

# AGENDA

## SPECIAL BOARD MEETING

Tuesday, November 29, 2016  
7:00 p.m. District Conference Room

1. **Call to order- Flag Salute**

In compliance with the Americans with Disabilities Act and the Brown Act, if you need special assistance to participate in the meeting, including the receipt of the agenda and documents in the agenda package in an alternate format, please contact the Tipton Elementary School District office at (559) 752-4213. Notification 48 hours prior to the meeting will enable the district to make reasonable arrangements to ensure accessibility to this meeting (28CFR35.102-35, 104 ADA Title II), and allow for the preparation of documents in appropriate alternate format

2. **Public Input:**

*In order to ensure that Members of the public are provided a meaningful opportunity to address the board on agenda items that are within the Board's jurisdiction, agenda items may be addressed either at the public input portion of the agenda, or at the time the matter is taken up by the board. Board presentations are limited to 3 minutes per person and 15 minutes per topic.*

3. **ADMINISTRATIVE: Action items:**

- 3.1 Approval of Lease-Leaseback Agreement for the Multi-Purpose Building Project with Oral E. Micham, Inc., General Contractor
- 3.2 Approval of Agreement with Thomas A Hirst for Project Inspector for the Multi-Purpose Building Project
- 3.3 Approval of Agreement with CTL-SEE'S, Inc for Construction Testing and Inspection Services

4. **Adjournment**

The Board upon discussion and a vote of agreement, the Board may make any item an action item.

**Notice: If documents are distributed to Board Members concerning an agenda item within 72 hours of a regular board meeting, at the same time the documents will be made available for public inspection at the District Office located at 370 N. Evans Road, Tipton CA. 93272.**

Agenda Posted: Tuesday, November 22, 2016

**3. ADMINISTRATIVE: Action items:**

- 3.1** Approval of Lease-Leaseback Agreement for the Multi-Purpose Building Project with Oral E. Micham, Inc., General Contractor

**LEASE-LEASEBACK AGREEMENT**

**Dated as of November 29, 2016**

**Between**

**Tipton Elementary School District**

**and**

**Oral E. Micham Inc.**

**New Multi-Purpose/Gymnasium Building Project**

**Tipton Elementary School**

**LEASE-LEASEBACK AGREEMENT  
NEW MULTI-PURPOSE/GYMNASIUM BUILDING**

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**THIS LEASE-LEASEBACK AGREEMENT** (this “Agreement”) is entered into as of November 29, 2016 between the Tipton Elementary School District, a California public school district (the “Owner”), and Oral E. Micham Inc., a California [corporation] and licensed general contractor (the “Contractor”). Owner and Contractor are each a “Party” and together are the “Parties” to this Agreement.

The Owner intends to make certain improvements to its New Multi-Purpose/Gymnasium Building (the “School Facilities”) on the campus of its Tipton Elementary School, located at 370 N. Evans, Tipton, CA 93272.

In order to optimize the work that needs to be done for construction of the School Facilities, the Owner has determined that it is necessary to begin work as soon as possible so that the Project can be performed in a timely, cost-effective, and cooperative manner to meet the Owner’s compressed time schedule for the planned completion and use of the School Facilities.

The Owner intends to undertake certain tenant improvements, the scope of which is described generally in Article 1 and *Exhibit A* below, at the School Facilities (the “Project”).

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 school 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 school district during the term of the lease, and provides that title to that building shall vest in the school district at the expiration of the lease.

In connection with the approval of this Agreement, the Owner will enter into a site lease with Contractor (the “Site Lease”), under which it will lease the Project site described and depicted in Exhibit A of the Site Lease (the “Site”) to Contractor in order for Contractor to construct the Project as described in the Scope of Work set forth in *Exhibits A* and *B* to this Agreement (the “Scope of Work”).

Contractor will lease the Site and the Project back to the Owner pursuant to a Sublease Agreement (the “Sublease”), under which the Owner will be required to make lease payments to Contractor for the use and occupancy of the Site, including the Project.

Upon completion of the Project or termination of the Agreement, the Site Lease and Sublease automatically will terminate and title to the Site and Project automatically will vest with the Owner.

The Owner and Contractor desire to enter into this Agreement to ensure that the Project will meet the Owner’s expectations prior to the lease of the Site back to the Owner pursuant to the Sublease.

Contractor is experienced in the construction of the type of School Facilities and type of work desired by the Owner and is willing to perform said construction work for the Owner, all as more fully set forth this Agreement.

The Owner and Contractor therefore agree as follows:

**ARTICLE 1. SCOPE OF WORK.** The Contractor agrees to furnish all labor, equipment and materials, including tools, implements, and appliances required, and to perform all the work in a good and workmanlike manner, free from any and all liens and claims from mechanics, material suppliers, subcontractors, artisans, machinists, teamsters, freight carriers, and laborers required for:

**NEW MULTI-PURPOSE/GYMNASIUM BUILDING PROJECT  
AT TIPTON ELEMENTARY SCHOOL  
TULARE COUNTY, CALIFORNIA,**

all in strict compliance with the plans, drawings and specifications for the Project prepared by:

**MANGINI ASSOCIATES, INC.  
4320 WEST MINERAL KING AVENUE, VISALIA, CA 93291  
(559) 627-0530**

and other contract documents relating to the Project.

In accordance with California Public Contract Code Section 3300, Contractor has a Class “B” license that Contractor shall maintain in good standing for the duration of Contractor’s work on the Project.

Further, Contractor agrees to obtain third party financing from [NAME OF BANK] at an interest rate of \_\_\_% in order to construct the Project.

**ARTICLE 2. CONTRACT DOCUMENTS.** The Contractor and the Owner agree that this Agreement, all of the documents listed in Article 1.1.1 of the General Conditions attached as *Exhibit C* (the “General Conditions”), the Site Lease, and the Sublease, together form the “Contract Documents,” which form the “Contract.”

**ARTICLE 3. TIME TO COMPLETE AND LIQUIDATED DAMAGES.**

Time is of the essence in this Contract. Contractor shall complete its Work at the Site on or before August 1, 2017 (“Date for Completion”).

Failure to complete the Project, or applicable phases of the Project, within the date(s) and in the manner provided for by the Contract Documents, shall subject the Contractor to liquidated damages for each calendar day by which such completion is delayed beyond the applicable Date for Completion. For purposes of liquidated damages, the concept of substantial completion shall not constitute completion and is not part of the Contract Documents. The actual occurrence of damages and the actual amount of the damages which the Owner would suffer if the Project were not completed by the applicable Date for Completion are dependent upon many circumstances and conditions which could prevail in various combinations and, from the nature of the case, it is impracticable and extremely difficult to fix the actual damages. Damages that the Owner would suffer if completion is delayed include, but are not limited to,

loss of the use of the Project, disruption of activities, costs of administration, supervision and the incalculable inconvenience and loss suffered by the public.

Accordingly, the Parties agree that the following dollar figure shall be the amount of damages which the Owner shall directly incur upon failure of the Contractor to complete the Project, or applicable parts thereof, within the time specified: \$ 1,000.00, for each calendar day by which completion of the Project, or applicable parts thereof, is delayed beyond the Date for Completion as adjusted by change orders.

If the Contractor becomes liable under this Article, the Owner, in addition to all other remedies provided by law, shall have the right to withhold all retained percentages of payments and/or sublease payments, and to collect the interest thereon, which would otherwise be or become due the Contractor until the liability of the Contractor under this Article has been finally determined. If the retained percentages and withheld sublease payments are not sufficient to discharge all liabilities of the Contractor incurred under this Article, then the Contractor and its sureties shall continue to remain liable to the Owner for such liabilities until all such liabilities are satisfied in full.

If the Owner accepts any work or makes any payment under this Agreement after a default by reason of delays, the payment or payments shall in no respect constitute a waiver or modification of any Agreement provisions regarding time of completion and liquidated damages.

**ARTICLE 4. TOTAL SUBLEASE AMOUNT.** The total amount set aside by the Owner for performance of all work required by the Contract for the Project shall be \$5,918,490.25, based upon the Scope of Work set forth in *Exhibits A and B* of this Agreement (“Total Sublease Amount”). Except as otherwise provided in the General Conditions, the Contractor shall assume the risk of all costs in excess of the Total Sublease Amount in the performance of such work and shall not be entitled to additional payments because of such excess costs. Should the Contractor believe that it is entitled to an increase in the Total Sublease Amount or a time extension for completion, it must request it pursuant to the procedures in the General Conditions for change orders and claims.

The Contractor’s cost breakdown of the Total Sublease Amount is attached (see *Exhibit D*) as Contractor’s schedule of values for the Project, as required by Section 9.2.1.A of the General Conditions.

Contractor shall finance the cost of construction of the Project. The Owner shall pay Contractor sublease payments pursuant to the terms and conditions of Section 6 of the Sublease (the “Sublease Payments”), which terms and conditions all elements described in Section 6 of the Sublease. The sum of the Sublease Payments shall not exceed the Total Sublease Amount established under this Article 4. Sublease Payments shall be in accordance with the Sublease.

