

Consent Item E.2.4.
Prepared by Karl Christensen
June 7, 2011

Renewal of Bond Counsel Agreement with
Bowie, Arneson, Wiles & Giannone

BACKGROUND:

On June 6, 2006, the District entered into a Bond Counsel Retention Agreement with the law firm of Bowie, Arneson, Wiles & Giannone. This agreement expires after five (5) years. Administration recommends renewing the Agreement with Bowie, Arneson, Wiles & Giannone to serve as Bond Counsel for future bond and bond anticipation note transactions.

RECOMMENDATION:

It is recommended that the Board of Education approve the agreement with Bowie, Arneson, Wiles & Giannone to renew bond counsel services for future bond and bond anticipation note sales for a period of five (5) years.

This recommendation supports the following District goal:

- Provide facilities that optimize the learning environment for all students.

FISCAL IMPACT:

Cost varies with the size of issue. Costs could range from \$28,000 to \$50,250 and would be paid from bond proceeds.

STUDENT ACHIEVEMENT IMPACT:

This is a fiscal item. All fiscal resources impact student achievement.

Motion:		Second:		Vote:		Agenda Item E.2.4.
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**BOND COUNSEL RETENTION AGREEMENT BETWEEN
BOWIE, ARNESON, WILES & GIANNONE AND
SANTEE SCHOOL DISTRICT**

(General Obligation Bond Counsel Services –
Renewal of Bond Counsel Services Agreement)

THIS AGREEMENT (“Agreement”) is made and entered into this 8th day of June, 2011, by and between the **SANTEE SCHOOL DISTRICT**, a public school district organized and existing under the laws of the State of California hereinafter referred to as “District,” and **BOWIE, ARNESON, WILES & GIANNONE**, Attorneys at Law, whose offices are situated at 4920 Campus Drive, Newport Beach, hereinafter referred to as “Attorneys.”

W I T N E S S E T H :

WHEREAS, the District has previously undertaken to authorize the issuance and sale of general obligation bonds to finance the acquisition and improvement of real property and various other capital projects in accordance with Part 10 of Division 1 of Title 1, Section 15100 *et seq.* of the Education Code of California, pursuant to the provisions of the “Safer Schools, Smaller Classes and Financial Accountability Act” as adopted by the voters of the State of California on November 7, 2000 and related California law (also known as “Proposition 39”), and Articles XIII and XIII B of the State of California (collectively the, “Law”), which authorization was approved by the voters within the District on November 7, 2006 (designated as “Proposition R”)(“Bond Authorization”); and

WHEREAS, District may in the future determine to seek authorization for further issuance of general obligation bonds pursuant to the provisions of the Law, to finance the acquisition and improvement of real property and various other capital projects to be identified by the District, which may include proceedings under the provisions of Proposition 39 (which may, or may not, involve the formation of a School Facilities Improvement District pursuant to Education Code Sections 15300 *et seq.*) (“Future Bond Authorizations”, and, collectively with the Bond Authorization, “Bond Proceedings”); and

WHEREAS, this Agreement shall be effective for the issuance of general obligation bonds (“Bonds”) authorized by the District pursuant to the Bond Proceedings; and

WHEREAS, the District has previously retained the services of Attorneys to act as bond counsel (“Bond Counsel”) to the District for issuance and sale of general obligation bonds pursuant to the Bond Proceedings and provide the services specified herein related to the authorization and issuance of such Bonds; and

WHEREAS, the parties hereto desire to renew the Bond Counsel services agreement upon the terms and conditions set forth herein; and

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE PROMISES, COVENANTS AND CONDITIONS SET FORTH HEREIN, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

1. District hereby renews its retention of Attorneys as Bond Counsel, upon the terms and conditions set forth herein, in connection with District proceedings to authorize and finance the acquisition or improvement of real property through the issuance of and sale of Bonds based on *ad valorem* property taxation, hereinafter referred to as "General Obligation Bond Services." Attorneys accept such renewal of such retention and agree to provide such General Obligation Bond Services to the District and to represent the District and its officers and employees in their capacities as such throughout the proceedings for the sale and issuance of the Bonds.

2. In providing General Obligation Bond Services, Attorneys shall:

- a. Consult with appropriate representatives of the District and its counsel, if applicable, and with its financing consultant(s) or underwriter(s) and other special consultants to the District concerning the authorization, sale and issuance of the Bonds including the terms and structure, and other questions of California law, federal tax law, federal securities law and general public finance law as such affect the authorization, sale and issuance of the Bonds;
- b. Prepare, or assist in preparing, a calendar of events setting forth the actions required the authorization, sale and issuance of the Bonds.
- c. Consult with architects and engineers on issues concerning the legality of the Project or of particular features of the Project in relation to the sale of the Bonds if needed;
- d. Assist the District to obtain any governmental approvals necessary as a condition precedent to the sale of the Bonds or jurisdiction to undertake same, including review of any environmental impact studies, reports or other proceedings; if any, as they relate to the sale of the Bonds;
- e. Prepare or review, for the purpose of determining legal sufficiency, all documents of a legal nature including, but not limited to, notices, affidavits, certificates, orders, ordinances, contracts required for the District or its officers to issue the Bonds by a competitive bid process or negotiated sale of the Bonds;
- f. Review the Official Statement describing the Bonds prepared by the financial consultant to the District or underwriter, including related consultation, but excluding drafting or preparation of content and excluding the provision of any opinion(s) as to areas of such Official Statement outside of Attorneys areas of practice or expertise;

- g. Assist with securing investment ratings for the Bonds as requested by the District;
- h. As a nationally recognized Bond Counsel, prepare and issue a legal opinion approving the legality of the proceedings relating to the sale of the Bonds, including an opinion on the tax-exempt status of interest on Bonds, which is required for the sale of the Bonds by the District;
- i. Review any municipal bond insurance arrangements to be entered by District into in connection with the sale of the Bonds;
- j. Review, advise, and assist the District with the negotiation, preparation and formation of a bond purchase agreement between the District and the underwriter in connection with a negotiated sale of Bonds or assist and prepare documents in connection with a competitively bid bond sale of the Bonds by the District;
- k. Provide advice as to the form and content of the Bonds and examine the proofs of Bonds, prepare the final closing papers required to effect delivery of Bonds and organize and attend the bond closing;
- l. Perform other services associated with the legality of the sale of the Bonds when such services are requested by an official, including, but not limited to, appearances before the District's governing board at a reasonable number of public meetings, participation in a reasonable volume of meetings and consultations regarding the Project and delivery of written legal advice concerning particular aspects of the legality of the Project; and
- m. Such other General Obligation Bond Services as may be directly incidental to the foregoing.

3. For all General Obligation Bond Services rendered by Attorneys in connection with the sale of each separate series of the Bonds, Attorneys shall receive a fee of:

- a. One percent (0.01) of the principal amount of the first \$1.5 million or any portion thereof of the Bonds issued and delivered;
- b. One-half of one percent (0.005) of the principal amount of the next \$4.5 million or any portion thereof of the Bonds issued and delivered;
- c. One-quarter of one percent (0.0025) of the principal amount of the next \$2.5 million or any portion thereof of the Bonds issued and delivered;
- d. One-tenth of one percent (0.001) of the principal amount of the next \$7.0 million or any portion thereof of the Bonds issued and delivered; and

- e. Out-of-pocket expenses in an amount not to exceed \$3,000.00.

“Out-of-pocket expenses” for which Attorneys would be reimbursed include, but are not limited to, reproduction of documents, courier service, facsimile transmission charges, overnight mail services, long distance telephone charges, travel expenses, computer-assisted legal research, printing and postal service charges, and other actual and necessary expenses incurred in the course of providing General Obligation Bond Services. Any out-of-pocket expenses in excess of \$3,000 shall be approved by the District in writing. District agrees that Attorneys may invoice the District for a flat rate of \$3,000 for each issuance of Bonds as full settlement of such expenses.

