____, second by _____, to approve the Minutes of all Board Meetings in January, 2008.

NON-ACTION ITEMS (Items 7 – 10)

Communications received by the Board are available for public review at the District Office at 710 Encinitas Boulevard in Encinitas. Board correspondence is distributed to each Board Member and the Superintendent along with the agenda.

- 7. Student Board Member Reports
 - A. Swearing in of New Student Board Advisory Members, (Chloe Dies-Groff, San Dieguito Academy; Ilana Newman, Torrey Pines High School)
 - B. Student Board Member Updates..... Student Advisory Board
- 8. Board Member Reports..... Trustees of the Board
- 9. Superintendent's Reports, Briefings and Legislative Updates Peggy Lynch, Ed.D.
- 10. Oak Crest Middle School Update..... Terry Calen, Principal

CONSENT AGENDA ITEMS..... (Items 11 – 15)

Upon invitation by the President, anyone who wishes to discuss a Consent Item should come forward to the lectern, state his/her name and address, and the Consent Item number.

11. SUPERINTENDENT

- A. ACCEPTANCE OF GIFTS AND DONATIONS, AS SHOWN IN THE ATTACHED SUPPLEMENT.
- B. APPROVAL OF FIELD TRIP REQUESTS, AS SHOWN IN THE ATTACHED SUPPLEMENT.

12. HUMAN RESOURCES

A. APPROVAL OF PERSONNEL REPORTS

Approval of matters pertaining to employment of personnel, salaries, leaves of absence, resignations, changes in assignments, extra duty assignments, and consultant services:

Approval of Certificated and/or Classified Personnel Reports as shown in the attached supplement.

13. EDUCATIONAL SERVICES

A. APPROVAL/RATIFICATION OF AGREEMENTS

No agreements submitted.

14. PUPIL SERVICES

A. APPROVAL/RATIFICATION OF NON-PUBLIC SCHOOL/NON-PUBLIC AGENCY CONTRACTS

Approve entering into the following non-public school/non-public agency master contracts, to be funded by the General Fund/Restricted 06-00, and authorize Eric R. Dill or Stephen G. Ma to execute all pertinent documents pertaining to this contract, contingent upon receipt of the signed documents and verification of insurance coverage:

1. Summerhill School, during the period January 7, 2008 through June 30, 2008.

B. APPROVAL/RATIFICATION OF AGREEMENTS

No agreements submitted.

15. BUSINESS

A. APPROVAL/RATIFICATION OF AGREEMENTS

Approve/ratify entering into the following agreements and authorize Eric R. Dill, Stephen G. Ma, or Peggy Lynch to execute the agreements:

1. Mark D. Baldwin, Ed.D., to prepare, conduct and facilitate a CTE (Career and Technical Education) workshop, on March 27, 2008, for an amount not to exceed \$2,500.00, to be expended from the General Fund/Restricted 06-00.

2. Geocon, Inc. to perform a limited geotechnical investigation at Sunset High School, during the period February 8, 2008 through May 31, 2008, for an estimated amount of \$6,100.00, to be expended from Mello Roos Funds.
3. Magdalena Ecke Family YMCA for lease of facilities for San Dieguito Academy off-campus PE class, during the period April 1, 2008 through June 12, 2008, for an amount not to exceed \$1,100.00, to be expended from the General Fund/ Restricted 06-00.
4. Roesling Nakamura Terada Architects, Inc. to provide design, contract document preparation and construction administration support for the Diegueno Middle School Music Room project, during the period February 8, 2008 through November 30, 2008, for an amount not to exceed \$30,000.00 plus reimbursable expenses, to be expended from the Capital Facilities Fund 25-19.

B. APPROVAL/RATIFICATION OF AMENDMENT TO AGREEMENTS

Approve/ratify amending the following agreements and authorize Eric R. Dill or Stephen G. Ma to execute the agreements:

1. Rebecca Heyl Communications, extending the contract period from February 1, 2008 to June 30, 2008, with no additional cost to the services provided.
2. Geocon, Inc. for additional geotechnical services performed at San Dieguito Academy, increasing the contract amount by \$3,742.27, to be expended from Mello Roos Funds.
3. Siemens Building Technologies, Inc. to provide additional work regarding mechanical, operational, and energy efficiency related improvements to Torrey Pines High School, as allowed in the energy service contract, to be performed upon receipt of a written notice to proceed from the District, increasing the total contract cost by \$37,500.00, to be expended from the Deferred Maintenance Fund 14-00.

C. AWARD OF CONTRACTS

Award the following contracts and authorize Eric R. Dill or Stephen G. Ma to execute all pertinent documents:

1. Modtech Holdings, Inc. for the La Costa Canyon High School Team Room Modular Building project B2008-10, for an amount of \$444,674.00, to be expended from Mello Roos Funds.

D. ADOPTION OF RESOLUTION / SUPPORT OF APPLICATIONS FOR ELIGIBILITY DETERMINATION AND FUNDING & AUTHORIZATION TO SIGN APPLICATIONS AND ASSOCIATED DOCUMENTS

Adopt the attached Resolution in Support of Applications for Eligibility Determination and Funding, and Authorization to Sign Applications and Associated Documents, designating Stephen G. Ma, Associate Superintendent of Business, and Peggy Lynch, Superintendent, as District Representatives.

E. APPROVAL OF CHANGE ORDERS

No change orders submitted.

F. ACCEPTANCE OF CONSTRUCTION PROJECTS

No construction projects submitted.

G. APPROVAL OF BUSINESS REPORTS

1. Purchase Orders
2. Instant Money
3. Membership Listing

ROLL CALL VOTE FOR CONSENT AGENDA..... (Items 11 – 15)

Board of Trustees:

- _____ Joyce Dalessandro
- _____ Linda Friedman
- _____ Barbara Groth
- _____ Beth Hergesheimer
- _____ Deanna Rich

Student Advisory Board Members:

- _____ Meredith Adams, La Costa Canyon
- _____ Chloe Dies-Groff, San Dieguito Academy
- _____ Kaylee Falvo, Sunset
- _____ Ilana Newman, Torrey Pines
- _____ Kelly Kean, Canyon Crest Academy

DISCUSSION / ACTION ITEMS..... (Items 16 - 19)

16. PROPOSED REVISION TO POLICY 5116.1 AR-1, *INTRADISTRICT OPEN ENROLLMENT*
Motion by _____, second by _____, to approve proposed revision to Policy 5115.1 AR-1, as shown in the attached supplement.
17. PROPOSED REVISION TO POLICY 7100 AR-1, ATTACHMENT A, *NEW CONSTRUCTION, STUDENT HOUSING CAPACITY*
Motion by _____, second by _____, to approve proposed revision to Policy 7100 AR-1, Attachment A, as shown in the attached supplement.
18. ADOPTION OF RESOLUTION / STATUTORY FEE INCREASE / WITH AND WITHOUT URGENCY
 - a) Public Hearing
 - b) Motion by _____, second by _____, to adopt a resolution 1) without urgency (becomes effective in 60 days), and 2) with urgency (30 day maximum with a renewal to be presented to the Board on March 6, 2008) for the statutory fee increase.
19. ADOPTION OF RESOLUTION / LEASE-LEASEBACK / EARL WARREN MS & SUNSET HS
Adopt the attached resolution approving and authorizing execution of site lease, sublease agreement, and construction services agreement for the lease-leaseback agreement for the construction of the Earl Warren Middle School and the Sunset High School Modernization project, to be expended from the Capital Facilities Fund 25-19, State School Facility Fund 35-00, Mello Roos Funds, and Deferred Maintenance 14-00, and authorize Eric R. Dill or Stephen G. Ma to execute the necessary documents.

INFORMATION ITEMS.....(Items 20 - 27)

- 20. Business Services Update Steve Ma, Associate Superintendent
- 21. Educational Services Update Rick Schmitt, Associate Superintendent
- 22. Human Resources Update Terry King, Associate Superintendent
- 23. Public Comments
In accordance with the Brown Act, unless an item has been placed on the published agenda, there shall be no action taken. The Board may 1) acknowledge receipt of the information, 2) refer to staff for further study, or 3) refer the matter to the next agenda. (See Board Agenda Cover Sheet)
- 24. Future Agenda Items
- 25. Adjournment to Closed Session (if scheduled)

CLOSED SESSION (if required)

- A. To consider personnel issues, pursuant to Government Code Sections 11126 and 54957; limited to consideration of the appointment, employment, evaluation of performance, discipline/release, dismissal of a public employee or to hear *complaints or charges brought against such employee by another person or employee unless the employee requests a public session.*
 - B. Conference with Labor Negotiators, pursuant to Government Code Section 54957.8.
Agency Negotiators: Superintendent and Associate Superintendents (3)
Employee Organizations: San Dieguito Faculty Association / California School Employees Association
- 26. Report from Closed Session (if required)
 - 27. Adjournment of Meeting

*The next regularly scheduled Board Meeting will be held on **March 6, 2008, at 6:30 PM** in the SDUHSD District Office Board Room 101. The District Office is located at 710 Encinitas Blvd., Encinitas, CA, 92024.*

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North Coast Alternative HS
Oak Crest MS
San Dieguito Adult Education
San Dieguito HS Academy
Sunset HS
Torrey Pines HS

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT MINUTES OF THE BOARD OF TRUSTEES AT A REGULAR MEETING

THURSDAY, JANUARY 17, 2008

SDUHSD DISTRICT OFFICE

BOARD RM 101

PRELIMINARY FUNCTIONS.....(AGENDA ITEMS 1 – 6)

1. Call to Order / Public Comments..... (Agenda Item 1)
There were no comments from the public presented.

2. CLOSED SESSION (AGENDA ITEM 2)

President Beth Hergesheimer called the meeting to order at 6:00 PM on Thursday, January 17, 2008, to receive public comments on the closed session agenda items. There were no public comments, and the Board convened to closed session in the small board room to discuss:

- A. Personnel issues, pursuant to Government Code Sections 11126 and 54957; limited to consideration of the appointment, employment, evaluation of performance, discipline/release, dismissal of a public employee or to hear complaints or charges brought against such employee by another person or employee unless the employee requests a public session
- B. Labor-related issues with Labor Negotiators, pursuant to Government Code Section 54957.8
Agency Negotiators: Superintendent and Associate Superintendents
Employee Organizations: San Dieguito Faculty Association / California School Employees Association
- C. Consideration and/or deliberation of student discipline

REGULAR MEETING / OPEN SESSION

Members in Attendance

All Board of Trustees members were in attendance.

Student Advisory Members present were Meredith Adams, La Costa Canyon, Caylee Falvo, Sunset, Kelly Kean, Canyon Crest Academy, Kiran Natarajan, Torrey Pines High School, and Hilary Ross, San Dieguito Academy.

Administrators Present

Peggy Lynch, Ed.D., Superintendent
Terry King, Associate Superintendent, Human Resources
Steve Ma, Associate Superintendent, Business
Rick Schmitt, Associate Superintendent, Educational Services
Brian Kohn, Principal, Canyon Crest Academy
Becky Banning, Recording Secretary

3. Reconvene / Call to Order (AGENDA ITEM 3)

The regular meeting of the Board of Trustees was called to order at 6:31 PM by President Beth Hergesheimer.

4. Salute to Flag (Agenda Item 4)
Student Advisory Board Member Hilary Ross led the salute to the flag.

5. Report Out of Closed Session..... (Agenda Item 5)
The Board took action during closed session to readmit students #145001098 and #466256, and approved these students be eligible to enroll in their schools of attendance.

6. Approval of Minutes (Agenda Item 6)
It was moved by Ms. Friedman, seconded by Ms. Dalessandro, that the Minutes of the Regular Board Meeting of December 13, 2007 be approved.

Motion unanimously carried.

NON-ACTION ITEMS (AGENDA ITEMS 7 - 10)

7. Student Board Member Reports (Agenda Item 7)

All students present reported on current events and pending activities at their respective schools. Dr Lynch thanked Meredith Adams and Kiran Natarajan for serving on the Board and commended them for their time and dedication. Both students will be introducing their replacements at the upcoming Board meeting.

8. Board Member Reports (Agenda Item 8)

Ms. Dalessandro attended the Challenge Days event at Torrey Pines stating that it was very impressive and highly successful, and requested that a more detailed report of this event be given at a future Board meeting.

Ms. Friedman attended the Leadership Team holiday gathering; a City of Encinitas/School Liaison meeting; where the topic was the safety of large animals during an emergency situation. This was in light of the recent wildfires, where some community members took large animals to school grounds for safety.

Ms. Groth Attended a San Diego County School Board Association meeting where the main topic was County Mental Health. More information will follow. She also participated in a webcast workshop regarding the state budget sponsored by CSBA.

Ms. Hergesheimer attended the district office holiday luncheon. She also reminded trustees that Ms. Rich and Ms. Friedman would attend the upcoming San Dieguito Alliance meeting.

Ms. Rich thanked outgoing student advisory board members for serving on the board.

9. Superintendent's Reports, Briefings and Legislative Updates (Agenda Item 9)

Dr. Lynch gave an update on a recent Articulation Meeting where principals and superintendents from the feeder elementary districts met with middle school principals and Instruction and Curriculum Executive Director, Mr. David Jaffe, in anticipation of the transition between schools / districts beginning in the spring.

Dr. Lynch also addressed the matter of a sculpture piece donated by Friends of the Library and showed board members photos rendering suggested ways to display the sculpture in such a way that would be safe for students, staff and the sculpture itself.

Also given were calendar updates and reminders of pending events and upcoming activities.

10. Update, Canyon Crest Academy Brian Kohn, Principal

Principal Kohn gave an update to the Board on Canyon Crest Academy and addressed topics such as student achievement, instruction and curriculum, special education and specialized programs. He talked about the success of programs such as *Quest*, a math and science program built around the concept of hands-on, project-based work; *Venture*, a program centered around the creation of a student lounge known as *The Nest*, which serves as a vehicle for the practical application of marketing, business/product development and management, and *Envision*, a culture / arts based program where over 1200 students are enrolled. He also gave progress reports on staff development, technology, student connections/citizenship, and ongoing communication tools such as the monthly "Coffee with Kohn" sessions.

The Board commended Mr. Kohn for his presentation and the successful outcome of the programs discussed.

CONSENT AGENDA ITEMS..... (ITEMS 11 – 15)

It was moved by Ms. Dalessandro, seconded by Kiran Natarajan, that all Consent Agenda Items listed below be approved as written. ***Motion unanimously carried.***

11. SUPERINTENDENT

- A. ACCEPTANCE OF GIFTS AND DONATIONS, AS SHOWN IN THE ATTACHED SUPPLEMENT.
- B. APPROVAL OF FIELD TRIP REQUESTS, AS SHOWN IN THE ATTACHED SUPPLEMENT.

12. HUMAN RESOURCES

A. APPROVAL OF PERSONNEL REPORTS

Approval of matters pertaining to employment of personnel, salaries, leaves of absence, resignations, changes in assignments, extra duty assignments, and consultant services:

- 1. Approval of Certificated Personnel Report, as shown in the attached supplement.
- 2. Approval of Classified Personnel Report, as shown in the attached supplement.

B. APPROVAL/RATIFICATION OF AGREEMENTS

Approve/ratify entering into the following agreement and authorize Eric R. Dill or Stephen G. Ma to execute the agreement:

- 1. L.A. Fitness International, LLC to provide enrollment vouchers to District employees for discounted membership at L.A. Fitness, during the period December 19, 2007 through December 19, 2008, for an amount not to exceed \$1,000.00, to be expended from the General Fund 03-00 and be reimbursed by the San Diego County and Imperial County Risk Management Joint Powers Authority.

13. EDUCATIONAL SERVICES

A. APPROVAL/RATIFICATION OF AGREEMENTS

Approve/ratify entering into the following agreement and authorize Eric R. Dill or Stephen G. Ma to execute the agreement:

- 1. School Wise Press to prepare a school accountability report card (SARC) for the 2006-2007 school year, during the period July 5, 2007 through June 30, 2008, for an amount not to exceed \$16,065.00, to be expended from the General Fund 03-00.

- B. APPROVAL OF 2007 – 08 CONSOLIDATED APPLICATION FOR CATEGORICAL PROGRAMS (PART II) AS SHOWN IN THE ATTACHED SUPPLEMENT.

14. PUPIL SERVICES

- A. APPROVAL/RATIFICATION OF NON-PUBLIC SCHOOL/NON-PUBLIC AGENCY CONTRACTS

No contracts submitted.

- B. APPROVAL/RATIFICATION OF AGREEMENTS

Approve/ratify entering into the following agreements and authorize Eric R. Dill, Stephen G. Ma, or Peggy Lynch to execute the agreements:

1. San Dieguito Union High School District to provide a Special Circumstances Instructional Assistant to Carlsbad Unified School District for a Carlsbad USD special education student, during the period August 28, 2006 through December 31, 2007, at the cost of \$7,306.76, to be reimbursed by the Carlsbad Unified School District.

15. BUSINESS

- A. APPROVAL/RATIFICATION OF AGREEMENTS

Approve/ratify entering into the following agreements and authorize Eric R. Dill, Stephen G. Ma, or Peggy Lynch to execute the agreements:

1. San Diego Medical Services Enterprises to provide automatic external defibrillators program maintenance, during the period January 20, 2008 through January 21, 2009, for an amount not to exceed \$345.00, to be expended from the General Fund 03-00.
2. American Logistics Company, LLC to provide special education transportation when the District is not able to provide such transportation through its own resources, during the period January 18, 2008 through June 30, 2008, at the rates of the pricing formula stated in the agreement but not to exceed \$9,000.00, to be expended from the General Fund/Restricted 06-00.
3. SBC Global Services, Inc. dba AT&T Global Services on behalf of Pacific Bell Telephone Company dba AT&T California and the State of California to provide California Integrated Information Network (CALNET) II Module 1 Services (reduced prices on telecommunication services and products), during the period January 30, 2007 through January 29, 2012, with an option to renew two additional one-year periods, at the rates listed in the rate tables of the contract, to be expended from the General Fund 03-00.
4. Carmel Valley Recreation Center for lease of facilities for the San Dieguito Adult School senior fitness classes, during the period November 7, 2007 through April 4, 2008, for an amount not to exceed \$1,700.00, to be expended from the Adult Education Fund 11-00.

- B. APPROVAL OF AGREEMENT

Approve entering into an agreement with Dolinka Group to develop a Facilities and Funding Master plan for the District, during the period January 18, 2008 through June 30, 2008, for an amount not to exceed \$70,000.00, to be expended from the Capital Facilities Fund 25-19 and Mello Roos Funds.

- C. APPROVAL/RATIFICATION OF AMENDMENT TO AGREEMENTS

No amendments to agreements submitted.

D. ADOPTION OF RESOLUTIONS

Adopt the following resolutions:

1. AUTHORIZE CONTRACT FOR COOPERATIVE BID / SUNSET HS

Authorize contracting pursuant to cooperative bid and award documents from the Nuvew Union School District for the purchase of one modified relocatable boy/girl restroom and student store for Sunset High School, for an amount not to exceed \$82,072.60, to be expended from the Capital Facilities Fund 25-19, State School Facility Fund 35-00, and Mello Roos Funds and authorize Eric R. Dill or Stephen G. Ma to execute the necessary documents.

2. REPORT ON STATUTORY SCHOOL FEES AND FINDINGS 2006-2007

Statutory school fees and report for fiscal year 2006-2007, and findings in compliance with Government Code sections 66006 and 66001, as shown in the attached supplements.

E. AWARD OF CONTRACTS

Award the following contracts and authorize Eric R. Dill or Stephen G. Ma to execute all pertinent documents:

1. PINT, Inc. for the specialized programming and artistic re-design and deployment of a new District web site and web site support services as outlined in the Request for Proposal B2008-05, during the period January 18, 2008 through December 31, 2008, for an amount of \$45,000.00, to be expended from General Fund 03-00 and General Fund/Restricted 06-00.

F. APPROVAL OF CHANGE ORDERS

Approve Change Orders to the following projects, and authorize Eric R. Dill or Stephen G. Ma to execute the change orders:

1. Change Order No. 1 – Torrey Pines High School Team Room Site Improvements B2007-14, contract entered into with Healey Construction, extending the contract time by 129 calendar days and increasing the contract amount by \$2,880.01, to be expended from the Capital Facilities Fund 25-19 and Torrey Pines High School Foundation.
2. Change Order No. 2 – Torrey Pines High School Team Room Modular Building B2007-12, contract entered into with Modular Structures International, Inc., increasing the contract time by 153 calendar days and increasing the contract amount by \$8,534.00, to be expended from the Capital Facilities Fund 25-19 and Torrey Pines High School Foundation.

G. ACCEPTANCE OF CONSTRUCTION PROJECTS

Accept the following construction projects as complete, pending the completion of a punch list, and authorize the administration to file a Notice of Completion with the County Recorders Office:

1. Torrey Pines High School Team Room Site Improvements B2007-14, contract entered into with Healey Construction.
2. Torrey Pines High School Team Room Modular Building B2007-12, contract entered into with Modular Structures International, Inc.

H. ACCEPTANCE OF 2006-07 ANNUAL AUDIT REPORT

Accept the 2006-07 Annual Audit of the San Dieguito Union High School District, as prepared by Wilkinson & Hadley, LLP and shown in the attached supplement.

- I. APPROVAL OF BUSINESS REPORTS
 - 1. Purchase Orders
 - 2. Instant Money
 - 3. Membership Listing

DISCUSSION / ACTION ITEMS..... (AGENDA ITEM 16)

- 16. Approval of Resolution regarding the formation of the North Coast Educational Legislative Action Network, as shown in the attached supplement.

It was moved by Ms. Friedman, seconded by Ms. Rich, that the Resolution regarding the formation of the North Coast Educational Legislative Action Network be approved as written.

Motion unanimously carried.

INFORMATION ITEMS.....(AGENDA ITEMS 17 - 26)

- 17. Business Services Update Steve Ma, Associate Superintendent
Mr. Ma gave an update on a recent State Budget conference he attended in Ontario, and stated that district Cabinet members would be meeting to discuss ways to address the budget cuts. He also reported that the district had received a letter stating that plans for the San Dieguito Academy Performing Arts Center had been approved. The next step will be to submit a CTE application which has been completed. The deadline for submitting will be February 1, 2008.
- 18. Proposed Revision to Policy 5116.1 AR-1, Intradistrict Open Enrollment..... (Agenda Item 18)
This revision proposal was presented as information only and will be resubmitted for approval at a future meeting.
- 19. Proposed Revision to Policy 7100 AR-1, Attachment A, New Construction, Student Housing Capacity (Agenda Item 19)
This revision proposal was presented as information only and will be resubmitted for approval at a future meeting.
- 20. Educational Services UpdateRick Schmitt, Associate Superintendent
Mr. Schmitt updated the Board on the data base high school selection process, including 8th grade selections and announced that *Choice Nights* are scheduled for the first week of February. The new state-required math curriculum was on display for Board review. He also presented the Board with a list of book adoptions for student reading, from the middle school grade levels through the 12th grade.
- 21. Human Resources Update Terry King, Associate Superintendent
Ms. King announced the hiring of Assistant Principal Thomas Winters, at Earl Warren Middle School, who replaces Cara Schukoske, new District Coordinator of Special Education.
- 22. Public Comments (Agenda Item 22)
There were no public comments presented at this meeting.
- 23. Future Agenda Items (Agenda Item 23)
Ms. Dalessandro requested the Sept 19th meeting be moved a day or two earlier that week. An update will follow.
- 24. Adjournment to Closed Session (Agenda Item 24)
There were no further items to discuss in Closed Session.

- 25. Report out of Closed Session (Agenda Item 25)
There was no report out of Closed Session.
- 26. Adjournment of Meeting (Agenda Item 26)
There being no further business, the meeting was adjourned at 7:40PM.

Linda Friedman, Clerk

____/____/____
Date

Peggy Lynch, Ed.D., Superintendent

____/____/____
Date

San Dieguito

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SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

BOARD OF TRUSTEES

BOARD WORKSHOP

MINUTES

WEDNESDAY, JANUARY 23, 2008

A Special Meeting of the Governing Board of the San Dieguito Union High School District took place on Wednesday, January 23, 2008, at 3:30 PM, in the District Office Board Room, located at 710 Encinitas Blvd, Encinitas, California.

Board Members in Attendance

All Board Members were in attendance at this meeting.

Administrators in Attendance

Peggy Lynch, Ed.D, Superintendent
Steve Ma, Associate Superintendent, Business

PRELIMINARY FUNCTIONS

1. CALL TO ORDER

President Hergesheimer called the meeting to order at 3:30 PM to receive public comments. There were no public comments.

INFORMATION ITEM

2. FUNDING FOR FACILITIES – STEVE MA, ASSOCIATE SUPERINTENDENT, BUSINESS

Dr. Lynch introduced the topic of Facilities Financing and the consultants present to share information. A third consultant joined by speaker phone and presentations were made by Mr. Underwood, Ms. Davis, and Mr. Wong.

3. ADJOURNMENT OF MEETING – The meeting was adjourned at 4:30 PM.

Linda Friedman, Board Clerk

Date

Peggy Lynch, Ed.D, Superintendent

Date

San Dieguito

Union High School
District

710 Encinitas Blvd.
Encinitas, CA 92024-3357
(760) 753-6491
www.sduhsd.net

Board of Trustees:

Joyce Dalessandro
Linda Friedman
Barbara Groth
Beth Hergesheimer
Deanna Rich

Superintendent:

Peggy Lynch, Ed.D.
(760) 943-3501 FAX

Canyon Crest Academy
Carmel Valley MS
Diegueno MS
Earl Warren MS
La Costa Canyon HS
North Coast Alternative HS
Oak Crest MS
San Dieguito Adult Education
San Dieguito HS Academy
Sunset HS
Torrey Pines HS

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

BOARD OF TRUSTEES

SPECIAL BOARD MEETING

MINUTES

THURSDAY, JANUARY 24, 2008

A Special Meeting of the Governing Board of the San Dieguito Union High School District took place on Thursday, January 24, 2008, at 1:00 PM, in the District Office Board Room, located at 710 Encinitas Blvd, Encinitas, California.

Board Members in Attendance

All Board Members were in attendance at this meeting.

Also in Attendance

Eric Dill, Executive Director, Risk Management
Rene Townsend, Ed.D., Consultant, Leadership Associates, Inc.
Bob Trigg, Ed.D., Consultant, Leadership Associates, Inc.
Becky Banning, Executive Assistant / Recording Secretary

PRELIMINARY FUNCTIONS

1. CALL TO ORDER

President Hergesheimer called the meeting to order at 1:00 PM to receive public comments. There were no public comments.

DISCUSSION / ACTION ITEM

2. ADOPTION OF RESOLUTION FOR EMERGENCY WAIVER – PUBLIC PROJECT

Resolution for Emergency Waiver constituting an emergency condition and requesting proper repair or replacement of waterline pipe and restoration of excavated areas at Oak Crest Middle School

It was moved by Ms. Dalessandro, seconded by Ms. Friedman, that the resolution be approved as written. ***Motion unanimously carried.***

CLOSED SESSION

- ##### 3. The Board met in Closed Session to consider personnel issues, pursuant to Government Code Sections 11126 and 54957; limited to consideration of appointment, employment, evaluation of performance, discipline/release, dismissal of a public employee or to hear *complaints or charges brought against such employee by another person or employee unless the employee requests a public session.*
- ##### 4. REPORT OUT OF CLOSED SESSION – There was no report out of closed session.

5. ADJOURNMENT OF MEETING – The meeting was adjourned at 4:30 PM.

Linda Friedman, Board Clerk

Date

Peggy Lynch, Ed.D, Superintendent

Date

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: January 31, 2008

BOARD MEETING DATE: February 7, 2008

PREPARED AND SUBMITTED BY: Peggy Lynch, Ed.D.
Superintendent

SUBJECT: ACCEPTANCE OF GIFTS AND DONATIONS

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EXECUTIVE SUMMARY

The district administration is requesting acceptance of gifts and donations to the district as shown on the following report.

RECOMMENDATION:

The administration recommends that the Board accept the gifts and donations to the district as shown on the following report.

FUNDING SOURCE:

Not applicable

PL/bb

ITEM 11A

DONATIONS REPORT
SDUHSD BOARD MEETING
February 7, 2008

Donation	Purpose	Donor	Donated To: (Teacher, Dept, Site)	
		Name / Foundation	Department	School Site
\$500.00	Purchase of classroom supplies for the Special Education TAP program	CVMS PTSA	Special Education	CVMS
\$7,319.97	Materials & supplies for the Science department	CCA Foundation	Science	CCA
\$7,650.00	Quarterly invoice from Gaspar for Athletic Trainer	TPHS Foundation	PE	TPHS
\$4,130.00	Softball fence	TPHS Foundation	PE	TPHS
\$2,300.00	Refinish gym floor for Prep Classic Basketball Tournament	TPHS Foundation	PE	TPHS
\$1,300.00	Purchase of Safari Montage Program	OCMS Foundation	General	OCMS
\$600.00	Mr. Main to purchase a rechargeable battery & supplies to CSMART lab	OCMS Foundation	Science	OCMS
\$330.00	Mr. Pavlovich to purchase a portable puppet theater	OCMS Foundation	Social Studies	OCMS
\$190.61	Miscellaneous United Way donations	United Way	General	CCA, SDA, SS, & TP
\$40,000.00	Pay for salaries of artists in residence for the Envision Program	CCA Foundation	V & P Arts	CCA
\$1,000 (2 checks in the amt. of \$500 ea.)	General use at CCA	Keane Studios	General	CCA
\$2,000 (4 checks in the amt. of \$500 ea.)	General use at CCA	Keane Studios	General	CCA
\$80.90 (2 checks: \$32.36 & \$48.54)	General use at CCA	United Way	General	CCA

ITEM 11A

**DONATIONS REPORT
SDUHSD BOARD MEETING
February 7, 2008**

Donation	Purpose	Donor	Donated To: (Teacher, Dept, Site)	
		Name / Foundation	Department	School Site
\$11,600.00	Purchase of portable recording equipment & 3 iMac computers	SDA Foundation	Music	SDA
\$40.73	General use at SDA	Verizon Long Distance	General	SDA
\$1,000.00	To be used for Japanese program	AT Human USA	World Languages	SDA
Selmer Clarinet, music books & music stand (\$300 value)	To be used by the Music Dept.	Beth Levine	Music	SDA
\$7,525.71	General use at CCA	CCA Foundation	General	CCA
\$1,617.90 (one check for \$185.51 & one for \$1,432.39)	For the purchase of a network printer for the computer lab at OCMS	OCMS Foundation	Computer Lab	OCMS
HP Color LaserJet 3700dn printer (\$1300 value)	For Media Center use to assist students with their classroom assignments & color presentations	Laurie Horton	Media Center	CVMS

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: January 31, 2008

BOARD MEETING DATE: February 7, 2008

PREPARED AND SUBMITTED BY: Peggy Lynch, Ed.D.
Superintendent

SUBJECT: APPROVAL / RATIFICATION OF
FIELD TRIPS

.....

EXECUTIVE SUMMARY

The district administration is requesting approval / ratification of the out-of-state and/or overnight field trips, as shown on the following report.

RECOMMENDATION:

The administration recommends that the Board approve / ratify the out-of-state and/or overnight field trips, as shown on the following report.

FUNDING SOURCE:

As listed on attached report.

PL/bb

ITEM 11B

**FIELD TRIP REPORT
SDUHSD BOARD MEETING
February 7, 2008**

Date(s) of Field Trip	Site	Sponsor, Last Name	First Name	Team / Club	Total # Students	Total # Chaperones	Purpose / Conference Name	City	State	Loss of Class Time	* \$ Cost
04/17/08-04/20/08	TPHS	Boardman-Smith	Mia	Advanced Journalism & Yearbook	Approx. 35	2	Attend seminars & compete in various competitions	Anaheim	CA	2 days	N/A
05/14/08-05/18/08	TPHS	Drake	Chris	TPHS MUN (Model United Nations)	Approx. 15	2	Participate in the '08 UNA-USA Model United Nations Conference	New York	NY	2 days	N/A
03/06/08 - 03/08/08	TPHS	Olive	John	Advanced Dance	23	3	Participate in a USA National dance competition	Anaheim	CA	1 day	N/A
03/22/08	LCC	Hartey	Dallas	Boys' Varsity Lacrosse	30	3	Compete in a Lacrosse game	Tustin	CA	1 day	N/A
03/08/08	LCC	Hartey	Dallas	Boys' Varsity Lacrosse	30	3	Compete in a Lacrosse game	Palos Verdes	CA	1 day	N/A
03/13/08 - 03/16/08	TPHS	Drake	Chris	TPHS MUN (Model United Nations)	15	2	Participate in the 56th Annual Cal Model United Nations Conference, UC	Berkeley	CA	4 days	N/A

* Dollar amounts are listed only when district/site funds are being spent. Other activities are paid for by student fees or ASB funds.

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: January 31, 2008

BOARD MEETING DATE: February 7, 2008

PREPARED BY: Terry King
Associate Superintendent/Human Resources

SUBMITTED BY: Peggy Lynch, Ed.D.
Superintendent

SUBJECT: APPROVAL OF CERTIFICATED and
CLASSIFIED PERSONNEL

EXECUTIVE SUMMARY

Please find the following Personnel actions attached for Board Approval:

Certificated

Employment
Change in Assignment
Leave of Absence
Resignation

Classified

Employment
Change in Assignment
Resignation

RECOMMENDATION:

It is recommended that the Board approve the attached Certificated and Classified Personnel Actions.

FUNDING SOURCE:

General Fund

ITEM 12/CERTIFICATED

PERSONNEL LIST

CERTIFICATED PERSONNEL

Employment

1. **Jennifer Dahlquist**, 100% Temporary Teacher for Semester II/2007-08 school year, effective 1/28/08 through 6/12/08.
2. **Joseph Estrela**, 33% Temporary Teacher for Semester II/2007-08 school year, effective 1/28/08 through 6/12/08.
3. **Pedro Fuentes**, 100% Temporary Teacher for Semester II/2007-08 school year, effective 1/28/08 through 6/12/08.
4. **Louise Hiatt**, 60% Temporary Teacher for Semester II/2007-08 school year, effective 1/28/08 through 6/12/08.
5. **Rigo Paz**, 100% Temporary Teacher for Semester II/2007-08 school year, effective 1/28/08 through 6/12/08.
6. **Kristin Rogers**, 67% Temporary Teacher for the remainder of the 2007-08 school year, effective 1/31/08 through 6/12/08.
7. **Daniel Schreiber**, 100% Temporary Teacher for Semester II/2007-08 school year, effective 1/28/08 through 6/12/08.
8. **Brett Williams**, 100% Temporary Teacher for Semester II/2007-08 school year, effective 1/28/08 through 6/12/08.

Change in Assignment

1. **Leroy Alicea**, Temporary Teacher, Change in Assignment from 80% to 100% for Semester II/2007-08 school year, effective 1/28/08 through 6/12/08.
2. **Elizabeth Reukema**, Temporary Teacher, Change in Assignment from 80% to 100% for Semester II/2007-08 school year, effective 1/28/08 through 6/12/08.

Leave of Absence

1. **Mary Jeanette Lindebak**, Teacher, 100% Unpaid Leave of Absence for child-rearing purposes, effective 1/08/08 through 3/30/08. She will resume teaching 100% effective 3/31/08.

Resignation

1. **Cori Glass**, Temporary Teacher, Resignation from Employment at the conclusion of the 2007-08 school year, effective 6/12/08.
2. **Amanda Dahlgren**, Teacher, Resignation from Employment, effective 2/08/08.

ITEM 12, CLASSIFIED

PERSONNEL LIST

CLASSIFIED PERSONNEL

Employment

1. **Bishop, Ryan**, At Will Employee, effective 1/30/08 – 6/12/08
2. **Boyer, Anne**, At Will Employee, effective 1/30/08 – 6/12/08
3. **Brown, Zachary**, At Will Employee, effective 1/30/08 – 6/12/08
4. **Carter, Robert**, At Will Employee, effective 1/130/08 – 6/12/08
5. **Diaz, John**, At Will Employee, effective 1/31/08 – 2/22/08
6. **Elstob, Andrew**, At Will Employee, effective 1/30/08 – 6/12/08
7. **Hernandez, Yvonne**, At Will Employee, effective 1/30/08 – 6/12/08
8. **Jagielinski, Monika**, Instructional Assistant SpEd, effective 1/14/08
9. **Jarrell, Nathan**, At Will Employee, effective 1/30/08 – 6/12/08
10. **Luce, Rachel**, Student Worker Nutrition Services, effective 1/7/08 – 6/12/08
11. **Malmstrom, Seth**, At Will Employee, effective 9/4/07 – 11/13/08
12. **Rivera, Gabriela**, Instructional Assistant Bilingual, effective 1/16/08
13. **Stohl, Rayna**, At Will Employee, effective 1/30/08 – 6/12/08
14. **Weed, Mark**, At Will Employee, effective 1/30/08 – 6/12/08

Change in Assignment

1. **Del Val, Elizabeth**, from Instructional Assistant SpEd to Job Placement Assistant, effective 2/1/08

Resignation

1. **Aquino, Ana**, Instructional Assistant SpEd, effective 1/31/08

mh
2/7/08
classbdagenda

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: January 22, 2008

BOARD MEETING DATE: February 7, 2008

PREPARED BY: Denise W. Levine, Executive Director
Pupil Services

SUBMITTED BY: Peggy Lynch, Ed.D.,
Superintendent

SUBJECT: Approval/Ratification of Agreement(s) for
Nonpublic School/Nonpublic Agency Services

EXECUTIVE SUMMARY

The district administration has recommended that designated special education students attend nonpublic schools and/or receive nonpublic agency services for the 2007-08 school year as listed on the attached report.

RECOMMENDATION

The district administration recommends that the Board approve the attached list of agreements for nonpublic school/nonpublic agency services and authorize Eric Dill to sign the agreements and forward the appropriate documents to the County Superintendent to reflect the placement of students in nonpublic school/nonpublic agencies.

FUNDING SOURCE

General Fund 06-00/Special Education Budget – Estimated: \$19,254

PL/ddb
Attachment

ITEM 14

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

NONPUBLIC SCHOOLS/AGENCIES 2007-2008

Date: February 7, 2008

Contract Effective Dates	NonPublic School NonPublic Agency (NPS/NPA)	Description of Services	Number of Students (Estimate)	Tuition and/or Fee
1-7-08 To 6-30-08	Summerhill School, NPS	Inclusive Basic Education Program	1	\$163.17/diem Estimate: \$19,254.06
			TOTAL	\$19,254.06

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: January 31, 2008

BOARD MEETING DATE: February 7, 2008

PREPARED BY: Eric R. Dill, Executive Director, Business Services
Steve Ma, Associate Superintendent/Business

SUBMITTED BY: Peggy Lynch, Ed.D.,
Superintendent

SUBJECT: APPROVAL/RATIFICATION OF
PROFESSIONAL SERVICES CONTRACTS/
BUSINESS

EXECUTIVE SUMMARY

The attached Professional Services Report/Business summarizes four contracts totaling \$39,700.00, or as noted on the attachment.

RECOMMENDATION:

The administration recommends that the Board approve and/or ratify the contracts, as shown in the attached Professional Services Report.

FUNDING SOURCE:

As noted on attached list.

ITEM 15A

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
BUSINESS - PROFESSIONAL SERVICES REPORT

Date: 02-07-08

<u>Contract Effective Dates</u>	<u>Consultant/ Vendor</u>	<u>Description of Services</u>	<u>School/ Department Budget</u>	<u>Fee Not to Exceed</u>
03/27/08	Mark D. Baldwin, Ed.D.	Prepare, conduct and facilitate a CTE (Career and Technical Education) workshop	General Fund/Restricted 06-00	\$2,500.00
02/08/08 – 05/31/08	Geocon, Inc.	Perform a limited geotechnical investigation at Sunset High School	Mello Roos Funds	\$6,100.00
04/01/08 – 6/12/08	Magdalena Ecke Family YMCA	Lease of facilities for San Dieguito Academy off-campus PE class	General Fund/Restricted 06-00	\$1,100.00
02/08/08 – 11/30/08	Roesling Nakamura Terada Architects, Inc.	Provide design, contract document preparation and construction administration support for the Diegueno Middle School Music Room	Capital Facilities Fund 25-19	\$30,000.00

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: January 31, 2008

BOARD MEETING DATE: February 7, 2008

PREPARED BY: Eric R. Dill, Executive Director, Business Services
Steve Ma, Associate Supt. /Business

SUBMITTED BY: Peggy Lynch, Ed.D.
Superintendent

SUBJECT: APPROVAL/RATIFICATION OF
AMENDMENTS TO AGREEMENTS

EXECUTIVE SUMMARY

The attached Amendment to Agreements Report summarizes three amendments to agreements totaling \$41,242.27 or as listed on the attached report.