To the extent that the Total Sublease Amount includes any amounts for contingencies or allowances, the use of such funds is entirely at the discretion, and only with the advanced written approval, of the Owner. At the completion of the Project, all such funds that are unspent and unencumbered shall remain the property of the Owner and Contractor shall have no claim to such funds.

**ARTICLE 5. CHANGES.** Changes in this Agreement or in the Work to be done under this Agreement shall be made as provided in the General Conditions.

**ARTICLE 6. TERM AND TERMINATION.** The term of the Contract (the “Lease Term”) begins on the date shown on page 1 above and automatically ends on \_\_\_16 months\_\_\_ [STATE DATE THAT IS AT LEAST ONE MONTH BEYOND THE DATE FOR COMPLETION; SEE CONFIDENTIAL MEMO FOR MORE INFORMATION] after construction of the Project is complete or the Contract is terminated, all in accordance with the General Conditions. All of the covenants, representations and warranties set forth in the Contract, including indemnification obligations, that are intended to bind the Parties after the completion of the Project or termination of the Contract will survive such completion or termination for the periods provided for in the Contract or otherwise allowed by law. The Owner or Contractor may terminate the Contract as provided in the General Conditions. The Site Lease and the Sublease each shall automatically end at the same time as this Agreement, with the Parties’ respective leasehold interests thereunder automatically ended and released, and title to the Site and Project automatically and fully vested in the Owner.

**ARTICLE 7. PREVAILING WAGES.** The Project is a public work, the Work shall be performed as a public work, and under California Labor Code Section 1770 *et seq.*, the Director of the California Department of Industrial Relations (“DIR”) has determined the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in the locality in which the work is to be performed, for each craft, classification or type of worker needed to execute this Contract. Per diem wages shall be deemed to include employer payments for health and welfare, pension, vacation, apprenticeship or other training programs, and similar purposes. Copies of the rates are on file at the Owner's principal office. The rate of prevailing wage for any craft, classification or type of workmanship to be employed on this Project is the rate established by the applicable collective bargaining agreement which rate so provided is hereby adopted by reference and shall be effective for the life of this Agreement or until the Director of the DIR determines that another rate be adopted. It shall be mandatory upon the Contractor and on any subcontractor to pay not less than the said specified rates to all workers employed in the execution of this Agreement.

The Contractor and any subcontractor under the Contractor as a penalty to the Owner shall forfeit not more than Two Hundred Dollars (\$200.00) for each calendar day or portion thereof for each worker paid less than the stipulated prevailing rates for such work or craft in which such worker is employed. The difference between such stipulated prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the stipulated prevailing wage rate shall be paid to each worker by the Contractor.

The Contractor and each Subcontractor shall keep or cause to be kept an accurate record for work on this Project showing the names, addresses, social security numbers, work classification, straight time and overtime hours worked and occupations of all laborers, workers and mechanics employed by them in connection with the performance of this Contract or any subcontract thereunder, and showing also the actual per diem wage paid to each of such workers, which records shall be open at all reasonable hours to inspection by the Owner, its officers and agents and to the representatives of the Division of Labor Standards Enforcement of the DIR. Contractor and all subcontractors shall comply with Labor Code section 1776. In accordance with Labor Code section 1771.4(a)(1), the Project is subject to compliance monitoring and enforcement by the DIR. The Contractor and each subcontractor shall furnish a certified copy of all payroll records directly to the Labor Commissioner on a monthly basis, unless directed by the Owner to furnish such records more often, and in the format prescribed by the Labor Commissioner.

As a public work, the Project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. In order to be qualified to submit a bid or to be listed in a bid proposal subject to the requirements of Public Contract Code section 4104, or enter into, or engage in the performance of any contract of public work (as defined by Division 2, Part 7, Chapter 1 (§§1720 et seq.) of the Labor Code), a contractor or subcontractor must be currently registered and qualified under Labor Code section 1725.5 to perform public work as defined by Division 2, Part 7, Chapter 1 (§§1720 et seq.) of the Labor Code.

**ARTICLE 8. WORKING HOURS.** Under California Labor Code Sections 1810 to 1815, the time of service of any worker employed by the Contractor or a Subcontractor doing or contracting to do any part of the Work contemplated by this Agreement is limited and restricted to 8 hours during any one calendar day and 40 hours during any one calendar week, provided, that work may be performed by such employee in excess of said 8 hours per day or 40 hours per week provided that compensation for all hours worked in excess of 8 hours per day, and 40 hours per week, is paid at a rate not less than 1½ times the basic rate of pay. The Contractor and every Subcontractor shall keep an accurate record showing the name of and the actual hours worked each calendar day and each calendar week by each worker employed by them in connection with the Work. The Contractor and every Subcontractor shall keep the records open at all reasonable hours to inspection by representatives of the Owner and the Division of Labor Law Enforcement. The Contractor shall as a penalty to the Owner forfeit \$25.00 for each worker employed in the execution of this Agreement by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than 8 hours in any one calendar day, and 40 hours in any one calendar week, except as herein provided.

**ARTICLE 9. APPRENTICES.** The Contractor shall comply with California Labor Code Sections 1777.5 and 1777.6. These sections require that contractors and subcontractors employ apprentices in apprenticeable occupations in a ratio of not less than 1 hour of apprentice's work for each 5 hours of work performed by a journeyman (unless an exemption is granted in accordance with Section 1777.5) and that contractors and subcontractors shall not discriminate among otherwise qualified employees as indentured apprentices on any public works solely on the ground of sex, race, religious creed, national origin, ancestry or color. Only apprentices as defined in Labor Code Section 3077, who are in training under apprenticeship standards and who have signed written apprentice agreements, will be employed on public works in apprenticeable occupations. The responsibility for compliance with these provisions is fixed with the Contractor for all apprenticeable occupations.

**ARTICLE 10. SKILLED AND TRAINED WORKFORCE.** The Contractor shall comply with Education Code section 17407.5, which requires the Contractor and its subcontractors at every tier to employ a skilled and trained workforce, as defined herein, to perform all work on the Project that falls within an apprenticeable occupation in the building and construction trades.

For the purpose of this Article, the following definitions apply:

- A. "Apprenticeable occupation" means an occupation for which the Division of Apprenticeship Standards of the DIR had approved an apprenticeship program before January 1, 2014.
- B. "Skilled and trained workforce" means that all of the workers are either apprentices registered in an apprenticeship program approved by the DIR, or skilled journeypersons,



with at least 30 percent of the skilled journeypersons employed on the Project in an apprenticeable occupation by Contractor or any of its subcontractors at every tier being graduates of an apprenticeship program for the applicable occupation that was either approved by the DIR or was located outside of California and approved for federal purposes.

- C. “Skilled journeyperson” means any of the following: (i) a person who has graduated from an apprenticeship program approved by the DIR, (ii) a person who has graduated from an apprenticeship program located outside of California and approved for federal purposes in accordance with regulations adopted by the federal Secretary of Labor, or (iii) a person who has at least as many hours of on-the-job experience in the applicable occupation as would be required to graduate from an apprenticeship program approved by the DIR.

Contractor shall provide monthly compliance reports to the Owner while the Project is being performed, using the format attached hereto as *Exhibit E*, or in a substantially similar format, demonstrating compliance with this Article. Such monthly compliance reports shall be subject to the California Public Records Act (commencing with Government Code section 6250), and shall be open to public inspection.

If Contractor fails to comply with this Article then Owner, at its sole discretion, may terminate the Agreement pursuant to Article 14 of the General Conditions, in addition to any other rights or remedies provided to Owner in the Contract Documents. Notwithstanding any other provision of the Agreement or the General Conditions, if Contractor fails to provide any required monthly compliance report pursuant to this Article on or before the last business day of each month while the Project is being performed, Owner shall immediately cease making payments to Contractor that would otherwise be due and payable under the terms of this Agreement, until any and all monthly compliance reports for any preceding month have been submitted to the Owner.

**ARTICLE 11. DSA OVERSIGHT PROCESS.** The Contractor must comply with the applicable requirements of the Division of State Architect (“DSA”) Construction Oversight Process (“DSA Oversight Process”), including but not limited to (a) notifying the Inspector of Record (“IOR”) upon commencement and completion of each aspect of the work as required under DSA Form 156; (b) coordinating the Work with the IOR’s inspection duties and requirements; (c) submitting verified reports under DSA Form 6-C; and (d) coordinating with the Owner, Owner’s Architect, any Construction Manager, any laboratories, and the IOR to meet the DSA Oversight Process requirements without delay or added costs to the Project.

Contractor shall be responsible for any additional DSA fees related to review of proposed changes to the DSA-approved construction documents, to the extent the proposed changes were caused by Contractor’s wrongful actions or omissions. If inspected work is found to be in non-compliance with the DSA-approved construction documents or the DSA-approved testing and inspection program, then it must be removed and corrected. Any construction that covers unapproved or uninspected work is subject to removal and correction, at Contractor’s expense, in order to permit inspection and approval of the covered work in accordance with the DSA Oversight Process.