Except as herein provided, all fees, costs and other compensation owing Attorneys for General Obligation Bond Services shall be contingent upon the issuance and delivery of the Bonds or shall be payable solely from the proceeds of the sale thereof, and shall not be owing in the event such proceedings are initiated and abandoned or otherwise not completed.

4. The services described by Paragraph 3 above shall not include representation by Attorneys in any legal action to validate the financing program or the transactions contemplated by this Agreement; any legal action to condemn or acquire any property or easement; or any work related to construction contracts or related lease-lease/purchase transactions in connection with the facilities to be funded from proceeds of the Bonds. The following services are specifically not included within the scope of services described in Section 3 and if required to be performed by Attorneys, shall be compensated at the hourly rates designated on Exhibit “A” plus out of pocket expenses, in addition to the compensation described in Section 7. The payment of such additional amounts shall be contingent upon the execution and delivery of the Bonds, payable from the proceeds thereof:

- a. Travel out of San Diego, Orange and Los Angeles Counties;
- b. Review of, and work involved with, any guaranteed investment contract or other investment vehicles for the proceeds of the Bonds;
- c. Special legal research regarding Proposition 218 and its impact on the financing;
- d. Special research concerning the application of federal Circular 230 as applied to the transaction or to the Bonds;
- e. Work performed by Attorneys on any validation action in connection with the authorization, issuance or sale of any series of the Bonds;
- f. Civil actions to challenge a bond election, or recount efforts;
- g. Services relating to on-going continuing disclosure issues or matters relating to the District or any series of the Bonds not directly connected to the issuance of a series of the Bonds;

- h. Provision of any opinion(s) in Attorney's capacity as counsel to the School District (other than as Bond Counsel) or any other party;
- i. Post-issuance continuing disclosure matters;
- j. Work related to the issuance of the Bonds, or any series thereof, as "Qualified School Construction Bonds" or "Build America Bonds" under the provisions of the American Reinvestment and Recovery Act of 2009, or similar federal legislation which may in the future authorize similar types of securities;
- k. Post-issuance reviews of the Bonds by outside parties, including, without limitation, the Internal Revenue Service, the State of California or the County of San Diego;
- l. Matters relating to a private-placement sale of the Bonds, including, but not limited to, tax research issues, special legal or financial consultant services or related matters;
- m. Work required for the preparation, filing, or support of documentation required in order to form a School Facilities Improvement District, such as boundary map/legal description preparation, County filings, State filings, and related and similar work.

The following services are specifically not included within the scope of services described in Section 3 and if required to be performed by Attorneys, shall be compensated at the hourly rates designated on Exhibit "A" plus out of pocket expenses:

- a. Services provided to the District on behalf of, or for, any citizen's oversight committee which may be formed by the District pursuant to Education Code Sections 15278 *et seq.*, or otherwise, as the result of a successful future general obligation bond election conducted pursuant to the Law. Pursuant to the provisions of Education Code Section 15280(a), services provided pursuant to this paragraph may not be paid from the proceeds of the Bonds for any citizen's oversight committee formed by the District pursuant to Education Code Sections 15278 *et seq.*

5. It is understood and agreed that in the performance of services hereunder, Attorneys are and shall be deemed to be acting as independent contractors of District, and not as officers, employees or agents thereof, and shall secure the payment of compensation for themselves and their employees in accordance with the provisions of the Labor Code Section 3700.

6. This Agreement constitutes a renewal of the prior Bond Counsel services agreement between the District and Attorneys and shall supersede such prior agreement upon the execution hereof by both of the parties hereto. The term of this Agreement shall commence on the day, month and year first above written, and shall continue thereafter until terminated in the

manner provided by this paragraph or by operation of law. This Agreement may be terminated by either Attorneys or District 30 calendar days following the date of service of written notice of termination by the terminating party upon the non-terminating party. Notwithstanding the other provisions of this paragraph relating to termination, upon expiration of five (5) years from the date of execution, this Agreement shall automatically terminate and renewal hereof shall require execution of a new agreement.

7. Notwithstanding any contrary provision herein, if the Agreement is terminated by the District, Attorneys shall be compensated for all General Obligation Bond Services rendered up until the time of termination, including services which are incomplete at the time the Agreement is terminated, at the hourly rates for Attorneys set forth in Exhibit "A" and all out-of-pocket expenses. In addition, if this Agreement is terminated prior to the successful issuance and sale of the series of Bonds next occurring after the date of this Agreement, Attorneys shall be entitled to a "Severance Fee" of \$8,000 in addition to any amounts owing to Attorneys under the prior sentence of this Section 7. The parties expressly agree that such Severance Fee is a fair and reasonable compensation for services of Attorneys. After completion of the issuance and sale of such next occurring series of Bonds (and compensation of Attorneys under the provisions of this Agreement), the foregoing sentences referring to the Severance Fee shall be of no further force or effect.

8. Notwithstanding any provision to the contrary, a termination of this Agreement by the Attorneys will apply only to General Obligation Bond Services which were not initiated prior to the service of the notice of termination. In the event the Attorneys terminate this Agreement before service of the notice of termination, Attorneys shall not receive compensation for any services rendered or costs incurred in the provisions of General Obligation Bond Services.

9. All notices, letters and other communications authorized or required by this Agreement shall be deemed transmitted, served and effective for all purposes on the date they are reduced to writing, deposited in the United States mail, postage prepaid, and addressed as follows:

a. **To Attorneys:**
Bowie, Arneson, Wiles & Giannone
4920 Campus Drive
Newport Beach, CA 92660
Attn: Managing Partner

b. **To District and its officers:**
Superintendent
Santee School District
9625 Cuyamaca Street
Santee, California 92071

10. District agrees that in the event District is merged or consolidated with another public agency, such successor agency shall assume all obligation for payment of the outstanding unpaid principal amount of all General Obligation Bond Services and associated expenses owed Attorneys under this Agreement.

11. This Agreement is not assignable by Attorneys without the prior written consent of the District.

12. No addition to, or modification of, any provision contained in this Agreement shall be effective unless fully set forth in writing signed by the authorized representative of both of the parties hereto.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day, month and year first above written.

SANTEE SCHOOL DISTRICT:

By: _____

BOWIE, ARNESON, WILES & GIANNONE

By: 
Partner

Exhibit "A"

HOURLY RATE SCHEDULE
BOWIE, ARNESON, WILES & GIANNONE

	<u>Hourly Rate*</u>
Partners	\$242
Senior Associates	\$210
Associates	\$205
Paralegals	\$ 79
Law Clerks	\$125

* Subject to annual increase not to exceed 3% commencing July 1, 2012.

Consent Item E.3.1.
Prepared by Karl Christensen
June 7, 2011

Approval of Kinder Play Structure Purchase
and Installation at Hill Creek School

BACKGROUND:

Hill Creek School is scheduled for a much needed Kindergarten Play Structure that ties into the master plan of PRIDE Academy at Hill Creek's modernization Capital Improvement Program (CIP). Santee School District has worked with Dave Bang Associates, Inc. for many years and this company has supplied the planned CIP play structures to most of our other school sites via piggyback bid awards.

RECOMMENDATION:

It is recommended that the Board of Education approve using Dave Bang Associates, Inc. to purchase the play equipment for Hill Creek School by utilizing piggyback bid #09-01, with the Colton Joint USD Piggyback Bid Discount. The equipment costs are \$31,902.60, with wood fiber costs of \$7,547.30, and installation costs of \$14,898.00.

This recommendation supports the following District goal:

- Pursue actively the funding and resources to fulfill our mission and maintain fiscal solvency.
- Provide facilities that optimize the learning environment for all students.

FISCAL IMPACT:

The fiscal impact totals \$54,347.90 and will be funded from CIP proceeds.

STUDENT ACHIEVEMENT IMPACT:

This is a fiscal item. All fiscal resources impact student achievement.