RECOMMENDATION:

The administration recommends that the Board approve and/or ratify the amendments to agreements, as shown in the attached Amendment Report.

FUNDING SOURCE:

As noted on attached list

ITEM 15B

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

AMENDMENT TO AGREEMENTS REPORT

Date: 02-07-08

<u>Contract Effective Dates</u>	<u>Consultant/ Vendor</u>	<u>Description of Services</u>	<u>School/ Department Budget</u>	<u>Fee Not to Exceed</u>
02/01/08 – 06/30/08	Rebecca Heyl Communications	Extending contract period, with no additional cost to the services provided	N/A	N/A
N/A	Geocon, Inc.	Providing additional geotechnical services performed at San Dieguito Academy	Mello Roos Funds	\$3,742.27
N/A	Siemens Building Technologies, Inc.	Provide additional work regarding mechanical, operational, and energy efficiency related improvements to Torrey Pines High School, as allowed in the energy service contract, to be performed upon receipt of a written notice to proceed from the District	Deferred Maintenance Fund 14-00	\$37,500.00

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: January 8, 2008

BOARD MEETING DATE: February 7, 2008

PREPARED BY: Eric R. Dill, Executive Director, Business Services
Steve Ma, Associate Supt./ Business

SUBMITTED BY: Peggy Lynch, Ed.D.
Superintendent

SUBJECT: AWARD OF CONTRACT

EXECUTIVE SUMMARY

On January 17, 2008, bids were opened for the La Costa Canyon High School Team Room Modular Building project B2008-10. The bid submittals were reviewed by District staff for compliance and determination of the lowest responsive and responsible bidder. A summary of bid submittals is attached.

RECOMMENDATION:

Award a contract for the La Costa Canyon High School Team Room Modular Building project to Modtech Holdings, Inc., for an amount of \$444,674.00, and authorize Eric R. Dill or Stephen G. Ma to execute all pertinent documents.

FUNDING SOURCE:

Mello Roos Funds

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: January 29, 2008

BOARD MEETING DATE: February 7, 2008

PREPARED BY: John Addleman, Facilities Planning Analyst
Steve Ma, Assoc. Supt. of Business Services

SUBMITTED BY: Peggy Lynch, Ed.D.
Superintendent

SUBJECT: **ADOPTION OF RESOLUTION/SUPPORT
OF APPLICATIONS FOR ELIGIBILITY
DETERMINATION AND FUNDING &
AUTHORIZATION TO SIGN APPLICATIONS
AND ASSOCIATED DOCUMENTS**

EXECUTIVE SUMMARY

On May 23, 2006, the Board previously adopted a resolution required by the Office of Public School Construction (OPSC) which supports the applications for eligibility determination and funding, and designates representative(s) to sign applications and associated documents for new construction and modernization projects. The attached resolution is updated to identify the modernization projects to take place at Earl Warren Middle School and Sunset Alternative High School this summer.

RECOMMENDATION:

It is recommended that the Board adopt the attached Resolution in Support of Applications for Eligibility Determination and Funding, and Authorization to Sign Applications and Associated Documents, designating Stephen G. Ma, Associate Superintendent of Business, and Peggy Lynch, Superintendent, as District Representatives.

FUNDING SOURCE:

Not applicable.

ITEM 15D

**BEFORE THE BOARD OF TRUSTEES OF THE
SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
SAN DIEGO COUNTY, CALIFORNIA**

**SUPPORT OF APPLICATIONS FOR ELIGIBILITY DETERMINATION AND FUNDING and
AUTHORIZATION TO SIGN APPLICATIONS AND ASSOCIATED DOCUMENTS**

Whereas, the San Dieguito Union High School District intends to file applications for funding under the School Facility Program as provided in Chapter 12.5, Part 10, Division 1, commencing with Section 17070.10, et seq., of the Education Code; and

Whereas, the San Dieguito Union High School District intends to file applications under other State facility programs; and

Whereas, a condition of submitting the various applications under the above mentioned programs is a resolution in support of those applications from the San Dieguito Union High School District Board of Trustees and signatures of the San Dieguito Union High School District Administration; and

Whereas, the San Dieguito Union High School District wishes to submit eligibility applications and new construction and/or modernization funding applications for the following schools and any other new construction and/or modernization projects as necessary:

<u>School</u>	<u>Funding</u>
Sunset Alternative High School	Modernization
Earl Warren Middle School	Modernization

THEREFORE, BE IT HEREBY RESOLVED, that the San Dieguito Union High School District Board of Trustees is in support of necessary applications under the School Facility Program and any other State facility programs and that the individuals identified below are authorized to sign all documents associated with the applications for eligibility and funding:

1. Stephen G. Ma
2. Peggy Lynch

Enacted this 7th day of February, 2008, by the San Dieguito Union High School District Board of Trustees.

Ayes _____ Absent _____
 Noes _____ Passed _____

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: January 30, 2008

BOARD MEETING DATE: February 7, 2008

PREPARED BY: Stephen G. Ma
Associate Superintendent, Business

SUBMITTED BY: Peggy Lynch, Ed.D., Superintendent

SUBJECT: APPROVAL OF BUSINESS REPORTS

EXECUTIVE SUMMARY

Please find the following business reports submitted for your approval:

- a) Purchase Orders
- b) Instant Money
- c) Membership Listing

RECOMMENDATION:

It is recommended that the Board approve the following business reports: a) Purchase Orders, b) Instant Money, and c) Membership Listing.

FUNDING SOURCE:

Not applicable

jr
Attachments

SAN DIEGUITO UNION HIGH
FROM 01/08/08 THRU 01/24/08

ITEM 15G¹

PO NBR	DATE	FUND	VENDOR	LOC	DESCRIPTION	AMOUNT
282569	01/08/08	03	TIGERDIRECT.COM	012	MATERIALS AND SUPPLI	\$195.98
282570	01/08/08	03	CORPORATE EXPRESS	022	OFFICE SUPPLIES	\$21.08
282571	01/08/08	06	LERNER PUBLICATIONS	012	MATERIALS AND SUPPLI	\$383.86
282572	01/08/08	03	PAXTON/PATTERSON	004	MATERIALS AND SUPPLI	\$1,326.94
282574	01/08/08	11	SILVERSTONE, MONTY	009	MATERIALS AND SUPPLI	\$129.12
282575	01/08/08	03	OFFICE DEPOT	008	NON CAPITALIZED EQUI	\$323.23
282576	01/08/08	06	AMERICAN RED CROSS/O	006	MATERIALS AND SUPPLI	\$129.90
282577	01/08/08	06	SCREENPRINTING PRODU	013	MATERIALS AND SUPPLI	\$173.63
282578	01/08/08	06	SNAP ON INDUSTRIAL	005	MATERIALS AND SUPPLI	\$927.84
282579	01/08/08	06	SEARS COMMERCIAL SAL	030	NON CAPITALIZED EQUI	\$857.80
282581	01/08/08	03	CORPORATE EXPRESS	037	OFFICE SUPPLIES	\$300.00
282582	01/08/08	03	CORPORATE EXPRESS	037	OFFICE SUPPLIES	\$300.00
282583	01/08/08	11	VON'S GROCERY COMPAN	009	MATERIALS AND SUPPLI	\$1,000.00
282584	01/08/08	06	MCDUGAL LITTEL	012	MATERIALS AND SUPPLI	\$10,401.45
282585	01/08/08	06	DELL COMPUTER CORPOR	030	MAT/SUP/EQUIP TECHNO	\$1,672.88
282586	01/08/08	06	BARNES & NOBLE BOOKS	012	MATERIALS AND SUPPLI	\$2,280.53
282587	01/08/08	06	PERMA BOUND	014	MATERIALS AND SUPPLI	\$1,486.95
282588	01/08/08	03	SCHOOL SERVICES OF C	022	MATERIALS AND SUPPLI	\$69.60
282589	01/08/08	06	DYNAVOX SYSTEMS, INC	030	MAT/SUP/EQUIP TECHNO	\$4,396.20
282590	01/09/08	03	BARNES & NOBLE BOOKS	006	BOOKS OTHER THAN TEX	\$68.85
282591	01/09/08	03	SURFACE TECHNOLOGY	025	BLDG.-REPAIR MATERIA	\$1,287.42
282592	01/09/08	06	FREDRICKS ELECTRIC I	025	OTHER SERV.& OPER.EX	\$961.25
282593	01/09/08	06	FERGUSON PUBLISHING	008	MATERIALS AND SUPPLI	\$1,877.44
282594	01/09/08	03	SIMPLE TRUTHS, LLC	013	MATERIALS AND SUPPLI	\$327.09
282595	01/09/08	03	A C T	013	MATERIALS AND SUPPLI	\$91.59
282596	01/09/08	03	LIBRARY VIDEO COMPAN	005	MATERIALS AND SUPPLI	\$246.49
282597	01/09/08	06	MOSAIC ART SUPPLY	012	MATERIALS AND SUPPLI	\$50.91
282598	01/09/08	06	MOSAIC TILE ARTS	012	MATERIALS AND SUPPLI	\$994.88
282599	01/09/08	03	ESCHOOL SOLUTIONS	035	REPAIRS BY VENDORS	\$7,445.13
282600	01/10/08	03	EXPRESS PRINT	014	MATERIALS AND SUPPLI	\$1,034.40
282601	01/10/08	03	HOME DEPOT	005	MATERIALS AND SUPPLI	\$96.98
282602	01/10/08	03	RALPHS GROCERY COMPA	005	MATERIALS AND SUPPLI	\$500.00
282603	01/11/08	03	AIR-TEK	025	OTHER SERV.& OPER.EX	\$999.00
282604	01/11/08	03	SABIC INNOVATIVE PLA	025	BLDG.-REPAIR MATERIA	\$2,421.70
282605	01/11/08	03	KIWI CLEANING SERVIC	025	OTHER SERV.& OPER.EX	\$1,286.00
282606	01/11/08	06	A B C SCHOOL EQUIPME	005	EQUIPMENT	\$13,766.00
282607	01/11/08	06	INTERIOR WALL SYSTEM	025	EQUIPMENT	\$8,266.00
282608	01/14/08	03	FLYING MULE	013	MATERIALS AND SUPPLI	\$630.34
282609	01/14/08	03	P A P A	025	DUES AND MEMBERSHIPS	\$480.00
282610	01/14/08	06	GLENCOE-MACMILLAN/MC	005	TEXTBOOKS	\$8,288.55
282611	01/14/08	13	CORPORATE EXPRESS	031	MATERIALS AND SUPPLI	\$130.58
282612	01/14/08	03	SMART AND FINAL CORP	005	MATERIALS AND SUPPLI	\$700.00
282613	01/14/08	06	JOHNSON, WILLIAM AND	030	MEDIATION SETTLEMENT	\$31,950.20
282614	01/14/08	06	EDUCATIONAL RESOURCE	024	LIC/SOFTWARE	\$4,890.15
282615	01/15/08	06	OAK CREST MIDDLE SCH	024	MATERIALS AND SUPPLI	\$1,500.00
282616	01/15/08	03	LYNDA.COM INC	013	LIC/SOFTWARE	\$375.00
282617	01/15/08	03	A C T	013	MATERIALS AND SUPPLI	\$285.20
282618	01/15/08	06	AMAZON.COM	005	MATERIALS AND SUPPLI	\$149.74
282619	01/15/08	06	GLOBE FEARON	005	MATERIALS AND SUPPLI	\$1,246.78
282620	01/15/08	06	MCGRAW HILL ORDER SE	005	MATERIALS AND SUPPLI	\$211.83
282621	01/15/08	06	ALTA BOOK CENTER	005	MATERIALS AND SUPPLI	\$646.72
282622	01/15/08	06	GREAT LAKES PRESS IN	014	MATERIALS AND SUPPLI	\$310.43
282623	01/15/08	06	INSIGHT MEDIA	014	MATERIALS AND SUPPLI	\$880.84
282624	01/15/08	06	OAK GROVE INSTITUTE	030	OTHER CONTR-N.P.S.	\$29,635.20
282625	01/15/08	06	OAK GROVE INSTITUTE	030	OTHER CONTR-N.P.S.	\$28,506.24

SAN DIEGUITO UNION HIGH
FROM 01/08/08 THRU 01/24/08

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PO NBR	DATE	FUND	VENDOR	LOC	DESCRIPTION	AMOUNT
282626	01/15/08	06	OAK GROVE INSTITUTE	030	OTHER CONTR-N.P.S.	\$29,635.20
282627	01/15/08	06	OAK GROVE INSTITUTE	030	OTHER CONTR-N.P.S.	\$4,233.60
282630	01/15/08	06	NAVIANCE	024	LIC/SOFTWARE	\$1,780.00
282631	01/15/08	06	AMAZON.COM	005	BOOKS OTHER THAN TEX	\$489.72
282632	01/15/08	06	BARNES & NOBLE BOOKS	005	MATERIALS AND SUPPLI	\$66.13
282633	01/15/08	06	IPARADIGMS LLC	035	LIC/SOFTWARE	\$750.00
282634	01/16/08	03	A B P A	025	DUES AND MEMBERSHIPS	\$65.00
282635	01/16/08	03	SIMPLEX-GRINNELL LP	025	REPAIRS BY VENDORS	\$2,665.00
282636	01/16/08	03	DELTA BIOLOGICALS	013	MATERIALS AND SUPPLI	\$840.45
282638	01/16/08	11	INTERDEVELOP.COM	009	OTHER SERV.& OPER.EX	\$380.00
282640	01/16/08	03	PAPER DIRECT	010	MATERIALS AND SUPPLI	\$325.14
282642	01/16/08	06	WOLFRAM RESEARCH INC	035	LIC/SOFTWARE	\$9,205.69
282643	01/16/08	11	SAN DIEGO COASTAL CO	009	ADVERTISING	\$365.00
282645	01/16/08	03	SCHOLASTIC BOOK FAIR	008	MATERIALS AND SUPPLI	\$1,106.72
282647	01/16/08	03	CORPORATE EXPRESS	010	DUPLICATING SUPPLIES	\$1,068.88
282648	01/16/08	03	CORPORATE EXPRESS	005	DUPLICATING SUPPLIES	\$1,068.88
282649	01/16/08	25-18	CORPORATE EXPRESS	014	MATERIALS AND SUPPLI	\$2,774.56
282650	01/16/08	03	CORPORATE EXPRESS	014	DUPLICATING SUPPLIES	\$1,973.98
282651	01/16/08	03	SCIENCE KIT, LLC	014	MATERIALS AND SUPPLI	\$49.62
282652	01/17/08	13	C E D	005	MATERIALS AND SUPPLI	\$64.65
282653	01/17/08	06	SEHI-PROCOMP COMPUTE	005	MATERIALS AND SUPPLI	\$171.97
282655	01/18/08	03	SARGENT WELCH SCIENT	014	MATERIALS AND SUPPLI	\$98.76
282656	01/18/08	06	APPLE COMPUTER INC	005	MAT/SUP/EQUIP TECHNO	\$1,946.42
282657	01/18/08	06	B AND H PHOTO-VIDEO-	005	MATERIALS AND SUPPLI	\$2,488.49
282658	01/18/08	03	BEST COMPUTER SUPPLI	005	MATERIALS AND SUPPLI	\$213.67
282659	01/18/08	03	BEST COMPUTER SUPPLI	014	MATERIALS AND SUPPLI	\$551.03
282660	01/18/08	03	BEST COMPUTER SUPPLI	014	MATERIALS AND SUPPLI	\$273.56
282661	01/18/08	03	OFFICE DEPOT	005	MATERIALS AND SUPPLI	\$56.81
282662	01/18/08	03	CORPORATE EXPRESS	014	MATERIALS AND SUPPLI	\$7.65
282663	01/18/08	03	CORPORATE EXPRESS	030	OFFICE SUPPLIES	\$43.44
282664	01/18/08	06	CORPORATE EXPRESS	005	MATERIALS AND SUPPLI	\$18.94
282665	01/18/08	03	ROYAL BUSINESS GROUP	030	PRINTING	\$56.03
282666	01/18/08	03	HARCOURT ASSESSMENT	030	MATERIALS AND SUPPLI	\$157.85
282667	01/18/08	03	NASCO MODESTO	005	MATERIALS AND SUPPLI	\$32.28
282668	01/22/08	03	KINKO'S	006	PRINTING	\$1,163.70
282669	01/22/08	11	CARMEL VALLEY POOL/R	009	RENTS & LEASES	\$722.50
282670	01/22/08	03	SD VECTOR CONTROL PR	025	FEES - ADMISSIONS, T	\$148.00
282671	01/22/08	06	ONE STOP TONER AND I	010	MATERIALS AND SUPPLI	\$129.29
282672	01/22/08	11	CARMEL VALLEY POOL/R	009	RENTS & LEASES	\$850.00
282673	01/22/08	25-18	FREDRICKS ELECTRIC I	025	LAND IMPROVEMENTS	\$10,605.00
282674	01/22/08	25-18	FREDRICKS ELECTRIC I	025	LAND IMPROVEMENTS	\$8,553.56
282675	01/22/08	03	FRONTIER FENCE COMPA	025	REPAIRS BY VENDORS	\$1,171.80
282676	01/22/08	06	STATE BOARD OF EQUAL	028	FEES - ADMISSIONS, T	\$266.49
282677	01/23/08	06	STAPLES STORES	009	MATERIALS AND SUPPLI	\$193.93
282678	01/23/08	03	N C S PEARSON	003	OFFICE SUPPLIES	\$39.19
282679	01/23/08	03	N C S PEARSON	003	MATERIALS AND SUPPLI	\$187.71
282680	01/23/08	03	CORPORATE EXPRESS	012	MATERIALS AND SUPPLI	\$164.86
282681	01/23/08	03	CORPORATE EXPRESS	012	MATERIALS AND SUPPLI	\$25.54
282682	01/23/08	06	WAXIE SANITARY SUPPL	033	MATERIALS AND SUPPLI	\$311.07
282683	01/23/08	03	WOOD, BRENDA	010	FEES - ADMISSIONS, T	\$500.00
282684	01/23/08	06	SEARS COMMERCIAL SAL	030	MATERIALS AND SUPPLI	\$256.74
282685	01/23/08	13	P C S REVENUE CONTRO	031	REPAIRS BY VENDORS	\$400.00
282686	01/23/08	03	WARD'S NATURAL SCIEN	014	MATERIALS AND SUPPLI	\$231.72
282687	01/23/08	06	KEYSTONE SCHOOLS	030	OTHER CONTR-N.P.S.	\$21,129.96
282688	01/23/08	06	PEACE PARTNERS, INC.	012	PROF/CONSULT./OPER E	\$1,000.00

SAN DIEGUITO UNION HIGH
FROM 01/08/08 THRU 01/24/08

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PO NBR	DATE	FUND	VENDOR	LOC	DESCRIPTION	AMOUNT
282690	01/24/08	06	ESTR PUBLICATIONS	030	MATERIALS AND SUPPLI	\$100.03
282691	01/24/08	03	DATEL SYSTEMS INC	013	MATERIALS AND SUPPLI	\$1,121.68
282692	01/24/08	03	D AND D TOOL SUPPLY	013	MATERIALS AND SUPPLI	\$258.17
282693	01/24/08	06	ACADEMIC INNOVATIONS	030	BOOKS OTHER THAN TEX	\$1,107.38
282694	01/24/08	06	CURRICULUM ASSOCIATE	004	MATERIALS AND SUPPLI	\$3,688.49
282696	01/24/08	06	INSIGHT MEDIA	005	MATERIALS AND SUPPLI	\$199.00
282697	01/24/08	06	SAX ARTS & CRAFTS	005	MATERIALS AND SUPPLI	\$57.58
282698	01/24/08	06	NASCO MODESTO	005	MATERIALS AND SUPPLI	\$150.48
282699	01/24/08	03	FORESTRY SUPPLIERS,	014	MATERIALS AND SUPPLI	\$570.29
780076	01/10/08	06	GRAINGER, WW INC	028	OTHER TRANSPORT.SUPP	\$496.51
780083	01/09/08	03	A B C SCHOOL EQUIPME	025	BLDG.-REPAIR MATERIA	\$399.75
780084	01/09/08	03	BLAIR RASMUSSEN CONS	025	REPAIRS BY VENDORS	\$785.00
780085	01/09/08	03	FRONTIER FENCE COMPA	025	REPAIRS BY VENDORS	\$225.00
780086	01/11/08	03	THYSSENKRUPP ELEVATO	025	REPAIRS BY VENDORS	\$800.00
780087	01/16/08	03	SPECIALTY DOORS & AU	025	REPAIRS BY VENDORS	\$999.00
780095	01/22/08	06	AUTO GLASS BY ROBERT	028	REPAIRS BY VENDORS	\$220.00
780098	01/22/08	06	VALLEY DETROIT DIESE	028	MATERIALS-REPAIRS	\$96.25
780099	01/24/08	03	ESCONDIDO METAL SUPP	025	BLDG.-REPAIR MATERIA	\$330.47
780100	01/24/08	03	WATERLESS COMPANY	025	CUSTODIAL SUPPLIES	\$70.04
880038	01/10/08	03	UNITED NATIONS INT'L	022	CONFERENCE,WORKSHOP,	\$690.00
880039	01/10/08	06	SAN DIEGO CO SUPERIN	022	CONFERENCE,WORKSHOP,	\$325.00
880040	01/23/08	06	EAGLE SOFTWARE	022	CONFERENCE,WORKSHOP,	\$650.00
880041	01/22/08	03	C A S B O	022	CONFERENCE,WORKSHOP,	\$540.00
880043	01/22/08	06	SAN DIEGO CO SUPERIN	022	CONFERENCE,WORKSHOP,	\$275.00
880044	01/22/08	03	C C I S - CA CONSORT	022	CONFERENCE,WORKSHOP,	\$350.00
980055	01/11/08	25-18	HYDROSCAPE PRODUCTS	025	LAND IMPROVEMENTS	\$4,276.19
980056	01/24/08	25-18	BUSINESS SYSTEMS AND	025	EQUIPMENT	\$19,966.00
98028A	01/18/08	25-18	ARENCO OFFICE FURNI	014	MATERIALS AND SUPPLI	\$598.12
98028B	01/18/08	25-18	VIRCO MANUFACTURING	014	MATERIALS AND SUPPLI	\$5,155.74
9828AB	01/23/08	25-18	OFFICE DEPOT	014	MATERIALS AND SUPPLI	\$139.00

REPORT TOTAL \$336,632.27

ITEM 15G

INSTANT MONEY REPORT FOR THE PERIOD 01/08/08 THROUGH 01/24/08

<i>Check #</i>	<i>Vendor</i>	<i>Amount</i>
10337	DHL EXPRESS	\$23.57
10338	PALOMAR MTN. SPRING WA	\$19.44
10339	FEDEX	\$37.82
	<i>Total</i>	<hr/> \$80.83

ITEM 15G

Individual Membership Listings
For the Period of January 8, 2008 through January 24, 2008

<u>Staff Member Name</u>	<u>Organization Name</u>	<u>Amount</u>
Steve Clark	Association of Pesticide Applicators	\$480.00
Robert Dalton		(\$40 ea.)
Roy Gogue		
Ruben Herbias		
Manual Hernandez		
Dalton Webber		
Bruce Wilkinson		
Ric Riavic		
R. George Sanchez		
Mike Stedman		
Kelvin Tanaka		
Pedro Trejo		
Gordon Hein	American Backflow Prevention Association	\$65.00

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: January 30, 2008

BOARD MEETING DATE: February 7, 2008

PREPARED BY: Stephen G. Ma
Associate Superintendent, Business

SUBMITTED BY: Peggy Lynch, Ed.D.
Superintendent

SUBJECT: Proposed Revision to Policy 5116.1 AR-1,
INTRADISTRICT OPEN ENROLLMENT

EXECUTIVE SUMMARY

Staff has updated school capacity and projected enrollment for 08-09 in arriving at the space available at each school site. We continue to have space available at LCC, TP, EW, OC and DG to accept intra and inter district transfers. This policy was reviewed at the January 17, 2008 board meeting and is being presented for approval at this board meeting.

RECOMMENDATION:

It is recommended that the Board approve the proposed revisions to Policy 5116.1 AR-1, as shown in the attached document.

FUNDING SOURCE:

Not applicable.

STUDENTS

INTRADISTRICT/OPEN ENROLLMENT

It is the policy of the Governing Board to provide options and meet the diverse needs, potential and interests of district students through an intra-district open enrollment policy on a space available basis limited only by the district's need to maintain appropriate racial and ethnic balances among district schools.

Enrollment Priorities

1. No student currently residing within a school's attendance area shall be displaced by another student as a result of the intra-district open enrollment transfer process.
2. The Governing Board retains the authority to maintain appropriate racial and ethnic balances among district schools. This authority takes precedence over the individual parent/guardian school choice if the two objectives are in conflict.
3. The Governing Board believes that all students are entitled to equity and access to educational support services. Administrative exceptions may be considered by local site staff to address the special instructional needs of individual students.
4. Requests for entrance to the specialized high school programs at Sunset Continuation High School or North Coast Alternative High School will be honored by employing existing criteria and the comprehensive high school administrative recommendations.
5. Once enrolled as an intra-district transfer, a student shall declare on an annual basis his/her intent to either remain at the high school of choice or return to the high school of residence. Students who are presently enrolled in San Dieguito Academy / Canyon Crest Academy may apply through the SDUHSD high school selection process to attend the academy they are not enrolled in without losing their position at their current school. However, the student may be subject to displacement due to excessive enrollment.
6. Students who transfer from one school to another within the district shall be eligible for all athletic competition except varsity level competition in sports in which the student has

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

<u>Administrative Regulation Issued:</u>	March 17, 1994
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<u>Administrative Regulation Revised:</u>	January 18, 2001
<u>Administrative Regulation Revised:</u>	February 7, 2002
<u>Administrative Regulation Revised:</u>	February 13, 2003
<u>Administrative Regulation Revised:</u>	December 4, 2003
<u>Administrative Regulation Revised:</u>	February 5, 2004
<u>Administrative Regulation Revised:</u>	January 13, 2005
<u>Administrative Regulation Revised:</u>	January 11, 2006
<u>Administrative Regulation Revised:</u>	February 1, 2007
<u>Administrative Regulation Revised:</u>	July 19, 2007
<u>Administrative Regulation DRAFT:</u>	January 17, 2008

ITEM 16

5116.1/AR-1

STUDENTS

competed in any level of interscholastic competition during the twelve calendar months preceding the date of such transfer.

- 7. With the exception of athletic eligibility, students approved to attend a school on an intra-district open enrollment transfer shall be entitled to the identical student rights, responsibilities, and expectations as applied to all students living within that school's attendance boundaries. This includes student behavior expectations and equal discipline consequences, positive attendance and academic progress.
- 8. Students who leave Canyon Crest Academy / San Dieguito Academy to attend a school or program outside SDUHSD will lose their position at that school if they do not return during that school year. Students who leave and do not return during that school year must reapply as part of the SDUHSD high school selection process.

Selection Procedures

The submitted high school selection declaration for the 2008 - 2009 school year is final after the February 19, 2008 deadline. Students may not switch school choices after the application deadline. Late applicants (filing after the February 19, 2008 deadline) shall not be added to the waiting list for the non-boundary schools (SDA/CCA). Students who are selected to attend the non-boundary schools (SDA/CCA) are required to complete enrollment by April 4, 2008. Students who fail to enroll by April 4, 2008, will lose their lottery position.

Canyon Crest Academy

- A. The capacity of Canyon Crest Academy shall be determined by the Board of Trustees. All 9-12 students who reside within district boundaries are eligible to apply for admission to the Canyon Crest Academy. Completed applications are to be submitted directly to the school district prior to the designated deadline. If applications for admission exceed the program capacity of the school, a random, unbiased process will be followed to select those applicants eligible to enroll. Those not selected to enroll initially will be placed on a waiting list by grade level in the priority order in which they were selected. A waiting list will remain in force for one full year.

B. San Dieguito High School Academy

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

<u>Administrative Regulation Issued:</u>	March 17, 1994
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<u>Administrative Regulation Revised:</u>	February 13, 2003
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<u>Administrative Regulation Revised:</u>	January 11, 2006
<u>Administrative Regulation Revised:</u>	February 1, 2007
<u>Administrative Regulation Revised:</u>	July 19, 2007
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STUDENTS

The capacity of San Dieguito High School Academy shall be determined by the Board of Trustees. All 9-12 students who reside within district boundaries are eligible to apply for admission to the San Dieguito High School Academy. Completed applications are to be submitted to the school district prior to the designated deadline. If applications for admission exceed the program capacity of the school, a random, unbiased process will be followed to select those applicants eligible to enroll. Those not selected to enroll initially will be placed on a waiting list by grade level in the priority order in which they were selected. A waiting list will remain in force for one full year.

C. All Other Schools

1. On or before February 15 each year, the Superintendent or designee shall identify those schools within the district that have available capacity for intra-district transfers for the following school year under the district's open enrollment policy. A list of these schools and open enrollment applications shall be available at all school offices.
2. All students who submit applications to the district by February 19, 2008 shall be eligible for admission to their school of choice the following school year under the district's open enrollment policy if the requested school has not reached capacity and if the district's racial and ethnic balance is maintained. Applications received after the deadline may be considered if further openings exist.
3. District resident sibling-applicants of current year 9th-11th grade students are eligible to attend either CCA or SDA as long as their sibling is currently at that academy. A CCA incoming sibling has no priority at SDA and vice versa. Eligible siblings must participate in the high school selection process and meet the enrollment deadline.
4. Enrollment in a school of choice shall be determined by ~~lot~~ lottery from the eligible applicant pool, and a waiting list shall be established to indicate the order in which students may be accepted as openings occur. Late applications shall not be added to the waiting list.

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

- Administrative Regulation Issued: March 17, 1994
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- Administrative Regulation Revised: February 13, 2003
- Administrative Regulation Revised: December 4, 2003
- Administrative Regulation Revised: February 5, 2004
- Administrative Regulation Revised: January 13, 2005
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- Administrative Regulation Revised: July 19, 2007
- Administrative Regulation DRAFT: January 17, 2008

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STUDENTS

5. If open enrollment requests exceed capacity, students must attend their high school of residence. Students with approved transfer requests are expected to attend the selected school of choice for the duration of the normal academic school year.
6. Students residing in residential dwelling units that are subject to the district's Mello-Roos tax may be given priority for attendance for only those schools whose construction was financed by the Mello-Roos tax.

The student whose request for intra-district open enrollment transfer has been denied may appeal the decision. All appeals shall be in writing and directed to the Executive Director of Pupil Services or designee. A response to the appeal shall be in writing outlining the conditions or factors related to the final disposition of the transfer appeal request.

Space Available

The capacity and available space has been identified for schools throughout the San Dieguito Union High School District for the ~~2007~~2008-~~2008~~2009 school year as follows:

<u>Schools</u>	<u>New Capacity</u>		<u>Projected Enrollment</u>		<u>Space Available</u>	
			<u>07-08</u>	<u>08-09</u>	<u>07-08</u>	<u>08-09</u>
La Costa Canyon ¹	2,679	2,717	2,357	2,344	300	300
San Dieguito Academy	1,488	1,500		1,500	-0-	
Torrey Pines ¹⁻² High School	3,023	3,049	2,624	2,728	350	300
Earl Warren Middle School	872	898	561	567	300	300

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

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STUDENTS

Carmel Valley				
Middle School	1,306 1,331	1,361 1,312		-0-
Oak Crest				
Middle School	1,013 1,000	900 967		100 30
Diegueño				
Middle School	1,217 1,166	953 913		250 250
Canyon Crest				
Academy	1,812	1,850 1,812		-0-

¹ Space available is subject to applications accepted and verification of actual enrollment at the two high schools of choice (San Dieguito Academy and Canyon Crest Academy).

~~² Assumes bookroom (190) is converted to music/dance space and custodial and related storage is relocated to rooms 96 and 97 .~~

Notifications

Notifications shall be sent to parents/guardians at the beginning of each year describing all current statutory attendance options and local attendance options available in the district including:

1. All options for meeting residency requirements for school attendance.
2. Program options offered within local attendance areas.
3. A description of any special program options available on both an inter-district and intra-district basis.
4. A description of the procedure for application for alternative attendance areas or programs and the appeals process available, if any, when a change of attendance is denied.
5. A district application form for requesting a change of attendance.
6. The explanation of attendance options under California law as provided by the California Department of Education.

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

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<u>Administrative Regulation DRAFT:</u>	January 17, 2008

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: January 30, 2008

BOARD MEETING DATE: February 7, 2008

PREPARED BY: Stephen G. Ma
Associate Superintendent, Business

SUBMITTED BY: Peggy Lynch, Ed.D.
Superintendent

SUBJECT: Proposed Revision to Policy 7100 AR-1,
Attachment A, NEW CONSTRUCTION /
STUDENT HOUSING CAPACITY

EXECUTIVE SUMMARY

Capacity for each school site has been reviewed by staff and recalculated. In some cases, there was a net gain or loss in capacity even though no classrooms were physically added or taken away. This occurs when site principals reclassify rooms from teaching stations to non-teaching stations or visa versa. The exception for the 08-09 school year is that staff is recommending the demolition of three old relocatables at SDA and proposes to move four relocatables from Diegueno to replace the three being demolished. These are the only proposed physical changes to the classroom count.

This policy was reviewed at the January 17, 2008 board meeting and is being presented for approval at this board meeting.

RECOMMENDATION:

It is recommended that the Board approve the proposed revision to Board Policy 7100 AR-1, Attachment A, *New Construction / Student Housing Capacity*, as shown in the attached document.

FUNDING SOURCE:

Not applicable.

NEW CONSTRUCTION

7100/AR-1
ATTACHMENT A

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
STUDENT HOUSING CAPACITY

I. High Schools - Regular Schedule

The capacity of a senior high school plant is calculated on a space utilization factor of approximately 85% of the teaching stations at 30 students each except for the San Dieguito High School Academy and Canyon Crest Academy, which are calculated on a space utilization factor of approximately 80% of the teaching stations at 30 students each. The ability to fully utilize available instructional space depends on such factors as properly balanced classes and a class size average close to the maximum.

1. San Dieguito High School Academy has ~~58~~ 57 regular teaching stations, 4 physical education classes and ~~2~~ 1 special education teaching stations.

a. ~~58~~ 57 regular teaching stations
~~58~~ 57 x 30 x 80% = ~~1392~~ 1368

b. 4 P.E. teaching stations
4 x 30 = 120

c. ~~2~~ 1 special education teaching stations
~~2~~ 1 x 15 x 80% = ~~24~~ 12

d. Total capacity (a + b + c) = ~~1536~~ 1500

2. Torrey Pines has ~~108~~ 106 regular teaching stations, 6 physical education classes and ~~10~~ 13 special education/opportunity teaching stations.

a. ~~108~~ 106 regular teaching stations
~~108~~ 106 x 30 x 85% = ~~2754~~ 2703

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

- Attachment Revised: June 5, 1997
- Attachment Revised: June 18, 1998
- Attachment Revised: April 1, 1999
- Attachment Revised: December 2, 1999
- Attachment Revised: January 18, 2001
- Attachment Revised: February 7, 2002
- Attachment Revised: February 13, 2003
- Attachment Revised: February 5, 2004
- Attachment Revised: February 3, 2005
- Attachment Revised: January 11, 2006
- Attachment Revised: February 1, 2007
- Attachment DRAFT: January 17, 2008

ITEM 17

NEW CONSTRUCTION

7100/AR-1
ATTACHMENT A

- b. 6 P. E. teaching stations
 $6 \times 30 = 180$
 - c. ~~10~~ 13 special education/opportunity teaching stations
~~10~~ 13 x 15 x 85% = ~~127.5~~ 166
 - d. Total capacity (a + b + c) = ~~3062~~ 3049
3. La Costa Canyon has ~~99~~ 94 regular teaching stations, 6 physical education classes and ~~14~~ 11 special education/opportunity teaching stations.
- a. ~~99~~ 94 regular teaching stations
~~99~~ 94 x 30 x 85% = ~~2524.5~~ 2397
 - b. 6 P. E. teaching stations
 $6 \times 30 = 180$
 - c. ~~14~~ 11 special education/opportunity teaching stations
~~14~~ 11 x 15 x 85% = ~~178.50~~ 140
 - d. Total capacity (a + b + c) = ~~2883~~ 2717
4. Canyon Crest Academy has 68 regular teaching stations, 5 special education teaching stations, and 4 physical education classes.
- a. 68 regular teaching stations
 $68 \times 30 \times 80\% = 1632$
 - b. 5 special education teaching stations
 $5 \times 15 \times 80\% = 60$
 - c. 4 P.E. teaching stations
 $4 \times 30 = 120$
 - d. Total Capacity (a + b + c) = 1812

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

Attachment Revised: June 5, 1997
Attachment Revised: June 18, 1998
Attachment Revised: April 1, 1999
Attachment Revised: December 2, 1999
Attachment Revised: January 18, 2001
Attachment Revised: February 7, 2002
Attachment Revised: February 13, 2003
Attachment Revised: February 5, 2004
Attachment Revised: February 3, 2005
Attachment Revised: January 11, 2006
Attachment Revised: February 1, 2007
Attachment DRAFT: January 17, 2008

ITEM 17

NEW CONSTRUCTION

7100/AR-1
ATTACHMENT A

- 5. Sunset/NCA (Continuation) provides a highly individualized program that has 9 regular teaching stations and 1 special education teaching stations.
 - a. 9 regular teaching stations
9 x 30 x 85% = 230
 - b. 1 special education teaching stations
1 x 15 x 85% = 12.75
 - c. Total capacity (a + b) = 242

II. Middle School - Regular Schedule

The capacity of a middle school plant is calculated on a space utilization factor of approximately 85% of the teaching stations with 30 students per teaching station.

- 1. Earl Warren has ~~27~~ 28 regular teaching stations, 4 physical education classes and 5 special education/opportunity classes.
 - a. ~~27~~ 28 regular teaching stations
~~27~~ 28 x 30 x 85% = ~~688.50~~ 714
 - b. 4 P. E. teaching stations
4 x 30 = 120
 - c. 5 special education/opportunity teaching stations
5 x 15 x 85% = 63.75
 - d. Total capacity (a + b + c) = ~~872~~ 898
- 2. Oak Crest has 33 regular teaching stations, 4 physical education classes and ~~4~~ 3 special education/opportunity teaching stations.
 - a. 33 regular teaching stations

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

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$$33 \times 30 \times 85\% = 841.50$$

b. 4 P. E. teaching stations
 $4 \times 30 = 120$

c. ~~4~~ 3 special education/opportunity teaching stations
~~4~~ 3 x 15 x 85% = ~~51~~ 38.25

d. Total capacity (a + b + c) = ~~1,013~~ 1,000

3. Diegueño has ~~41~~ 39 regular teaching stations, 4 physical education classes and 4 special education/opportunity teaching stations.

a. ~~41~~ 39 regular teaching stations
~~41~~ 39 x 30 x 85% = ~~1045.5~~ 995

b. 4 P. E. teaching stations
 $4 \times 30 = 120$

c. 4 special education/opportunity teaching stations
 $4 \times 15 \times 85\% = 51$

d. Total capacity (a + b + c) = ~~1217~~ 1166

4. Carmel Valley has ~~46~~ 47 regular teaching stations, 4 physical education classes and 1 special education/opportunity teaching stations.

a. ~~46~~ 47 regular teaching stations
~~46~~ 47 x 30 x 85% = ~~1173~~ 1199

b. 4 P. E. teaching stations
 $4 \times 30 = 120$

c. 1 special education/opportunity teaching stations
 $1 \times 15 \times 85\% = 12.75$

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

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NEW CONSTRUCTION

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ATTACHMENT A

d. Total capacity (a + b + c) = ~~1306~~ 1331

III. Total Capacity

The District's capacity to house students is summarized as follows:

TABLE 1

SCHOOL	TOTAL TEACHING STATIONS	TOTAL CAPACITY 2006/07 07/08
SAN DIEGUITO ACADEMY	60 58	4,536 1,500
CANYON CREST ACADEMY	73	1,812
TORREY PINES	418 119	3,062 3,049
LA COSTA CANYON	443 105	2,883 2,717
SUNSET/NCA	10	242
DIEGUEÑO	45 43	1,217 1,166
CARMEL VALLEY	47 48	1,306 1,331
EARL WARREN	32 33	872 898
OAK CREST	37 36	1,043 1,000
TOTALS	535 515	13,943 13,715

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

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NEW CONSTRUCTION

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IV. Exceeding Capacity

It is possible to exceed projected capacity at both the high school or middle school level by such procedures as:

1. Schedule modification - extending the school day to permit more students to take advantage of specialized facilities such as shops and laboratories.
2. Facility modification - utilization of space not specifically designed for instruction purposes; i.e., faculty lounges, storage areas, etc.