**ARTICLE 12. SELECTION OF SUBCONTRACTORS [; DVBE GOALS].** Contractor shall conduct a competitive process for the selection of subcontractors for construction of the Project. In the interest of minimizing the expenditure of funds for the construction of the Project, the Contractor agrees to select

appropriately licensed subcontractors for each trade component of the Project in a manner that fosters competition. Contractor agrees that it will either solicit bids from subcontractors pursuant to the competitive bid procedures set forth in the Public Contract Code, including the specific provisions of Public Contract Code section 20110 *et seq.*, or that it will utilize an informal bidding process established by the Contractor and approved in advance by Owner. If Contractor chooses to select subcontractors pursuant to an informal bidding process, unless the Parties otherwise agree in writing, on a trade by trade basis, Contractor's procedure shall include, at a minimum, publication of a notice calling for bids for each trade component of the Project once a week for two weeks in customary trade publications. Further, unless the Parties otherwise agree in writing, on a trade by trade basis, Contractor shall make every reasonable effort to ensure that it receives at least three competitive bids from subcontractors for each trade component of the Project (including each trade component that Contractor proposes to undertake with its own forces, unless Owner directs otherwise). Contractor shall inform all bidders that the Owner will not be a party to any contracts for construction services executed by the Contractor and selected bidders. However, the Owner reserves the right to oversee the bidding process, and in no case will the Contractor award any subcontracts until the Owner has concurred with the selection, scope, and price of the subcontracted services. Contractor shall submit a listing of proposed subcontractors with associated breakdown of bid values to the Owner for the Owner's review. In addition, at the Owner's request, Contractor shall provide the Owner with full documentation regarding the bids or competitive quotes received by the Contractor. In no event shall such documentation be redacted or obliterated. If Contractor does not comply with this provision, the Owner may terminate this Agreement. Following Owner's concurrence with the selection, scope, and price of subcontracted services, Contractor shall not make any changes in same without Owner's express written approval of the proposed changes, which approval shall be in Owner's sole discretion. Owner reserves the right to terminate this Agreement if Contractor does not comply with this provision.

Compliance with Disabled Veteran Business Enterprise ("DVBE") contracting goals is required for this Project. In accordance with Education Code section 17076.11 the Owner has a DVBE participation goal of 3% per year of the overall dollar amount of state funds allocated to the Owner pursuant to the Leroy F. Green School Facilities Act of 1998, and expended each year by the Owner for this Project. The Owner is seeking DVBE participation under this Agreement.

The Contractor must make a good faith effort to contact and utilize DVBE subcontractors and suppliers in securing bids, in the manner set forth in this Article for performance of the Project. Information regarding certified DVBE firms can be obtained from the State's Office of Small Business and DVBE Services (OSDS) at (916) 375-4940 as well as the OSDS website at [www.bidsync.com/DPXBisCASB](http://www.bidsync.com/DPXBisCASB). Verification of DVBE status must be obtained from the OSDS by receiving an approved certification letter and reference number from that office. Contractor is required, as a material condition of this Agreement, to retain documentation of its good faith efforts in utilizing DVBEs for this Project, for submission to the Owner or to the applicable state agency in the event such documentation is requested.

Good faith efforts are demonstrated by evidence of the following: (a) contact was made with the Owner regarding the identification of DVBE; (b) contact was made with other state agencies and with local DVBE organizations to identify DVBEs; (c) advertising was published in trade papers and other papers focusing on DVBEs; (d) invitations to bid or proposal solicitations were submitted to potential DVBE contractors; and (e) available DVBEs were considered. Contractor shall certify, under penalty of perjury, that a good faith effort was made to include DVBE subcontractors and suppliers in the Project.

Prior to, and as a condition precedent for the release of any retention withheld from Sublease payments made to Contractor by the Owner pursuant to Section 6 of the Sublease, the Contractor shall provide the Owner with written documentation identifying the amount paid to certified DVBE subcontractors and suppliers in performance of the Project. The Contractor shall also provide the Owner with a copy of the DVBE Certification Letter issued by OSDS for each DVBE that has participated in the Project. This documentation will be used by the Owner to evaluate its success in meeting its DVBE participation goal.

**ARTICLE 14. INDEMNIFICATION, INSURANCE, AND BONDS.** The Contractor will defend, indemnify and hold harmless the Owner, its governing board, officers, agents, trustees, employees and others as provided in the General Conditions.

By this statement the Contractor represents that it has secured the payment of Workers' Compensation in compliance with the provisions of the California Labor Code and during the performance of the work contemplated herein will continue so to comply with said provisions of said Code. The Contractor shall supply the Owner with certificates of insurance evidencing that Workers' Compensation Insurance is in effect and providing that the Owner will receive 30 days' notice of cancellation.

Contractor shall provide the insurance set forth in the General Conditions. The amount of general liability insurance shall be \$2,000,000.00 per occurrence for bodily injury, personal injury, and property damage, and the amount of automobile liability insurance shall be \$1,000,000.00 per accident for bodily injury and property damage combined single limit.

Contractor shall provide the bonds set forth in the General Conditions, including performance and payments bonds.

**ARTICLE 15. ENTIRE AGREEMENT.** The Contract constitutes the entire agreement between the Parties, and supersedes any prior or contemporaneous agreement between the Parties, oral or written, unless such agreement is expressly incorporated herein. The Owner makes no representations or warranties, express or implied, not specified in the Contract. The Contract is intended as the complete and exclusive statement of the Parties' agreement pursuant to California Code of Civil Procedure section 1856.

**ARTICLE 16. EXECUTION OF OTHER DOCUMENTS.** The Parties to this Agreement shall cooperate fully in the execution of any and all other documents and in the completion of any additional actions that may be necessary or appropriate to give full force and effect to the terms and intent of the Contract.

**ARTICLE 17. EXECUTION IN COUNTERPARTS.** This Agreement may be executed in counterparts such that the signatures may appear on separate signature pages. A copy, or an original, with all signatures appended together, shall be deemed a fully executed Agreement.

**ARTICLE 18. BINDING EFFECT.** Contractor, by execution of this Agreement, acknowledges that Contractor has read this Agreement and the other Contract Documents, understands them, and agrees to be bound by their terms and conditions. The Contract shall inure to the benefit of and shall be binding upon the Contractor and the Owner and their respective successors and assigns.

**ARTICLE 19. SEVERABILITY.** If a court of competent jurisdiction shall hold any provision of the Contract invalid or unenforceable, then such holding shall not invalidate or render unenforceable any other provision hereof. The laws of the State of California shall govern the Contract. Any action or proceeding seeking any relief under or with respect to this Agreement shall be brought solely in the Superior Court of the State of California for the County of Tulare, subject to transfer of venue under applicable State law, provided that nothing in this Agreement shall constitute a waiver of immunity to suit by Owner.

**ARTICLE 20. AMENDMENTS.** The terms of the Contract shall not be waived, altered, modified, supplemented, or amended in any manner whatsoever except by written agreement signed by the Parties and approved or ratified by the Owner’s Governing Board.

**ARTICLE 21. ASSIGNMENT OF CONTRACT.** The Contractor shall not assign or transfer by operation of law or otherwise any of its rights, burdens, duties or obligations without the prior written consent of the surety on the payment bond, the surety on the performance bond, and the Owner.

**ARTICLE 22. WRITTEN NOTICE.** Written notice shall be deemed to have been duly served if delivered in person to the individual or member of the firm or to an officer of the corporation for whom it was intended, or if delivered at or sent by registered or certified or overnight mail to the last business address known to the person who gives the notice.

**ARTICLE 23. TERMS NOT DEFINED.** Capitalized terms used in this Agreement that are not otherwise defined have the same meaning as in the General Conditions.

**ARTICLE 24. PARTIES BOUND BY AGREEMENT.** Each person signing this Agreement below warrants and guarantees that he or she is legally authorized to execute this Agreement on behalf of the listed Party and that such execution binds that Party to the terms and conditions of this Agreement.

\* \* \* \* \*

**CONTRACTOR:**

**Oral E. Micham Inc.,  
a California Company**

BY: \_\_\_\_\_  
TITLE: Steve Tindle, Vice-President

BY: \_\_\_\_\_  
TITLE: [Corporate Secretary]

\_\_\_\_\_  
CALIFORNIA CONTRACTOR'S  
LICENSE NO.