Motion:		Second:		Vote:		Agenda E.3.1.
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Consent Item E.2.8.
Prepared by Karl Christensen
June 21, 2011

Acceptance and Filing of the Costs of Issuance
Statement for the 2011 Series E, General
Obligation Bond of the Santee School District

BACKGROUND:

On April 5, 2011, the Board of Education ("Board") of the Santee School District ("District") adopted Resolution #1011-19, Resolution of the Board of Education of the Santee School District Authorizing the Issuance of the Santee School District General Obligation Bonds, Election of 2006, Series E, in an Aggregate Principal Amount not to Exceed Five Million Dollars (\$5,000,000). Within the provisions of the resolution, and pursuant to the requirements of State law, the Board directed that, following the sale and delivery of the Bond proceeds (which occurred on May 12, 2011), that the Board would be presented with a statement of the final costs of issuing the Bonds. The final bond sold for a principal amount of \$3,534,306.75. A statement of the final costs of issuing the Bonds was prepared in cooperation with the District's finance team. The statement of the final costs of issuing the Bonds is attached for the Board to review, accept, and file.

RECOMMENDATION:

It is recommended that the Board of Education review, accept, and file the Costs of Issuance Statement for the Santee School District General Obligation Bonds, Election of 2006, Series E.

This recommendation supports the following District goals:

- Provide facilities that optimize the learning environment for all students.
- Pursue actively the funding and resources to fulfill our mission and maintain fiscal solvency

FISCAL IMPACT:

Santee School District General Obligation Bonds, Election of 2006, Series E were issued May 12, 2011 in the principal amount of \$3,534,306.75 with total costs of issuance of \$391,662.80. The fiscal impact for the General Obligation Bonds, Election of 2006, Series E supports the Capital Improvement Program.

STUDENT ACHIEVEMENT IMPACT:

The modernization/Capital Improvement Program plans will positively impact student learning environments.

Motion:		Second:		Vote:		Agenda Item E.2.8.
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COST INFORMATION

**Santee School District
General Obligation Bonds, Election of 2006, Series E**

PRINCIPAL AMOUNT OF BONDS: \$3,534,306.75

<u>Service Associated with Issuing the Bonds</u>	<u>Estimated Cost of Issuance</u>
Bond Counsel and Disclosure Counsel (<i>Best Best & Krieger</i>)	\$46,000.00
Financial Advisor (<i>Eric Hall & Associates</i>)	22,500.00
Rating Agency (<i>Standard & Poor's</i>)	9,000.00
Cost of Issuance Custodian (<i>Wells Fargo</i>)	500.00
Paying Agent (<i>San Diego County</i>)	1,500.00
Printing of Official Statement (<i>CLS Printing</i>)	4,000.00
Contingency and Rounding	<u>2,049.31</u>
Total Costs of Issuance	\$85,549.31
<u>Other Costs Associated with Issuing the Bonds</u>	<u>Other Costs</u>
Underwriter's Discount (<i>Stone & Youngberg</i>)	\$48,480.29
Bond Insurance Premium (<i>Assured Guaranty</i>)	<u>257,633.20</u>
Total Other Costs	\$306,113.49
plus Total Costs of Issuance	<u>\$ 85,549.31</u>
Total Costs	<u>\$391,662.80</u>

Consent Item E.3.1. Approval of Ninyo & Moore for Inspection and Testing
Prepared by Karl Christensen Services at Hill Creek School
June 21, 2011

BACKGROUND:

The 10 classroom addition project at Hill Creek School is planned for construction to begin this summer. As part of the Phase II construction that begins this summer, construction materials testing services are required. This work also includes the relocation and provision of new child care relocatables necessary to move forward with the 10 classroom addition. The Division of State Architect (DSA) reviews and approves all school construction projects. Ninyo & Moore is the current test lab for the modernization project and using the same lab on the 10 classroom addition project will have a cost savings through efficiencies of the same technician staff used in the area.

RECOMMENDATION:

It is recommended that the Board of Education approve Ninyo & Moore as the materials testing lab to provide construction materials testing at the Hill Creek 10 classroom addition project.

This recommendation supports the following District goals:

- Provide facilities that optimize the learning environment for all students.
- Pursue actively the funding and resources to fulfill our mission and maintain fiscal solvency.

FISCAL IMPACT:

The fiscal impact is estimated at \$83,746. Final costs are based on actual labor and materials per master contract.

STUDENT ACHIEVEMENT IMPACT:

The Modernization/Capital Improvement Program plans will positively impact student learning environments.

Motion		Second:		Vote:		Agenda Item E.3.1.
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January 26, 2011
(Revised June 3, 2011)
Project No. 106110003

Ms. Christina Becker
Santee School District
9625 Cuyamaca Street
Santee, California 92071

Subject: Fee Estimate for Special Inspection and Materials Testing
Hill Creek School Addition
9665 Jeremy Street
Santee, California

Dear Ms. Becker:

In response to your request, we have prepared a fee estimate to perform special inspection and materials testing services during the construction of the proposed ten-classroom building in the southeast corner of the campus for the existing school site. We understand that the project will include the construction of a steel-framed, two-story structure supported on shallow foundations. The structure will have approximately 18,632 square feet of floor space. Additional improvements will include construction of associated concrete flatwork, ramps, and stairways along with the installation of underground utilities and paving for a fire lane and parking lot. The project will also include the fabrication and installation of three relocatable buildings. This proposal is based on our review of the project plans. Our services will involve special inspection and materials testing as outlined in the project documents for the proposed construction. Our inspection services are anticipated to include inspections during batch plant inspection of concrete, installation of epoxy anchors, pull testing, structural steel assembly and fabrication of structural steel and glue laminated beams. Based on our previous work with Santee School District projects, we assume that concrete flatwork does not require sampling and testing. This proposal was prepared without the benefit of the project specifications or a construction schedule.

PROPOSED SCOPE OF SERVICES

We propose to provide special inspection and materials testing services during the construction of the proposed classroom building. We anticipate our scope of services for this project to include the following:

5710 Ruffin Road • San Diego, California 92123 • Phone (858) 576-1000 • Fax (858) 576-9600

San Diego • Irvine • Los Angeles • Rancho Cucamonga • Oakland • San Francisco • Sacramento
Las Vegas • Phoenix • Tucson • Prescott Valley • Denver • El Paso • Houston



- Review of structural concrete mix designs.
- Perform special inspection of fit-up and welding of structural steel at fabrication shop.
- Perform special inspection during structural steel assembly in the field.
- Perform non-destructive testing of partial and complete full-penetration welds.
- Perform batch plant inspection duties during concrete batching by our ACI-credentialed field technician.
- Our ACI technician will sample the fresh material and measure its temperature and slump, as well as cast one set of four concrete cylinders for every 50 cubic yards placed, or fraction thereof, during a day's placement.
- Laboratory testing for compressive strength of concrete, reinforcing steel conformance, and high-strength bolt assembly conformance.
- In-plant inspection during fabrication of relocatable buildings.
- Perform special inspection of epoxy dowels and expansion anchors, if requested.
- Pull testing of wedge anchors, epoxy anchors, and/or shot pins.
- Preparation of daily field reports and batch plant inspection data sheets.
- Review for and preparation of Final Verified Reports for submittal to the DSA.

FEE ESTIMATE

The estimated fee for special inspection and materials testing services described herein will be approximately \$83,700 (Eighty-Three Thousand Seven Hundred Dollars); a breakdown of this fee is presented in Table 1. This estimated cost is based on our assumptions of the anticipated services. Estimated hours may be re-evaluated after formulation of a project schedule. It should be noted that the performance of the subcontractors can substantially effect the duration of our services. Requested engineering, special inspection, and field and laboratory testing not within the specified scope of services or in excess of those presented in Table 1 will be provided, based on time-and-materials, in accordance with the project fee schedule. Our fee does not include time to review drawings, preparation of construction specifications, meetings and other activities requested that are not presented in our estimated fee breakdown.


time-and-materials, in accordance with the project fee schedule. Our fee does not include time to review drawings, preparation of construction specifications, meetings and other activities requested that are not presented in our estimated fee breakdown.