While both procedures have been utilized to increase plant capacity, they do not provide an optimum learning environment for students.

V. Policy on Mitigating the Impact of New Residential and Commercial Development

The district will work with city and county planning agencies, property owners and developers to anticipate new development and to develop school facility financing plans designed to mitigate the impact of new residential and commercial development on the district based on student generation rates established by district studies.

This will enable the district to plan and construct permanent facilities district-wide to accommodate growth and student enrollment.

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

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San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: January 29, 2008

BOARD MEETING DATE: February 7, 2008

PREPARED BY: John Addleman, Facilities Planning Analyst
Stephen G. Ma, Assoc. Supt. of Business Services

SUBMITTED BY: Peggy Lynch, Ed.D.
Superintendent

SUBJECT: ADOPTION OF RESOLUTION / STATUTORY
FEE INCREASE / WITH AND WITHOUT
URGENCY

EXECUTIVE SUMMARY

The State Allocation Board has proposed to increase the maximum statutory fees to \$2.97 per square foot for residential construction and \$0.47 per square foot for commercial/industrial construction (grades K-12) at their January 30, 2008 board meeting.

On January 25, 2008, the area superintendents agreed to maintain the current prorated percentages in calculating the new shared amounts. Of the maximum statutory fees the San Dieguito Union High School District ("District") will charge a prorated share as it relates to the grades the District serves. Should residential construction occur within the Rancho Santa Fe Elementary School District boundaries, \$1.13 per square foot of habitable living space will apply (grades 9-12). In all other feeder districts (Cardiff, Del Mar, Encinitas, and Solana Beach), \$1.56 per square foot (grades 7-12) will apply. Should commercial/industrial construction occur within the Rancho Santa Fe Elementary School District boundaries, \$0.18 per square foot of covered and enclosed space will apply (grades 9-12). In all other feeder districts, \$0.25 per square foot of covered and enclosed space (grades 7-12) will apply.

The two attached resolutions are required to enable the District to immediately collect the fee by adopting a resolution without urgency that becomes effective in 60-days, allowing an appropriate time for public comment on the increase and, at the same time, a separate resolution with urgency that is effective for 30-days. The resolution with urgency will be renewed at the March 6, 2008 board meeting. It is necessary for the District in increasing

the fee to do so in accordance with the provisions of the law which requires that prior to approving an increase of an existing fee, the local district shall hold a public hearing in which oral and written presentations can be made as a part of a regularly scheduled meeting. The District must also provide documentation and a justification study to show an analysis of the facility needs, costs, resources and relationships. This material is prepared and included in Exhibit A in the attachments.

As this summary is written prior to approval by the State Allocation Board, any revisions to the documents attached will be made available at the board meeting.

RECOMMENDATION:

It is recommended that the Board

- a) hold a public hearing and
- b) adopt a resolution
 - 1) without urgency (becomes effective in 60-days), and
 - 2) with urgency (30-day maximum with a renewal to be presented to the Board on March 6, 2008)

FUNDING SOURCE:

Not applicable.

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Resolution of the Board of Trustees)
of the San Dieguito Union High)
School District Levying Fees on)
Development Projects)
Pursuant to Government Code)
Section 65995 and Education Code)
Section 17620)

On motion of Member _____, second by Member _____, the following resolution is adopted:

WHEREAS, the territory with the San Dieguito Union High School District has experienced significant amounts of growth and new residential, commercial and industrial development in recent times, causing increased and changing student enrollments in the district's schools and placing demands upon the district's capital facilities; and

WHEREAS, Government Code Section 65995 and Education Code Section 17620 authorizes school districts, to levy a fee, charge, dedication, or other form of requirement against a development project, for the construction or reconstruction of school facilities and for certain administrative costs; and

WHEREAS, the legislation provided for an annual inflationary adjustment, California Government Code Section 65995 (b) (3); and

WHEREAS, this Board of Trustees has received and considered at a duly noticed public meeting a report from its Superintendent analyzing the capital facilities needs of the district and the revenue sources available, and has concluded that it is necessary to implement the authority of section 65995 section (b) (3) of the Government Code and Education Code 17620 to levy fees in the amounts stated below.

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NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the San Dieguito Union High School District as follows:

1. This Board finds, pursuant to Education Code Section 17620 that adoption of this resolution is not subject to the California Environmental Quality Act.

2. This Board adopts and levies the following fees upon any development project within the boundaries of the district, for the construction or reconstruction of school facilities:

A. City of Carlsbad; within Encinitas Elementary School District.

(1) \$1.56 per square foot of all assessable space of all new residential development except for any development project used exclusively for housing senior citizens, as described in Civil Code section 51.3, or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 1 of subdivision (b) of section 65995 of the Government Code and Education Code section 17620, or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988.

(2) \$0.25 per square foot of chargeable covered

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and enclosed space for new residential development used exclusively for the housing of senior citizens, as described in section 51.3 of the Civil Code or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 1 of subdivision (b) of section 65995 of the Government Code or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988 subject to limits applicable to commercial and industrial development provided by Government Code section 65995, subdivision (b) (2).

- (3) \$1.56 per square foot of all other residential construction except mobile homes or manufactured homes to the extent of any resulting increase in assessable space if the increase exceeds 500 square feet.
- (4) \$0.25 per square foot of new covered or enclosed space for agricultural purposes; and
- (5) \$0.25 per square foot of chargeable covered and enclosed space in the case of commercial or industrial development,

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B. City of Del Mar; within Del Mar Union School District.

- (1) \$1.56 per square foot of all assessable space of all new residential development except for any development project used exclusively for housing senior citizens, as described in Civil Code section 51.3, or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 1 of subdivision (b) of section 65995 of the Government Code or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988.
- (2) \$0.25 per square foot of chargeable covered and enclosed space for new residential development used exclusively for the housing of senior citizens, as described in section 51.3 of the Civil Code or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 9 of subdivision (d) of section 65995 of the Government Code, and Education Code section 17620, or any mobile home or manufactured

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home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988 subject to limits applicable to commercial and industrial development provided by Government Code section 65995, subdivision (b) (2).

- (3) \$1.56 per square foot of all other residential construction except mobile homes or manufactured homes to the extent of any resulting increase in assessable space if the increase exceeds 500 square feet.
- (4) \$0.25 per square foot of new covered or enclosed space for agricultural purposes; and
- (5) \$0.25 per square foot of chargeable covered and enclosed space in the case of commercial or industrial development,

C. City of Encinitas; within Cardiff, and Encinitas Elementary School Districts.

- (1) \$1.56 per square foot of all assessable space of all new residential development except for any development project used exclusively for housing senior citizens, as described in Civil Code section 51.3, or as described in subdivision (k) of section 1569.2 of the

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Health and Safety Code or paragraph 1 of subdivision (b) of section 65995 of the Government Code, and Education Code section 17620, or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988.

- (2) \$0.25 per square foot of chargeable covered and enclosed space for new residential development used exclusively for the housing of senior citizens, as described in section 51.3 of the Civil Code or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 1 of subdivision (b) of section 65995 of the Government Code, and Education Code section 17620, or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988 subject to limits applicable to commercial and industrial development provided by Government Code

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section 65995, subdivision (b) (2).

- (3) \$1.56 per square foot of all other residential construction except mobile homes or manufactured homes to the extent of any resulting increase in assessable space if the increase exceeds 500 square feet.
- (4) \$0.25 per square foot of new covered or enclosed space for agricultural purposes; and
- (5) \$0.25 per square foot of chargeable covered and enclosed space in the case of commercial or industrial development,

D. City of San Marcos; within Encinitas Elementary School District.

- (1) \$1.56 per square foot of all assessable space of all new residential development except for any development project used exclusively for housing senior citizens, as described in Civil Code section 51.3, or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 1 of subdivision (b) of section 65995 of the Government Code, and Education Code section 17620, or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as

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defined by the Federal Fair Housing Amendments of 1988.

- (2) \$0.25 per square foot of chargeable covered and enclosed space for new residential development used exclusively for the housing of senior citizens, as described in section 51.3 of the Civil Code or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 1 of subdivision (b) of section 65995 of the Government Code, and Education Code section 17620, or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988 subject to limits applicable to commercial and industrial development provided by Government Code section 65995, subdivision (b) (2).
- (3) \$1.56 per square foot of all other residential construction except mobile homes or manufactured homes to the extent of any resulting increase in assessable space if the increase exceeds 500 square feet.
- (4) \$0.25 per square foot of new covered or

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- enclosed space for agricultural purposes; and
- (5) \$0.25 per square foot of chargeable covered and enclosed space in the case of commercial or industrial development,
- E. City of San Marcos; within Rancho Santa Fe School District.
- (1) \$1.13 per square foot of all assessable space of all new residential development except for any development project used exclusively for housing senior citizens, as described in Civil Code section 51.3, or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 1 of subdivision (b) of section 65995 of the Government Code, and Education Code section 17620, or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988.
- (2) \$0.18 per square foot of chargeable covered and enclosed space for new residential development used exclusively for the housing of senior citizens, as described in section 51.3 of the Civil Code or as described in

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subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 1 of subdivision (b) of section 65995 of the Government Code, and Education Code section 17620, or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988 subject to limits applicable to commercial and industrial development provided by Government Code section 65995, subdivision (b) (2).

- (3) \$1.13 per square foot of all other residential construction except mobile homes or manufactured homes to the extent of any resulting increase in assessable space if the increase exceeds 500 square feet.
- (4) \$0.18 per square foot of new covered or enclosed space for agricultural purposes; and
- (5) \$0.18 per square foot of chargeable covered and enclosed space in the case of commercial or industrial development,

F. City of Solana Beach; within Solana Beach Elementary School District.

- (1) \$1.56 per square foot of all assessable space

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of all new residential development except for any development project used exclusively for housing senior citizens, as described in Civil Code section 51.3, or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 1 of subdivision (b) of section 65995 of the Government Code, and Education Code section 17620, or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988.

- (2) \$0.25 per square foot of chargeable covered and enclosed space for new residential development used exclusively for the housing of senior citizens, as described in section 51.3 of the Civil Code or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 1 of subdivision (b) of section 65995 of the Government Code, and Education Code section 17620, or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium

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for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988 subject to limits applicable to commercial and industrial development provided by Government Code section 65995, subdivision (b) (2).

- (3) \$1.56 per square foot of all other residential construction except mobile homes or manufactured homes to the extent of any resulting increase in assessable space if the increase exceeds 500 square feet.
- (4) \$0.25 per square foot of new covered or enclosed space for agricultural purposes; and
- (5) \$0.25 per square foot of chargeable covered and enclosed space in the case of commercial or industrial development,

G. County of San Diego; within Solana Beach Elementary and Encinitas Elementary School District.

- (1) \$1.56 per square foot of all assessable space of all new residential development except for any development project used exclusively for housing senior citizens, as described in Civil Code section 51.3, or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 9 of

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subdivision (d) of section 65995, and Education Code section 17620 of the Government Code or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988.

- (2) \$0.25 per square foot of chargeable covered and enclosed space for new residential development used exclusively for the housing of senior citizens, as described in section 51.3 of the Civil Code or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 9 of subdivision (d) of section 65995, and Education Code section 17620 of the Government Code or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988 subject to limits applicable to commercial and industrial development provided by Government Code section 65995, subdivision (b) (2).

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- (3) \$1.56 per square foot of all other residential construction except mobile homes or manufactured homes to the extent of any resulting increase in assessable space if the increase exceeds 500 square feet.
- (4) \$0.25 per square foot of new covered or enclosed space for agricultural purposes; and
- (5) \$0.25 per square foot of chargeable covered and enclosed space in the case of commercial or industrial development,

H. County of San Diego; within Rancho Santa Fe School District.

- (1) \$1.13 per square foot of all assessable space of all new residential development except for any development project used exclusively for housing senior citizens, as described in Civil Code section 51.3, or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 1 of subdivision (b) of section 65995 of the Government Code, and Education Code section 17620, or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing

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Amendments of 1988.

- (2) \$0.18 per square foot of chargeable covered and enclosed space for new residential development used exclusively for the housing of senior citizens, as described in section 51.3 of the Civil Code or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 1 of subdivision (b) of section 65595 of the Government Code, and Education Code section 17620, or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988 subject to limits applicable to commercial and industrial development provided by Government Code section 65995, subdivision (b) (2).
- (3) \$1.13 per square foot of all other residential construction except mobile homes or manufactured homes to the extent of any resulting increase in assessable space if the increase exceeds 500 square feet.
- (4) \$0.18 per square foot of new covered or enclosed space for agricultural purposes; and

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- (5) \$0.18 per square foot of chargeable covered and enclosed space in the case of commercial or industrial development,

3. City of San Diego.

Pursuant to Section 65974 (e) of the Government Code, the area known and defined by the City of San Diego as the North City West Planned District Ordinance, adopted November 5, 1979, is not subject to the provision of subdivision (b) of Government Code Section 65995.

The developer fees in the North City West Planned District are annually reviewed and defined by the North City West School Facilities Master Plan. School facility developer fees are collected and administered by the North City West School Facilities Financing Authority, which was formed under the provisions of Article I, Chapter 5, Division 7, Title I of the Government Code (commencing with Section 6500). The effective date of formation was April 15, 1983.

A. City of San Diego; within Del Mar Union School District. (Except North City West.)

- (1) \$1.56 per square foot of all assessable space of all new residential development except for any development project used exclusively for housing senior citizens, as described in Civil Code section 51.3, or as described in subdivision (k) of section 1569.2 of the

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Health and Safety Code or paragraph 1 of subdivision (b) of section 65995 of the Government Code, and Education Code section 17620, or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988.

- (2) \$0.25 per square foot of chargeable covered and enclosed space for new residential development used exclusively for the housing of senior citizens, as described in section 51.3 of the Civil Code or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 1 of subdivision (b) of section 65995 of the Government Code, and Education Code section 17620, or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988 subject to limits applicable to commercial and industrial development provided by Government Code

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section 65995, subdivision (b) (2).

- (3) \$1.56 per square foot of all other residential construction except mobile homes or manufactured homes to the extent of any resulting increase in assessable space if the increase exceeds 500 square feet.
- (4) \$0.25 per square foot of new covered or enclosed space for agricultural purposes; and
- (5) \$0.25 per square foot of chargeable covered and enclosed space in the case of commercial or industrial development,

B. City of San Diego; within Solana Beach Elementary School District. (Except North City West.)

- (1) \$1.56 per square foot of all assessable space of all new residential development except for any development project used exclusively for housing senior citizens, as described in Civil Code section 51.3, or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 1 of subdivision (b) of section 65995 of the Government Code, and Education Code section 17620, or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as

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defined by the Federal Fair Housing Amendments of 1988.

- (2) \$0.25 per square foot of chargeable covered and enclosed space for new residential development used exclusively for the housing of senior citizens, as described in section 51.3 of the Civil Code or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 1 of subdivision (b) of section 65995 of the Government Code, and Education Code section 17620, or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988 subject to limits applicable to commercial and industrial development provided by Government Code section 65995, subdivision (b) (2).
- (3) \$1.56 per square foot of all other residential construction except mobile homes or manufactured homes to the extent of any resulting increase in assessable space if the increase exceeds 500 square feet.
- (4) \$0.25 per square foot of new covered or

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- enclosed space for agricultural purposes; and
- (5) \$0.25 per square foot of chargeable covered and enclosed space in the case of commercial or industrial development,

4. The government board finds that the amount of the above fees and charges to be imposed upon commercial and industrial construction bears a reasonable relationship, and shall be limited to, the needs of the community for elementary or high school facilities, and is reasonably related and shall be limited to the need for schools caused by such development.

5. The governing board finds further that the amount of fees and charges imposed upon residential, and commercial and industrial development projects is reasonably necessary to cover the cost of providing adequate school facilities within the boundaries of SCHOOL DISTRICT.

6. The governing board finds that the amounts of the above fees bears a reasonable relationship and are limited to the needs of the community for school facilities caused by such development, this board makes all the determinations required by Government Code Section 66001 as shown on the attached Exhibit A.

7. The Superintendent is directed to deliver a copy of this Resolution to the Building Officials of the County of San Diego, and the Cities of Carlsbad, Del Mar, Encinitas, San Diego, San Marcos, and Solana Beach, and to request that no building permits be issued after February 8, 2008, for development subject to the above fees absent certification from this district of

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compliance with said fee requirements.

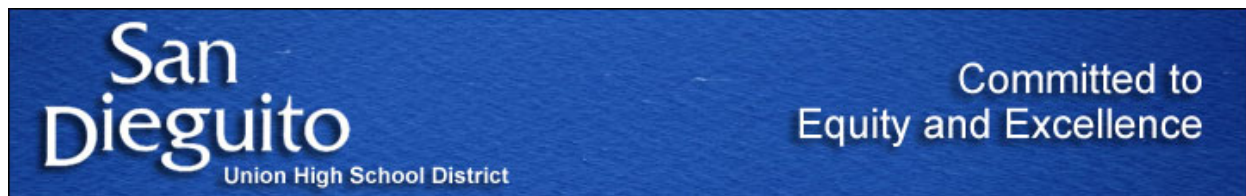
PASSED AND ADOPTED at the Regular Meeting of the Governing Board of the San Dieguito Union High School District this 7th day of February, 2008, by the following vote:

	AYE	NO
MEMBER _____	_____	_____
MEMBER _____	_____	_____
MEMBER _____	_____	_____
MEMBER _____	_____	_____
MEMBER _____	_____	_____

Attachment A

Developer Fee Justification Report January 2008

Developer Fee Justification Study
January 2008



Prepared by:
San Dieguito Union High School District
Facilities Planning Department

EXECUTIVE SUMMARY

- Education Code 17620 authorizes school districts to levy a fee, charge, dedication or other form of requirement against any development project for the construction or reconstruction of school facilities provided the district can show justification for levying of fees.
- In January 2008 the State Allocation Board adjusted the maximum statutory fees to \$2.97 per square foot for residential construction and \$0.47 per square foot for commercial/industrial construction (grades K-12). Of the maximum statutory fees the San Dieguito Union High School District (“District”) will charge a prorated share as it relates to the grades the District serves. Should residential construction occur within the Rancho Santa Fe Elementary School District boundaries, \$1.13 per square foot of habitable living space will apply (grades 9-12), all other areas \$1.56 per square foot of habitable living space (grades 7-12). Should commercial/industrial construction occur within the Rancho Santa Fe Elementary School District boundaries, \$0.18 per square foot of covered and enclosed space will apply (grades 9-12), all other areas \$0.25 per square foot of covered and enclosed space (grades 7-12).
- This study finds that justification exists for levying residential construction fees in the San Dieguito Union High School District of at least \$3.35 per square foot.
- This study finds justification exists for levying fees in the San Dieguito Union High School District of between \$0.26 and \$20.25 per square foot for commercial/industrial construction.
- The current capacity of the District is 8,248 7-12 per the provisions of SB 50.
- The justification is based on this study’s finding that the District exceeds its 7-12th grade facility capacity and will continue to exceed the capacity into the 2013-14 school year.
- Each new residential unit to be constructed in the District will average 3,855 square feet and will generate an average of 0.266 7-12th grade students.
- Based on a weighted average facilities cost of \$47,819.78 per student, each new residential housing unit will represent a 7-12 grade school facilities mitigation need of approximately \$12,720.06.

I. INTRODUCTION

Education Code Section 17620 (AB 2926, Chapter 887/Statutes 1986), stipulates that “the Governing Board of any school district is authorized to levy a fee, charge, dedication, or other forms of requirement against any development project for the construction or reconstruction of school facilities.” To levy and collect developer fees, a school district must show the correlation (or “nexus”) between new residential, commercial and industrial development and the need for new school facilities.

The original fees were established in 1987 and had a maximum of \$1.50 per square foot of new residential construction of \$0.25 per square foot of new commercial/industrial construction. This maximum amount is reviewed and adjusted every two years by the State Allocation Board (SAB) and corresponds to the statewide Class B construction index. The SAB raised the maximum fee at its January 2008 meeting to \$2.97 per square foot for residential and \$0.42 per square foot for commercial/industrial development (**Appendix A**).

Developer fees may be used to finance new schools and equipment, and to reconstruct existing facilities in order to maintain adequate housing for all the district’s students. Other legitimate uses of fees include, but are not limited to: interim housing; site acquisition; replacement of extremely aged, inadequate portable classrooms; and housing for class-size reduction. Up to three percent of the fees collected may be

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used to defray the administrative costs incurred by the District in collecting these fees. Uses of the fees, which are specifically prohibited by law, are regular or routine maintenance of facilities, asbestos abatement incidental to construction or reconstruction, and deferred maintenance programs.

Additionally, Government Code Section 66008 (SB 1983), Chapter 569/Statutes 1996, effective January 1, 1997) mandated that school districts be specific on the intended use of the fees to be collected in their fee justification documents and include the general locations of new school facilities and estimated construction timelines in the report. These timelines, however, are influenced by many factors including actual (as opposed to projected) phasing of new development, eligibility and availability of state school construction funds and availability of local funding.

In August 1998, the Governor signed into law Senate Bill 50, also known as the Leroy Greene School Facilities Act of 1998. This bill made major changes in the State Facilities Program as well as developer fee mitigation for school districts in California. Education Code 17620 was amended to provide the provisions of Government Code 65995.

The State School Facilities Program, which replaced the State Lease-Purchase Program, requires a match based on the cost of the project. Except in the cases where a district can establish economic “hardship” status, all new state construction projects require a district contribution of 50% of the project cost. Modernization projects require a local share of 40% pursuant to AB 16 Chaptered 4/29/02.

The passage of SB 50 also repealed all locally imposed fees authorized by local ordinances and instituted the collection of three levels of developer fees. Level I fees are the current statutory fees (also referred to as the “Stirling Fee”) allowed under Education Code 17620. Level II developer fees are outlined in Government Code Section 65995.5. This code section allows a school district to impose a higher fee on residential construction if certain conditions are met. This level of developer fees is subject to a Facility Needs Analysis based on Government Code Section 65995.6. Level III developer fees are outlined in Government Code Section 65995.7. If state funding becomes available, this code section authorizes a school district, that has been approved to collect Level II fees, to collect a higher fee based on residential construction. However, if a district eventually receives state funding, this excess fee must be reimbursed to the developers or be subtracted from the amount of state funding.

Purpose of Study

The purpose of this Developer Fee Justification Report (or “nexus study”) is to comply with the provisions of Education Code Section 17620 in relation to the levy and collection of developer fees. This study will substantiate that there is a “reasonable relationship” (a nexus) between residential, commercial and industrial development projects and the cost to provide adequate school facilities for the students generated from those developments. It will identify the expected revenue derived from fees from those developments; identify other potential sources of revenue for facilities (and their viability); and the additional students projected to enroll in district schools as a result of these development projects. It will also:

- Identify the purpose of the fee;
- Identify how the fee is to be used;
- Determine how a reasonable relationship exists between the fee’s use and the type of development project on which the fee is imposed; and
- Determine a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

II. REVENUE SOURCES FOR FUNDING SCHOOL FACILITIES

There are two general sources that exist for funding facility construction and reconstruction: state sources and local sources. The district has considered the following available sources:

State Sources

State School Facility Program

The Leroy Greene Lease-Purchase Act of 1976 was reformed by Senate Bill 50 in August of 1998. The new program, entitled the School Facilities Program (SFP), provides funding under a “grant” program. Funding required from the District is based on a 50-50 state/district share for new construction projects and on an 80-20 state/district share for modernization/reconstruction projects. AB 16 signed by the Governor (2002) as an urgency measure changed the modernization program to a 60-40 state/district share.

Due to changes in the way eligibility for new construction and modernization funding is computed under the new School Facilities Program, the District has been able to establish eligibility for both state new construction and modernization funding. The following is the District’s current SFP funding levels for new construction and modernization based on 2006/2007 CBEDS data and 2005/2006 CBEDS data respectively.

**Table 1
State New Construction Eligibility (50-50)**

New Construction - Growth				
Grade Level	Total Grants	50% State Share	50% District Match	100% Funding
7-8	747	\$6,383,862	\$6,383,862	\$12,767,724
9-12	441	\$4,794,993	\$4,794,993	\$9,589,986

**Table 2
State Modernization Eligibility (60-40)**

Modernization				
Site	Eligible Grants	60% State Share	40% District Match	100% Funding
Earl Warren MS	508	\$1,860,608	\$1,240,406	\$3,101,014
Sunset HS	145	\$654,820	\$436,547	\$1,091,367

Local Sources

School District General Funds

The District’s general funds are needed by the District to provide for the operation of its instructional program. There are no unencumbered funds that could be used to construct new facilities or reconstruct existing facilities.

Developer Fee Revenue

Under the SB 50 law, districts may levy the current statutory developer fee as long as a district can justify collecting that fee. If a district desires to collect more than the statutory fee (Level II or Level III), the district must meet certain requirements outlined in the law, as well as conduct a needs assessment to enable a higher fee to be calculated. The District currently collects residential, and commercial and industrial fees at the statutory rate (Level I).

Mello-Roos Community Facilities Act

The Mello-Roos Community Facilities Act of 1982 allows school districts to establish a community facilities district in order to impose a special tax to raise funds to finance school facilities.

As of December 31, 2007, a balance of \$10,801,049.08 was available for school facilities from the Revenue Refunding Bonds, Series 2006 issue.

Lottery Funds

Government Code Section 880.5 states: “It is the intent of this chapter that all funds allocated from the California State Lottery Education Fund shall be used exclusively for education of pupils and students and no funds shall be spent for acquisition of real property, construction of facilities, financing research, or any other non-instructional purpose.”

III. DEVELOPER FEE JUSTIFICATION

District Capacity

Determining capacity in accordance with the provisions of SB 50 allows districts to discount some teaching stations if they are portable classrooms. The capacity of a district is equal to the baseline capacity totals used to determine eligibility for state construction funding. *The State Allocation Board approved SAB 50-02 is attached as Appendix B.*

**Table 3
Existing Capacity**

<u>Grade Level</u>	<u>Baseline Capacity</u>
7-8	3,078
9-12	4,806
<u>SDC</u>	<u>364</u>
Total	8,248

**Table 4
Classroom Loading Summary
District-wide**

<u>District Loading Capacity</u>
8,248

Student Generation

The District’s student yield study was updated during the winter of 2003/2004, to identify the number of students anticipated to be generated by new residential development within the District. The yield factors are shown in Table 5a. The district-wide average student yield across all unit types, based upon a prorated share of 2006/2007 SanDAG occupied housing units, is shown in Table 5b.

**Table 5a
Student Yield Factors
Single Family Dwelling Units (SFD) and
Multi-Family Dwelling Units (MFD)**

Basis (Area and Unit Type)	7-8 SFD	7-8 MFD	9-12 SFD	9-12 MFD
Cardiff	0.097	0.070	0.117	0.116
Del Mar	0.102	0.040	0.144	0.053
Encinitas	0.095	0.052	0.206	0.142
Rancho Santa Fe	0.097	0.070	0.117	0.116
Solana Beach	0.097	0.070	0.117	0.116

**Table 5b
District-Wide Student Yield Factor**

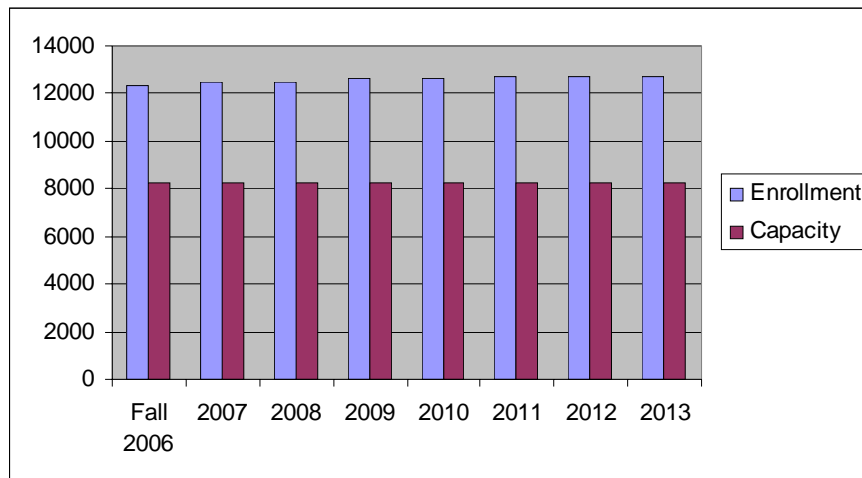
District Wide Grades 7-12	0.266
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Enrollment Projections and Development

The enrollment projections used in this study utilize a seven year projection methodology. The methodology includes the calculation of incoming kindergarten classes, additional students from new housing, (referred to as student yield), the effects of student mobility, and a detailed review of planned residential development within the District.

The district-wide enrollment projections, (Davis Demographics Feb. 2007), compared to the capacity of the District’s facilities is illustrated in Table 6.

**Table 6
District-Wide
Projection-Capacity Comparison**



Residential Fee Projections

To show a reasonable relationship exists between the construction of new housing units and the need for additional school facilities, it will be shown that each square foot of new assessable residential space will create a school facility cost impact on the District.

To determine the cost impact of residential construction on the District, the cost to house a student in new school facilities must be identified. Table 7 is based on actual costs incurred to building middle school and high school facilities in the District. The facilities cost calculations are included as **Appendix C**.

**Table 7
Facility Cost per Student**

Grade Level	Cost
7-8	\$29,875.00
9-12	\$59,690.49
Weighted Ave.	\$47,819.78

Based on developer fees collected in the District, the average size of a new residence is approximately 3,855 square feet. Since each home generates an average of 0.266 7-12th grade students per unit for the District to house, each home will generate 0.00007 students per square foot (0.266 students per unit divided by the average home size of 3,855 square feet). The cost to house students is \$3.35 per square foot of new residential construction (\$47,819.78 per student multiplied by the square foot generation factor of 0.00007). This cost impact is based on each new student requiring new facilities.

The San Dieguito Union High School District is justified in the levying of residential developer fees up to \$3.35 per square foot of residential development. The District is currently collecting residential developer fees at the Level I rate.

Identification of Proposed School Facilities

Government Code Section 66008 mandated that school districts be specific on the intended use of the fees to be collected and include the general locations of new school facilities and estimated construction timelines in the report. The purpose of the fees being levied shall be used for the construction and/or reconstruction of school facilities. The District will construct and/or reconstruct school facilities, in part, with developer fees. The timelines of the proposed school facilities are influenced by many factors including actual phasing of new development, eligibility and availability of state school construction funds, and availability of local funds. **Appendix D** illustrates the projects and timing of funding as identified in the District's Annual and Five Year Reports for Fiscal Year 2006-2007.

IV. COMMERCIAL/INDUSTRIAL FEE JUSTIFICATION

Overview

In order to levy fees on commercial and industrial development, existing law stipulates that the district "... must determine the impact of the increased number of employees anticipated to result from commercial and industrial development upon the cost of providing school facilities within the district. To make this determination, the study shall utilize employee generation estimates that are based on commercial and industrial factors within the district, as calculated on either an individual or categorical basis." The passage of Assembly Bill AB 530 (Chapter 633/Statutes of 1990) modified the requirements of AB 181 by allowing the use of employee generation factors. Assembly Bill 530 allows the use of the employee generation factors identified in the San Diego Association of Governments (SanDAG) report titled, San Diego Traffic Generators. This study which was completed in January of 1990 identifies the number of employees generated for every 1,000 square feet of floor area for several demographic categories.

Commercial/Industrial Development and Fee Projections

Commercial/industrial development will attract additional workers to the District, and, because some of those workers will have school-age children, additional students will be generated in the District. As shown in Section III Table 6, adequate school facilities do not exist for these students. New commercial/industrial development, therefore, creates a fiscal impact to the District, generating a need for new school facilities.

This report multiplies the following five factors together to calculate the school facility cost incurred by the District per square foot of new commercial/industrial development:

- (1) Employees per square foot of new commercial/industrial development,
- (2) Percent of employees in the District that also live in the District,
- (3) Houses per employee,
- (4) Students per house, and
- (5) School facility cost per student.

The report calculates each of these factors in the next sections.

A. Employees per Square Foot of Development

As permitted by State law, the report uses results from a survey published by SanDAG to establish the number of employees per square foot of new commercial/industrial development projects.

Table 8
Employees per Square Foot of Commercial/Industrial
Development, by Category

Commercial/Industrial Category	Average Square Foot per Employee	Employees per Average Square Foot
Banks	354	0.00283
Community Shopping Centers	652	0.00153
Neighborhood Shopping Centers	369	0.00271
Industrial Business Parks	284	0.00352
Industrial Parks	742	0.00135
Rental Self Storage	15,541	0.00006
Scientific Research & Development	329	0.00304
Lodging	882	0.00113
Standard Commercial Office	209	0.00479
Large High Rise Com. Office	232	0.00431
Corporate Offices	372	0.00269
Medical Offices	234	0.00427

Source: 1990 SanDAG Traffic Generators report.

B. Percentage of Employees Residing Within the District

According to the 2000 U.S. Census data there are 70,365 workers over the age of 16 in the San Dieguito Union High School District boundaries. Of these workers, 32,606 or 46.34% of the workers had a commute time of 20 minutes or less. It is assumed that a commute time of less than 20 minutes indicates the person is employed and lives within the District.

C. Number of Households per Employee

The 2000 U.S. Census data shows there were 54,023 households and 70,365 workers over the age of 16 in the District's boundaries. Based on these two numbers, this indicates that there are approximately 1.3 workers per household. Likewise, this data indicates that there are 0.78 households for every one worker. The study therefore assumes that each new resident worker in the District will demand 0.78 housing units.

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D. Number of Students per Dwelling Unit

As outlined in Table 5b, the study assumes that an average of 0.266 grades 7-12 students will reside in each housing unit.

E. School Facility Cost per Student

As outlined in Table 7, the study estimates that the school facility cost per grades 7-12 student is \$47,819.78.

F. School Facility Cost per Square Foot of Commercial/Industrial Development

Table 9 calculates the school facility cost generated by a square foot of new commercial/industrial development for each of the categories of commercial/industrial projects listed in Table 8.

School facility costs for development projects not included on this list may be estimated by using the closest employee-per-square foot ratio available for the proposed development or by following the District's administrative procedures for appeals of school facility fee imposition.

Table 9
Facility Cost per Square Foot of Commercial/Industrial Development, by Category

Commercial/Industrial Category	Employees per Square Foot	% Employees Residing in District	Dwelling Units per Employee	7-12 Students per Dwelling Unit	Cost per 7-12 Student	Cost per Square Foot
Banks	0.00283	0.4634	0.78	0.266	\$47,819.78	\$13.01
Community Shopping Centers	0.00153	0.4634	0.78	0.266	\$47,819.78	\$7.03
Neighborhood Shopping Centers	0.00271	0.4634	0.78	0.266	\$47,819.78	\$12.46
Industrial Business Parks	0.00352	0.4634	0.78	0.266	\$47,819.78	\$16.18
Industrial Parks	0.00135	0.4634	0.78	0.266	\$47,819.78	\$6.21
Rental Self Storage	0.00006	0.4634	0.78	0.266	\$47,819.78	\$0.28
Scientific Research & Development	0.00304	0.4634	0.78	0.266	\$47,819.78	\$13.98
Lodging	0.00113	0.4634	0.78	0.266	\$47,819.78	\$5.20
Standard Commercial Office	0.00479	0.4634	0.78	0.266	\$47,819.78	\$22.02
Large High Rise Com. Office	0.00431	0.4634	0.78	0.266	\$47,819.78	\$19.82
Corporate Offices	0.00269	0.4634	0.78	0.266	\$47,819.78	\$12.37
Medical Offices	0.00427	0.4634	0.78	0.266	\$47,819.78	\$19.63

The District is justified in collecting their prorated share of the Government Code maximum of \$0.47 per square foot for all categories of commercial/industrial development, because these categories, on a per square foot basis, generate a school facility cost greater than the District's prorated share of the Government Code maximum.

The District's prorated share of commercial/industrial construction is \$0.18 per square foot of covered and enclosed space if it resides in Rancho Santa Fe Elementary School District (grades 9-12), all other areas in the District will be \$0.25 per square foot of covered and enclosed space (grades 7-12).

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G. Calculating School Facility Cost of Commercial/Industrial Development with Residential Fee Offset

A “residential fee offset” is calculated by (1) determining the number of homes that are associated with the employees generated by new commercial/industrial development and (2) calculating the residential fee revenues that the District will collect from those homes (*Note: Based on 2000 U.S. Census data and SanDAG 2007 estimates, the residential fee offset calculation assumes that 17 percent of the homes associated with new employees are new homes*).

For purposes of calculating the residential fee offset, this study estimates that the District will collect \$1.56 per square foot of future residential development.

Subtracting the residential fee offset from the total school facility cost generated by commercial/industrial development produces a discounted school facility cost that takes into account revenues from “linked” residential units.

Table 10 calculates the facility cost of new commercial/industrial development while taking into account the revenues from linked residential units.

Table 10
School Facility Cost of New Commercial/Industrial Development
Discounted by Residential Fee Offset

Commercial/Industrial Category	Dwelling Unit per Square Foot Com/Ind	% Employees Residing in New Homes	Average Square Foot per Unit	District's Revenue per Square Foot Res. Dev.	Residential Offset per Comm/Ind Square Foot	School Facility Cost per Square Foot Comm/Ind Development	Cost per Square Foot Less Offset
Banks	0.00102	0.17	3855	1.56	\$1.05	\$13.01	\$11.96
Community Shopping Centers	0.00055	0.17	3855	1.56	\$0.57	\$7.03	\$6.46
Neighborhood Shopping Centers	0.00098	0.17	3855	1.56	\$1.00	\$12.46	\$11.46
Industrial Business Parks	0.00127	0.17	3855	1.56	\$1.30	\$16.18	\$14.88
Industrial Parks	0.00049	0.17	3855	1.56	\$0.50	\$6.21	\$5.71
Rental Self Storage	0.00002	0.17	3855	1.56	\$0.02	\$0.28	\$0.26
Scientific Research & Development	0.00110	0.17	3855	1.56	\$1.12	\$13.98	\$12.86
Lodging	0.00041	0.17	3855	1.56	\$0.42	\$5.20	\$4.78
Standard Commercial Office	0.00173	0.17	3855	1.56	\$1.77	\$22.02	\$20.25
Large High Rise Com. Office	0.00156	0.17	3855	1.56	\$1.59	\$19.82	\$18.23
Corporate Offices	0.00097	0.17	3855	1.56	\$0.99	\$12.37	\$11.38
Medical Offices	0.00154	0.17	3855	1.56	\$1.58	\$19.63	\$18.05

As the table shows, the school facility cost of all categories is greater than the District’s maximum prorated share of \$0.25 per square foot even when that cost is discounted by revenues from linked residential units.

For illustrative purposes, the report will compare the school facility cost generated by 140,000 square feet of new community shopping center development to the fee revenue it will provide to the

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District. This analysis is valid, however, for all types of commercial/industrial development except rental self-storage.

If the District were to charge \$0.25 per square foot of commercial/industrial development, it would collect \$35,000 from the 140,000 square feet of community shopping center development. Assuming that 17 percent of the employees of the community shopping center development live in new homes, the District will also collect approximately \$79,153 in revenue from residential developer fees (140,000 square feet x .00153 employees per square foot x 17% employees that live in new homes x 46.34% employees that live in District x 0.78 housing units per employee x 3,855 square feet per housing unit x \$1.56 revenue from residential developer fees). The 140,000 square feet of community shopping center development will create a school facilities cost of \$904,400 (140,000 square feet x \$6.46 [see Table 10] school facility cost per square foot of community shopping center).

Table 11 compares the school facility costs generated by 140,000 square feet of community shopping center development to the fee revenues it provides to the District.

**Table 11
Comparison of Facility Cost and Fee Revenue Generated by
New Community Shopping Center Development**

	Fee Revenues	Facility Costs	Total Revenues (Costs)
140,000 square feet of community shopping center development	\$35,000	\$904,400	(\$869,400)
New housing units associated with the development	\$79,153	N/A	\$79,153
Total	\$114,153	\$904,400	(\$790,247)

As the table shows, fee revenue from a community shopping center development will cover only 12.6 percent of the school facility cost it generates, even when that cost is discounted by the revenues from linked new housing units.