\_\_\_\_\_  
LICENSE EXPIRATION DATE

NOTE: Contractor must give the full business address of the Contractor and sign with Contractor's usual signature. Partnerships must furnish the full name of all partners and the Agreement must be signed in the partnership name by a general partner with authority to bind the partnership in such matters, followed by the signature and designation of the person signing. The name of the person signing shall also be typed or printed below the signature. Corporations must sign with the legal name of the corporation, followed by the name of the state of incorporation and by the signature and designation of the chairman of the board, president or any vice president, and then followed by a second signature by the secretary, assistant secretary, the chief financial officer or assistant treasurer. All persons signing must be authorized to bind the corporation in the matter. The name of each person signing shall also be typed or printed below the signature. Satisfactory evidence of the authority of the officer signing on behalf of a corporation shall be furnished.

**OWNER:**

**Tipton Elementary School District**

BY: \_\_\_\_\_  
TITLE: Miguel A Guerrero, Superintendent

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***EXHIBIT A*** - Lease-Leaseback Agreement

**SCOPE OF WORK**

Tipton Elementary School District

New Multi-Purpose/Gymnasium Project  
At Tipton Elementary School

The Total Sublease Amount is based on the plans, specifications, drawings, and design packages prepared by Mangini Associates Inc., architects for the Owner. The detailed Scope of Work is set forth in said plans, specifications, drawings, and design packages approved by the Division of State Architect as Application No. 02-114729, which are incorporated herein by this reference. Specifically, the Scope of Work includes, but is not limited to, the following: [list any item that need to be specifically identified for the sake of clarity].

***EXHIBIT B*** - Lease-Leaseback Agreement

Tipton Elementary School District

New Multi-Purpose/Gymnasium Project  
At Tipton Elementary School

The Parties hereby agree that the following items of work are not included in the Scope of Work for the Project:

**[INSERT LIST OF ANY EXCLUSIONS FROM SCOPE OF WORK]**

***EXHIBIT C*** – Lease-Leaseback Agreement

Tipton Elementary School District

New Multi-Purpose/Gymnasium Project  
At Tipton Elementary School

**General Conditions**

**[ATTACH LONG FORM GENERAL CONDITIONS]**



***EXHIBIT D- Lease-Leaseback Agreement***

Tipton Elementary School District

New Multi-Purpose/Gymnasium Project  
At Tipton Elementary School

The Parties hereby agree that the following document is Contractor's calculation of the Total Sublease Amount.

**[ATTACH EXHIBIT]**

***EXHIBIT E***- Lease-Leaseback Agreement

Tipton Elementary School District

New Multi-Purpose/Gymnasium Project  
At Tipton Elementary School

**[ATTACH SKILLED AND TRAINED WORKFORCE COMPLIANCE REPORT]**

**LEASE-LEASEBACK**

**SITE LEASE AGREEMENT**

**Dated as of November 29, 2016**

**Between**

**Tipton Elementary School District**

**and**

**Oral E. Micham Inc.**

**New Multi-Purpose/Gymnasium Building Project**

**Tipton Elementary School**

**LEASE-LEASEBACK  
SITE LEASE AGREEMENT  
NEW MULTI-PURPOSE/GYMNASIUM BUILDING PROJECT**

---

**THIS LEASE-LEASEBACK SITE LEASE AGREEMENT** (“Site Lease”) is entered into as of November 29, 2016 between the Tipton Elementary School District, a California public school district (the “Owner”), as lessor, and Oral E. Micham Inc., a California [corporation] and licensed general contractor (the “Contractor”), as lessee. Owner and Contractor are each a “Party” and together are the “Parties” to this Site Lease.

The Owner desires to provide for the financing and construction of certain public improvements (the “Project”) more fully described in a Lease-Leaseback Agreement between the Owner and Contractor and located at Tipton Elementary School, 370 N. Evan , Tipton, California, (the “Site”); and

The Owner’s governing body has determined that it is in the best interests of the Owner and for the common benefit of the residents it serves to construct and finance the Project by leasing the Site on which the public improvements are to be constructed to Contractor, and subleasing from Contractor the Site, including the Project, under a Sublease Agreement effective the same date as this Site Lease (the “Sublease”); and

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

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

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

The Parties therefore agree as follows:

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

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

**3. Representations and Warranties of the Owner.** The Owner represents and warrants to Contractor that:

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

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

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

(d) The Site is properly zoned for the intended purpose and utilization of it or the Owner intends to render zoning inapplicable pursuant to Government Code section 53094;

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

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

(g) To the best of the Owner's knowledge, after actual inquiry: (i) other than those addressed in the scope of the Work, no dangerous, toxic or hazardous pollutants, contaminants, chemicals, waste, materials or substances, as defined in or governed by the provisions of any State or Federal Law relating thereto (hereinafter collectively called “Environmental Regulations”), and also including, but not limited to, urea-formaldehyde, polychlorinated biphenyls, asbestos, asbestos containing materials, nuclear fuel or waste, radioactive materials, explosives, carcinogens and petroleum products, or any other waste, material, substance, pollutant or contaminant which would subject the owner of the Site or Contractor or Contractor’s subcontractors to any damages, penalties or liabilities under any applicable Environmental Regulation (hereinafter collectively called “Hazardous Substances”), are now or have been stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited or disposed of in, upon, under, over or from the Site; (ii) no threat exists of a discharge, release or emission of a Hazardous Substance upon or from the Site into the environment; (iii) the Site has not been used as or for a mine, a landfill, a dump or other disposal facility, industrial or manufacturing facility, or a gasoline service station; (iv) no underground storage tank is now located in the Site; (v) no violation of any Environmental Regulation now exists relating to the Site, no notice of any such violation or any alleged violation thereof has been issued or given by any governmental entity or agency, and there is not now any investigation or report involving the Site by any governmental entity or agency which in any way relates to Hazardous Substances; (vi) no person, party, or private or governmental agency or entity has given any

notice of or asserted any claim, cause of action, penalty, cost or demand for payment or compensation, whether or not involving any injury or threatened injury to human health, the environment or natural resources, resulting or allegedly resulting from any activity or event described in (i) above; (vii) there are not now any actions, suits, proceedings or damage settlements relating in any way to Hazardous Substances, in, upon, under over or from the Site; (viii) the Site is not listed in the United States Environmental Protection Agency's National Priorities List of Hazardous Waste Sites or any other list of Hazardous Substance sites maintained by any federal, state or local governmental agency; and (ix) the Site is not subject to any lien or claim for lien or threat of a lien in favor of any governmental entity or agency as a result of any release or threatened release of any Hazardous Substance.

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

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

**4. Representations and Warranties of Contractor.** Contractor represents and warrants to the Owner that:

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

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

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

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

**5. Rental.** Contractor shall pay to the Owner as and for advance rental hereunder \$1.00 per year per Site, on or before the date of commencement of the term of this Site Lease.

**6. Purpose.** Contractor shall use the Site solely for the purpose of constructing the Project on the Site and for subleasing the Site and leasing the Project to the Owner; provided, that in the Event of Default by the Owner under the Sublease, the Contractor may exercise the remedies provided for in the Sublease. Contractor warrants that it will not engage in any unlawful activities on the Site and that Contractor will not engage in activities on the Site not authorized by the Owner.

**7. Termination.** Contractor agrees, upon termination of this Site Lease: (i) to quit and surrender the Site in the same good order and condition as it was in at the time of beginning of the term of this Site Lease, reasonable wear and tear excepted; (ii) to release and reconvey to the Owner any liens and encumbrances created or caused by Contractor; and (iii) that any permanent improvements and structures existing upon the Site at the time of the termination of this Site Lease, including the Project, shall remain on the Site and title to such improvement shall vest in the Owner. Notwithstanding the Owner's rights in the event of termination under this section 7, Contractor shall retain the right to full compensation for all services rendered before the termination in accordance with the Lease-Leaseback Agreement and the Sublease.

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

**9. No Liens.** The Owner shall not mortgage, sell, assign, transfer, or convey the Site or any part thereof to any person during the term of this Site Lease, without the written consent of Contractor. Nothing herein shall preclude the Owner from granting utility easements across the Site to facilitate the use and operation of the Project for which it is intended. Contractor warrants that at all times during this Lease, the Site and Project shall remain free and clear of all liens (including mechanic's liens), mortgages, deeds of trust, easements and all other encumbrances, other than liens existing at the time the Project starts, unless the Owner gives Contractor prior written permission to place, or allow to be placed, any liens, mortgages, deeds of trust, easements or other encumbrances on the Site.

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

**11. Assignment and Subleasing.** Other than the Sublease, Contractor will not assign or otherwise dispose of or encumber the Site or this Site Lease without the prior written consent of the Owner.

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

**13. Default.** In the event Contractor shall be in default in the performance of any obligation on its part to be performed under the terms of this Site Lease, which default continues for thirty (30) days following notice and demand for correction thereof to Contractor, the Owner may exercise any and all remedies

granted by law, except that no merger of this Site Lease and of the Sublease shall be deemed to occur as a result thereof.

**14. Eminent Domain.** In the event the whole or any part of the Site or the improvements thereon is taken by eminent domain, the financial interest of Contractor shall be recognized and is hereby determined to be the amount of all Sublease Payments then due or past due and the next succeeding Sublease Payment. The balance of the award, if any, shall be paid to the Owner.