As presented in our Proposal No. P-7650B dated May 7, 2007; we proposed to perform geotechnical observation and testing services during the earthwork operations related to the project. The estimated fee for geotechnical observation and testing services will be approximately \$17,000 (Seventeen Thousand Dollars). Based on our understanding that the proposal was accepted at that time and that those funds were encumbered in 2007, the personnel rates associated with the 2007 proposal will remain applicable. However, to facilitate the usage of differing personnel rates, two separate purchase orders (P.O.) should be prepared. One P.O. should be prepared for the geotechnical observation and testing services and another P.O. for the special inspection and materials testing services.

We appreciate the opportunity to provide this fee estimate and look forward to continuing our relationship with the Santee School District.

Respectfully submitted,
NINYO & MOORE


Jeffrey T. Kent, PE, GE
Senior Project Engineer


Kenneth H. Mansir, Jr., PE, GE
Director of Construction Services

JTK/KHM/gg

Attachment: Table 1 – Fee Breakdown for Special Inspection and Material Testing Services

Distribution: (1) Addressee

TABLE 1 – FEE BREAKDOWN FOR SPECIAL INSPECTION AND MATERIAL TESTING SERVICES

SPECIAL INSPECTION SERVICES				
Principal Engineer/Geologist	4 hours	@	\$ 125.00 /hour	\$ 500.00
Senior Project Engineer/Geologist	16 hours	@	\$ 115.00 /hour	\$ 1,840.00
ACI Concrete Technician	48 hours	@	\$ 77.00 /hour	\$ 3,696.00
Concrete/Asphalt Batch Plant Inspector	48 hours	@	\$ 77.00 /hour	\$ 3,696.00
Structural Steel/Welding, Shop, Special Inspector	240 hours	@	\$ 77.00 /hour	\$ 18,480.00
Structural Steel/Welding, Special Inspector	360 hours	@	\$ 77.00 /hour	\$ 27,720.00
Nondestructive Testing Technician	80 hours	@	\$ 94.00 /hour	\$ 7,520.00
Pull Test Technician and Equipment	40 hours	@	\$ 94.00 /hour	\$ 3,760.00
Epoxy Dowel/Expansion Anchor, Special Inspector	16 hours	@	\$ 77.00 /hour	\$ 1,232.00
Field/Laboratory Technician	16 hours	@	\$ 77.00 /hour	\$ 1,232.00
Relocatable Building Fabrication Inspection (Three Buildings)			Lump Sum	\$ 3,450.00
	Subtotal			\$ 73,126.00
MATERIALS LABORATORY TESTING				
Concrete Compression Tests, 6x12 Cylinder, C 39	60 tests	@	\$ 22.00 /test	\$ 1,320.00
High Strength Bolt, Nut & Washer Conformance, set, A-32	12 tests	@	\$ 120.00 /test	\$ 1,440.00
Reinforcing Steel Tensile or Bend up to No. 11, A 615 & A 706	30 tests	@	\$ 50.00 /test	\$ 1,500.00
	Subtotal			\$ 4,260.00
PROJECT MANAGEMENT, SUBMITTAL REVIEW, AND REPORT PREPARATION				
Principal Engineer/Geologist	8 hours	@	\$ 125.00 /hour	\$ 1,000.00
Senior Project Engineer/Geologist	24 hours	@	\$ 115.00 /hour	\$ 2,760.00
Senior Staff Engineer/Geologist	8 hours	@	\$ 100.00 /hour	\$ 800.00
DSA Final Verified Report	6 reports	@	\$ 300.00 /report	\$ 1,800.00
	Subtotal			\$ 6,360.00
TOTAL ESTIMATED FEE				\$ 83,746.00

Consent Item E.3.2.
Prepared by Karl Christensen
June 21, 2011

Authorization to Purchase Relocatable
Buildings Utilizing the Silver Creek Modular
Building Piggyback Bid and Install as Part of
the 10 Classroom Addition Project

BACKGROUND:

At its February 15, 2011 meeting, the Board of Education approved utilizing the Los Alamitos Unified School District bid #2010-0001 for piggyback purchases from Silver Creek Modular Building Manufacturer. As part of the Out of School Time facility needs for Hill Creek School, a modular solution with interior restrooms can be done through the Silver Creek Modular Building Manufacturer's piggyback bid award by Los Alamitos Unified School District bid #2010-0001. As part of the 10 classroom addition project, two of the Out of School Time classrooms will be removed and two will be relocated onsite. It is recommended that replacement of the two relocatable buildings to be removed be done via a piggyback purchase. All units will be installed with utilities and site improvements necessary as a part of the Hill Creek 10 classroom addition project.

RECOMMENDATION:

It is recommended that the Board of Education approve utilizing the Silver Creek Modular Building Manufacturer's piggyback bid for the purchase of relocatable buildings for Hill Creek School.

This recommendation supports the following District goal:

- Pursue actively the funding and resources to fulfill our mission and maintain fiscal solvency.
- Provide facilities that optimize the learning environment for all students.

FISCAL IMPACT:

Final pricing has been determined for the cost of purchase of two classrooms with restrooms for Hill Creek School with various 7-year lease-to-own/purchase financing. The building purchase will be funded by the Out Of School Time program, and the site construction costs are included in the 7-year annual lease purchase cost per year funded by the Capital Improvement Program. The purchase price of the buildings is \$128,366, resulting in lease payments of \$21,443.31 for 7 years. The total purchase price with interest is \$150,103.17.

STUDENT ACHIEVEMENT IMPACT:

This is a fiscal item. All fiscal resources impact student achievement.

Motion:		Second		Vote:		Agenda E.3.2.
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Consent Item E.3.3
Prepared by Karl Christensen
June 21, 2011

Approval to Purchase Remaining Library Stack
Shelving Systems (Hill Creek, PRIDE Academy,
Chet F. Harritt)

BACKGROUND:

At the January 20, 2009 Board meeting, the Board authorized staff to move forward with only the necessary purchase of library book shelf systems for the school modernization projects under construction in Phase I. Per the Phase II school construction schedule, shelving will be needed for installation at Hill Creek, PRIDE Academy at Prospect Avenue, and Chet F. Harritt schools by Fall 2011.

A piggyback bid on the Newhall School District award to procure Smith System shelving through Culver-Newlin, Inc. was used for the past purchases. Sycamore Canyon School freestanding book shelving was purchased for their future addition. It is recommended that Hill Creek School's full new Library Resource Center shelving will be ordered and purchased along with PRIDE Academy and Chet F. Harritt schools' freestanding book shelving for their future Library Resource Centers. Manufacturing and delivery takes 8-12 weeks and an order is needed soon.

RECOMMENDATION:

It is recommended that the Board of Education authorize administration to procure the needed library shelving systems for the Hill Creek, PRIDE Academy, and Chet F. Harritt projects.

This recommendation supports the following District goal:

- Provide facilities that optimize the learning environment for all students.
- Pursue actively the funding and resources to fulfill our mission and maintain fiscal solvency.

FISCAL IMPACT:

The fiscal impact will be funded from the Capital Improvement Program and is estimated as follows:

\$30,000 for Hill Creek
\$20,000 for PRIDE Academy, and
\$20,000 for Chet F. Harritt.

STUDENT ACHIEVEMENT IMPACT:

This is a fiscal item related to facilities. All fiscal resources impact student achievement.

Motion:		Second:		Vote:		Consent Item E.3.3
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Consent Item E.3.4. Approval of Exterior Painting Award at Pepper Drive School
Prepared by Karl Christensen
June 21, 2011

BACKGROUND:

On March 15, 2011 the Board of Education approved various projects and authorized staff to move forward with the Pepper Drive School exterior painting project. The project consists of painting the building exterior stucco, soffits, doors and trim the new modernization school colors.