All categories of commercial/industrial development will generate more facility cost than fee revenue, because they all generate a facility cost greater than \$0.25 per square foot even when fees from linked residential units are considered. Fee amounts for self-storage and other low employee generating businesses should be examined on a case-by-case basis.

V. ESTABLISHING THE COST, BENEFIT AND BURDEN NEXUS

Establishment of a Cost Nexus

The San Dieguito Union High School District chooses to construct and/or reconstruct facilities for the additional students created by development in the District, and the cost for providing new and/or reconstructed facilities exceeds the amount of developer fees to be collected. It is clear that when educational facilities are provided for students generated by new residential, commercial, and industrial development, the cost of new facilities exceeds developer fee generation, thereby establishing a cost nexus.

Establishment of a Benefit Nexus

Students generated by new residential, commercial, and industrial development will be attending district schools. Housing district students in new and/or reconstructed facilities will directly benefit those students from the new development projects upon which the fee is imposed; therefore, a benefit nexus is established.

Establishment of a Burden Nexus

The generation of new students by development will create a need for additional and/or reconstructed school facilities. The District must carry the burden of constructing new facilities required by the students generated by future development and the need for facilities will be, in part, satisfied by the levying of developer fees, therefore, a burden nexus is established.

Statement to Identify the Purpose of the Fee

It is a requirement of AB 1600 that the District identify the purpose of the fee. The purpose of the fees being levied shall be used for the construction and/or reconstruction of school facilities. The District will provide for the construction and/or reconstruction of school facilities, in part, with developer fees.

Establishment of a Special Account

Pursuant to Government Code Section 66006, the District has established a special account into which fees for capital facilities are deposited. The fees collected in this account will be expended only for the purpose for which they were collected. Any interest income earned on the fees that are deposited in such an account must remain with the principal. The school district must make specific information available to the public within 180 days of the end of each fiscal year pertaining to the developer fee fund. The information required to be made available to the public by Section 66006(b)(1) was amended by SB 1693 and includes specific information on fees expended and refunds made during the year.

VI. FINDINGS

This Section shows that the District meets the requirements of Government Code Section 66001 regarding the collection of developer fees and summarizes other potential funding sources for the District's capital projects.

A. Government Code Section 66001(a)(1) – Purpose of the Fee

The purpose of collecting fees on residential and commercial/industrial development is to acquire funds to construct or reconstruct school facilities for the students generated by new residential and commercial/industrial developments.

B. Government Code Section 66001(a)(2) – Use of the Fee

The District's use of the fee will involve constructing and/or reconstructing school campuses and/or additional permanent facilities on existing school campuses. In addition, the District may need to purchase or lease portable classrooms to use for interim housing while permanent facilities are being constructed.

Revenue from fees collected on residential and commercial/industrial development may be used to pay for any of the following:

- (1) land (purchased or leased) for school facilities,
- (2) design of school facilities,
- (3) permit and plan check fees,
- (4) construction or reconstruction of school facilities,
- (5) testing and inspection of school sites and school buildings,
- (6) furniture for use in new school facilities,
- (7) interim school facilities (purchased or leased) to house students generated by new development while permanent facilities are being constructed,
- (8) legal and administrative costs associated with providing facilities to students generated by new development,
- (9) administration of the collection of developer fees (including the costs of justifying the fees) and
- (10) miscellaneous purposes resulting from student enrollment growth caused by new residential development.

C. Government Code Section 66001(a)(3) – Relationship Between the Fee's Use and the Type of Project Upon Which the Fee is Imposed

Future residential development will cause new families to move into the District and, consequently, will generate additional students in the District. As shown in Section III of this study, adequate school facilities do not exist for these students. Future residential development, therefore, creates a need for additional school facilities. The fee's use (acquiring school facilities) is therefore reasonably related to the type of project (future residential development) upon which it is imposed.

New commercial/industrial development will cause new workers to move into the District. Because some of these workers will have school-age children, commercial/industrial will also generate new students in the District. As shown in Section III of this study, adequate school facilities do not exist for these students. New commercial/industrial development, therefore, creates a need for additional school facilities. The fee's use (acquiring school facilities) is therefore reasonably related to the type of project (new commercial/industrial development) upon which it is imposed.

D. Government Code Section 66001(a)(4) – Relationship Between the Need for the Public Facility and the Type of Project Upon Which the Fee is Imposed

The District's projected enrollment is larger than its pupil capacity. The District, therefore, does not have sufficient existing capacity to house students generated by future development. Future residential and commercial/industrial development in the District will generate additional students and, consequently, a need for additional school facilities. A relationship exists, therefore, between the District's need to build additional school facilities and the construction of new residential and commercial/industrial development projects.

E. Government Code Section 66001(b) – Relationship Between the Fee and the Cost of the Public Facility Attributable to the Development on Which the Fee is Imposed

This study demonstrates that the school facility cost attributable to future residential development is \$3.35. Level I fees of up to \$3.35 per square foot on residential development are therefore fully justified.

This study also demonstrates that the school facility costs attributable to all categories of commercial/industrial development range from \$0.26 per square foot to \$20.25 per square foot, even when fees from linked residential units are accounted for. Level I fees of up to the prorated grades 7-12 share of \$0.25 on these types of development are therefore fully justified.

All school facility costs and fees in this study are calculated on a per-student basis to ensure that future developments only pay for impacts they cause.

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San Dieguito Union High School District. San Dieguito Union High School District Annual and Five Year Reports for Fiscal Year 2006-2007 in Compliance with Government Code Sections 66006 and 66001, December 2007.

Appendix A
State Board Allocation Notice

Appendix B
State Board Allocation
Approved 50-02
Determination of Existing School Building Capacity

STATE OF CALIFORNIA
EXISTING SCHOOL BUILDING CAPACITY
 SAB 50-02 (Rev. 09/02) Excel (Rev. 11/21/2002)

STATE ALLOCATION BOARD
 OFFICE OF PUBLIC SCHOOL CONSTRUCTION
 Page 4 of 4

SCHOOL DISTRICT SAN DIEGUITO UNION HIGH	FIVE DIGIT DISTRICT CODE NUMBER (see California Public School Directory) 68346
COUNTY SAN DIEGO	HIGH SCHOOL ATTENDANCE AREA (HSAA) OR SUPER HSAA (if applicable)

PART I - Classroom Inventory NEW ADJUSTED

	K-6	7-8	9-12	Non-Severe	Severe	Total
Line 1. Leased State Relocatable Classrooms		12	6			18
Line 2. Portable Classrooms leased less than 5 years						
Line 3. Interim Housing Portables leased less than 5 years						
Line 4. Interim Housing Portables leased at least 5 years						
Line 5. Portable Classrooms leased at least 5 years		10	1			11
Line 6. Portable Classrooms owned by district		52	73			125
Line 7. Permanent Classrooms		83	144	19	13	259
Line 8. Total (Lines 1 through 7)		157	224	19	13	413

PART II - Available Classrooms

Option A.

	K-6	7-8	9-12	Non-Severe	Severe	Total
a. Part I, line 4						
b. Part I, line 5		10	1			11
c. Part I, line 6		52	73			125
d. Part I, line 7		83	144	19	13	259
e. Total (a, b, c, & d)		145	218	19	13	395

Option B.

	K-6	7-8	9-12	Non-Severe	Severe	Total
a. Part I, line 8		157	224	19	13	413
b. Part I, lines 1,2,5 and 6 (total only)						154
c. 25 percent of Part I, line 7 (total only)						65
d. Subtract c from b (enter 0 if negative)		43	46			89
e. Total (a minus d)		114	178	19	13	324

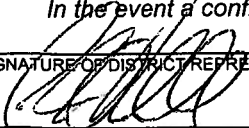
PART III - Determination of Existing School Building Capacity

	K-6	7-8	9-12	Non-Severe	Severe
Line 1. Classroom capacity		3,078	4,806	247	117
Line 2. SER adjustment					
Line 3. Operational Grants					
Line 4. Greater of line 2 or 3					
Line 5. Total of lines 1 and 4		3,078	4,806	247	117

I certify, as the District Representative, that the information reported on this form is true and correct and that:
 I am designated as an authorized district representative by the governing board of the district; and,
 This form is an exact duplicate (verbatim) of the form provided by the Office of Public School Construction (OPSC).
 In the event a conflict should exist, then the language in the OPSC form will prevail.

SIGNATURE OF DISTRICT REPRESENTATIVE

DATE



2/3/05

Appendix C Facilities Cost Calculations

Calculation of Per-Pupil Site Development Costs

Facility Construction Costs for a Middle School

Facility construction costs for Carmel Valley Middle School are based on actual acquisition and constructions, increased by applicable adjustments to the construction cost by Class B Construction Cost Index (CCI). No adjustment to land value has been made in this calculation. These costs are as follows:

Carmel Valley Middle School Construction per Notice to Proceed March 1998	Facility Construction Cost
Acquisition Cost	\$12,930,333.21
Construction Cost	\$23,798,673.65
Class B CCI Adjustment Factor (Mar. '98 1.29 - Dec. '07 1.94)	\$11,991,579.75
Total	\$35,790,253.40
Capacity of Projects	1198
Middle School Per-Pupil Facility Construction Cost	\$29,875.00

Facility Construction Costs for a High School

Facility construction costs for Canyon Crest Academy are based on actual acquisition and constructions, increased by applicable adjustments to the construction cost by Class B Construction Cost Index (CCI). No adjustment to land value has been made in this calculation. These costs are as follows:

Canyon Crest Academy Construction per Notice to Proceed September 2003	Facility Construction Cost
Acquisition Cost	\$25,161,014.10
Construction Cost	\$74,893,790.20
Class B CCI Adjustment Factor (Sept. '03 1.47 - Dec. '07 1.94)	\$8,044,677.98
Total	\$108,099,482.28
Capacity of Projects	1811
Middle School Per-Pupil Facility Construction Cost	\$59,690.49

Weighted Cost Per Student

Weighted Average	\$47,819.78
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**Appendix D
Projects and Timing
Excerpts from District's
Annual and Five Year Reports
for Fiscal Year 2006-2007**

Schedule C - IDENTIFICATION OF ALL SOURCES AND AMOUNTS OF FUNDING ANTICIPATED TO COMPLETE FINANCING OF THE SCHOOL FACILITIES THE DISTRICT HAS IDENTIFIED IN THE DISTRICT'S REPORTS

5-Year Report (2006-2007)
 Schedule C 06-07

Project	Est. Cost	State School			Reportable	
		Bldg. Program	Mello Roos	NCW	Fees	Other
S.D. Academy High School						
Library	\$5,675,000	\$2,195,170	\$3,394,131	N/A	\$33,139	\$52,560
New Construction*	\$10,800,234	unknown	unknown	unknown	unknown	unknown
Performing Arts Complex*	\$8,230,040	unknown	unknown	unknown	unknown	unknown
Relocatable Classrooms (8) Phase 1	\$330,000	N/A	\$330,000	N/A	N/A	N/A
Relocatable Classrooms (8) Phase 2*	\$750,000	unknown	unknown	unknown	unknown	unknown
La Costa Valley Middle School *						
	unknown	unknown	unknown	unknown	unknown	unknown
Sunset High School						
Beautification/City Req. Imp.	\$225,000	N/A	\$225,000	N/A	unknown	unknown
Modernization	\$1,091,367	\$654,820	\$436,547	unknown	unknown	unknown
Expansion – Phase II*	\$2,896,370	unknown	unknown	unknown	unknown	unknown
Earl Warren Middle School						
Art & Technology Classrooms	\$258,649	N/A	N/A	N/A	\$258,649	N/A
Modernization	\$3,101,014	\$1,860,608	unknown	unknown	unknown	unknown
FUA Schools						
Middle School *	unknown	unknown	unknown	unknown	unknown	unknown
Canyon Crest Academy	\$98,779,339	\$41,025,241	\$39,483,208	\$17,560,727	\$30,547	\$679,616
Canyon Crest Academy Sports Fields – Phase 1 and 2	\$1,408,790	N/A	\$1,407,746	N/A	\$1,044	N/A
Oak Crest Science Classrooms						
	\$325,000	N/A	\$325,000	N/A	N/A	N/A
Torrey Pines High School						
Dance Room Addition/Textbook Relocation	\$320,361	N/A	\$123	N/A	\$320,238	N/A
Team Room	\$757,840	N/A	N/A	N/A	\$457,840	\$300,000
Visual Performing Arts*	\$15,000,000	unknown	unknown	unknown	unknown	unknown
Maintenance Mod. & Expansion *						
	unknown	unknown	unknown	unknown	unknown	unknown
TOTAL	\$149,949,004	\$45,735,839	\$45,601,632	\$17,560,727	\$1,101,457	\$1,032,176

(*) Projects in preliminary planning with no cost estimate and/or known completion date for financing.

Schedule D - IDENTIFICATION OF THE APPROXIMATE DATES ON WHICH THE FUNDING REFERRED TO IN SECTION C IS EXPECTED TO BE DEPOSITED INTO THE APPROPRIATE ACCOUNT OR FUND

5-Year Report (2006-2007)
 Schedule D 06-07

Project	State School	Mello Roos	NCW	Reportable	Other
	Bldg. Program			Fees	
S.D. Academy High School					
Library	2004/05	2004/05	N/A	2003/04	2006/07
New Construction*	unknown	unknown	unknown	unknown	unknown
Performing Arts Complex*	unknown	unknown	unknown	unknown	unknown
Relocatable Classrooms (8) Phase 1	N/A	2006/07	N/A	N/A	N/A
Relocatable Classrooms (8) Phase 2*	unknown	unknown	unknown	unknown	unknown
La Costa Valley Middle School*					
Sunset High School					
Beautification/City Req. Imp.	N/A	2006/07	N/A	N/A	N/A
Modernization	2007/08	2007/08	unknown	unknown	unknown
Expansion – Phase II*	unknown	unknown	unknown	unknown	unknown
Earl Warren Middle School					
Art & Technology Classrooms	N/A	N/A	N/A	2006/07	N/A
Modernization	2007/08	2007/08	N/A	2007/08	N/A
FUA Schools					
Middle School*	unknown	unknown	unknown	unknown	unknown
Canyon Crest Academy	2003/04	2003/04	2003/04	2004/05	2003/04
Canyon Crest Academy Sports Fields – Phase 1 and 2	N/A	2005/06	N/A	2005/06	N/A
Oak Crest Science Classrooms					
Torrey Pines High School					
Dance Room Addition/Textbook Relocation	N/A	2006/07	N/A	2006/07	N/A
Team Room	N/A	N/A	N/A	2006/07	2006/07
Visual Performing Arts*	unknown	unknown	unknown	unknown	unknown
Maintenance Mod. & Expansion*					

(*) Projects in preliminary planning with no cost estimate and/or known completion date for financing.

Resolution of the Board of Trustees)
of the San Dieguito Union High)
School District Levying Fees With)
Urgency on Development Projects)
Pursuant to Government Code)
Section 65995 and Education Code)
Section 17620)

On motion of Member _____, second by Member
_____, the following resolution is adopted:

WHEREAS, the territory with the San Dieguito Union High
School District has experienced significant amounts of growth and
new residential, commercial and industrial development in recent
times, causing increased and changing student enrollments in the
district's schools and placing demands upon the district's
capital facilities; and

WHEREAS, Government Code Section 65995 and Education Code
Section 17620 authorizes school districts, to levy a fee, charge,
dedication, or other form of requirement against a development
project, for the construction or reconstruction of school
facilities and for certain administrative costs; and

WHEREAS, the legislation provided for an annual inflationary
adjustment, California Government Code Section 65995 (b) (3); and

WHEREAS, this Board of Trustees has received and considered
at a duly noticed public meeting a report from its Superintendent
analyzing the capital facilities needs of the district and the

revenue sources available, and has concluded that it is necessary to implement the authority of section 65995 section (b) (3) of the Government Code and Education Code 17620 to levy fees in the amounts stated below.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the San Dieguito Union High School District as follows:

1. This Board finds, pursuant to Education Code Section 17620 that adoption of this resolution is not subject to the California Environmental Quality Act.

2. This Board adopts and levies the following fees upon any development project within the boundaries of the district, for the construction or reconstruction of school facilities:

A. City of Carlsbad; within Encinitas Elementary School District.

(1) \$1.56 per square foot of all assessable space of all new residential development except for any development project used exclusively for housing senior citizens, as described in Civil Code section 51.3, or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 1 of subdivision (b) of section 65995 of the

Government Code and Education Code section 17620, or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988.

- (2) \$0.25 per square foot of chargeable covered and enclosed space for new residential development used exclusively for the housing of senior citizens, as described in section 51.3 of the Civil Code or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 1 of subdivision (b) of section 65995 of the Government Code or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988 subject to limits applicable to commercial and industrial

development provided by Government Code section 65995, subdivision (b) (2).

(3) \$1.56 per square foot of all other residential construction except mobile homes or manufactured homes to the extent of any resulting increase in assessable space if the increase exceeds 500 square feet.

(4) \$0.25 per square foot of new covered or enclosed space for agricultural purposes; and

(5) \$0.25 per square foot of chargeable covered and enclosed space in the case of commercial or industrial development,

B. City of Del Mar; within Del Mar Union School District.

(1) \$1.56 per square foot of all assessable space of all new residential development except for any development project used exclusively for housing senior citizens, as described in Civil Code section 51.3, or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 1 of subdivision (b) of section 65995 of the

Government Code or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988.

- (2) \$0.25 per square foot of chargeable covered and enclosed space for new residential development used exclusively for the housing of senior citizens, as described in section 51.3 of the Civil Code or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 9 of subdivision (d) of section 65995 of the Government Code, and Education Code section 17620, or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988 subject to limits applicable to commercial and industrial

development provided by Government Code section 65995, subdivision (b) (2).

(3) \$1.56 per square foot of all other residential construction except mobile homes or manufactured homes to the extent of any resulting increase in assessable space if the increase exceeds 500 square feet.

(4) \$0.25 per square foot of new covered or enclosed space for agricultural purposes; and

(5) \$0.25 per square foot of chargeable covered and enclosed space in the case of commercial or industrial development,

C. City of Encinitas; within Cardiff, and Encinitas Elementary School Districts.

(1) \$1.56 per square foot of all assessable space of all new residential development except for any development project used exclusively for housing senior citizens, as described in Civil Code section 51.3, or as described in subdivision(k)of section 1569.2 of the Health and Safety Code or paragraph 1 of subdivision (b) of section 65995 of the Government Code,

and Education Code section 17620, or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988.

- (2) \$0.25 per square foot of chargeable covered and enclosed space for new residential development used exclusively for the housing of senior citizens, as described in section 51.3 of the Civil Code or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 1 of subdivision (b) of section 65995 of the Government Code, and Education Code section 17620, or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988 subject to limits

applicable to commercial and industrial development provided by Government Code section 65995, subdivision (b) (2).

- (3) \$1.56 per square foot of all other residential construction except mobile homes or manufactured homes to the extent of any resulting increase in assessable space if the increase exceeds 500 square feet.
- (4) \$0.25 per square foot of new covered or enclosed space for agricultural purposes; and
- (5) \$0.25 per square foot of chargeable covered and enclosed space in the case of commercial or industrial development,

D. City of San Marcos; within Encinitas Elementary School District.

- (1) \$1.56 per square foot of all assessable space of all new residential development except for any development project used exclusively for housing senior citizens, as described in Civil Code section 51.3, or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 1 of

subdivision (b) of section 65995 of the Government Code, and Education Code section 17620, or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988.

- (2) \$0.25 per square foot of chargeable covered and enclosed space for new residential development used exclusively for the housing of senior citizens, as described in section 51.3 of the Civil Code or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 1 of subdivision (b) of section 65995 of the Government Code, and Education Code section 17620, or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing

Amendments of 1988 subject to limits applicable to commercial and industrial development provided by Government Code section 65995, subdivision (b) (2).

- (3) \$1.56 per square foot of all other residential construction except mobile homes or manufactured homes to the extent of any resulting increase in assessable space if the increase exceeds 500 square feet.
- (4) \$0.25 per square foot of new covered or enclosed space for agricultural purposes; and
- (5) \$0.25 per square foot of chargeable covered and enclosed space in the case of commercial or industrial development,

E. City of San Marcos; within Rancho Santa Fe School District.

- (1) \$1.13 per square foot of all assessable space of all new residential development except for any development project used exclusively for housing senior citizens, as described in Civil Code section 51.3, or as described in subdivision (k) of section 1569.2 of the

Health and Safety Code or paragraph 1 of subdivision (b) of section 65995 of the Government Code, and Education Code section 17620, or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988.

- (2) \$0.18 per square foot of chargeable covered and enclosed space for new residential development used exclusively for the housing of senior citizens, as described in section 51.3 of the Civil Code or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 1 of subdivision (b) of section 65995 of the Government Code, and Education Code section 17620, or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as

defined by the Federal Fair Housing Amendments of 1988 subject to limits applicable to commercial and industrial development provided by Government Code section 65995, subdivision (b) (2).

- (3) \$1.13 per square foot of all other residential construction except mobile homes or manufactured homes to the extent of any resulting increase in assessable space if the increase exceeds 500 square feet.
- (4) \$0.18 per square foot of new covered or enclosed space for agricultural purposes; and
- (5) \$0.18 per square foot of chargeable covered and enclosed space in the case of commercial or industrial development,

F. City of Solana Beach; within Solana Beach Elementary School District.

- (1) \$1.56 per square foot of all assessable space of all new residential development except for any development project used exclusively for housing senior citizens, as described in Civil Code section 51.3, or as described in

subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 1 of subdivision (b) of section 65995 of the Government Code, and Education Code section 17620, or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988.

- (2) \$0.25 per square foot of chargeable covered and enclosed space for new residential development used exclusively for the housing of senior citizens, as described in section 51.3 of the Civil Code or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 1 of subdivision (b) of section 65995 of the Government Code, and Education Code section 17620, or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium

for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988 subject to limits applicable to commercial and industrial development provided by Government Code section 65995, subdivision (b) (2).

- (3) \$1.56 per square foot of all other residential construction except mobile homes or manufactured homes to the extent of any resulting increase in assessable space if the increase exceeds 500 square feet.
- (4) \$0.25 per square foot of new covered or enclosed space for agricultural purposes; and
- (5) \$0.25 per square foot of chargeable covered and enclosed space in the case of commercial or industrial development,

G. County of San Diego; within Solana Beach Elementary and Encinitas Elementary School District.

- (1) \$1.56 per square foot of all assessable space of all new residential development except for any development project used exclusively for

housing senior citizens, as described in Civil Code section 51.3, or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 9 of subdivision (d) of section 65995, and Education Code section 17620 of the Government Code or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988.

- (2) \$0.25 per square foot of chargeable covered and enclosed space for new residential development used exclusively for the housing of senior citizens, as described in section 51.3 of the Civil Code or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 9 of subdivision (d) of section 65995, and Education Code section 17620 of the Government Code or any mobile home or

manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988 subject to limits applicable to commercial and industrial development provided by Government Code section 65995, subdivision (b) (2).

- (3) \$1.56 per square foot of all other residential construction except mobile homes or manufactured homes to the extent of any resulting increase in assessable space if the increase exceeds 500 square feet.
- (4) \$0.25 per square foot of new covered or enclosed space for agricultural purposes; and
- (5) \$0.25 per square foot of chargeable covered and enclosed space in the case of commercial or industrial development,

H. County of San Diego; within Rancho Santa Fe School District.

- (1) \$1.13 per square foot of all assessable space of all new residential development except for

any development project used exclusively for housing senior citizens, as described in Civil Code section 51.3, or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 1 of subdivision (b) of section 65995 of the Government Code, and Education Code section 17620, or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988.

- (2) \$0.18 per square foot of chargeable covered and enclosed space for new residential development used exclusively for the housing of senior citizens, as described in section 51.3 of the Civil Code or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 9 of subdivision (d) of section 65595 of the Government Code, and Education Code section

17620, or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988 subject to limits applicable to commercial and industrial development provided by Government Code section 65995, subdivision (b) (2).

- (3) \$1.13 per square foot of all other residential construction except mobile homes or manufactured homes to the extent of any resulting increase in assessable space if the increase exceeds 500 square feet.
- (4) \$0.18 per square foot of new covered or enclosed space for agricultural purposes; and
- (5) \$0.18 per square foot of chargeable covered and enclosed space in the case of commercial or industrial development,

3. City of San Diego.

Pursuant to Section 65974 (e) of the Government Code, the area known and defined by the City of San Diego as the North

City West Planned District Ordinance, adopted November 5, 1979, is not subject to the provision of subdivision (b) of Government Code Section 65995.

The developer fees in the North City West Planned District are annually reviewed and defined by the North City West School Facilities Master Plan. School facility developer fees are collected and administered by the North City West School Facilities Financing Authority, which was formed under the provisions of Article I, Chapter 5, Division 7, Title I of the Government Code (commencing with Section 6500). The effective date of formation was April 15, 1983.

A. City of San Diego; within Del Mar Union School District. (Except North City West.)

- (1) \$1.56 per square foot of all assessable space of all new residential development except for any development project used exclusively for housing senior citizens, as described in Civil Code section 51.3, or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 1 of subdivision (b) of section 65995 of the Government Code, and Education Code section

17620, or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988.

- (2) \$0.25 per square foot of chargeable covered and enclosed space for new residential development used exclusively for the housing of senior citizens, as described in section 51.3 of the Civil Code or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 1 of subdivision (b) of section 65995 of the Government Code, and Education Code section 17620, or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988 subject to limits applicable to commercial and industrial

development provided by Government Code section 65995, subdivision (b) (2).

(3) \$1.56 per square foot of all other residential construction except mobile homes or manufactured homes to the extent of any resulting increase in assessable space if the increase exceeds 500 square feet.

(4) \$0.25 per square foot of new covered or enclosed space for agricultural purposes; and

(5) \$0.25 per square foot of chargeable covered and enclosed space in the case of commercial or industrial development,

B. City of San Diego; within Solana Beach Elementary School District. (Except North City West.)

(1) \$1.56 per square foot of all assessable space of all new residential development except for any development project used exclusively for housing senior citizens, as described in Civil Code section 51.3, or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 1 of subdivision (b) of section 65995 of the

Government Code, and Education Code section 17620, or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988.

- (2) \$0.25 per square foot of chargeable covered and enclosed space for new residential development used exclusively for the housing of senior citizens, as described in section 51.3 of the Civil Code or as described in subdivision (k) of section 1569.2 of the Health and Safety Code or paragraph 1 of subdivision (b) of section 65995 of the Government Code, and Education Code section 17620, or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988 subject to limits

applicable to commercial and industrial development provided by Government Code section 65995, subdivision (b) (2).

- (3) \$1.56 per square foot of all other residential construction except mobile homes or manufactured homes to the extent of any resulting increase in assessable space if the increase exceeds 500 square feet.
- (4) \$0.25 per square foot of new covered or enclosed space for agricultural purposes; and
- (5) \$0.25 per square foot of chargeable covered and enclosed space in the case of commercial or industrial development,

4. The government board finds that the amount of the above fees and charges to be imposed upon commercial and industrial construction bears a reasonable relationship, and shall be limited to, the needs of the community for elementary or high school facilities, and is reasonably related and shall be limited to the need for schools caused by such development.

5. The governing board finds further that the amount of fees and charges imposed upon residential, and commercial and industrial development projects is reasonably necessary to cover

the cost of providing adequate school facilities within the boundaries of SCHOOL DISTRICT.

6. The governing board finds that the amounts of the above fees bears a reasonable relationship and are limited to the needs of the community for school facilities caused by such development, this board makes all the determinations required by Government Code Section 66001 as shown on the attached Exhibit A.

7. Pursuant to Government Code 65962, the Board of Trustees adopts this resolution as an urgency measure as an interim authorization to protect the public health, welfare and safety. The Board finds that a delay of the collection of the fees outlined above would cause a delay in the District's capital facilities plans and therefore cause future school overcrowding. This resolution becomes effective at 8:00 a.m. on February 8, 2008.

8. The Superintendent is directed to deliver a copy of this Resolution to the Building Officials of the County of San Diego, and the Cities of Carlsbad, Del Mar, Encinitas, San Diego, San Marcos, and Solana Beach, and to request that no building permits be issued after February 8, 2008 for development subject to the above fees absent certification from this district of compliance with said fee requirements.

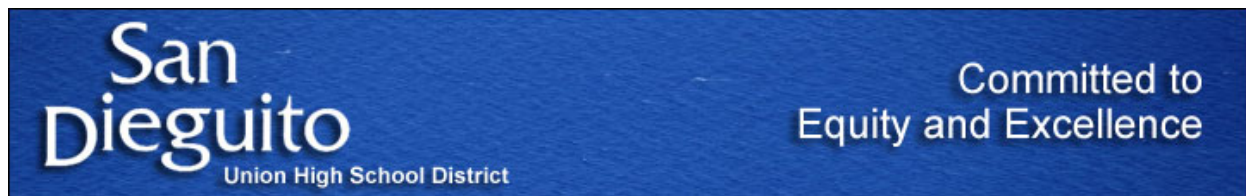
PASSED AND ADOPTED at the Regular Meeting of the Governing Board of the San Dieguito Union High School District this 7th day of February, 2008 by the following vote:

	AYE	NO
_____ MEMBER	_____	_____
_____ MEMBER	_____	_____
_____ MEMBER	_____	_____
_____ MEMBER	_____	_____
_____ MEMBER	_____	_____

Attachment A

Developer Fee Justification Report January 2008

Developer Fee Justification Study
January 2008



Prepared by:
San Dieguito Union High School District
Facilities Planning Department

EXECUTIVE SUMMARY

- Education Code 17620 authorizes school districts to levy a fee, charge, dedication or other form of requirement against any development project for the construction or reconstruction of school facilities provided the district can show justification for levying of fees.
- In January 2008 the State Allocation Board adjusted the maximum statutory fees to \$2.97 per square foot for residential construction and \$0.47 per square foot for commercial/industrial construction (grades K-12). Of the maximum statutory fees the San Dieguito Union High School District (“District”) will charge a prorated share as it relates to the grades the District serves. Should residential construction occur within the Rancho Santa Fe Elementary School District boundaries, \$1.13 per square foot of habitable living space will apply (grades 9-12), all other areas \$1.56 per square foot of habitable living space (grades 7-12). Should commercial/industrial construction occur within the Rancho Santa Fe Elementary School District boundaries, \$0.18 per square foot of covered and enclosed space will apply (grades 9-12), all other areas \$0.25 per square foot of covered and enclosed space (grades 7-12).
- This study finds that justification exists for levying residential construction fees in the San Dieguito Union High School District of at least \$3.35 per square foot.
- This study finds justification exists for levying fees in the San Dieguito Union High School District of between \$0.26 and \$20.25 per square foot for commercial/industrial construction.
- The current capacity of the District is 8,248 7-12 per the provisions of SB 50.
- The justification is based on this study’s finding that the District exceeds its 7-12th grade facility capacity and will continue to exceed the capacity into the 2013-14 school year.
- Each new residential unit to be constructed in the District will average 3,855 square feet and will generate an average of 0.266 7-12th grade students.
- Based on a weighted average facilities cost of \$47,819.78 per student, each new residential housing unit will represent a 7-12 grade school facilities mitigation need of approximately \$12,720.06.

I. INTRODUCTION

Education Code Section 17620 (AB 2926, Chapter 887/Statutes 1986), stipulates that “the Governing Board of any school district is authorized to levy a fee, charge, dedication, or other forms of requirement against any development project for the construction or reconstruction of school facilities.” To levy and collect developer fees, a school district must show the correlation (or “nexus”) between new residential, commercial and industrial development and the need for new school facilities.

The original fees were established in 1987 and had a maximum of \$1.50 per square foot of new residential construction of \$0.25 per square foot of new commercial/industrial construction. This maximum amount is reviewed and adjusted every two years by the State Allocation Board (SAB) and corresponds to the statewide Class B construction index. The SAB raised the maximum fee at its January 2008 meeting to \$2.97 per square foot for residential and \$0.42 per square foot for commercial/industrial development (**Appendix A**).

Developer fees may be used to finance new schools and equipment, and to reconstruct existing facilities in order to maintain adequate housing for all the district’s students. Other legitimate uses of fees include, but are not limited to: interim housing; site acquisition; replacement of extremely aged, inadequate portable classrooms; and housing for class-size reduction. Up to three percent of the fees collected may be

used to defray the administrative costs incurred by the District in collecting these fees. Uses of the fees, which are specifically prohibited by law, are regular or routine maintenance of facilities, asbestos abatement incidental to construction or reconstruction, and deferred maintenance programs.

Additionally, Government Code Section 66008 (SB 1983), Chapter 569/Statutes 1996, effective January 1, 1997) mandated that school districts be specific on the intended use of the fees to be collected in their fee justification documents and include the general locations of new school facilities and estimated construction timelines in the report. These timelines, however, are influenced by many factors including actual (as opposed to projected) phasing of new development, eligibility and availability of state school construction funds and availability of local funding.

In August 1998, the Governor signed into law Senate Bill 50, also known as the Leroy Greene School Facilities Act of 1998. This bill made major changes in the State Facilities Program as well as developer fee mitigation for school districts in California. Education Code 17620 was amended to provide the provisions of Government Code 65995.

The State School Facilities Program, which replaced the State Lease-Purchase Program, requires a match based on the cost of the project. Except in the cases where a district can establish economic “hardship” status, all new state construction projects require a district contribution of 50% of the project cost. Modernization projects require a local share of 40% pursuant to AB 16 Chaptered 4/29/02.

The passage of SB 50 also repealed all locally imposed fees authorized by local ordinances and instituted the collection of three levels of developer fees. Level I fees are the current statutory fees (also referred to as the “Stirling Fee”) allowed under Education Code 17620. Level II developer fees are outlined in Government Code Section 65995.5. This code section allows a school district to impose a higher fee on residential construction if certain conditions are met. This level of developer fees is subject to a Facility Needs Analysis based on Government Code Section 65995.6. Level III developer fees are outlined in Government Code Section 65995.7. If state funding becomes available, this code section authorizes a school district, that has been approved to collect Level II fees, to collect a higher fee based on residential construction. However, if a district eventually receives state funding, this excess fee must be reimbursed to the developers or be subtracted from the amount of state funding.

Purpose of Study

The purpose of this Developer Fee Justification Report (or “nexus study”) is to comply with the provisions of Education Code Section 17620 in relation to the levy and collection of developer fees. This study will substantiate that there is a “reasonable relationship” (a nexus) between residential, commercial and industrial development projects and the cost to provide adequate school facilities for the students generated from those developments. It will identify the expected revenue derived from fees from those developments; identify other potential sources of revenue for facilities (and their viability); and the additional students projected to enroll in district schools as a result of these development projects. It will also:

- Identify the purpose of the fee;
- Identify how the fee is to be used;
- Determine how a reasonable relationship exists between the fee’s use and the type of development project on which the fee is imposed; and
- Determine a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

II. REVENUE SOURCES FOR FUNDING SCHOOL FACILITIES

There are two general sources that exist for funding facility construction and reconstruction: state sources and local sources. The district has considered the following available sources:

State Sources

State School Facility Program

The Leroy Greene Lease-Purchase Act of 1976 was reformed by Senate Bill 50 in August of 1998. The new program, entitled the School Facilities Program (SFP), provides funding under a “grant” program. Funding required from the District is based on a 50-50 state/district share for new construction projects and on an 80-20 state/district share for modernization/reconstruction projects. AB 16 signed by the Governor (2002) as an urgency measure changed the modernization program to a 60-40 state/district share.

Due to changes in the way eligibility for new construction and modernization funding is computed under the new School Facilities Program, the District has been able to establish eligibility for both state new construction and modernization funding. The following is the District’s current SFP funding levels for new construction and modernization based on 2006/2007 CBEDS data and 2005/2006 CBEDS data respectively.

**Table 1
 State New Construction Eligibility (50-50)**

New Construction - Growth				
Grade Level	Total Grants	50% State Share	50% District Match	100% Funding
7-8	747	\$6,383,862	\$6,383,862	\$12,767,724
9-12	441	\$4,794,993	\$4,794,993	\$9,589,986

**Table 2
 State Modernization Eligibility (60-40)**

Modernization				
Site	Eligible Grants	60% State Share	40% District Match	100% Funding
Earl Warren MS	508	\$1,860,608	\$1,240,406	\$3,101,014
Sunset HS	145	\$654,820	\$436,547	\$1,091,367

Local Sources

School District General Funds

The District’s general funds are needed by the District to provide for the operation of its instructional program. There are no unencumbered funds that could be used to construct new facilities or reconstruct existing facilities.

Developer Fee Revenue

Under the SB 50 law, districts may levy the current statutory developer fee as long as a district can justify collecting that fee. If a district desires to collect more than the statutory fee (Level II or Level III), the district must meet certain requirements outlined in the law, as well as conduct a needs assessment to enable a higher fee to be calculated. The District currently collects residential, and commercial and industrial fees at the statutory rate (Level I).

Mello-Roos Community Facilities Act

The Mello-Roos Community Facilities Act of 1982 allows school districts to establish a community facilities district in order to impose a special tax to raise funds to finance school facilities.

As of December 31, 2007, a balance of \$10,801,049.08 was available for school facilities from the Revenue Refunding Bonds, Series 2006 issue.

Lottery Funds

Government Code Section 880.5 states: “It is the intent of this chapter that all funds allocated from the California State Lottery Education Fund shall be used exclusively for education of pupils and students and no funds shall be spent for acquisition of real property, construction of facilities, financing research, or any other non-instructional purpose.”

III. DEVELOPER FEE JUSTIFICATION

District Capacity

Determining capacity in accordance with the provisions of SB 50 allows districts to discount some teaching stations if they are portable classrooms. The capacity of a district is equal to the baseline capacity totals used to determine eligibility for state construction funding. *The State Allocation Board approved SAB 50-02 is attached as Appendix B.*

**Table 3
Existing Capacity**

<u>Grade Level</u>	<u>Baseline Capacity</u>
7-8	3,078
9-12	4,806
<u>SDC</u>	<u>364</u>
Total	8,248

**Table 4
Classroom Loading Summary
District-wide**

<u>District Loading Capacity</u>
8,248

Student Generation

The District’s student yield study was updated during the winter of 2003/2004, to identify the number of students anticipated to be generated by new residential development within the District. The yield factors are shown in Table 5a. The district-wide average student yield across all unit types, based upon a prorated share of 2006/2007 SanDAG occupied housing units, is shown in Table 5b.

**Table 5a
 Student Yield Factors
 Single Family Dwelling Units (SFD) and
 Multi-Family Dwelling Units (MFD)**

Basis (Area and Unit Type)	7-8 SFD	7-8 MFD	9-12 SFD	9-12 MFD
Cardiff	0.097	0.070	0.117	0.116
Del Mar	0.102	0.040	0.144	0.053
Encinitas	0.095	0.052	0.206	0.142
Rancho Santa Fe	0.097	0.070	0.117	0.116
Solana Beach	0.097	0.070	0.117	0.116

**Table 5b
 District-Wide Student Yield Factor**

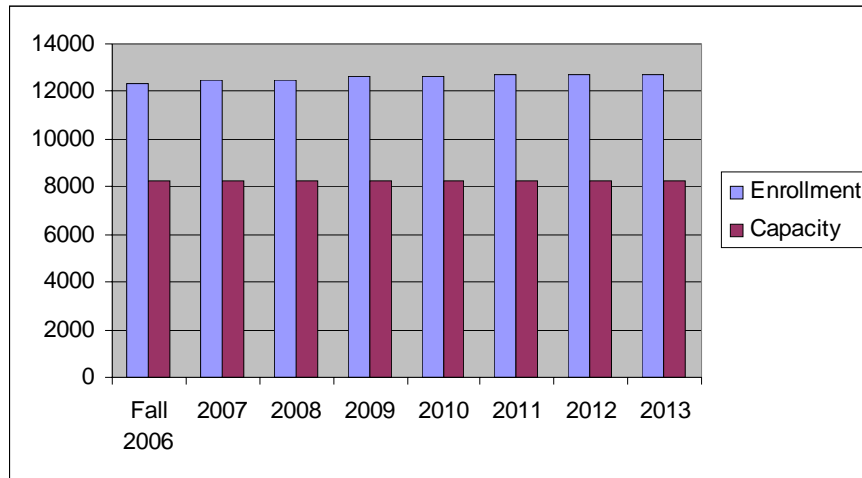
District Wide Grades 7-12	0.266
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Enrollment Projections and Development

The enrollment projections used in this study utilize a seven year projection methodology. The methodology includes the calculation of incoming kindergarten classes, additional students from new housing, (referred to as student yield), the effects of student mobility, and a detailed review of planned residential development within the District.