**15. Taxes.** The Owner covenants and agrees that as between Owner and Contractor, Owner shall pay any and all assessments of any kind or character and also all taxes, including possessory interest - taxes, levied or assessed upon the Site or the improvements thereon.

**16. Severability.** If a court of competent jurisdiction shall hold any provision of this Site Lease invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision of this Site Lease, unless elimination of such provision materially alters the rights and obligations embodied in this Site Lease.

**17. Notices.** Any notices or filings required to be given or made under this Site Lease shall be served, given, or made in writing upon the Owner or Contractor, as the case may be, by personal delivery or registered mail (with a copy sent via fax or regular mail) to the respective addresses given below, or at such address as such Party may provide in writing from time to time.

If to Contractor:

**Oral E. Micham, Inc.  
21128 Sentinel Drive  
Woodlake, CA 93286  
Attn: Steve Tindle, VP**

If to Owner:

**Tipton Elementary School District  
370 N. Evans  
Tipton, CA 93272  
Attn. Miguel A. Guerrero, Superintendent**

**18. Binding Effect.** This Site Lease shall inure to the benefit of and shall be binding upon the Parties and their respective successors in interest and permitted assigns, if any.

**19. Amendments and Modifications.** This Site Lease shall not be effectively amended, changed, modified, altered, or terminated without the written agreement of both Parties.

**20. Execution in Counterparts.** This Site Lease may be simultaneously executed in multiple counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.



**21. Applicable Law.** This Site Lease and the rights of the Parties under it shall be governed by and construed in accordance with the laws of California.

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

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

**24. Terms Not Defined.** Capitalized terms used in this Site Lease that are not defined shall have the same meaning as in the Lease-Leaseback Agreement.

\*\*\*\*\*

CONTRACTOR

OWNER

**Oral E. Micham Inc.**

**Tipton Elementary School District**

By: \_\_\_\_\_  
Title: Steve Tindle, Vice-President

By: \_\_\_\_\_  
Miguel A. Guerrero, Superintendent

By: \_\_\_\_\_  
Title: Corporate Secretary

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**EXHIBIT "A"**

**DESCRIPTION OR DEPICTION OF SITE**

(See attached diagram depicting the Site)

**LEASE-LEASEBACK**

**SUBLEASE AGREEMENT**

**Dated as of November 29, 2016**

**Between**

**Tipton Elementary School District**

**and**

**Oral E. Micham Inc.**

**New Multi-Purpose/Gymnasium Building Project**

**Tipton Elementary School**

**LEASE-LEASEBACK  
SUBLEASE AGREEMENT  
NEW MULTI-PURPOSE/GYMNASIUM BUILDING PROJECT**

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**THIS LEASE-LEASEBACK SUBLEASE AGREEMENT** (“Sublease”) is entered into as of November 29, 2016 between Oral E. Micham Inc., a California [corporation] and licensed general contractor (“Contractor”), as lessor, and the Tipton Elementary School District, a California public school district (the “Owner”), as lessee. Owner and Contractor are each a “Party” and together are the “Parties” to this Sublease.

Under California Education Code Section 17406 et seq., the Owner may enter into leases and agreements relating to real property and buildings used by the Owner.

The Owner deems it essential for its own governmental purpose to finance the construction and installation of certain improvements (the “Project”) described in Article 1 and Exhibit A of the Lease-Leaseback Agreement entered into between the Owner and Contractor dated the date of this Sublease (the “Lease-Leaseback Agreement”) and situated on the Site described or depicted in Exhibit A of the Site Lease dated the same date between the Owner and Contractor (the “Site Lease”). The site described or depicted in the Site Lease is referred to in this Sublease as the “Site”.

Under California Education Code Section 17406, the Owner is leasing the Site to Contractor under the Site Lease in consideration of Contractor subleasing the Site, including the Project, to the Owner under the terms of this Sublease.

The Owner owns the Site and under the Lease-Leaseback Agreement has prepared, adopted, and had approved plans and specifications for the completion of the Project as required by California Education Code Section 17402.

In order to finance the tenant improvements defined as the Project, Contractor has obtained third party financing from N/A [NAME OF BANK] at an interest rate of   %. As part of its Sublease Payments (as described in Section 6) to Contractor, District will compensate Contractor for the cost of financing construction of the Project.

The Owner and Contractor agree to mutually cooperate now or hereafter, to the extent possible, in order to sustain the intent of this Sublease and the bargain of the Parties, and to provide payments according to this Sublease on the dates and in the amounts shown in ***Exhibit A*** of this Sublease.

The Owner and Contractor therefore agree as follows:

**1. Sublease.** Contractor subleases to the Owner, and the Owner subleases from Contractor, the Site, including any real property improvements now or later placed on the Site. Following this sentence, reference in this Sublease to the term “Contractor” means Contractor and Contractor's assigns for those rights, interests, and obligations that may be assigned by Contractor. The purpose of this Sublease is (1) for the Owner to have necessary access to and use of the Site at such times and in such a manner as will not impede the construction of the Project; (2) for the Owner to obtain financing for the Project from the

Contractor; and (3) during the term of the Sublease, for the Owner to enjoy beneficial use and occupancy of the Site and the completed Project. During the term of the Sublease, Owner and its agents, employees and invitees may enter into and upon the Site and the Project at all reasonable times necessary for the Owner to conduct its business. During construction of the Project, the Owner shall not unduly disturb, or unreasonably interfere with Contractor's work on the Project and related improvements to the Site. Following completion of the Project, the Owner shall enjoy full and undisturbed use of the Site during the remainder of the Lease Term.

**2. Term.** The term of this Sublease ("Lease Term") shall begin as of the date above and shall be coterminous with the term of the Lease-Leaseback Agreement. Upon termination, the Parties' respective interests under this Sublease will automatically end and be released, and title to the Site and Project will automatically and fully vest in the Owner.

**3. Representations and Warranties of the Owner.** The Owner represents and warrants to Contractor that:

(a) The Owner is a public school district, duly organized and existing under the Constitution and laws of the State of California with authority to enter into and perform all of its obligations under this Sublease.

(b) The Owner'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 Owner is a party by which it or its property is bound.

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

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

(f) The Owner 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.

(g) The Owner shall not abandon the Site for the use for which it is currently required by the Owner and, to the extent permitted by law, the Owner shall not seek to substitute or acquire property to be used as a substitute for the use for which the Site is maintained under the Sublease.

(h) Except as may be permitted under federal or state laws, the Owner shall not allow any hazardous materials or substances to be used or stored on, under, or about the Site.

**4. Representations and Warranties of Contractor.** Contractor represents and warrants to the Owner that:

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

(b) Contractor has full power, authority and legal right to enter into and perform its obligations under this Sublease, and the execution, delivery and performance of this Sublease have been duly authorized by all necessary corporate actions on the part of Contractor 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 Contractor is a party by which it or its property is bound;

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

(e) Contractor will not mortgage or encumber the Site or the Sublease or assign this Sublease or its rights to receive Sublease payments, except as permitted under this Sublease.

## **5. Construction/Acquisition.**

(a) The Owner has entered into the Lease-Leaseback Agreement and the Site Lease with Contractor in order to acquire and construct the Project, while enjoying use of the Site. The cost of the acquisition, construction and installation of the tenant improvements defined as the Project and the Owner's use of the Site under this Sublease is determined by the Total Sublease Amount as set forth in Article 4 of the Lease-Leaseback Agreement.

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

## **6. Sublease Payments.**

(a) Over the term of the Sublease, the Owner will pay to the Contractor the Total Sublease Amount, divided into 16 monthly installments of \$ 369,905.64 [TOTAL SUBLEASE AMOUNT (see Article 4 of Lease-Leaseback Agreement) DIVIDED BY THE NUMBER OF MONTHS IN THE LEASE TERM, THEN INSERT THIS AMOUNT FOR EACH PAYMENT IN EXHIBIT A] (each such installment, a "Sublease Payment"), as set forth in Exhibit A. The Total Sublease Amount includes: (1) all trades and unit costs for the Project, broken down by price based on the sub-bids Contractor has solicited; (2) the cost of insurance for the Project; (3) the cost of bonds for the Project; (4) the General Condition items for which Contractor is responsible, limited to a maximum of \_\_ percent (\_\_%) of the Total Sublease Amount; (5) the Contractor's profit from the Project, limited to a maximum of \_\_\_percent (\_\_%) of the Total Sublease Amount; and (6) the cost of obtaining financing for the Project, which is \_\_\_ percent (\_\_%) of the Total

Sublease Amount. The parties expressly agree that the Total Sublease Amount does not include any amount for contingency or any other allowance factor, that the Total Sublease Amount represents the fair market value for the Project and for use of the Site during the term of the Sublease.

(b) The Owner will adjust the Total Sublease Amount to account for any agreed-upon changes in the scope of the Project or use of the Site during the term of the Sublease. As set forth in the General Conditions, any changes in the Total Sublease Amount shall result in a prorated increase, or decrease, in Sublease Payments made following the adjustment to the Total Sublease Amount.