Bids were received and each bid was carefully analyzed, the lowest responsive bid was reviewed and references checked. Upon Board approval, work will begin and be completed by July 30, 2011.

BID RESULTS

COMPANY	PRICE:
Escazu Painting	\$95,200
Color New Co.	\$74,000
Fix Painting	\$73,000
Everlast Builders	\$71,000
Prime Painting	\$69,000
C.T. Georgiou Painting	\$68,000
Tony Painting	\$58,450
Leo's A-C Inc.	\$54,000
Astro Painting	\$46,500
Pacific Painting Co.	\$42,000
Alpha Décor	\$38,000

RECOMMENDATION:

It is recommended that the Board of Education approve the award of the Exterior Painting at Pepper Drive School bid to the lowest responsive bidder, Alpha Décor, in the amount of \$38,000.

This recommendation supports the following District goals:

- Pursue actively the funding and resources to fulfill our mission and maintain fiscal solvency.
- Provide facilities that optimize the learning environment for all students.

FISCAL IMPACT:

The total fiscal impact of the Exterior Painting at Pepper Drive School bid to the lowest responsive bidder, Alpha Décor, is \$38,000. The project will be funded by the Capital Improvement Program.

STUDENT ACHIEVEMENT IMPACT:

Strong, positive relationships exist between overall building conditions, a positive learning environment, and student achievement.

PRICE	COMPANY
\$38,000	Alpha Décor
\$47,000	Trade Painting Co
\$48,000	ACE Inc
\$50,000	ACE Inc
\$51,000	ACE Inc
\$52,000	ACE Inc
\$53,000	ACE Inc
\$54,000	ACE Inc
\$55,000	ACE Inc
\$56,000	ACE Inc
\$57,000	ACE Inc
\$58,000	ACE Inc
\$59,000	ACE Inc
\$60,000	ACE Inc
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\$81,000	ACE Inc
\$82,000	ACE Inc
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\$87,000	ACE Inc
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\$89,000	ACE Inc
\$90,000	ACE Inc
\$91,000	ACE Inc
\$92,000	ACE Inc
\$93,000	ACE Inc
\$94,000	ACE Inc
\$95,000	ACE Inc
\$96,000	ACE Inc
\$97,000	ACE Inc
\$98,000	ACE Inc
\$99,000	ACE Inc
\$100,000	ACE Inc

Motion:		Second:		Vote:		Consent Item E.3.4
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Consent Item E.3.5. Approval of New Classroom Furniture at Pepper Drive School
Prepared by Karl Christensen
June 21, 2011

BACKGROUND:

Pepper Drive School projects are in Phase 3 of the Capital Improvement Program, however, Pepper Drive's major construction is on hold until all Capital Improvement Program funding is in place.

The following projects for summer 2011 have been in progress to support the future CIP plans and should be able to be accomplished for Fall 2011 opening:

1. Exterior painting of all school buildings and relocatable classrooms changing the color scheme to the blue scheme, awarded for Summer 2011.
2. Adding two additional drinking fountains – completed Summer 2009.
3. Wood fencing along Churchill – Completed Summer 2010
4. Removing the rented office trailer – Completed Summer 2010
5. Adding new building signage on building soffits – Scheduled for Summer 2011 by Maintenance & Operations Department
6. New carpet in classrooms where needed – for Board consideration at the July 19, 2011 meeting. Installation to be scheduled during Summer 2011.

Administration recommends also purchasing new classroom furniture as determined by the Principal not to exceed \$20,000.

RECOMMENDATION:

It is recommended that the Board of Education approve funding for the purchase of classroom furniture, where needed, at Pepper Drive School.

This recommendation supports the following District goals:

- Provide facilities that optimize the learning environment for all students.
- Pursue actively the funding and resources to fulfill our mission and maintain fiscal solvency.

FISCAL IMPACT:

Cost of the new classroom furniture is not to exceed \$20,000 from the Capital Improvement Program budget with future state match share funding for needed furniture at Pepper Drive School.

STUDENT ACHIEVEMENT IMPACT:

This is a fiscal item related to facilities. All fiscal resources impact student achievement.

Motion:		Second:		Vote:		Consent Item E.3.5
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Consent Item E.3.6.
Prepared by Karl Christensen
June 21, 2011

Approval/Ratification of Materials Testing Extra
Services on the Shade Structure Project at
Carlton Oaks School

BACKGROUND:

On March 1, 2011, the Board approved materials test lab services with Ninyo & Moore for materials testing relating to the lunch court shade structure project at Carlton Oaks School. The extra services are for additional construction materials testing and welding inspection due to the late shipment of steel which resulted in after school hours overtime welding.

RECOMMENDATION:

It is recommended that the Board of Education approve additional materials testing services of \$4,650 over the original purchase order of \$5,000 resulting in a total of \$9,650.

This recommendation supports the following District goals:

- Provide facilities that optimize the learning environment for all students.
- Pursue actively the funding and resources to fulfill our mission and maintain fiscal solvency.

FISCAL IMPACT:

The fiscal impact for the additional materials testing cost is \$4,650, which will be funded through the Capital Improvement Program budget.

STUDENT ACHIEVEMENT IMPACT:

This is a fiscal item related to facilities. All fiscal resources impact student achievement.

Motion:		Second:		Vote:		Agenda Item E.3.6.
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June 8, 2011
Project No. 106114006

Ms. Christina Becker
Santee School District
9625 Cuyamaca Street
Santee, California 92071

Subject: Change Order Request to P.O. #101072
Geotechnical Observation, Materials Testing, and Inspection Services
Carlton Oaks School Shade Structure Project
Santee, California

Dear Ms. Becker:

Construction activities have been on going, and we have continued to provide geotechnical observation, materials testing, and inspection services in accordance with the project plans, specifications, and jurisdictional requirements. The fee for geotechnical observation, materials testing, and inspection services provided during the construction of the subject project has exceeded the original Purchase Order (P.O.) amount. In preparation of this change order request, we have reviewed our accounting records, the project plans, and the project specifications.

Due to varying circumstances that occurred during the progress of the construction, the fee for geotechnical observation, materials testing, and inspection services has exceeded the original estimate presented in the referenced letter. Contributing factors to the exceedance of the original P.O. amount include the overtime charges for our structural steel welding inspection services and non-destructive testing of structural steel members. Remaining services for the project include the preparation of Final Verified Reports for submittal to the Division of the State Architect (DSA). An estimated breakdown of these fees is presented in Table 1.

CONTRACT SUMMARY

As of our May 2011 billing period, the accumulated fee for the subject project will be approximately \$9,650. Based upon our services to date, we anticipate our fees for closeout of the project

5710 Ruffin Road • San Diego, California 92122 • Phone (858) 576-1000 • Fax (858) 576-9600

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to be approximately \$4,650 more than the existing budget. Therefore, this change order request is for \$4,650 (Four Thousand Six Hundred Fifty Dollars), as shown in the attached Table 1 - Estimated Additional Fee. The contract history for this project is as follows:

Original P.O. #101072	\$	5,000
Previous Change Orders	\$	0
Existing Budget	\$	5,000
Amount of Change Order No. 1	\$	4,650
New Requested Contract Amount	\$	9,650

The estimate provided for this change order request is based upon a review of the original contract and our services provided to date. We appreciate this opportunity to be of service and our continued working relationship with the Santee School District.