The district-wide enrollment projections, (Davis Demographics Feb. 2007), compared to the capacity of the District’s facilities is illustrated in Table 6.

**Table 6
 District-Wide
 Projection-Capacity Comparison**



Residential Fee Projections

To show a reasonable relationship exists between the construction of new housing units and the need for additional school facilities, it will be shown that each square foot of new assessable residential space will create a school facility cost impact on the District.

To determine the cost impact of residential construction on the District, the cost to house a student in new school facilities must be identified. Table 7 is based on actual costs incurred to building middle school and high school facilities in the District. The facilities cost calculations are included as **Appendix C**.

**Table 7
 Facility Cost per Student**

Grade Level	Cost
7-8	\$29,875.00
9-12	\$59,690.49
Weighted Ave.	\$47,819.78

Based on developer fees collected in the District, the average size of a new residence is approximately 3,855 square feet. Since each home generates an average of 0.266 7-12th grade students per unit for the District to house, each home will generate 0.00007 students per square foot (0.266 students per unit divided by the average home size of 3,855 square feet). The cost to house students is \$3.35 per square foot of new residential construction (\$47,819.78 per student multiplied by the square foot generation factor of 0.00007). This cost impact is based on each new student requiring new facilities.

The San Dieguito Union High School District is justified in the levying of residential developer fees up to \$3.35 per square foot of residential development. The District is currently collecting residential developer fees at the Level I rate.

Identification of Proposed School Facilities

Government Code Section 66008 mandated that school districts be specific on the intended use of the fees to be collected and include the general locations of new school facilities and estimated construction timelines in the report. The purpose of the fees being levied shall be used for the construction and/or reconstruction of school facilities. The District will construct and/or reconstruct school facilities, in part, with developer fees. The timelines of the proposed school facilities are influenced by many factors including actual phasing of new development, eligibility and availability of state school constructions funds, and availability of local funds. **Appendix D** illustrates the projects and timing of funding as identified in the District's Annual and Five Year Reports for Fiscal Year 2006-2007.

IV. COMMERCIAL/INDUSTRIAL FEE JUSTIFICATION

Overview

In order to levy fees on commercial and industrial development, existing law stipulates that the district "... must determine the impact of the increased number of employees anticipated to result from commercial and industrial development upon the cost of providing school facilities within the district. To make this determination, the study shall utilize employee generation estimates that are based on commercial and industrial factors within the district, as calculated on either an individual or categorical basis." The passage of Assembly Bill AB 530 (Chapter 633/Statutes of 1990) modified the requirements of AB 181 by allowing the use of employee generation factors. Assembly Bill 530 allows the use of the employee generation factors identified in the San Diego Association of Governments (SanDAG) report titled, San Diego Traffic Generators. This study which was completed in January of 1990 identifies the number of employees generated for every 1,000 square feet of floor area for several demographic categories.

Commercial/Industrial Development and Fee Projections

Commercial/industrial development will attract additional workers to the District, and, because some of those workers will have school-age children, additional students will be generated in the District. As shown in Section III Table 6, adequate school facilities do not exist for these students. New commercial/industrial development, therefore, creates a fiscal impact to the District, generating a need for new school facilities.

This report multiplies the following five factors together to calculate the school facility cost incurred by the District per square foot of new commercial/industrial development:

- (1) Employees per square foot of new commercial/industrial development,
- (2) Percent of employees in the District that also live in the District,
- (3) Houses per employee,
- (4) Students per house, and
- (5) School facility cost per student.

The report calculates each of these factors in the next sections.

A. Employees per Square Foot of Development

As permitted by State law, the report uses results from a survey published by SanDAG to establish the number of employees per square foot of new commercial/industrial development projects.

Table 8
Employees per Square Foot of Commercial/Industrial
Development, by Category

Commercial/Industrial Category	Average Square Foot per Employee	Employees per Average Square Foot
Banks	354	0.00283
Community Shopping Centers	652	0.00153
Neighborhood Shopping Centers	369	0.00271
Industrial Business Parks	284	0.00352
Industrial Parks	742	0.00135
Rental Self Storage	15,541	0.00006
Scientific Research & Development	329	0.00304
Lodging	882	0.00113
Standard Commercial Office	209	0.00479
Large High Rise Com. Office	232	0.00431
Corporate Offices	372	0.00269
Medical Offices	234	0.00427

Source: 1990 SanDAG Traffic Generators report.

B. Percentage of Employees Residing Within the District

According to the 2000 U.S. Census data there are 70,365 workers over the age of 16 in the San Dieguito Union High School District boundaries. Of these workers, 32,606 or 46.34% of the workers had a commute time of 20 minutes or less. It is assumed that a commute time of less than 20 minutes indicates the person is employed and lives within the District.

C. Number of Households per Employee

The 2000 U.S. Census data shows there were 54,023 households and 70,365 workers over the age of 16 in the District's boundaries. Based on these two numbers, this indicates that there are approximately 1.3 workers per household. Likewise, this data indicates that there are 0.78 households for every one worker. The study therefore assumes that each new resident worker in the District will demand 0.78 housing units.

D. Number of Students per Dwelling Unit

As outlined in Table 5b, the study assumes that an average of 0.266 grades 7-12 students will reside in each housing unit.

E. School Facility Cost per Student

As outlined in Table 7, the study estimates that the school facility cost per grades 7-12 student is \$47,819.78.

F. School Facility Cost per Square Foot of Commercial/Industrial Development

Table 9 calculates the school facility cost generated by a square foot of new commercial/industrial development for each of the categories of commercial/industrial projects listed in Table 8.

School facility costs for development projects not included on this list may be estimated by using the closest employee-per-square foot ratio available for the proposed development or by following the District’s administrative procedures for appeals of school facility fee imposition.

**Table 9
 Facility Cost per Square Foot of Commercial/Industrial Development, by Category**

Commercial/Industrial Category	Employees per Square Foot	% Employees Residing in District	Dwelling Units per Employee	7-12 Students per Dwelling Unit	Cost per 7-12 Student	Cost per Square Foot
Banks	0.00283	0.4634	0.78	0.266	\$47,819.78	\$13.01
Community Shopping Centers	0.00153	0.4634	0.78	0.266	\$47,819.78	\$7.03
Neighborhood Shopping Centers	0.00271	0.4634	0.78	0.266	\$47,819.78	\$12.46
Industrial Business Parks	0.00352	0.4634	0.78	0.266	\$47,819.78	\$16.18
Industrial Parks	0.00135	0.4634	0.78	0.266	\$47,819.78	\$6.21
Rental Self Storage	0.00006	0.4634	0.78	0.266	\$47,819.78	\$0.28
Scientific Research & Development	0.00304	0.4634	0.78	0.266	\$47,819.78	\$13.98
Lodging	0.00113	0.4634	0.78	0.266	\$47,819.78	\$5.20
Standard Commercial Office	0.00479	0.4634	0.78	0.266	\$47,819.78	\$22.02
Large High Rise Com. Office	0.00431	0.4634	0.78	0.266	\$47,819.78	\$19.82
Corporate Offices	0.00269	0.4634	0.78	0.266	\$47,819.78	\$12.37
Medical Offices	0.00427	0.4634	0.78	0.266	\$47,819.78	\$19.63

The District is justified in collecting their prorated share of the Government Code maximum of \$0.47 per square foot for all categories of commercial/industrial development, because these categories, on a per square foot basis, generate a school facility cost greater than the District’s prorated share of the Government Code maximum.

The District’s prorated share of commercial/industrial construction is \$0.18 per square foot of covered and enclosed space if it resides in Rancho Santa Fe Elementary School District (grades 9-12), all other areas in the District will be \$0.25 per square foot of covered and enclosed space (grades 7-12).

G. Calculating School Facility Cost of Commercial/Industrial Development with Residential Fee Offset

A “residential fee offset” is calculated by (1) determining the number of homes that are associated with the employees generated by new commercial/industrial development and (2) calculating the residential fee revenues that the District will collect from those homes (*Note: Based on 2000 U.S. Census data and SanDAG 2007 estimates, the residential fee offset calculation assumes that 17 percent of the homes associated with new employees are new homes*).

For purposes of calculating the residential fee offset, this study estimates that the District will collect \$1.56 per square foot of future residential development.

Subtracting the residential fee offset from the total school facility cost generated by commercial/industrial development produces a discounted school facility cost that takes into account revenues from “linked” residential units.

Table 10 calculates the facility cost of new commercial/industrial development while taking into account the revenues from linked residential units.

**Table 10
 School Facility Cost of New Commercial/Industrial Development
 Discounted by Residential Fee Offset**

Commercial/Industrial Category	Dwelling Unit per Square Foot Com/Ind	% Employees Residing in New Homes	Average Square Foot per Unit	District's Revenue per Square Foot Res. Dev.	Residential Offset per Comm/Ind Square Foot	School Facility Cost per Square Foot Comm/Ind Development	Cost per Square Foot Less Offset
Banks	0.00102	0.17	3855	1.56	\$1.05	\$13.01	\$11.96
Community Shopping Centers	0.00055	0.17	3855	1.56	\$0.57	\$7.03	\$6.46
Neighborhood Shopping Centers	0.00098	0.17	3855	1.56	\$1.00	\$12.46	\$11.46
Industrial Business Parks	0.00127	0.17	3855	1.56	\$1.30	\$16.18	\$14.88
Industrial Parks	0.00049	0.17	3855	1.56	\$0.50	\$6.21	\$5.71
Rental Self Storage	0.00002	0.17	3855	1.56	\$0.02	\$0.28	\$0.26
Scientific Research & Development	0.00110	0.17	3855	1.56	\$1.12	\$13.98	\$12.86
Lodging	0.00041	0.17	3855	1.56	\$0.42	\$5.20	\$4.78
Standard Commercial Office	0.00173	0.17	3855	1.56	\$1.77	\$22.02	\$20.25
Large High Rise Com. Office	0.00156	0.17	3855	1.56	\$1.59	\$19.82	\$18.23
Corporate Offices	0.00097	0.17	3855	1.56	\$0.99	\$12.37	\$11.38
Medical Offices	0.00154	0.17	3855	1.56	\$1.58	\$19.63	\$18.05

As the table shows, the school facility cost of all categories is greater than the District’s maximum prorated share of \$0.25 per square foot even when that cost is discounted by revenues from linked residential units.

For illustrative purposes, the report will compare the school facility cost generated by 140,000 square feet of new community shopping center development to the fee revenue it will provide to the

District. This analysis is valid, however, for all types of commercial/industrial development except rental self-storage.

If the District were to charge \$0.25 per square foot of commercial/industrial development, it would collect \$35,000 from the 140,000 square feet of community shopping center development. Assuming that 17 percent of the employees of the community shopping center development live in new homes, the District will also collect approximately \$79,153 in revenue from residential developer fees (140,000 square feet x .00153 employees per square foot x 17% employees that live in new homes x 46.34% employees that live in District x 0.78 housing units per employee x 3,855 square feet per housing unit x \$1.56 revenue from residential developer fees). The 140,000 square feet of community shopping center development will create a school facilities cost of \$904,400 (140,000 square feet x \$6.46 [see Table 10] school facility cost per square foot of community shopping center).

Table 11 compares the school facility costs generated by 140,000 square feet of community shopping center development to the fee revenues it provides to the District.

**Table 11
 Comparison of Facility Cost and Fee Revenue Generated by
 New Community Shopping Center Development**

	Fee Revenues	Facility Costs	Total Revenues (Costs)
140,000 square feet of community shopping center development	\$35,000	\$904,400	(\$869,400)
New housing units associated with the development	\$79,153	N/A	\$79,153
Total	\$114,153	\$904,400	(\$790,247)

As the table shows, fee revenue from a community shopping center development will cover only 12.6 percent of the school facility cost it generates, even when that cost is discounted by the revenues from linked new housing units.

All categories of commercial/industrial development will generate more facility cost than fee revenue, because they all generate a facility cost greater than \$0.25 per square foot even when fees from linked residential units are considered. Fee amounts for self-storage and other low employee generating businesses should be examined on a case-by-case basis.

V. ESTABLISHING THE COST, BENEFIT AND BURDEN NEXUS

Establishment of a Cost Nexus

The San Dieguito Union High School District chooses to construct and/or reconstruct facilities for the additional students created by development in the District, and the cost for providing new and/or reconstructed facilities exceeds the amount of developer fees to be collected. It is clear that when educational facilities are provided for students generated by new residential, commercial, and industrial development, the cost of new facilities exceeds developer fee generation, thereby establishing a cost nexus.

Establishment of a Benefit Nexus

Students generated by new residential, commercial, and industrial development will be attending district schools. Housing district students in new and/or reconstructed facilities will directly benefit those students from the new development projects upon which the fee is imposed; therefore, a benefit nexus is established.

Establishment of a Burden Nexus

The generation of new students by development will create a need for additional and/or reconstructed school facilities. The District must carry the burden of constructing new facilities required by the students generated by future development and the need for facilities will be, in part, satisfied by the levying of developer fees, therefore, a burden nexus is established.

Statement to Identify the Purpose of the Fee

It is a requirement of AB 1600 that the District identify the purpose of the fee. The purpose of the fees being levied shall be used for the construction and/or reconstruction of school facilities. The District will provide for the construction and/or reconstruction of school facilities, in part, with developer fees.

Establishment of a Special Account

Pursuant to Government Code Section 66006, the District has established a special account into which fees for capital facilities are deposited. The fees collected in this account will be expended only for the purpose for which they were collected. Any interest income earned on the fees that are deposited in such an account must remain with the principal. The school district must make specific information available to the public within 180 days of the end of each fiscal year pertaining to the developer fee fund. The information required to be made available to the public by Section 66006(b)(1) was amended by SB 1693 and includes specific information on fees expended and refunds made during the year.

VI. FINDINGS

This Section shows that the District meets the requirements of Government Code Section 66001 regarding the collection of developer fees and summarizes other potential funding sources for the District's capital projects.

A. Government Code Section 66001(a)(1) – Purpose of the Fee

The purpose of collecting fees on residential and commercial/industrial development is to acquire funds to construct or reconstruct school facilities for the students generated by new residential and commercial/industrial developments.

B. Government Code Section 66001(a)(2) – Use of the Fee

The District's use of the fee will involve constructing and/or reconstructing school campuses and/or additional permanent facilities on existing school campuses. In addition, the District may need to purchase or lease portable classrooms to use for interim housing while permanent facilities are being constructed.

Revenue from fees collected on residential and commercial/industrial development may be used to pay for any of the following:

- (1) land (purchased or leased) for school facilities,
- (2) design of school facilities,
- (3) permit and plan check fees,
- (4) construction or reconstruction of school facilities,
- (5) testing and inspection of school sites and school buildings,
- (6) furniture for use in new school facilities,
- (7) interim school facilities (purchased or leased) to house students generated by new development while permanent facilities are being constructed,
- (8) legal and administrative costs associated with providing facilities to students generated by new development,
- (9) administration of the collection of developer fees (including the costs of justifying the fees) and
- (10) miscellaneous purposes resulting from student enrollment growth caused by new residential development.

C. Government Code Section 66001(a)(3) – Relationship Between the Fee's Use and the Type of Project Upon Which the Fee is Imposed

Future residential development will cause new families to move into the District and, consequently, will generate additional students in the District. As shown in Section III of this study, adequate school facilities do not exist for these students. Future residential development, therefore, creates a need for additional school facilities. The fee's use (acquiring school facilities) is therefore reasonably related to the type of project (future residential development) upon which it is imposed.

New commercial/industrial development will cause new workers to move into the District. Because some of these workers will have school-age children, commercial/industrial will also generate new students in the District. As shown in Section III of this study, adequate school facilities do not exist for these students. New commercial/industrial development, therefore, creates a need for additional school facilities. The fee's use (acquiring school facilities) is therefore reasonably related to the type of project (new commercial/industrial development) upon which it is imposed.

D. Government Code Section 66001(a)(4) – Relationship Between the Need for the Public Facility and the Type of Project Upon Which the Fee is Imposed

The District's projected enrollment is larger than its pupil capacity. The District, therefore, does not have sufficient existing capacity to house students generated by future development. Future residential and commercial/industrial development in the District will generate additional students and, consequently, a need for additional school facilities. A relationship exists, therefore, between the District's need to build additional school facilities and the construction of new residential and commercial/industrial development projects.

E. Government Code Section 66001(b) – Relationship Between the Fee and the Cost of the Public Facility Attributable to the Development on Which the Fee is Imposed

This study demonstrates that the school facility cost attributable to future residential development is \$3.35. Level I fees of up to \$3.35 per square foot on residential development are therefore fully justified.

This study also demonstrates that the school facility costs attributable to all categories of commercial/industrial development range from \$0.26 per square foot to \$20.25 per square foot, even when fees from linked residential units are accounted for. Level I fees of up to the prorated grades 7-12 share of \$0.25 on these types of development are therefore fully justified.

All school facility costs and fees in this study are calculated on a per-student basis to ensure that future developments only pay for impacts they cause.

SOURCES

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San Dieguito Union High School District. Modernization Eligibility, May 2007.

San Dieguito Union High School District. San Dieguito Union High School District Annual and Five Year Reports for Fiscal Year 2006-2007 in Compliance with Government Code Sections 66006 and 66001, December 2007.

Appendix A State Board Allocation Notice

Appendix B
State Board Allocation
Approved 50-02
Determination of Existing School Building Capacity

STATE OF CALIFORNIA
EXISTING SCHOOL BUILDING CAPACITY
 SAB 50-02 (Rev. 09/02) Excel (Rev. 11/21/2002)

SCHOOL DISTRICT SAN DIEGUITO UNION HIGH COUNTY SAN DIEGO	FIVE DIGIT DISTRICT CODE NUMBER <i>(see California Public School Directory)</i> 68346 HIGH SCHOOL ATTENDANCE AREA (HSAA) OR SUPER HSAA <i>(if applicable)</i>
---------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------

PART I - Classroom Inventory NEW ADJUSTED

	K-6	7-8	9-12	Non-Severe	Severe	Total
Line 1. Leased State Relocatable Classrooms		12	6			18
Line 2. Portable Classrooms leased less than 5 years						
Line 3. Interim Housing Portables leased less than 5 years						
Line 4. Interim Housing Portables leased at least 5 years						
Line 5. Portable Classrooms leased at least 5 years		10	1			11
Line 6. Portable Classrooms owned by district		52	73			125
Line 7. Permanent Classrooms		83	144	19	13	259
Line 8. Total (Lines 1 through 7)		157	224	19	13	413

PART II - Available Classrooms

Option A.

	K-6	7-8	9-12	Non-Severe	Severe	Total
a. Part I, line 4						
b. Part I, line 5		10	1			11
c. Part I, line 6		52	73			125
d. Part I, line 7		83	144	19	13	259
e. Total (a, b, c, & d)		145	218	19	13	395

Option B.

	K-6	7-8	9-12	Non-Severe	Severe	Total
a. Part I, line 8		157	224	19	13	413
b. Part I, lines 1,2,5 and 6 (total only)						154
c. 25 percent of Part I, line 7 (total only)						65
d. Subtract c from b (enter 0 if negative)		43	46			89
e. Total (a minus d)		114	178	19	13	324

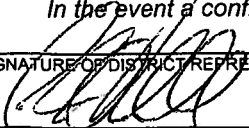
PART III - Determination of Existing School Building Capacity

	K-6	7-8	9-12	Non-Severe	Severe
Line 1. Classroom capacity		3,078	4,806	247	117
Line 2. SER adjustment					
Line 3. Operational Grants					
Line 4. Greater of line 2 or 3					
Line 5. Total of lines 1 and 4		3,078	4,806	247	117

*I certify, as the District Representative, that the information reported on this form is true and correct and that:
 I am designated as an authorized district representative by the governing board of the district; and,
 This form is an exact duplicate (verbatim) of the form provided by the Office of Public School Construction (OPSC).
 In the event a conflict should exist, then the language in the OPSC form will prevail.*

SIGNATURE OF DISTRICT REPRESENTATIVE

DATE



2/3/05

Appendix C Facilities Cost Calculations

Calculation of Per-Pupil Site Development Costs

Facility Construction Costs for a Middle School

Facility construction costs for Carmel Valley Middle School are based on actual acquisition and constructions, increased by applicable adjustments to the construction cost by Class B Construction Cost Index (CCI). No adjustment to land value has been made in this calculation. These costs are as follows:

Carmel Valley Middle School Construction per Notice to Proceed March 1998	Facility Construction Cost
Acquisition Cost	\$12,930,333.21
Construction Cost	\$23,798,673.65
Class B CCI Adjustment Factor (Mar. '98 1.29 - Dec. '07 1.94)	\$11,991,579.75
Total	\$35,790,253.40
Capacity of Projects	1198
Middle School Per-Pupil Facility Construction Cost	\$29,875.00

Facility Construction Costs for a High School

Facility construction costs for Canyon Crest Academy are based on actual acquisition and constructions, increased by applicable adjustments to the construction cost by Class B Construction Cost Index (CCI). No adjustment to land value has been made in this calculation. These costs are as follows:

Canyon Crest Academy Construction per Notice to Proceed September 2003	Facility Construction Cost
Acquisition Cost	\$25,161,014.10
Construction Cost	\$74,893,790.20
Class B CCI Adjustment Factor (Sept. '03 1.47 - Dec. '07 1.94)	\$8,044,677.98
Total	\$108,099,482.28
Capacity of Projects	1811
Middle School Per-Pupil Facility Construction Cost	\$59,690.49

Weighted Cost Per Student

Weighted Average	\$47,819.78
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**Appendix D
Projects and Timing
Excerpts from District's
Annual and Five Year Reports
for Fiscal Year 2006-2007**

Schedule C - IDENTIFICATION OF ALL SOURCES AND AMOUNTS OF FUNDING ANTICIPATED TO COMPLETE FINANCING OF THE SCHOOL FACILITIES THE DISTRICT HAS IDENTIFIED IN THE DISTRICT'S REPORTS

5-Year Report (2006-2007)
 Schedule C 06-07

Project	Est. Cost	State School			Reportable	
		Bldg. Program	Mello Roos	NCW	Fees	Other
S.D. Academy High School						
Library	\$5,675,000	\$2,195,170	\$3,394,131	N/A	\$33,139	\$52,560
New Construction*	\$10,800,234	unknown	unknown	unknown	unknown	unknown
Performing Arts Complex*	\$8,230,040	unknown	unknown	unknown	unknown	unknown
Relocatable Classrooms (8) Phase 1	\$330,000	N/A	\$330,000	N/A	N/A	N/A
Relocatable Classrooms (8) Phase 2*	\$750,000	unknown	unknown	unknown	unknown	unknown
La Costa Valley Middle School *						
	unknown	unknown	unknown	unknown	unknown	unknown
Sunset High School						
Beautification/City Req. Imp.	\$225,000	N/A	\$225,000	N/A	unknown	unknown
Modernization	\$1,091,367	\$654,820	\$436,547	unknown	unknown	unknown
Expansion – Phase II*	\$2,896,370	unknown	unknown	unknown	unknown	unknown
Earl Warren Middle School						
Art & Technology Classrooms	\$258,649	N/A	N/A	N/A	\$258,649	N/A
Modernization	\$3,101,014	\$1,860,608	unknown	unknown	unknown	unknown
FUA Schools						
Middle School *	unknown	unknown	unknown	unknown	unknown	unknown
Canyon Crest Academy	\$98,779,339	\$41,025,241	\$39,483,208	\$17,560,727	\$30,547	\$679,616
Canyon Crest Academy Sports Fields – Phase 1 and 2	\$1,408,790	N/A	\$1,407,746	N/A	\$1,044	N/A
Oak Crest Science Classrooms						
	\$325,000	N/A	\$325,000	N/A	N/A	N/A
Torrey Pines High School						
Dance Room Addition/Textbook Relocation	\$320,361	N/A	\$123	N/A	\$320,238	N/A
Team Room	\$757,840	N/A	N/A	N/A	\$457,840	\$300,000
Visual Performing Arts*	\$15,000,000	unknown	unknown	unknown	unknown	unknown
Maintenance Mod. & Expansion *						
	unknown	unknown	unknown	unknown	unknown	unknown
TOTAL	\$149,949,004	\$45,735,839	\$45,601,632	\$17,560,727	\$1,101,457	\$1,032,176

(*) Projects in preliminary planning with no cost estimate and/or known completion date for financing.

Schedule D - IDENTIFICATION OF THE APPROXIMATE DATES ON WHICH THE FUNDING REFERRED TO IN SECTION C IS EXPECTED TO BE DEPOSITED INTO THE APPROPRIATE ACCOUNT OR FUND

5-Year Report (2006-2007)
 Schedule D 06-07

Project	State School	Mello Roos	NCW	Reportable	Other
	Bldg. Program			Fees	
S.D. Academy High School					
Library	2004/05	2004/05	N/A	2003/04	2006/07
New Construction*	unknown	unknown	unknown	unknown	unknown
Performing Arts Complex*	unknown	unknown	unknown	unknown	unknown
Relocatable Classrooms (8) Phase 1	N/A	2006/07	N/A	N/A	N/A
Relocatable Classrooms (8) Phase 2*	unknown	unknown	unknown	unknown	unknown
La Costa Valley Middle School*					
Sunset High School					
Beautification/City Req. Imp.	N/A	2006/07	N/A	N/A	N/A
Modernization	2007/08	2007/08	unknown	unknown	unknown
Expansion -- Phase II*	unknown	unknown	unknown	unknown	unknown
Earl Warren Middle School					
Art & Technology Classrooms	N/A	N/A	N/A	2006/07	N/A
Modernization	2007/08	2007/08	N/A	2007/08	N/A
FUA Schools					
Middle School*	unknown	unknown	unknown	unknown	unknown
Canyon Crest Academy	2003/04	2003/04	2003/04	2004/05	2003/04
Canyon Crest Academy Sports Fields -- Phase 1 and 2	N/A	2005/06	N/A	2005/06	N/A
Oak Crest Science Classrooms					
Torrey Pines High School					
Dance Room Addition/Textbook Relocation	N/A	2006/07	N/A	2006/07	N/A
Team Room	N/A	N/A	N/A	2006/07	2006/07
Visual Performing Arts*	unknown	unknown	unknown	unknown	unknown
Maintenance Mod. & Expansion*					

(*) Projects in preliminary planning with no cost estimate and/or known completion date for financing.

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: January 29, 2008

BOARD MEETING DATE: February 7, 2008

PREPARED BY: John Addleman, Facilities Planning Analyst
Steve Ma, Assoc. Supt. of Business Services

SUBMITTED BY: Peggy Lynch, Ed.D.
Superintendent

SUBJECT: **ADOPTION OF RESOLUTION / LEASE-
LEASE BACK AGREEMENT / EARL WARREN
MIDDLE SCHOOL AND SUNSET HIGH
SCHOOL MODERNIZATIONS**

EXECUTIVE SUMMARY

At the November 8, 2007 workshop, the Board reviewed the Lease/Lease-Back delivery method as permitted under Education Code section 17406 for the proposed modernization projects at Earl Warren Middle School and Sunset Alternative High School this summer. The Lease/Lease-Back contractual arrangement includes three documents:

- A Site Lease that leases the District's property to the Builder,
- A Sublease that leases the District's property from the Builder back to the District,
- A Construction Services Agreement.

On November 13, 2007, the District advertised a request for statements of qualifications for lease/lease-back services. On November 27, 2007, Douglas E. Barnhart, Inc. was selected as the preferred builder.

Administration, staff, and district counsel have been working with Douglas E. Barnhart, Inc. to develop the attached Site Lease, Sublease, and Construction Services Agreement. As it pertains to the Construction Services Agreement, Douglas E. Barnhart, Inc. has provided a preliminary Guaranteed Maximum Price (GMP) of \$3,628,000 for both projects. The GMP includes a construction management fee of 4.5%, general conditions, and a shared contingency of 5% of construction costs. At project completion, any remaining amounts in the shared contingency will be divided 75% in the favor of the District, 25% to the Builder. Staff has used shared contingency before to encourage the Builder to work in the best interest of the District, such as to minimize change orders. The District will also maintain a

separate district contingency from the GMP in the amount of 5% of construction costs for unforeseen conditions and District project enhancements.

The overall budget, including soft costs (architect, inspections, etc.) for the two modernization projects is \$4,412,380. This includes an estimated \$200,000 to be spent from Deferred Maintenance Funds towards the re-roofing portion of the project at Earl Warren Middle School.

We are entering into these agreements now to start the validation process to validate the lease/lease-back as the method of financing the construction of the projects.

After bids are accepted by the builder, staff will bring back a report summarizing actual costs and finalization of the GMP.

RECOMMENDATION:

It is recommended that the Board adopt substantial to form the attached resolution approving and authorizing execution of site lease, sublease agreement, and construction services agreement for the lease-leaseback agreement for the construction of the Earl Warren Middle School and the Sunset High School Modernization project, and authorize Eric R. Dill or Stephen G. Ma to execute the necessary documents.

FUNDING SOURCE:

Capital Facilities Fund 25-19, State School Facility Fund 35-00, Mello-Roos, and Deferred Maintenance Fund 14-00

ITEM 19

RESOLUTION
OF THE BOARD OF TRUSTEES OF THE
SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
APPROVING AND AUTHORIZING EXECUTION OF
SITE LEASE, SUBLEASE AGREEMENT AND
CONSTRUCTION SERVICES AGREEMENT FOR
LEASE-LEASEBACK AGREEMENT RELATING TO
MODERNIZATIONS AT SCHOOL SITES WITHIN THE DISTRICT
AND AUTHORIZING FILING OF A COURT ACTION TO
DETERMINE THE VALIDITY OF THE CONTRACTS

On motion of Board member _____, seconded by board member _____, the governing board of the San Dieguito Union High School District (the "District") hereby resolves as follows:

WHEREAS, in June, 2006, the District approved the issuance of Mello-Roos bonds in part to finance modernizations at the District for the next several years (the "Mello-Roos Bonds"); and

WHEREAS, the District has identified other sources of funding, including funding from the Kindergarten-University Public Education Facilities Bond Act of 2006, approved by California voters in November, 2006 (the "State Bond"); and

WHEREAS, the District has identified priority projects for modernization of school facilities which will include modernizations at Earl Warren Middle School and Sunset High School, with most of the work to be completed over the summer of 2008 when school is not in session (the "Project"); and

WHEREAS, the Project is expected to cost approximately \$4.412 million, with approximately sixty percent (60%) of the funding from the State Bond and forty percent (40%) from District funds, including, but not limited to, funds from the Mello-Roos Bonds, and revenue from developer fees and mitigation; and

WHEREAS, this board has determined it is in the best interest of the District and the citizens it serves to enter into a lease-leaseback agreement for the construction of the Project in order to ensure execution and completion of the Project within the short timelines for construction work over the summer when school is not in session, to obtain a guaranteed maximum price to ensure that the Project will be completed within the District's limited budget for the Project, optimizing funds available for construction; and

ITEM 19

WHEREAS, the District established a committee to select a contractor for the Project and through a competitive request for qualifications recommended that the board award the contract for the Project to Douglas E. Barnhart, Inc. (“Builder”); and

WHEREAS, Builder is licensed and qualified to perform the work and was selected as most qualified from a field of other licensed and qualified builders; and

WHEREAS, pursuant to an agreement with Builder entitled Construction Services Agreement for Lease-Leaseback, the District will award the contract for construction of the Project to Builder and Builder will construct the Project at the two (2) school Sites within the District more specifically described in Exhibit A hereof (the “Sites”); and

WHEREAS, pursuant to a site lease (the “Site Lease”) by and between the District and the Builder, the District will lease to the Builder the Sites in order for Builder to construct the Project; and

WHEREAS, the Builder will lease the Project back to the District pursuant to a Sublease Agreement (the “Sublease”), under which the District will be required to make Sublease Payments, as such term is defined in the Sublease, to the Builder for the use and occupancy of the Project; and

WHEREAS, pursuant to Government Code section 53511, the District has the authority to bring an action to determine the validity of its bonds, warrants, contracts, obligations or evidences of indebtedness pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure; and

WHEREAS, the Board has determined that the lease-leaseback provisions of the Project constitute contracts and other evidences of indebtedness and would like court validation of these documents to avoid future challenges to the enforceability of such documents;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the San Dieguito Union High School District, that the following documents by and between the District and Builder be approved and their execution authorized in the form attached hereto:

1. The Site Lease;
2. The Sublease; and
3. The Construction Services Agreement for Lease-Leaseback.

BE IT FURTHER RESOLVED that the District’s legal counsel be directed to file a validation action in the appropriate court to validate the lease-leaseback as the method of financing the construction of the Project.

ITEM 19

PASSED AND ADOPTED THIS 7th DAY OF FEBRUARY, 2008, by the following
vote:

AYES:

NOES:

ABSENT:

EXHIBIT A

DESCRIPTION OF SITES

1. **Earl Warren Middle School**
155 Stevens Avenue
Solana Beach, CA 92075-2038

Assessor Parcel Number: 263-421-06

2. **Sunset (Continuation) High School**
684 Requeza Street
Encinitas, CA 92024-3703

Assessor Parcel Number: 258-122-35 and 258-122-36

ITEM 19

After Recordation
Please Return to

San Dieguito Union High School District
710 Encinitas Boulevard
Encinitas, CA 92024

Recordation fee not applicable
pursuant to Government Code Section 6103

SITE LEASE

Dated as of February 7, 2008

Between

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

and

DOUGLAS E. BARNHART, INC.

Recorded as INSTRUMENT NO. _____
this ___ day of _____, 2008, in
San Diego, California

ITEM 19

SITE LEASE

This SITE LEASE is dated as of February 7, 2008, and is by and between the SAN DIEGUITO UNION HIGH SCHOOL DISTRICT, a school district duly organized and existing under the laws of the State of California (the "District") as lessor and Douglas E. Barnhart, Inc., a corporation organized and operating under the laws of the State of California ("Corporation") as lessee.

WHEREAS, the District desires to provide for the financing and modernization of certain public improvements more fully described in a Construction Services Agreement for Lease-Leaseback (the "Construction Services Agreement") between the District and Corporation as builder (the "Project") at two school sites within the District as listed on Exhibit A attached hereto and incorporated herein by reference (the "Sites"); and

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

WHEREAS, in connection with the approval of this Agreement, the District will enter into a site lease with Builder (the "Site Lease"), under which it will lease to Builder Earl Warren Middle School and Sunset (Continuation) High School, in order for Builder to construct the Project as more specifically described in Exhibit A of the Construction Services Agreement for Lease-Leaseback dated as of February 7, 2008; and

WHEREAS, the District's governing body has determined that it is in the best interests of the District and for the common benefit of the citizens it serves to finance the Project by leasing to Corporation land and existing buildings at each of the Sites on which the public improvements are to be constructed and subleasing from Corporation the Sites, including the Project, under a Sublease Agreement effective the same date as this Site Lease (the "Sublease"); and

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

WHEREAS, Corporation is authorized to lease the Sites as lessee and to construct the Project on the Sites, and has duly authorized the execution and delivery of this Site Lease.

WITNESSETH:

In consideration of the premises and covenants and conditions hereinafter contained, the parties agree as follows:

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SECTION 1. Site Lease. The District leases to Corporation, and Corporation leases from the District, on the terms and conditions set forth herein, the Sites situated in the County of San Diego, State of California, more specifically described in Exhibit "A" attached to this Site Lease and incorporated by reference, as may from time to time be amended, including any real property improvements now or hereafter affixed thereto. Hereinafter, reference to Corporation means Corporation and Corporation's assigns for those rights, interests and obligations that may be assigned by Corporation.

SECTION 2. Term. The term of this Site Lease shall commence as of the date the Notice to Proceed is issued pursuant to the Construction Services Agreement and shall remain in full force and effect from such date to and including the November 15, 2008 (the "Termination Date").

(a) If the District exercises its option to purchase the Project pursuant to Section 25 of the Sublease, then the term of this Site Lease shall end on the date of exercise of the option; or

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

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

(a) The District has good and merchantable fee title to the Sites and has authority to enter into and perform its obligations under this Site Lease;

(b) There are no liens on the Sites other than permitted encumbrances;

(c) All taxes, assessments or impositions of any kind with respect to the Sites, if applicable, except current taxes, have been paid in full;

(d) The Sites are properly zoned for the intended purpose and utilization of the Sites or the District intends to render zoning inapplicable pursuant to Government Code section 53094;

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

(f) There is no litigation of any kind currently pending or threatened regarding the Sites or the District's use of the Sites for the purposes contemplated by this Site Lease, the Sublease and the Construction Services Agreement;

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(g) To the best of the District's knowledge, after actual inquiry and except as related to the construction undertaken pursuant to the Construction Services Agreement: (i) no dangerous, toxic or hazardous pollutants, contaminants, chemicals, waste, materials or substances, as defined in or governed by the provisions of any State or Federal Law relating thereto (hereinafter collectively called "Environmental Regulations"), and also including, but not limited to, urea-formaldehyde, polychlorinated biphenyls, asbestos, asbestos containing materials, nuclear fuel or waste, radioactive materials, explosives, carcinogens and petroleum products, or any other waste, material, substance, pollutant or contaminant which would subject the owner of the Sites or Corporation or Corporation's subcontractors to any damages, penalties or liabilities under any applicable Environmental Regulation (hereinafter collectively called "Hazardous Substances"), are now or have been stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited or disposed of in, upon, under, over or from the Sites; (ii) no threat exists of a discharge, release or emission of a Hazardous Substance upon or from the Sites into the environment; (iii) the Sites have not been used as or for a mine, a landfill, a dump or other disposal facility, industrial or manufacturing facility, or a gasoline service station; (iv) no underground storage tank is now located in the Sites; (v) no violation of any Environmental Regulation now exists relating to the Sites, no notice of any such violation or any alleged violation thereof has been issued or given by any governmental entity or agency, and there is not now any investigation or report involving the Sites by any governmental entity or agency which in any way relates to Hazardous Substances; (vi) no person, party, or private or governmental agency or entity has given any notice of or asserted any claim, cause of action, penalty, cost or demand for payment or compensation, whether or not involving any injury or threatened injury to human health, the environment or natural resources, resulting or allegedly resulting from any activity or event described in (i) above; (vii) there are not now any actions, suits, proceedings or damage settlements relating in any way to Hazardous Substances, in, upon, under over or from the Sites; (viii) the Sites are not listed in the United States Environmental Protection Agency's National Priorities List of Hazardous Waste Sites or any other list of Hazardous Substance sites maintained by any federal, state or local governmental agency; and (ix) the Sites are not subject to any lien or claim for lien or threat of a lien in favor of any governmental entity or agency as a result of any release or threatened release of any Hazardous Substance.

(h) To the extent permitted by law, the District shall not abandon the Sites for the use for which they are currently required by the District and further, shall not seek to substitute or acquire property to be used as a substitute for the uses for which the Sites and Project are to be maintained under the Sublease.

(i) The term "permitted encumbrances" as used herein shall mean, as of any particular time: (i) liens for general ad valorem taxes and assessments, if any, not then delinquent; (ii) this Site Lease, the Sublease, any right or claim of any mechanic, laborer, materialman, supplier, or vendor, if applicable, not filed or perfected in the manner prescribed by law, easements, rights of way, mineral rights, drilling rights, and other rights, reservations, covenants, conditions, or restrictions which exist of record as of the date of this Site Lease and which will not materially impair the use of the Sites; (iii) easements, rights of way, mineral

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rights, drilling rights and other rights, reservations, covenants, conditions, or restrictions established following the date of recordation of this Site Lease and to which Corporation and the District consent in writing which will not impair or impede the operation of the Sites.

SECTION 4. Representations and Warranties of Corporation. Corporation represents and warrants to the District that:

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

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

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

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

SECTION 5. Rental. Corporation shall pay to the District as and for advance rental hereunder \$1.00 per year per Site, on or before the date of commencement of the term of this Site Lease. The duration of the rental for the Project is expected to be from the date of issuance of the Notice to Proceed until November 15, 2008

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

SECTION 7. Termination. Corporation agrees, upon termination of this Site Lease: (i) to quit and surrender the Sites in the same good order and condition as it was in at the time of commencement of the term hereunder, reasonable wear and tear excepted; (ii) to release and reconvey to the District any liens and encumbrances created or caused by Corporation; and (iii) that any permanent improvements and structures existing upon the Sites at the time of the termination of this Site Lease, including the Project, shall remain thereon and title thereto shall vest in the District. Notwithstanding the District's foregoing rights in the event of termination, Corporation shall retain the right to full compensation for all services rendered prior to the termination, including all rights it has under the Construction Services Agreement and the Sublease, as well as all recourse provided by California law including common law, for the value

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of the work performed.