(c) The obligation of the Owner to pay Sublease Payments shall constitute a current expense of the Owner and shall not in any way be construed to be a debt of the Owner in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the Owner, nor shall anything contained in this Sublease constitute a pledge of the general tax revenues, funds, or moneys of the Owner.

(d) Extension of Lease Term. If the Project will not be completed by the Date for Completion set forth in Article 3 of the Lease-Leaseback Agreement due to delay that is not excusable under the terms of the Contract, including Article 8 of the General Conditions, then the Lease Term shall be extended by one month for each full month of such delay, and District shall either (i) elect not to make a Sublease Payment during construction for each month added to the Lease Term, or (ii) increase the number, and lower the equal dollar amounts, of the remaining equal Sublease Payments based on the months added to the Lease Term.

If the Date for Completion is extended by change orders that grant time extensions for delay pursuant to the Contract, then the Lease Term shall be extended by one month for each full month of total time extensions, and District shall increase the number, and lower the equal dollar amounts, of the remaining Sublease Payments based on the months added to the Lease Term.

If the total delay in completion is only partially entitled to time extensions for excusable delay under the terms of the Contract, then the Lease Term shall be extended by one month for each full month of total delay. If the delays entitled to time extensions are less than half of the total delay in completion, then the District shall elect between the procedures in Section 6(d)(i) and (ii) above; and if such delays are equal to or more than half of the total delay in completion, the District shall proceed pursuant to Section 6(d)(ii) above.

**7. Fair Rental Value.** Sublease Payments shall be paid by the Owner in consideration of the right of possession of, and the continued quiet use and enjoyment of, the Project and the Site during this Sublease. The Parties have agreed and determined that such total rental is not in excess of the fair rental value of the Project and the Site. In making such determination, consideration has been given to the fair market value of the Project and the Site, 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 Site and the benefits from the Project and Site which will accrue to the Owner and the general public, the ability of the Owner to make additions, modifications and improvements to the Project and the Site which are not inconsistent with the Lease-Leaseback Agreement and which do not interfere with Contractor's work on the Project and Site.

**8. Sublease Abatement.** Sublease Payments due 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 Site, there is substantial interference with the use and right of possession by the Owner of the Project and the Site or any substantial portion the Site. 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 Owner in concert with its insurance provider. Contractor's right to dispute these decisions is not impaired. The amount of abatement shall be such that the Sublease Payments paid by the Owner during the period of Project restoration do not exceed the fair rental value of the usable portions of the Site. In the event of any damage or destruction to the Project or the Site, this Sublease shall continue in full force and effect.

**9. Use of Site and Project.** During the term of this Sublease, Contractor shall provide the Owner with quiet use and enjoyment of the Site without suit, or hindrance from Contractor or its assigns. The Owner will not use, operate, or maintain the Site or Project improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Sublease. The Owner shall provide all permits and licenses, if any, necessary for the operation of the Project. In addition, the Owner 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 Site or the Project; provided, however, that the Owner may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of Contractor, adversely affect the estate of Contractor in and to the Site or the Project or its interest or rights under this Sublease. Upon completion of the Project or severable portions thereof, as defined in the General Conditions, Contractor shall provide the Owner with quiet use and enjoyment of the Site without suit or hindrance from Contractor or its assigns, subject to reasonable interference from ongoing construction operations on any remaining portion of the Site under construction by Contractor.

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

**11. Project Acceptance.** The Owner shall acknowledge final inspection and completion of the Project. The Owner's Board shall accept the Work to the extent required by the Contract Documents, including Section 9.7 of the General Conditions. The validity of this Sublease will not be affected by any delay in or failure of completion of the Project.

**12. Lease-Leaseback Agreement and Site Lease.** All of the terms of the Lease-Leaseback Agreement and Site Lease apply to this Sublease as if they were contained in this Sublease.

**13. Alterations and Attachments.** All permanent additions and improvements that are made to, and as



part of, the Project shall belong to and become the property of Contractor until completion of the Project or termination of the Contract, subject to the provisions of sections 2, 21 and 22 of this Sublease. Separately identifiable attachments added to the Project by the Owner shall remain the property of the Owner.

**14. Physical Damage; Public Liability Insurance.** The Contractor and the Owner shall maintain such damage and public liability insurance policies with respect to the Project and the Site as are required of them by the Lease-Leaseback Agreement.

**15. Taxes.** The Owner shall keep the Project and the Site 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 later be imposed upon the ownership, leasing, renting, sale, possession, or use of the Project and the Site, excluding, however, all taxes on or measured by Contractor's income.

**16. Indemnity.** In addition to the indemnification set forth in Article 10 of the Lease-Leaseback Agreement, to the extent permitted by law, and with the exception of the Contractor's responsibilities as "Contractor" under the Lease-Leaseback Agreement, the Owner shall, with respect to the Project and the Site, indemnify Contractor against and hold Contractor harmless from any and all claims, actions, suits, proceedings, costs, expenses, damages, and liabilities, including attorneys' fees, arising out of, connected with or resulting from any acts of omission or commission by the Owner'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 Site, including without limitation, the construction, possession, use or operation of the Project and further, the Owner agrees, to the extent the law allows, to indemnify Contractor against and hold Contractor 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 Site or the Project; provided, however, that the Owner shall not be required to indemnify Contractor in the event that such liability or damages are caused by the negligence or intentional misconduct of Contractor.

**17. 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 Owner fails to make any unexcused Sublease Payment (or any other payment) within 15 days after its due date; (b) the Owner or the Contractor fails to perform or observe any other covenant, condition or agreement to be performed or observed by it under this Sublease and such failure to either make the payment or perform the covenant, condition or agreement is not cured within 10 days after written notice of it by the other Party; (c) the discovery by a Party that any statement, representation or warranty made by the other Party in this Sublease, or in any document ever delivered by that other Party under or in connection with this Sublease is misleading or erroneous in any material respect; or (d) a Party 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 Party or of all or a substantial part of its assets, or a petition for relief is filed by the Party under federal bankruptcy, insolvency or similar laws.

**18. Remedies on Default.** Upon the happening of any Event of Default, the non-defaulting Party may exercise all remedies available under the Contract, including but not limited to Article 14 of the General Conditions. In a Contractor Event of Default, Owner may withhold Sublease Payments. Despite any Sublease provisions to the contrary, Contractor 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.

**19. Non-Waiver.** No covenant or condition to be performed by the Owner or Contractor under this Sublease can be waived except by the written consent of the other Party. Forbearance or indulgence by the Owner or Contractor in any regards whatsoever shall not constitute a waiver of the covenant or condition in question. Until complete performance by the Owner or Contractor of a 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 that forbearance or indulgence.

**20. Assignment.** Without the prior written consent of Contractor, the Owner shall not (a) assign, transfer, pledge, or hypothecate this Sublease, the Project and the Site, or any part of them, or any interest in them, or (b) sublet or lend the use of the Project or any part of it, except as authorized by the provisions of the California Civic Center Act, Education Code Section 38130 *et seq.* Consent to any of the prohibited acts listed applies only in the given instance and is not a consent to any subsequent like act by the Owner or any other person. Contractor 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 Site to the Owner upon full satisfaction of the Owner's obligations under this Sublease; however, Contractor may assign its right, title and interest in this Sublease, the Sublease Payments and other amounts due under this Sublease and the Project in whole or in part to one or more assignees or subassignees at any time without the consent of the Owner. No assignment shall be effective as against the Owner unless the Owner is so notified in writing. The Owner shall pay all Sublease Payments according to the direction of Contractor or the assignee named in the most recent assignment or notice of assignment. During the Sublease term, the Owner 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.

**21. Ownership.** The Project is and shall at all times be and remain the sole property of Contractor until completion of the Project or termination of the Contract, and the Owner shall have no right, title, or interest in or to it until completion of the Project or termination of the Contract, except as expressly set forth in this Sublease (including, but not limited to, Section 2, above).

**22. Release of Liens.**

(a) Upon the Owner executing a Certificate of Acceptance and filing a Notice of Completion on the Project, as defined in the General Conditions, Contractor or its assignee and the Owner shall release Contractor's leasehold interest in the Project.

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

**23. Severability.** If a court of competent jurisdiction shall hold any provision of this Sublease invalid or unenforceable, such holding 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.

**24. Entire Agreement.** This Sublease, the Site Lease, the Lease-Leaseback Agreement, and the Contract Documents that make up the “Contract” constitute the entire agreement between the Parties with respect to the Project, and it shall not be amended, altered, or changed except by a written agreement signed by both Parties.

**25. Notices.** Any notices or filings required to be given or made under this Sublease shall be served, given, or made in writing upon the Owner or Contractor, as the case may be, by personal delivery or registered mail (with a copy sent via fax or regular mail) to the respective addresses given below, or at such address as such Party may provide in writing from time to time.