Respectfully submitted,
NINYO & MOORE



Jeffrey T. Kent, PE, GE
Senior Project Engineer



Kenneth H. Mansir, Jr., PE, GE
Principal Engineer

JTK/KHM/atif

Attachment: Table 1 – Estimated Additional Fee

Distribution: (1) Addressee

TABLE 1 – ESTIMATED ADDITIONAL FEE

MATERIALS TESTING AND SPECIAL INSPECTION SERVICES			
Structural Steel/Welding, Special Inspector - OT	24 hours	@ \$ 115.50 /hour	\$ 2,772.00
Nondestructive Testing Technician	12 hours	@ \$ 94.00 /hour	\$ 1,128.00
Subtotal			\$ 3,900.00

REMAINING WORK			
Final Verified Reports	3 reports	@ \$ 250.00 /report	\$ 750.00
Subtotal			\$ 750.00

TOTAL ESTIMATED FEE			\$ 4,650.00
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Discussion and/or Action Item F.2.1.
Prepared by Karl Christensen
June 21, 2011

Approval to Incorporate Woodshop at Hill
Creek School in 10 Classroom Addition

BACKGROUND:

At the April 5, 2011, the Board of Education was provided preliminary information regarding the possible cost of constructing a modified classroom and adjoining patio to conduct woodshop in the 10 classroom addition at Hill Creek. The estimate provided at that time was \$250,000. The Board requested Administration to seek input from the staff and community at Hill Creek School and to answer some specific questions. Informal surveys were conducted of parents and students.

Administration has received the Guaranteed Maximum Price (GMP) information for the 10 classroom addition which incorporates a deductive alternate for the woodshop of \$88,915, considerably less than the original estimate of \$250,000. The cost estimate to convert the boiler room into a woodshop area was, and remains at \$10,000 to \$15,000.

Tonight, Administration requests the Board of Education to determine which option they will provide for woodshop at Hill Creek School:

- Option A - Construction of the modified classroom and adjoining patio for conducting woodshop in the Hill Creek included as part of the 10 classroom addition for a cost of \$88,915, bringing the GMP to \$6,276,140.
- Option B - Converting the empty boiler room for conducting woodshop at Hill Creek at a cost of \$10,000 to \$15,000, bringing the GMP of the 10 classroom addition to \$6,187,225

RECOMMENDATION:

It is recommended that the Board of Education approved Option A, to include construction of the modified classroom and adjoining patio for conducting woodshop in the Hill Creek 10 Classroom Addition project, given that the Guaranteed Maximum Price for the entire Hill Creek School addition project is less than estimated.

This recommendation supports the following District goals:

- Pursue actively the funding and resources to fulfill our mission and maintain fiscal solvency.
- Provide facilities that optimize the learning environment for all students.

FISCAL IMPACT:

The fiscal impact is dependent on which option is selected by the Board.

Option A - \$88,915 for construction plus an estimated \$10,000 for moving and temporary housing of the woodshop in the converted boiler room until completion of the 10 Classroom addition project.

Option B - \$10,000 to \$15,000 to convert the boiler room for woodshop.

This project is to be included in the modernization/construction at Hill Creek School using Capital Improvement Program funds.

STUDENT ACHIEVEMENT IMPACT:

Strong, positive relationships exist between overall building conditions, a positive learning environment, and student achievement.

Motion:		Second:		Vote:		Agenda Item F.2.1.
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Discussion and/or Action Item F.2.2.
Prepared by Karl Christensen
June 21, 2011

Approval of Amendment No. 15
(Phase IV - Hill Creek School 10 Classroom
Addition) to Construction Services Agreement
for Lease-Leaseback, Site Lease, and
Sublease Agreement

BACKGROUND:

On February 2, 2008, the Santee School District Board of Education adopted Resolution No. 0708-16, approving and authorizing the execution of a Site Lease, Sublease Agreement, and Lease-Leaseback Construction agreement between the District and Douglas E. Barnhart, Inc., in order to provide for the capital improvement construction of school facilities, at nine school sites within the District (the "Project"). On April 1, 2008, the Board approved Amendment No. 1 for the Guaranteed Maximum Price (GMP) of the Cajon Park classroom addition. On June 3, 2008, the Board approved Amendments Nos. 2 - 6 for the GMP for five school modernizations. On September 2, 2008, the Board approved Amendments Nos. 7 - 9 for the ten-classroom additions at Carlton Hills, Rio Seco, and Carlton Oaks. On May 9, 2009, the Board approved Amendments Nos. 10 - 13 for the GMP for three school modernizations at Chet F. Harritt, Hill Creek, Prospect Avenue, and the Chet F. Harritt ball fields. In June 2009, the Board suspended work and amended the contracts for infrastructure only and partial scope at the Chet F. Harritt ball field project. On May 4, 2010, the District entered into the Amendment 14 for the Hill Creek School Solar Project.

This action is for the Amendment No. 15 to the Lease-Leaseback Construction Agreement to complete the 10 classroom addition project at Hill Creek School. This amendment will establish the final GMP and will also add a five percent (5%) owner's contingency within the GMP to be used with District approval, with the remainder reverting to the District at the end of the construction.

RECOMMENDATION:

It is recommended that the Board of Education approve Amendment No. 15 to the Lease-Leaseback Construction Agreement with the option selected by the Board in Item F.2.1. for a Guaranteed Maximum Price:

Option A - \$6,276,140: Including construction for the wood shop

Option B - \$6,187,225: Excluding construction for the wood shop.

This recommendation supports the following District goals:

- Provide facilities that optimize the learning environment for all students.
- Pursue actively the funding and resources to fulfill our mission and maintain fiscal solvency.

FISCAL IMPACT:

The fiscal impact of Amendment No. 15 is \$6,276,140 for Option A (including construction for the wood shop), or \$6,187,225 for Option B (excluding construction for the woodshop), to be funded from the District's Capital Improvement Program budget with CIP funds, Prop R bond proceeds, and State matching funds.

STUDENT ACHIEVEMENT IMPACT:

Strong, positive relationships exist between overall building conditions, a positive learning environment, and student achievement.

RECOMMENDATION:

It is recommended that the Board of Education approve Amendment No. 15 to the Capital Construction Agreement with the contractor selected by the Board in Item F.2.1 as a Capital Construction Agreement.

Motion:		Second:		Vote:		Agenda Item F.2.2.
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**FIFTEENTH AMENDMENT
(PHASE IV – HILL CREEK SCHOOL ADDITION) TO
CONSTRUCTION SERVICES AGREEMENT FOR LEASE-LEASEBACK,
SITE LEASE, AND SUBLEASE AGREEMENT**

This Fifteenth Amendment (Phase IV - Hill Creek School - Addition) to Construction Services for Lease-Leaseback, Site Lease, and Sublease Agreement is made and entered into this 21st day of June, 2011, by and between the SANTEE SCHOOL DISTRICT (the "District") and Barnhart Balfour Beatty, Inc. (the "Builder") as follows:

WHEREAS, on February 2, 2008, the Governing Board of the District adopted Resolution No. 0708-16 (the "Resolution"), approving and authorizing the execution of a Site Lease, Sublease Agreement (the "Sublease Agreement"), and Construction Services Agreement for Lease-Leaseback (the "Lease-Leaseback Agreement") (the Site Lease, Sublease Agreement and Lease-Leaseback Agreement are collectively referred to herein as the "Lease-Leaseback Documents") between the District and Builder, and authorizing the filing of a validation complaint, in order to provide for the financing and modernization of existing school facilities, at nine school sites within the District (the "Project"); and

WHEREAS, the Lease-Leaseback Agreement provides that the District will undertake work incrementally as Division of the State Architect ("DSA") approvals of plans and timelines for construction allow with the Lease-Leaseback Documents as the basis for amendments for subsequent phases of the Project; and

WHEREAS, it is the intent of the Board that the Amendments to the Project be part of the validated Lease-Leaseback Documents, but stand alone from each other so to reflect the specific phase of the Project identified by each Amendment; and each may be subject to further amendments as required; and

WHEREAS, on April 1, 2008, the District entered into the First Amendment to the Lease-Leaseback Documents and modified the Lease-Leaseback Documents and Guaranteed Maximum Price ("GMP") accordingly; and

WHEREAS, on April 22, 2008, the Superior Court of the County of San Diego, issued a judgment validating the Lease-Leaseback Documents (Case No. 37-2008-00061653-CU-MC-EC, filed April 23, 2008); and