SECTION 8. Quiet Enjoyment. The District covenants and agrees that it will not take any action to prevent Corporation's quiet enjoyment of the Sites during the term of this Site Lease; and, that in the event the District's fee title to any of the Sites is ever challenged so as to interfere with Corporation's right to occupy, use and enjoy any portion of the Sites, the District will use all governmental powers at its disposal, including the power of eminent domain, to obtain unencumbered fee title to such portion of the Sites and to defend Corporation's right to occupy, use, and enjoy that portion of the Site.

SECTION 9. No Liens. The District shall not mortgage, sell, assign, transfer or convey the Sites or any part thereof to any person during the term of this Site Lease, without the written consent of Corporation. Nothing herein shall preclude the District from granting utility easements across the Sites to facilitate the use and operation of the Project for which it is intended.

SECTION 10. Right of Entry. The District reserves the right for any of its duly authorized representatives to enter upon the Sites at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof, but in doing so shall not interfere with Corporation's operations on the Project.

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

SECTION 12. No Waste. Corporation agrees that at all times that it is in possession of the Sites it will not commit, suffer or permit any waste on the Sites, and it will not willfully or knowingly use or permit the use of the Sites for any illegal act or purpose.

SECTION 13. Default. In the event Corporation shall be in default in the performance of any obligation on its part to be performed under the terms of this Site Lease, which default continues for thirty (30) days following notice and demand for correction thereof to Corporation, the District may exercise any and all remedies granted by law, except that no merger of this Site Lease and of the Sublease shall be deemed to occur as a result thereof.

SECTION 14. Eminent Domain. In the event the whole or any part of the Sites or the improvements thereon is taken by eminent domain, the financial interest of Corporation shall be recognized and is hereby determined to be the amount of all Sublease Payments then due or past due, the next succeeding Sublease Payment and the purchase option price stated in Section 25 of the Sublease less any unearned interest as of the date the Corporation receives payment in full. The balance of the award, if any, shall be paid to the District. For purposes of this Section 14, the Sublease Payment(s) include all amounts withheld pursuant to Section 6.c. of the Sublease.

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SECTION 15. Taxes. The District covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest - taxes, levied or assessed upon the Sites or the improvements thereon.

SECTION 16. Indemnification. The District covenants and agrees to indemnify and hold Corporation harmless from and against any and all losses, claims, suits, damages and expenses (including reasonable attorneys fees) arising out of the condition of the Sites, including but not limited to, all costs required to be incurred by Corporation as a result of any condition described in Section 3, paragraph (g) hereof, whether or not known to the District on the date of execution of this Site Lease.

SECTION 17. Partial Invalidity. If any one or more of the terms, covenants or conditions of this Site Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site Lease shall be affected thereby, and each provision of this Site Lease shall be valid and enforceable to the fullest extent permitted by law.

SECTION 18. Notices. Any notices or filings required to be given or made under this Site Lease shall be served, given or made in writing upon the District or Corporation, as the case may be, by personal delivery or registered mail (with a copy sent via fax or regular mail) to the respective addresses given below.

If to Corporation:

Mr. Eric Stenman
President
Douglas E. Barnhart, Inc.
10760 Thornmint Road
San Diego, CA 92127

If to District:

Mr. Steve Ma
Associate Superintendent, Business Services
San Dieguito Union High School District
710 Encinitas Boulevard
Encinitas, California 92024

SECTION 19. Binding Effect. This Site Lease shall inure to the benefit of and shall be binding upon the District, Corporation and their respective successors in interest and assigns.

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

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SECTION 21. Execution in Counterparts. This Site Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 22. Applicable Law. This Site Lease shall be governed by and construed in accordance with the laws of the State of California.

SECTION 23. Headings. The captions or headings in this Site Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Site Lease.

SECTION 24. Time. Time is of the essence in this Site Lease and each and all of its provisions.

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

DOUGLAS E. BARNHART, INC.

SAN DIEGUITO UNION HIGH SCHOOL
DISTRICT

LESSEE

LESSOR

By _____
Eric Stenman, President

By _____
Steve Ma, Associate Superintendent,
Business Services

Date _____

Date _____

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EXHIBIT "A"
DESCRIPTION OF SITES FOR PROJECT

1. **Earl Warren Middle School**
155 Stevens Avenue
Solana Beach, CA 92075-2038

Assessor Parcel Number: 263-421-06

2. **Sunset (Continuation) High School**
684 Requenza Street
Encinitas, CA 92024-3703

Assessor Parcel Numbers: 258-122-35 and 258-122-36

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Recordation fee not applicable
pursuant to Government Code Section 6103

SUBLEASE AGREEMENT

Dated as of February 7, 2008

Between

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

and

DOUGLAS E. BARNHART, INC.

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SUBLEASE AGREEMENT

This SUBLEASE AGREEMENT ("Sublease") is dated as of February 7, 2008, and is by and between Douglas E. Barnhart, Inc. ("Corporation"), a corporation organized and operating under the laws of the State of California (the "State") as lessor and the SAN DIEGUITO UNION HIGH SCHOOL DISTRICT (the "District"), a public school district duly organized and existing under the Constitution and laws of the State as lessee.

RECITALS:

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

WHEREAS, the District deems it essential for its own governmental purpose, to finance the modernization, including construction and installation of certain improvements, described in Exhibit "A" of the Construction Services Agreement for Lease-Leaseback entered into between the District and Corporation dated February 7, 2008 (the "Construction Services Agreement") (the "Project") and situated on the School Sites described in Exhibit A of the Site Lease dated February 7, 2008, between the District and Corporation (the "Site Lease"). The land and the real property improvements described in the Site Lease are herein collectively referred to as the "Sites"; and

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

WHEREAS, the District owns the Sites and pursuant to the Construction Services Agreement has or will have prepared and adopted plans and specifications for the completion of the Project approved pursuant to law as required by Section 17402 of the Education Code; and

WHEREAS the District and Corporation agree to mutually cooperate now or hereafter, to the extent possible, in order to sustain the intent of this Sublease and the bargain of both parties hereto, and to provide payments pursuant to this Sublease on the dates and in the amounts set forth in Exhibit A of this Sublease which is incorporated by this reference.

WITNESSETH:

In consideration of the mutual covenants hereinafter set forth, the District and Corporation agree as follows:

SECTION 1. Sublease. Corporation hereby leases and subleases to the District, and the District hereby leases and subleases from Corporation, the Sites including any real property improvements now or hereafter affixed thereto in accordance with the provisions herein for the

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full term of this Sublease for the Project. Hereinafter, reference to Corporation means Corporation and Corporation's assigns for those rights, interests and obligations that may be assigned by Corporation.

SECTION 2. Term. The terms and conditions of this Sublease shall become effective upon the authorized execution of this Sublease by the parties. The term of the Sublease commences and terminates on the dates specified in Exhibit A (from the date the Site Lease commences pursuant to section 2 thereof, unless the term of this Sublease is extended as provided in Exhibit A hereof. If on the scheduled date of termination of this Sublease the Sublease payments for any of the Sites shall not be fully paid, or provision therefor made, or if such Sublease payments shall have been abated at any time and for any reason, then the term of this Sublease shall be extended as to that portion of the Sites until the date upon which all such Sublease payments shall be fully paid.

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

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

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

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

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

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

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

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

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

SECTION 4. Representations and Warranties of Corporation. Corporation represents and warrants to the District that:

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

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

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

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

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

SECTION 5. Construction/Acquisition.

(a) The District has entered into the Construction Services Agreement and the Site Lease with Corporation in order to acquire and construct the Project. The cost of the acquisition, construction and installation of the Project is determined by the GMP as set forth in Section 6 of the Construction Services Agreement.

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

SECTION 6. Sublease Payments. (a) The District shall pay Corporation lease payments (the "Sublease Payments" and each individually a "Sublease Payment") monthly in advance in the percentage amounts and as set forth in Exhibit A, at the office of Corporation or to such other person or at such other place as Corporation may from time to time designate in writing. Sublease Payments for each of the Sites shall be separately identified and, upon completion of Sublease Payments for any particular one of the Sites, the Site Lease may be terminated for such site or sites.

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(b) Corporation agrees that satisfactory progress pursuant to the time schedule required pursuant to Section 3 of the Construction Services Agreement and of the Construction pursuant to the time schedule required pursuant to Section 3A.(17) of the Construction Services Agreement (the "Time Schedule") shall be conditions precedent to the making of Sublease Payments by the District. The determination of whether the Time Schedule has been adequately adhered to shall be made by the inspector hired by the District pursuant to Section 22 of the Construction Services Agreement. If the District's inspector determines that pursuant to the Time Schedule, the work required to be performed prior to a given Sublease Payment has not been met, that Sublease Payment shall be reduced and the District shall only be required to pay for the percentage of work completed to date. Once the District's inspector has notified the District that the work scheduled to be completed prior to the Sublease Payment in question has been completed, the District shall make the Sublease Payment corresponding to completion of such work.

(c) The District shall retain an amount equal to ten percent (10%) of each Sublease Payment. However, at any time after fifty percent of the work has been completed, if the governing board of the District finds that satisfactory progress is being made, it may make any of the remaining Sublease Payments in full. The final Sublease Payment shall be made in the manner described in Section 18 of the Construction Services Agreement.

(d) In addition to amounts which the District may retain under other provisions of this section, the District may withhold Construction Progress Payments pursuant to section 18 of the Construction Services Agreement, due to Corporation as may be necessary to cover: (i) stop notice claims, unless Corporation has posted a stop notice release bond;; (ii) defective work not remedied; (iii) failure of Corporation to make proper payments to other contractors working on the Project, its subcontractors or suppliers; (iv) completion of the work agreed upon in the Construction Services Agreement if there exists a reasonable doubt that the work can be completed for balance then unpaid; (v) damage to another contractor or third party; (vi) amounts which may be due the District for claims against Corporation; (vii) failure of Corporation to keep the record ("as-built") drawings up to date; (viii) failure to provide updates on the construction schedule; (ix) site clean up; (x) failure of the Corporation to comply with requirements of this Sublease agreement, the Construction Services Agreement, or the Site Lease; (xi) liquidated damages; and (xii) legally permitted penalties. Upon completion of the work to be performed pursuant to the Construction Services Agreement, the District will reduce the final amount paid to Corporation to reflect costs charged to the Corporation, back charges or payments withheld pursuant to this Sublease Agreement or the Construction Services Agreement.

(d) Should the District fail to pay any part of the Sublease Payments not otherwise excused pursuant to this Section 6 or Section 8 hereof, within thirty (30) business days from the due date thereof, the District shall, upon Corporation's written request, pay interest on such delinquent payment from the date said payment was due until paid at the rate of ten percent (10%) per annum or the maximum legal rate, whichever is less. The obligation of the District to pay Sublease Payments hereunder shall constitute 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

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constitutional or statutory limitations or requirements 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.

(e) Except as specifically provided in this Section 6 and in Section 8 hereof, Sublease Payments will be absolute and unconditional in all events and will not be subject to any set-off, defense, counterclaim, abatement or recoupment for any reason whatsoever.

SECTION 7. Fair Rental Value. Sublease Payments shall be paid by the District in consideration of the right of possession of, and the continued quiet use and enjoyment of, the Project and the Sites during this Sublease. The parties hereto have agreed and determined that such total rental is not in excess of the fair rental value of the Project and the Sites. In making such determination, consideration has been given to the fair market value of the Project and the Sites, other obligations of the parties under this Sublease (including but not limited to costs of maintenance, taxes and insurance), the uses and purposes which may be served by the Project and the Sites and the benefits therefrom which will accrue to the District and the general public, the ability of the District to make additions, modifications and improvements to the Project and the Sites which are not inconsistent with the Construction Services Agreement and which do not interfere with Corporation's work on the Project and Sites.

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

SECTION 9. Use of Sites and Project. During the term of this Sublease, Corporation shall provide the District with quiet use and enjoyment of the Sites without suit, or hindrance from Corporation or its assigns. The District will not use, operate or maintain the Sites or Project improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Sublease. The Corporation shall provide all permits necessary for the operation of the Project. In addition, the District agrees to comply in all respects (including, without limitation, with respect to the time, maintenance and operation of the Project) with laws of all jurisdictions in which its operations involving the Project may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Sites or the Project; provided, however, that the District may contest in good faith the

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validity or application of any such law or rule in any reasonable manner which does not, in the opinion of Corporation, adversely affect the estate of Corporation in and to the Sites or the Project or its interest or rights under this Sublease. Upon substantial completion of the Project or severable portions thereof, as defined in the Construction Services Agreement, Corporation shall provide the District with quiet use and enjoyment of the Sites without suit or hindrance from Corporation or its assigns, subject to reasonable interference from ongoing construction operations on any remaining portion of the Sites under construction by Corporation.

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

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

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

SECTION 13. Alterations and Attachments. All permanent additions and improvements that are made to the Project shall belong to and become the property of Corporation, subject to the provisions of Sections 24 and 25 hereof. Separately identifiable attachments added to the Project by the District shall remain the property of the District. At Corporation's request, the District agrees to remove the attachments and restore the Project to substantially as good condition as when acquired and constructed, normal wear and tear excepted, in the event of failure by the District to perform its obligations hereunder.

SECTION 14. Maintenance. The District, at its own cost and expense, shall maintain the Project, to the extent not required to be maintained by Corporation pursuant to the Contract Documents as defined in Section 2.C. of the Construction Services Agreement, and the Sites in good repair throughout the term of the Sublease.

SECTION 15. Utilities. Unless otherwise so specified in the Construction Services Agreement, the District shall, in its own name, contract for and pay the expenses of all utility services required for the Project and Sites, such utilities, including but not limited to, all air conditioning, heating, electrical, gas, water, and sewer units. The District shall be liable for payment as well as maintenance of all utility services received.

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SECTION 16. Damage, Destruction or Condemnation. With the exception of acts resulting from misconduct or negligence by Corporation, its agents and representatives, or responsibilities of the Corporation assumed or outlined under the Construction Services Agreement as "builder," the District assumes all risk of loss of, damage to or condemnation of the Project or the Sites from any cause or for any reason whatsoever, and no such loss of, damage to or condemnation of the Project or the Sites shall relieve the District of (i) the obligation to make the Sublease Payments hereunder subject to the provisions in Sections 6 and 8 hereof, or (ii) to perform any other obligation under this Sublease. The District may terminate the contract and pay Corporation pursuant to section 12B of the Construction Services Agreement in the event of damage, destruction or condemnation of any of the Sites or Project.

SECTION 17. Physical Damage; Public Liability Insurance. With the exception of the Corporation's responsibilities as "builder" under the Construction Services Agreement, the District shall keep the Project and the Sites insured against all risks of loss or damage from every cause whatsoever for which insurance is available at a cost, which, in the determination of the District, justifies the risk, for not less than the full replacement value thereof, and the District shall carry public liability and property damage insurance covering the Project and the Sites. All said insurance shall be in form and amount and with companies approved by Corporation and District shall provide Corporation with a certificate evidencing insurance coverage. Each insurer shall agree, by endorsement upon the policy or policies issued by it or by independent instrument furnished to Corporation, that it will give Corporation thirty (30) days written notice before the policy or policies shall be altered or canceled. The proceeds of such insurance or the proceeds of any condemnation award received with respect to the Project and the Sites, at the option of the District, shall be applied: (a) toward the replacement, restoration, or repair of the Project and the Sites, or (b) toward the payment of all amounts required in the exercise of the District's purchase option under Section 25. Should the District replace, restore, or repair the Project and the Sites as set out in option (a) above, this Sublease shall continue in full force and effect. Subject to prior written consent of Corporation, the District may self-insure up to specified limits as evidenced by a rider of self insurance to be attached hereto (providing that all policies of self-insurance shall be governed by the provisions under this Sublease respecting cancellation and modification and payment of losses to Corporation.)

SECTION 18. Taxes. The District shall keep the Project and the Sites free and clear of all levies, liens, and encumbrances and shall pay all license fees, registration fees, assessments, charges, and taxes (municipal, state, and federal) if applicable, which may now or hereafter be imposed upon the ownership, leasing, renting, sale, possession, or use of the Project and the Sites, excluding, however, all taxes on or measured by Corporation's income.

SECTION 19. Indemnity. In addition to the indemnification set forth in Section 32 of the Construction Services Agreement, to the extent permitted by law, and with the exception of the Corporation's responsibilities as "builder" under the Construction Services Agreement, the District shall, with respect to the Project and the Sites, indemnify Corporation against and hold Corporation harmless from any and all claims, actions, suits, proceedings, costs, expenses,

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damages, and liabilities, including attorneys' fees, arising out of, connected with or resulting from any acts of omission or commission by the District's employees and agents or claims resulting from incidents or occurrences involving the financing of the Project and lease/leaseback aspects of the Project and third parties on the Sites, including without limitation, the construction, possession, use or operation of the Project and further, the District agrees, to the extent the law allows, to indemnify Corporation against and hold Corporation harmless from and against any and all claims, actions, suits, proceedings, cost, expenses, damages, and liabilities, including attorney's fees, arising out of, connected with or resulting from the clean-up of any hazardous materials or toxic wastes from the Sites or the Project; provided, however, that the District shall not be required to indemnify Corporation in the event that such liability or damages are caused by the negligence or intentional misconduct of Corporation.

SECTION 20. Events of Default. The term "Event of Default," as used in this Sublease means the occurrence of any one or more of the following events: (a) the District fails to make any unexcused Sublease Payment (or any other payment) within thirty (30) days after the due date thereof or the District fails to perform or observe any other covenant, condition or agreement to be performed or observed by it hereunder and such failure to either make the payment or perform the covenant, condition or agreement is not cured within twenty (20) days after written notice thereof by Corporation; (b) the discovery by Corporation that any statement, representation or warranty made by the District in this Sublease, or in any document ever delivered by the District pursuant hereto or in connection herewith is misleading or erroneous in any material respect; (c) the District becomes insolvent, is unable to pay its debts as they become due, makes an assignment for the benefit of creditors, applies or consents to the appointment of a receiver, trustee, conservator or liquidator of the District or of all or a substantial part of its assets, or a petition for relief is filed by the District under federal bankruptcy, insolvency or similar laws.

SECTION 21. Remedies on Default. Upon the happening of any Event of Default, Corporation may exercise any and all remedies available pursuant to law or in equity or granted pursuant to this Sublease. Corporation is expressly authorized to enter and re-enter the Sites and the Project and, in addition, at its option, with or without such entry to terminate this Sublease. In the Event of Default and notwithstanding any entry or re-entry by Corporation, the District shall continue to remain liable for the payment of Sublease Payments and damages for breach of this Sublease and the performance of all conditions herein such Sublease Payments and damages shall be payable to Corporation at the time and in the manner set forth in subsections (a) and (b) of this Section:

(a) In the event that Corporation does not elect to terminate this Sublease pursuant to subsection (b) below, the District agrees to and shall remain liable for the payment of Sublease Payments and the performance of all conditions herein and shall reimburse Corporation for any deficiency arising out of the re-letting of the Project and the Sites, or, in the event that Corporation is unable to re-let the Project and the Sites, then for the full amount of the Sublease Payments to the end of the Sublease term. (b) In the event of termination of this Sublease by Corporation at its option and in the manner hereinafter provided on account

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of default by the District (and notwithstanding any re-entry upon the Project by Corporation in any manner whatsoever or the re-letting of the Project and the Sites), the District agrees to pay to Corporation all costs, loss or damages howsoever arising or occurring payable at the same time and in the same manner as the Sublease Payments. Neither notice to pay Sublease Payments or to deliver up possession of the Project and the Sites given pursuant to law nor any proceeding in unlawful detainer taken by Corporation shall of itself operate to terminate this Sublease.

No right or remedy herein conferred upon or reserved to Corporation is exclusive of any other right or remedy herein, but each shall be cumulative of every other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise, and may be enforced concurrently therewith or from time to time; provided, however, that notwithstanding any provisions to the contrary herein, Corporation shall not under any circumstances have the right to accelerate the Sublease Payments that fall due in future Sublease periods or otherwise declare any Sublease Payments not then in default to be immediately due and payable.

SECTION 22. Non-Waiver. No covenant or condition to be performed by the District or Corporation under this Sublease can be waived except by the written consent of the other party. Forbearance *or* indulgence by the District or Corporation in any regard whatsoever shall not constitute a waiver of the covenant or condition in question. Until complete performance by the District or Corporation of said covenant or condition, the other party shall be entitled to invoke any remedy available to it under this Sublease or by law or in equity despite said forbearance or indulgence.

SECTION 23. Assignment. Without the prior written consent of Corporation, the District shall not (a) assign, transfer, pledge, or hypothecate this Sublease, the Project and the Sites, or any part thereof, or any interest therein, or (b) sublet or lend the use of the Project or any part thereof, except as authorized by the provisions of the California Civic Center Act, Education Code Section 38130 *et seq.* Consent to any of the foregoing prohibited acts applies only in the given instance and is not a consent to any subsequent like act by the District or any other person. Corporation shall not assign its obligations under this Sublease with the exception of its obligation to issue default notices and to convey or reconvey its interest in the Project and Sites to the District upon full satisfaction of the District's obligations hereunder; however, Corporation may assign its right, title and interest in this Sublease, the Sublease Payments and other amounts due hereunder and the Project in whole or in part to one or more assignees or subassignees at any time without the consent of the District. No assignment shall be effective as against the District unless and until the District is so notified in writing. The District shall pay all Sublease Payments due hereunder pursuant to the direction of Corporation or the assignee named in the most recent assignment or notice of assignment. During the Sublease term, the District shall keep a complete and accurate record of all such assignments. Subject always to the foregoing, this Sublease inures to the benefit of, and is binding upon, the heirs, legatees, personal representatives, successors, and assigns of the parties hereto.

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SECTION 24. Ownership. The Project is and shall at all times be and remain the sole and exclusive property of Corporation, and the District shall have no right, title, or interest therein or thereto except as expressly set forth herein.

SECTION 25. Purchase Option. If the District is not in default hereunder, the District shall be granted options to purchase not less than all the Project in as-is condition on the dates and for the amounts set forth in Exhibit A by depositing with Corporation on the date of exercise the sum of all Sublease Payments and other amounts then due or past due plus the amount of the applicable purchase option price set forth in Exhibit A attached hereto.

SECTION 26. Release of Liens.

(a) Notwithstanding Section 25 hereof, upon the District executing a Certificate of Acceptance and filing a Notice of Completion on the Project, as such term is defined herein and in the Construction Services Agreement, Corporation or its assignee and the District shall release Corporation's leasehold interest in the Project.

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

SECTION 27. Severability. If any provision of this Sublease shall be held invalid or unenforceable by a court of competent jurisdiction, such holdings shall not invalidate or render unenforceable any other provision of this Sublease, unless elimination of such provision materially alters the rights and obligations embodied in this Sublease.

SECTION 28. Entire Agreement. This Sublease, the Site Lease and the Construction Services Agreement constitute the entire agreement between Corporation and the District, and it shall not be amended, altered, or changed except by a written agreement signed by the parties hereto.

SECTION 29. Notices. Services of all notices under this Sublease shall be sufficient if given personally or mailed to the party involved at its respective address hereinafter set forth or at such address as such party may provide in writing from time to time. Any change in the addresses noted shall not be binding upon the other party unless preceded by no less than thirty (30) days prior written notice.

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If to Corporation:

Mr. Eric Stenman
President
Douglas E. Barnhart, Inc.
10760 Thornmint Road
San Diego, CA 92127

If to District:

Mr. Steve Ma
Associate Superintendent, Business Services
San Dieguito Union High School District
710 Encinitas Boulevard
Encinitas, California 92024

SECTION 30. Titles. The titles to the sections of this Sublease are solely for the convenience of the parties and are not an aid in the interpretation thereof.

SECTION 31. Time. Time is of the essence in this Sublease and each and all of its provisions.

SECTION 32. Sublease Interpretation. This Sublease and the rights of the parties hereunder shall be determined in accordance with the laws of the State.

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

CORPORATION:

DOUGLAS E. BARNHART, INC.

BY: _____
Eric Stenman, President

DISTRICT:

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

BY: _____
Steve Ma, Associate Superintendent, Business Services

EXHIBIT A

SCHEDULE OF SUBLEASE PAYMENTS

The term of this sublease for the Project shall commence on the date the term of the Site Lease commences pursuant to section 2 thereof. Sublease payments shall be paid monthly and the total Sublease Payments made shall not exceed the amount of the GMP as defined in Section 6 of the Construction Services Agreement for the Project. Each month Builder shall provide District with an invoice reflecting the percentage of work performed and itemized on a Site by Site basis, and signed off on by the District's DSA Inspector, Project Architect, and other designated employee. The Sublease Payments and Construction Progress Payments pursuant to section 18 of the Construction Services Agreement shall be commensurate with the amount of work performed, invoiced and signed off by the DSA Inspector to date, but in no event less than one thousand dollars per month (\$1,000/month) until November, 2008, commencing on the date of issuance of the Notice to Proceed for the Project, unless the District exercises its purchase option pursuant to section 25 of the Sublease Agreement. The minimum sublease payments shall be offset against invoiced payments so that the total Sublease Payments do not exceed the GMP.

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

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1-30-08

**CONSTRUCTION SERVICES AGREEMENT FOR
LEASE-LEASEBACK**

between San Dieguito Union High School District

and Douglas E. Barnhart, Inc.

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CONSTRUCTION SERVICES AGREEMENT FOR LEASE-LEASEBACK

This Construction Services Agreement for Lease-Leaseback (“Construction Services Agreement” or “this Agreement”) is entered into this 7th day of February, 2008, by and between the San Dieguito Union High School District, a California school district organized and existing under the laws of the State of California (hereinafter called the "District"), and Douglas E. Barnhart, Inc., a California corporation and contractor licensed by the State of California, with its principal place of business at 10760 Thornmint Road, San Diego, California (hereinafter called "Builder").

WHEREAS, the District operates nine (9) middle and high schools within its boundaries (the “School Facilities”); and

WHEREAS, several of the School Facilities need upgrading to assure compliance with the Americans with Disabilities Act (“ADA”), and, among other things, to relocate utility piping, improve walkways, lunch area and site circulation, upgrade electrical to accommodate new technology, and reconfigure playground areas; and

WHEREAS, in November, 2003, the District approved the issuance of Mello-Roos bonds in part to finance modernizations at the District for the next several years (the “Mello-Roos Bonds”); and

WHEREAS, the District has identified other sources of funding, including funding from the State of California through the Kindergarten-University Public Education Facilities Bond Act of 2006, approved by California voters in November, 2006 (the “State Bond”); and

WHEREAS, the District has identified priority projects for modernization of school facilities which include modernizations at Earl Warren Middle School and Sunset High School, with most of the work to be completed over the summer, 2008 when school is not in session (the “Project”); and

WHEREAS, the Project is expected to cost approximately \$4.412 million, with approximately sixty percent (60%) of the funding from the State Bond and forty percent (40%) from District funds, including, but not limited to, funds from the Mello-Roos Bonds, and revenue from developer fees and mitigation; and

WHEREAS, the District, through a competitive selection process, hired Builder to perform the work for the Project and has entered into a consulting agreement with Builder to provide certain preliminary estimating services; and

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

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WHEREAS, this board has determined it is in the best interest of the District and the citizens it serves to enter into a lease-leaseback agreement for the construction of the Project in order to ensure execution and completion of the Project within the short timelines for construction work over the summer when school is not in session, to obtain a guaranteed maximum price to ensure that the Project will be completed within the District's limited budget for the Project, optimizing funds available for construction; and

WHEREAS, in connection with the approval of this Agreement, the District will enter into a site lease with Builder (the "Site Lease"), under which it will lease to Builder Earl Warren Middle and Sunset (Continuation) High School Sites, (the "Sites") in order for Builder to construct the Project consisting generally of modernizations, as described in the Scope of Work set forth in Exhibits A and B to this Agreement which is incorporated herein by this reference (the "Scope of Work"); and

WHEREAS, upon completion of the Project Scope of Work per Site, the Site Lease will terminate and title to the Site or Sites will vest with the District; and

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

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

WHEREAS, Builder, as a contractor, is experienced in the construction of the type of facility and type of work desired by the District and is willing to perform said preconstruction and construction work for lease to the District, all as more fully set forth this Agreement.

NOW, THEREFORE, in consideration of the covenants hereinafter contained, the District and Builder agree as follows:

Section 1. BUILDER'S DUTIES AND STATUS

District hereby awards the contract for the Project to Builder on the terms set forth herein. Builder accepts the contractual relationship established between it and the District by this Agreement, and Builder covenants with the District to furnish reasonable skill and judgment in constructing the Project. Builder agrees to furnish efficient business administration and superintendence and to attempt to furnish at all times an adequate supply of professionals, workers, and materials and to perform the work appropriately, expeditiously, economically, and consistent with the Scope of Work set forth in Exhibits A and B of this Agreement.

Section 2. DEFINITIONS

A. PRECONSTRUCTION PHASE. The term "Preconstruction Phase" as used in this Agreement, includes all labor and services incidental to the final design phasing, scheduling and final

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cost estimating of the Project as more fully set forth in Section 3.A and Exhibit A “Preconstruction Scope of Services” herein. Builder shall ensure that the Scope of Work set forth in Section 3.A and in Exhibit A “Preconstruction Scope of Services” of this Agreement has been completed prior to commencing work on the Project and necessary for Builder to construct the Project.

B. CONSTRUCTION. The term "Construction" as used in this Agreement includes all labor and services necessary for the construction of the Project, and all materials, equipment, tools, supplies, insurance, bonds, General Conditions set forth in Exhibit C hereto, and incidentals incorporated or to be incorporated in such construction as fully described in the Construction Scope of Work set forth in Section 9 of this Agreement. Unless otherwise expressly stipulated, Builder shall perform all work and provide and pay for all materials, labor, tools, equipment, necessary for the proper execution and completion of the Project shown on the drawings and described in the specifications developed pursuant to this Agreement. Utility usage costs shall be paid for by the District.

C. CONTRACT DOCUMENTS. The term "Contract Documents" as used in this Agreement refers to those documents which form the entire agreement by and between the District and Builder. The Contract Documents consist of this Agreement, including the exhibits and attachments, the Construction Documents, the Site Lease, and the Sublease.

D. CONSTRUCTION DOCUMENTS. The term "Construction Documents" means the final DSA approved drawings, profiles, cross sections, design development drawings, construction drawings, and supplemental drawings based on the plans and specifications developed in conjunction with the Preconstruction Scope of Work set forth in Section 3.A and Exhibit A “Preconstruction Scope of Services” of this Agreement, including any reference specifications or reproductions prepared by Architect and specifications approved by the District and the Division of the State Architect, which show or describe the location, character, dimensions or details of the Project and specifications for construction thereof.

E. GUARANTEED MAXIMUM PRICE. The term "Guaranteed Maximum Price" ("GMP") as used in this Agreement means the Guaranteed Maximum Price established pursuant to Section 6 of this Agreement to be paid to Builder for Builder's performance of Construction of the Project pursuant to this Agreement, subject to any adjustments for Extra Work/Modifications as provided in Section 10 of this Agreement.

F. SUBCONTRACTOR. As used this Agreement the term "Subcontractor" means any person or entity, including trade contractors, who have a contract with Builder to perform any of the Construction.

Section 3. PRECONSTRUCTION SERVICES

A. Scope of Work. District has entered into an agreement with Builder to provide a preliminary estimate for the cost of the Project and has entered into other contracts or will contract with various design and engineering professionals, including but not limited to, architects and engineers as needed on a site by site basis (which design and engineering professionals are individually and collectively referred to herein as the "Architect," even though some design

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professionals hired by the District may not necessarily be architects), to perform design and engineering services for the Project. All plans requiring DSA approval will have been submitted to and approved by the Division of the State Architect (“DSA”) prior to issuing the Notice to Proceed. District and Builder agree that preconstruction services, that is, work performed prior to issuance of the Notice to Proceed, will be included within this Construction Services Agreement. No payments, other than payments for preconstruction services hereunder, will be due under this Agreement until such time as all required DSA approvals have been obtained and the Notice to Proceed issued. Builder shall be responsible for working with the Architect to develop and refine the design, with constructability and cost efficiency in mind in order for the Project to be completed within the District's budget and criteria for receipt of funds while still meeting DSA requirements where required. All services under the Construction Services Agreement for Lease-Leaseback are performed from a building contractor's point of view and are to be judged based on what a reasonable building contractor would have done. Builder disclaims any design liability and is not a code checker, architect or design related professional, but is expected to review and, if necessary, suggest modifications to the Architect of the Construction Documents, including the following:

- (1) A site plan indicating the general location and nature of on-site and off-site improvements;
- (2) Floor plans (including roof), showing rooms, room sizes, and location of equipment;
- (3) Building elevations indicating exterior design elements and features, including fenestration arrangements, materials, mechanical and electrical features appearing on the walls, roof, and adjacent areas;
- (4) For any demolition work necessary on existing facilities, if necessary, plans and specifications for removal and/or salvage of facilities and improvements necessary to accommodate the Project;
- (5) Interior elevations to establish functional requirements, equipment, and systems locations;
- (6) Interior design;
- (7) Typical building sections showing primary structural members, dimensions, and accommodation of functional systems;
- (8) Typical wall sections sufficient to indicate materials, openings, and major features;
- (9) Structural drawings including plans and sections of sufficient clarity and detail to show the extent and type of structural system and dimensions, final structural design criteria, foundation design criteria, preliminary sizing of major structural components, critical coordination clearances and applicable material lists;

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(10) Mechanical and electrical (including communications, audio visual, and closed circuit T.V.) design documentation, including integration and, if necessary, upgrading of the mechanical and electrical design of any existing facilities on the Sites, if applicable;

(11) Detailed specifications, including, but not limited to, the following:

(a) Architectural -- general description of the construction, including interior finishes, types and locations of acoustical treatment, typical and special floor coverings and final exterior and interior material selection;

(b) Mechanical -- description of air conditioning, heating and ventilation systems and controls, ducts, and piping system;

(c) Electrical -- description of electrical services, including voltage, type and number of feeders, lighting systems, including lighting levels and audiovisual, security-fire alarms and cable antenna television systems; and

(d) such other documents to fix and describe the size, quality, character, and materials of the Project as a whole, and such other elements as shall be appropriate;

(12) Plumbing drawings including, but not limited to, a single line plumbing diagram, location and quantity of fixtures, equipment sizes, room sizes for plumbing equipment, and outline specifications as appropriate.

(13) Soils and geotechnical reports relating to the Project which will be provided by the District to be included in the Construction Documents;

(14) Cost estimates for construction and completion of the Project and its various components, including background information on the estimates, including three bids from each of the trades and suppliers involved in the project cost estimates;

(15) Submission of application to the Structural Safety Section of the Division of the State Architect for written approval of said plans and specifications;

(16) Value Engineering Services; and

(17) Reasonably detailed CPM (Critical Path) Schedule for each school Site.

B. TIME OF PERFORMANCE OF PRECONSTRUCTION SERVICES

Builder shall use its best efforts to perform the Preconstruction Services in a prompt and timely manner. Some preconstruction work may continue after issuance of the Notice to Proceed for the Project .

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C. PAYMENT FOR PRECONSTRUCTION SERVICES

The costs of Preconstruction Phase Services shall be included in the Preconstruction Scope of Services , attached hereto as Exhibit A and will not be part of the GMP.

Section 4. EXECUTION OF CONSTRUCTION.

Builder may use its own forces in constructing the Project or it may contract with other licensed contractors to construct portions of the Project, consistent with laws applicable to such contracts. If Builder chooses to self-perform portion(s) of work, Builder shall submit its bids to the District prior to receiving bids from other licensed contractors for that portion(s) of work. Builder agrees to undertake a bid process in order to award a portion or portions of the Project to other contractors. Builder may prequalify bidders at its discretion, but all portions of work shall have a minimum of three (3) bids to ensure best pricing and bidding environment for the District. The bidding process undertaken by Builder shall be transparent and all records shall be open to inspection. The District shall assign a representative to be present throughout the bid process and at all bid awards to contractors by Builder to audit and review the bidding process to ensure best value. Builder will require contractors hired for the Project to sign Builder's AGC Standard Long Form Subcontract "San Diego" edition and will require all contractors to meet all legal requirements required for work on school construction projects, including, but not limited to licensing and Labor Code compliance.

Section 5. OWNERSHIP OF PLANS AND DOCUMENTS

All original field notes, written reports, drawings, specifications, Construction Documents, and other documents, produced or developed for the Project shall, upon tender and acceptance of final payment for said services, be furnished to and become the property of the District, regardless of whether the Project is constructed. This conveyance shall not deprive Builder from retaining electronic data or other reproducible copies of the Construction Documents or the right to reuse information contained in them in the normal course of Builder's professional activities. Builder shall be deemed author of such electronic data or documents, shall retain all rights not specifically conveyed, and shall be given appropriate credit on any public display of such Construction Documents prepared by Builder.

Section 6. ESTABLISHMENT OF GMP

The preliminary estimated GMP for the Project shall be Three Million Six Hundred Twenty Eight Thousand Dollars (\$3,628,000.00), based upon the Construction Scope of Work set forth in Exhibit B of this Agreement. The GMP shall include a construction management fee of four and one half percent (4.5%) and a Builder's contingency of five percent (5%) on Construction. The GMP shall also include the general conditions listed in Exhibit C hereof. The final GMP shall be presented by Builder to the Board of Trustees of the District for approval at on or about the Board's April 17, 2008 meeting, based upon final plans and specifications for the Project. Once approved by the District, the Builder's proposal for the final GMP shall constitute amendments to this Agreement. The District will also maintain a contingency (the "District contingency"). Value engineered items after the GMP shall go to one hundred percent (100%) to the District contingency. The Builder shall

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assume the risk of cost overruns which were foreseeable at the time this Agreement is entered into and the final GMP determined, except for unforeseen conditions, design error or omissions and events as set forth in section 29 hereof. Changes to the scope of the Project not contemplated in the Scope of Work (Exhibit B) shall be deemed Extra Work/Modifications pursuant to the procedures set forth in Section 10 of this Agreement. Builder acknowledges that the GMP constitutes sufficient consideration for the assumption of risk of costs by Builder in excess of the GMP. The GMP is a fee to Builder and Builder shall be entitled to any unused portions of it. The GMP shall include, but not be limited to, increases in labor and materials. Sublease payments and Construction Progress Payments by the District to Builder pursuant to Section 18 this Agreement and the Sublease shall be commensurate with the GMP.

Builder's contingency is for the exclusive use of the Builder as approved by the District to pay for miscellaneous work items which are required to complete the Project. The Builder shall not be required to use the contingency to pay for costs related to the following: (a) errors or omissions in the construction documents; (b) discrepancies with the plans and specifications as pertain to applicable building code requirements; ~~and/or~~ (c) enhancements or additions to the Scope of Work desired by the District; and/or (d) unforeseeable conditions. Project enhancements and costs related to (a) through (c) above will be paid for out of the District's contingency or pursuant to the provisions of this Agreement governing extra work (section 10, below).

Section 7. NOTICE TO PROCEED WITH CONSTRUCTION

The District shall issue a notice to Builder to proceed beyond the Preconstruction Phase to the Construction Phase for the Project, except that the District is not obligated to issue the "Notice to Proceed with Construction" if it has not (i) obtained a validation of the Construction Services Agreement for Lease-Leaseback, Site Lease, Sublease Agreement and authorizing resolution for the Project approved by a court of competent jurisdiction, including the appeal period for such validation, (ii) approved the work performed by Builder to date; and (iii) obtained the approval by the Board of the final GMP for the Project. Furthermore, the District shall not issue a "Notice to Proceed with Construction" for the Project until it has obtained DSA approval of the plans and specifications for the Project, except for portions of the Project for which DSA approval is not required. In the event a Notice to Proceed with Construction is not issued for the Project for any of the foregoing reasons, the District may notify Builder in writing of the District's decision not to issue a Notice to Proceed. In such case, Builder shall not be entitled to any compensation for work performed in connection with the services set forth in this Construction Services Agreement except as related to preconstruction services work, and the Site Lease and the Sublease shall terminate. In no event shall the Notice to Proceed with Construction be issued after May 1, 2008, or the parties shall renegotiate the GMP.

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Section 8. SAVINGS

A. The District desires to minimize the expenditure of funds for the construction of the Project on items that exceed the minimum criteria required without a corresponding benefit to the District, and to eliminate any excess quality levels or performance criteria provided in the Construction Documents so long as such elimination does not alter the design, aesthetics, safety standards or configuration or space, and does not increase future maintenance and operation costs (collectively "Savings"). The District and Builder shall work cooperatively with each other, in good faith, to identify appropriate opportunities to reduce the Project costs and promote Savings.