If to Contractor:

**Oral E. Micham, Inc.  
21128 Sentinel Drive  
Woodlake, CA 93286  
Attn: Steve Tindle, VP**

If to Owner:

**Tipton Elementary School District  
370 N. Evans  
Tipton, CA 93272  
Attn. Miguel A. Guerrero, Superintendent**

**26. Headings.** The captions or headings in this Sublease are for convenience only and in no way define, limit or describe the scope or intent of any provisions of this Sublease.

**27. Time.** Time is of the essence in this Sublease and all of its provisions.

**28. Sublease Interpretation.** This Sublease and the rights of the Parties under it shall be governed by and construed in accordance with the laws of California.

**29. Execution in Counterparts.** This Sublease may be simultaneously executed in multiple counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

**30. Terms Not Defined.** Capitalized terms used in this Sublease that are not defined shall have the same meaning as in the Lease-Leaseback Agreement or General Conditions.

\* \* \* \* \*

**CONTRACTOR:**

**OWNER:**

**Oral E. Micham Inc.**

**Tipton Elementary School District**

BY: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: Steve Tindle, Vice President

Miguel A. Guerrero, Superintendent

BY: \_\_\_\_\_

TITLE: CORPORATE SECRETARY

***EXHIBIT A***

**SCHEDULE OF SUBLEASE PAYMENTS**

The term of this sublease shall commence as of the date shown on page 1 of this Sublease. Sublease payments shall be paid monthly in accordance with the Contract Documents and the total Sublease Payments made shall not exceed the amount of the final Total Sublease Amount as defined in Article 4 of the Lease-Leaseback Agreement.

Notwithstanding the foregoing, the term of this Sublease may be extended and payment options may be modified by written agreement of the Parties hereto.

The initial schedule of Sublease Payments shall be as follows:

<u>Payment No.</u>	<u>Date Payment Is Due</u>	<u>Amount of Payment</u>
1	_____, 20__	\$ 369,905.64
2	_____, 20__	\$ 369,905.64
3	_____, 20__	\$ 369,905.64
4	_____, 20__	\$ 369,905.64
5	_____, 20__	\$ 369,905.64
6	_____, 20__	\$ 369,905.64
7	_____, 20__	\$ 369,905.64
8	_____, 20__	\$ 369,905.64
9	_____, 20__	\$ 369,905.64
10	_____, 20__	\$ 369,905.64
11	_____, 20__	\$ 369,905.64
12	_____, 20__	\$ 369,905.64
13	_____, 20__	\$ 369,905.64
14	_____, 20__	\$ 369,905.64
15	_____, 20__	\$ 369,905.64
16	_____, 20__	\$ 369,905.65
	_____, 20__	_____.



### **3. ADMINISTRATIVE: Action items:**

**3.2** Approval of Agreement with Thomas A Hirst for Project Inspector for the Multi-Purpose Building Project

**TIPTON ELEMENTARY SCHOOL DISTRICT  
AGREEMENT FOR PROFESSIONAL SERVICES**

**2016-17 -02  
Agreement No**

This Agreement is entered into between the Tipton Elementary School District hereinafter referred to as the "District," and hereinafter referred to as the "Contractor" and dated, for reference, **Thomas Arthur Hirst**.

The parties agree as follows:

- I. CONSULTANT SERVICES Contractor agrees to perform during the term of this Agreement, the tasks, obligations and services set forth in the "Scope of Services" attached to and incorporated into this Agreement as "Appendix A".
2. PAYMENT Contractor agrees to undertake the work defined in Appendix A for:  
**b. \$8,000 per month.**

In addition to these rates, Tipton Elementary School District will, reimburse Contractor for actual and necessary travel expenses, which will include meals and lodging only if overnight stay is required. Car travel outside of Tulare County or by air will not be reimbursed unless previously approved by an authorized agent, Superintendent.

All payments will be based on invoices submitted to the Tipton Elementary School District by Contractor and approved by the District's authorized representative.

Contractor will invoice the District not more frequently than monthly for services performed and expenses incurred during the previous month. The District will render payment thirty (30) days of receipt of invoice, except that if payment is based on a total price under (a) above, the District will retain ten percent ( 10%) of the total contract amount (other than travel expenses) until all services under this Agreement have been completed satisfactorily.

3. TERM OF AGREEMENT The term of this Agreement begins on **August 1, 2016** and ends **June 30, 2017**. Extension or renewal requires approval of the Superintendent or authorized representative. Unless compensation is fixed on the basis of a daily or hourly rate, compensation will not be increased upon extension of the Agreement without approval of the Superintendent or authorized representative.

This Agreement may be terminated by the District at any time on 15 days prior written notice to the Contractor. In the event of termination for reasons other than cause, the District will pay the Contractor for work done up to the time of termination. In the event of termination for cause, Contractor need be compensated only to the extent required by law.

4. TIME FOR PERFORMANCE All services required of the Contractor will be completed on or before the specified end of the term.
5. RECORDS Contractor will maintain full and accurate records in connection with this Agreement and will make them available to the District for inspection at any time. Contractor's work product produced under this Agreement shall be the property of the District.
6. STATUS OF CONTRACTOR The District and Contractor agree that Contractor, in performing the services specified in this Agreement, shall act as an independent Contractor and shall have control of all work and the manner in which it is performed. Contractor shall be free to contract for similar service to be performed for other employers while under contract with the District. Contractor will not accept such engagements, which interfere with performance under this Agreement. Contractor is not entitled to participate in any pension plan, insurance, bonus or similar benefits the District provides for its employees.

It is further agreed that Contractor shall:

- be responsible for setting their own work schedule and work hours;
- provide for their own supplies, tools or instruments used at work;
- work out of their own home, office or business establishment and not from a set location at any District site; and
- abide by any and all factors affecting independent contractor status.

7. HOLD HARMLESS Contractor shall hold Tipton Elementary School District, its officers, agents, and employees harmless from all suits, claims and liabilities resulting from negligent acts or omissions of Contractor, its officers, agents or employees taken under this Agreement.
8. COMPLIANCE WITH LAWS Contractor shall comply with all applicable federal, state and local laws, rules, regulations and ordinances involving its employees, including workers' compensation and tax laws.
9. MODIFICATION OR ASSIGNMENT. This Agreement may not be assigned by either party without the express written consent of the other. No modification shall be effective unless approved in writing by the Superintendent or authorized agent and authorized representatives of the parties and their business addresses as follows:

IN WITNESS THEREOF, the parties hereto have executed this Agreement on the date written below.

CONTRACTOR

TIPTON ELEMENTARY SCHOOL DISTRICT

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Approved by Date

\_\_\_\_\_  
Print Name Phone #

\_\_\_\_\_  
Print Name Title

\_\_\_\_\_  
Social Security No/ Employee ID Number

\_\_\_\_\_  
Address

\_\_\_\_\_  
City

**OFFICE USE ONLY:**

\_\_\_\_\_  
Requested by: District Administrator

\_\_\_\_\_  
Date

\_\_\_\_\_  
Source of funding

\_\_\_\_\_  
Budget Classification

**SUBMIT INVOICE TO:**

Fingerprint Clearance: T.B. Clearance  
Yes \_\_\_ No \_\_\_ Yes \_\_\_ No \_\_\_

Business Office  
Tipton Elementary School District  
P.O. Box 787  
Tipton, CA. 93272



**3. ADMINISTRATIVE: Action items:**

**3.3** Approval of with CTL-SEE'S, Inc for Construction Testing and Inspection Services

# CTL - SEE'S, INC. CONSOLIDATED TESTING LABORATORIES

October 28, 2016

Mr. Miguel Guerrero, Superintendent  
 Tipton Elementary School District  
 P.O. Box 787  
 Tipton, CA 93272

RE: CONSTRUCTION TESTING & INSPECTION SERVICES ESTIMATE for Tipton Elementary School New Multi-Purpose Gymnasium Building, 1070 N. Evans Road, Tipton, California

Dear Mr. Guerrero:

We greatly appreciate and thank you for the opportunity to fulfill your request for a proposal and to submit this fee estimate/proposal for professional construction testing and inspection services on the above-referenced project. Our fee schedule and General Conditions below itemizes each area of work with unit cost breakdowns.