WHEREAS, on June 3, 2008, the District entered into the Second through Sixth Amendments to the Lease-Leaseback Documents for modernizations at five (5) school sites; and

WHEREAS, on September 2, 2008, the District entered into the Seventh through

Ninth Amendments to the Lease-Leaseback Documents (Phase III) for modernizations at five (5) school sites; and

WHEREAS, on October 21, 2008, the District entered into Amendments to the First through Fourth Amendments to the Lease-Leaseback Documents to make some clarifications to their terms; and

WHEREAS, on May 2, 2009, the District entered into Tenth through Thirteenth Amendments to the Lease-Leaseback Documents (Phase IV) for modernizations at four (4) school sites; and

WHEREAS, on June 22, 2009, the District adopted Resolution 0809-57, suspending construction due to difficulties in securing funding to continue modernization work more particularly described in that Resolution; and

WHEREAS, on May 4, 2010, the District entered into the Fourteenth Amendment (Phase V – Hill Creek School Solar Project); and

WHEREAS, on August 18, 2009, August 25, 2009, and January 18, 2011, the Board entered into further Amendments to the previously approved Phase IV amendments to modify work due to financing considerations; and

WHEREAS, the Division of the State Architect (“DSA”) approved plans for this Fifteenth Amendment (Phase IV – Hill Creek School Addition) of the Project on May 25, 2011; and

WHEREAS, the Board has determined that conditions precedent to issuance of the Notice to Proceed have been met and the Board is now ready to establish the final GMP for the Phase IV - Hill Creek School Addition portion of the Project.

NOW, THEREFORE, DISTRICT AND BUILDER HEREBY AGREE AS FOLLOWS:

1. Section 6 of the Lease-Leaseback Agreement for the Phase IV - Hill Creek Addition Phase of the Project shall be as follows:

The GMP for the Phase IV - Hill Creek School Addition Phase of the Project shall be Six Million Two Hundred Seventy-Six Thousand One Hundred Forty and No/100 Dollars (\$6,276,140.00), based upon the Construction and Scope of Work set forth in Exhibit A of this Agreement. The GMP is based upon DSA approved plans and specifications defined in "Exhibit A-Lease-Leaseback Agreement Fifteenth Amendment (Phase IV - Hill Creek School Addition)" and includes the prevailing wage rates described in Section 13 in effect at the time the work is bid pursuant to Section 4 herein. The GMP includes a lump sum of ten percent (10%) of the cost of construction pursuant to Exhibit B hereof for Builder's Fee, General Conditions, Bonds and Insurance Costs as further defined in Exhibit C hereof and the GMP includes a Builder's contingency, as described in section 8 hereof, of three and one-half percent (3.5%) on Construction Costs, subject to increase through Owner accepted Project savings.

The GMP also includes the general conditions listed in Exhibit C hereof, except for those listed as Owner or Reimbursable in Exhibit C. 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 June 21, 2011 meeting, based upon final plans and specifications for the Phase IV - Hill Creek School Addition phase of the Project. Once approved by the District, the Builder's proposal for the final GMP for Phase IV - Hill Creek School Addition and subsequent phases of the Project shall constitute amendments to this Agreement. The District will also maintain its own contingency of five percent (5%) which is included in the contractors GMP. Value engineered items after the GMP shall go to one hundred percent (100%) to the Builder's contingency. The Builder shall 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 A) 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. 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. Unused allowances for SWPPP's, Access Panels, Spoils Removal, Elevator, Woodshop Electrical, Walk Off Mats, Project Safe Relocatable and Clocks

will revert direct to owner contingency. Savings or increase on buyout of allowances will revert to or be funded from owner contingency.

The remaining provisions of Section 6 of the Lease-Leaseback Agreement shall be as set forth in the Lease-Leaseback Agreement.

2. Exhibit A of the Lease-Leaseback Agreement shall be amended to reflect the final plans and specifications for Phase IV- Hill Creek School Addition phase of the Project. A new Exhibit A of the Lease-Leaseback, as amended, set forth as "Attachment 1" hereof entitled "Exhibit A Construction Services Agreement for Lease-Leaseback Fifteenth Amendment (Phase IV – Hill Creek School Addition) – Scope of Work," shall be added for Phase IV – Hill Creek School Addition phase of the Project.

3. A new Exhibit B of the Lease-Leaseback set forth as "Attachment 2" hereof entitled "Exhibit B Construction Services Agreement for Lease-Leaseback Fifteenth Amendment (Phase IV – Hill Creek School Addition) – Guaranteed Maximum Price Cost Summary" shall be added for the Phase IV – Hill Creek School Addition phase of the Project.

4. A new Exhibit C of the Lease-Leaseback, set forth as "Attachment 3" hereof entitled "Exhibit C Construction Services Agreement for Lease-Leaseback Fifteenth Amendment (Phase IV – Hill Creek School Addition)-General Conditions Breakdown" shall be added for Phase IV – Hill Creek School Addition phase of the Project

5. Exhibit A of the Sublease Agreement for Phase IV (Hill Creek School Addition) shall be in the form attached hereto as "Attachment 4." All other provisions of the Sublease Agreement shall remain in full force and effect for Phase IV of the Project, including the timelines for completion and payment, except that those provisions shall only be applicable to the Scope of Work listed in Exhibit A to the Lease-Leaseback Agreement, as amended, and to the Sites listed in Exhibit A to the Site Lease, as of the date of this Fifteenth Amendment.

6. The provisions of the Site Lease and Lease-Leaseback Agreement, as amended, shall remain in full force and effect for Phase IV – (Hill Creek School Addition) even though the originals of those documents refer only to the "Phase I" construction of twenty classrooms at Cajon Park School. All prior amendments and this Fifteenth Amendment (Phase IV – Hill Creek School Addition) shall be part of the validated Lease-Leaseback Documents, and changes in prior amendments not specifically applicable to a particular phase of the Project, including, for example, the changes to Paragraph A of Section 10 of the Lease-Leaseback, shall be applicable to all phases and amendments. Each Amendment shall stand alone from each other for the specific phase of work contemplated by each; and each may be subject to further amendments as required.

7. Hill Creek School Addition – Preliminary Schedule shall be added to the Lease-Leaseback Agreement and is attached hereto as Attachment 5.

IN WITNESS WHEREOF, the parties have, by their duly authorized representatives, executed this Fifteenth Amendment (Phase IV – Hill Creek School Addition), in duplicate, as of the day and year first above written and agree that this Amendment shall constitute a binding modification to the Construction Services Agreement for Lease-Leaseback.

BUILDER/CORPORATION:

BARNHART BALFOUR-BEATTY, INC.

BY: _____ Dated: _____
Eric Stenman, President

DISTRICT:

SANTEE SCHOOL DISTRICT

BY: _____ Dated: _____
Karl Christensen, Assistant Superintendent, Business Services

**FIFTEENTH AMENDMENT
(PHASE IV – HILL CREEK SCHOOL ADDITION) TO
CONSTRUCTION SERVICES AGREEMENT FOR LEASE-LEASEBACK,
SITE LEASE, AND SUBLEASE AGREEMENT**

This Fifteenth Amendment (Phase IV - Hill Creek School - Addition) to Construction Services for Lease-Leaseback, Site Lease, and Sublease Agreement is made and entered into this 21st day of June, 2011, by and between the SANTEE SCHOOL DISTRICT (the "District") and Barnhart Balfour Beatty, Inc. (the "Builder") as follows:

WHEREAS, on February 2, 2008, the Governing Board of the District adopted Resolution No. 0708-16 (the "Resolution"), approving and authorizing the execution of a Site Lease, Sublease Agreement (the "Sublease Agreement"), and Construction Services Agreement for Lease-Leaseback (the "Lease-Leaseback Agreement") (the Site Lease, Sublease Agreement and Lease-Leaseback Agreement are collectively referred to herein as the "Lease-Leaseback Documents") between the District and Builder, and authorizing the filing of a validation complaint, in order to provide for the financing and modernization of existing school facilities, at nine school sites within the District (the "Project"); and