B. If Builder realizes Savings on any aspect of the Project, as enumerated in Section 8.A. only, and shall not include any savings realized by the Builder by its own efficient operations, means and methods, such Savings shall be set aside as the District's contingency portion of the GMP and shall be expended in a manner consistent with other funds in the District's contingency portion of the GMP. Builder shall document all Savings on an ongoing Project budget tracking summary and presented to the District at regularly scheduled construction meetings with the District. Any Savings, including unspent District contingency, realized on the Project will be returned to the District at Project completion except that unused portion of Builder's contingency shall be allocated seventy-five percent (75%) to the District and twenty-five percent (25%) to the Builder.

Section 9. CONSTRUCTION SCOPE OF WORK

A. Prior to commencing Construction, Builder shall comply with the initial schedule requirement set forth in Section 11.E. of this Agreement.

B. Builder shall complete the Construction pursuant to the Construction Documents as amended, subject to any additional DSA approvals as may be required, performing all work set forth in the Scope of Work of the Project, and shall make reasonable efforts in scheduling to prevent disruption to classes. The Scope of Work is attached as Exhibit B hereof, and incorporated herein by this reference.

C. If shown correctly on the approved DSA plans and specifications for the Project, Builder shall be responsible for complying with execution of work shown in accordance with all applicable building codes, mechanical code, electrical code, plumbing code and fire code, latest edition, required by DSA and for arranging and overseeing all necessary inspections and tests including inspections by the DSA, permits and occupancy permits, and ensuring compliance with any Federal and State laws, including, but not limited to, safety procedures and requirements, construction employee training programs which cover among other items, hazardous chemicals and materials. The cost of such compliance shall be included in the GMP. Errors and omissions of Architect shall be deemed Extra Work/Modifications pursuant to the procedures set forth in Section 10 hereof.

D. Builder shall establish procedures for the protection of all existing structures, equipment, utilities, and other existing improvements, both on-site and off-site. Builder assumes all risk of loss of vandalism, theft of property or other property damage ("vandalism") which occurs at a Site at which Builder is undertaking construction of the Project, from causes due to negligence or misconduct by Builder, its officers, employees, subcontractors, licensees and invitees. Builder shall

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replace District property damaged by such vandalism or theft or compensate the District for such loss, including payment of out of pocket expenses such as insurance deductibles the District might incur under such circumstances.

E. Builder shall develop a mutually agreed upon program with the District to abate and minimize noise, dust, and disruption to normal activities at the existing facilities on the Sites, including procedures to control on-site noise, dust, and pollution during construction.

F. The District shall perform any required site mitigation or remediation on the Sites at its sole cost, unless such site mitigation or remediation is necessitated by any of the conditions described in Section 29 of this Agreement, in which event the provisions of that Section 29 shall govern. Known conditions that are defined and quantified in Western Environmental Hazardous Materials Report shall be included in the GMP.

G. District shall cause the appropriate professionals to stamp and sign, as required, the original Construction Documents or parts thereof and coordinate the Project's design with all utilities.

H. Builder shall perform and pay for all utility hook-ups and connections. District shall pay for use of temporary utilities during Construction.

Section 10. EXTRA WORK/MODIFICATIONS

A. The District may prescribe or approve additional work or a modification of requirements or of methods of performing the Construction which differ from the work or requirements set forth in the Construction Documents ("Extra Work/Modifications"); and for such purposes, the District may at any time during the life of this Agreement, by written order, make such changes as it shall find necessary in the design, line, grade, form, location, dimensions, plan, or material of any part of the work or equipment specified in this Agreement or in the Construction Documents, or in the quantity or character of the work or equipment to be furnished. In the event conditions develop which, in the opinion of Builder, makes strict compliance with the specifications impractical, Builder shall notify District of the need for Extra Work/Modifications by placing the matter on the agenda of regularly scheduled construction meetings with the District for discussion as soon as practicable after the need for the Extra Work/Modifications is determined. Additionally, Builder shall submit to the District for its consideration and approval or disapproval, a written request for Extra Work/Modifications before such work is performed. If the District approves the request in writing, the costs of the Extra Work/Modifications shall be added to or deducted from the GMP or the Scope of Work shall be modified to complete the Project within the GMP, as applicable.

B. Expenses of reconstruction and/or costs to replace and/or repair damaged materials and supplies, provided that Builder is not fully compensated for such expenses and/or costs by insurance or otherwise, shall be paid for by the District if said expenses are the result of the negligent acts or omissions of the District, or its Architect, subcontractors, principals, agents, servants, or employees.

C. If the District requests or Builder is required to perform services not described in this Agreement, Builder shall provide a cost estimate and a written description of the additional work

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required to perform such services. Compensation for such additional services shall be negotiated and agreed upon in writing in advance of Builder performing or contracting for such extra work, and paid to Builder in addition to the GMP established pursuant to Section 6 hereof. In the absence of a written agreement, the District will not compensate Builder for extra work, and Builder will not be required to perform it.

D. Value of any such Extra Work/Modification, change, or deduction shall be determined at the discretion of the District, in consultation with the Architect, in one or more of the following ways:

1. By acceptable lump sum proposal from Builder with itemization as required by the District and/or the Architect.
2. By unit prices contained in Builder's cost estimates and incorporated in the Contract Documents or fixed by subsequent agreement between the District and Builder.
3. By the cost of material and labor and a percentage for the Builder's fee. The following form shall be followed as applicable for additions and deductions to the Construction Services Agreement:

EXTRA/ (CREDIT)

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| (a) Material (attach itemized quantity and unit cost plus sales tax) | _____ |
| (b) Labor including subcontractor's labor and profit/overhead (profit/overhead not to exceed 10%) (attach itemized hours and base rates from identified prevailing wage rate schedules) | _____ |
| (c) Commercial General Liability and Property Damage Insurance, Workers' Compensation Insurance, Social Security and Unemployment taxes at actual and verified cost. | _____ |
| (d) Subtotal | _____ |
| (e) Builder's profit/overhead not to exceed 4.5% of Item (d) if applicable. | _____ |
| (f) Subtotal | _____ |
| (g) Bond Premium, not to exceed 1% of Item (f) | _____ |
| (h) Total | _____ |

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E. Regardless of whether the cost of the Extra Work/Modification is determined pursuant to 1, 2, or 3, above, in addition to the cost of the material and labor for deleted items, Builder shall credit back an appropriate and reasonable amount for the bonding mark up for deleted items at the time of the request for the Extra Work/Modification.

F. Should Builder claim that any instruction, request, drawing, specification, action, condition, omission, default, or other situation (I) obligates the District to pay additional compensation to the Builder; or (ii) obligates the District to grant an extension of time for the completion of the Construction Services Agreement; or (iii) constitutes a waiver of any provision in this Construction Services Agreement, BUILDER SHALL NOTIFY THE DISTRICT, IN WRITING, OF SUCH CLAIM AS SOON AS POSSIBLE, BUT IN NO EVENT WITHIN MORE THAN TWENTY (20) BUSINESS DAYS FROM THE DATE BUILDER HAS ACTUAL NOTICE OF THE CLAIM. BUILDER SHALL ALSO PROVIDE DISTRICT WITH SUFFICIENT WRITTEN DOCUMENTATION SUPPORTING THE FACTUAL BASIS OF THE CLAIM including in the documentation items (B)(3)a-h described in this Section. Builder shall be required to certify under penalty of perjury the validity and accuracy of any claims submitted. The Builder's failure to notify the District within such twenty (20) business day period may be deemed a waiver and relinquishment of the claim against the District. If such notice be given within the specified time, the procedure for its consideration shall be as stated above in this Section.

G. In the event a mutual agreement cannot be reached on the cost of an Extra Work/Modification item, Builder and District agree that an industry estimating guide, such as an estimating guide published by Means, shall be used to determine the cost of a disputed Extra Work/Modification item.

H. All costs associated with the Extra Work/Modification may be in terms of time, money or both.

I. Expenses of reconstruction and/or costs to replace and/or repair damaged materials and supplies, provided that Builder is not fully compensated for such expenses and/or costs by insurance or otherwise, may be added to the GMP, if said expenses are the result of the negligent acts or omissions or willful misconduct of the District, or its Architect, subcontractors, subconsultants, principals, agents, servants, or employees.

Section 11. TIME OF COMPLETION

A. Within fifteen (15) days of the date the District issued a Notice to Proceed with Construction and absent written objection by Builder that the Preconstruction Phase is not complete, Builder shall proceed with the Construction of the Project with reasonable diligence. Builder agrees that the Project will be substantially complete by August 25, 2008, and said date will be extended for such periods of time as Builder is prevented from proceeding with or completing the Project for any cause described in this Section 11. If the work is not completed in accordance with the foregoing, it is understood that the District will suffer damage. It being impractical and infeasible to determine the amount of actual damage, it is agreed that Builder shall pay to the District as fixed and liquidated damages, and not as a penalty, the sum of Two Hundred Fifty Dollars (\$250.00) per day for Sunset

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High School and One Thousand Two Hundred Fifty Dollars (\$1,250.00) for Earl Warren Middle School for each calendar day of delay caused solely by Builder. The liquidated damages shall accrue from August 25, 2008, or as modified as provided below, until the Project is substantially complete. Builder and its surety shall be liable for the amount thereof. Any money due or to become due to Builder may be retained by the District to cover said liquidated damages. Should such money not be sufficient to cover said liquidated damages, the District shall have the right to recover the balance from Builder or its surety, who will pay said balance forthwith.

B. In the event that the performance and/or completion of the Project is delayed at any time by any act or omission of the District or of any Architect, subcontractors, principals, agents, servants, employees or tenant of the District, by any separate contractor employed by the District, by changes or alterations in the Project not caused by any fault or omission by Builder, by strikes, by lockouts, by fire, by embargoes, by windstorm, by flood, by earthquake, by acts of war or God, by changes in public laws, regulations or ordinances enacted after the date of execution of this Agreement, by acts of public officials not caused by any fault or omission of Builder, by an inability to obtain materials or equipment not caused by any act or omission of Builder, or by any other cause beyond the reasonable control of Builder, the aforesaid date for substantial completion of the Project shall be extended for a reasonable period as a consequence of such delay. Builder shall not be charged liquidated damages because of such delays in completion of work or delays otherwise due to unforeseeable causes beyond the control and without the fault or negligence of Builder.

C. The term "substantially complete" or "substantial completion" as used in this Agreement means completed in such fashion as to enable the District, upon performance of any separate work to be done by the District under separate contract or by day labor, beneficially to occupy the Project and to commence operation therein, provided such occupancy and use does not substantially interfere with Builder's performance of the remainder of the Project as agreed upon between Builder and the District, which may be accomplished prior to the completion of the Project.

D. The term "Fully Completed and Accepted," as used in this Agreement shall mean that all remaining work has been completed in accordance with the Construction Documents and that successful testing, startup and satisfactory operation of the Project as a total unit has been accomplished in substantial conformance with the Construction Documents. The term "Fully Completed and Accepted" shall also mean that all construction contract administration, outstanding change order issues, notices of completion, and any other close-out documentation are substantially complete and in conformance with the Construction Documents. The Project in its entirety is not expected to be complete any earlier November 15, 2008.

E. Within five (5) days after the District's delivery of a Notice to Proceed with Construction, Builder shall furnish District with a reasonably detailed CPM (Critical Path) Schedule, setting forth the expected dates for commencement and completion of each of the various stages of Construction (the "Time Schedule"). The Time Schedule shall be updated by Builder as necessary and revisions in said schedule shall be furnished to the District. It is specifically understood that the District will utilize said Time Schedule to determine completion dates of various aspects of the Project. Payments under the Sublease shall be conditioned upon completion of the Project as determined by the District's Inspector pursuant to the Time Schedule.

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F. Builder shall not be assessed liquidated damages under this Agreement and shall not be subject to any damages for delay in completion of the Project, when such delay was caused by the failure of the District or the owner of a utility to provide for removal or relocation of the existing main or trunkline utility facilities; however, when Builder is aware that removal or relocation of an existing utility has not been provided for, Builder shall promptly notify the District and the utility in writing, so that provision for such removal or relocation may be made to avoid and minimize any delay which might be caused by the failure to remove or relocate the main or trunkline utility facilities, or to provide for its removal or relocation. In accordance with section 4215 of the Government Code, if Builder while performing this Agreement discovers any existing main or trunkline utility facilities not identified by the District in the plans or specifications, it shall immediately notify the the District and utility in writing. The public utility, where they are the owner, shall have the sole discretion to perform repairs or relocation work or permit Builder to do such repairs or relocation work at a reasonable price. Builder shall be compensated for the costs of locating, repairing damage not due to the failure of the Builder to exercise reasonable care, and removing or relocating such utility facilities not indicated in the plans and specifications with reasonable accuracy, and for equipment on the Project necessarily idled during such work. Such compensation shall be in accordance with the extra work provisions set out in Section 10 of this Agreement.

Section 12. TERMINATION

A. Termination for Breach. If Builder refuses or fails to prosecute the Construction or any separable part thereof with such diligence as will insure its completion within the time specified by this Agreement, or any extension thereof, or fails to complete the Project within such time, or if Builder should be adjudged bankrupt, or if it should make a general assignment for the benefit of its creditors, or if a receiver should be appointed on account of its insolvency, or Builder or any of its Subcontractors should violate any of the provisions of this Agreement, the District may serve written notice upon Builder and its surety of the District's intention to terminate this Agreement. This notice of intent to terminate shall contain the reasons for such intention to terminate this Agreement, and a statement to the effect that Builder's right to perform this Agreement shall cease and terminate upon the expiration of ten (10) days unless such violations have ceased and arrangements satisfactory to the District have been made for correction of said violations.

In the event that the District serves such written notice of termination upon Builder and its surety, the surety shall have the right to take over and perform this Agreement. If the surety does not: (1) give the District written notice of surety's intention to take over and commence performance of the Agreement within twenty five (25) days of the District's service of said notice of intent to terminate upon surety; and (2) actually commence performance of this Agreement within forty (40) days of the District's service of said notice upon surety; then the District may take over the Project and prosecute the same to completion by separate contract or by any other method it may deem advisable for the account and at the expense of Builder.

In the event that the District elects to obtain an alternative performance of the Agreement as specified above: (1) the District may, without liability for so doing, take possession of and utilize in completion of the Project such materials, appliances, plants and other property belonging to Builder that are on the Sites and reasonably necessary for such completion; and (2) surety shall be liable to

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the District for any cost or other damage to the District necessitated by the District securing an alternative performance pursuant to this Section.

B. Termination for Convenience. (1) The District may terminate performance of the Project called for by the Contract Documents in whole or, from time to time, in part, if the District determines that a termination is in the District's interest. Builder shall terminate all or any part of the Project upon delivery to Builder of a "Notice of Termination" specifying that the termination is for the convenience of the District, the extent of termination, and the "Effective Date" of such termination. After receipt of Notice of Termination, and except as directed by the District, Builder shall, regardless of any delay in determining or adjusting any amounts due under this Termination for Convenience clause, immediately proceed with the following obligations:

(a) Stop work as specified in the Notice of Termination;

(b) Complete any work specified in the Notice of Termination in a least cost/shortest time manner while still maintaining the quality called for under the Contract Documents;

(c) Leave the property upon which Builder was working and upon which the facility (or facilities) forming the basis of the Contract Documents is situated in a safe and sanitary manner such that it does not pose any threat to the public health or safety;

(d) Terminate all subcontracts with Subcontractors to the extent that they relate to the portions of the work terminated;

(e) Place no further subcontracts or orders, except as necessary to complete the continued portion of the Project; and

(f) Submit to the District within thirty (30) days from the Effective Date of the Notice of Termination, all of the usual documentation called for by the Contract Documents to substantiate all costs incurred by Builder for labor, materials and equipment through the Effective Date of the Notice of Termination. Any documentation substantiating costs incurred by Builder solely as a result of the District's exercise of its right to terminate this Agreement pursuant to this clause which costs Builder is authorized under this Agreement to incur, shall: (i) be submitted to and received by the District no later than thirty (30) days after the Effective Date of the Notice of Termination; (ii) describe the costs incurred with particularity, and (iii) be conspicuously identified as "Termination Costs occasioned by the District's Termination for Convenience."

(2) Termination of this Agreement shall not relieve surety of its obligation for any just claims arising out of or relating to the work performed on the Project. In the event that the District exercises its right to terminate this Agreement pursuant to this clause, the District shall pay Builder, upon Builder's submission of the documentation required by this provision, and other applicable provisions of this Agreement, the following amounts:

(a) All actual costs incurred according to the provisions of this Agreement, including but not limited to reasonable demobilization cost and insurance costs incurred in

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connection with the Project.

(b) A reasonable allowance for profit on the cost of the work on the Project performed, provided Builder establishes to the satisfaction of the District, that it is reasonably probable that Builder would have made a profit had this Agreement been completed and provided further, that the profit allowed shall in no event exceed fifteen percent (15%) of costs. In no event shall the total amount exceed the sum of the GMP and all approved Extra Work/Modifications.

(c) A reasonable allowance for Builder's administrative costs in determining the amount payable due to termination of this Agreement under this section 12.B.

C. Termination of this Agreement by Builder. Builder may terminate this Agreement upon ten (10) days written notice to the District, whenever: (1) the entire Project has been suspended for ninety (90) consecutive days through no fault or negligence of Builder, and neither a notice to resume nor a notice to terminate this Agreement has been received from the District within this time period; or (2) the District should fail to pay Builder any substantial sums due it in accordance with the terms of this Agreement and within the time limits prescribed; or (3) the District shall not appropriate funds and/or not make two (2) successive Construction Progress Payments, as defined in Section 18 hereof, or Sublease prepayment, as described in Section 25 of the Sublease Agreement, following the receipt by District of a request from the Builder in its capacity as lessor in the Sublease Agreement for any Sublease prepayment submitted pursuant to Section 25 of the Sublease, or as Builder for each Construction Progress Payment. In the event of such termination, Builder shall have no claims against the District except for work performed and reasonable demobilization costs on the Project as of the date of termination, and computed as set forth in Section 12.B.2. (a) - (c), above.

Section 13. PREVAILING RATES OF WAGES

A. Builder must obtain from the Department of Industrial Relations the general prevailing rates of wages in the locality in which the Project is to be performed and it shall be mandatory upon Builder and upon any Subcontractor to pay not less than the specified rate to all workers employed in the execution of the Project. Builder shall cause a copy to be posted at the Sites. Copies of the prevailing rates of wages shall also be on file at the District office, 710 Encinitas Boulevard, Encinitas, CA 92024, and will be available for review by any interested party upon request. When determining GMP, Builder shall include to the extent possible anticipated general prevailing wage rates for the time when work on the Project will actually be performed to avoid having to modify the GMP.

B. Builder shall forfeit as a penalty to the District not more than fifty dollars (\$50) for each calendar day, or portion thereof, for each worker paid less than the stipulated prevailing rate for any work done by him, except as provided in Labor Code section 1775 subdivision (b), or by any subcontractor under him, in violation of the provisions of the California Labor Code. The difference between such stipulated prevailing wage rate and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the stipulated prevailing wage rate shall be paid to each worker by Builder.

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Section 14. EMPLOYMENT OF APPRENTICES

A. Builder's attention is directed to the provisions of sections 1777.5, 1777.6, and 1777.7 of the California Labor Code concerning employment of apprentices by Builder or any Subcontractor.

B. Section 1777.5 of the Labor Code, as amended, requires Builder or Subcontractor employing workers, in any apprenticeable craft or trade, to apply to the Joint Apprenticeship Committee nearest the Project, and which administers the apprenticeship program in that trade for a certificate of approval. The certificate will also fix the ratio of apprentice hours to journeyman hours that will be used in the performance of the work required for the Project. The hourly ratio of apprentices to journeymen in such cases shall not be less than one to five except the Joint Apprenticeship Committee may exempt Builder from the one to five requirement if it finds: (1) unemployment for the previous three-month period in the area of coverage by the Joint Apprenticeship Committee has exceeded an average of fifteen percent (15%); or (2) the number of apprentices in training in the area exceeds a ratio of one to five; or (3) there is a showing that the apprenticeable craft or trade is replacing at least one-thirtieth (1/30th) of its journeymen annually through apprenticeship training either statewide or locally; or (4) assignment of an apprentice to any work performed on the Project would create a condition which would jeopardize his or her life or the life, safety, or property of fellow employees or the public at large or if the specific task to which the apprentice is to be assigned is of such nature that the training cannot be provided by a journeyman.

C. Builder is required to make contributions to funds established for the administration of the apprenticeship programs if it employs registered apprentices or journeymen in any apprenticeable trade or on such contracts and if other contractors on the Sites are making such contributions.

D. Builder or any Subcontractor under him shall comply with the requirements of Labor Code sections 1777.5 and 1777.6 in the employment of apprentices.

E. Information relative to apprenticeship standards, wage schedules and other requirements may be obtained from the Director of Industrial Relations, Ex Officio the Administrator of Apprenticeship, San Francisco, California or through the Division of Apprenticeship Standards at its branch offices.

Section 15. HOURS OF WORK

A. Eight (8) hours of work shall constitute a legal day's work. Builder shall forfeit, as penalty to the District, twenty-five dollars (\$25) for each worker employed in the execution of work on the Project by Builder or any subcontractor under him for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any calendar week in violation of the provisions of the Labor Code, and in particular, section 1810 to section 1815, thereof, inclusive, except that work performed by employees of the Builder and his subcontractors in excess of eight hours per day at not less than one and one-half times the basic rate of pay, as provided in Labor Code section 1815.

B. Generally, Construction on the Project shall be accomplished on a regularly scheduled eight (8) hour per day work shift basis, Monday through Friday, between the hours of 7 a.m. and 5:00

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p.m., and a shift from 2 pm to 10 pm during school sessions, however nothing in this Agreement shall prevent Builder from working weekends and after school hours in order to complete the Project so long as not otherwise prohibited by law or local ordinances or regulations.

Section 16. PAYROLL RECORDS

A. Pursuant to Labor Code section 1776, Builder and each Subcontractor shall keep records showing the name, address, social security number, work classification, straight time and overtime hours paid each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker or other employee employed by him or her in connection with the work.

B. The payroll records enumerated under Section 16.A shall be certified and shall be available for inspection at all reasonable hours at the principal office of Builder on the following basis:

(1) A certified copy of the employee's payroll records shall be made available for inspection or furnished to such employee or his or her authorized representative on request.

(2) A certified copy of all payroll records enumerated in Section 16.A shall be made available for inspection or furnished upon request to the District, the Division of Labor Standards Enforcement and the Division of Apprenticeship Standards of the Department of Industrial Relations.

(3) A certified copy of all payroll records enumerated in Section 16.A shall be made available upon request to the public for inspection or copies thereof made; provided, however, that if a request by the public shall be made through either the District, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement, if as requested, payroll records have been provided pursuant to paragraph (2), the requesting party shall, prior to being provided the records, reimburse the cost of preparation by Builder, Subcontractors and the entity through which the request was made. The public shall not be given access to such records at the principal office of Builder.

C. The certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement or shall contain the same information as the forms provided by the Division of Labor Standards Enforcement.

D. Each contractor shall file a certified copy of the records enumerated in Section 16.A with the entity that requested such records within ten (10) days after receipt of a written request.

E. Any copy of records made available for inspection as copies and furnished upon request to the public or the District, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement, 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 Builder or any Subcontractor performing work on the Project shall not be marked or obliterated.

F. Builder shall inform the District of the location of the records enumerated under Section 16.A, including the street address, city and county, and shall, within five (5) working days, provide

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a notice of a change of location and address.

G. In the event of noncompliance with the requirements of this Section 16, Builder shall have ten (10) days in which to comply subsequent to receipt of written notice specifying in what respects Builder must comply with this Section 16. Should noncompliance still be evident after such ten (10) day period, Builder shall, as a penalty to the District, forfeit Twenty-five Dollars (\$25.00) for each calendar day, or portion thereof, for each worker until strict compliance is effectuated. Upon the request of the Division of Labor Standards Enforcement, such penalties shall be withheld from progress payments then due.

Section 17. BONDING REQUIREMENTS

At the District's option, Builder shall provide the following bonds:

A. A "payment bond" (material and labor bond) from a California admitted surety and in the form attached to this Agreement, shall be provided by Builder for the Project. The payment bond shall be for One Hundred Percent (100%) of the GMP, to satisfy claims of materials suppliers and of mechanics and laborers employed on the Project. The payment bond shall be maintained by Builder in full force and effect for the Project until the Project is Fully Completed and Accepted and until all claims for materials and labor are paid, and shall otherwise comply with California law.

B. A "faithful performance bond" from a California admitted surety and in the form attached to this Agreement shall be provided by Builder for the Project. The faithful performance bond shall be for One Hundred Percent (100%) of the GMP to guarantee faithful performance of all work required by this Agreement, within the time prescribed, in a manner satisfactory to the District, and that all materials and workmanship shall be free from original or developed defects. The faithful performance bond shall be maintained by Builder in full force and effect until the Project is Fully Completed and Accepted and until all claims for materials and labor are paid, and shall otherwise comply with California law. The faithful performance bond shall name the District as the entity to which the principal and surety, as defined in the faithful performance bond, are bound.

C. The bonds required by this Section 17 shall meet the following criteria:

(1) Each bond shall be signed by both Builder and a notary and the signature of the authorized agent of the surety shall be notarized.

(2) Should any bond become insufficient, Builder shall renew or amend the bond within ten (10) days after receiving notice from the District.

(3) Should any surety at any time not be a California admitted surety, notice will be given to Builder to that effect. No further payments shall be deemed due or shall be made under this Agreement until a new surety shall qualify and be accepted by the District.

(4) Changes in the work, or extensions of time, made pursuant to this Agreement, shall in no way release Builder or the surety from its obligations. Notice of such changes or extensions shall be waived by the surety.

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D. District shall reimburse Builder as part of the GMP, the cost of bonds required hereunder.

Section 18. PAYMENTS TO BUILDER AND RETENTION

A. Builder shall finance the cost of Construction of the Project which costs shall not exceed the GMP, except as otherwise provided in this Agreement. The District shall pay Builder sublease payments pursuant to the terms and conditions of Section 6 of the Sublease (the "Sublease Payments"), which terms and conditions include the ten percent (10%) retention (except on General Condition costs as described in Exhibit C hereof, where no retention will be held) described in Section 6 of the Sublease (the "retention") and construction progress payments as invoiced by Builder monthly (the "Construction Progress Payments"). The District shall retain an amount equal to ten percent (10%) of each Construction Progress Payment. However, at any time after fifty percent of the work has been completed, if the governing board of the District finds that satisfactory progress is being made, it may make any of the remaining Construction Progress Payments in full. The Construction Progress Payments shall be commensurate with work performed to date. The sum of the Sublease Payments and Construction Progress Payments together shall not exceed the GMP established pursuant to section 5 hereof. With regard to the retention for both the Construction Progress Payments and the Sublease Payments, the District shall authorize the final payment of ten percent (10%) of the value of work done under this Agreement if the Project is unencumbered by stop notices or those stop notices have been bonded by a stop notice release bond or bonds, to be made within thirty (30) days after the date of completion of the Project, provided however, that in the event of a dispute between the District and Builder, the District may withhold from the final lease payment an amount not to exceed one hundred and fifty percent (150%) of the disputed amount. For purposes of this Section 17, "completion" means any of the following as provided by Public Contract Code section 7107:

(1) The occupation, beneficial use, and enjoyment of a work of improvement, excluding any operation only for testing, startup, or commissioning, by the public agency, or its agent, accompanied by cessation of labor on the work of improvement.

(2) The acceptance by the public agency, or its agent, of the work of improvement.

(3) After the commencement of a work of improvement, a cessation of labor on the work of improvement for a continuous period of 100 days or more, due to factors beyond the control of Builder.

(4) After the commencement of a work of improvement, a cessation of labor on the work of improvement for a continuous period of 30 days or more, if the public agency files for record a notice of cessation or a notice of completion.

B. This Agreement is subject to the provisions of Public Contract Code section 7107, as may from time to time be amended.

C. For purposes of this Agreement, the acceptance by the District means acceptance made only by an action of the governing body of the District in session. Acceptance by Builder of said final

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payment of undisputed amounts shall constitute a waiver of all claims against District related to those amounts. At any time after fifty percent (50%) of the Project has been completed, if the District, by action of its governing body, finds that satisfactory progress is being made, the District may make any of the remaining payments in full for actual work completed or may withhold any amount not to exceed ten percent (10%) thereof as retention as the District may find appropriate based on Builder's progress.

Section 19. CORRECTION OF WORK: WARRANTY

Neither final payment nor any provision in the Contract Documents shall relieve Builder of responsibility for faulty materials or workmanship incorporated in the Project. Builder warrants that all work under this Agreement will be free of faulty materials or workmanship and hereby agrees, within ten (10) days upon receiving notification from the District, to remedy, repair or replace, without cost to the District, all defects which may appear as a result of faulty materials or workmanship in the Project, at any time, or from time to time, during a period beginning with commencement of the Project and ending one (1) year after the date of substantial completion of the Project, as defined in Section 11 of this Agreement. The foregoing warranty of Builder applies to the remedy, repair or replacement of defects which may appear as a result of faulty designs prepared by Builder and/or any party retained by, through or under Builder in connection with the Project, but the foregoing warranty of Builder does not guarantee against damage to the Project sustained by use, wear, intentional acts, accidents, or lack of normal maintenance or as a result of changes or additions to the Project made or done by parties not directly responsible to Builder, except where such changes or additions to the Project are made in accordance with Builder's directions. No guarantee furnished by a party other than Builder with respect to equipment manufactured or supplied by such party shall relieve Builder from the foregoing warranty obligation of Builder. The warranty period set forth hereinabove shall not apply to latent defects appearing in the Project, and with respect to such defects, the applicable statute of limitations shall apply. Builder agrees to pass on equipment and materials warranties provided by manufacturers to the District but has no obligation to assist in processing such warranty claims after said one (1) year warranty period.

Section 20. ASSIGNMENT OF ANTI TRUST CLAIMS

Builder offers and agrees to assign to the District all rights, title and interest in and to all causes of action it may have under section 4 of the Clayton Act (15 USC 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 purchase of goods, services, or materials pursuant to this Agreement. This assignment shall become effective at the time the District tenders the final lease payment to Builder, without further acknowledgment by the parties.

Section 21. PROTECTION OF PERSONS AND PROPERTY

A. The District hereby determines that Builder will only have limited contact with pupils when school is not in session, however for any part of the Project for which pupils will be in proximity with the site where the Builder will be working, Builder shall either (i) obtain fingerprint clearance from the Department of Justice (DOJ) pursuant to Education Code section 45125.1 for all Builder's employees who are anticipated to work on the Project as well as Subcontractors on the

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Project, or (ii) comply with the provisions of Education Code section 45125.2 subdivision (a), by ensuring the safety of the pupils by one or more of the following methods:

(1) The installation of a physical barrier at the worksite to limit contact with pupils.

(2) Continual supervision and monitoring of all employees of the Builder by an employee of Builder whom the Department of Justice has ascertained has not been convicted of a violent or serious felony (For purposes of this paragraph, an employee of Builder may submit his or her fingerprints to the Department of Justice pursuant to subdivision (a) of Section 45125.1).

(3) Surveillance of the employees of Builder by school personnel.

Even when DOJ clearance is obtained, Builder shall take steps to ensure minimal or limited contact between employees/Subcontractors and pupils of the District at the Sites by (i) instructing employees and Subcontractors not to mingle or have contact with pupils, (ii) undertaking any other precautions necessary to limit contact between the pupils and Builder's employees or Subcontractors.

B. Builder shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the Project. Builder shall take reasonable precautions for the safety of, and shall provide reasonable protection to prevent damage, injury or loss arising out of the performance of its services under this Agreement, to:

(1) all employees on the Project and at the existing School Facilities on the Sites and all other persons who may be affected thereby;

(2) all the work and all materials and equipment to be incorporated therein, whether in storage on or off the Sites, under the care, custody, or control of Builder; and

(3) other property at the Sites or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures, and utilities not designated for removal, relocation or replacement in the course of construction.

C. Builder shall take into specific account the maturity of students on the Sites and enclose the working area with a substantial barricade and arrange work to cause a minimum amount of inconvenience and damage to students and faculty in their regular school activities. Builder shall substantially comply with specifications and directives of the District regarding the timing of certain construction activities in order to avoid unnecessary interference with school functions.

D. Builder shall at all times enforce orderly and disciplined conduct among those performing work on the Project and shall not employ on the work any unfit person not skilled in the task assigned to him, except as provided in Section 14 this Agreement.

E. Builder, in performing the work, shall comply with all applicable laws, ordinances, rules, regulations and lawful orders of any public authority having jurisdiction for the safety of persons or property or to protect them from damage, injury, or loss. Builder shall erect and maintain, as required by existing conditions and progress of the Project, all reasonable safeguards for safety and protection,

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including posting danger signs and other warnings against hazards, and shall promulgate safety regulations and notify owners and users of adjacent utilities. Builder shall designate a responsible member of Builder's organization employed at the Sites of the Project whose duty shall be the prevention of accidents. Such person shall be Builder's superintendent unless otherwise designated in writing by Builder to the District.

F. In any emergency affecting the safety of persons or property, Builder shall act at its discretion to prevent threatened damage, injury, or loss. Any additional compensation or extension of time claimed by Builder on account of such emergency shall be determined by mutual agreement between the District and Builder.

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Section 22. INSPECTION OF WORK

A. The District shall hire its own Division of State Architect inspector as required by law. The District, District's representatives, and the Division of the State Architect shall at all times have access to the work whether it is in preparation or progress, and Builder shall provide proper facilities for such access and for inspection. The cost of the District's inspector shall be borne by District.

B. If the specifications, the District's timely instructions, the Division of the State Architect, or any public authority shall require the Sites or the Project to be specially tested or approved, Builder shall give the District forty-eight (48) hour notice of its readiness for inspection and, if the inspection is to be performed by a party other than the District, of the date fixed for such inspection. Inspections by the District shall be promptly made, and, where practicable, shall be at the source of supply. If any work required to be inspected by the specifications, the District's timely instruction or by a public authority should be covered up without the approval or consent of the District, it must, if required by the District, be uncovered for examination at Builder's expense.

C. Re-examination of questioned work may be ordered by the District and if so ordered, such work shall be uncovered by Builder. If such work is found to be in accordance with the Contract Documents, the District shall pay the cost of re-examination and replacement. If such work is not in accordance with the Contract Documents, Builder shall pay such costs, unless Builder can demonstrate to the reasonable satisfaction of District that the defects in such work were caused by persons or entities other than Builder or any of its Subcontractors or employees.

Section 23. SUPERVISION

A. Builder shall maintain on-site a competent project superintendent and necessary assistants during the work, with a full-time superintendent on location at the Earl Warren Middle School site throughout the construction process. The project superintendent shall represent Builder and all directions given to the project superintendent shall be deemed to have been given to Builder. Important directions shall be confirmed in writing to Builder, and other direction shall be so confirmed to Builder upon the written request of Builder, in accordance with Section 41 of this Agreement and the address listed therein.

B. Builder shall give efficient supervision to the work, using its skill and attention and shall cause working drawings and specifications to be prepared and submitted to District as necessary for the orderly completion of the Project. Following agreement by Builder and the District with respect to said working drawings and specifications, it shall be Builder's responsibility to perform the work described in said working drawings and specifications in substantial compliance with the Construction Documents. Notwithstanding the foregoing, Builder may from time to time make minor and insignificant changes in said working drawings and specifications and perform the construction in accordance with such changed drawings and specifications without the consent of the District, provided that any such work performed by Builder in accordance with such changed drawings and specifications shall be consistent with that specifically required to be performed by Builder under the Construction Documents. For purposes of this Section 23, the term "minor and insignificant" shall mean changes which result in no change in quality, aesthetics or integrity of the original specifications of the Project. All changes,

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including minor and insignificant changes to the extent possible, should be placed on the weekly agenda for construction meetings between Builder and the District to ensure that the District is aware of such changes. The District agrees to promptly respond to Builder's requests for information and approvals, as long as Builder makes requests with a reasonable amount of time allocated for the District's decision where applicable; and if it so done, contract completion dates will be equitably extended and the GMP adjusted.

Section 24. SEPARATE CONTRACTS

A. The District reserves the right to let other contracts in connection with the construction of portions of the Project which are not being performed by Builder pursuant to this Agreement but these contracts and the work they provide for shall in no event interfere with the activities of Builder on the Project, but if they do, the District shall be liable to Builder for its damages in connection with such interference. Builder shall afford other contractors reasonable opportunity for the introduction and storage of their materials and the execution of their work and shall properly connect and coordinate the Project with the work of such contractors.

B. If the proper execution of any part of Builder's work on the Project depends upon the work of any such contractors, Builder shall view and promptly report to the District any patent defects or other problems it identifies in such work that render it unsuitable for such proper execution and results. Builder is only required to view the work of such other contractors prior to commencing its own further work in connection with or in relation to that other work. Further, Builder is only expected to identify patent defects or other problems, and is not required to do any destructive testing or to monitor the progress of such work by other contractors prior to its completion. In no event shall the work of such other contractors be covered by the warranty given by Builder to the District, nor shall Builder be required to provide bonding and insurance for such work.

Section 25. USE OF PREMISES

Builder shall confine operations at the Sites to areas permitted by law, ordinances, permits and the Construction Documents and shall not unreasonably encumber the Sites or existing School Facilities on the Sites with any materials or equipment. Builder shall not load or permit any part of the work to be loaded with a weight so as to endanger the safety of persons or property at the Sites.

Section 26. CLEANING UP

Builder shall at all times keep the Sites of the Construction free from accumulations of waste material or rubbish caused by the performance of the Construction by Builder, and at the completion of the Construction, Builder shall remove from the Sites of the Construction all such waste material and rubbish and all tools, scaffolding and surplus materials belonging to Builder and/or Builder's Subcontractors, laborers or materialmen, it being specifically understood that at the close of Construction and prior to turning over the premises to the District for beneficial use and occupancy, Builder shall leave the Sites in substantially the same or better state of cleanliness than when work began and shall be free of all dust and debris resulting from the construction.

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The cost of such cleanup shall be included in the GMP.

Section 27. SITE REPRESENTATIONS

The District warrants and represents that the District has, and will continue to retain at all times during the course of construction, legal title to each of the Sites and that said land is properly subdivided and zoned so as to permit the Construction and use of said Sites. The District further warrants and represents that title to said land is free of any easements, conditions, limitation, special permits, variances, agreements or restrictions which would prevent, limit, or otherwise restrict the Construction or use of said Sites. Reference is made to the fact that the District has provided information on the Sites to Builder. Such information shall not relieve Builder of its responsibility; and the interpretation of such data regarding the Sites, as disclosed by any borings or other preliminary investigations, is not warranted or guaranteed, either expressly or implicitly, by the District. Builder shall be responsible for having ascertained pertinent local conditions such as location, accessibility and general character of the Sites and for having satisfied himself as to the conditions under which the work is to be performed. No claim for any allowances because of Builder's error or negligence in acquainting itself with the conditions at the Sites will be recognized. To the extent known, the design team shall show the location and specifics on documents of existing Site conditions, underground utilities, and easements.

Section 28. TRENCH SHORING

Builder shall submit to the District for approval at/or prior to the start of Construction, a reasonably detailed plan showing design of shoring, bracing, sloping, or other provisions to be made for worker protection from hazards of caving ground during the excavation of any trench or trenches five feet or more in depth with the understanding that Builder's Subcontractors or Subcontractors making such trenches may modify the plans submitted by Builder. If so, the plan will be revised and re-submitted to the District. Builder shall also submit a copy of its annual trench/excavation permit approved by Cal OSHA. If such plan varies from the shoring system standards established by the Construction Safety Orders of the Division of Industrial Safety, the plan shall be prepared by a registered civil or structural engineer and shall be approved by Cal OSHA. Builder shall designate in writing the "competent person" as defined in Title 8, Chapter 4, Article 2 of the California Code of Regulations, who shall be present at the work site each day that trenching/excavation is in progress. The "competent person" shall provide a copy of this daily trenching/excavation inspection report to the District on a daily basis.

Section 29. HAZARDOUS WASTE AND UNKNOWN PHYSICAL CONDITIONS

A. Builder shall promptly, and before the following conditions are disturbed, notify the District, in writing, of any:

(1) Material that Builder believes may be material that is hazardous waste, as defined in section 25117 of the Health and Safety Code, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law.