**\*\*\*As shown on the following table, the anticipated unit cost for our services for this project:**

## PHASE I BUILDING 800

DESCRIPTION	UNIT	UNIT COST	TOTAL COST
<b>PARKING LOT</b>			
Sub-grade compaction	10 hrs.	\$90/hr.	\$900.00
Base compaction	10 hrs.	\$90/hr.	\$900.00
Curb & gutter-compaction	6 hrs.	\$90/hr.	\$540.00
Storm drain-compaction	20 hrs.	\$90/hr.	\$1,800.00
Underground utility-compaction	10 hrs.	\$90/hr.	\$900.00
Maximum Density Curves	4	\$185/ea.	\$740.00
Engineer review	3 hrs.	\$175/ea.	\$525.00
Administrative Typist	3 hrs.	\$60/hr.	\$180.00
<b>Subtotal for Parking lot</b>			<b>\$6,485.00</b>

DESCRIPTION	UNIT	UNIT COST	TOTAL COST
<b>STRUCTURAL CONCRETE</b>			
Concrete sampling – footings/slabs	24 hrs.	\$90/hr.	\$2,160.00
Compressive Strength Test (Set of 4)	15 sets	\$100/set	\$1,500.00
Sample Pick-up	10 hrs.	\$75/hr.	\$750.00
Batch Plant Inspection	4 hrs.	\$90/hr.	\$360.00
<b>Subtotal for Concrete</b>			<b>\$4,770.00</b>

**PHASE I BUILDING 800**

<b>MASONRY</b>			
Prepare grout and mortar samples	20 hrs.	\$90/hr.	\$1,800.00
Compression strength of grout	5 sets	\$90/hr.	\$450.00
Compression strength of mortar samples	8 sets	\$100/set	\$800.00
Block testing ASTM C140	1 sets	\$700/LS	\$700.00
Sample pick-up	20	\$75/hr.	\$1,500.00
Core blockwall	1	\$700/LS	\$700.00
Shear test blockwall cores	3	\$100/ea.	\$300.00
Compression test blockwall cores	3	\$65/ea.	\$195.00
<b>Subtotal for Masonry</b>			<b>\$6,455.00</b>

DESCRIPTION	UNIT	UNIT COST	TOTAL COST
<b>STRUCTURAL STEEL</b>			
Shop welding	80 hrs.	\$100/hr.	\$8000.00
Field welding	40 hrs.	\$100/hr.	\$4000.00
High Strength Bolting	10 hrs.	\$90/hr.	\$900.00
Material I.D. Bolt testing	2 sets	\$110/set	\$220.00
<b>Subtotal for Steel</b>			<b>\$13,120.00</b>

DESCRIPTION	UNIT	UNIT COST	TOTAL COST
<b>REBAR</b>			
Tag ID Rebar	16 hrs.	\$90/hr.	\$1,440.00
Tensile/Bend	10 sets	\$125/set	\$1,250.00
<b>Subtotal for Rebar</b>			<b>\$2,690.00</b>

DESCRIPTION	UNIT	UNIT COST	TOTAL COST
<b>MISC TESTS</b>			
Torque test	10 hrs.	\$90/hr.	\$900.00
Anchor Bolts/Pull Test	15 hrs.	\$90/hr.	\$1,350.00
Vapor Emission Test	12 hrs.	\$90/hr.	\$1,080.00
Vapor Emission Test Kits	15 tests	\$65/ea.	\$975.00
<b>Subtotal for Misc.</b>			<b>\$4,305.00</b>

**PHASE I BUILDING 800**

<b>REPORT PREPARATIONS</b>			
Registered Geotech/Civil Engineer's review-site visit	8 hrs.	\$175/hr.	\$1,400.00
Project Manager	10 hrs.	\$90/hr.	\$900.00
Administrative Typist	15 hrs.	\$60/hr.	\$900.00
<b>Subtotal of Report Preparations</b>			<b>\$3,200.00</b>

**PHASE II BASKETBALL COURTS**

<b>DESCRIPTION</b>	<b>UNIT</b>	<b>UNIT COST</b>	<b>TOTAL COST</b>
<b>BASKETBALL COURTS</b>			
Compaction- basketball courts	10 hrs.	\$90/hr.	\$900.00
Asphalt compaction testing	10 hrs.	\$90/hr.	\$900.00
Maximum Density Curves	4	\$185/ea.	\$740.00
Engineer review	3 hrs.	\$175/ea.	\$525.00
Administrative Typist	3 hrs.	\$60/hr.	\$180.00

<b>QUALITY CONTROL TESTING ON ASPHALT CONCRETE PAVEMENT</b>			
Sieve Analysis	2	\$100/ea.	\$200.00
Oil Content	2	\$150/ea.	\$300.00
Maximum Density	1	\$210/ea.	\$210.00
<b>Subtotal for BASKETBALL COURTS</b>			<b>\$3,955.00</b>

**PHASE III ON-SITE PARKING LOT**

DESCRIPTION	UNIT	UNIT COST	TOTAL COST
<b>PARKING LOT</b>			
Sub-grade compaction	10 hrs.	\$90/hr.	\$900.00
Base compaction	10 hrs.	\$90/hr.	\$900.00
Curb & gutter-compaction	6 hrs.	\$90/hr.	\$540.00
Storm drain-compaction	20 hrs.	\$90/hr.	\$1,800.00
Underground utility-compaction	10 hrs.	\$90/hr.	\$900.00
Asphalt compaction testing	10 hrs.	\$90/hr.	\$900.00
Maximum Density Curves	4	\$185/ea.	\$740.00
Engineer review	3 hrs.	\$175/ea.	\$525.00
Administrative Typist	3 hrs.	\$60/hr.	\$180.00
<b>Subtotal for Parking lot</b>			<b>\$7,385.00</b>

QUALITY CONTROL TESTING ON ASPHALT CONCRETE PAVEMENT			
Sieve Analysis	2	\$100/ea.	\$200.00
Oil Content	2	\$150/ea.	\$300.00
Maximum Density	1	\$210/ea.	\$210.00
<b>Subtotal for Asphalt Concrete</b>			<b>\$710.00</b>

**PHASE III-SMITH ROAD  
 OFFSITE (If Required)**

DESCRIPTION	UNIT	UNIT COST	TOTAL COST
<b>QUALITY CONTROL TESTING – COUNTY RIGHT-A-WAY SMITH ROAD</b>			
Compaction testing – Sub-grade	12 hrs.	\$90/hr.	\$1,080.00
Compaction testing – Base	9 hrs.	\$90/hr.	\$810.00
Compaction testing – Asphalt	8 hrs.	\$90/hr.	\$720.00
Compaction testing – Underground utilities	12 hrs.	\$90/hr.	\$1,080.00
Compaction testing – Sidewalk	8 hrs.	\$90/hr.	\$720.00
Maximum Density	4	\$210/ea.	\$840.00
<b>Subtotal for Concrete</b>			<b>\$5,250.00</b>

DESCRIPTION	UNIT	UNIT COST	TOTAL COST
<b>QUALITY CONTROL TESTING ON ASPHALT CONCRETE PAVEMENT</b>			
Sieve Analysis	2	\$100/ea.	\$200.00
Oil Content	2	\$150/ea.	\$300.00
Maximum Density	1	\$210/ea.	\$210.00
Engineer review	3 hrs.	\$175/ea.	\$525.00
Administrative Typist	3 hrs.	\$60/hr.	\$180.00
<b>Subtotal for Concrete</b>			<b>\$1,415.00</b>

**TOTAL ESTIMATED COST FOR TESTING AND INSPECTION SERVICES WITHOUT OFF-SITE  
 = \$53,065.00**

**TOTAL ESTIMATED COST FOR TESTING AND INSPECTION SERVICES WITH OFF-SITE  
 = \$59,730.00**

**Inclusions, Exclusions, and Clarifications**

- The fee schedule prices are good for 30 days from the date of this proposal or the duration of the project.
- The fee schedule prices reflect the changes to Section 1720 (ref. SB1999) of the Labor Code requiring inspectors and Land Surveyors be paid general prevailing wage during all phases of construction. This amendment to Section 1720 of the Labor Code (approved 9/28/00) became effective Jan. 2001.
- CTL-SEE'S, Inc. charges a three (3.0) hour minimum for Soil Technician time and four (4) hour minimum for Welding Inspector time per site visit portal-to-portal and one (1.0) hour increments thereafter.
- Standard working hours are from 7 A.M. to 5:00 P.M. Monday through Friday. Any work performed beyond 8 hours per day and Saturdays will be billed at 1.5 times the hourly rate noted above. Services rendered on holidays, Sundays, in excess of 8 hours on Saturdays, or in excess of 12 hours on weekdays, will be charged at double the normal rate.
- Services will be performed on a "time and materials" basis.
- All inclement weather cancellations without 12-hour notice of cancellation will be subject to 2 hour minimum charges per day canceled.
- This proposal does not include "Inspector of Record" responsibilities, project oversight, or construction management services.
- It is assumed that all Shop Inspection will occur between Fresno and Bakersfield California. Additional cost will occur for Shop Inspection beyond those areas.

CTL-SEE'S, Inc. takes great pride in our ability to provide quality service to our clients' projects and we anticipate that you will be pleased with the selection of our firm. Again, we appreciate the opportunity to provide this estimate and we look forward to working with you on this project. If you have any questions and or require any additional information, please contact me at (559) 592-3555. If this estimate is acceptable, please sign and return to our office by mail or facsimile.

Respectfully submitted,

*CTL-SEE'S, INC.*



Shannon Bennett  
Vice President

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

SB/rc