WHEREAS, the Lease-Leaseback Agreement provides that the District will undertake work incrementally as Division of the State Architect ("DSA") approvals of plans and timelines for construction allow with the Lease-Leaseback Documents as the basis for amendments for subsequent phases of the Project; and

WHEREAS, it is the intent of the Board that the Amendments to the Project be part of the validated Lease-Leaseback Documents, but stand alone from each other so to reflect the specific phase of the Project identified by each Amendment; and each may be subject to further amendments as required; and

WHEREAS, on April 1, 2008, the District entered into the First Amendment to the Lease-Leaseback Documents and modified the Lease-Leaseback Documents and Guaranteed Maximum Price ("GMP") accordingly; and

WHEREAS, on April 22, 2008, the Superior Court of the County of San Diego, issued a judgment validating the Lease-Leaseback Documents (Case No. 37-2008-00061653-CU-MC-EC, filed April 23, 2008); and

WHEREAS, on June 3, 2008, the District entered into the Second through Sixth Amendments to the Lease-Leaseback Documents for modernizations at five (5) school sites; and

WHEREAS, on September 2, 2008, the District entered into the Seventh through

Ninth Amendments to the Lease-Leaseback Documents (Phase III) for modernizations at five (5) school sites; and

WHEREAS, on October 21, 2008, the District entered into Amendments to the First through Fourth Amendments to the Lease-Leaseback Documents to make some clarifications to their terms; and

WHEREAS, on May 2, 2009, the District entered into Tenth through Thirteenth Amendments to the Lease-Leaseback Documents (Phase IV) for modernizations at four (4) school sites; and

WHEREAS, on June 22, 2009, the District adopted Resolution 0809-57, suspending construction due to difficulties in securing funding to continue modernization work more particularly described in that Resolution; and

WHEREAS, on May 4, 2010, the District entered into the Fourteenth Amendment (Phase V – Hill Creek School Solar Project); and

WHEREAS, on August 18, 2009, August 25, 2009, and January 18, 2011, the Board entered into further Amendments to the previously approved Phase IV amendments to modify work due to financing considerations; and

WHEREAS, the Division of the State Architect (“DSA”) approved plans for this Fifteenth Amendment (Phase IV – Hill Creek School Addition) of the Project on May 25, 2011; and

WHEREAS, the Board has determined that conditions precedent to issuance of the Notice to Proceed have been met and the Board is now ready to establish the final GMP for the Phase IV - Hill Creek School Addition portion of the Project.

NOW, THEREFORE, DISTRICT AND BUILDER HEREBY AGREE AS FOLLOWS:

1. Section 6 of the Lease-Leaseback Agreement for the Phase IV - Hill Creek Addition Phase of the Project shall be as follows:

The GMP for the Phase IV - Hill Creek School Addition Phase of the Project shall be Six Million One Hundred Eighty-Seven Thousand Two Hundred Twenty-Five and No/100 Dollars (\$6,187,225.00), based upon the Construction and Scope of Work set forth in Exhibit A of this Agreement. The GMP is based upon DSA approved plans and specifications defined in "Exhibit A-Lease-Leaseback Agreement Fifteenth Amendment (Phase IV - Hill Creek School Addition)" and includes the prevailing wage rates described in Section 13 in effect at the time the work is bid pursuant to Section 4 herein. The GMP includes a lump sum of ten percent (10%) of the cost of construction pursuant to Exhibit B hereof for Builder's Fee, General Conditions, Bonds and Insurance Costs as further defined in Exhibit C hereof and the GMP includes a Builder's contingency, as described in section 8 hereof, of three and one-half percent (3.5%) on Construction Costs, subject to increase through Owner accepted Project savings.

The GMP also includes the general conditions listed in Exhibit C hereof, except for those listed as Owner or Reimbursable in Exhibit C. 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 June 21, 2011 meeting, based upon final plans and specifications for the Phase IV - Hill Creek School Addition phase of the Project. Once approved by the District, the Builder's proposal for the final GMP for Phase IV - Hill Creek School Addition and subsequent phases of the Project shall constitute amendments to this Agreement. The District will also maintain its own contingency of five percent (5%) which is included in the contractors GMP. Value engineered items after the GMP shall go to one hundred percent (100%) to the Builder's contingency. The Builder shall 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 A) 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. 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. Unused allowances for SWPPP's, Access Panels, Spoils Removal, Elevator, Woodshop Electrical, Walk Off Mats, Project Safe Relocatable and Clocks

will revert direct to owner contingency. Savings or increase on buyout of allowances will revert to or be funded from owner contingency.

The remaining provisions of Section 6 of the Lease-Leaseback Agreement shall be as set forth in the Lease-Leaseback Agreement.

2. Exhibit A of the Lease-Leaseback Agreement shall be amended to reflect the final plans and specifications for Phase IV- Hill Creek School Addition phase of the Project. A new Exhibit A of the Lease-Leaseback, as amended, set forth as "Attachment 1" hereof entitled "Exhibit A Construction Services Agreement for Lease-Leaseback Fifteenth Amendment (Phase IV – Hill Creek School Addition) – Scope of Work," shall be added for Phase IV – Hill Creek School Addition phase of the Project.

3. A new Exhibit B of the Lease-Leaseback set forth as "Attachment 2" hereof entitled "Exhibit B Construction Services Agreement for Lease-Leaseback Fifteenth Amendment (Phase IV – Hill Creek School Addition) – Guaranteed Maximum Price Cost Summary" shall be added for the Phase IV – Hill Creek School Addition phase of the Project.

4. A new Exhibit C of the Lease-Leaseback, set forth as "Attachment 3" hereof entitled "Exhibit C Construction Services Agreement for Lease-Leaseback Fifteenth Amendment (Phase IV – Hill Creek School Addition)-General Conditions Breakdown" shall be added for Phase IV – Hill Creek School Addition phase of the Project

5. Exhibit A of the Sublease Agreement for Phase IV (Hill Creek School Addition) shall be in the form attached hereto as "Attachment 4." All other provisions of the Sublease Agreement shall remain in full force and effect for Phase IV of the Project, including the timelines for completion and payment, except that those provisions shall only be applicable to the Scope of Work listed in Exhibit A to the Lease-Leaseback Agreement, as amended, and to the Sites listed in Exhibit A to the Site Lease, as of the date of this Fifteenth Amendment.

6. The provisions of the Site Lease and Lease-Leaseback Agreement, as amended, shall remain in full force and effect for Phase IV – (Hill Creek School Addition) even though the originals of those documents refer only to the "Phase I" construction of twenty classrooms at Cajon Park School. All prior amendments and this Fifteenth Amendment (Phase IV – Hill Creek School Addition) shall be part of the validated Lease-Leaseback Documents, and changes in prior amendments not specifically applicable to a particular phase of the Project, including, for example, the changes to Paragraph A of Section 10 of the Lease-Leaseback, shall be applicable to all phases and amendments. Each Amendment shall stand alone from each other for the specific phase of work contemplated by each; and each may be subject to further amendments as required.

7. Hill Creek School Addition – Preliminary Schedule shall be added to the Lease-Leaseback Agreement and is attached hereto as Attachment 5.

IN WITNESS WHEREOF, the parties have, by their duly authorized representatives, executed this Fifteenth Amendment (Phase IV – Hill Creek School Addition), in duplicate, as of the day and year first above written and agree that this Amendment shall constitute a binding modification to the Construction Services Agreement for Lease-Leaseback.

BUILDER/CORPORATION:

BARNHART BALFOUR-BEATTY, INC.

BY: _____ Dated: _____
Eric Stenman, President

DISTRICT:

SANTEE SCHOOL DISTRICT

BY: _____ Dated: _____
Karl Christensen, Assistant Superintendent, Business Services