(2) Subsurface or latent physical conditions at the Sites differing from those indicated,

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including geological, soils, and or water table issues which impede Construction or increase Construction costs.

(3) Unknown physical conditions at the Sites of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in this Agreement.

B. The District shall promptly investigate the conditions, and if it finds the conditions to materially so differ, and cause a decrease or increase in Builder's cost of, or the time required for, performance of any part of the work, shall issue a change order under the procedures described in this Agreement. If asbestos-related work or hazardous substance removal is discovered which is not disclosed in the Construction Documents, such work shall be performed pursuant to a contract separate from any other work to be performed as required by section 25914.2 of the Health and Safety Code, as may from time to time be amended.

C. In the event that a dispute arises between the District and Builder whether the conditions set forth in Paragraph A above materially differ, or involve hazardous waste, or cause a decrease or increase in Builder's cost of, or time required for, performance of any part of the work, Builder shall not be excused from any scheduled completion date provided for by this Agreement, but shall proceed with all work to be performed under this Agreement. Builder shall retain any and all rights provided either by contract or by law which pertain to the resolution of disputes and protests between the contracting parties.

D. The provisions of this Section 29 A., B., and C above shall also apply if this Agreement involves digging trenches or other excavations that extend deeper than four feet below the surface.

Section 30. INDEPENDENT CONTRACTOR

A. Builder is retained as an independent contractor and is not employed by the District. No employee or agent of Builder shall become an employee of the District for any purpose. It is agreed that the District is interested only in the results obtained from service under this Agreement and that Builder shall perform as an independent contractor with sole control of the manner and means of performing the services required under this Agreement. Builder shall complete this Agreement according to its own methods of work which shall be in the exclusive charge and control of Builder and which shall not be subject to control or supervision by the District except as to the results of the work. It is expressly understood and agreed that Builder and its employees shall in no event be entitled to any benefits to which the District employees are entitled, including, but not limited to, overtime, retirement benefits, insurance, vacation, worker's compensation benefits, sick or injury leave or other benefits.

B. Builder shall be responsible for all salaries, payments, and benefits for all of its officers, agents, and employees in performing services pursuant to this Agreement.

Section 31. INSURANCE

A. Builder shall procure and maintain during the period of performance of this Agreement

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(including the one year warranty period) insurance in at least the following amounts:

(1) Worker's compensation insurance in compliance with applicable state and federal laws; and

(2) Employer's liability insurance with a limit of \$1,000,000.

(3) Commercial general liability insurance including blanket contractual, broad form property damage, completed operations and independent contractor's liability all applicable to personal injury, bodily injury, and property damage to a limit of \$1,000,000 each occurrence and \$2,000,000 aggregate.

(4) Comprehensive automobile liability insurance including owned, hired, and non-owned automobiles, for bodily injury and property damage to a combined single limit of \$1,000,000 each occurrence.

(5) District shall reimburse Builder, as part of the GMP, the cost of Builder's Risk insurance on an "all risk" completed value basis of the work performed by Builder (excluding earthquake and flood). Coverage shall include completed work as well as work in progress. Such insurance shall include the District as Loss Payee. The making of Sublease payments to Builder shall not be construed as creating an insurable risk interest by or from the District or as relieving Builder or Subcontractors of responsibility for loss from any direct physical loss, damage, or destruction, occurring prior to final acceptance of the work by the District. The insurer shall waive all rights of subrogation against the District and shall provide the District with a Certificate of insurance for Builder's Risk insurance coverage and evidence of waiver of rights of subrogation against the District.

B. Builder shall furnish satisfactory proof by one or more certificates issued by insurance carriers satisfactory to the District that it has the foregoing insurance. The public liability and property damage insurance and Builder's all risk insurance shall include as additional insureds, District, its board of directors, officers, and employees when acting in their capacity as such in conjunction with the performance or implementation of this Agreement. Each insurance policy shall contain a clause which provides that the policy may not be canceled or not renewed without thirty (30) days' written notice to the District.

C. Nothing contained in these insurance requirements is to be construed as limiting the liability of Builder or Builder's sureties.

Section 32. HOLD HARMLESS

The District shall not be liable for, and Builder agrees to hold harmless, defend, and to indemnify the District from every claim or demand which may be made by reason of:

1. Any injury to person or property sustained by Builder or by any person, firm, or corporation, employed directly or indirectly by it upon or in connection with its work, however, caused; and

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2. Any injury to person or property sustained by any person, firm, or corporation, caused by any act, neglect, default, or omission of Builder, of any person, firm or corporation directly, or indirectly employed by it upon or in connection with its work, whether the said injury or damage occurs upon or adjacent to the work; Builder at his own cost, expense and risk, shall defend any and all actions, suits, or other legal proceedings, that may be brought or instituted against Builder on any such claim or demand, and pay or satisfy the judgment that may be rendered against the District in any such action, suit or legal proceedings or result thereof.

3. The foregoing indemnity shall not include liability resulting from the negligence or willful misconduct of the District, its officers, agents or employees.

Section 33. RESOLUTION OF CONTRACT CLAIMS

A. Applicable Law. For public work claims of \$375,000 or less between Builder and the District, if District has not elected to resolve disputes by arbitration pursuant to article 7.1 (commencing with section 10240) of chapter 1 of part 2 of the Public Contract Code, the provisions of article 1.5 (commencing with section 20104) of chapter 1 of part 3 of the Public Contract Code apply ("Article 1.5") as follows. Nothing in this section shall preclude the parties hereto from agreeing to resolve this matter by arbitration pursuant to Public Contract Code 10240 et seq.

B. Definitions. For purposes of Article 1.5, "public work" has the same meaning as in sections 3100 and 3106 of the Civil Code. "Claims" means a separate demand by Builder for a time extension, or payment of money or damages for work done by or for Builder, payment for which is not otherwise expressly provided in this Agreement or to which Builder would not otherwise be entitled, or a payment disputed by the District.

C. Filing of Claims. Each claim shall be submitted in writing before the date of final payment and shall include all necessary substantiating documentation. The District shall respond in writing within forty-five (45) days of receipt of the claim if the claim is less than \$50,000 or within sixty (60) days of receipt of the claim, if the claim is over \$50,000 but less than or equal to \$375,000. In either case, the District may request in writing within thirty (30) days of receipt of the claim, any additional documentation supporting the claim or relating to defenses to the claim the District may have against the claimant. Any additional information shall be requested and provided upon mutual agreement of the District and the claimant. The District's written response to the claim shall be submitted to claimant within fifteen (15) days after receipt of the further documentation for claims less than \$50,000 claims or within thirty (30) days after receipt of the further documentation for claims between \$50,000 and \$375,000 or within a period of time no greater than that taken by the claimant in producing the additional information, whichever is greater.

D. Meet and Confer Conference. Within fifteen (15) days of receipt of the District's response, if claimant disputes District's written response or within fifteen (15) days of the District's failure to respond within the time prescribed, the claimant shall provide written notification to the District demanding an informal conference to meet and confer to be scheduled by the District within thirty (30) days. If the claim or any portion of the claim remains in dispute

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following the meet and confer conference, the claimant may 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 period of time within which a claim must be filed is tolled from the time the claimant submits a written claim pursuant to Section 33.C, above, until the time the claim is denied, including time utilized as a result of the meet and confer process.

E. Mediation. If a civil action is filed to resolve claims within sixty (60) days (but no earlier than thirty (30) days) following the filing or responsive pleadings, the court shall submit the matter to nonbinding mediation unless waived by mutual stipulation of both parties. The mediation process shall provide that both parties select a disinterested third person mediator within fifteen (15) days, shall be commenced within thirty (30) days of the submittal and concluded within fifteen (15) days from the commencement of the mediation unless time 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.

F. Judicial Arbitration. 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 title 3 of part 3 of the Code of Civil Procedure, notwithstanding section 1141.11 of that code. The Civil Discovery Act of 1986 (article 3 (commencing with section 2016) of chapter 3 of title 3 or 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. The court may, upon request by any party, order any witness to participate in the mediation or arbitration process.

G. Fees. Notwithstanding any other provision of law, upon stipulation of the parties, arbitrators appointed for purposes of this section shall be experienced in construction law and, upon stipulation of the parties, mediators and arbitrators shall be paid necessary and reasonable hourly rates not to exceed their customary rate. Such fees and expenses shall be paid equally by the parties, except in the case of arbitration where the arbitrator, for good cause, determines a different division. In no event shall these fees or expenses be paid by state or county funds. Any party who, after receiving an arbitration award requests a trial de novo but does not obtain a more favorable judgment, shall pay the attorney's fees of the other party arising out of the trial de novo in addition to payment of costs and fees required under chapter 2.5 (commencing with section 1141.10) of title 3 of part 3 of the Code of Civil Procedure. The District shall not fail to pay any portion of a claim which is undisputed unless otherwise provided in this Agreement and shall pay interest at the legal rate commencing on the date the suit is filed in court on any arbitration award or judgment.

Section 34. ALTERNATE DISPUTE RESOLUTION

A. For claims not addressed in Section 33 of this Agreement, the dispute review process set forth in this Section 34 shall apply.

B. The dispute review process set forth in this Section 34 shall be administered by the American Arbitration Association (AAA) and governed by their rules in effect at the time of

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filing, or by any other neutral organization agreed to by the parties (hereinafter called "Administrator").

C. If a dispute arises out of, or relates to this Agreement, or the breach thereof, and if said dispute cannot be settled through normal contract negotiations, the parties agree to first endeavor to settle the dispute using mediation.

D. The costs for all mediation, including the administrative fees and mediator compensation, will be shared equally by all parties. Fees shall be jointly negotiated by all parties directly with the Administrator. The shared costs are estimated at \$1,500.00 or less for claims up to \$60,000.00 and \$3,000.00 or less for claims over \$60,000.00. If all parties agree, then the mediation costs may increase as required for resolution of the dispute. The expenses of witnesses for any party shall be paid by the party producing such witnesses.

E. A single mediator, acceptable to all parties, shall be used to mediate the dispute. The mediator will be knowledgeable in construction aspects and will be selected from lists furnished by the Administrator. The initial mediation session shall commence within thirty (30) days of filing, unless otherwise agreed by the parties, or at the direction of the mediator.

F. Mediation hearings will be conducted in an informal manner and discovery will not be allowed unless agreed by all parties. All discussions, statements, or admissions will be confidential to the proceedings and will not be used for any other purpose as it relates to the party's legal position.

G. Spokespersons shall be limited to the District, Builder, Subcontractors, and supplier personnel and their consultants. District, Builder, Subcontractors and Suppliers may have an attorney present and shall advise the other parties no less than five (5) working days before the mediation so that the other parties may also have their attorneys present.

H. Any resultant agreements from mediation shall be documented in writing, and may be used as the basis for a change order or other directive as appropriate. All mediation results and documentation shall be non-binding and inadmissible for any purpose in any legal proceedings, in accordance with Evidence Code section 1152, unless such admission is otherwise agreed in writing by all parties. Mediators shall not be subject to any subpoena or liability and their actions shall not be subject to discovery.

I. If mediation is unsuccessful, the parties thereafter may agree to submit the matter to the Administrator for binding arbitration. If the parties so agree to arbitrate, the following provision shall govern such arbitration, unless the parties otherwise agree in writing. The parties agree that the matter shall be submitted to one (1) arbitrator, unless they agree to three (3) arbitrators in writing. A judgment of a court having competent jurisdiction may be entered upon the award, and such judgment shall be enforceable as a final judgment to the fullest extent under the law. The parties agree to split evenly all arbitration and arbitrator(s)' fees and expenses, subject to readjustment by the arbitrator as part of any award. The arbitration shall be subject to, and proceed in accordance with California Code of Civil Procedure, sections 1280 through 1294.2. If the parties do not agree to submit to binding arbitration, neither party is prevented from pursuing other legal remedies.

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Section 35. SUBSTITUTION OF SECURITY

A. Upon Builder's request, the District will make payment of funds withheld from Sublease payments under the Sublease and Construction Progress Payments pursuant to Section 18 of this Agreement to ensure performance under the contract pursuant to the requirements of Public Contract Code section 22300 if Builder deposits in escrow with the District or with a bank acceptable to the District, securities eligible for investment under Government Code section 16430 or bank or savings and loan certificates of deposit, or other security mutually agreed to by Builder and the District, subject to the following conditions: .

(1) Builder shall bear the expense of the District and the escrow agent, either the District or the bank, in connection with the escrow deposit made;

(2) Securities or certificates of deposit to be placed in escrow shall be of a value at least equivalent to the amounts of retention to be paid to Builder pursuant to this Section 35;

(3) Builder shall enter into an escrow agreement satisfactory to the District, which agreement shall include provisions governing *inter alia*:

(a) The amount of securities to be deposited at the time of their deposit into escrow,

(b) The providing of powers of attorney or other documents necessary for the transfer of the securities to be deposited,

(c) Conversion to cash to provide funds to meet defaults by Builder, including, but not limited to, termination of Builder's control over the work, stop notices filed pursuant to law, assessment of liquidated damages or other amounts to be kept or retained under the provisions of this Agreement,

(d) Decrease in value of securities on deposit, and

(e) The termination of the escrow upon completion of the Project;.

(4) Builder shall obtain the written consent of the performance bond surety to such agreement; and

(5) As an alternative to Builder depositing into escrow securities of a value equivalent to the amounts of retention to be paid to Builder, upon Builder's request District will make payment of retentions earned directly to the escrow agent at the expense of Builder pursuant to and in accordance with Public Contract Code section 22300.

Section 36. STORM WATER PROVISION

A. Builder shall be required to comply with all conditions of the State Water Resources Control Board (State Water Board) National Pollutant Discharge Elimination System General Permit for Waste Discharge Requirements for Discharges of Storm Water Runoff Associated with

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Construction Activity (the "Permit"), if applicable to the Project. The Permit is required for all construction activity which results in the disturbance of in excess of one acre of total land area or which is part of a larger common area of development or sale. The District shall be responsible for filing the notice of intent and for obtaining the Permit. A copy of the Permit and supporting rules and orders by the State Water Board is on file with the District. The District shall provide a draft of the Storm Water Pollution Prevention Program (SWPPP) for the Project to Builder at least two weeks prior to the commencement of Construction. It shall be Builder's responsibility to evaluate the cost of compliance with the SWPPP in establishing the GMP for the Project. Builder shall comply with all requirements of the State Water Resources Control Board. Builder shall include all costs of compliance with specified requirements in the GMP

B. Builder shall be responsible for implementing and complying with the provisions of the Permit and the SWPPP, including the standard provisions, monitoring and reporting requirements as required by the Permit. Builder shall provide copies of all reports and monitoring information to the District.

C. Builder shall comply with the lawful requirements of any applicable municipality, the County, drainage district, and other local agencies regarding discharges of storm water to separate storm drain system or other watercourses under their jurisdiction, including applicable requirements in municipal storm water management programs.

D. Failure to comply with the Permit is in violation of federal and state law. Builder hereby agrees to indemnify and hold harmless the District, its officers, agents, and employees from and against any and all claims, demands, losses or liabilities of any kind or nature which the District, its officers, agents, and employees may sustain or incur for noncompliance with the Permit arising out of or in connection with the Project, except for liability resulting from the negligence or willful misconduct of the District, its officers, agents or employees. District may seek damages from Builder caused by Builder's failure to comply with Permit.

E. Where approval by the District or representative of the District is indicated, it is understood to be conceptual approval only and does not relieve Builder of responsibility for complying with all laws, codes, industry standards and does not relieve Builder from liability for damages caused by negligent acts, errors, omissions, noncompliance with industry standards, or the willful misconduct of Builder or its Subcontractors.

Section 37. TITLE TO WORK; RIGHT TO SALVAGE

A. Title to all work completed and in the course of construction paid for by the District and title to all materials on account of which payment has been made by the District to Builder shall vest in the District pursuant to the applicable provisions of the Sublease.

B. Builder and District agree that District has the right to salvage any materials or personal property from its existing structures and District has first choice in determining what materials, if any, it will salvage.

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Section 38. ACCOUNTING RECORDS

Builder shall check all materials, equipment and labor entering into the work and shall keep such full and detailed accounts as may be necessary for proper financial management under this Agreement. Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Builder for four (4) years from the date of final payment to Builder of Sublease payments pursuant to the terms and conditions of the Sublease and Section 18 of this Agreement.

Section 39. CONTRACT DOCUMENTS AND INTERPRETATIONS

A. The Contract Documents shall be executed, and/or initialed as appropriate, in duplicate by the District and Builder. The Contract Documents are complementary, and what is required by any one shall be as binding as if required by all. The intention of the Contract Documents is to include all labor, services and materials, equipment, and transportation necessary for the proper execution of the Project. Materials or work described in words which as applied have a well-known technical or trade meaning shall be deemed to refer to such recognized standards.

B. Drawings and specifications are intended to be fully cooperative and to agree. However, if Builder observes that drawings and specifications are in conflict, it shall promptly notify the Architect in writing and any necessary changes shall be adjusted as provided in Section 10. If such conflict arises, the following order of precedence shall generally apply, provided, however, that the order of precedence shall not be so rigidly interpreted as to affect an absurd or costly result:

(1) Special conditions shall take precedence over general conditions.

(2) Technical specifications implement, in additional detail, the requirements of the general conditions. In the event of conflict between the technical specifications and the general conditions, the general conditions shall take precedence.

(3) In the event of a conflict between the technical specifications and the drawings, the technical specifications are to take precedence over drawings and shall govern as to materials, workmanship, and installation procedures. Plans identify the scope and location of the work.

(4) With regard to drawings:

- (a) Figures govern over scaled dimensions;
- (b) Larger details govern over general drawings;
- (c) Addenda/change order drawings govern over Project specific drawings;
- (d) Project specific drawings govern over standard drawings.

(5) Work not particularly shown or specified shall be the same as similar parts that are shown or specified.

C. Misunderstanding of drawings and specifications shall be clarified by the Architect,

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whose decisions shall be final.

D. Standards, Rules, and Regulations referred to are recognized printed standards and shall be considered as one and a part of these specifications within limits specified.

E. It is not intended that work and/or services not covered under any heading, section, branch, class or trade of the specifications shall be supplied, unless it is required elsewhere in the Contract Documents or is reasonably inferable therefrom as being necessary to produce the intended results, in which case such work and/or services shall be supplied by Builder. Words which have well-known technical or trade meanings are used herein in accordance with such recognized meanings. Mutual agreement shall be reached with respect to words which do not have a well-known technical or trade meaning and the definition of which come into question.

Section 40. AGREEMENT MODIFICATIONS

No waiver, alteration or modification of any of the provisions of this Agreement shall be binding upon either the District or Builder unless the same shall be in writing and signed by both the District and Builder.

Section 41. NOTICES

A. All communications in writing between the District and Builder, including without limitation, applications for payment, shall be deemed to have been received by the addressee if delivered to the person for whom they are intended or if sent by registered mail, return receipt requested, or by telex, telegram, or fax followed by regular mail, addressed as follows:

If to Builder: Mr. Eric Stenman, President
Douglas E. Barnhart, Inc.
10760 Thornmint Road
San Diego, CA 92127

If to District:
Mr. Steve Ma
Associate Superintendent, Business Services
San Dieguito Union High School District
710 Encinitas Boulevard
Encinitas, CA 92024

B. For the purpose of directions, Builder's representative shall be Glynna Hoestra, Vice President and the District's representative shall be Russ Thornton, Executive Director of Facilities, unless otherwise specified in writing.

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Section 42. ASSIGNMENT

Neither party to this Agreement shall assign this Agreement or sublet it as a whole without the written consent of the other, nor shall Builder assign any monies due or to become due to it hereunder without the prior written consent of the District.

Section 43. HEADINGS

The headings in this Agreement are inserted only as a matter of convenience and reference and are not meant to define, limit or describe the scope or intent of the Contract Documents or in any way to affect the terms and provisions set forth herein.

Section 44. APPLICABLE LAW

The terms and provisions of this Agreement shall be construed in accordance with the laws of the State of California. If any action is brought in a court of law to enforce any term of this Agreement, the action shall be brought in a state court situated in the County of San Diego, State of California, unless a court finds jurisdiction or venue is only proper in a federal court, or a court outside this county. In the event of any such litigation between the parties, the prevailing party shall be entitled to recover all reasonable costs incurred, including reasonable attorneys' fees, as determined by the courts or arbitrator(s).

Section 45. SUCCESSION OF RIGHTS AND OBLIGATIONS

All rights and obligations under this Agreement shall inure to and be binding upon the successors and assigns of the parties hereto.

Section 46. EQUAL OPPORTUNITY CLAUSE

Builder agrees not to discriminate in its recruiting, hiring, promotion, demotion or termination practices on the basis of race, religious creed, color, national origin, ancestry, sex, age or physical handicap in the performance of this Agreement and to comply with the provisions of the following laws:

A. California Fair Employment and Housing Act (Gov. Code §12900 et seq., prohibiting discrimination in employment on account of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or sex, and prohibiting harassment of an employee or applicant because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, or age);

B. Federal Civil Rights Act of 1964 (42 USC §2000e et seq., prohibiting discrimination in employment on the basis of race, color, national origin, religion, or sex); Title I of the Americans With Disabilities Act of 1990 (42 USC §12101 et seq., prohibiting discrimination against qualified individuals with a disability in hiring and employment practices);

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C. The Age Discrimination in Employment Act (29 USC §621 et seq., prohibiting age discrimination in employment against individuals who are at least forty years of age);

D. California Labor Code section 1102.1 (prohibiting discrimination in any aspect of employment or opportunity for employment based on actual or perceived sexual orientation); and

E. Any other laws or regulations prohibiting discrimination as may be applicable to Builder.

ARTICLE 47. LABOR COMPLIANCE PROGRAM

This contract may be subject to a labor compliance program, as described in subdivision (b) of Section 1771.5 of the Labor Code if any part of the Project will be funded by either the Kindergarten-University Public Education Facilities Bond Act of 2002, the Kindergarten-University Public Education Facilities Bond Act of 2004, or the Kindergarten-University Public Education Facilities Bond Act of 2006. The Labor Compliance Program is incorporated by reference into the Contract and it will be enforced as required by state law and regulations and the Director of the Department of Industrial Relations if it becomes applicable to this contract. That law requires that District's labor compliance program shall include, but not be limited to, the following requirements:

(a) All bid invitations and public works contracts shall contain appropriate language concerning the requirements of this chapter.

(b) A pre-job conference shall be conducted with the Builder and subcontractors to discuss federal and state labor law requirements applicable to the contract.

(c) Project contractors and subcontractors shall maintain and furnish, at a designated time, a certified copy of each weekly payroll containing a statement of compliance signed under penalty of perjury.

(d) The District shall review, and, if appropriate, audit payroll records to verify compliance with this chapter.

(e) The District shall withhold contract payments when payroll records are delinquent or inadequate.

(f) The District shall withhold contract payments, including Sublease Payments pursuant to the Sublease Agreement, equal to the amount of underpayment and applicable penalties when, after investigation, it is established that underpayment has occurred.

The Builder expressly acknowledges these provisions and agrees to comply with these provisions and any provisions implemented by the District in furtherance of the laws and regulations. The Builder agrees to comply with any labor compliance plans, procedures, and rules that are implemented by the District at no additional cost to the District and to cooperate with the District as needed in its enforcement of the Labor Compliance Program.

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Article 48. DISABLED VETERANS PARTICIPATION GOALS AND RECORD RETENTION

A. This contract will be subject to disabled veterans participation goals and record retention program if State funding is used for the Project. If applicable, in accordance with Education Code section 17076.11, this District will implement its participation goal for disabled veteran business enterprises (“DVBE”) of at least 3 percent per year of the overall dollar amount of funds allocated to the District by the State Allocation Board pursuant to the Leroy F. Greene School Facilities Act of 1998 for construction or modernization and expended each year by the District. Prior to, and as a condition precedent for final payment under any contract for such project, the Builder shall provide appropriate documentation to the District identifying the amount paid to disabled veteran business enterprises in conjunction with the contract, so that the District can assess its success at meeting this goal.

B. The Builder agrees that, for all contracts subject to DVBE participation goals, the State and the District have the right to review, obtain and copy all records pertaining to performance of the contract in accordance with DVBE requirements. The Builder agrees to provide the State or the District with any relevant information requested and shall permit the State and/or the District access to its premises upon reasonable notice for purposes of interviewing employees and inspecting records. The Builder agrees to maintain such records for a period of three years after final payment under the contract.

Article 49. NOTIFICATION OF THIRD PARTY CLAIMS

The District shall provide the Builder with timely notification of the receipt by the District of any third party claim relating to this contract, and the District may charge back to the Builder the cost of any such notification.

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

BUILDER:

DOUGLAS E. BARNHART, INC.

BY: _____
Eric Stenman, President

Date:

DISTRICT:

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

BY: _____ Date:
Steve Ma, Associate Superintendent, Business Services

**ATTACHMENT 1
DOCUMENT 0600
PERFORMANCE BOND**

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KNOW ALL MEN BY THESE PRESENTS: That

WHEREAS, the San Dieguito Union High School District (hereinafter designated as "Public Entity"), by action taken or a resolution passed February 7, 2008, has entered into a Construction Services Agreement for Lease-Leaseback with Douglas E. Barnhart, Inc., (hereinafter designated as the "Principal"), for the work described in the Construction Services Agreement for Lease-Leaseback dated as of February 7, 2008: Modernization of Two School Sites Within the District (the "Project"); and

WHEREAS, said Principal is required under the terms of said contract to furnish a bond for the faithful performance of said contract;

NOW THEREFORE, we, the Principal and _____, as Surety (hereinafter designated as "Surety"), are held and firmly bound unto the Public Entity in the penal sum of _____ Dollars (\$ _____) lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if the above bounded Principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by and well and truly keep and perform, the covenants, conditions, and agreements in the said contract and any alteration thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the Public Entity, its officers and agents, as therein stipulated, then this obligation shall become null and void, otherwise, it shall be and remain in full force and virtue.

And the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to the work to be performed thereunder, or the specifications accompanying the same, shall in anywise affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration, or addition to the terms of the Agreement, or to the work, or to the specifications.

In the event suit is brought upon this bond by the Public Entity and judgment is recovered, the Surety shall pay all litigation expenses incurred by the Public Entity in such suit, including attorneys' fees, court costs, expert witness fees and investigation expenses.

IN WITNESS WHEREOF, this instrument has been duly executed by the Principal and Surety above named, on the ____ day of _____, 2008.

Corporate Seal

(Attach Required Acknowledgments)

Mailing Address, Telephone, & Facsimile of Surety

Principal
By _____

Surety

By _____
Attorney-in-Fact

**ATTACHMENT 1
DOCUMENT 0610
PAYMENT BOND**

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KNOW ALL MEN BY THESE PRESENTS: That

WHEREAS, the San Dieguito Union High School District (hereinafter designated as "Public Entity"), by action taken or a resolution passed February 7, 2008, has entered into a Construction Services Agreement for Lease-Leaseback with Douglas E. Barnhart, Inc., (hereinafter designated as the "Principal"), for the work described in the Construction Services Agreement for Lease-Leaseback dated as of February 7, 2008: Modernization of Two School Sites Within the District (the "Project"); and

WHEREAS, said Principal is required by Chapter 5 (commencing at Section 3225) and Chapter 7 (commencing at Section 3247), Title 15, Part 4, Division 3 of the California Civil Code to furnish a bond in connection with said contract;

NOW THEREFORE, we, the Principal and _____, as Surety are held and firmly bound unto the Public Entity in the penal sum of _____ Dollars (\$ _____) lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if said Principal, his or its subcontractors, heirs, executors, administrators, successors or assigns, shall fail to pay (1) any of the persons named in Section 3181 of the California Civil Code, (2) amounts due under the Unemployment Insurance Code with respect to work or labor performed under the contract, or (3) for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the contractor and his subcontractors pursuant to Section 13020 of the Unemployment Insurance Code, with respect to such work and labor the surety or sureties will pay for the same, in an amount not exceeding the sum hereinabove specified, and also, in case suit is brought upon this bond, all litigation expenses incurred by the Public Entity in such suit, including reasonable attorneys' fees, court costs, expert witness fees and investigation expenses.

This bond shall inure to the benefit of any of the persons named in Section 3181 of the California Civil Code so as to give a right of action to such persons or their assigns in any suit brought upon this bond.

It is further stipulated and agreed that the Surety on this bond shall not be exonerated or released from the obligation of this bond by any change, extension of time for performance, addition, alteration or modification in, to, or of any contract, plans, specifications, or agreement pertaining or relating to any scheme or work of improvement hereinabove described, nor by any fraud practiced by any person other than the claimant seeking to recover on the bond and that this bond be construed most strongly against the Surety and in favor of all persons for whose benefit such bond is given, and under no circumstances shall Surety be released from liability to those for whose benefit such bond has been given, by reason of any breach of contract between the owner or Public Entity and original contractor or on the part of any obligee named in such bond, but the sole conditions of recovery shall be that claimant is a person described in Section 3110 or 3112 of the California Civil Code, and has not been paid the full amount of his claim and that Surety does hereby waive notice of any such change, extension of time, addition, alteration or modification herein mentioned.

IN WITNESS WHEREOF, this instrument has been duly executed by the Principal and Surety above named, on the ____ day of _____, 2008.

Corporate Seal

(Attach Required Acknowledgments)

Mailing Address, Telephone, & Facsimile of Surety

Principal
By _____

Surety

By _____
Attorney-in-Fact

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BUILDER'S CERTIFICATE REGARDING
WORKERS' COMPENSATION

Labor Code section 3700 in relevant part provides:

Every employer except the State shall secure the payment of compensation in one or more of the following ways:

(a) By being insured against liability to pay compensation in one or more insurers duly authorized to write compensation insurance in this State.

(b) By securing from the Director of Industrial Relations a certificate of consent to self-insure, either as an individual employee or as one employer in a group of employers, which may be given upon furnishing proof satisfactory to the Director of Industrial Relations of ability to self-insure and to pay any compensation that may become due to his employees.

I am aware of the provisions of section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this Agreement.

(In accordance with article 5 (commencing at section 1860), chapter 1, part 7, division 2 of the Labor Code, the above certificate must be signed and filed with the awarding body prior to performing any work under this contract.)

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NONCOLLUSION AFFIDAVIT

State of California)
) ss.
County of San Diego)

I, _____, being first duly sworn, deposes and says that he or she is _____ of _____, the party making the attached bid; that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding this the contract of anyone interested in the proposal contract; that all statements contained in the proposal are true; and, further, that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this ___ day of _____, 2007 at _____, California.

Date: _____

Signature of Builder

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EXHIBIT A - CONSTRUCTION SERVICES AGREEMENT FOR LEASE-LEASEBACK

PRECONSTRUCTION SCOPE OF SERVICES

PROPOSAL:

Douglas E. Barnhart, Inc. Proposes to perform the following scope of services at a lump sum cost of fifty-one thousand, three hundred sixty-one dollars (\$51,361.00)

SCOPE OF SERVICES:

Perform plan and specification constructability reviews, provide value-engineering reviews and recommendations and other reviews as necessary to verify that the drawings and specifications are clear and reasonably accurate to minimize the need for changes during the construction phase of the project, including, but not limited to the following :

1. Review of Design Documents.
 - a. Review Project design documents to:
 - i. Provide recommendations on site use and improvements, selection of materials, building systems and equipment;
 - ii. Provide recommendations on relative feasibility of construction methods, availability of materials and labor, time requirements for procurement, installation and construction of the Project and subparts thereof if requested, and factors relating to cost including, but not limited to, construction costs of alternate designs of materials, preliminary budgets and possible economics that could be achieved through alternate methods or substitutions;
 - b. Prepare a value-engineering report for District review and approval that:
 - i. Details areas of cost saving (e.g. construction processes/procedures, specified materials and equipment, and equipment or other aspects of the design documents that can be modified to reduce costs and/or the time for achieving final completion of the Project and/or to extend life-cycle and/or to reduce maintenance/operations costs, without diminution in the quality of materials/equipment/workmanship, scope, or intended purposes of the Project);
 - ii. Provides detailed estimate for proposed value-engineering items;
 - iii. Defines methodology or approaches that maximize value; and

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- iv. Identifies design choices that can be more economically delivered.
 - c. Prepare detailed interdisciplinary constructability review that:
 - i. Ensures construction documents are well coordinated;
 - ii. Identifies to the extent known, construction deficiencies and areas of concern;
 - iii. Back-checks design drawings for inclusion of modifications;
 - iv. Provides the District with written confirmation that:
 - (1) Requirements noted in the design documents prepared for the Project are consistent with and conform to the District's Project requirements.
 - (2) Various components have been coordinated and are consistent with each other so as to minimize conflicts within or between components of the design documents.
 - d. Confirm Modifications to Design Drawings. If the District accepts the value-engineering and/or constructability review comments, review the design documents modified by the value-engineering and/or constructability review, to confirm that the value-engineering and/or constructability review comments are properly incorporated into the final design documents.
2. Estimate of Project Costs.
- a. Detailed Estimates. Prepare for the district's approval detailed estimates of Project cost developed by using estimating techniques which anticipate the various elements of the Project at the following states of design;
 - i. 90% construction documents (DSA submittal)
 - ii. 100% construction documents
 - b. Update of Estimates. Update and refine estimate periodically as the Architect prepares the final construction design documents. Advise the District and the Architect if it appears that the total construction costs may exceed the Project budget established by the District and make recommendations for corrective action. Provide input to the District and Architect relative to value of construction, means and methods for construction, duration of construction of various building methods and constructability.

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3. Construction Schedule and Phasing Plan

- a. Investigate, recommend and prepare a schedule for the District's purchase of materials and equipment requiring long lead time procurement, and coordinate the schedule with the early preparation of portions of the Contract Documents by the Architect.

4. Coordination of Site

- a. Work with District and design team to coordinate various aspects of the site, including any early procurement of long lead time items such as electrical switch gear, etc.

5. Other Duties

- a. Attend regularly scheduled project Planning Meeting(s).
- b. Attend other meetings (Board meetings, workshops, COC meetings, etc.) as required.

6. Exclusions

- a. Costs of reproduction or distribution of plans, specifications, or addenda.
- b. Costs of Building Information Modeling (BIM).

EXHIBIT B

CONSTRUCTION SCOPE OF WORK

Earl Warren Middle School Modernization Scope of Work

Earl Warren Middle School Modernization includes work indicated on the drawings and specifications, prepared by RNT Architects, and approved by the Division of the State Architect (DSA) for the aforementioned project. A general description of work includes the following:

1. Demolish existing attached and detached covered walkways throughout the campus.
2. Demolish various existing walkways throughout the campus.
3. Demolish various elements in Classroom buildings A through J for installation of classroom entries, restroom upgrades and building envelop improvements.
4. Install site accessibility improvements consisting of new concrete walkways, ramps and stairs.
5. Install new ADA-compliant classroom entries in Classroom Buildings A through J.
6. Install new electrical power service to the campus, including new power feed from the utility agency and new electrical switchgear.
7. Install site utility infrastructure including new water, sewer and gas lines throughout the campus.
8. Install new Faculty Restrooms in Classroom Building C.
9. Upgrade Boys and Girls restrooms in Buildings A, B, D and E for ADA compliance.
10. Install new roofing, and associated flashings and gutters, at Classroom buildings A through J.
11. Repair Classroom building envelops at areas affected by removal of overhangs and installation of new classroom entries.

EXHIBIT B

CONSTRUCTION SCOPE OF WORK

Sunset High School Modernization
Scope of Work

Sunset High School Site Improvements and Restroom Addition includes work indicated on the drawings and specifications, prepared by RNT Architects, and approved by the Division of the State Architect (DSA) for the aforementioned project. A general description of work includes the following:

- 12. Demolish various site elements throughout the campus to facilitate site improvement work.**
- 13. Install new site work to include ADA path of travel improvements throughout the campus, concrete paved gathering areas, site walls, additional play surface area, storm drainage infrastructure and parking lot improvements.**
- 14. Install new electrical power service to the campus, including new power feed from the utility agency and new electrical switchgear.**
- 15. Install 12'x40' modular restroom building to include Boys and Girls restrooms, and a Student Store.**
- 16. Install site utility connections to the new restroom building, including water, sewer, power and low-voltage systems.**
- 17. Upgrade Men and Women faculty restrooms in the Administration building for ADA compliance.**



barnhart, inc.

**#8015 Earl Warren Middle School
 Sunset High School Modernizations**

**Exhibit C
 Construction Services Agreement**

	QTY	UNIT	UNIT PRICES			EXTENSIONS			TOTAL
			LABOR	MAT'L	EQUIP	LABOR	MAT'L	EQUIP	
101100 GENERAL CONDITIONS									
101101 Supervision	20	WKS	1,800.00	-	-	36,000	-	-	36,000
101102 Field Office Mob/Demob	4	MTH	-	-	1,650.00	-	-	6,600	6,600
101103 Clerk	20	WKS	630.00	-	-	12,600	-	-	12,600
101104 Field Office Supplies	20	WKS	-	115.00	-	-	2,300	-	2,300
101105 Field Telephone	4	MTH	-	-	550.00	-	-	2,200	2,200
101106 Small Tools	20	WKS	-	-	110.00	-	-	2,200	2,200
101107 Field Toilets	4	MTH	-	-	675.00	-	-	2,700	2,700
101108 Project Gas & Diesel	4	MTH	-	850.00	-	-	3,400	-	3,400
101109 Dumpster Rental	4	MTH	-	-	1,089.00	-	-	4,356	4,356
101110 Safety Equipment	20	WKS	-	-	75.00	-	-	1,500	1,500
101111 Construction Fence	2880	LF	-	-	3.70	-	-	10,656	10,656
101112 Daily Clean	20	WKS	-	-	75.00	-	-	1,500	1,500
101113 Final Clean	30240	SF	-	-	0.35	-	-	10,584	10,584
101114 Field Storage Shed	2	MVS	-	-	400.00	-	-	800	800
101115 Project Management	20	WKS	1,889.00	-	-	37,780	-	-	37,780
101116 Safety Training	4	MTH	300.00	-	-	1,200	-	-	1,200
101117 Pre-Employment Fees	4	MTH	-	-	52.00	-	-	208	208
101118 Assistant Supervision	20	WKS	1,500.00	-	-	30,000	-	-	30,000
101120 SWPPP Compliance	20	WKS	95.00	75.00	115.00	1,900	1,500	2,300	5,700
101122 PM Support	20	WKS	190.00	-	-	3,800	-	-	3,800
101123 Scheduler	20	WKS	125.00	-	-	2,500	-	-	2,500
101126 Coordinating Supervisor	20	WKS	250.00	-	-	5,000	-	-	5,000
101300 SPECIAL EQUIPMENT									
101301 Equipment Maintenance	4	MTH	275.00	-	800.00	1,100	-	3,200	4,300
101303 Equipment Depreciation	4	MTH	275.00	-	1,650.00	1,100	-	6,600	7,700
101304 Equipment Mob/Demob	2	MV	-	-	625.00	-	-	1,250	1,250
101305 Equipment Rental	4	MTH	-	-	125.00	-	-	500	500
101310 Auto Allowance	4	MTH	-	-	1,200.00	-	-	4,800	4,800
101320 Office Equipment	4	MTH	-	-	600.00	-	-	2,400	2,400
102200 SPECIAL CONDITIONS									
102201 Temp Electrical Connection - By Elec. Sub.	1	LS	-	-	-	-	-	-	-
102202 Temp Water Connection	2	LS	-	-	1,575.00	-	-	3,150	3,150
102203 Temp Electrical Use	4	MTH	-	-	-	-	-	-	-
102204 Temp Water Use	4	MTH	-	-	250.00	-	-	1,000	1,000
102206 Jobsite Signage	2	LS	-	1,250.00	-	-	2,500	-	2,500
102212 Traffic Control	1	LS	-	-	1,500.00	-	-	1,500	1,500
102213 Jobsite Computer	1	LS	-	-	2,500.00	-	-	2,500	2,500
102217 Jobsite Legal Fees	1	LS	250.00	-	-	250	-	-	250
102220 Contract Closeout	1	LS	-	-	4,200.00	-	-	4,200	4,200
102230 Bid Advertisement DVBE Only	1	EA	-	-	150.00	-	-	150	150
Subtotal						133,230	9,700	76,854	219,784
Burden @ 35%						46,631	-	-	46,631
PROJECT TOTALS						179,861	9,700	76,854	266,415
102235 Performance Bond (est.)(Not Incl. in Totals)	1	LS	-	-	25,500.00	-	-	25,500	25,500

CONSTRUCTION	\$ 66,604	/mo			133,230	9,700	76,854	219,784
Burden					46,631	0	0	46,631
Total					179,861	9,700	76,854	266,415